

# Argument Map The Platform Economy, Stakeholders

**What are the arguments pro and con the platform economy for stakeholders?**

## Platform owners

- Pros**
  - A platform offers me huge potential gains at low investment costs**
    - I invest because a winning platform obtains a (near) monopoly and is therefore highly profitable.
    - My investments in platforms are low, because the costs are basically confined to programming.
  - I can develop my innovation more quickly and easily with a platform**
    - I can quickly find out how I am performing and learn from that, because I get feedback from users.
    - I can easily collaborate with partners with additional services, like plane tickets and car rental.
    - I can easily roll out my successful platform on other markets, for instance internationally.
- Cons**
  - A platform is an uncertain investment**
    - Because only one platform usually dominates, the likelihood of a new platform failing is high.
    - The current laws and regulations may stand in the way of my platform's success.

## Existing providers

- Pros**
  - The platform economy offers me new opportunities**
    - The platform economy offers me the opportunity to open up bigger markets, at home and abroad.
    - Customer reviews on platforms offer me the opportunity to learn and to improve my offer.
    - Platforms offer me the opportunity to offer customized services, which used to be more difficult.
    - Platforms allow me to offer services that distinguish me from competitors.
- Cons**
  - Platforms do not allow me to compete fairly**
    - My company is the victim of unfair competition on platforms, among others, by rule evaders.
    - As a company that follows the rules I compete on platforms with deregularized (private) providers.
  - I have to compete harder on platforms, particularly on price**
    - On platforms, product providers mainly compete on price and less on quality and service.
    - It is more difficult for me to provide a service, because I cannot recover the cost of services prior to the transaction.
    - The price transparency on platforms undercuts my profit margin.
  - Platforms lower my profit margins**
    - Because platforms gain market power, they increasingly demand higher margins for their services.

## New providers

- Pros**
  - Platforms offer me an opportunity to enter the market**
    - I can easily access potential customers via platforms, without high marketing costs.
- Cons**
  - Platforms increase my dependency**
    - I could become dependent on the platform for my revenue.

## Users

- Pros**
  - I benefit from the many advantages that platforms offer me**
    - Platforms offer me more choice in products and services, and I benefit from lower prices.
    - I can find the services that match my specific preferences more easily via platforms.
    - I have insight into the quality because of other users' reviews.
    - Platforms offer me improved service, because services are integrated (like flight + car + hotel).
  - Thanks to platforms, I can live a richer social and economic life**
    - I have easier access to social networks and the supply of products and services via platforms.
- Cons**
  - Platforms threaten the supply by local businesses**
    - Platforms pose a threat to the local economy, because they threaten local merchants.
    - Specialists in my neighbourhood no longer give me any personal advice.
  - I cannot trust platforms**
    - I depend on the information from the platform and the provider.

## Non-users

- Pros**
  - I benefit from more competition**
    - I benefit from the more intensive competition and lower prices, without having to use a platform.
- Cons**
  - If I cannot join in, I will be left out**
    - If I cannot participate, I will be left out socially and will miss out on economic opportunities.
  - Platforms threaten the supply by local businesses**
    - The platform economy poses a threat to the local economy, because they threaten local merchants.
    - Because other people buy via platforms, I can no longer get advice from a local specialist.

## Workers

- Pros**
  - The platform economy offers me new opportunities**
    - The platform economy offers me new opportunities, like assignments created by platforms.
- Cons**
  - My job is destroyed by the platform economy**
    - Because of platforms, the future of my permanent job is uncertain.

## Government

- Pros**
  - Platforms are a source of innovation and income**
    - Platforms lead to more economic activity and higher economic growth.
    - The platform economy leads to higher growth, which means higher tax revenue.
  - Platforms shake up the established order**
    - Platforms compel us to rethink the regulation and the organization of monitoring.
    - The emergence of platforms offers us opportunities to improve policy.
- Cons**
  - The platform economy makes our work more difficult**
    - Our work is more difficult, because platforms challenge and rapidly change existing institutions.
    - It is difficult for us to estimate whether platforms safeguard public interests via self-regulation.
    - Platforms have potential market power and it is difficult for us to determine whether this is harmful.
  - Platforms make it easy to work in the informal economy**
    - Platforms may lead to a loss of tax revenue.
  - Platforms threaten local businesses**
    - Platforms pose a threat to the local economy, because they threaten local merchants.

## Supervisory Authorities

- Pros**
  - The platform economy facilitates more efficient supervision**
    - We receive more, and more easily, signals from users to identify problems.
  - The platform economy reduces the need for supervision**
    - The users discipline providers themselves, and require less assistance from us in doing so.
    - Supervision is becoming less necessary, because platforms are self-regulatory, like taxi services.
- Cons**
  - The platform economy makes supervision more complex**
    - Platforms obstruct our work, because they do not share any information and take little responsibility.
    - Platforms often operate cross border and cross market, and are therefore more difficult to control.

**Notes**  
 This Argument Map gives an overview of the arguments pro and con the platform economy from the perspective of stakeholders compared to a situation without the platform economy.  
 The platform economy is defined as follows: the entire supply and demand of products and services via online platforms. This map limits itself to platforms that offer the possibility of two-sided traffic (users can also be providers and vice versa). Arguments do not necessarily apply to all platforms.  
 This Argument Map was created by The Argumentation Factory based on thinking sessions with experts. Many thanks to all the participants for their efforts.