

# Emerging Platform Economy

## Global Platform Survey

### MIT Platform Strategy Summit

Cambridge, MA  
June 15, 2016

Peter Evans, PhD  
Vice President  
Center for Global Enterprise

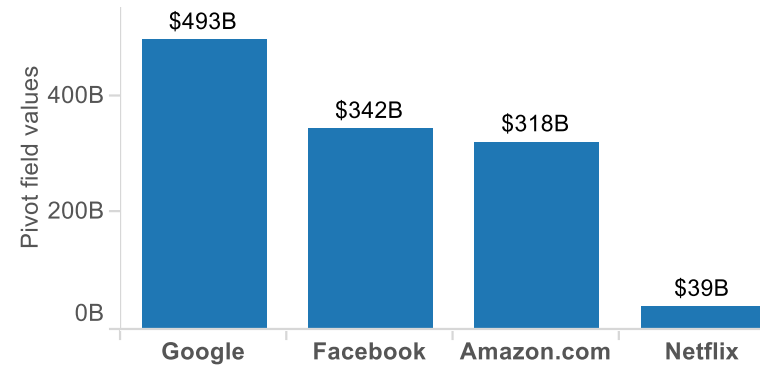


# FANG vs. Frightful 5

'FANG'

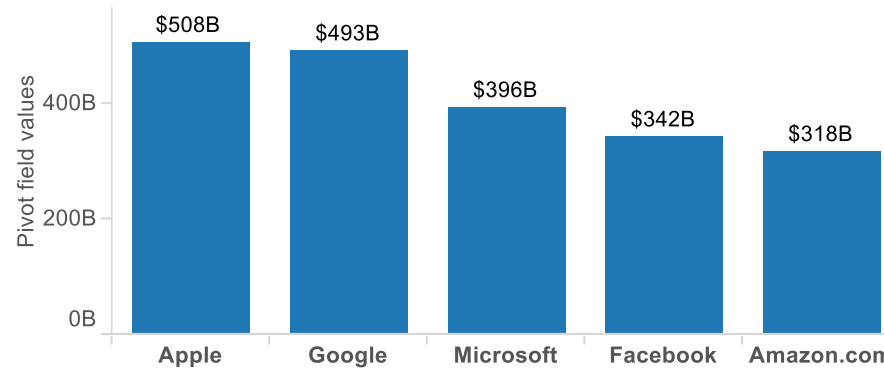
VS

'Frightful 5'



Grouping promoted by *TheStreet's* Jim Cramer

Includes: Netflix  
Excludes: Apple, Microsoft



Grouping by *The New York Times'* Farhad Manjoo

Includes: Microsoft, Apple  
Excludes: Netflix



\*Ranked by market capitalization as of May 7, 2016

Source: [http://www.nytimes.com/2016/01/21/technology/techs-frightful5-will-dominate-digital-life-for-foreseeable-future.html?\\_r=0](http://www.nytimes.com/2016/01/21/technology/techs-frightful5-will-dominate-digital-life-for-foreseeable-future.html?_r=0) and <https://www.thestreet.com/story/13230576/1/what-are-fang-stocks-and-why-does-jim-cramer-love-them.html>

# Global Platform Survey

# Global platform survey project

## Project Director



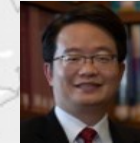
**Peter C. Evans**, Vice President,  
Center for Global Enterprise



