

NATIONAL UNIVERSITY OF SINGAPORE

School of Computing

I S S E M I N A R

Title: **Complementor-side Ecology and its Implications on Platform Strategy**

Speaker: Visiting Associate Professor, Dr. Sung Joo Bae from School of Business,
Yonsei University

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Chaired by: Dr Faik, Isam, Assistant Professor, School of Computing
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ABSTRACT:

Complementors' strategy and behavior affect the growth and success of a platform. Therefore, understanding the complementor behavior and its implication is the key to understanding platform dynamics and platform strategy. However, the focus of prior research on platform has been on the platform owner and strategic implications of its decisions. By using theoretical guides of organizational ecology, this study analyzed complementor's various niche strategies and their implications on the survival of them. Using the data from game industry, our study shows that the initial entry strategy to increase the survival rate is to concentrate on specific game genre and project the firm as a specialized organization. However, as the platform grows, the relationship between complementor platform niche width and the survival rate shows inverted-U shape. In other words, complementors who execute generalist strategy to provide services to multiple platforms or specialist strategy to provide services to a specific platform, have a better chance of survival compared to those who take neither of those strategies. These results can be interpreted differently from the perspective of the platform owner. From the perspective of the platform owner, it would be very difficult to provide various kinds of services especially at the early stage of developing the platform if all the complementors become genre-specific. If many complementors choose to provide services to multiple platforms, it would be very difficult for the platform owner to provide services different from other platforms. We provide interpretations on various strategic implications of complementor dynamics to the platform strategy.

BIODATA:

Dr. Sung Joo Bae joined Yonsei University in 2010 after working for The University of Hong Kong as an assistant professor. Dr. Bae finished his doctoral study on technological

innovation and entrepreneurship at MIT Sloan School of Management. His research interests are in the field of technology management, especially on new product development process, technology strategy and technology policy related issues. He published research articles in Journal of Consumer Psychology, Technology Forecasting and Social Change, and International Journal of Production Economics.