



WRAP UP & EXAM PREP

A network effect exists when the value of a good increases because the number of people using the good increases.

- Also called: “demand-side economies of scale”
- ...the more people own a fax machine, the more valuable the fax is to each owner because they can reach more people



There are five types of platforms

1. Advertising platforms
2. Cloud platforms
3. Industrial platforms
4. Product platforms
5. Lean platforms



Amazon incorporates all platform models into its business.

Nobody wants to be the first person on a new platform

The economists Joseph Farrell and Garth Saloner labeled this issue the “penguin problem.”

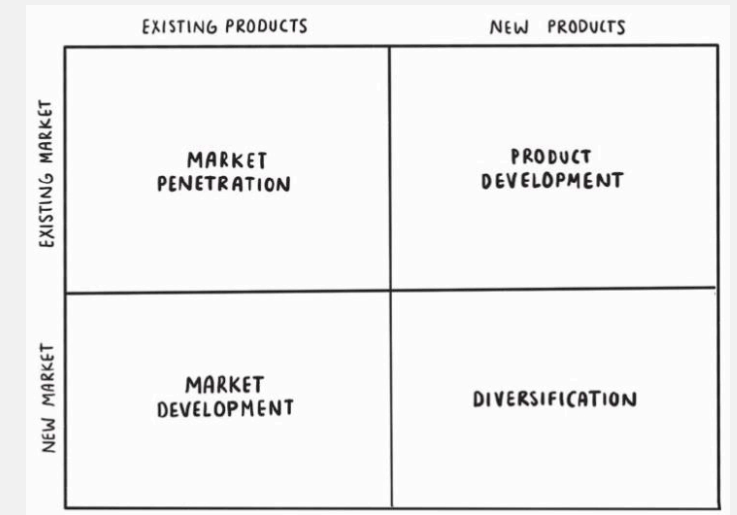
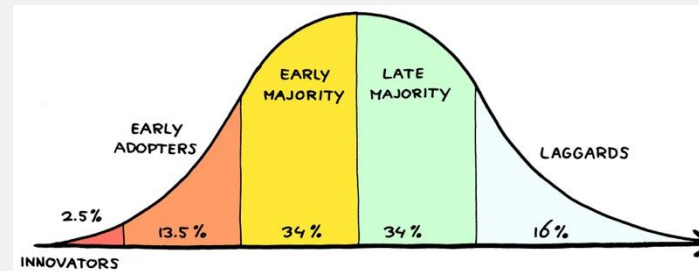
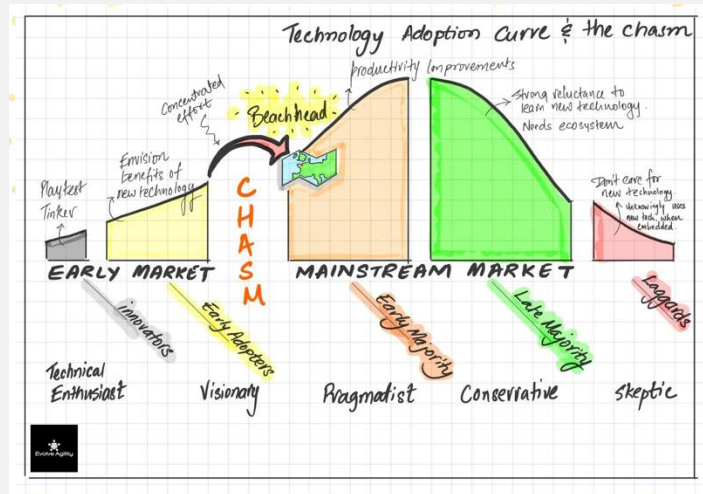


There are eight different strategies for tackling the chicken & egg problem

1. The follow-the-rabbit-strategy
2. The piggyback strategy
3. The seeding strategy
4. The marquee strategy
5. The single-side strategy
6. The producer evangelism strategy
7. The big-bang adoption strategy
8. The micromarket strategy



Remember to connect to course theories and concepts (and cite!)



What to measure, when?

- All platform metrics should focus on measuring aspects of positive interaction that contribute to creating positive network effects and viral growth loops
- Startup-phase: Focus on liquidity, matching, and trust
- Growth-phase: Focus on the relative size of various user groups, the lifetime value of producers and consumers, and the sales conversion rate.
- Maturity-phase: Focus on new functionalities that provide user value and identifying strategic threats from competitors that require a response





The Value of Data for Platform Managers

- Understanding User Behaviour
 - Platforms learn a lot about their users analysing their data in areas such as: user segments and sub-segments; core exchange; value proposition; pricing; quality control mechanisms.
- The Logic: Learning from the past about the future.

Bentham's Panopticon

Central observation.

Seeing without being seen.

Inmates know that at any time they might be being watched.