**North America**  
**Geoffrey G. Parker**,  
Tulane University and MIT



**Europe**  
**Annabelle Gawer**,  
University of Surrey



**China**  
**Weiru Chen**, China  
Europe International  
Business (CEIBS)

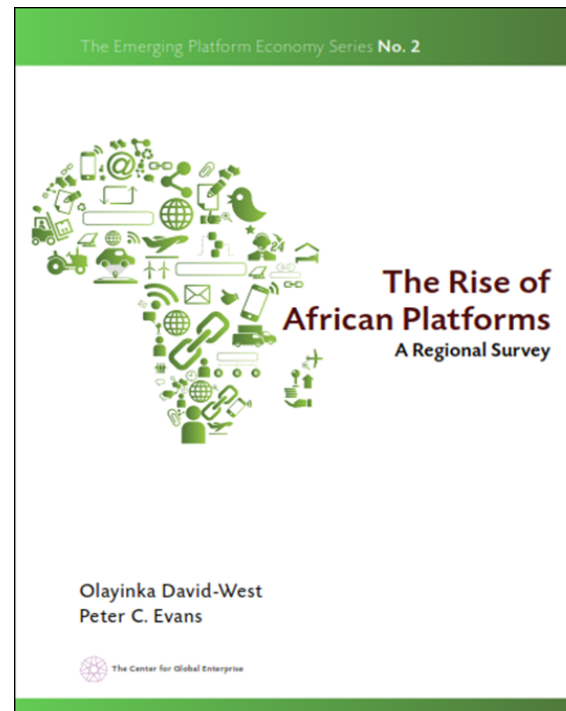
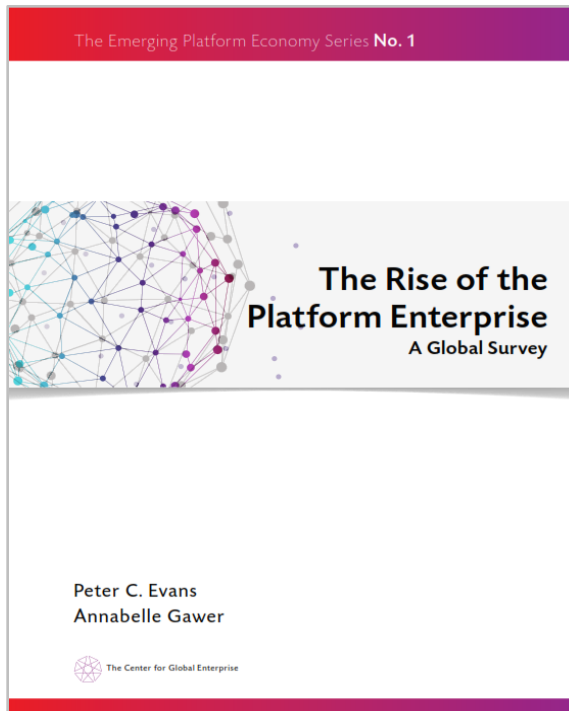


**Africa**  
**Dr. Olayinka David West**,  
Lagos Business School



**India**  
**Sangeet Paul Choudary**,  
Platform Thinking Labs

# Two publications to date

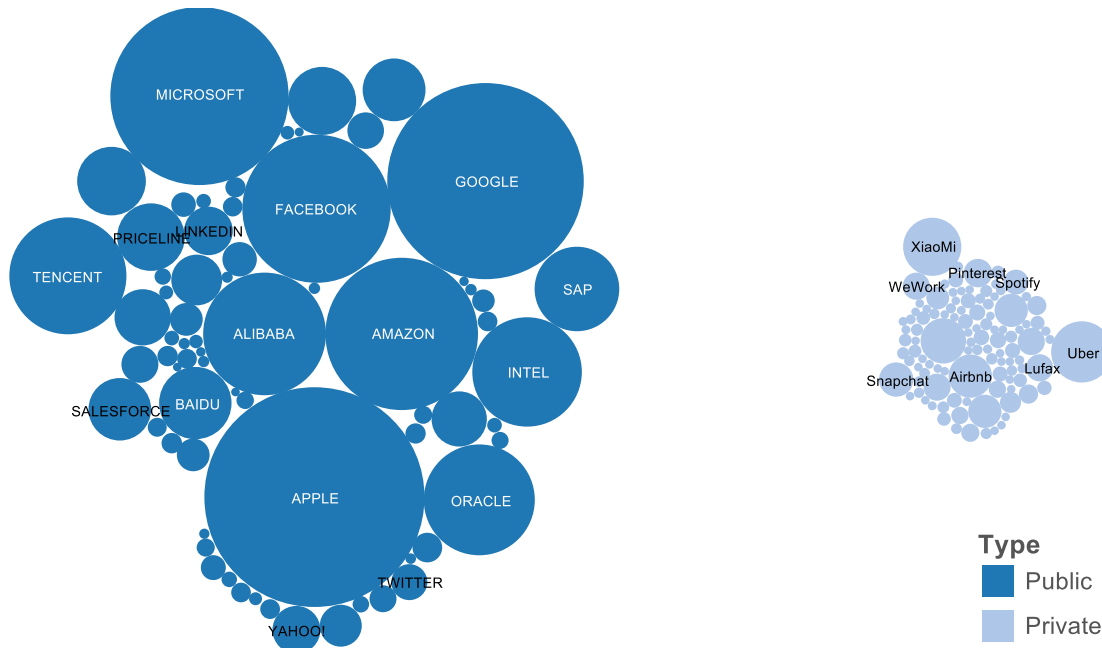


Available at:

