SCIENTIFIC CULTURE

www.sci-cult.com

SCIENTIFIC CULTURE, Vol. 12, No. 1.1, (2026), pp. 727-743
Open Access. Online & Print

DOI: 10.5281/zenodo.11425160

PLATFORM BUSINESS MODELS AND MARKET CAPITALIZATION GROWTH: AN EMPIRICAL ANALYSIS OF TOP GLOBAL COMPANIES

Hoda Mansour[1*], Dina Dahlan[2], Salwa Abdelaziz[3]

[1]University of Business and Technology, Saudi Arabia, h.mansour@ubt.edu.sa, https://orcid.org/0000-0001-6544-0179
[2]University of Business and Technology, Saudi Arabia, d.dahlan@ubt.edu.sa
[3]Cairo University, Egypt, salwa_abdelaziz@feps.edu.eg

Received: 11/11/2025
Accepted: 18/12/2025

Corresponding Author: Hoda Mansour (h.mansour@ubt.edu.sa)

ABSTRACT

Platform-based firms have emerged as dominant actors in global markets, reshaping how value is generated, distributed, and sustained in the digital economy. Functioning as "organizations of organizations," platforms establish structured ecosystems that enable external innovation and collective value co-creation. This study explores the strategic and financial implications of adopting a platform business model by integrating insights from strategic management, digital transformation, and innovation ecosystem theory. Using a cross-sectional dataset of the world's top 100 companies by market capitalization as of 2022, the research employs an ordinary least squares (OLS) regression to evaluate the association between platform adoption and firm valuation. Results indicate that firms with platform-oriented models exhibit, on average, approximately 40 percent higher market capitalization, even after controlling for firm size and performance variables. This premium reflects the compounded benefits of network externalities, ecosystem orchestration, and dynamic capabilities. The discussion contextualizes these findings through emerging trends such as artificial intelligence integration, data monetization, and global regulatory shifts, offering theoretical contributions and practical insights for policymakers and managers navigating the evolving platform economy.

KEYWORDS: Platform Business Model, Platform Leadership, Digital Ecosystems, Market Capitalization, Digital Transformation, Innovation Strategy.

1. INTRODUCTION

Business success patterns have shifted dramatically over time, evolving from traditional product-based "pipeline" models to platform-oriented models in the 21st century. In the industrial era, supply-side economies of scale powered growth: firms gained market strength by controlling high fixed-cost assets, relentlessly improving operational efficiency, and expanding their customer bases through competitive pricing. By the late 20th century, many prosperous firms still adhered to this pipeline value-chain model, stimulating demand via mass media marketing and brand promotion. However, the advent of information technology and the internet flipped core business assumptions. Since the early 2000s, demand-side forces–particularly network effects and digital connectivity–have taken center stage, giving rise to platform-centric businesses. Companies like Google, Facebook, Amazon, and other new titans do not operate as isolated, linear value chain actors; instead, they function as orchestrators of multi-party networks. In ecosystem theory, firms are viewed as part of a network of interconnected, interdependent entities rather than independent and solely self-reliant units. As Moore (1993) argued, business ecosystems consist of firms that co-evolve capabilities around a shared vision and collective value creation. Ecosystem members often position themselves around an "ecosystem leader"–a firm that sets the direction for the whole network. A platform-based ecosystem is one in which a central platform facilitates collaboration and exchange among multiple participant groups using a common infrastructure. Instead of confining interactions within a traditional supply chain, platforms enable firms to become part of wider communities, leveraging external partners and users to co-create value. Platforms, whether digital or physical, have thus emerged as a new organizational phenomenon impacting most industries today–from products to services. Digital platforms are especially pervasive: high-tech sectors such as search engines, social media, e-commerce, fintech, and app-based services are all dominated by platform models[3]. In many of these markets, one firm or a small set of firms acts as a platform leader, exercising outsized influence on the ecosystem's direction (Gawer & Cusumano, 2002). Platform leadership is characterized by the ability to orchestrate complementary innovation and control key architectural standards or rules of exchange in the ecosystem, thereby shaping the evolution of the market. Consequently, both researchers and managers are increasingly interested in understanding how platforms are created, scaled, and governed as a source of competitive advantage.

Motivated by the growing prominence of platform businesses, this paper investigates the relationship between platform business model adoption and firm value, measured as market capitalization. While prior work has conceptually argued that platforms can unlock extraordinary value through network effects and ecosystem-driven innovation (e.g., Cusumano et al., 2019; Parker, Van Alstyne & Choudary, 2016), there is a need for rigorous empirical analysis to quantify this impact. We address this gap by analyzing cross-sectional data on the top 100 global companies by market capitalization, examining whether platform-oriented firms enjoy a valuation premium. In doing so, we also explore the strategic characteristics of platform leaders and the mechanisms through which platform strategies drive market value.

After this introduction, the paper proceeds as follows. First, we develop a theoretical framework, drawing on economic and strategy theories relevant to platforms and ecosystems. Next, we review the relevant literature, including definitions of platforms, distinctions among platform types, and prior research findings. We then describe our methodology, data, and variables, followed by the results of our regression analysis. In the discussion section, we interpret the findings in light of the theoretical framework and incorporate recent trends in platform economics and leadership–such as AI integration, platform regulation, and data monetization–to discuss the evolving context of platform strategy. We then offer managerial implications, providing guidance for practitioners seeking to leverage platform models. Finally, we conclude with a summary of contributions, limitations, and suggestions for future research.

2. THEORETICAL FRAMEWORK

Over the last three decades, research on platforms has grown exponentially as economists, management scholars, and information systems researchers have jointly contributed to a large body of knowledge on this topic (Cusumano, 2022). Diverse schools of thought in strategy and innovation–including those on ecosystems, two-sided markets, and value co-creation–are converging around platform dynamics as a unifying paradigm. This convergence is unsurprising given that many of the world's most valuable corporations today are built on platform business models, underlining the importance of developing a strong theoretical grounding for how platforms operate.

From an economics perspective, foundational theory on platform markets comes from the literature on two-sided (or multi-sided) markets. In a two-sided market, a firm (the platform) serves two or more distinct groups of customers, facilitating interactions between them (Armstrong, 2006; Rochet & Tirole, 2003). Each side of the market provides network benefits to the other side–a phenomenon known as network effects or network externalities. Direct and indirect network effects imply that the platform's value to any given user increases as more users join on the same or the other side of the platform (Katz & Shapiro, 1985; Parker & Van Alstyne, 2005). The platform firm often sets pricing and rules in a way that balances cross-side demand, sometimes subsidizing one side to attract the other (e.g., subsidizing users to attract developers or vice versa) (Hagiu, 2006). Importantly, the platform holds a central position that can confer bilateral market power–it can exert control over all sides of the market by setting fees, standards, or access terms (Hagiu, 2006; Weyl, 2010). In summary, key economic notions underlying platforms include multi-sided market structure, the presence of positive network effects, and the platform's role as an intermediary that can exercise control over the ecosystem's participants

Platforms can also be understood through the lens of systems and engineering. A platform system is often described as a set of core components or infrastructure that remain stable, and a periphery of complementary modules that can be developed by the firm or third parties (Baldwin & Woodard, 2009; Tiwana, Konsynski & Bush, 2010). This modular architecture allows for innovation to be decentralized: external producers (complementors) can contribute new products or services that augment the platform's value. Gawer & Cusumano (2014) emphasize that industry platforms act as the foundation upon which an ecosystem of firms develops complementary innovations. The platform owner must manage openness (to encourage broad participation) versus control (to ensure quality, security, and value capture) (Boudreau & Hagiu, 2009). Recent work by Poniatowski et al. (2022) offers a comprehensive theoretical framework for digital multi-sided platforms, conceptualizing them as layered modular architectures that interact with various environmental factors (technological artifacts, governance structures, etc.). Under this view, a platform exists within a broader environment and must dynamically adapt its governance and strategy as it scales.

