Innovation of Meaning in Two-Sided Markets:
how to attract the Second Side?

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Abstract

The rising amount of Technology which is investing the world nowadays, brought many consequences in the ways of act of the companies, in particular:

• The first one is the application of the Design strategies to introduce new products or services in the market, thus trying to develop new breakthrough Innovation of Meaning able to generate new reason why in the customers.

• The second one is the rising number of platforms which are appearing in the market, aiming to facilitate and regulate the trade between different individuals all around the world, acting in the so called Two-Sided Market.

While many things have been said in the Literature regarding the Innovation of Meaning and the Two-Sided Market, it seems that there is a lack of research at the intersection of the two topics. This study aims to understand how innovation of meaning affect the mechanisms of two-sided markets, focusing in particular on the ways to attract the second side. The research is based on the study of five web-based platforms through both, secondary and primary sources, which had been able to reach the success in their fields through the introduction of a radical Innovation of Meaning.

The main result regards how the Innovation of Meaning should be declined on both the sides of the platforms. Indeed, if it is true that the general idea of Innovation of Meaning could create new “reasons why” for the customers of the first side, is not true that this idea could be valuable for
the customer of the second side too. One Side Value Added can play a key role in enlarging the effects of innovation of meaning on the second side. Another remarkable point is given by the consequences that an Innovation of Meaning could have on the mechanism which are regulating the Two-Sided Market, in particular we focused on the pricing method and on the Network Externalities. We show that, after the introduction of the Innovation, the mechanism regulating a Two-Sided Market slightly change between the laws provided by the Literature, in particular is interesting to highlight how the introduction of the Value Added Services is not changing the pricing method which the platforms are adopting, and that.
Executive Summary in Italian

Le innovazioni tecnologiche introdotte negli ultimi tempi stanno costantemente cambiando il mondo in cui viviamo: basti pensare che entro il 2019 oltre un terzo dell’intera popolazione mondiale possiederà un cellulare, avendo così la possibilità di comunicare istantaneamente e commerciare liberamente anche con persone molto distanti. Questo trend porta con sé due conseguenze principali:

La prima riguarda la capacità di innovare non solamente legata all’introduzione di prodotti e servizi ritenuti innovativi, ma la capacità di introdurre innovazioni che portino con sé un cambio nella “reason why” dei clienti, ossia nel motivo per il quale loro scelgono un prodotto piuttosto che un altro. Ciò perché ad oggi il mondo risulta essere pieno di soluzioni, il dilemma infatti si è spostato dal cercare un prodotto che risponda ad una necessità, al cercare, tra tutti i prodotti disponibile nel mercato, quello che la necessità la risolve meglio. Introdurre qualcosa di nuovo in un ambiente come questo non richiede solamente uno sforzo di sviluppo e ingegnerizzazione, ma porta con se una vera e propria sfida in cui il vincitore risulta spesso essere l’azienda che meglio riesce ad anticipare il futuro e ad anticipare quelli che potrebbero essere i nuovi bisogni delle persone. Questa è la cosiddetta Innovation of Meaning ed una delle aziende che meglio ha saputo mettere in pratica questa pratica è stata Apple: pensiamo ad esempio all’Apple Watch, in una situazione dove l’industria dei Wearable era scarsamente considerata da tutti, sono stati in grado di anticipare quelli che potevano essere i bisogni dormienti
all’interno delle persone, indovinandoli e facendo diventare il loro prodotto un “must have” per gli appassionati di tecnologia.

Fino ad ora abbiamo parlato della concezione classica dei prodotti e dei servizi, ma cosa succede quando una tale introduzione va applicata a piattaforme dove i gruppi di clienti non sono solamente uno ma più di uno?

La seconda conseguenza di ciò che abbiamo detto all’inizio, infatti, è l’introduzione di questi nuovi Business Model che fungono da facilitatori tra le parti, ossia aventi il ruolo di permettere ad un gruppo di individui di fornire beni o servizi, e ad un altro gruppo di poterli acquistare. Tali Business Model sono le cosiddette piattaforme, ed operano in una particolare forma di mercato chiamata Two-Sided Market.

Al fine di capire meglio la situazione, abbiamo provveduto a studiare la letteratura riguardante gli argomenti sopra citati, ossia Innovation of Meaning, Two-Sided Market, e le Piattaforme.

Il risultato della ricerca è stata la constatazione di un gap riguardante lo sviluppo dell’Innovation of Meaning all’interno di una piattaforma operante in un Two-Sided Market, il quale ci ha portato a definire le seguenti domande di ricerca alle quali cercheremo di rispondere tramite l’utilizzo di cinque casi studio:

• Come un’azienda può introdurre un’Innovation of Meaning in a Two-Sided Market?

• Come un’Innovation of Meaning può cambiare i meccanismi che regolano un Two-Sided Market?

Come detto sopra, risponderemo a queste domande attraverso l’analisi di più casi studio, nella parte seguente vedremo come sono stati scelti: in
particolare analizzeremo l’area di investigazione, andando a capire poi quali sono i criteri che ci hanno portato a selezionare tali aziende piuttosto che altre. In seguito passeremo alla raccolta dei dati e vedremo come poi questi sono stati trattati.

Per quanto riguarda l’area di investigazione, ci siamo focalizzati sul mercato delle piattaforme online, andando a cercare quei settori che più di altri siano stati investiti da un’onda innovativa negli ultimi anni. Abbiamo utilizzato settori diversi tra loro al fine di avere una panoramica il più generale possibile dell’intero mercato. Con uno dei cinque casi scelti abbiamo deciso di addentrarci ancora di più nell’analisi, scegliendo il settore che più di ogni altro secondo noi rappresentava l’introduzione di un’Innovation of Meaning e la forte presenza della struttura tipica dei Two-Sided Market, ossia l’Online Food Delivery.

Dopo aver scelto il settore dove andare a concentrarsi, passiamo ora alla scelta delle aziende da utilizzare come casi studio: anche qui i driver che hanno guidato la nostra scelta sono stati l’Innovation of Meaning e la presenza del modello strutturale tipico dei Two-Sided Market.

Abbiamo selezionato quindi 5 casi di aziende capaci di introdurre nuove “reason why” all’interno del loro mercato, in particolare ci siamo focalizzati su Spotify, Uber, Trivago, Airbnb e Deliveroo.

Una volta selezionati i casi è stata iniziata la raccolta dati, avvenuta per i primi quattro casi attraverso fonti secondarie, quindi articoli di giornale, siti web e video, mentre per il quinto caso, ossia Deliveroo, sono state raccolte fonti primarie intervistando alcune figure all’interno dell’azienda: abbiamo portato a termine due interviste al General Manager italiano, il quale è
presente in Deliveroo fin dall’inizio dell’attività in Italia. Parlare con lui è stato di grande supporto alla tesi ed abbiamo potuto approfondire argomenti legati alla strategia dell’azienda.

