

# Decision Theory I

**Guidance**

**Noritomo OUCHI**

# Course Objectives

The platform business has attracted an increasing amount of attention from industry professionals and academics alike.

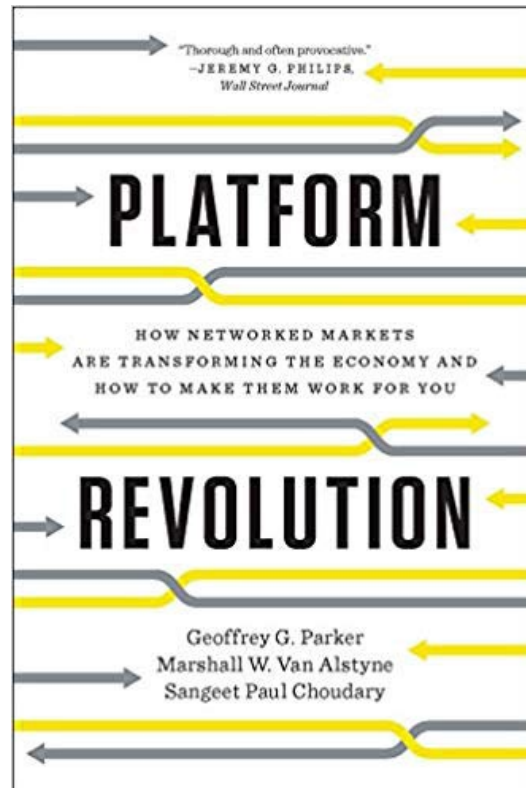
Platforms are products and services that bring together groups of users in two-sided networks.

Upon completion of this course, students will be able to understand the platform business model and the important factors in relation to users' decision making to join a platform or not.

# Text

Geoffrey G. Parker, Marshall W. Van Alstyne, Sangeet Paul Choudary,  
**Platform Revolution: How Networked Markets Are Transforming the  
Economy and How to Make Them Work for You**

W W Norton & Co Inc (2017)



# Lecture Plan

1	4/8	ガイダンス
2	4/15	担当決め・プラットフォームビジネスとは？
3	4/22	受講者数によって調整
4	4/29	
5	5/13	ゲストスピーカーによる講演
6	5/20	受講者数によって調整
7	5/27	
8	6/3	
9	6/4	
10	6/10	
11	6/17	
12	6/24	
13	7/1	
14	7/8	
15	7/15	

# Evaluation

Evaluations will be based on presentations and exercises in the class (50%) and a final report (50%).

# Submission of presentation material

Submit your presentation material to Webex Teams.

by **17:00 of the day before your presentation.**

# Contact

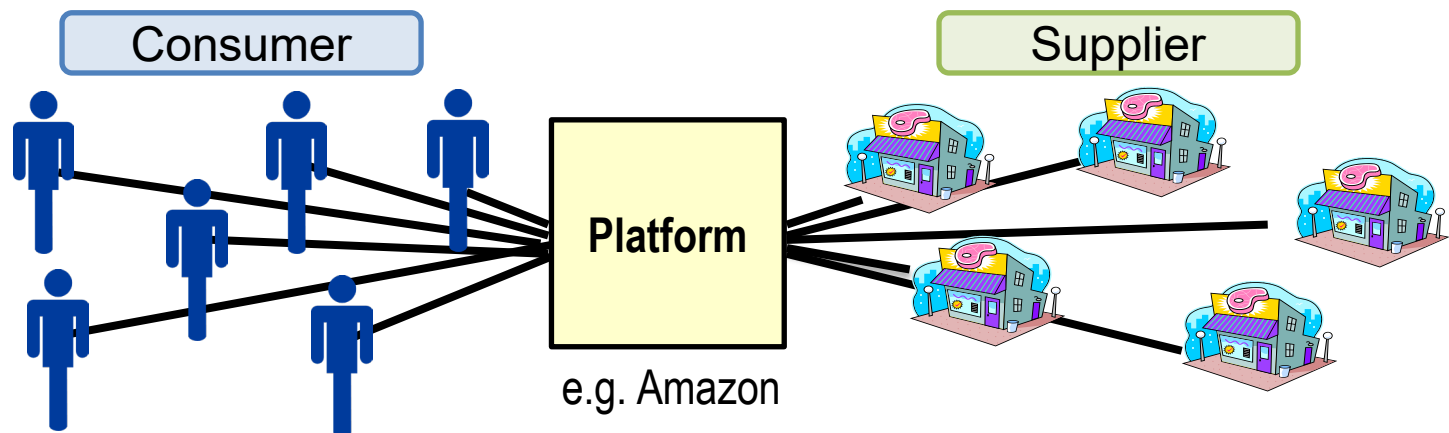
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# Platform Business

- Platforms are products and services that bring together groups of users in two-sided networks (Hagiu, 2008).
- Platform providers earn a profit by offering the platform infrastructures and rules for different user groups' exchanges.





# Platform Business

- A large number of the world's most valuable companies by market capitalization were platform companies, including Apple, Microsoft, Google, Amazon, and Facebook.



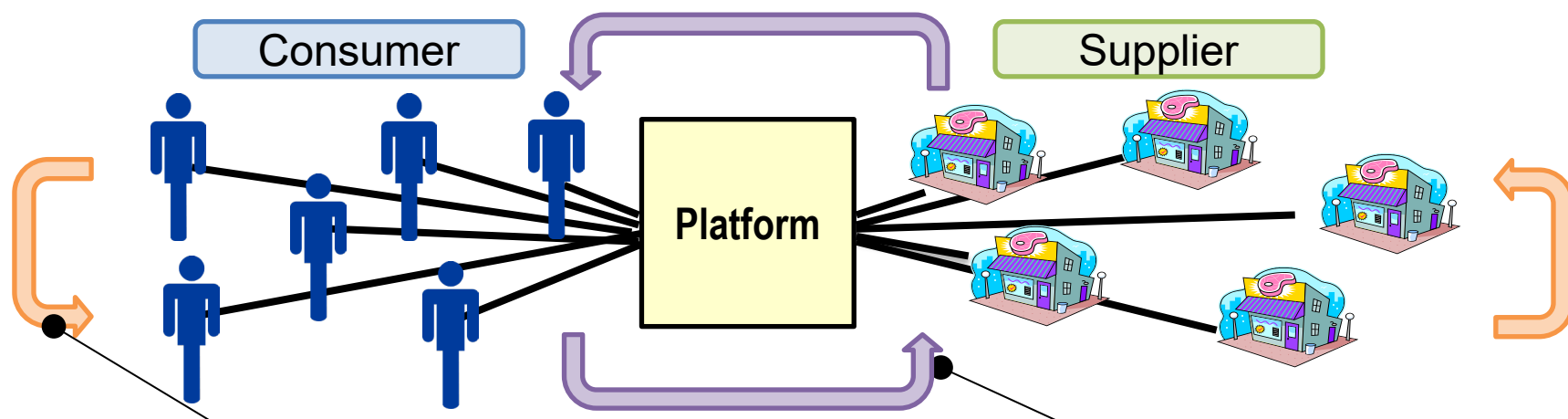
- Nowadays, sharing economy service (eBay, Airbnb, Uber etc.), which is a kind of platform business, has attracted a substantial amount of attention.



# Network Effects

- Network effects are important factors in relation to users' decision making to join a platform or not.
- It is critical for providers to increase the number of users in a given platform.

Eisenmann et al.(2007)



## Same-side network effects

Each group's members may also have preferences regarding the number of users in their own group.

## Cross-side network effects

The platform's value to any given user largely depends on the number of users on the network's other group.