

Platform Monetization: Strategies, Challenges and Implications

Project summary and plan of activities

Project summary

The past decade has witnessed various industries being disrupted by the platform business model. Nowadays, platforms are ubiquitous and they reach almost every aspect of our life, such as food (Doordash), mobility (Uber), entertainment (Netflix), and travel (Airbnb). As successful as they may be, the growth and survival of these and other platform businesses largely depend on their ability to choose and implement a proper monetization strategy. In turn, platforms' monetization strategies have implications for actors in the ecosystem around the platform, both on the demand and supply side. For actors on the supply-side such as publishers, digital platforms represent new complementary assets as they complement publishers' products online by increasing their distribution and commercialization opportunities. However, the platform's control of the monetization strategy and the fact that a plethora of actors compete on the supply side cause several value capture problems for actors such as publishers.

The Italian book publishing industry will be leveraged as a context to study the emergence and evolution of platform ecosystems, and how choices around monetization affect such dynamics. Some of the questions the research will focus on include: how do platform ecosystems emerge and evolve? How does platform monetization impact the governance of platform ecosystems? What implications can be derived on how to manage a platform business model? To address these questions, a longitudinal study of the digital publishing ecosystem will be performed using a mix of archival and primary sources (i.e., interviews) to derive qualitative depth through a comparative analysis.

Plan of activities and tasks of the fellow

In the last few years, book publishing has been radically reshaped by digital. As an example, while digital channels in 2015 in Italy accounted for 15% of total sales, in 2020 they represented 43% of sales. Parallel to the rise in prominence of the digital channel as a preferred means of consumption by readers (demand-side), traditional incumbent publishers (supply-side) have witnessed increasing competition from digital platforms such as Goodreads and Anobii. New technologies and AI, such as ChatGPT, represent another fundamental trend reshaping the book publishing industry in ways that are yet to be understood on both the supply- and demand-sides. From a digital platform perspective, while securing user base growth is key to becoming attractive on the supply-side, monetization strategies are equally important to sustain growth and expansion. Hence, it becomes both theoretically and empirically relevant to understand how monetization strategies co-evolve with the incumbents-platforms-users relationships.

By drawing on specific examples of digital platforms (e.g., Anobii, Goodreads) and their interactions with incumbent book publishers (e.g., Harper Collins, Mondadori), the research fellow will investigate the evolution of the platform-based ecosystem over a period of at least 15 years. As such, the research fellow will have the responsibility of collecting the archival and primary sources needed. He/she will work to recruit interviewees, maximize their participation rate throughout the project, as well as build a database of archival sources. He/she will collect, prepare, transform, and analyze the qualitative data using computer-aided software for qualitative analysis such as NVivo or

Atlas.ti. In addition to data gathering and analysis, it is expected that the post-doc will contribute to the writing of the project's outcome while also disseminating the results at the most prestigious national and international conferences including AoM meetings, SMS conference, and SIMA conference. By the end of the fellowship, the expected outcome is to produce a working paper ready for submission to a top journal (ABS 4/4*) and a report presenting the project's main findings to be disseminated within and beyond academia.

In summary, the ideal candidate will have the following characteristics:

- Passion for and/or previous working or research experience in publishing [desirable]
- Background in the broader management field (including entrepreneurship, innovation, organization, or strategy), sociology and related fields [required]
- Excellent knowledge of computer-aided qualitative analysis [required]
- Working knowledge of the Italian language (C1 or C2 level according to the CEFR scale) and good knowledge of English (B2 level and above according to the CEFR scale) [required]
- Being comfortable with the broader literature of the study's project supported by a promising research pipeline [optional]