Successivamente al General Manager abbiamo sentito la necessità di capire meglio quali sono i meccanismi che si celano dietro ad una piattaforma operante in un Two-Sided Market, abbiamo quindi individuato nella figura dell’Head of Operations italiano la persona che più ci potesse aiutare a chiarire la situazione in tal senso.

L’opportunità di poter intervistare più persone nella stessa azienda è stata importante anche per limitare la soggettività dei dati raccolti, rendendo i risultati meno deviati da eventuali pareri personali.

Per quanto riguarda l’ultimo step della metodologia, ossia l’analisi dei dati ottenuti dalle interviste, abbiamo deciso di affidarci al Coding, ossia clusterizzare le informazioni in codici predefiniti.

Sono stati definiti inizialmente tre macro argomenti, corrispondenti ai tre settori di letteratura toccati, ossia Innovation of Meaning, Two-Sided Market e le piattaforme, in seguito, per ognuno di questi tre è stata definita una serie di codici riguardanti ognuno un argomento molto più specifico interessante per la nostra analisi. In particolare per quanto riguarda l’Innovation of Meaning sono state analizzate la vecchia e la nuova “reason why”, unite all’eventuale presenza di una Technology Epiphany. Per quanto riguarda le piattaforme l’interesse si è concentrato sugli attori che interagiscono con queste, e sull’interazione facilitata. In ultimo, per i Two-Sided Market, la ricerca si è soffermata sulla numerosità del Second Side e sulla selezione dello stesso, sulla relazione che lega i due sides, sul pricing
della piattaforma stessa e sull’introduzione di eventuali Value Added Services.

Una volta clusterizzati tutti i dati, sono stati organizzati in una matrice con il codice corrispondente su un lato e il nome dell’azienda sull’altro. Il fine ultimo di questo procedimento è quello di avere più chiara in mente la situazione e poter conseguentemente organizzare le informazioni in maniera più efficace.

Una volta raccolti e analizzati i dati, si è potuto procedere con la stesura dei risultati, della discussione e delle conclusioni.

Spotify è un’azienda lanciata nell’ottobre del 2008 in Svezia la quale fornisce un servizio di streaming on demand di musica in due varianti: la prima completamente gratuita, dove l’utente è obbligato ad ascoltare della pubblicità, la seconda a pagamento dove l’utente può ascoltare la musica liberamente, ha la possibilità di scaricarla offline, e può fruire di uno streaming a qualità superiore. Nel mondo attualmente vi sono circa 75 milioni di utenti, di cui 40 a pagamento. La piattaforma si basa sulla struttura di mercato dei Two-Sided Market, e fruisce di Network Externalities positive. È interessante notare come l’azienda rielabori ed utilizzi i dati fornitigli inconsciamente attraverso gli ascolti dagli utenti per creare servizi aggiuntivi da aggiungere all’offerta verso il Second Side, ossia le etichette musicali, le quali attraverso questi servizi possono capire quali sono i trend e i gusti dei clienti al fine di sviluppare prodotti che vadano ad impattare perfettamente e siano quindi di successo.

Uber è una startup di successo nata a Los Angeles nel 2010, rende disponibili attraverso un’applicazione per cellulari dei driver personali
grazie ai quali i clienti possono muoversi nelle città in maniera veloce, immediata, ma soprattutto esclusiva. I driver posseggono la loro macchina e sono liberi di lavorare quando vogliono previa l’esecuzione di un login all’inizio del loro servizio. Anche in questo caso troviamo il classico meccanismo delle Network Externalities positive, ossia maggiore è il numero dei driver, maggiore è il valore della piattaforma per i clienti e viceversa. È interessante notare come, anche in questo caso, l’azienda elabori la grande mole di dati raccolti dall’utilizzo degli utenti al fine di migliorare quelle che può essere l’esperienza dei driver. Inoltre, ai driver, vengono forniti gratuitamente servizi di revisione della macchina, lavaggio e affini, al fine di garantire sempre un’esperienza di qualità al cliente e far sì che il valore percepito da questi ultime sia sempre molto alto.

Airbnb è un’azienda nata nel 2007, sulla piattaforma è possibile condividere, da parte degli hosts, un alloggio con i viaggiatori previo un pagamento. Al fine di massimizzare la probabilità di affitto di questi spazi, Airbnb fornisce al suo second side la possibilità di utilizzare un software che calcola il prezzo ottimale a seconda del periodo e del tipo di alloggio condiviso, il tutto gratuitamente. Anche in questa piattaforma troviamo i classici meccanismi di externalità positiva.

Trivago nasce nel 2005 e fornisce ai viaggiatori che consultano questa piattaforma la più grande scelta di hotel disponibile attualmente online. Attraverso questo portale i gestori degli hotel hanno la possibilità di mostrare le loro offerte, ma non solo: Trivago fornisce un software chiamato Trivago Hotel Manager che permette di customizzare, una volta
che il cliente ha scelto l’hotel in cui andare, l’offerta dell’hotel stesso rispetto al profilo dell’utente.

Deliveroo nasce nel 2013 a Londra, lo scopo del servizio fornito dall’azienda è quella di consegnare cibo a domicilio di qualità ai clienti nel minor tempo possibile. L’azienda ha il pieno controllo sulla qualità e i tempi che il servizio richiede grazie al possesso della flotta di fattorini (i cosiddetti riders) e grazie ad un sistema informativo estremamente sviluppato. Questi elementi creano la possibilità di controllare capillarmente tutti vari step che compongono una consegna. La cosa interessante è lo sviluppo, anche in questo caso, di un vero e proprio servizio di consulenza verso i ristoranti implementato grazie alla grande mole di dati fornitigli inconsciamente dai clienti. Questo porta i ristoranti a richiedere talvolta l’accesso alla piattaforma, il quale non è libero, infatti i ristoranti vengono selezionati in base alla qualità del prodotto offerto al fine di mantenere ai massimi livelli l’immagine che Deliveroo trasmette ai suoi utenti. Questo porta così al superamento delle classiche Network Externalities, in quanto se è vero che per i ristoranti più clienti ci sono, maggiore è il valore della piattaforma, non è vero il contrario, in quanto ai clienti la cosa che interessa maggiormente è la qualità dei ristoranti, pochi o tanto che siano.

