

Digital Platforms Launch

NEENA PANDEY, IIMV

PMDE

Platform Launch: Variations

- YouTube vs. Megaupload vs. Vimeo – Online video platforms
 - YouTube
 - focus on content creators
 - Top content creators as partners by share in advertisement revenue
 - Seeded the platform with content; created curation dynamic towards the quality of videos by letting viewers vote up or down
 - Leveraged producers to bring-in customers (by allowing them to embed the videos off-platform), partner on the platform

Platform Launch: Variations

- Megaupload (2005)
 - Late mover problem
 - Focused on consumers by seeding the content internally, especially the categories which were being policed on YouTube – pirated videos and pornography
- Vimeo (2004)
 - Producer-first strategy competing directly with YouTube
 - High-definition videos; password protected videos
 - YouTube concentrated on better matchmaking, Vimeo on infrastructure and tools to ease sharing
 - Better embeddable player for installation on blogs
 - More privacy settings allowed – video can be public, private or unlisted ; One may share only with the users one follows
 - No advertising revenue

Platform Launch: Push vs. Pull Strategy

- Push strategy vs. Pull strategy
- Push strategy
 - Marketing & Communication channels paid by businesses
 - Pushing a product/service into the consciousness of a potential customer
- Customer interaction with firms has changed
 - Access to marketing and communication channels are democratized
 - From mass customer to networked customer
 - Products and messages about them are virtually unlimited
- Now, marketing needs to be baked into the platform
- Many a times, push strategy also works
 - Instagram – Apple store's No. 1 App

Platform Launch Strategies

- The piggyback strategy
 - Connect with an existing user base from a different platform and then stage the creation of value units to get those users to participate in your platform. E.g., PayPal, Zynga
- The seeding strategy
 - Create value units relevant to at least one set of potential users; other users interested in interaction would join in
 - Initial value creation may be from the platform company – helps in sending out signal on kind and quality of value units expected – e.g., Android – Competition on apps in different areas; Reddit – fake profiles posting links of content
 - Creation of simulated (fake) value units
 - PayPal bots on eBay buying and selling
 - Quora – questioning and answering both – “pump priming”

Platform Launch Strategies

➤ The 'Marquee' Strategy

- Provide incentives to attract members of a key user group onto the platform
- E.g., Gaming Platforms & Games developer (EA-Electronics Arts)

➤ The Single-side Strategy

- Create a business that benefits a single set of users – convert it into a platform later by attracting the second set of users
- E.g., RedBus, OpenTable

Platform Launch Strategies

➤ The Big Bang Adoption Strategy

- Use one or more traditional marketing push strategies
- Gets high volume of interest and attention
- Twitter at SXSW Interactive film, music and tech festival (2007) – from 20,000 tweets to 60,000 tweets

➤ The micro-market strategy

- Target a tiny market comprising of members who are already engaging in interactions
- Facebook – launching in small communities – geographically/socially concentrated community
- Stack overflow – from programming to cooking

Critical Mass Frontier

