

# Digital Market Capture in Platform Business – How to Pass the Valley of Death?

Erno Salmela and Niina Nurkka

## Abstract

*Phenomenon of digital market capture is going on around the world, since newcomers are capturing customers from incumbent companies with digital platforms. Successful market capturers, such as Uber and Airbnb, have received much attention in the literature. This article, however, focuses on potential new market capturers at the beginning of their life cycle - at a stage where they may fall into the valley of death. A conceptual model was created and studied with potential market capturers on the two-sided market. The model and its dichotomic variables present the most important characteristics of the phenomenon. A successful market capture is challenging because of the complexity of platform business on the two-sided market. Success requires the attention of the whole but also the focus on the details. Article proposes means to pass the valley of death. Potential market capturers may utilize the new model as a tool for digital platform business ideation and planning.*

## Keywords:

*digital market capture, platform business, two-sided market, business ecosystem, network orchestrator, valley of death*

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## 1. Introduction

There is going on a phenomenon of digital market capture that means capturing the market from incumbent companies by challenging the present structures, services and business models. Digitality plays a key role, as it makes possible a comprehensive user experience, an efficient meeting of supply and demand, the creating of new value, and creating of totally new demand and supply (Parker et al., 2016; Evans and Schmalensee, 2016; Choudary, 2015). When studying the phenomenon of digital market capture comprehensively, it is best described with the concepts *platform business*, *business ecosystem of two-sided market* (Parker et al., 2016), *full stack or comprehensive customer experience* (Dixon, 2014) and *sharing economy* (Lessig, 2008).

Well known digital market capturers e.g. Uber, Alibaba and Airbnb have created a global market with their concepts that challenge incumbent companies. The most successful capturers are at present time the most profitable and the fastest growing businesses in the world (Parker et al., 2016; Libert, et al., 2014). Depending the sources, the business models of these businesses are network orchestrating (Libert et al., 2014), platform business (Parker et al., 2016) or two-sided market (Gassman et al., 2014). By combining these business model descriptions we get the following characterization for the platform business operated by the network orchestrator on a two-sided market:

*Network orchestrator creates a network of peers in which the participants interact and share in the value creation. It may sell products or services, build relationships, share advice, give reviews, collaborate, co-create and more. Network orchestrator facilitates interactions between multiple interdependent groups of actors. The value of orchestrator platform increases as more groups or members use it.*

In this study the network orchestrator is referred to *digital market capturer*, which means as follows:

*Digital market capturer is an orchestrator that captures the market from incumbent companies by creating new value for external stakeholders with a digital platform.*

It has been written tremendously about successful market captures like Uber. Much less attention has been paid to potential market capturers whose platform business is still small and most of these will never reach their goal. According to Parker et al. (2016), creating a successful digital platform is challenging, because different stakeholders have different interests and the interaction between them may vary. The most important identified requirement for successful digital platform is network effect (Shapiro and Varian, 1999), that later enhanced to the concept of two-sided market. According to the network effect, the user gets more value depending on how many users there are in the platform ecosystem. Therefore attracting users to the platform is the crucial success factor, in the case of a two-sided market in two or more user groups. (Parker and Alstynne, 2000; Parker et al., 2016.) The purpose of this study is to examine the phenomenon of digital market capture from the point of view of the new potential market capturers. The study was limited to digital employee and professional service platforms (later in text “DEPS platform”) that redetermine the nature of the work. The phenomenon greatly affects people’s lives, since freelancers, non-traditional work paths and self-employment are becoming more common. (Parker et al. 2016.)

The study answers the following research questions:

- What kind of conceptual model describes phenomenon of digital market capture, concerning the platform business on a two-sided market?

- How do the potential digital market capturers operate in the introduction and growth phases of life cycle?
- How could the potential market capturers pass the death valley?

In the following, the research methodology is presented. Chapter 3 suggests for the conceptual model that is created about the phenomenon of digital market capture on the base of the literature. In chapter 4 the model is explored with case studies, after which chapter 5 discusses the results. The final chapter introduces conclusions and presents the need of further research.

## 2. Research methodology

The starting point for the study was the practical need to understand what is required of the DEPS platforms in the two-sided market to overcome the death valley and thus reach a growth stage, which is a prerequisite for digital market capture. To find answers, we examined the phenomenon as a whole, but also focusing on details. The studied stakeholders were the potential market capturers (orchestrators and their platforms) and consumers of the service. Another crucial group of two-sided markets, i.e. service providers, will be considered in the further studies.

In this study abductive logic was used as a form of reasoning. Abduction starts from individual observations and it will lead you to the best explanation of those observations. A guiding principle is created at the beginning of the research based on partly intuition and partly facts. The guiding principle works as a source of inspiration and delimits the research. It is typical for abductive logic that theories are found along the way and therefore, unexpected findings are an essential part of this logic. The empiria and the theory are in continuing dialogue during the research. The premises do not guarantee the conclusion, but inference to the best explanation. (Järvensivu and Törnroos, 2010;

Harman, 1965; Heikkinen et al., 2010 Peirce.)

At the beginning of this study, observations from practical case literature were collected from the well-known digital DEPS platforms (Uber and Airbnb) operating on two-sided markets. Subsequently, the best possible explanations about the most important elements for DEPS platforms were created. Next the elements were compared to theory to define elements and find relationships between the elements. As a result of this, a conceptual model of the most important elements of DEPS platforms was created as the guiding principle of the study.

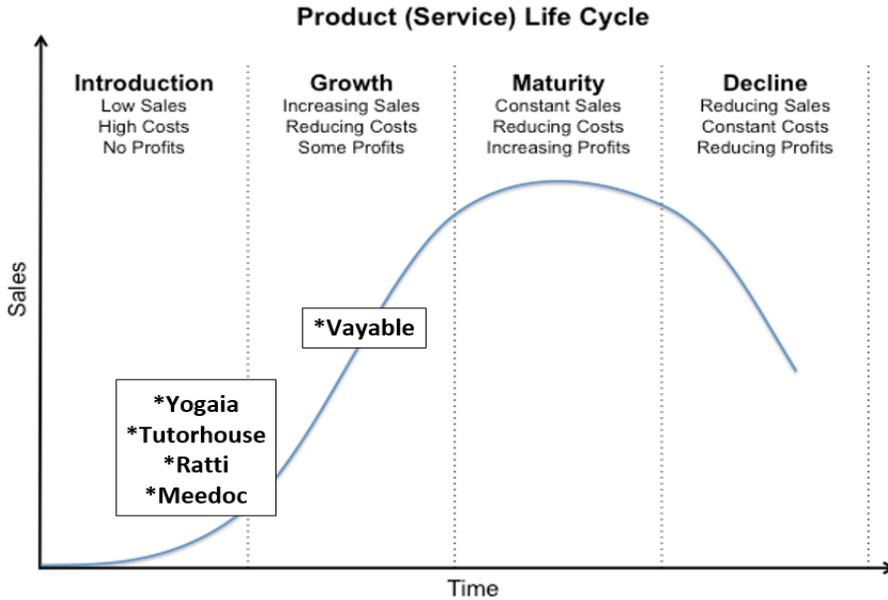
Each element of the model was examined in more detail in order to understand the differences between the DEPS platforms and identify the reasons why some platforms perform better than others. Based on a literature review, a set of dichotomous variables 0-1 (0 for no, 1 for yes) were created for each element of the conceptual model. After exploring different kind of platforms, such as Airbnb, Uber, TaskRabbit, Etsy and Husband service, ten variables were concluded to describe each element. So, also in creating and choosing the dichotomic variables the abductive reasoning was used in a way that both theoretical and empirical aspects were used. The main literature used in creating each variable is explained more detailed in characterization of each element of the conceptual model.