<http://thecge.net/category/research/the-emerging-platform-economy/>

# High level findings

Identified a total of 176 platforms with market caps of \$1 billion or more



**\$3 trillion +** in firm market cap

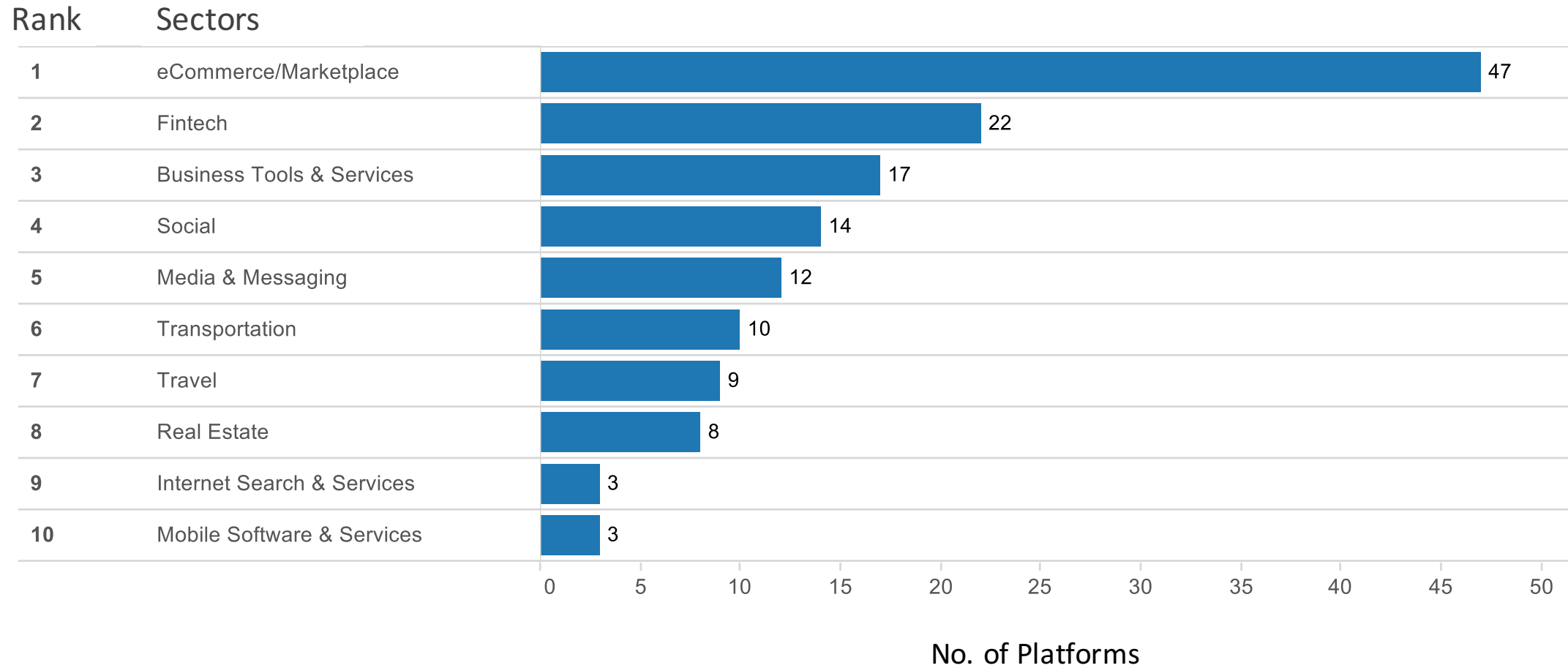
**\$100s of billions +** in global commerce