A platform's growth journey can be delineated into stages. Kim and Yoo (2019) propose a four-stage platform growth model–entry, growth, expansion, and maturity–each requiring different strategies and focal challenges. Early on, entry-stage platforms struggle with the chicken-and-egg problem of attracting initial users on multiple sides. Growth stage platforms focus on accelerating network effects and reaching critical mass. Expansion involves diversifying offerings or entering new markets, often leveraging the established user base, and maturity may bring challenges of sustaining innovation and dealing with competition or regulation. The need for constant adaptation across these stages aligns with broader theories of technological change and punctuated evolution (Anderson & Tushman, 1990), reinforcing that platform strategists must continually refine their approach to maintain competitiveness.

In the contemporary business environment, platform strategies have extended beyond purely digital realms. Companies like Uber and Airbnb orchestrate physical services (transportation and lodging) using digital platforms, blurring the line between digital and traditional industries. Indeed, the platform model has proven extremely flexible and powerful for growth, as evidenced by its adoption in sectors ranging from retail and media to finance and transportation (Kenney & Zysman, 2016; de Reuver, Sørensen & Basole, 2018). Platforms disrupt traditional industries by lowering transaction costs, aggregating fragmented supply and demand, and harnessing network-driven value creation (Stallkamp & Schotter, 2019). A key strategic consideration for platform firms is their approach to international expansion and localization. Stallkamp and Schotter (2019) highlight that digital platform companies face unique challenges when entering foreign markets, such as adapting to local network effects and regulations, which require nuanced strategies to globalize successfully.

From a strategic management perspective, platform business models are giving rise to new theoretical frameworks. One such perspective is the link between platform strategy and ecosystem value. Platform leaders often act as ecosystem orchestrators, leveraging what Teece (2018) calls complementary capabilities of many partners. The Resource-Based View (RBV) of the firm is augmented in platform contexts by an ecosystem-based view, where a firm's competitive advantage comes not just from internal resources but from its ability to mobilize and coordinate external resources (Helfat & Raubitschek, 2018). Recent research on dynamic capabilities in digital platform ecosystems argues that platform leaders develop integrative capabilities to continuously absorb innovation from outside and

also reconfigure their ecosystem in response to technological changes. This is crucial as emerging technologies like artificial intelligence (AI) and machine learning are increasingly being embedded into platform services, requiring platform firms to dynamically adapt (Helfat & Raubitschek, 2018; Huang et al., 2023). Additionally, Gawer and Cusumano (2015) outline strategic options for aspiring platform leaders–such as "coring" (creating a new platform by solving a systemic industry problem) and "tipping" (outmaneuvering competitors to become the dominant platform)–which integrate both business strategy and technological design considerations. In summary, platform strategy intersects with innovation ecosystem theory, emphasizing leadership through enabling external innovation, and with digital transformation strategy, highlighting how traditional firms must transform their models to embrace platform dynamics.

Finally, it is important to note the broader socioeconomic context: The rise of platform-based firms has prompted new regulatory and policy considerations. As platform giants concentrate market power, regulators are developing frameworks to ensure fair competition and to address concerns such as data monopolies and gatekeeping. A prominent example is the European Union's Digital Markets Act (DMA) of 2023, which targets large digital "gatekeepers" and imposes obligations to ensure contestability and fairness in digital markets. The DMA and similar regulations recognize that platforms now serve critical roles in mediating communication, commerce, and information, effectively becoming infrastructures of our economy (Kenney, Bearson & Zysman, 2021). These developments suggest that any complete theory of platform strategy must also account for regulatory dynamics and the evolving institutional environment in which platforms operate.

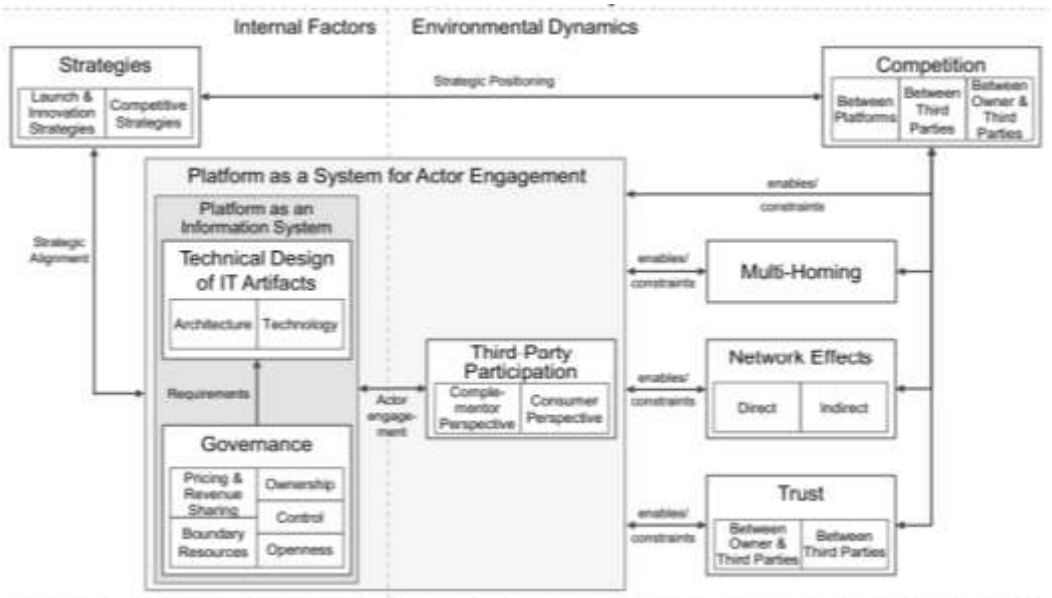

Figure 1: Theoretical Framework of Digital Platforms. Source: Poniatowski et al. (2022).

3. LITERATURE REVIEW

The term "platform" has been used in varied contexts over time, leading to some ambiguity in its definition. Early usage in management and economics referred to foundational products or technologies as "platforms." For instance, in the early 1990s, scholars discussing multi-product strategies and network externalities began to label certain products or services that enabled complementary innovations as platforms (Cusumano, 2010). The notion was partly derived from the concept of a product platform in manufacturing–a base of common components used to develop a family of products (Meyer & Lehnerd, 1997). Congleton (1989) appears to be among the first to use "platform" in an economics publication (in the context of political competition), and shortly thereafter Rybakov and Vale (1990) and Avishai (1991) employed the term in management contexts, describing platforms broadly as frameworks for interaction within organizations or society. These early uses were conceptually disparate, ranging from internal information systems (Kogut & Zander, 1992) to any technological base used by consumers (Cusumano & Smith, 1995).

By the 2000s, a more specific meaning of platform gained prominence: multi-sided platforms (MSPs)

that facilitate transactions or interactions between multiple user groups. Researchers like Evans (2003) and Rochet & Tirole (2003) formalized the economics of multi-sided platforms, and the strategy field followed with analyses of how these platforms differ from traditional businesses. Platform vs. product: A crucial distinction is that a platform creates value by enabling direct interactions between independent producers and consumers, whereas a traditional product firm creates value through a linear value chain (Srinivasan & Venkatraman, 2018). Parker, Van Alstyne, and Choudary (2016) famously contrasted "pipelines" (linear businesses) with "platforms," noting that platforms invert the firm by turning external ecosystem participants into value creators, rather than the company doing it all internally. In this sense, a platform can be thought of as an ecosystem hub–a role quite different from a vertically integrated incumbent.

