

Platform Strategy, Fall 2019

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Modern information technology, especially Internet, has revolutionized many industries. Amazon, eBay, and Taobao changed how people buy and sell goods; Google, Yahoo!, and Wikipedia changed how people acquire information; YouTube, Netflix, and iTunes Stores changed how people enjoy movies and musics, UBER, Airbnb, and Instacart changed how idle resources (sometimes human resources) are utilized. Even education is changed: Coursera and Edx are trying to take away professors' jobs!

Interestingly, many of the above companies do their business by running *platforms* to connect supplies and demands. More interestingly, not all of them are doing this. What is a platform? What is the economic theory underlying platforms? When is running a platform a good idea? How to price and govern a platform? How to deal with competition? In this course, we give students some tools to address these questions.

This is a one-credit elective course offered in the GMBA program in National Taiwan University. Students may enroll in this course only if they are GMBA students or graduate students. Priority will be given to GMBA students. Auditing is allowed only for GMBA students or GMBA alumni (if there are still seats). This course is taught in English.

Basic information

Instructor.

- Ling-Chieh Kung. E-mail: lckung(AT)ntu.edu.tw.
- Office: Room 413, Management Building 2. Tel: 02-3366-1176.
- Office hour: by appointment.
- <http://www.im.ntu.edu.tw/~lckung/>.

Teaching Assistant. Jeannette Ma. E-mail: r06749005(AT)ntu.edu.tw.

Lectures.

- Date: December 21, 22, 29, and January 4.
- Time: 13:20–17:20 for the first three days and 14:20–17:20 for the last day.
- Location: Room 402, Management Building 1.

References.

- Geoffrey G. Parker, Marshall W. Van Alstyne, and Sangeet Paul Choudary, *Platform Revolution: How Networked Markets are Transforming the Economy and How to Make Them Work for You*.
- Paul Oyer, *Everything I Ever Needed to Know about Economics I Learned from Online Dating*.

On-line Resources.

- To check grades and submit case reports: CEIBA.
- To download or link to materials: CEIBA.

Grading

Breakdown.

- Attendance: 20%.
- Participation: 20%.
- Case reports: 20%.
- Final project: 40%.

Conversion. The final letter grades will be given according to the following rule:

Letter	Range	Letter	Range
A+	[90, 100]	B-	[70, 73)
A	[85, 90)	C+	[67, 70)
A-	[80, 85)	C	[63, 67)
B+	[77, 80)	C-	[60, 63)
B	[73, 77)	F	[0, 60)

Tentative schedule

Day	Time	Topic	Case Discussion
2019.12.21	13:20–15:00	What is a Platform, and Why?	N/A
	15:20–17:00	Model Selection: Merchant vs. Platform	Amazon
2019.12.22	13:20–15:00	Information Economics	N/A
	15:20–17:00	Platform Pricing	N/A
2019.12.29	13:20–15:00	Platform Governance	N/A
	15:20–17:00	Platform Competition	PatientsLikeMe
2020.1.4	14:20–16:00	Final project presentation	N/A
	16:20–17:00	Course wrap up	N/A

Policies

Teams. Students must form teams to write case reports and do the final project. One's teammates must be fixed throughout this course. The ideal number of students in each team is four to six. The requirement on the number of students in each team will be determined after the class roster is finalized.

Case studies. There are two case studies in this course. The cases, as well as the questions to answer in case reports, will be given to students when the course starts. Students must submit an electronic copy of their case reports. Each team should submit only one report. Each case report is limited to at most four pages. Each case report counts for 10 points in the semester grades.

Attendance. Students should sign up at the beginning of each lecture. One will be considered *late* if she/he does not sign up in 20 minutes after a lecture starts. One will be considered *no show* if she/he does not sign up in 40 minutes after a lecture starts. Let a student's number of late and no show be x and y , respectively, her/his attendance grade will be $\min\{20, 28 - 2x - 4y\}$.

Participation. We encourage class participation and include it in evaluating each student. During lecture time, students are more than welcome to ask or answer questions and provide comments. One gets good participation grades if her/his participation enhances the learning experiences of the class or she/he simply impresses the instructor with her passion and diligence.

Final project. Students will form teams to do a final project by applying the techniques learned in this course to a self-select company running a platform as their research target. They should describe how the company runs the platform, whether it is considered successful, and why. More importantly, they should comment how the platform strategy adopted by the company and make suggestions. Each team will make an oral presentation in the last lecture. Among the 40 points, 20 points are given by the instructor to the team, 10 points are given by the classmates to the team, and 10 points are given from teammates to each individual. No written report is needed.