Attraverso questi casi è stato possibile capire quanto sia importante l’implementazione di Value Added Services al fine di introdurre appieno un’Innovation of Meaning che non sia solo in grado di creare una nuova “reason why” per i clienti, ma anche per i second side: è infatti fondamentale, per una piattaforma operante in un Two-Sided Market,
tenere conto di tutti e due i side del mercato, essendo così in grado di
dclinare l’innovazione su tutti e due i versanti del suo mercato.
Non essere in grado di fare ciò significherebbe introdurre un servizio che
nel lungo periodo non risulterebbe essere sostenibile, in quanto il second-
side verrebbe a mancare.
Un’altra nota importante va fatta a riguardo dei meccanismi che regolano
solitamente l’introduzione di tali Value Added Services, molto è stato
scritto riguardo al pricing, ossia nel modo in cui solitamente viene regolato
il prezzo per i due side dopo aver “sussidiato” uno dei due con tali servizi: è
importante notare come nel nostro caso questi siano completamente
gratuiti, ossia non vi siano variazioni di prezzo per nessuno, andando
solamente ad agire sul valore percepito dal gruppo di utenti interessato.
In ultimo, analizzando soprattutto il caso Deliveroo, abbiamo potuto notare
come l’Innovation of Meaning sia in grado di modificare uno degli elementi
basilari su cui poggia tutta la struttura del Two-Sided Market, ossia le
Network Externalities: in questo caso ci trova a constatare come non vi sia
più la presenza di tali meccanismi in maniera positiva e biunivoca, ma che il
gruppo di utenti interessato da tale fenomeno sia solo quello dei ristoranti,
andando così a creare, per i clienti, una Cross-Network Externality che sia
basata non sul numero ma principalmente sulla qualità. Si passa quindi dal
classico “more is better” al “more quality is better”.


1 Introduction

Technology based innovations are changing the way we live: let’s just consider for example the diffusion of smartphone. By 2019 over a third of the whole world population will own one of these pieces of technology, having the possibility to communicate between each other in a quick and unexpansive way and also having access to all the information given by Internet, just think about how easy is to find an used Car, or to find information about Restaurants and their Menus.

![Figure 1: Smartphone Usage Growth](image)

One of the main consequences of what we said is that nowadays people are able to trade with each other in an easier and quicker way, giving the possibility to new type of businesses to born, with the aim to facilitate and regulate these new relationships.
This trend brought two main consequences:

The first one is linked to the Innovation Strategy, thus not only Innovation on the products and services, but Innovation in the capability to innovate too. Indeed, if once introducing something new meant to bring a product or service that could be new in the market and which was answering the existing needs of a group of potential customers, what is happening today is that many times the same product or service should answer to needs of many different subjects at the same time.

Moreover, today we are leaving in a world in which the real problem is not to find a solution, but to find the right one, so company striving to success should not provide answers to customers’ questions, because everyone else is doing so, but to create new needs in the users, in order to make them to fall in love with the product and service created, this means being able to generate an Innovation of Meaning.

It could be the example of Apple with the Apple Watch: no one was in need of such a piece of technology, but once the crowd started to try it, they soon felt in love with it. This is because people started to feel new needs and new reason why linked to the world of the wearable technology.

This is just a normal example concerning ordinary products, but what if in a industry such the one we described earlier the same platform should satisfy more groups of customers at the same time?

The second consequence relies on the structure which is regulating such a trend, in order to facilitate the interactions between the subjects involved in this new market, new entities have been created: The Online Platforms, which rely on the Two-Sided Market structure. What if a company is aiming
to introduce an Innovation of Meaning in such a market structure? What are the consequences of such an introduction?

To better understand the situation, we decided to study the literature underlying this whole new sector, thus Platform and Two-Sided Markets, but also the one linked to Innovation of Meaning.

After this analysis, what came to our eyes was that the researchers were blocked in a situation which was quite far away from the reality, it seems that they have never been able to understand which kind of consequences has this huge amount of innovation on market structure well defined such as the Platforms and the Two-Sided Markets.

The result, was that they stated really well the structure, the dynamic and the mechanism which are composing and regulating such a market, but they have never been able to say how this field is developing, how it is changing through the years with the entrance of new technologies and more in general, new ways to share the information.

This was the trigger of this research, and we will carry it on through the study of five case studies of successful company which had been able to introduce a whole new meaning in their sector.
2 Literature Review

In the Literature Review the state of the art of the literature is going to be analyzed, so the topics which are interesting for our research. The chapter is divided into three main paragraphs, regarding the three main literature streams that represent the starting point for this research.

First the innovation of meaning theory is going to be presented, explaining what a “new meaning” is, its role within the innovation strategy of a company and the process to pursue it.

Then is going to be analyzed the history of the Platforms, trying to understand their structure, their mechanism, and the main actors dealing with them.

At the end, when will be possible to recognize each type of Platform, the research will go on understanding the mechanism which are regulating their environment by studying the Two-Sided Markets. This will be the most important part of the Literature Review, any pages are going to be dedicated to the structure of these Markets, the pricing strategies and the development of new Services.
2.1 Innovation of Meaning

Meaning Innovation is a trend-topic in the field of the product and service development. In this section we will talk about it, trying to understand as first what was the way to work before the introduction of this new theory, and how the things have changed after its introduction. At the end we will define the existing relationship between the meaning innovation and the new technologies introduction.

2.1.1 Definitions and Settings

Design in economics landscape has always been meant as something purely related to the aesthetic part of the products. However, lately, this is not true anymore: something is changing and Design is entering in fields, such as the Business Strategy, in which just some years ago there was no space for something which was felt as something too close to the art.

Many academic journals, books and publishing articles showed the importance of this topic in product development and business performance, making the Design Management something more grounded, with a much more complex scientific research base.

A remarkable improvement on the literature has been given by the theory of the user-centered design, in which a whole new way of developing products had been studied, the focus indeed is not the product anymore, but the customer, and the product is designed, engineered and produced taking care of the point of view of the final user, so the real product innovation is made observing their behaviors, asking their needs and tracking their activities during the consumption process. This latter observation of the customer is also called Ethnographic research, and this is
what helped more than anything else in surpassing the classical view of the design as “something to make cuter products” that comes from the art world, and is proper of the classical designer figure.

We started with the analysis of the user-centered design to understand how was the situation before the entrance of the new way to intend the products or services development.

What we are going to analyze in this chapter is indeed something that goes beyond what we said till now.

Even if user centered design is a very important topic in this field, it’s just one piece of the pie that contains all the possible way a firm has to innovate. It goes by itself that we have plenty of other possibilities and, one of these, is completely opposite to the first one we saw and let the firms that are successfully adopting it to become leader, and be worldwide recognized as radical innovators.