Jia, Cusumano, and Chen (2019) offer a useful classification of platforms into three categories: (1) company-specific internal platforms (used within a firm to enable product families or reuse of modules), (2) supply chain or inter-organizational platforms (alliances of firms collaborating toward a common goal, sometimes seen in manufacturing or distribution contexts), and (3) industry platforms or multi-sided market platforms that serve multiple firms or customers across an industry. Our focus in this paper is primarily on the third category–industry or multi-sided platforms–as these correspond to firms whose core business model is platform-mediated. Notably, even within industry platforms, there are sub-types; for example, transaction platforms (like Amazon Marketplace, Airbnb) that facilitate exchanges, innovation platforms (like Android or Windows operating systems) that provide a technological foundation for others to build upon, and hybrids of the two (Cusumano, Gawer & Yoffie, 2019). Kim and Min (2019) proposed a typology describing platform firms as either suppliers, tailors, or facilitators, depending on how they source and customize offerings via third parties. This highlights that not all platforms operate identically–some primarily aggregate supply and demand, others provide tools for partners to create specialized offerings, etc.

Significant prior work has been done on product platforms in new product development (Meyer & Utterback, 1992; Muffatto & Roveda, 2002; Simpson et al., 2006). A product platform generally refers to a set of common elements (architecture, technology, processes) from which a stream of derivative products can be efficiently developed (McGrath, 1995; Martin & Ishii, 2002). These studies, however, largely pertain to intra-firm efficiencies and were precursors to today's focus on external innovation platforms.

Inter-organizational platforms have also been examined, especially in supply chain and manufacturing contexts (Gawer, 2014; Corradini & De Propris, 2017). Amasaka (2012) used the term "supply chain platform" to describe new forms of cooperation among manufacturing firms. Pan and Lin (2019) conceptualize a platform as a network organization represented by nodes (actors) and connections (relationships). In their view, a platform node is the central firm (platform owner) and other firms are connected in various network structures (pairs, rings, complex networks). They highlight that in a multi-organizational platform, differences in power and position lead to different relationship configurations among participants. Essentially, these works foreshadow the ecosystem perspective: a platform can be seen as an ecosystem where the platform owner, suppliers, complementors, and consumers all interact to co-create value (Kapoor, 2018). This ecosystem perspective is strongly echoed in the multi-sided platform literature–indeed, many scholars treat industry platform and ecosystem as two sides of the same coin (Gawer & Cusumano, 2014; Cennamo, 2018). Not unexpectedly, a great deal of recent research examines the link between platforms and ecosystems (e.g., how platform governance affects ecosystem health, how ecosystems can be orchestrated).

3.1. Platform Strategy and Performance

Researchers have identified several strategic tactics and challenges unique to platform businesses. Chicken-and-egg dynamics, pricing strategies for multi-sided markets, governance rules (e.g., how much to curate or regulate third-party participation), and envelopment (expanding a platform's scope to adjacent markets) are recurrent themes (Eisenmann, Parker & Van Alstyne, 2011). Stummer et al. (2018) enumerate strategies for launching platforms, including focusing on a single user segment initially, staging the platform's introduction (often starting as a traditional pipeline then transitioning to a platform once scale is reached), subsidizing one side to build critical mass, platform envelopment (leveraging connections with established platforms), and forging exclusive deals to attract key users. Gawer and Cusumano (2015) similarly discuss how aspiring platform leaders must often first build a compelling standalone product (coring) and then use strategies to win platform adoption (tipping the market in their

favor).

In terms of performance outcomes, it is theorized that successful platforms can achieve superior growth and profitability due to network effects, high scalability (as digital platforms often have low marginal costs), and strong lock-in once an ecosystem is established. Cennamo (2018) pointed out a paradox: as a platform matures, network effects can lead to diminishing returns if not managed well–e.g., congestion or low quality contributions can hurt user experience. Thus, platform leaders must continuously invest in governance mechanisms and innovation to sustain growth (Tiwana et al., 2010; Huang et al., 2021). Tiwana et al. (2010) describe the coevolution of platform architecture and governance with environmental dynamics–platform owners may adjust openness or introduce new rules as competition and user bases evolve.

Empirical research on platform firms' performance is still developing. Many studies have been case-based (e.g., analyzing specific firms like Apple's iOS vs. Google's Android, or Alibaba's rise in China) or simulation-based. There is a growing interest in quantitatively examining how being a platform impacts financial metrics. For example, some prior studies have looked at how platform-related announcements affect stock prices (e.g., investors reacting to a firm announcing a platform strategy), or how multi-homing (users or complementors affiliating with multiple platforms) influences market share. Still, broad-sample statistical evidence on platform business model advantages is somewhat limited, which is one motivation for our analysis. By examining top companies, we can see if platform-oriented firms systematically achieve higher market valuations, controlling for other performance indicators. Recent analytical work by Hannah and Eisenhardt (2018) on ecosystems suggests that a "hub firm" (platform leader) can capture disproportionate value, which would be reflected in measures like market capitalization. Our study directly tests for such an effect.

3.2. Emerging Trends: AI, Data, and Regulation in Platforms

Recent years have ushered in new trends that intersect with platform economics. One is the integration of artificial intelligence (AI) and big data analytics into platform operations. Many leading platforms leverage AI for personalized recommendations (e.g., Netflix, Amazon), efficient matching (Uber's algorithms), content curation (Facebook's news feed), and even for creating new services (the surge of generative AI services offered via cloud platforms). AI capabilities can amplify network effects by improving user engagement and value extraction from data. Indeed, leading platform companies are at the forefront of AI adoption: surveys indicate that a significant share of high-performing firms (those attributing substantial profit to digital initiatives) have embedded AI and are rapidly investing more due to breakthroughs in generative AI. The symbiosis of AI and platforms suggests that future competitive advantage may belong to those platform firms that can best harness AI to enhance user experience and ecosystem productivity. This also raises the importance of data network effects: as platforms accumulate more user data, they can improve AI models, which in turn attract more users–a feedback loop reinforcing the platform's position (Lee, 2019).

Another critical trend is data monetization and privacy. Platform companies often monetize user data through targeted advertising or by providing analytics services. However, heightened awareness of data privacy and new regulations (such as the European GDPR and California's CCPA) are constraining unfettered data use. Platforms must balance monetization opportunities with privacy protection and user trust. Notably, the DMA in Europe now requires gatekeeper platforms to obtain explicit consent for combining personal data across services and to allow users to opt-out of tracking. These rules could significantly affect revenue models of platforms reliant on personalized ads. Leading companies are responding by exploring alternative strategies–for example, investing in privacy-preserving technologies and seeking new revenue streams like subscriptions or commerce. A recent industry analysis highlights that top digital ecosystem leaders pursue data monetization in tandem with addressing ecosystem privacy and security challenges. In short, the ability to monetize data responsibly is becoming a key strategic capability for platform firms in the 2020s.

Finally, platform regulation has become a prominent issue. Besides the EU's DMA, various antitrust actions and sector-specific rules are emerging worldwide–from the U.S. considering antitrust suits against Big Tech, to China's tightened oversight of its tech giants (such as Ant Group's halted IPO and new anti-monopoly guidelines for platform economy in 2021). The impact of regulation on platform innovation and competitiveness is debated. Some scholars argue that heavy-handed regulation might stifle innovation and the dynamic competition that platforms bring (Cennamo &

Santaló, 2023), while others contend that basic rules are necessary to prevent abuses of dominance and to maintain a level playing field (Cusumano, 2022; de Streel & Jacquemin, 2017).

What is clear is that platform companies must now engage with policymakers and design their strategies with compliance and digital trust in mind. Issues like app store policies (e.g., Apple and Google facing pressure to allow third-party app stores), interoperability of messaging services, and data portability are no longer just technical questions but strategic ones influenced by external rules. In the discussion section, we will reflect on how such regulatory trends might influence the interpretation of our results and the strategic trajectory of platform firms.