Jeremy Bentham 1748 – 1832

Ethics & Inequality

- **Power Asymmetries:** Platforms exercise significant control over participants through design choices, algorithmic curation, and terms of service
- **Gig work:** Precarious work conditions, lack of benefits, and algorithmic management in platform-mediated labour
- **Data and Privacy:** Platforms collect vast amounts of personal data, raising concerns about surveillance capitalism
- **Algorithmic Accountability:** The "black box" nature of algorithms creates challenges for transparency, fairness, and bias
- **Market Concentration and Competition:** Platform economics tend toward winner-takes-all dynamics, raising antitrust concerns and questions about innovation, consumer choice, and market fairness

The fundamentals of good governance

Governance is the set of rules concerning who gets to participate in an ecosystem, how to divide the value, and how to resolve conflicts.

1. Always create value for the customers you serve.
2. Don't use your power to change the rules in your favor.
3. Don't take more than a fair share of the wealth.

Bad governance can lead to market failure

Common strategies to deal with regulation

- Ignorance
- Compliance
- Lobbying





exam



Reflective exam is about your thinking

Those who value both critical and tacit knowledge will become the new elite, capable of generating new insights.

(Laura Kolbe , Professor of history , University of Helsinki)

When we don't use our brain noting sticks to our memory, causing us to become purely reactive beings. It will be disastrous if we only react to stimulation without deeper thinking what kind of life we want to lead.

(Katri Saarikivi, Neuroscientist, University of Helsinki)

(Helsingin Sanomat, 6.9.2025)

What is reflection

- Reflection enables for deeper learning and critical thinking
- Reflection is the process of bringing hidden beliefs to the surface, examining them critically, and understanding how they influence daily experiences and decision-making.
- Reflection requires intentional effort and often benefits from external perspectives to help us see what we cannot see on our own (eg. group work and class discussions)
- Reflection challenges students to move beyond surface-level descriptions



Reflective thinking leads to better learning

- Reflective thinking and writing challenge students to move beyond surface-level descriptions to examine why certain approaches were chosen, how team dynamics influenced outcomes, and what underlying assumptions guided their decision-making processes.
- When students have to argue their choices using course literature, they are compelled to bridge the gap between theoretical knowledge and practical application, creating deeper and more lasting learning.
- Reflective practices develop critical thinking
- Reflective skills enable students to become analytical practitioners who can learn from their experiences rather than simply accumulating them



Learning objectives

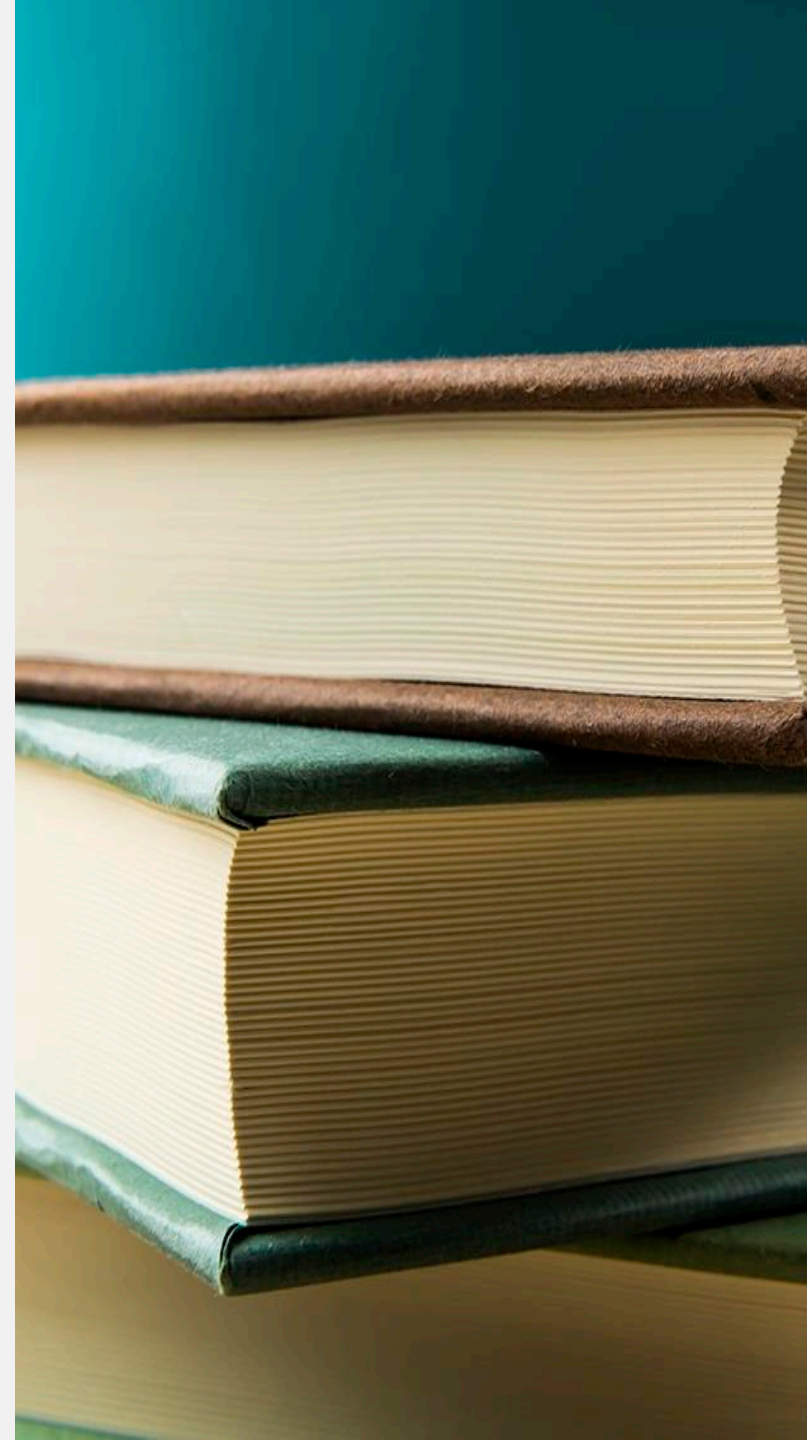
- Define different types of platform businesses and their characteristics;
- Correctly use analytical frameworks and concepts to analyse platform and networked businesses based on the required readings;
- Have the ability to generate management-relevant insights into how theories from the required readings can help assess business opportunities and risks but also reflect on their limitations;
- Discuss the competitive dynamics in industries with strong network effects and platform businesses