We are talking about the design-driven approach, a process which exploits superior capabilities of the companies that are adopting it, and let them to create something which is completely new, able to redefine completely what was the standard in the industry, working on what the product means to the customers.

This approach does not start from customers’ analysis as we saw for the user-centered design, and it does not take care of their point of view, indeed new products’ meanings are going to answer questions that are sleeping inside the customers who do not have defiantly any idea about them. These needs can be identified just having a broad view of the future, with clearly in mind which is the sociocultural context and having an idea
on how it will change in the future. Design-driven innovation is pulled by the own vision that the firm has of the world and the context and where they are going in the future (Verganti, 2009), as soon as this vision cannot be defined just by looking at the customer behaviors, this process has few things to share with the user-centered approach.

2.1.2 Design-Driven Innovation

One of the main issues when talking about design is the definition of design itself, we will skip all the definitions linked to the art and architectural world, going directly to the one that better can help us to understand what we are talking about: “The etymology of design goes back to the Latin de+signare and means making something, distinguishing it by a sign, giving it significance, designating its relation to other things, owners, users or gods. Based on this original meaning, one could say: design is making sense (of things).” (Krippendorff, 1989). A part from the aesthetic point of view with which a product is presented to the user, there are many other aspects to take into consideration such as the utilitarian, the symbolic and the emotional value (Verganti, 2008):

- Utilitarian: the product helps doing something
  - E.g.: I will buy a bottle of water because I am thirsty.

- Symbolic: the product means something to me
  - E.g.: BMW means worthy without being boring as a Mercedes could be.

- Emotional: the product gives me good emotion, good feelings
  - E.g.: I will buy a Mercedes because my father used to have it and it reminds me about him.
The latter two values, thus Symbolic and Emotional, are the reason why a new product, with a whole new meaning, is able to be successful, indeed research in marketing, consumer behaviors, and human being more in general highlighted that the emotional and symbolic dimension of consumption are as important as the merely utilitarian aspect, and this is true even for industrial B2B customers.

According to what has been said till now, and thanks to the definition of design we found, we can say that innovation in design could be both, a matter of functional utility or something deeper: the reason why the customers use the product, the meaning.

![Figure 2: Dimensions of Innovation (Verganti 2008)](image)
As we can see in figure 2, thanks to the diagram provided by Verganti, there could be several degrees of innovation in both the fields, it could go from the incremental to something which brings radical improvement. In particular, something which incrementally or radically innovates the functionality of the product brings more or less growth in the performance. However, when talking about the meaning the situation is not that easy as it was for the technology: an incremental improvement of the meaning brings a fashionable product on the market, it is a product that relies on accepted sociocultural standards and it could be seen as something cool in some ways because it is conceptualized following the common sense of “beauty”, but it doesn’t change the reason why the product is used by the final customers.

When the product is able to trigger new needs, when the product is built following a new vision, and it is able to redefine itself the concept of beauty and utility changing what was the common standard, then we are moving to something that radically innovates the meaning.

We have plenty of examples of radical innovation of meaning, for example is quite difficult to understand why people nowadays buy candles: some years ago you could need them in order to avoid the darkness in case of black out but today this is not a common eventuality anymore. However, in spite of it, nowadays candles are mainstream because people changed their habits giving more importance to the atmosphere, the smell, the relaxing light: because of this change of meaning the consumption of candles increased a lot, and firms that were thinking to leave the market came back in the business with products that are slightly different from their first
release because the purpose and the meaning have changed through the years as we saw. That’s exactly what happened to Yankee Candle that is the biggest candles producer with over 44% of market share: they started long time ago making candles against the darkness, but after the re-design of the product they have been able to trigger the new needs of the customers. Nowadays they’re selling candles inside fruit jar (it’s impossible to use it and see something in the dark) through shops that look more like food shops, in order to give to the customers an idea of wellness and healthy values.

People don’t buy these kind of objects looking for a good price quality ratio, but because they add their personal value to the product, aiming to find emotions more than the simple light.

The area of Verganti’s diagram which lies in the right part is exactly the Design-Driven innovation, as we saw for the candles market is not something that can quickly happen, it takes time for the crowd to understand the change, and to understand what are the new elements which are at the base of the innovation, many times a whole sociocultural change is required to accept it, and it is not something that can happen easily that’s why, as we saw before, we are talking about companies that have a broad view on the society, and a long term perspective.

Another important thing to point is that the market, when talking about the Design-Driven approach, is not given a priori, but is the result of “discussion” between the customers and the firm, which are building together new scenarios, new way of intending the sociocultural
environment: the product indeed is not the answer to a preexisting need, but it aims to create new needs through a dialogue.

We said that this process is absolutely not pulled by the Market, and is something different from the technology evolution too. There are many theories which discussed about the differences between these latter two ways of understanding the innovation and, at the end, what is clear is that in order to achieve something radical innovative there is the need to evoke a concrete technological radical improvement, because by only looking at the market and its needs the companies will reach just an incremental evolution.

This is well explained by an evolution of the diagram we previously saw in figure 2, and gives us the opportunity do better define and compare all these three ways of innovate.

Figure 3: Innovation Strategies (Verganti, 2008)
In the figure 3 we can find a mapping and a recap of what we said till now, in particular:

- **Design-Driven Innovation**: the innovation process start from what is subtle and not explicit, the company tries to anticipate the sociocultural dynamic and provides solutions that are not answering to any existing needs, but they are creating brand new ones by changing common sense and social standards.

- **Market Pull Innovation**: also called User-centered innovations, provides answers to the question of the customers by analyzing their needs, their behavior, their profile. It could be both based on language or technology, but at the end the result of the process is something which keeps relying on the same socio-cultural standard as before.

- **Technology Push Innovation**: is the result of technological evolution, which is able to move the barrier of the performance limits to new steps and opens new landscape for the final customers.

### 2.1.3 Technology Epiphanies

One of the biggest step forward could be done when a radical technology improvement is able to trigger new needs in the customers, thus to make a new meaning emerge.

Each new technology brings with itself the possibility to satisfy new needs in the customers, some of them are merely the improvement of an old technology, so the substitute of old products, and the only questions they
can answer is the need that the customers have to strive for something more powerful. Others are not understandable at first, and are exploited by firms that are able to see the world and the situation from a different point of view, giving an interpretation of the new technology which is not the standard one, these companies want to challenge the common sense, the sociocultural environment, trying to bring it to a new level redefining what the new technology means for people. When someone is able to reach this point, and makes people agree that what it is done is sensed and interesting, giving them a new reason to use the new technology, then a technology epiphany is put in place, and the firm could become extremely successful, even market leaders.