In summary, the literature suggests that platform business models differ fundamentally from traditional models, and this difference can confer significant advantages in market value creation. However, harnessing these advantages requires adept management of network effects, ecosystem partnerships, technology (AI/data), and compliance with a changing regulatory landscape. Our study builds on this literature by providing empirical evidence of the platform advantage and linking it to the above theoretical and contemporary considerations.

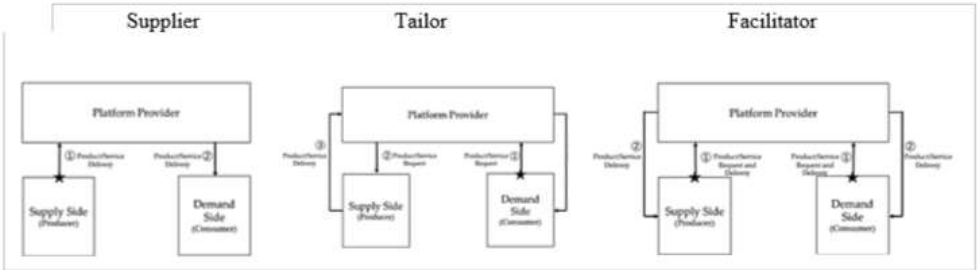

Figure 2: The Three Types of Platforms. Source: Kim and Min (2019)

There are several examples of successful platform leaders in different industries. Table 1 lists examples of these industries such as ecommerce, travelling, asset sharing, social media, fintech, research, search engines, health technology and education platforms.

Table 1: Types and Examples of Digital Platforms. Source: Innovation Tactics (2022, August 26).

Platform industry	Examples
Ecommerce	Amazon, Alibaba, eBay
Travel, dining, events	Booking, Expedia, TripAdvisor, Eventbrite, Yelp
Asset sharing and services	Uber, Airbnb, Task Rabbit
Social and communication	Facebook, Snapchat, Twitter, Waze
Search and vertical search	Google, Pinterest, Facebook places, AirDNA
Content and media	Apple News, Youtube, Twitch, Kindle
Fintech	Paypal, visa, LendingClub, Kickstarter
Health	Doximity, Ro, Conversa
Education	Emeritus, Coursera, Udemy, Chegg
Hardware and software tech	iphone, Android, xbox, Appstore

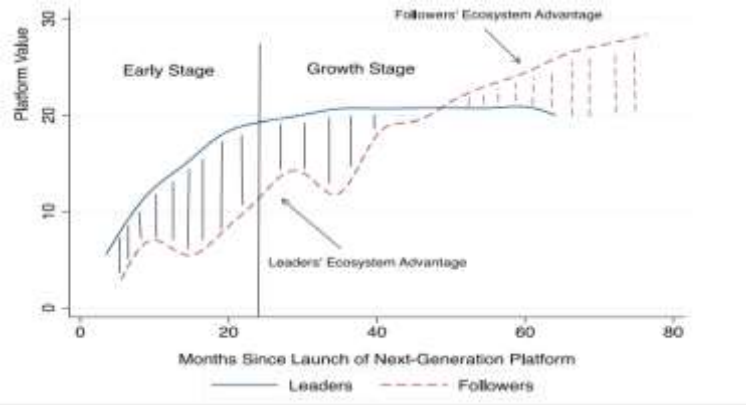

Figure 3: Platform Value of Next-Generation Leaders and Followers. Source: Cennamo (2016).

4. METHODOLOGY

4.1. Variables and Data Sources

This study employs a quantitative cross-sectional research design to examine the impact of adopting a platform business model on firm market value. The target population is large, publicly traded companies, and we focus on the top 100 companies worldwide by market capitalization. By concentrating on top firms, we capture those that are industry leaders and, notably, many of the known platform giants. The data for market capitalization and financial variables were obtained from CompaniesMarketCap.com, a finance data website that aggregates real-time and historical market valuation data for publicly traded firms. We accessed the data in mid-December 2022[23], ensuring that the market values and financials used correspond roughly to the 2022 year-end figures. For each of the 100 firms, we collected the following variables:

Table 2: Variables Definitions and Units of Measurements.

Variable*	Definition	Unit
LogMarketCapitalization	Natural log of market capitalization which is calculated by multiplying the latest share price of a company by its outstanding shares. $Market\ capital = share\ price\ x\ outstanding\ number\ of\ shares$	$US
DividendsYieldTTM	Dividends yield is the percentage of share price paid as dividends. $Dividend\ yield = \frac{dividend\ paid\ per\ share}{price\ of\ share}$	%
RevenueTTM	Total Revenue of a company in 12 months.	$US
EarningsTTM	The net profit after deducting expenses from revenues in 12 months.	$US
*Platform***	Dummy variable taking the value of 1 if the company is a platform, and 0 otherwise.	1 & 0

*TTM refers to Trailing Twelve Month. The variables DividendsYieldTTM, RevenueTTM, and EarningsTTM are a reflection of the most recent 12 consecutive months financial data.
**For the analysis, We define a platform as a set of building blocks (products, technologies, or services) that serve as the basis for a variety of businesses (a business ecosystem) to create complementary goods, technologies, or services (Gawer, 2009).
Source: Author's elaboration.

Table 3: Summary Statistics of All Variables.

Variable	Observations	Mean	Standard Deviation	Min	Max
LogMarketCapitalization	100	26.12714	.6022592	25.53651	28.35462
DividendsYieldTTM	100	233.5301	201.4589	0	905.245
RevenueTTM	100	1.08e+11	1.21e+11	2.63e+09	6.00e+11
EarningsTTM	100	2.27e+10	3.48e+10	-3.24e+09	3.03e+11
Platform	100	.19	.3942772	0	1
Notes: e+09 is 1 billion, e+10 is 10 billion, and e+11 is 100 billion.					

The relatively high mean dividend yield reflects a few outlier cases among traditional firms with exceptionally high payout ratios. A median-based comparison (median = 1.76%) confirms that the overall distribution remains consistent with global corporate norms, suggesting no systemic data anomalies.

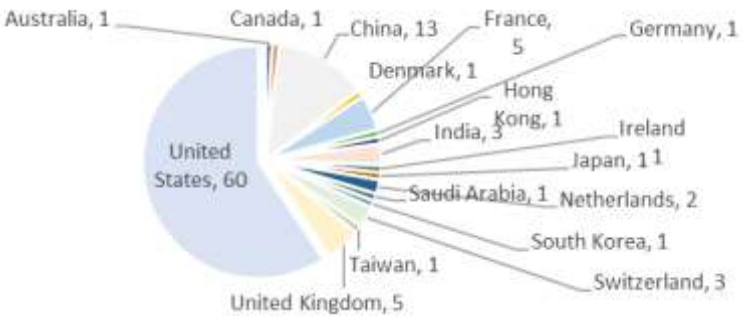

Figure 4: Number and Location of the Top 100 Companies by Market Capitalization.

Figure 4 provides distribution across countries of the top 100 companies by market capitalization. The figure shows that 60% of the companies are located in the United States, followed by China where 13% of the top companies are located.

This study has two limitations. Firstly, some ambiguity occurred while deciding which companies could be considered platforms, especially nondigital platforms, and thus a few of them might have been missed. Secondly, the difficulty of expanding the classification to a larger set of companies.

4.2. Model Specification

The study uses market capitalization as the dependent variable and dividends yields, revenues, and earnings as independent control variables. Several studies have linked dividends yields to market capitalization (Alawneh, 2018; Oduwole, 2015), and revenues and earnings to market capitalization (Bowen et al., 2002; Pavone, 2019; Al-Nimer & Alslihat, 2015).

