Category

Strategy

Strategy for Platform Competition & Multi-Sided Markets Playbook

Pricing and allocating value across the different sides of a multi-sided platform

- Executive
- Advanced
- Template Included

- Mithun A. Sridharan

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- 4 minute(s)

Overview

A framework for deciding which side of a multi-sided platform to subsidize, which to charge, and how to sequence side-building — the pricing and value-allocation mechanics that determine whether a platform gets off the ground at all.

How is this different from the Platform Competition & Network

Effects Strategy Playbook? That playbook diagnoses which type of network effect your platform has and how strong it is. This one is the practical follow-on: given the network effect structure, how should you price and sequence each side of the platform to actually get it off the ground and sustain it.

Why would a platform ever give away access to one side for free?

Because in many multi-sided markets, one side's participation is what makes the platform valuable to the other side, and that side is often more price-sensitive or harder to attract — subsidizing it (sometimes to zero) is frequently the only way to build enough value for the side that will actually pay.

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Author

Mithun A. Sridharan

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