We will provide an example given by Verganti:

“Think for example at the technology of quartz movements for watches introduced in the late ‘70s. When quartz movements for watches were invented, Japanese pioneering firms substituted them for the old mechanical movements, but it was Swatch that eventually led the competition by realizing that cheap movements allowed to redefine the meaning of watches: not timekeeping instruments, but fashion accessories that could be owned in multiple exemplars. Or think to the MP3 technology. It was interpreted by early adopters as a substitute for old cassettes and CDs to improve performance of portable music players: early MP3 players in 1997 were conceived as substitutes for a Walkman. It was Apple in 2001 that unveiled the quiescent meaning of MP3 technology: allowing people to produce their own personal music through an entire system: the iPod, the iTunes application, the iTunes Store, the business
model for selling music – that let people discover, taste, buy, store, organize, and listen to music in a seamless experience” (Verganti, Design-Driven Innovation, page 64).

It goes by itself that there are some important points to follow when a company is willing to follow this path, we will see them now.

The full potential of a Technology Improvement is exploited just if it comes side by side with a deep change in the meaning, the impact on the market otherwise would be almost irrelevant, and as soon as another company, even a follower, associates new needs to the technology it will take the leadership of the market, because with its products people will feel more “complete”.

As soon as new technology emerges, in order to exploit the full potential, is fundamental to provide a new meaning as soon as possible. The question to which it’s helpful to answer are:

○ What is the possible hidden meaning of this technology?
○ What could be the full potential?
○ What are other types of usage that the customer can exploit with our new technology?

As soon as the innovation, as we saw till now, is not just a matter of technology anymore, is fundamental for a firm that the R&D department is opened to new stimuli, it is not just a matter of science and research on some topic, but it’s important to understand the society the people and the new trends arising.
2.2 Platforms

Since long time many researchers like Cusumano have studied the concept of Industry Platforms. They defined what it is, determined the main elements that composed it and gave it a proper structure. Ever since many theories have been formulated about this topic. In this part we’re going through these theories, in order to understand where to implement new researches with the aim of adding further knowledge to this argument.

2.2.1 Definition

First of all, it is important to understand what an Industry Platform is. The definitions provided in the article “The Evolution of Platform Thinking” (Cusumano, 2010), describe the main differences between a traditional Product and an Industry Platform: there are two fundamental differences. First, a traditional product provides a core technology that a company can reutilize in variety of products, similar to an in-house product platform, whereas, an industry platform provides this potentiality as part of a technology “system” whose components probably come from different companies (or maybe different sections of the same company), that is called “complementors”.

Second, without these complementary products and services, the industry platform has rather little merit to consumers. For instance, the Windows-Intel personal computer or a smartphone, without software development tools and applications or wireless mobile telephony and Internet services, are just boxes with little or no value. Probably the firm that produce the platform doesn’t have all the resources and capabilities to provide all the
useful applications and services that make the platforms, such as the PC or the smartphone so compelling for users (Cusumano, 2010).

2.2.2 Platform’s Actors

The next step aims to comprehend the possible types of characters in a Platform Ecosystem, and the main levers to drive their decisions.

For what concerns the possible characters, there are three groups according to Cusumano and Gawer (2002):

- **The Platform Leaders**: Firms that induce industry-wide innovation for a progressive system of separately evolved components of technology.
- **The Wannabes**: Firms that try to steal the leadership and become the Platform Leaders.
- **The Complementors**: Firms that make auxiliary products to enlarge the platform’s market.

Whether the innovator is a Platform leader, a Wannabe or a Complementor, it is possible to distinguish four related levers of platform leadership that can be helpful for managers in strategy formulation and implementation (Cusumano and Gawer, 2002):

- **Scope**: Scope constitutes the amount of internal innovation the firm does and to what extent it urges outsiders to do. Managers of firms who are platform leaders, or that tries to be (wannabes), should assess if it is more suitable to develop an extensive in-house capability to create their own supplements, let the market produce them or steer the middle course.
• Product technology: Platform leaders and wannabes should decide about the architecture of a product and the wider platform, if they are not the same. Particularly, they need to make decisions about the degree of modularity they desire, how open their interfaces should be and the amount of information about both platform and interfaces needed to impart to outsiders who might become complementors or competitors.

• Relationships with external complementors: Managers have to decide about the desired relationships between platform producers and complementors. They should determine how collaborative or competitive they want these relationships to be. Platform producers should also try to attract consensus and manage potential conflicts of interest (for example, how they should react when switching to a complementary market turns former collaborators into competitors).

• Internal organization: The proper internal organization helps platform producers to control both external and internal conflicts of interest. Organizational options comprise, first, having all groups with similar objectives controlled by one executive or separate them in distinct sections if they have outside constituencies or possibly conflicting targets; second, addressing organizational culture and processes; third, enhancing internal association of corporate strategy. Because of the vagueness of innovative, modular industries, a firm culture that spurs debate can accelerate strategy reformulation when it’s required.
In order to comprehend better the links between the Platform Leaders and the Complementors, it’s important to distinguish between two main types of platform that can be developed by a company: the internal and the external platforms.

2.2.3 Type of Platforms

Going deeper in the analysis of the platforms, it is possible to distinguish several type of it. The internal platforms in which a company, either works by itself or with suppliers, can form a family of related products or series of new features by deploying these components. The benefits that can be brought by the development of Internal Platform are well explained by Cusumano and Gawer, they are the reasons why firms are often strongly leading to this solution: reduction in fixed costs; efficiency gains in product development through reutilizing common elements and “modular” designs, particularly, the capability to produce a large amounts of derivative products with restricted resources; and flexibility in product feature design. One of the main goals of platform-based new product development is the capability to increase the variation of products and fulfill various customer needs, business requirements, and technical improvement while retaining economies of scale and scope within production processes, an approach also associated with “mass customization”. From a concrete point of view, it’s possible to see the main purposes that drive firms to adopt such a product strategy are the savings in terms of increased product variety, controlled high production and inventory costs, and reduced time to market. Among all the Internal Platforms, we should make special mention of the Supply-Chain Platforms, in which series of companies follow specific
instructions to provide intermediate products and elements to the owner of the platform or to the final product assembler. Another objective of Supply-Chain Platforms is to enhance its efficiency and reduce costs through systematic modular components reuse. A company that has access to a Supply-Chain Platforms can get major benefits and external powers to obtain more innovative or cheaper components and technologies. Nevertheless, the company might have less control over the components and technology, which has its own negative effects (Cusumano and Gawer, 2014).