The study uses OLS regression analysis assuming the outcome to be in a log-linear function of the regressors as follows

$$y_i = \beta_1 x_{i1} + \beta_2 x_{i2} + \beta_3 x_{i3} + \beta_4 x_{i4} + \varepsilon_i \text{---(1)}$$

Where y_i represents the response variable and $x_{i1} \ldots x_{i4}$ represent the regressors with $\beta_1 \ldots \beta_4$ coefficients, and ε_i accounts for the error term.

The OLS model is used to estimate the following function:

$$Logmarketcapitalization = f(DividendsYield, RevenueTTM, EarningsTTM, Platform) \text{---(2)}$$

5. RESULTS

To test for multicollinearity, variance inflation factors were obtained for all independent variables and the results shows no evidence of multicollinearity; see table.

Table 4: Variance Inflation Factors of all Independent Variables.

Variable	VIF	1/VIF
DividendsYieldTTM	1.09	0.915941
RevenueTTM	1.56	0.641475
EarningsTTM	1.58	0.631130
Platform	1.08	0.929894
Mean VIF	1.33	

Results of running the OLS model is presented in table. The table shows four models in which one independent variable is added per model. Model 4 shows the full model. The R-squared value in model (4) is .565, which shows that the data fit the regression model.

Table 5: Log-linear OLS Model Results.

Dependent Variable: LogMarketCapitalization				
Variables	Model (1)	Model (2)	Model (3)	Model (4)
DividendsYieldTTM	-.000856***	-.0008659***	-.0010112***	-.0008329***
	(.0002893)	(.0002392)	(.0002138)	(.0002114)
RevenueTTM		2.72e-12***	1.33e-12***	1.36e-12***
		(3.99e-13)	(4.41e-13)	(4.21e-13)
EarningsTTM			8.07e-12***	7.74e-12***
			(1.54e-12)	(1.47e-12)
Platform				.345925***
				(.1071927)
Constant	26.32705***	26.03609***	26.03634***	-3.749***
	(.0890471)	(.0851066)	(.0754286)	(7.369)
Observations	100	100	100	100
R-squared	0.082	0.379	0.517	0.565
Probability> F	0.0039	0.0000	0.0000	0.0000

*** p< 0.01, ** p< .05, * p<.1
Notes: e-12 is 1*1^-12, e-13 is 1*1^-13.
Robust standard errors in parentheses
Source: Author's calculation

Results from table show that all the used variables have significant impacts on the market capitalization of the selected sample. The dummy variable of interest "Platform" shows a positive association with

market capitalization. The logarithm of market capitalization is higher when the company adopts a platform business model. This means that the actual value of market capitalization is 100(e.345-1) which is equal to a 41% increase in market capitalization if the company adopts a platform business model.

6. DISCUSSION

Our findings provide empirical confirmation of the intuition that platform-oriented strategies can confer substantial value advantages to firms. The result that adopting a platform business model corresponds to an approximately 40% higher market capitalization (ceteris paribus) is striking. It suggests that investors place a premium on platform-based companies, likely because of the powerful economics of network effects, scalability, and ecosystem leverage that such companies enjoy. This section will discuss the implications of these results, linking back to theory and highlighting how recent developments in technology and regulation might influence the platform landscape.

Platform Business Model as a Driver of Firm Value: The positive association between platform model adoption and firm value aligns well with theoretical expectations. Platforms benefit from self-reinforcing feedback loops: as more users join one side of the platform, it attracts more users on the other side, leading to a growth dynamic that traditional linear businesses often cannot match. Moreover, investors reward this self-reinforcing expansion because it signals scalability and durability of returns. Our empirical evidence echoes what Van Alstyne, Parker, and Choudary (2016) conceptualized. Platform firms grow faster and capture value more efficiently than pipelines, resulting in significantly higher valuations.. It also resonates with Cusumano et al. (2019)'s observation that the world's first trillion-dollar companies were platform businesses (Apple, Microsoft, Alphabet, Amazon, etc.), reflecting how investors reward the platform model. In fact, as of the data timeframe, Apple and Microsoft had each surpassed $2 trillion in market cap, and Alphabet (Google) and Amazon were in the high hundreds of billions, vastly outpacing many non-platform peers in traditional industries. Our study quantifies this disparity in a controlled way. The platform premium might be explained by several factors: higher revenue growth trajectories, winner-takes-all market dynamics in platform markets, and the ability of platforms to tap into multiple revenue streams (transaction fees, advertising, subscriptions, data monetization, etc.) simultaneously. Platforms also often exhibit high gross margins after reaching scale, due to low marginal costs–for example, software or digital marketplace platforms can add users with minimal incremental cost, boosting profitability in a way linear businesses might not. All these contribute to investors valuing platforms more highly for a given level of current earnings or revenue.

Control Variables–Additional Insights: The negative coefficient on dividend yield and positive coefficients on revenue and earnings in our results are consistent with standard finance theory and underscore that our model is behaving in line with expectations. The dividend yield result is notable: it suggests that among top firms, those paying higher relative dividends are valued less. Many platform companies (e.g., Alphabet, Amazon, Facebook) historically paid little to no dividends, instead reinvesting profits into growth opportunities–a behavior the market evidently supports through higher valuations. In contrast, high dividend yields are often found in sectors like utilities or legacy industries, which though profitable, have limited growth; the market cap of such firms relative to their earnings is often lower (resulting in a higher yield). Our evidence aligns with this, reinforcing the notion that growth expectations (where platforms excel) are a key determinant of market capitalization.

Platform Ecosystem and Network Effects: The finding that platform adoption boosts market value by ~40% can be interpreted through the lens of ecosystem theory and network economics. A platform firm is not just valued for its own assets, but for the ecosystem of innovation and transactions that it enables. Apple, for instance, is valued not just for the iPhone sales, but for the entire App Store ecosystem and services revenue that flows from its platform leadership in iOS. Similarly, Microsoft's market value reflects not only its software sales but the network of developers and users on Windows and Azure platforms. Our results generalize this insight: being at the center of an ecosystem (the hub firm) likely grants access to external innovations, partner resources, and user communities that amplify the firm's reach and resilience. This ties back to the work of Iansiti and Levien (2004) on "keystones" in ecosystems–platform leaders can improve the overall health of an ecosystem and in turn secure a stable position for themselves, capturing value from the entire network's growth. In dynamic capability terms (Helfat & Raubitschek, 2018), platform firms develop capabilities to co-opt external innovations (through APIs, marketplaces, open innovation programs), thus driving faster innovation and adaptability. The capital markets

recognize these strengths.

Our study provides empirical backup to predominantly conceptual or case-based literature. For example, prior to this, one might cite anecdotal evidence of platform success or limited samples; we have systematically shown across 100 leading firms that platform orientation is a significant differentiator. This contributes to the literature by bridging strategy theory with measurable financial outcomes.