**1.5 million direct jobs +** millions more indirect jobs

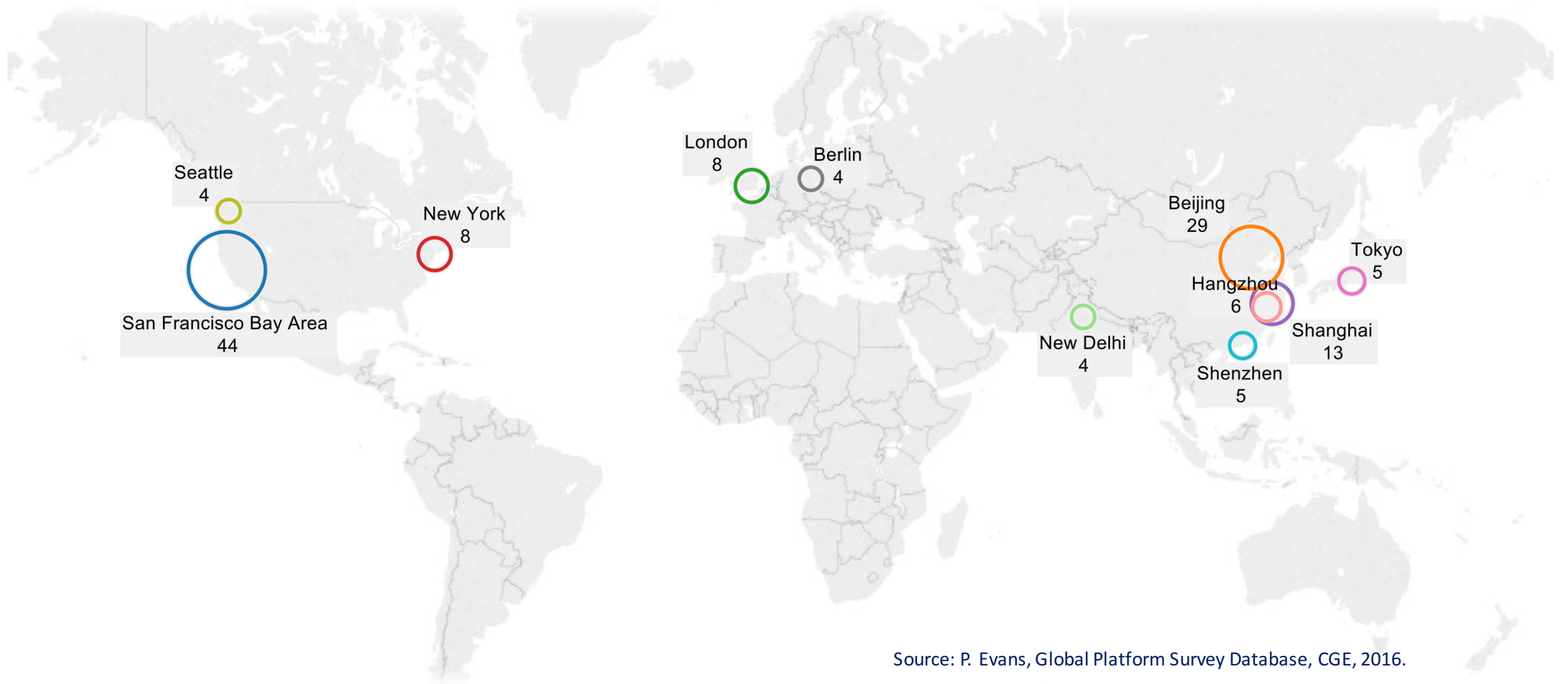
\*Platform companies with a market value of US\$1 billion or more on December 15, 2015

