Push a button and soon a car shows up wherever you are. Search, click on your favorite dish, and a few minutes later dinner arrives. Want to make a quick trip to New York? A flight and a room in a stranger’s apartment are a few clicks away. Perhaps you’ll visit your friend from high school—you can tell from your Facebook feed that he’s enjoying his new grandkids.

Digital platforms have transformed the way we live, work, play, travel, and learn. The six largest firms (by market capitalization)—Apple, Alibaba, Alphabet, Amazon, Facebook, and Microsoft—all run platform businesses. Academics Geoffrey
Parker, Marshall Van Alstyne and Sangeet Choudary explore the *Platform Revolution* in their 2016 book. They define a platform this way:

A platform is a business based on enabling value-creating interactions between external producers and consumers. The platform provides an open, participative infrastructure for these interactions and sets governance conditions for them. The platform’s overarching purpose: to consummate matches among users and facilitate the exchange of goods, services or social currency, thereby enabling value creation for all participants.²

Platforms like Uber, Airbnb, Facebook, Amazon, and Alibaba have transformed consumer options and markets, but most of us don’t know much about how they work. A handful of design decisions about governance, openness, and monetization guide user experience and can make the difference between scale and obscurity. For example, MySpace required users to visit other people’s content while Facebook brought friend’s content to the user’s feed—and this small design decision made all the difference.

The rise of the platform economy and lifestyle has been supported by improved access to broadband and a dozen trends (as summarized in the accompanying grid of what platforms do and enable), which has created accelerating and unceasing change unlike anything before. Platforms change assumptions about what is possible, and they unlock new sources of value creation and supply. LinkedIn is where we connect for business. Facebook is home for friends and family. Snapchat is where we share pictures. Amazon is where we buy everything. These platforms enable new and important activities.
You probably work on several platforms. Any form of marketing starts with knowing your customers—and potential customers. Information about them is stored in a Customer Relationship Management system like Salesforce. If your company makes something, it probably uses Enterprise Resource Planning software to manage production and inventory. Human resources and accounting also usually have their own software. Over the last decade, all of these systems have migrated from operating on a computer at the business level, to operating over the Internet “in the cloud,” which makes it easy to access anywhere, easy to update, and easy to scale with growth.

<table>
<thead>
<tr>
<th>What platforms do</th>
<th>What platforms enable</th>
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<tbody>
<tr>
<td><strong>Thin</strong> services (like Slack) are fast, extensible, interoperable, and easy to learn</td>
<td><strong>Move</strong> freely with fluid information linked across all of your screens to learn, work, and transact anywhere</td>
</tr>
<tr>
<td><strong>Know</strong> your preferences, locations, competencies, and interests</td>
<td><strong>Connect</strong> on interests, events, and campaigns; build collective solutions</td>
</tr>
<tr>
<td><strong>Filter</strong> the flow of information and allocate attention to the exponentially expanding universe</td>
<td><strong>Create</strong> compelling images, stories, campaigns, tools, environments, and experiences. Platforms eliminate gatekeepers and scale efficiently.</td>
</tr>
<tr>
<td><strong>Track</strong> everything and share it in simple, useful visuals</td>
<td><strong>Mix and match</strong> playlists and new compilations</td>
</tr>
<tr>
<td><strong>Recommend</strong> and remind with increasing accuracy and usefulness</td>
<td><strong>Share</strong> public products with broad audiences, create community feedback loops, and bring the outside in</td>
</tr>
<tr>
<td><strong>Improve</strong> seamlessly and continuously (no more monolithic versioning)</td>
<td><strong>Learn</strong> and grow between face-to-face interactions</td>
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Just when it looked like these giant platforms would do everything, smartphones came around. Shortly after the introduction of the iPhone in 2007, a new kind of platform was born—and the Apple App Store quickly became a home for thousands, and now millions, of mobile applications. Hundreds of billions of mobile apps have been downloaded from the App Store, Google Play, and Windows Phone Store. What was once a phone is now a mobile computing platform.

With the growth in smartphone penetration and social media use came text messaging. It exploded with young people. And then Baby Boomers with email inboxes full of spam figured out that texting was much easier than email for many conversations. Slack, launched in 2014, quickly became a unicorn (valued at more than $1 billion). Millions of companies quickly adopted the thin messaging platform, which was easy to integrate. Slack proved that you don’t have to be monolithic, you just have to solve a problem and be easy to use.

Platforms help us create, often co-create, and connect with broader audiences. Platforms learn about us and help us learn about the world. For most of us, growth is activated by relationships, and learning happens in community settings (more on learning platforms in Chapter Three). Platforms can make face-to-face time more productive and can provide engagement in the gap between in-person experiences.

**PLATFORM ARMS RACE**

Technology platforms shift every 10 to 15 years. The personal computer was the platform for a decade beginning in 1985, until the internet exploded on the scene as the new platform in 1994. The smartphone was introduced in 2007. With each shift, it appears that disproportionate gains go to the leader in the new domain. It looks like the new battlefield is artificial
intelligence and augmented and virtual reality. The six big platform companies spend $50 billion a year on research and development, and a sizeable portion will go to these emerging capabilities.³

Vibrant platforms incorporate new user interfaces that enable new functionality and create new geographic freedom. More than 150 million Snapchat users watch 20 billion videos daily, with users spending almost a half an hour on the platform every day. Facebook bought Oculus betting that the next interface would be virtual reality. With Alexa, Amazon bet on voice as the new interface. In the coming months, digital assistants and chatbots will become more widespread thanks to advances in artificial intelligence. Speech recognition will continue to improve and will power a variety of interaction-based services.

How do platforms scale and unlock value? The secret is network effects.

NOTES
3. https://techcrunch.com/2017/06/02/how-to-create-the-most-value-for-the-next-technology-wave