Recent Industry Trends and Their Impact: It is important to consider our findings in light of the current (mid-2020s) industry environment, which is quite dynamic for platform companies. **A few key trends deserve discussion**

- Artificial Intelligence (AI) Integration: The rapid rise of AI capabilities, particularly in the last couple of years with advancements in machine learning and generative AI, is both an opportunity and a challenge for platform firms. Many platform companies are investing heavily in AI to enhance their services. For instance, e-commerce and social media platforms use AI algorithms to better match content or products to users, improving engagement and transaction probabilities. More recently, companies like Microsoft have integrated generative AI (through partnerships like OpenAI) into their platforms (e.g., Bing search, GitHub Copilot on the developer platform) to increase user value. This integration can further strengthen network effects–e.g., a better user experience attracts more users, which provides more data to improve AI models, and so on. Our study's period (data up to 2022) only begins to capture the influence of AI. Going forward, one might expect that platform companies effectively leveraging AI could widen the value gap with non-platform peers. However, AI also lowers barriers for new value creation in some cases (for example, open-source AI models could enable new entrants to build competitive services). In essence, AI is becoming part of the platform competitive arsenal. The high market valuations of platform firms also provide them with capital to invest in AI R&D, creating a virtuous cycle of innovation investment. Surveys suggest that a significant portion of executives at leading companies plan to increase AI-related investments, with boards of major firms actively discussing AI strategy. This indicates that platform leaders are likely to remain at the forefront of AI adoption. In strategic terms, this intersects with our findings by potentially amplifying the advantages of being a platform–AI could heighten network effects (through personalization and automation) and create new data-driven revenue streams, thus justifying even higher valuations.
- Platform Regulation and Policy Challenges: The regulatory environment for platform companies is tightening, particularly for the so-called "Big Tech" gatekeepers. The European Union's DMA (2023) is a landmark regulation that imposes various obligations on designated large platforms–for example, prohibiting self-preferencing (not favoring their own products over third-party offerings), requiring interoperability between messaging services, mandating data sharing with business users in some cases, and demanding user consent for cross-platform data aggregation. While the intent is to ensure fair competition and more contestable markets, these rules could potentially constrain certain business practices that contributed to platform success (for instance, integrating services tightly or leveraging ecosystem data for targeted advertising). Additionally, violations can lead to hefty fines (up to 10% of global turnover for first offenses, 20% for repeats), which are nontrivial even for trillion-dollar firms. The U.S. and other jurisdictions are also scrutinizing acquisitions by big platforms (to avoid "killer acquisitions" of nascent competitors) and exploring antitrust cases (such as the U.S. DOJ's case against Google's alleged monopoly in search advertising). How might this affect the platform premium we observed? It's possible that increased regulation could moderate the extreme network-effect-driven dominance of some platforms, thereby somewhat leveling valuation multiples across firms. On the other hand, compliance with regulations might impose new costs and complexities, which platform firms with deep pockets might handle better than smaller rivals–potentially even strengthening incumbents' moat if they successfully adapt. Some scholars warn that static regulations risk hampering the dynamic, innovative nature of digital markets. Our results capture a moment in time where markets still highly reward platform dominance. It will be interesting to see in future research whether this reward dampens

if regulations effectively reduce anti-competitive advantages of platforms, or if platforms find ways to thrive under new rules (e.g., by improving privacy features, offering more user choice, etc., which could even enhance user trust and long-term value).

- Data Monetization and Privacy: As noted, data is the lifeblood of many platform models (particularly those that are ad-supported, like social media or search). We are witnessing a tension between monetizing data (through personalized ads, selling aggregated insights, etc.) and protecting users' privacy and complying with laws. Changes like Apple's iOS privacy updates (App Tracking Transparency) have already disrupted the advertising efficiency of platforms like Facebook, leading them to innovate new methods (e.g., more on-device processing, first-party data reliance). In the long run, platform companies are exploring new monetization avenues: e.g., Amazon expanding into cloud computing (leveraging platform capabilities in AWS), Meta investing in metaverse and hardware, etc. Diversification can be seen as a response to potential constraints on core data-heavy revenue streams. In our dataset, the platform premium likely reflects expectations of multiple revenue streams–a platform can often layer services (consider how Apple adds subscription services on top of its device platform, or how Google monetizes through cloud, app store fees, etc., besides ads). Moving forward, the ability to innovate business models will be crucial. Some recent studies indicate that companies with broad ecosystem strategies (including monetizing data via partnerships and new markets) see higher value creation. Platforms are indeed exploring such strategies–for instance, platform firms are increasingly entering fintech/financial services (leveraging their data and user base) or health and education sectors, effectively using data to open new markets. However, they must do so while navigating public concern over privacy. If trust in a platform erodes due to data misuse, it could undermine network effects (users or partners might defect). Thus, platform leaders are now often vocal about trust, safety, and privacy-by-design, integrating these into their value proposition. A platform that can successfully monetize data in a transparent, user-consented way stands to gain a competitive edge.

7. IMPLICATIONS OF THEORY

The findings enrich the theoretical discourse on digital platforms. First, they reinforce that traditional metrics of performance (revenue, profit) do not fully capture a firm's value potential when a platform model is in play–intangible factors like network size, ecosystem health, and future options matter and are being priced by investors. This suggests that strategy theories on competitive advantage should incorporate ecosystem-centric advantages more explicitly. For example, the Resource-Based View might be extended to an Ecosystem Resource View, where a firm's resources include those it can access or orchestrate in its network. Our results are consistent with the idea that a firm's ecosystem orchestration capability (Adner & Kapoor, 2010; Jacobides, Cennamo & Gawer, 2018) is a source of superior performance. Second, the evidence of a platform premium invites further examination: is this premium because platforms truly generate higher cash flows in the long run, or is it partly a market mispricing or hype? While our analysis cannot fully disentangle that, the sustained success of platform firms in the past decade suggests it is at least partly grounded in fundamental performance. Finally, linking to innovation theory, platform firms exemplify the concept of open innovation (Chesbrough, 2003)–they create structures for others to innovate. Altman & Tushman (2017) highlight how platforms require strategic leadership that embraces external innovation and user involvement. Our findings validate that this model can yield measurable payoffs.

8. LIMITATIONS AND FUTURE RESEARCH

It is important to acknowledge limitations in our study that open opportunities for future work. First, causality is a perennial question–while we show correlation between platform model and higher market value, one could ask: do firms become highly valued because they are platforms, or do already valuable (large) firms tend to diversify into platform strategies? We attempted to control for size (revenue) and performance (earnings) to mitigate reverse causality, but a longitudinal approach would be more definitive. Future research could track firms over time as they transition from product to platform models (e.g., Microsoft's evolution from a software vendor to a cloud platform provider) to observe how valuations change. Zhu and Furr (2016) provide case insights on product-to-platform "leap"; building on that, empirical work could generalize if that leap

yields valuation gains industry-wide. Second, our platform classification was broad. Researchers may refine classification by degree of platform-ness or by type of platform. For instance, do transaction platforms have a different impact on value than innovation platforms? Are pure-play platform companies valued differently than hybrid firms? A nuanced analysis could weigh these factors. Third, the role of competition among platforms is an interesting angle. Some of our platform firms are effectively monopolies or duopolies (e.g., Google in search, Facebook in social networking), while others face strong competition (e.g., Uber vs. Lyft, or multiple e-commerce platforms in various regions). It would be worthwhile to examine if the platform value premium holds in more competitive platform markets or if it's most pronounced when a platform achieves dominant market share.

In addition, given the emergence of super-apps and platform conglomerates, particularly in Asia (like Tencent or Alibaba), future studies might look at multi-platform ecosystems under one corporate roof and their valuation. Does having multiple platform lines (social media + fintech + gaming in one company, for example) lead to synergy value or do markets discount conglomerates? Our sample included some multi-platform giants (Tencent, for instance), but disentangling their contributions is complex.

Future research could also adopt longitudinal designs to track how firms' valuations evolve as they transition toward platform models, or examine cross-industry variations to assess whether the platform premium differs in technology-intensive versus capital-intensive sectors. Exploring temporal dynamics would deepen understanding of how sustained ecosystem effects influence market capitalization over time.

Finally, as alluded to, regulatory changes are effectively new "natural experiments" that researchers can exploit. For example, once the DMA is fully enforced, we could observe European versus non-European market value impacts or compare affected companies' performance to less affected ones. This could shed light on how much of the platform premium was built on practices that are now curtailed (if any).

In conclusion, the discussion affirms that platform strategies are a critical factor in modern firm success, with broad implications across strategy, innovation, and policy domains. Our empirical evidence bolsters the argument that embracing a platform model can be a value-enhancing move for companies, but doing so comes with new responsibilities and challenges in an evolving digital economy.