When we talk about External or Industry Platforms, we refer to products, components, services, or technologies that have been developed by one or more companies, and can form the basis for creating more complementary innovations for many other firms and possibly producing network effects. Industry Platforms can be similar to Internal Platforms in terms of provision of basis for reusable common elements and technologies, but from another point of view they differ cause this basis is “open” to outside companies. This openness can vary in different dimensions, such as user access levels to data and information on interfaces to link to the platform or use its capabilities, the kind of rules controlling the use of the platform, or cost of access. External platforms can facilitate the production of very large amount of complementary innovations by understanding the inventive capabilities of a priori unconstrained series of external actors, and supply the technological basis essential for innovative business environment. Since the innovation skills in technologies (such as ICT) are distributed globally, the concept of industry platforms provides an effective model that facilitate
the management of investigation of possible ways for collaborative value creation built along technological paths (Cusumano and Gawer, 2014).

As we said at the beginning, the aim of this section is to find a gap in the literature in order to provide an area in which it is possible to do research.

2.2.4 Strategies to Success

So far, many things have been discussed about the structure, the types and the main elements that characterize an Industry Platform, but few have been said about the Strategy to adopt in order to achieve success through it. According to the literature the success of the Platform Strategy is accomplished by three fundamental factors (Bonchek and Choudary, 2013):

- **Connection**: the simplicity of plugging into the platform to share and transact.
- **Gravity**: the effectiveness of the platform in attracting participants, both producers and consumers.
- **Flow**: the effectiveness the platform in developing the exchange and co-creation of value.

In order to enable the Platform to achieve the success, they also had been able to develop some building boxes that match the previous three factors easier:

- **The Toolbox** provides a connection by helping others to plug into the platform easier. This basis facilitates the participants’ interactions. For instance, Apple provides developers with the OS and underlying code libraries; YouTube provides hosting infrastructure to creators; Wikipedia provides writers with the instruments to cooperate on an article; and JC Penney provides stores to its boutique partners.
• The Magnet attracts participants to the platform by creating pull with a kind of social gravity. For transaction platforms, the presence of both producers and consumers is essential to achieve critical mass. Apple requirement was attracting both developers and consumers. Similarly, eBay needed both buyers and sellers. Platform builders need to take in consideration the design of incentives, reputation systems, and pricing models. They also should exploit social media to use the network effect to grow rapidly.

• The Matchmaker promotes the value flow by providing connections between producers and users. Data is the most important part of successful matchmaking, and differentiates platforms from other business models. The Matchmaker catches worthy data about the participants and uses that data to the maximum advantage to provide connections between producers and users. For example, Google pairs the supply and demand of online content, whereas a marketplace like eBay leads buyers to proper products (Bonchek and Choudary, 2013).

Parker, Van Alstyne and Choudary have made other contribution to the Platform Strategy in the book Platform Revolution. According to them, Platforms are designed one interaction at a time, starting from the core interaction, which enables the connection between producers and users. The core interaction is the most important activity that occurs on the platform, we can define it as the essence of the platform, it is also the reason why customers are attracted by a Platform, and it involves three key components:
• The participants: there are two main participants in any core interaction, the producer, who produces the value, and the consumer, who consumes the value. The same user might play different roles, can be a producer or a consumer depending on the type of interactions. This is a notable feature of platform design. A well-designed platform facilitates the role switching for users.

• The value unit: As we’ve already mentioned, every interaction begins with an exchange of data that is valuable to the participants. Therefore, the core interaction normally starts with the formation of a value unit by the producer. A basis is provided for users to help them to decide easier whether they want to proceed to further exchanges or not.

• The filter: filters are the bases according to which the value unit is delivered to selected consumers. The platform uses the filter, which is an algorithmic, software-based tool, to facilitate the exchange of proper value units between users. A well-designed filter guarantees that platform users receive only relevant value units; a poorly designed filter with irrelevant and valueless units might be overwhelming for users. It may drive them to leave the platform.

In designing a platform, the first and the most important task is to determine what the core interaction will be. After that the decision should be made about defining the participants, the value units and the filters that make such core interactions feasible (Choudary, Van Alstyne and Parker, 2016).
As we’ve seen in this brief review on the state of the art of the literature, it is easy to understand, for what concern this topic, little effort has been made to understand which strategy is best to employ when a new platform is rising, and where a manager should invest during the lifecycle of the platform itself.
2.3 Two-Sided Markets

Once we have seen what a Platform is, we will now understand which kind of rules are regulating it by understanding the Market Structure in which they are operating.

This Structure is the so called Two-Sided Market, a special environment in which the companies have to deal with not just one customer but two or more. In this part we will understand first what it is, so definitions and general information and then we will write about all the mechanism and the dynamics present.

2.3.1 Definitions and General Information

As we saw, thanks to the technologies introduced, the market has been redefined with structures that are linking together customer which are operating in the same network. These structures are products or services which are helping these subjects to facilitate their trades, by providing them a common platform through which they can meet in a so called Two-Sided Network (Parker et al, 2006).

What makes these Platform so really interesting to study is the fact that, dislike the classical products or services, which have just one stream for cost and revenues, they have from both their sides the possibility to gain revenues but also to face costs. This is because they are acting as a facilitator of a trade which is happening between the two types of individuals on board.

This system is working thanks to the high value of the platform for its sides, which is mainly given by the phenomenon of the Network Effect, that is the
effect of the usage of one individuals of a product on the overall value of the product itself for other people willing to use it.
This is the case of the social network for example, when a customer is willing to chose a social network, he will chose the one which is more valuable for him, and the value is given mainly by the number of people which are using it.
The example we saw refers to the classical Positive Network Externality, but they could be also negative, for example with the congestion of the telephone lines.
The presence of such a Network Externality commonly is enough to define the existence of a Two-Sided Market, however Rochet and Tirole (2006) provided another definition regarding the type of relationship that could arise between the platform and its users, which could be the usage or the membership.
The usage of the platform is a consequence of the variable fees, which are affecting the willingness and the amount of trade the two-side are making while already members of the platform.
The membership of the platform is affected by the fixed fee, which are determining their presence onboard or not. The choice regarding these two fees is valid only if for the customers is not possible to trade away from the platform, so just if the facilitation the platform is providing is relevant and more valuable to them.
These two types of definition give us the idea of a Two-Sided Market as whole. Indeed, when dealing with this market structure what is really important is to have clearly in mind that the pricing strategy is something
which should satisfy not just one customer, but two different groups, and that the number of each group of customer is affecting the overall value to the eyes of other users.

2.3.2 Peculiarities of a Two-Sided Market

As we saw even in the introduction, the technology nowadays is driving the expansion of these platform, making them become more and more dominant lately.