In the next stage of the study the conceptual model was tested and further developed by using cases of five potential market capturers working in different fields: Vayable, Ratti, Yogaia, Meedoc and Tutorhouse. The cases were selected using the following criteria:

1. The platform operates on two-sided markets. The popularity of platforms on two-sided markets has increased radically in recent years (Parker et al., 2016). On the other hand, digital platforms on one-sided markets have already been studied quite a lot.

2. The study focused specifically on DEPS

Figure 1. The location of the platforms studied in the lifecycle (Lewitt, 1965).



platforms that play an important role in the transformation of working life. The studied platforms are primarily meant for citizens. Platforms provide service providers new earning opportunities that affects how people work in the future (Parker et al., 2016).

3. The platform is operated by a Finnish company, except for Vayable. Finnish orchestrators were chosen in to this study because Finland and Europe is considered to be fallen behind with platform business, compared to USA and Asia (Parker et al., 2016).

4. Finnish platforms are still In introduction phase of life cycle (Fig.1) and they are struggling to get over the valley of death. In fact, Meedoc closed down after the data of the study was collected in 2016. Vayable was taken into the study as a reference that could be used to estimate the other platforms´ possible steps in the future. Vayable is in the growth phase, and it have crossed the valley of death. Vayable’s monthly turnover was \$ 1.4 million in 2013, which would amount to around \$ 17 million annually (Colao, J.J. 2013). In 2014, The turnover of Meedoc, Ratti.fi, Tutorhouse and

Yogaia were in 2016 in tens or hundreds of thousands of euros per year.

5. The platform operates on international market or is trying to get there. Scaling a platform business is best achieved when the market is seen globally (Parker et al., 2016). Vayable operated in 850 cities around the world (Zax, 2014).Yoga has customers in about 50 countries and studios in 3 countries. Meedoc has operations in five countries. Ratti.fi and Tutorhouse operated only in Finland.

6. The platform has sufficient documented material available and the researchers may trial run them.

The case data was gathered during April 1. 2016 – June 15. 2017. The conceptual model created in the first study stage was conducting the data gathering but did not restrict it. The analysis was done case by case and also comparing the cases to each other. In the cross case analysis the purpose was to find similarities and differences between the cases. Furthermore, the differences between Vayable and other platforms were compared to find out what it takes to reach the next stage in

the lifecycle. Finally, the proposed conceptual model was improved by widening it with the elements found in case study.

### 3. The conceptual model of digital market capture

Based on literature, the business ecosystem of two-sided markets, platform business, orchestration, sharing economy, comprehensive customer experience were identified as the most important elements of DEPS platforms. Digital market capture may be the result from high performance in those elements. In this section, the elements are linked to a scientific discussion to characterize concepts and to identify relationships between them. As a result, a conceptual model is proposed for DEPS platforms. More detailed features (dichotomic variables) of each element were also identified to better compare different platforms.

#### 3.1 Digital market capture

Digital platforms can be corresponded to physical marketplaces, but they operate on a larger scale and they are quicker, user-friendlier and more efficient than physical marketplaces. Digital platforms become scaled quickly and cost-efficiently which is not possible in the incumbent business, where scaling usually requires remarkable investments. The underutilized physical resources, such as users' apartments in the case of Airbnb, can be provided for effective use through platforms. On the other hand, the demand may scale quickly in digital and global environment. (Parker et al., 2016; Evans and Schmalensee, 2016; McQuivey, 2013.)

When the digital market capture succeeds it changes the existing economic and social area. This kind of disruptive innovations tend to be created by new entrepreneurs or outsiders, rather than incumbent market-leading companies (McQuivey, 2013; Sims, 2011). Market leaders do not pursue disruptions, because they are not profitable enough in the beginning and because their development can take

resources away from incremental innovations needed in competition with current competitors (Christensen, 1997). A disruptive innovation can require more time to develop and include higher risk than incremental innovation, but on the other hand it may have much better business potential (Marnix, 2006).

#### 3.2 Digital platform in the business ecosystem of two-sided market

On two-sided market, groups interact with each other through a common platform. These two-sides are usually labelled service consumers and service providers. The value obtained by one kind of user group increases with the number of the other kind of users. (Parker et al., 2016, Järvi and Kortelainen, 2011; Evans et al., 2006; Evans, 2003; Katz and Shapiro, 1985.) Two-sided market forms a business ecosystem. Moore (1993, 1996) defines the business ecosystem being made up of coevolving interdependent and interconnected actors: customers, suppliers, agents and channels, sellers of complementary products and services, and the hub company. A major reason that calls for collaboration with partners and even with competitors is the network effect (Katz and Shapiro, 1985; Ritala and Hurmelinna-Laukkanen, 2009).

Network effect is a prerequisite for the market development. The effect can occur on intragroup and intergroup level. Usually the benefits are larger the more these groups have users, because then the needs of the consumers and what the provider has to offer are most likely to meet. (Parker et al., 2016; Vogelsang, 2010; Caillaud and Jullien, 2003.) A digital platform scales business and the number of users more efficiently than a physical platform (Parker et al., 2016; Järvi and Kortelainen, 2011; Evans and Schmalensee, 2007). The platform may be the users' only contact surface to the company, like for example is the case with Uber (Mandell, 2016).

In any market with network effect, the focus of attention must shift from inside to

outside the company because there are more people and devices outside the firm than inside. In platform economy, the orchestrator must focus on exploiting and influencing external resources instead of own resource ownership. The external user ecosystem is a source of competitive advantage. (Parker et al., 2016.) In this article, internal resources means personnel inside the orchestrator company and external resources outside the orchestrator, particularly service providers and consumers.

Core of digital platform is to identify and match make unmet customer needs and underutilized service provider resources (Amit and Han, 2017). A platform enables value-creating interactions between service providers and consumers. It provides an open, participative infrastructure for these interactions and sets governance conditions for them. The platform matches users and facilitate the exchange of goods, services, or social currency, thereby enabling value creation for all participants. (Parker et al. 2016.)

Platforms have a fundamental role in creating cost-effective consumer experience and organizing resources in a new way. The role of a platform is to minimize transaction costs by through audience making and matchmaking, to minimize costs through the elimination of duplication, and to permit value-creating exchanges that would not take place otherwise. Platform does business with this added value for example by taking a part of the transactions to itself and by charging for the use of the platform. (Evans et al., 2006; Järvi and Kortelainen, 2011; Parker et al., 2016; Evans and Schmalensee, 2007.) DEPS platforms provide additional incomes for service providers alongside the actual job. For consumers platforms provide more options to choose. On the other hand, stability is reduced and uncertainty (i.e. quality of work) is increased. (Parker et al. 2016.)