9. MANAGERIAL IMPLICATIONS

For practitioners and business leaders, **our study offers several actionable insights**

- Embrace Platform Opportunities for Growth: Established companies aspiring to sustain top-tier market positions should evaluate opportunities to transition from a solely product-centric (pipeline) model toward a platform-oriented model. This might involve opening up certain products to third-party contributors, creating marketplaces around the firm's offerings, or building a developer ecosystem. By leveraging digital technology (including AI and cloud services) to connect external producers and consumers, firms can unlock network effects and new revenue streams. In practice, this may mean shifting some traditional processes to accommodate external partners or user-generated value creation. The significant valuation premium associated with platform businesses in our findings indicates that the market rewards such strategic shifts. Managers should, however, ensure they have a solid strategy (what value will the platform provide to each side, how to monetize it, how to govern it) before making the leap.
- Prioritize Innovation and Ecosystem Building (Lessons for Startups): Entrepreneurs and startups can learn from today's platform leaders that innovation and scalability are key. Rather than trying to compete asset-for-asset with incumbents, startups should focus on innovative services that leverage network effects or create new ecosystems. For example, a startup might start as a niche platform solving a localized problem but design it to scale by attracting various sides of a market. Additionally, startups should be agile in adopting new technologies like AI to enhance their platform from the get-go. The implication is to "think platform" early: even if a startup begins with a single product, founders should ask how it could evolve into a broader platform play, and strategize about partnerships and APIs that enable others to contribute value. Our research underscores that investors often look for this kind of potential in startups (hence the high valuations for companies with platform narratives). However, startups must also avoid the pitfall of entering an already crowded platform

market without differentiation–given the tougher competition in platform arenas, a clear value proposition or an underserved niche is crucial for survival.

- Leverage Data, but Ethically and Creatively: Companies with platform models typically accumulate vast amounts of data. Managers should develop advanced data monetization strategies, such as personalized services, targeted offers, or data-driven partnerships, to increase revenue. A Deloitte analysis highlights that high-performing digital organizations find ways to create value not just for end customers but also for other stakeholders by utilizing data across their ecosystem. This might involve, for instance, offering analytics platforms to suppliers, or entering new markets by combining data insights with partners (as some insurers did by moving into preventive healthcare leveraging health data). At the same time, it is paramount to manage data ethically and protect user privacy. Building user trust through transparent data practices and compliance with regulations (GDPR, etc.) is not just about avoiding fines–it's good business, as trust can be a competitive differentiator. Managers should invest in robust data governance and perhaps even make privacy a selling point. In summary, data is an asset–use it smartly to innovate offerings (AI-driven features, new platform services) but guard it to maintain stakeholder trust.
- Invest in R&D and Adaptability: The tech landscape in which platforms operate is fast-changing. Platform leaders and aspirants must heavily invest in research and development to keep their platforms relevant. This includes staying ahead in integrating emerging technologies (AI, blockchain, AR/VR, etc.) as these can open new platform opportunities or make operations more efficient. Moreover, companies should foster a culture of adaptability–what works to scale an ecosystem today might not suffice tomorrow if a disruptive technology or competitor emerges. The history of platform businesses shows that those who failed to adapt (e.g., MySpace in social networking) were quickly overtaken. Our discussion noted how current platform owners expect tougher competition and technological shifts in coming years. A practical implication is that management should continuously revisit their platform strategy: Are we providing the best tools for complementors? Are we improving user experience with the latest tech? Are we scanning the environment for potential disruptors (or opportunities to acquire them)? Maintaining platform leadership is an ongoing effort, not a one-time achievement.
- Anticipate and Engage with Regulation: Managers of platform firms should anticipate regulatory tightening and engage proactively with policymakers. Rather than viewing new rules solely as constraints, they can interpret them as opportunities to strengthen transparency and digital trust. Internally, firms should strengthen compliance teams and practices–for instance, ensuring that data practices and algorithms can be audited and explained to regulators if needed. There may also be strategic adjustments required: for example, if new laws mandate more openness (like interoperability or third-party access), think about how to turn that into an opportunity (perhaps by expanding into platform-of-platforms strategies). Additionally, platform companies operating globally must tailor their approach to different regions–what works in the relatively laissez-faire U.S. market might need tweaking in the EU's more regulated context or China's tightly controlled digital space. A key managerial takeaway is to embed legal and ethical considerations into platform design rather than treating them as afterthoughts. Building platforms that are sustainable under stricter privacy or competition standards can actually future-proof the business. For smaller platform players, regulatory changes (like DMA) could even present openings–e.g., if gatekeepers have to open up, niche platforms might piggyback or integrate to serve customers better.
- Platform Strategies Beyond Tech–Think Broadly: While digital platforms dominate headlines, the platform concept can be applied in non-digital and traditional industries too. Managers in sectors like healthcare, education, manufacturing, or hospitality should consider whether there are platform opportunities in their business. For instance, a hospital network could create a platform connecting doctors, patients, and third-party service providers; a manufacturing firm might establish a platform for suppliers and distributors to collaborate. Even physical marketplaces or exhibition

centers could be reimagined as platforms that use a combination of physical and digital channels to connect multiple sides (vendors, customers, service partners) in an ecosystem. The key is to identify fragmentation or friction in an industry that a platform could address by enabling direct interactions. As our study indicates, the platform model can increase a firm's value, so even companies outside the tech sphere can benefit by incorporating platform principles. Managers should not assume "platform = tech only." Instead, think of platform as a business model approach to orchestrating exchange and innovation. Those who successfully implement such models in traditional industries could become pioneers and leapfrog competitors.

- In summary, managers should recognize the power of platform models to drive growth and value, but also the responsibilities that come with them. Success requires balancing growth with governance: nurturing the ecosystem, protecting users, and staying agile in a changing environment. Firms that get this balance right stand to reap substantial rewards, as evidenced by the performance of today's platform giants.

10. CONCLUSION

Platform-based firms account for a large and growing share of the world's most valuable companies. Our analysis reinforces the notion that platform usage is likely to be crucial to future corporate competitiveness. If a company does not find a way to participate in or lead a relevant platform ecosystem, it may find itself forced to rely on a competitor's platform, potentially ceding strategic control. The trajectory of many industries suggests a platform-centric future–whether it's finance (with digital payment and trading platforms), automobiles (with platform-based ride-sharing and potentially autonomous vehicle networks), or healthcare (with telemedicine and health data platforms).

This study provided a holistic overview of platform leadership and quantitatively estimated the impact of platform business models on firm market values. Using data on the top 100 companies by market cap, we showed that adopting a platform model is associated with a significant (~40%) increase in firm value. This is an important empirical contribution, as much of the literature on platforms has been conceptual or case-oriented; our findings offer broader evidence of the platform effect. We also integrated insights from multiple streams–economics, strategy, innovation, and information systems–to contextualize why platforms create value, touching on network effects, ecosystems, and dynamic capabilities.

The theoretical contribution of this work lies in linking the platform business model with emerging theories of digital transformation and innovation ecosystems. We demonstrated that platform strategy is not just an isolated concept but is interwoven with modern strategic management thinking–from the need for open innovation and inter-firm collaboration to considerations of how digital transformation initiatives can be structured around platform architectures. By bridging these areas, we hope future researchers will further explore interdisciplinary approaches to studying platforms (for example, examining platforms through the lens of organizational design or policy analysis).

Of course, our study is not without limitations. We concentrated on very large firms in a single snapshot. Future research should address other contexts and use longitudinal data to infer causality more robustly. Additionally, while we controlled for major financial variables, there may be other confounding factors (e.g., industry growth rates, company age, intangible assets like brand equity) that merit inclusion in extended analyses. Researchers could expand the scope by including, say, the top 500 firms, or by comparing platform vs. non-platform within specific industries for a more granular view.