Source: P. Evans, Global Platform Database, Center for Global Enterprise, 2016

# Top platform sectors



# Global landscape—platform hubs

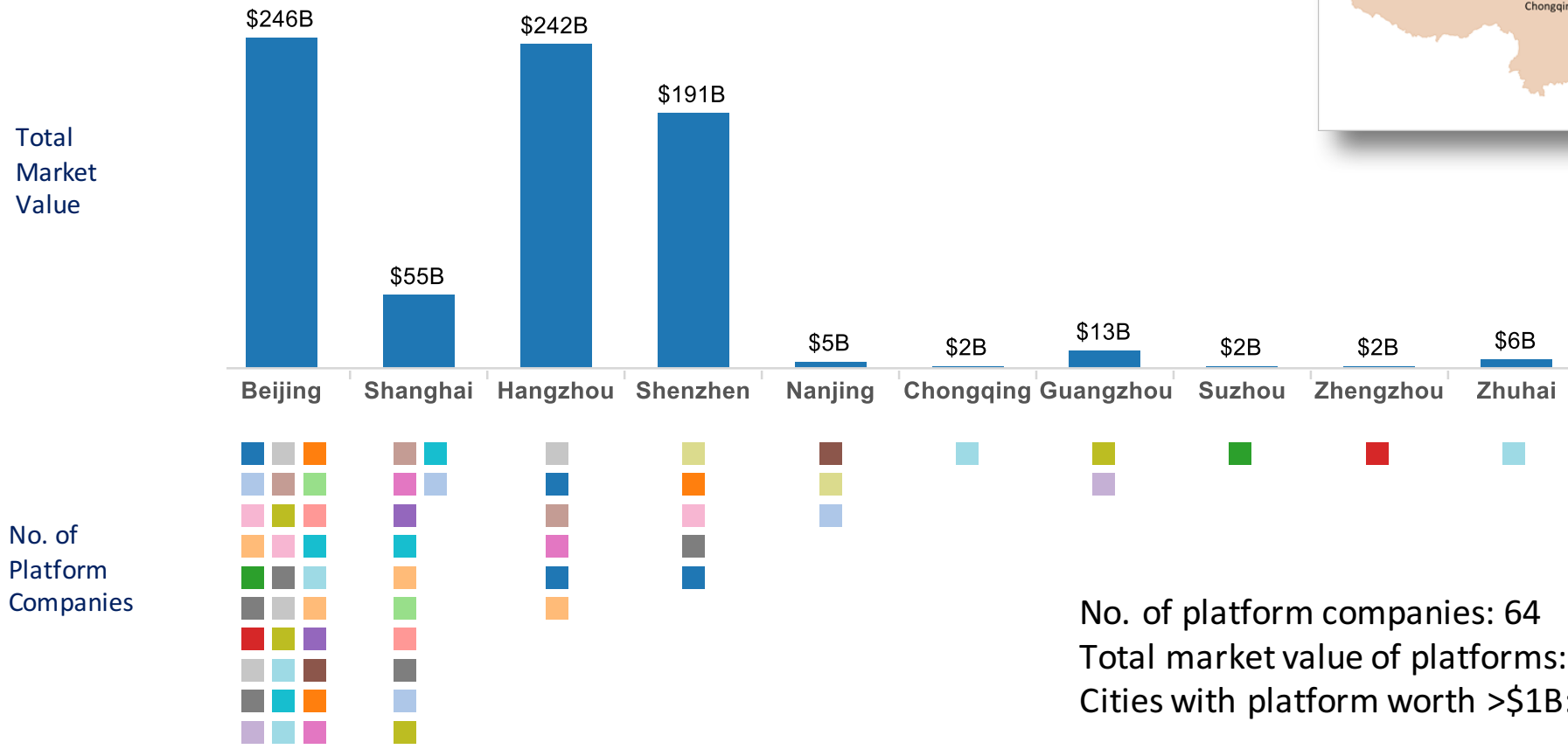


Source: P. Evans, Global Platform Survey Database, CGE, 2016.



# China's platform companies

Platforms total 82, valued at US \$930 billion



No. of platform companies: 64  
 Total market value of platforms: \$764 Billion\*  
 Cities with platform worth >\$1B: 10

Source: Global Platform Database, Center for Global Enterprise, 2015

# Africa's Emerging Platform Clusters

Platform based business models are being tested in frontier markets



Industry	Examples
Agriculture	Esoko, iCow, hellotractor
Education	BrainShare, JobbermanLearning, Obami
Real Estate	Lamudi, Private Property, Sweepsouth
Market place	Jumia, Konga, Kaymu, Carmudi, OLX, Cheki, cdiscount, Zando, Vendito
Transportation	Uber, EasyTaxi, GoMyWay, Snappcab, Tranzit
Workplace	Jobberman, BrighterMonday, Everjobs
Food delivery	Hellofood, EasyAppetite
Travel	Jovago, hotels.ng, SafariNow, Wakanow
Money	M-Pesa, Paga, Kopo Kopo, Jumpstart Africa
Gaming	Chesscube, ChopUp, Kiro's Games
Social Networking	Evly, Eskimi
Media	IrokoTV, MobileFliks, SaniFilms, Real Nolly
Health	Truppr