Parker et al. (2016) identified factors that promote and prevent the breakthrough of platform business on two-sided markets. Pro-

moting factors include information intensity, poor scalable gatekeepers, market fragmentation, and asymmetry in information. The inhibiting factors are regulation and protection, the high error cost, and the importance of physical resources. (Parker et al. 2016)

The dichotomic variables describing the digital platform business ecosystem of two-sided market are presented in table 1. The variables 1.1 and 1.7 are created on the basis of the literature of Evans et al. (2006) and Parker et al. (2016), the variables 1.2 and 1.6 by Sundararajan (2016) and the variables 1.3 - 1.5 and 1.8 - 1.10 by Parker et al. (2016).

### 3.3 Orchestrators as digital market capturer

Platform business is operated by network orchestrator. In this study the network orchestrators are called *digital market capturers*. They may capture the market from the incumbent companies working inefficiently and creating incomplete customer value, or they can create totally new markets (Evans and Schmalensee, 2007).

The core business of network orchestrator is to provide a common meeting place, and to facilitate interaction between the distinct groups of users (Parker et al., 2016; Gassman et al., 2014; Evans and Schmalensee, 2007). How well a firm could access and orchestrate resources is viewed as core to a firm's capabilities (Helfat et al., 2007). The orchestration processes aim at creating and capturing value from the network through its resource configuration (Hitt et al., 2011).

Orchestration activities can be divided into three types: managing knowledge mobility, managing innovation appropriability, and managing network stability. Enhancing knowledge mobility requires an orchestrator to focus on the specific sub-processes of knowledge absorption, network identification and inter-organizational socialization. (Dhanaraj and Parkhe, 2006.) Concerning stability, orchestrators can control its network

by influencing the network membership (e.g. size and diversity) and structure (e.g. density and autonomy) (Dhanaraj and Parkhe, 2006).

Tarnacha and Maitland (2006) categorize orchestrators' roles into four. First, orchestrators streamline the transaction process with aggregation and mediating effective price-points and thus reducing search and transaction costs. They also minimize transaction costs through audience-making and cost minimization through the elimination of duplication. Second, orchestrators absorb risk. Third, orchestrators are market information repositories by acting as experts and matching consumers with service providers. Fourth, orchestrators can provide a mechanism for increasing market trust by monitoring and preventing opportunistic behavior by buyers and suppliers. (Tarnacha and Maitland 2006). Common to platform business orchestrators is that they do not own some important physical resource (Parker et al., 2016).

The following know-how is demanded from the network orchestrator in the first stages of lifecycle: 1) Differentiating from the competitors or creating a totally new demand, 2) Designing of a platform, 3) Creating a comprehensive user experience, 4) Creating a network effect, i.e. fast growth of users including the solving of 'the problem of the chicken and the egg', 5) Earning money with the platform, that is capturing the value coming from the network effect, and 6) Management of transparency i.e. who can use the platform and what they can do. (Parker et al. 2016.)

Libert et al. (2014) have been studying different business models. According to this study network orchestrates have bigger market values compared to other companies using other business models. They also have faster growth and larger profit margins than the others. Network orchestrators get approximately 2-4 times bigger market values, but from the 500 companies included in the study there was only 5 % network orchestrators. The reason for that is a relatively new business model, and

that the skills of the business managers are connected to managing physical resources and resources within one's own company, whereas network orchestrating demands management skills of immaterial capital, network relations, and network resources. (Libert et al. 2014.)

The dichotomic variables describing the network orchestrators are presented in table 2. The variables 2.1, 2.3, 2.6 - 2.9 are created on the basis of the literature of Parker et al. (2016), the variable 2.2 by Evans and Schmalensee (2007), 2.4 by Furr and Dyer (2014), 2.5 by Tarnacha and Maitland (2006) and 2.10 by Dhanaraj and Parkhe (2006).

### 3.4 Full-stack approach – A comprehensive consumer experience

According to Dixon (2014) and Horowitz and Dixon (2014), the full-stack approach is to build an end-to-end product or service that bypasses incumbents and other competitors. Full-stack approach is connected to market capture or creating a new market by a new consumer experience. The full-stack approach may bypass industry incumbents, completely control the consumer experience, and capture a greater portion of the economic benefits. (Dixon, 2014)

The whole product and comprehensive customer experience are used somewhat interchangeably with full-stack and end-to-end customer experience. A whole product is a core product augmented by everything that is needed for the consumer to have a compelling reason to buy. For example, if a personal computer is the core product, then whole product would include software applications, training classes, peripheral devices, and Internet service. Without these additional product components, the core product would not be very useful. (Levitt, 1980; McKenna, 1985.) The comprehensive consumer experience includes the whole lifecycle of consumer relationship or end-to-end consumer journey (Kim and Mauborgne, 2005) and multichannel approach

(Wolny and Charoensuksai, 2014). Companies providing comprehensive offering help their consumers to reach their goals. They use digital tools and platforms to get closer to their consumers and to get them to engage them in a more profound manner. (McQuivey, 2013.)

The dichotomic variables describing the full-stack approach are presented in table 3. The variable 3.1 is created on the basis of the literature of Levitt (1980) and McKenna (1985), the variable 3.2 by Kim and Mauborgne (2005), the variables 3.3 and 3.6 by Sundararajan (2016), the variables 3.4, 3.5 and 3.7 - 3.9 by Parker et al. (2016) and the variable 3.10 by Johansson (2017).

### 3.5 Sharing economy

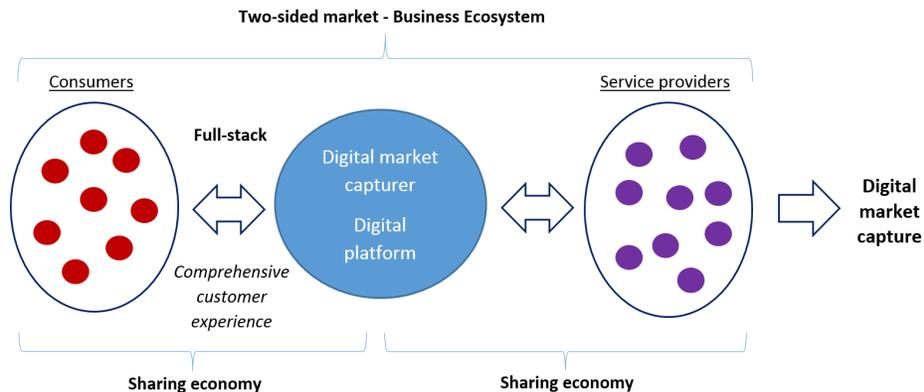
Sharing economy means the more cost-efficient way to share scattered resources to create new consumer value (Cohen and Kietzmann, 2014; Sundararajan, 2013). Digitalization enables the effective commercialization of underutilized resources controlled by individuals and firms alike (e.g., time and vehicles) and allows the generation of new resources (e.g., data) (Amit and Han, 2017). The business models based on the sharing economy work efficiently through digital platforms. They make possible to present and share free capacity in real time and accurately for those who need it. The main benefits of

the sharing economy are reducing costs connected to ownership and the expansion of variety. (Parker et al., 2016; PWC.com, 2015.)

The sharing economy is: 1) Largely market-based: it creates markets that enable the exchange of goods and the emergence of new services, resulting in potentially higher levels of economic activity, 2) High-impact capital: it opens new opportunities for everything, from assets and skills to time and money, to be used at levels closer to their full capacity, and 3) Crowd-based “networks” rather than centralized institutions or “hierarchies”: the supply of capital and labor comes from decentralized crowds of individuals rather than corporate or state aggregates. Future exchange may be mediated by distributed crowd-based marketplaces rather than by centralized third parties. (Sundararajan, 2016.)