Another avenue for future work is examining platform ecosystems at different scales–e.g., regional platforms (like Grab in Southeast Asia or MercadoLibre in Latin America) versus global platforms, to see if the value dynamics differ. It would also be enlightening to study failure cases: companies that attempted platform strategies but did not succeed, to glean what pitfalls exist (such as inability to reach critical mass, or governance failures leading to participant backlash). Understanding the boundary conditions of platform success can provide a more nuanced perspective to both scholars and practitioners.

Lastly, while digital platforms dominate today's discussions, we echo that platforms need not be purely digital. Many traditional businesses can reinvent themselves or spawn new platforms in physical or hybrid spaces. Future research should not ignore these simply because they are less flashy than tech unicorns. The underlying principles–facilitating exchanges, building ecosystems–apply broadly.

In conclusion, the platform business model

represents a fundamental shift in how companies create and capture value. It leverages connectivity, network effects, and the creativity of many participants. Firms that master platform leadership can achieve remarkable growth and market influence, as evidenced by our findings among global leaders. However, with great power comes great responsibility: the actions of platform leaders can have outsized impacts on economies and societies. As such, it is incumbent on both business leaders and policymakers to ensure that platforms develop in ways that are innovative, inclusive, and sustainable. We hope this study stimulates further academic inquiry and informs managerial decision-making in the exciting field of platform strategy.

Acknowledgements: The authors gratefully acknowledge Sara R. Marzouk (sar.marzouk@lyceefrancaisdjeddah.com) for her valuable research assistance and diligent support in data collection. Her contributions significantly facilitated the empirical components of this study.

REFERENCES

Alawneh, A. (2018). Dividends, net income after taxes and earnings per share and their impact on the market capitalization of companies listed on the Amman Stock Exchange (1978–2016). *International Journal of Economics and Finance*, 10(10), 69–84.

Al-Nimer, M., & Alslihat, N. (2015). The effect of profitability ratios on market capitalization in Jordanian insurance companies listed in Amman Stock Exchange. *Journal of Economics and Sustainable Development*, 6(6), 140–146.

Altman, E. J., & Tushman, M. (2017). Platforms, open/user innovation, and ecosystems: A strategic leadership perspective. *Harvard Business School Organizational Behavior Unit Working Paper*, No. 17-076.

Amasaka, K. (Ed.). (2012). *Science TQM: New quality management principle – The quality management strategy of Toyota* (Vol. 10). Bentham Science.

Anderson, P., & Tushman, M. (1990). Technological discontinuities and dominant designs. *Administrative Science Quarterly*, 35(4), 604–633.

Armstrong, M. (2006). Competition in two-sided markets. *RAND Journal of Economics*, 37(3), 668–691.

Avishai, B. (1991). A European platform for global competition: An interview with VW's Carl Hahn. *Harvard Business Review*, 69(4), 102–113.

Baldwin, C. Y., & Woodard, C. J. (2009). The architecture of platforms: A unified view. In A. Gawer (Ed.), *Platforms, markets and innovation* (pp. 19–44). Edward Elgar.

Boudreau, K. J., & Hagiu, A. (2009). Platform rules: Multi-sided platforms as regulators. In A. Gawer (Ed.), *Platforms, markets and innovation* (pp. 163–191). Edward Elgar.

Bowen, R. M., Davis, A. K., & Rajgopal, S. (2002). Determinants of revenue-reporting practices for Internet firms. *Contemporary Accounting Research*, 19(4), 523–562.

Chesbrough, H. (2003). *Open innovation: The new imperative for creating and profiting from technology*. Harvard Business School Press.

Congleton, R. D. (1989). Campaign finances and political platforms: The economics of political controversy. *Public Choice*, 60(1), 11–34.

Corradini, C., & De Propris, L. (2017). Beyond local search: Bridging platforms and inter-sectoral technological integration. *Research Policy*, 46(1), 196–206.

Cusumano, M. A. (2022). The evolution of research on industry platforms. *Academy of Management Discoveries*, 8(1), 7–14.

Cusumano, M. A., Gawer, A., & Yoffie, D. B. (2019). *The business of platforms: Strategy in the age of digital competition, innovation, and power*. Harper Business.

de Reuver, M., Sørensen, C., & Basole, R. C. (2018). The digital platform: A research agenda. *Journal of Information Technology*, 33(2), 124–135.

de Streel, A., & Jacquemin, H. (2017). The European digital markets act. *Journal of Competition Law & Economics*, 13(3), 453–488.

Eisenmann, T., Parker, G. G., & Van Alstyne, M. (2011). Platform envelopment. *Strategic Management Journal*, 32(12), 1270–1285.

Evans, D. S. (2003). The antitrust economics of multi-sided platform markets. *Yale Journal on Regulation*, 20(2), 325–381.

Gawer, A. (2009). Platform dynamics and strategies: From products to services. In A. Gawer (Ed.), *Platforms, markets and innovation* (pp. 45–76). Edward Elgar.

Gawer, A., & Cusumano, M. A. (2014). Industry platforms and ecosystem innovation. *Journal of Product Innovation Management*, 31(3), 417–433.

Hagiu, A. (2006). Pricing and commitment by two-sided platforms. *RAND Journal of Economics*, 37(3), 720–737.

Hannah, D. P., & Eisenhardt, K. M. (2018). How firms navigate cooperation and competition in nascent ecosystems. *Strategic Management Journal*, 39(12), 3163–3192.

Helfat, C. E., & Raubitschek, R. S. (2018). Dynamic and integrative capabilities for profiting from innovation in digital platform-based ecosystems. *Research Policy*, 47(8), 1391–1399.

Iansiti, M., & Levien, R. (2004). *The keystone advantage*. Harvard Business School Press.

Jacobides, M. G., Cennamo, C., & Gawer, A. (2018). Towards a theory of ecosystems. *Strategic Management Journal*, 39(8), 2255–2276.

Kenney, M., & Zysman, J. (2016). The rise of the platform economy. *Issues in Science and Technology*, 32(3), 61–69.

Kim, H., & Min, J. (2019). Platform leadership and innovation ecosystems. *Technological Forecasting and Social Change*, 146, 365–375.

Kim, Y., & Yoo, Y. (2019). Platform growth stages and strategies. *MIS Quarterly*, 43(1), 1–23.

Lee, D. (2019). Platform competition and data network effects. *Journal of Industrial Economics*, 67(3), 613–645.

Meyer, M. H., & Lehnerd, A. P. (1997). *The power of product platforms*. Free Press.

Pavone, P. (2019). Financial performance and firm valuation. *International Journal of Finance & Economics*, 24(2), 704–718.

Poniatowski, M., et al. (2022). A layered modular architecture for digital multi-sided platforms. *Journal of Business Research*, 141, 42–56.

Rochet, J.-C., & Tirole, J. (2003). Platform competition in two-sided markets. *Journal of the European Economic Association*, 1(4), 990–1029.

Stallkamp, M., & Schotter, A. P. (2019). Platforms without borders? *Journal of International Business Studies*, 50(9), 1536–1558.

Tiwana, A., Konsynski, B., & Bush, A. A. (2010). Platform evolution: Coevolution of platform architecture, governance, and environmental dynamics. *Information Systems Research*, 21(4), 675–687.

Van Alstyne, M. W., Parker, G. G., & Choudary, S. P. (2016). Pipelines, platforms, and the new rules of strategy. *Harvard Business Review*, 94(4), 54–62.

Weyl, E. G. (2010). A price theory of multi-sided platforms. *American Economic Review*, 100(4), 1642–1672.

Zhu, F., & Furr, N. (2016). Products to platforms. *Harvard Business Review*, 94(4), 72–78.