SOURCE: Africa Platform database, 2016



SOURCE: Evans and David-West, CGE, 2016

# Global platform portfolio/ investment companies



## Masayoshi Son

Founder and Chairman  
SoftBank  
Tokyo, Japan



## Koos Bekker

Chairman  
Naspers  
Cape Town, South Africa



## Darren Huston

President and CEO  
PriceLilne  
Norwalk, CT



## Barry C. Diller

Chairman  
IAC/InterActiveCorp  
New York, NY



## Oliver Samwer

Co-founder and CEO  
Rocket Internet  
Berlin, Germany

### Selected companies

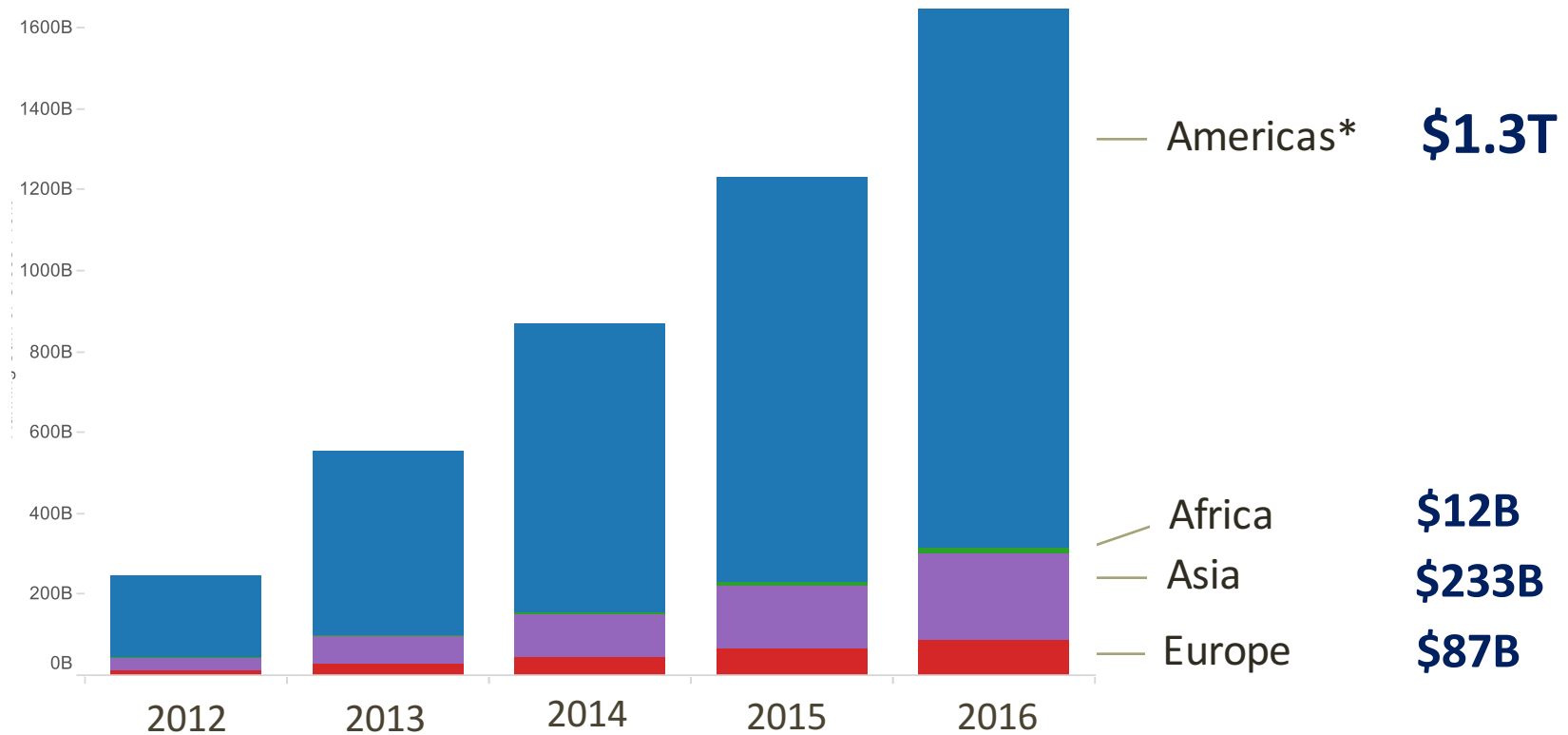


Source: P. Evans, Center for Global Enterprise, 2015

# Uneven regional profits from platforms

Uneven distribution of accumulative gross profits of top 50 public platforms, 2012 Q1 -2016 Q1

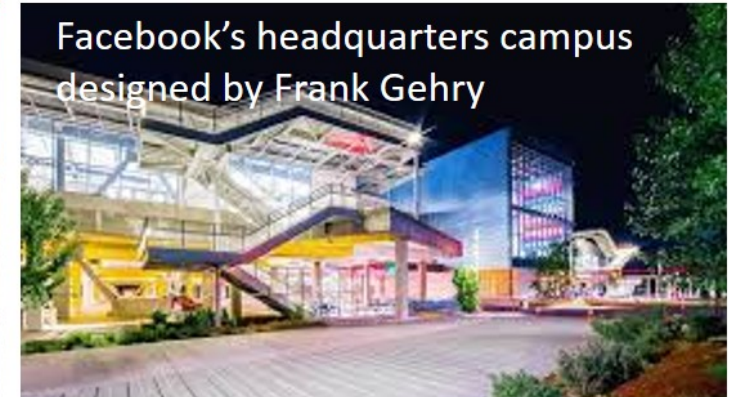
Running Sum of  
Gross Profits



\*the United States make up 98 percent of the platform in the broader Americas region.

Source: P Evans, CGE Global Platform Database with financial data from Thomson Reuters, 2016