The sharing economy has disrupted mature industries by providing consumers with convenient and cost-efficient access to resources without the financial, emotional, or social burdens of ownership (Eckhardt and Bardhi, 2015). Any kind of sharing economy will likely yield a greater range of available options for its participants and possibly a greater attention to long-term goals like sustainability, as well as an increased reliance on social rather than economic cues to facilitate the organizing of economic activity (Sundararajan, 2016).

Figure 2. The conceptual model of digital market capture.



The dichotomic variables describing sharing economy are presented in table 4. The variable 5.1 is created on the basis of the literature of Parker et al. (2016) and Sundararajan (2016), the variables 4.2 - 4.4 by Sundararajan (2016), the variables 4.5 - 4.8 by Parker et al. (2016) and the variables 4.9 and 4.10 by Morgan (2014).

### 3.6 The conceptual model of digital market capture

The elements of the conceptual model of digital market capture (Figure 2) are the digital platform, digital market capturer (network orchestrator), the business ecosystem of two-sided market consisting of service consumers and service providers, full-stack approach/comprehensive consumer experience, and sharing economy. Digital market capture, may originate by an outstanding comprehensive and interactive realization of model's elements.

## 4. Case study

Four Finnish and an American network orchestrators that had captured or planned to capture a market share with a digital platform from incumbent companies were studied. The network orchestrators operated on different fields. First the analysis of the case-by-case is presented, after which cases are compared to each other. Finally, more successful American platform is compared to the Finnish platforms.

### 4.1 Case analysis

Before the analysis of digital market capture, short descriptions of the cases chosen to this study are presented. The cases are Ratti.fi, Yogaia, Meedoc, Tutorhouse and Vayable.

#### Ratti.fi

Ratti.fi is a Finnish platform that was established in year 2015. The platform is meant for persons who wants to have a driving licence

and for those who have been granted the licence to teach driving and are interested in teaching. The platform is capturing markets from traditional driving schools where getting the driving licence can be quite expensive. Ratti.fi takes advantage of the reform of the Finnish driving teaching licence system that enables the teacher to teach students that are not teacher's family members. At present the amount of students is limited to three students in three years.

Ratti.fi offers the B-license basic phase including official fees about 50 % cheaper than traditional driving schools. The platform searches a teacher for the student who wants to have a driving licence from the same district. All the teachers will be paid the same hourly payment. As services for the teacher, the platform provides teaching of driving theory, a theory test, the installation of teaching pedals to the vehicle, and the vehicle inspection. Ratti.fi carries out the theory lessons for the students by using the digital platform. Ratti.fi is intended to expand the driving licence teaching also to other phases than the basic phase. The platform is now operating only in Finland, but it is aiming to operate also on the international market. The financial result of Ratti.fi has so far been unprofitable.

#### Yogaia

Yogaia is a Finnish platform established in 2013. It provides online teaching in yoga, pilates, muscular fitness, stretching and well-being. With monthly payment you can participate in live classes for an interactive experience with your teacher or you can watch recorded, on-demand classes regardless of time and location. For those interested in Yogaia, there is a possibility to have a trial period. The platform provides the sense of community with e.g. sharing photos (Instagram, Facebook) and arranging different kind of campaigns as well as competitions. It is possible to monitor one's own activity and history of taking part of classes. The platform

also monitors users' activity and suggests classes suitable for certain users. Initially the platform was launched for Finnish market but by 2015 it operated in 50 countries. The Yogaia teachers have their classes in Yogaia's own studios in Espoo, London, and Hong Kong. The platform furthermore provides various campaigns related to well-being, as well as lectures and blog articles. The financial result of Yogaia is so far unprofitable.

### **Meedoc**

Meedoc is a platform providing remote doctor services from the year 2012. The activity started in Finland, but expanded worldwide. At the beginning, the service had the possibility for general practitioner's consultation, but the operating model expanded to the services of public health nurse of child health center, psychologists, and physiotherapists. In the future it was supposed to expand the operation of platform to specialist doctors and also to usage of different equipments, that the client could monitor their own well-being and send information to professionals. Meedoc offered doctors the opportunity to take care of their own clients to and also get new clients. In addition to Meedoc's own doctors, the platform was offered to doctors working with medical partners. The consultation happened via remote connection using video conversation, so the client got the doctor service with possible prescriptions and sick-leaves quickly regardless of the time and the location. The doctors got payment from the consultations. The operation of Meedoc platform was essentially influenced by legislation related matters, such as information security, recording of patient data, and the recognition of professionals. Meedoc ceased to operate as unprofitable at the year 2016 and announced to concentrate on developing the technology.

### **TutorHouse**

Tutorhouse is a platform that was established in 2010. It provides individualized tutoring

services to support students' learning. TutorHouse provides an additional support to students in public education so there is no competition between the platform and public education. The customers of Tutorhouse are the parents who may worry about their children's learning or success in learning and are ready to pay about the extra support for challenges of learning. Before the beginning of the tutoring process, the student's need for support of learning will be tested. The student or the parents can not choose the teacher themselves nor the teachers have been introduced at the platform. The students can be tutored either individually or in small groups. The platform provides online tutoring, tutoring at student's home or in the classroom owned by the Tutorhouse. The costs are formed by the tutoring method and the amount of tutoring. The platform also provides different links and blogs related to learning. Furthermore at least for the students studying high school mathematics there is a hotline teacher available to help with the homework. TutorHouse teachers are qualified and skilled teachers of a special subject or specialist teachers. Most of them are working in comprehensive school or high school. TutorHouse platform accepts the teachers and the activity of teachers are guided by the strict ethical rules. At the time of the study there were 100 teachers working in TutorHouse. So far the platform has been unprofitable.

### **Vayable**

Vayable is an American platform established in 2011. Vayable connects travellers and local people, who want work as local guides for travellers. The platform provides travellers the opportunity for unique experiences with the guidance of local people, and the guides have an opportunity to use their local knowledge and special skills to earn extra income. Vayable's mission is to become the global platform for real-life experiences. Anyone can create an experience on Vayable as long as it meets Vay-

able’s guidelines. Guides create, curate and take full responsibility for the experiences they offer. Travellers may share travel experiences on the platform. The travellers have the opportunity to choose the guided services they are interested in and also the guide who offers services. The guides have the chance to take advantage of their own skills by offering services that are different from the traditional guided tours. The guide sets the price to be paid by the traveller.

Tables 1-4 present the dichotomic variables of the elements of the conceptual model, and the values of the variables case-by-case. Yes or No values are determined on the base of exploring the case platforms and finding out if the fact mentioned in the variable exists (Yes) or not (No). To some platforms re-

searches signed in to be a consumer (Meedoc and Yogaia) or to be a consumer and a service provider (Vayable). About Yogaia researches also got some complementary information by discussing with one person working on the management of Yogaia. The examples of Yes and No values in practice in each case, are explained in the cross case analysis.

