



## Benefits of online platforms to consumers and businesses

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of online platforms  
to consumers  
and businesses**

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Session: Internet services role in  
spurring job creation and growth

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### Overview

Online  
platforms

- What is an online platform?
- How do consumers and businesses use platforms?
- What effects do platforms have on consumers?
- What effects do platforms have on businesses?

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## What is an online platform?

The definition of online platforms is fuzzy

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### Online

- websites and apps
- available on the Internet
- brick-and-mortar businesses with Internet presence?
- blurry line between mobile Internet and classic mobile services?

### Platforms

- multi-sided platforms
- but what is a multi-sided platform?
  - (pure) intermediary: how much 'control' is allowed?
- matching function: centralised or decentralised?
- does there have to be an exchange (financial or otherwise)?

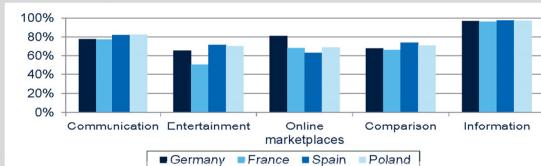
According to a 'common-sense' definition, examples of online platforms include

- communication services such as Facebook, Google+, Skype, Viber;
- entertainment services such as YouTube, Dailymotion, Instagram;
- online marketplaces and comparison services such as eBay, TripAdvisor, Kayak;
- information services such as Google, Wikipedia, Yellow pages and many others.

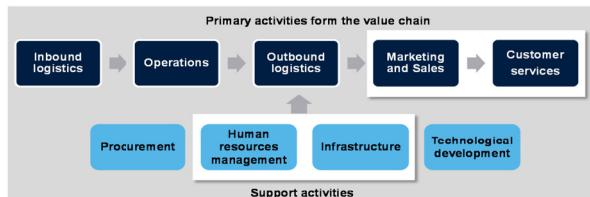
## How do consumers and businesses use platforms?

## Platforms are widely used by businesses and consumers for a variety of purposes

- survey of 1,500 Internet users per country
- to understand usage behaviour and perceptions of five types of online platform
- most consumers use a wide range of platforms
- consistent across countries

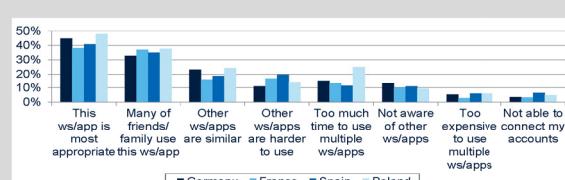
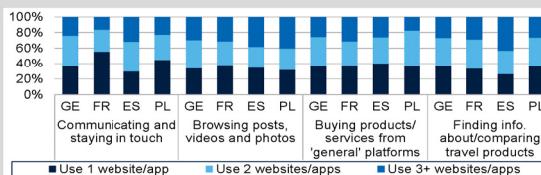


- four business processes considered
- interviews with businesses in six countries
- Marketing—social media, paid advertising (e.g. Adwords)
- E-commerce—online marketplaces, payment services
- Funding—crowdfunding (with and without financial return), social media
- Recruitment—professional networks



## Most consumers ‘multi-home’ Appears to be feasible for most and desirable for many

- between 60% and 70% of consumers use multiple websites or apps for specific tasks
- about 25% use three or more websites or apps
- this suggests limited potential for lock-in on the consumer side



- of consumers who use just one platform for a task, very few cite barriers as a reason for ‘single-homing’
- many express an explicit preference for the platform they use
- network effects also play an important role



# What effects do platforms have on consumers?

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## Platforms provide significant benefits

Consumers perceptions are balanced, but stress benefits

**Perceived benefits**

Category	Germany	France	Spain	Poland
Improved convenience	~98%	~98%	~98%	~98%
Greater choice	~92%	~88%	~88%	~90%
Increased transparency engagement	~78%	~75%	~75%	~80%
Higher engagement	~65%	~70%	~68%	~72%
Monetary benefits	~60%	~62%	~60%	~65%
Enhanced relationships	~50%	~52%	~50%	~55%

**Concerns**

Concern	Germany	France	Spain	Poland
Confusing, inappropriate/untrustworthy content	~65%	~70%	~68%	~62%
Privacy and security concerns	~55%	~58%	~60%	~48%
Concerns about online abuse and harassment	~25%	~30%	~28%	~22%
Harm to relationships	~18%	~20%	~22%	~20%
Increased complexity	~18%	~20%	~22%	~20%

- 97% of consumers perceive benefits, and just over 80% voice concerns
- 64% of consumers have a strong perception of the benefits, 36% of the concerns

Other benefits include:

- **time savings:** information platforms save their users 50–100 minutes per month
- **monetary savings:** comparison platforms save their users €12–€117 per year
- **social benefits:** on communication platforms, users are connected to 81–156 contacts, and 32–57% of users have met in person at least one person with whom they first interacted online

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# What effects do platforms have on businesses?

## Benefits to business are diverse (I)

Different business models use platforms in different ways

### Marketing

- reaching a wider audience
- advertising is more targeted, more successful
- social media can increase sales (1% increase in 'likes' leads to 0.15% more sales)

### E-commerce

- enabling businesses to reach a wider market
- benefits vary (5–10% of sales in some cases; crucial to existence in others)
- reduces costs (compared to brick-and-mortar, adds to cost for others)

### Funding

- wider range of projects able to obtain funding (23% of projects give no return)
- financial and non-financial returns
- link between funding campaign and other outreach

### Recruiting

- platforms increase the pool of candidates
- reduces costs; advertising vacancies on platform costs 20% (or less) of print advert



## Benefits to business are diverse (II)

Different business models use platforms in different ways

Online platforms reduce the effects of geographic barriers

- expand the pool of potential employees, customers and investors

Online platforms can support new and different types of businesses or products

- this could include funding a project or widening the market to support niche products

Online platforms change the cost structures of businesses

- lower staff search costs; reduce costs of posting vacancies
- lower cost of gathering customer feedback and engaging with customers
- more targeted, effective marketing; reducing the cost of acquiring customers

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