

Complementors' Multi-homing Behavior and its Impact on Digital Platforms

[Working title]

Supervisor: Sarah ben Messaoud <sarah.benmessaoud@uni-passau.de>

Date: As of now

Type: Bachelor's Thesis, Master's Thesis

Language: German or English

Motivation:

Every platform requires complementors to generate value for its users. For example, Apple's App Store would not have any value for iPhone users without apps created by developers, nor would Lieferando or Uber Eats be valuable without restaurant offerings. Thus, it is crucial for a platform to attract and retain high-quality complementors. However, complementors may decide to adopt multiple platforms at the same time, leading to multi-homing. In turn, this generates competition among platforms and may impact the profit and performance of multihomed platforms, as well as the quality of complements. The decision to multi-home may be triggered by changes in governance design implemented by a focal platform, such as sponsoring certain complementors, controlling platform access, or increasing information transparency.

Goal:

The objective of the thesis is to highlight various aspects of complementors' decision to multi-home. Students should provide an overview of when and why complementors decide to multi-home a platform, especially regarding changes to a focal platform's governance design decisions. To do so, different governance design choices that a platform owner may implement should be discussed and they should be related to multi-homing behavior. Potential drawbacks and opportunities of different governance designs should be highlighted. Additionally, the thesis should discuss the potential consequences of multi-homing behavior. Although the overall thesis should address these topics, the concrete research question will be elaborated based on the student's ideas.

References and Related Literature:

Cennamo, C., Ozalp, H., & Kretschmer, T. (2018). Platform architecture and quality trade-offs of multihoming complements. *Information Systems Research*, 29(2), 461-478.

Chen, L., Yi, J., Li, S., & Tong, T. W. (2022). Platform governance design in platform ecosystems: Implications for complementors' multihoming decision. *Journal of Management*, 48(3), 630-656.

Chung, H. D., Zhou, Y. M., & Ethiraj, S. (2024). Platform governance in the presence of within-complementor interdependencies: Evidence from the rideshare industry. *Management Science*, 70(2), 799-814.

Foerderer, J., Lueker, N., & Heinzl, A. (2021). And the winner is...? The desirable and undesirable effects of platform awards. *Information Systems Research*, 32(4), 1155-1172.

Li, H., & Zhu, F. (2021). Information transparency, multihoming, and platform competition: A natural experiment in the daily deals market. *Management Science*, 67(7), 4384-4407.