#### 4.2 Cross case analysis

The cross-case analysis is based on the values of dichotomic variables. In addition it will be analysed how more successful Vayable differs in its actions from other platforms studied, and is it possible to explain the advance to faster growth with these differences. The results of the cross-analysis is discussed according the elements of the conceptual model. The

**Table 1.** Digital platform business in the business ecosystem of two-sided markets.

DICHOTOMIC VARIABLES	RATTI.FI	MEEDOC	YOGAIA	TUTORHOUSE	VAYABLE
1.1 Purchasing services on digital platform only	Yes	Yes	Yes	No	Yes
1.2 The service can be produced without a personal contact	No	Yes	Yes	Yes	No
1.3 Partners (other than service providers and consumers) are necessary for the platform	No	No	No	No	No
1.4 Service providers have the possibility to benefit their own partners without platform control	No	No	No	No	Yes
1.5 Platform doesn't choose the service providers, so anybody can sign in the platform to offer services	No	No	No	No	Yes
1.6 Service providers may determine the price for the service	No	No	No	No	Yes
1.7 Service providers pay for the use of the platform, or a commission	No	N/A	No	No	Yes
1.8 Operation was international at the time of the study	No	Yes	Yes	No	Yes
1.9 The operation is quite independent on legislation and taxation	No	No	Yes	Yes	Yes
1.10 The amount of consumers has an effect on how many service providers are needed	Yes	Yes	No	Yes	Yes

**Table 2.** Network orchestrators / Market capturers.

DICHOTOMIC VARIABLES	RATTI.FI	MEEDOC	YOGAIA	TUTORHOUSE	VAYABLE
2.1 Offers also other own services in addition to make the service provider and consumer to meet	Yes	No	Yes	No	No
2.2 Creates a totally new supply to the market	No	No	No	No	Yes
2.3 Creates new demand to consumers who do not use traditional services	No	No	Yes	Yes	Yes
2.4 Has made a pivotal change in platform business	No	N/A	Yes	No	Yes
2.5 Service providers get economic value (additional income)	Yes	Yes	Yes	Yes	Yes
2.6 Possibility for interaction between the service provider and the consumer through the platform	No	Yes	Yes	Yes	Yes
2.7 The increase in consumers doesn't increase costs in the same ratio	Yes	Yes	Yes	Yes	Yes
2.8 Decreases risks to service providers	No	Yes	Yes	Yes	Yes
2.9 Decreases risks to consumers	No	No	Yes	Yes	Yes
2.10 Manages the actions of the platform i.e. what can and what cannot be done (common rules)	Yes	Yes	Yes	Yes	Yes

**Table 3.** Full stack approach / Comprehensive consumer experience.

DICHOTOMIC VARIABLES	RATTI.FI	MEEDOC	YOGAIA	TUTORHOUSE	VAYABLE
3.1 Takes into account the whole consumer journey	Yes	Yes	Yes	Yes	Yes
3.2 The user has the possibility to choose the services during the consumer journey	Yes	Yes	Yes	Yes	Yes
3.3 The consumer may choose the most appropriate service provider	No	Yes	Yes	No	Yes
3.4 The consumer has the possibility to try the service, and to find out some advance information of the service or the service provider	No	Yes	Yes	No	Yes
3.5 Possibility for a personal contact with the service providers or the platform e.g. online camera	Yes	Yes	Yes	Yes	Yes
3.6 Centralized user support	Yes	Yes	Yes	Yes	Yes
3.7 One advantage is inexpensiveness compared to incumbent companies	Yes	Yes	Yes	No	No
3.8 One advantage is memorable user experience compared to incumbent companies	No	No	No	Yes	Yes
3.9 Creates or increases the sense of sociality or communality of consumers	No	No	Yes	Yes	Yes
3.10 Satisfaction guarantee	Yes	Yes	No	Yes	No

**Table 4.** Sharing economy.

DICHOTOMIC VARIABLES	RATTI.FI	MEEDOC	YOGAIA	TUTORHOUSE	VAYABLE
4.1 Providing financial support for the service providers by the platform	No	No	No	No	No
4.2 Sharing of physical facilities	No	No	Yes	Yes	No
4.3 Sharing of tools needed for service production	No	No	Yes	No	No
4.4 Sharing the service (e.g. teaching) to numerous consumers simultaneously	Yes	No	Yes	Yes	Yes
4.5 Sharing user feedback (feedback freely available)	No	N/A	Yes	Yes	Yes
4.6 Sharing experiences in using the service	No	No	No	Yes	Yes
4.7 Groups or communities for the service providers	No	No	No	No	No
4.8 Groups or communities for the consumers	No	No	No	No	No
4.9 Using the service is mostly free of any particular place	No	Yes	Yes	Yes	No
4.10 Using the service is mostly free of any particular time	No	Yes	Yes	No	No

numbers in brackets refer to certain dichotomic variable in which the differences or similarities between the platforms exist.

Digital platform business in the business ecosystem of two-sided markets

With the exception of Tutorhouse, the purchase of the service took place only through the platforms (1.1). In Tutorhouse it was also possible to take contact by calling. In two cases the production of the service called always for personal contact and appointment, when in two cases the service was enabled to produce through the platform (1.2). In the case of Tutorhouse the production of the service was done which way the service consumer preferred to. Business partners were not necessary for the operation of platforms (1.3), but in some of the cases they brought additional value. For example in the case of Ratti.fi business partners produced the installation of a brake pedal to the vehicle and in the case of Yogaia they affected to content production. In Vayable the service providers had the pos-

sibility to benefit their own business partners without platform control (1.4). For example the service provider could make a deal with a certain restaurant or transport company.

Only in Vayable, anyone who was interested in to be a service provider was able to sign in and set up the price of the service (1.5 and 1.6). Other platforms established the service providers and determined the price for all the service providers to be the same. In Meedoc and Yogaia, the consumer was able to choose the appropriate service and the service provider. Only Vayable charged the service provider a commission that was based on the price of the service (1.7). In Ratti.fi, Tutorhouse and Meedoc the fee was fixed, as well as the prices of the services.

The operation of Meedoc, Yogaia and Vayable was international (1.8). Vayable is the most international platform since it has service providers all over the world. Yogaia has studios in London and Hong Kong and at the time of the study it provided classes also in English and in German. Meedoc operated in five countries. In

Ratti.fi and Meedoc the various issues relating to the legislation and taxation substantially contributed to the operation (1.9). With the exception of Yogaia, the increase in of the number of consumers affected directly how many service providers were needed (1.10). So even though the operations in the platforms would scale efficiently, the service providers business did not become scaled.

#### Network orchestrators / Market capturers

In all cases, the network orchestrators helped the service providers and consumers to meet. Most of the network orchestrators were offering also their own services, such as virtual lessons (2.1). Excluding Vayable, all orchestrators offered service, that was also offered by incumbents (2.2). Vayable, TutorHouse and Yogaia created, however, new demand to consumers, who do not use traditional services (2.3). For example virtual yoga has acquired such consumers that may not go to traditional yoga lessons. Vayable and Yogaia have made pivotal change in platform business and changed their operations when the first experiment did not reach the desired market (2.4). Meedoc has finished operations and announced to concentrate on developing the technology.

For service providers, the orchestrators produced added value especially in the form of extra income (2.5). Only in Ratti.fi, there was no possibility for interaction between the service provider and the consumer through the platform (2.6). All orchestrators' actions were scaled so that the growth in the number of consumers did not cause extra costs at the same rate (2.7).