A lot of new fields were to create new businesses have been discovered from the platform developers. This part will face three challenges that are key for the Platform operating in a Two-Sided Market to reach the success, in particular the pricing, the competition management, and the threat of envelopment.

Starting from the last one, the threat of envelopment is represented by the capability of a competitor platform to overlap its business to the one of another company. It is quite common, in particular with new platform entering in a market already populated. A significant damage can be done when the new entrant platform is covering the business of the other platform with a bundle of services much larger, users can perceive that more functionality is delivered at a lower total price. The answer of the enveloped platform is not that easy to give, because it is not easy to expend the business providing new services, and it is not easy to cut the price of the only service provided, most of the time what is going to happen is that the incumbent is forced to sell the business to the attacker or simply to leave the market.
Other options are legal actions, which could end up in success thanks to the fact that the law in Two-Sided Market is still not really clear. Another possibility is to merge with a bigger brother, with the aim to gain market power and liquidity. The last option is to leave the old business model and try to establish a new one, with all the risk that this option could bring.

It is fundamental, for a platform developer, to be aware of this risk, and be always alert to envelopment attacks. On the other side, companies to gain even more success should be focused on the GAP left free by the competitors, being quick enough to adapt their business to these opportunities.

When a company should decide to fight for the success or when should accept the collaboration with the competitors?

The first important concept to understand is if there are economies of scale, if yes, companies should always try to maximize the volumes and to do so they should fight, succeeding will bring the company to a huge growth. Another important point is to understand whether the networked market is meant to be served by just one platform or more, so the decision in the first case will be fight, in the second one to collaborate.

A platform accept to serve a Two-Sided Market when the multihoming costs for at least one of its future two sides of the platform are high, in order to be able to make the platform much more appealing in less time, when the Network Effects are high for at least the side which is expensive to multihome and when the features provided by the future platform are felt as enough for the customer, so when they do not need a big platform
that is providing them lots of useless services, but one which goes straight to the point.

The whole control of the market means monopoly profits, but there are several reasons why a company should be likely to share a platform in particular lower competition and a biggest global market size, because more customers are gathered by more companies.

To be competitive is not just a matter of cost or differentiation, in particular what is important too is the relationship with the end users, the reputation of the company, and of course money.

First-mover benefits can be important in platform battles, but not always decisive especially when the market evolution is slow. In this case late movers can avoid pioneers positioning errors, adopt the latest technology or even finalize reverse engineering on pioneers’ products and win the battle on cost. Moreover, in a battle to control the platform, both first and late movers will share the common goal to collect users as soon as possible. This urgency usually is in favor of the first mover that can count on positive word-of-mouth. Sometimes this urgency could be a mistake: when a business is readily scalable or when the funding of the company are not enough to sustain “get big fast” strategies that often face boom or bust valuation cycles.

The last aspect we are going to analyze is the one related to the price management: the price for each side of the platform should be chosen by the platform manager taking care of the consequences that this choice has on the other side’s growth and enthusiasm. In a platform we can usually recognize the “subsidity side”, the group of customer which is highly valued
by the “money side” which is the group of customer willing to spend money for the products or the services.

The “subsidity side” is crucial to have onboard, because it helps to create the value of the platform itself and to attract the other side, making them willing to spend more. Moreover, the “subsidity side” is attracted if on the platform are present lots of individuals in the money side, because it means that there could be more people willing to buy their product or services. Ultimately, pricing is more complicated by “same-side” network effects.

Defining the level of the pricing for both sides is not an easy matter, because the process should take care of the mechanism we saw earlier and also of other dynamics which we will explain in the following list, which is provided by Eisenmann et al. (2006):

• The price sensitivity of users
• User sensitivity to quality
• The Cost of Output
• The effects of the Same-side network
• Brand Value of the users
2.3.3 One Side Value Added Services

To increase profit and to gain more users, a platform operating in a two-sided market could be likely to develop new feature or services investing money in a side or in the other one.

In this part we are going to analyze how a platform which is developing such an operation, should or should not behave with the customer of both side, in particular we’re going to analyze the literature that talked about the argument even if few things have been said so far.

First of all we should point out that there is a threshold that is determining whether a platform should invest or not in VAS, when the marginal investing cost is below this threshold the platform will invest, when it is above, the platform will start to decrease the investment.

In particular, when the marginal investing costs are highly beyond the threshold, the pricing for the un-invested user side could either increase or decrease, but the interesting part is that the price for the invested side is decreasing, if we compare it to the standard case where no VAS are being developed, we see that in this case there is no a fixed law that links the pricing method, thus for both sides the price is free to increase or decrease according to the strength of the network externalities effects.

Moreover, if both the sides are priced higher after the investments, it is possible to observe that the un-invested side is priced even higher than the invested one.

Earlier in the chapter we talked about subsidizing, in this case we can observe that the VAS could be seen as a way to subsidize a side of the market.
In case the marginal cost of investments increase, could be difficult to find a way to repay the investments made, thus it could be helpful to lower the price of the invested side in order to make the platform much more appealing to a higher number of “invested” customers and, thanks to the cross-network externalities, being able to gain customers in the un-invested side too.

It’s important for a platform to be aware of the strength of the externalities for both the sides, because it is a way to understand how important are the sides of the platforms, in particular, for the side which is more likely to value the platform basing on the number of individuals on the second-side, it’s important leave the price equal, on the opposite, the side which is more attractive for the other side should be priced lower to be able to rise the total value of the platform.
2.4 Identifying the research gap and Research Questions

The literature on the Innovation of Meaning is pretty clear when talking about companies which are dealing with classical products and services offered to a normal customer, but what if there are different kinds of customers at the same time when developing something new?

In the case of a Two-Sided Network the same product or service should satisfy more characters at the same time, and it is hard that all of them shares the same needs and the same “why”.

How is it possible for a company to introduce something radically new, being able to trigger new “reasons why” for each side of their market?

Moreover, when such an innovation has been introduced, how the Two-Sided Market’s dynamics will react when stressed by a Meaning Innovation?

There are two main dynamics which could be stressed more than anything else: the pricing and the mechanism which is at the base of the relationship between all the actors of the platform, thus the Network Externalities.

Many things have been said about the pricing, the researchers put lot of effort in fixing rules which are regulating the pricing strategies, taking care of all the possible situation existing for a Two-Sided Market, but not the one concerning the introduction of a new type of Innovation of Meaning, so it’s not said how the pricing could vary in this specific situation.