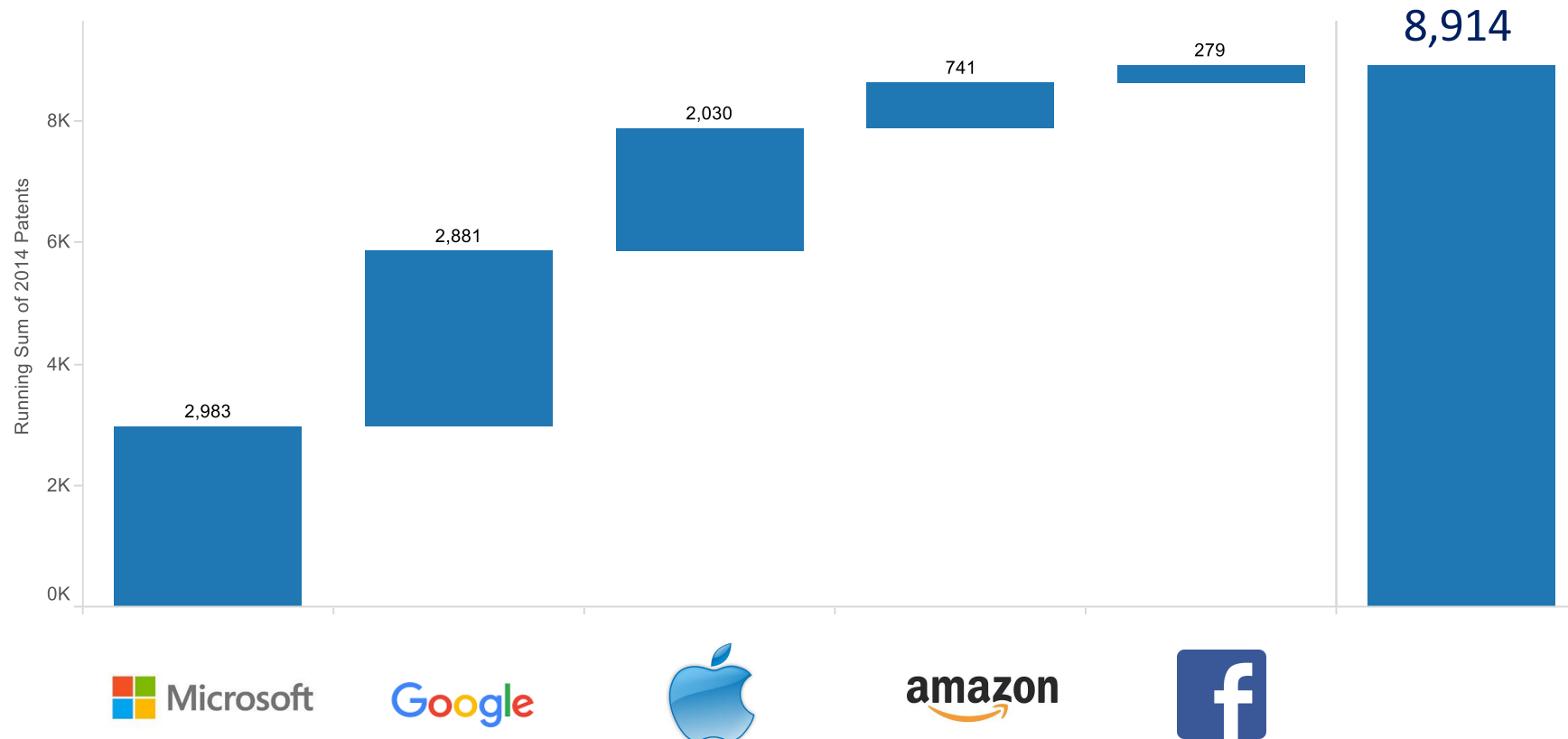
# Platform headquarters



Source: P. Evans, CGE, 2016

# Platform's and national innovation

Top US platform companies awarded nearly 9,000 patents, 2014

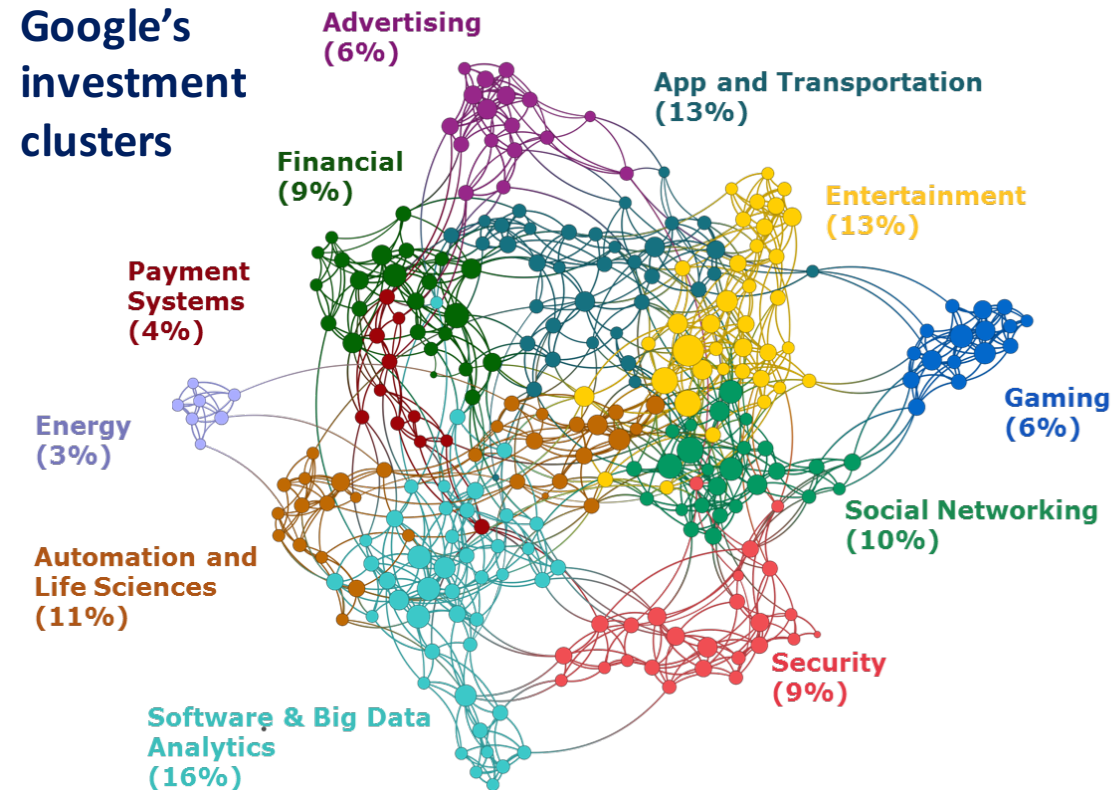


Source: Intellectual Property Owners Association (IPO), 2014 Top 300 Patent Owners, June 2015.

# Profits and national systems of innovation

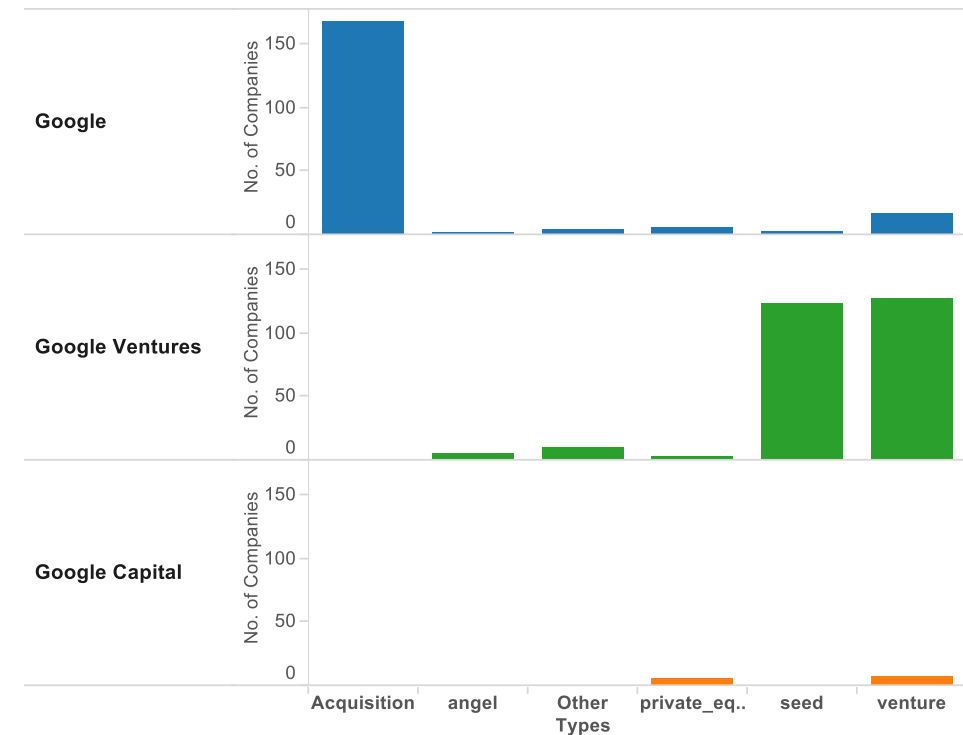
Capital accumulation is driving diverse pattern of technology investment, 2005-2014

## Google's investment clusters



Sample of 275 companies that have received funding from Google, Google Ventures or Google Capital, 2005-2014

## Funding Round Type



Source: Investments extracted from Crunchbase, 2015

# Recap/ Summary observations



1. Platform growth ... expanding in size and by sector
2. New local, rise of multinationals ... scaling locally and globally... portfolios
3. Investment ... platform profits being reinvestments in new ecosystems
4. Innovation ... platforms moving to the leading edge of national innovation
5. Anxiety ... Europe expressing fears of platform domination; lack of own platforms
6. Management... platforms creating new organizational challenges and opportunities



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