Orchestrators reduced the risk of service providers, with the exception of Ratti.fi case (2.8). From the consumer's perspective, the risk was reduced by Meedoc, Tutorhouse and Vayable (2.9). In all cases the orchestrator managed the actions in the platform by determining what can or cannot be done on the platform (2.10).

#### Comprehensive consumer experience

In all cases, the whole consumer journey from marketing to payment process was taken care (3.1). Also in all the platforms, the consumer had the opportunity to choose what services he wanted to use (3.2). For example in Yogaia, the consumer can choose the class she/he takes part or does she/he want to take part in live or recorded classes. In Vayable, Meedoc and Yogaia cases, the consumer was free to choose the appropriate provider (3.3). In Ratti.fi and Tutorhouse case, the network orchestrator chose the most appropriate service provider for the consumer.

On Meedoc, Yogaia and Vayable platforms, the consumer had the possibility to either try the service for free or to get advance information of the service provider or the service (e.g. a photograph) (3.4). All the platforms offered the possibility for the personal contact with the service provider or network orchestrator through the platform, e.g. using web camera or a virtual classroom (3.5). All platforms had a centralized consumer support, which was served to the consumer at all stages of the journey (3.6).

Comprehensive consumer experience includes, naturally, how the consumer benefits from the platform. In Ratti.fi, Meedoc and Yogaia cases, the advantage is the affordability of the service compared to traditional service providers (3.7). The user experience was emphasized in Vayable (3.8). The consumers of TutorHouse raised up the positive experience they had during the learning process was important. Distinctly experienced value seems to have a very crucial role in the success of platform business, therefore it would be important to study it more closely in further research. Except of Meedoc and Ratti.fi, other platforms could also create or increase the sense of sociality or communality of consumers (3.9). For example in Tutorhouse and Vayable it was possible to provide services to groups of consumers. In Yogaia case, the communality was increased for example by live

classes or Instagram photo campaigns. Ratti.fi, Meedoc, and TutorHouse promised a satisfaction guarantee to the consumer (3.10).

Sharing economy

Sharing economy in the platform business may be considered for example from the point of view of sharing physical facilities, tools or experience. For example Yogaia and TutorHouse shared the physical facilities (4.2). None of the platforms did not share tools needed for service production (4.3) or finance the tools or products necessary for the service production (4.1). Sharing of tutoring or teaching to more than one consumer was carried out by all the platforms, except Meedoc (4.4). Sharing experience during the use of the service happened in TutorHouse’s group teaching. The same was for Vayable, when the number of different users had chosen the same tour guide service at the same time (4.6). In both of these cases, sharing experience took place in a personal contact. In other cases, sharing of experience was not possible during the use of the service. None of the platforms provided the possibility to service providers (4.7) or consumers (4.8) to form groups or communities by themselves. Consumers of Yogaia, TutorHouse and Vayable had the op-

portunity to give feedback that was also transparent for all the other consumers (4.5). The services of Meedoc and Yogaia could be used anywhere (4.9) and anytime (4.10).

**4.3 Differences between Vayable and studied Finnish platforms**

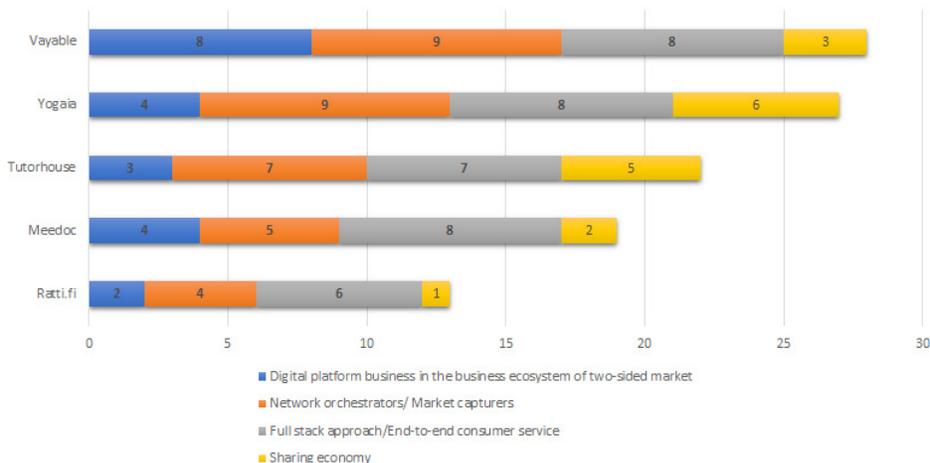
Figure 3 summarizes the numbers of “Yes” responses of different dichotomic variables in the different elements of the conceptual model. It is important to note that, especially in the element of the sharing economy, it is not always clear whether the “yes” response of a variable is good or bad thing.

As a whole, Vayable received the most “yes” responses from the variables (28 times), and Ratti.fi got the least (13 times). Vayable stood out the most from other platforms in “Digital platform business in the business Ecosystem of two-sided markets” element, with twice as many “yes” responses than the second best Yogaia. This seems to be the most important element for Vayable’s better success.

Single factors with the greatest differences between Vayable and Finnish platforms

Table 5 presents eight main characteristics in which the Vayable differs from the Finnish platforms. Based on this study, these factors

**Figure 3.** Summaries of “Yes” responses of variables in elements of conceptual model.



**Table 5.** The main characteristics in which the Vayable differs from the Finnish platforms.

THE ELEMENT OF THE CONCEPTUAL MODEL	THE CHARACTERISTIC
Digital platform business in the business ecosystem of two-sided markets	<p>The service provider has the possibility to take advantage of his own business partners without Vayable’s control.</p> <p>Vayable does not choose service providers, which means that anyone can provide service in the platform.</p> <p>The service provider can set the price of the service.</p> <p>Service providers pay for the use of the platform.</p> <p>Vayable’s business is extensively international.</p>
Network orchestrators/Market capturers	Vayable offers a new kind of supply (local citizens as guides) and creates a new demand for travellers who are tired of traditional tour guides.
Full-stack approach / Comprehensive consumer experience	For the consumer, the most important value is new experience instead of affordable price.
Sharing economy	Sharing experiences in using the service.

are potential causes why Vayable has advanced from the introduction phase to the growth phase, and passed the valley of death.

The operation of Vayable was clearly broader in the international context than the other platforms, since Vayable provided services in almost all of the world’s large cities. Vayable differed from other platforms also in the fact that it did not select the service providers, but anybody with any education background was able to offer services and also determine the price of the service. In the Vayable case it was also possible for service providers to utilize their own business partners in producing services, without the platform controlling it.

In Vayable case, the important fact was that Vayable has created new supply and demand in familiar tourist business. It has differentiated from traditional tour guides with a strong and natural local know-how. In addition, the service providers and the consumers are able to choose the tour or activity according to their interest. The tour supply is also easy to modify according to consumers interests. The description of the services and pricing are clearly

visible. The most important point for the consumer is the memorability and the sharing of experiences, and not the affordability of the service, what seems to be highlighted in the traditional travel guide business.

Platform business suitability for the studied platforms based on different industries

It is also important to consider the suitability of the platform business for different industries when comparing the studied platforms. Guide sector (Vayable case) seems to be the most suitable for platform business when examining platforms from point of view of promoting and preventing factors (information intensity, poorly scalable gatekeepers, market fragmentation, asymmetry of information, regulation and protection, high error costs, and importance of physical resources) that Parker et al. (2016) have recognized.