<https://kursuskatalog.cbs.dk/2023-2024/BA-BHAAV6034U.aspx>



Referencing

- Use literature widely not only the course book
- Reference inside the text (author last name, year) for example (Srnicek, 2017)
- Include bibliography where your sources are fully covered. For example,
Srnicek, N. (2017). *Platform capitalism*. John Wiley & Sons.
- Avoid citing the class slides. If necessary, then use the same style (lecturer's last name, year)
 - In bibliography:
Haataja. V. (2025). Platform ethics. [PowerPoint slides]



What to expect?

- Reflective exam where you **describe** your platform idea and **argue** for your decisions **using the course literature**, concepts, theories and vocabulary
- This exam is designed to assess your **learning journey** throughout the course by having you reflect critically on your group's platform development process.
- The focus is on **demonstrating your thinking**, decision-making, and ability to apply course concepts **rather than** presenting a **perfect final product**.
- During the exam, **you have the opportunity to further develop ideas** that remained incomplete during class sessions, **refine** aspects of your platform based on your current understanding, **propose changes** or improvements you would make if starting over, and complete analysis or frameworks you didn't have time to finish in class.



In short...

- Support your reflections with specific examples from your group's platform development process.
- Reference course theories, frameworks, and readings in your analysis.
- Demonstrate critical thinking by acknowledging limitations, trade-offs, and alternative perspectives.
- Show how your understanding evolved throughout the course.
- Connect your specific platform experience to broader patterns in platform business management and its implications to society.
- Some answers can be shorter than others. For some questions you might have more substantial answers than others. Depends on your platform design as well.



What we expect

- The quality of your reflection matters more than the sophistication of your platform idea.
- A simple platform concept with deep, critical analysis will score higher than a complex idea with superficial reflection.
- We want to see that you've genuinely engaged with the material and learned from the process of applying theory to practice
- Your honest reflection matters, particularly your ability to identify what worked, what didn't, and what you would do differently.



What we expect

- Be analytical by not just describing what happened but explaining why and evaluating alternatives.
- Be personal, as this is about your group's experience, not generic platform theory. Write in first person.
- It's not about defending every choice you made or pretending your platform is flawless. Strong answers will acknowledge limitations, mistakes, and trade-offs in your decisions.
- Bad ideas and poor decisions are excellent learning opportunities. Your ability to analyse why something didn't work is just as valuable as explaining what succeeded



What is expected from an excellent reflective answer

- The answer produces excellent syntheses, i.e., analytical summaries in relation to the course materials and brings various examples.
- The text forms a cohesive analytical whole and goes deep into a couple of the most central subject areas. (quality over quantity)
- The answer analyses the given question profoundly and considers even opposing viewpoints and arguments.
- The answer meets the formal criteria and learning outcomes and is additionally excellent in terms of readability and structure.
- Uses the technical vocabulary and concepts from the course and referencing

Helpful points to think when reflecting and writing about your experiences/challenges/decision making

- 1. Recognizing a situation as problematic
- 2. Considering the difference it makes to define the problem one way rather than another (evaluating the situation from different perspectives)
- 3. Developing a possible line of action as a response to the problem
- 4. Evaluating potential actions in terms of their likely consequences
- 5. Taking actions that are felt to be likely to address the problematic situation