The guide sector is highly information intensive, as the work of the guide is precisely information work. The gatekeepers are scaled quite poorly. Potential guides are far more in relation to companies focusing on guide services. The market is very fragmented, because

there are a huge number of things worth introducing for people in the world. The information is fairly asymmetrical, even though the Internet has significantly diminished the guide and customer information gap. However, a good guide knows regional details that may not be found on the Internet. The guide sector is not regulated and protected. In practice, anyone can start to guide. The error costs are fairly small. Even if the guide is poor, there is no big harm to the customer. Physical resources are important in the guide sector, but guides do not own them, which also supports Vayable's suitability for the platform business.

When doing the same analysis for the studied Finnish platforms, their industries are not suitable for the platform business as well as the guide sector. Take for example Ratti.fi. The driving school is information intensive, but currently teaching is mainly performed with real cars and in physical classrooms. On the other hand, the gatekeepers are scaled in the sector quite poorly, which supports the platform business. There are far more potential teachers than room for teachers in driving schools. Likewise, the fragmentation of the sector supports the platform business, as students and potential teachers can be almost anywhere. The information is somewhat asymmetrical between the teacher and the student when the teacher has more experiential information. The biggest difference between the driving school and the guide sector is in legislation when the driving school is heavily regulated. The driving school has significantly higher error costs than the guide sector. A bad driving teacher can, in the worst case, cause the student's death. The importance of physical resources in the driving school sector was already mentioned above.

The profiles of Ratti.fi, Meedoc, TutorHouse and Yoagaia are different in terms of promoting and preventing factors, but when considering all the factors together, these

platforms suite to the platform business almost as well or badly. Tutorhouse and Yogai seems to have little bit better chances to success than Meedoc and Ratti.fi have.

## 5. Discussion

This section discusses the results of the study regarding the research questions: 1) What kind of conceptual model describes phenomenon of digital market capture?, 2) How do the potential digital market capturers operate in the introduction and growth phases?, and 3) How could the potential market capturers pass the death valley?

### 5.1 Conceptual model for phenomenon of digital market capture

At the beginning of the study, digital platform, market capturer (network orchestrator), the two-sided market business ecosystem, full-stack approach/comprehensive consumer experience and sharing economy were proposed as the crucial elements of the digital market capture. In the second phase of the study the model was tested by the case study. In the case study it was found that all the elements of the model were essential but the model was missing three important matters.

*The first shortcoming* of the proposed model was the lack of the perspective of individual value. The different kind of value, so called *thick value*, should be handled from the individual's point of view, because it is a reason to visit the platform for the first time, to do the first transaction, revisit the platform and to recommend it to others. When consumers feel to get exceptional value from the platform, they reject existent services and begin to use the platform. According to this study it seems that the orchestrators in the startup phase or in the phase of early growth do not pay enough attention to this. In studying the value, in addition to traditional economic and functional values, it should also be focused on social, emotional, esthetic,

entertaining, escapist, educational, ecological and cultural value. In the long run they are the matters that capture users (Tikka and Gävert, 2014; Haque, 2011; Pine and Gilmore, 1999; Morrison, 1996). It should also be noted must that different people value different things. An individual value has been emphasized by e.g. Wyman (2015), Flint et al. (2011) and Haque (2011). The platform orchestrator should identify these individual valuations and develop the platform more meaningful for individuals.

*The second shortcoming* of the proposed model was the fact that it took into account only the comprehensive experience of the consumers. Based on the case study it is also important to pay attention to comprehensive experience of the service providers. In order to get qualified service providers on the platform, the network orchestrator has to create an exceptional experience also for them.

Comprehensive value creation centred perspective is emphasized also by Amit ja Han (2017). They suggest that the digitalization of businesses calls for orchestrators to conceive of and design their resource configurations based on a system view and value creation centred perspective. This perspective views every potential participant as a potential value creator. Resource configuration of an orchestrator reflects its decisions on what resources to utilize; what needs are addressed with the resources; and how resources are accessed, connected, and coordinated to address the perceived needs. (Amit and Han, 2017). Distinct from a firm-based perspective, the system-based view is characterized by considering explicitly the value propositions for all participants, rather than only those for the customers (Amit and Zott, 2015).

*The third shortcoming* of the proposed model is its static nature. Creation, development and maintenance of platform business is a dynamic process – not only between the different stages of the life-cycle but also

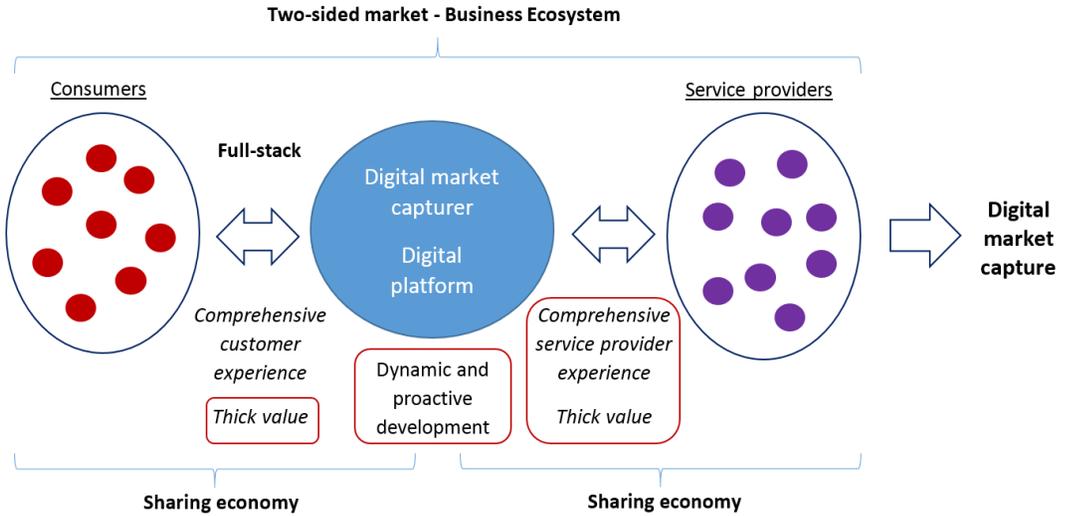
inside the stages. For example, the valuations change, competitors come and go, and legislation changes. This all happens also in the traditional business world but in platform business everything is much faster. In addition, proactive operations are emphasized against reactivity in the platform business. This is because of the possibility to track and analyse users' real actions on the platform which allows the orchestrator to anticipate the needs of change. Fast experiments are an essential part of the proactive development of platform business. By the experiments, user response can be obtained quickly. Even the beginning of platform business is often based on proactive measures as the potential market capturers take advantage of emerging market possibilities. The changes in legislation and human behavior gives the possibility to be proactive. An updated model of digital market capture is presented in the figure 3. Three changes compared to the original model are marked with text frames.

### 5.2 Potential market capturers' operation in introduction and growth phase

The elements of the conceptual model were classified to smaller parts by using 0-1 variables. The purpose was to help identify the similarities and differences between different platform businesses. In each of the four cases in startup or early growth phase, the consumer journey was considered comprehensively in every phase and the advantages of the digitality was utilized whenever it was possible. All the platforms helped the service providers and users to meet. In addition to this, the platforms offered also some own services. On all the platforms, the consumer was able to choose what services he wanted to use. All the platforms had a centered consumer support, which was available in all the stages of the consumer journey.

Monetary transactions were done on all of the platforms, but the business models

Figure 4. Updated suggestion for a model of digital market capture.



differed. Orchestrators did not own all crucial resources (e.g. vehicles or physical facilities) which incumbent companies usually owns. Hence, the principles of the sharing economy were used by all in some way. Each platform was able to scale efficiently, meaning that the orchestrator doesn't have to invest to platform business to the same extent as new consumers will be using the platform. In the start-up phase, the efforts made by the platform for marketing and committing the existing consumers were quite expensive compared to the revenue. This has made the platform business unprofitable. With regard to external service providers, there were remarkable differences in scaling between platforms. For example in Ratti.fi, the driving license teaching requires new teacher resources as the number of students increases. Instead, the virtual theory lessons scaled efficiently. All of the platforms try to get more consumers and service providers, since the limited user base is the greatest problem by far.

### 5.3 Proposals for startup platforms to pass the valley of death

The industry, entity and details affect the success of the platform business. Driving school, yoga, support teaching and medical services are not at the top of the line of business when it comes to their suitability for the platform business. On the other hand, the sectors of these platforms are also not at the bottom from the perspective of platform business. The appropriate timing for them is likely to be all the time closer. For example, demand for education platforms is expected to grow strongly in the future (Parker et al., 2016).

The right timing is strongly influenced, in particular, by changes in legislation and technological development. For example, Ratti.fi was at the time of the research the least potential for the platform business, but a legislative change may change the situation completely. If the limitation of student number is removed in the future, then the driving teacher can earn almost 3,000 euros per month for 150 hours of work, making the teaching much more attractive.

Based on the above, the question arises

whether the success of the platform business is influenced more by excellent overall performance or single factors. For example, in the case of Ratti.fi, the possible removal of the teaching limitation is a very important single factor. If driving teachers can earn more than 10 times more than in the present business, it will certainly attract new teachers, which in turn will attract more students. Probably this legislative change would be to Ratti.fi's business more important than improvements in other factors altogether.

On the other hand, eight factors were identified, in which the studied Finnish platforms operate differently than Vayable. In these factors, changing operations comprehensively or in a subset of factors could reduce the risk of falling into the valley of death. The weights between different factors are naturally different for different platforms. From the perspective of holistic development, it is necessary to improve the performance in those factors that are already being implemented. The element of "Digital platform business in the business environment of two-sided markets" contains the most elements that Vayable does differently than the studied Finnish platforms. It seems that the studied Finnish platforms have not yet sufficiently utilize the mechanisms of two-sided markets that differ according to Parker et al. (2016) clearly from traditional value chain thinking. Amit's and Han's (2017) view about differences in resource configurations as well as the distinct roles of the orchestrator in platform business supports this perspective. Based on their classification, Vayable is a pure transaction enabler, while the studied Finnish platforms are the intermediates of a collaborators and a transaction enablers. Collaborator engages other firms to create value together for customers, while transaction enabler facilitates or enables transactions between user groups. The role of collaborator is linked to traditional value chain thinking, while the role

of transaction enabler is related to platform business on two-sided market.

The studied Finnish platforms should increase the freedom of choice of service consumers and providers. For example, service providers could determine the price of service or consumers could choose the suitable service provider themselves instead of platform. Furthermore, the Finnish platforms should concentrate more on other value elements than just economical value. People are willing to pay for exceptional experiences such as, for example, Vayable offers. In this case it is possible to create completely new demand instead of compete against existing demand.

## 6. Summary and needs for further research

The study presents the proposal for the conceptual model of the digital market capture on a two-sided market. The model was utilized in analyzing five potential market capturers. For the main elements of the model were identified digital platform, market capturer (network orchestrator), business ecosystem consisting of a two-sided market including consumers and service providers as user groups, full-stack approach/comprehensive consumer and service provider experience, thick value, sharing economy, and dynamic and proactive development of platform business. When these elements are taken care of, the result can be the digital market capture, where the market is captured from incumbent companies or completely new market is created. The small size of the sample of this study has an effect on the possibilities to generalize the results.

According to the study, creation of successful platform business is not an easy task. One night wonders or quick profits are unlikely. The biggest obstacle is the slow growth of the number of users or imbalance between the different user groups, which is also identified in previous studies (Parker et al., 2016).

The digital market capture is a complex phenomenon, where a lot of details and the relations between them have to be taken into account. Therefore it is no surprise that so many of platform entrepreneurs falls to the valley of death on their way to growth phase. Network orchestrators at the start-up phase can utilize the results of this study and especially the o-1 variables as a support tool when trying to pass the death valley. At the beginning of the business, all the creativity and energy should be focused to attracting potential users to the platform.

There is and will be a multiple amount of attempts of digital market capturing. This is supported by the view of Dixon (2014), that many of incumbent companies will be captured if they don't act themselves first (Parker et al., 2016; Ilmarinen and Koskela, 2015, McQuivey, 2013). This is due to the fact that digital tools as well as consciousness of the world is increasing all the time. It means that the market capturer can come from wherever. Most of the capture attempts are due to fail, but just one successful capturing is enough and in the worst case it can destroy incumbent business. That is why the incumbents should start to generate ideas themselves to first capture their present market with a digital platform (McQuivey, 2013). The digital transformation is the counteraction or predictive strike of the existing businesses against new digital market capturers. In transformation, the businesses have to create themselves again in order to create new competitive advantage or in order to survive in the digitalized world (Rogers, 2016; Parker et al., 2016; Ilmarinen and Koskela, 2015). This article offers ideas and views from the digital market capturing to existing businesses and to newcomers.

For the incumbent businesses, the comprehensive change is a big challenge, but e.g. Nike, Disney and SAP have approved it to be possible (McQuivey, 2013). Incumbents have a good starting point to platform business,

because they already have existing customers and partners. On the other hand, as an obstacle and hindrance may be the existing business models as well as the operational models and practices that are not compatible with digital world (McQuivey, 2013; Parker et al., 2016).

#### Needs for further research

The digital market capture was studied from the perspective of network orchestrators. However, in the successful market capturing the outside resources play a crucial role – why are they coming to the platform for the first time, do the first transaction and return there again? It is a phenomenon of resource attraction and being hooked (Hagel III et al. 2012; Hamel 2012). In this study, it was found out that in digital platform business the comprehensive consumer experience should be approached from the perspective of individually experienced thick value as Tikka and Gävert (2014), Haque (2011), Flint et al. (2011) and Morrison (1996) have pointed out. In addition to the traditional economic and functional value, the emotional, cultural, social, ecological, symbolic, and esthetic values have to be paid attention to (Tikka and Gävert, 2014; Morrison, 1996; Tantalo and Priem, 2014; Pine and Gilmore, 1999). The competitive advantage is created by being able to offer individual thick value that is different from competitors (Parker et al., 2016; Tikka and Gävert, 2014; Kim and Mauborgne, 2005).

The new conceptual model of the digital market capture on a two-sided market and a list of dichotomic variables were presented. However, only five platforms of potential market capturers were studied. A wider sample is needed for the generalization of the results. On the other hand, the model was created for consumer businesses. It would be beneficial to study the phenomenon in business-to-business ecosystems.

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