Another important aspect to analyze is how the relationship between the sides and the platforms is changing, how strong are the externalities, is it possible that they will change in presence of new Meaning in the platform?
Moreover, we talked about the Value Added Services, will they be helpful to introduce the meaning innovation? And are their pricing logics still valid when they are introduced to adapt the new general meaning to one side? The two main question to which we will try to answer through this research are thus the followings:

“How can a company introduce a Meaning Innovation in a Two-Sided Market?”

and

“How can innovation of meaning change the mechanisms that rule two-sided markets?”
3 Methodology

What we saw so far in the previous chapters is the state of the art of the literature regarding the topics linked to this thesis, that helped us to find a GAP to investigate.

In the following chapter the research methodology is going to be presented, highlighting the strategies and methods that have been used to reach the aim of this thesis.

First of all, the area of investigation is going to be presented, going on it will be possible to find the sampling, so the cases on which we will focus. In the Data Gathering it is explained how the material collected during the research has been found and, at the end, we will focus on how we used it, and the type of analysis carried on.
3.1 Area of Investigation

We will have a broader view on the whole world of the Online Platforms working in a Two-Sided market, so we will see some cases of disruptive Meaning Innovation applied to different sectors of the online market. What is common between all these sectors, is the huge Innovation to which they have been undergone, thanks to the implementation of the online market indeed, they experienced a huge step forwards. In particular, the two main characteristics of what we were looking for were Two-Sided Markets and the capability to introduce an Innovation of Meaning for the First Side.

It is important to analyze sectors which are different between each other because it helps us to find results which could be better representative of the whole Industry situation.

We selected five different industries, as we said, to have a better view of the situation as a whole and, with one of the cases, we decided to go more in details: the Food Delivery Market because, as we saw at the beginning, is a booming market where it is clear that the new companies have been able to generate a breakthrough reason why for the individuals of both their sides, the hungry customers and the restaurants, which brought this Sector to modify the dynamics present in the classic model of the Two-Sided Market.

The Online Food Delivery market in the last years experienced a huge growth, this is mainly due to the huge capital investment that Venture Capitalists or Investment Founds put in place in the sector, giving the possibilities to the companies present in the market to build up new
technologies and explore new scenarios, things that would have been impossible to make without huge amount of money.

We can see it from the figure below: few investments had been provided between 2012 and 2013 but a marvelous $600.0 million have been given in 2014, which is exactly the year we found out as the trigger point of the huge growth in terms of technology and meaning that the sector experienced.

![Figure 4: Investments provided to Food Delivery Sector](image-url)
So what is the reason why investors are putting so much effort inside a market which, after all, seems to be saturated by lots of small companies striving to success?

Basically the main reason is the huge dimension of the Pie they are going to share, the Food Delivery market which is known for its $70 billion dimension, is slightly far from being fully penetrated by the online community, and that is what makes this sector so interesting for the investors.

Indeed, as we can see from the figure below, only about $9 billions of the whole sector are online and all the others are still going with the “old-fashion” way.

*Figure 5: Size of Food-Delivery Market*

In a world, as we said before, in which over a third of the whole population owns a smartphone this is an interesting point because it means that there is a huge space for growth.
This what we can find in the research made by Cowen and Company:

![Figure 6: Online Food Delivery growth](image)

The path which the industry is following is pretty clear, and all the experts tend to agree that the switch to online ordering in Food Delivery will be completed in the next few years.

The key takeaway is that we’re in the very early stages of a broad, secular shift to online/mobile ordering. And it is this paradigm shift in the industry that is the driving force behind all the dollars being spent into the industry as investors are just placing the bets on the company which, in their opinion, is going to win the race.
3.2 Sampling

According to Robert K. Yin (1984), the main purpose of a case studies is to explain causal links, so something that is repeating in several cases which are not linked in any way between each other. They are helpful, and they perfectly suit our research, because we need to understand the evolution of a sector which is deeply affected by radical innovation, that’s why we decided to bring some cases to better understand the situation and then, with one of them going in deep to understand if there had been a step forward in the evolution.

When the strategy of the case studies is preferred respect to other way of acting? Basically when the research question, such as in our case, is being posed as an “How” or “Why” and when there are few possibilities of having a complete quantitative control on the events, so when it is not completely possible to have or develop a numerical model of the situation.

Five exploratory case studies are going to be analyzed, as previously mentioned, to fill the GAP in the literature and to have an idea of what is going on in the Online Platform Industry, with the aim to understand better the trends and having an idea of the topic to better analyze.

The cases we have chosen are the following:

<table>
<thead>
<tr>
<th>CASE</th>
<th>INDUSTRY</th>
<th>NEW MEANING PROPOSED TO THE CUSTOMER SIDE</th>
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</thead>
<tbody>
<tr>
<td>SPOTIFY</td>
<td>MUSIC</td>
<td>“Music as a discovery”</td>
</tr>
<tr>
<td>UBER BLACK</td>
<td>TRANSPORT</td>
<td>“Taxi as a luxury Experience”</td>
</tr>
<tr>
<td>TRIVAGO</td>
<td>TRAVEL</td>
<td>“Travel choice as supermarket”</td>
</tr>
<tr>
<td>AIRBNB</td>
<td>TRAVEL</td>
<td>“Travel to feel as a local person”</td>
</tr>
<tr>
<td>DELIVEROO</td>
<td>FOOD DELIVERY</td>
<td>“Food Delivery as a Restaurant at Home”</td>
</tr>
</tbody>
</table>

*Table 1: Meaning Innovation in Case Studies*
Uber have been chosen because of their ability to create a gap with the competitors based on a change of the reason why the customers and the drivers are likely to choose it.

Trivago is the number one website for choosing a Hotel, and it is appealing for the customer not for a particular innovation introduced, but just for the number of the hotels present.

What they have been able to do was to propose themselves to the hotel not just as a marketing strategy, but as a consulting company, creating day by day new services and new data, developing the so called One Side Value Added Services.

Airbnb and Spotify are interesting to us because of the way adopted to split the innovation on both the sides of their market: by creating an initial change of meaning for the customer side to gain interest, and by creating an another and new change of the reason why the business side is likely to choose them.

For what concern the last case, so Deliveroo, the primary sources collected should help us to make even more light on the unexplored GAP we found.

After the general analysis of the Online Food Delivery Platform Market, we saw that there were many players inside the market and that some of them were little companies operating in just one or two cities maximum. A peculiarity of this market is that rich companies sustained by big investments, in order to expand in new regions are Merging with the small ones already present on the territory.

In particular, there are four main big players in the market, all of them are multinational Companies present in the whole Europe.
We decide to choose just Deliveroo because it is the company that suits our research criteria better than the all the other companies in the market, like Just Eat, Uber Eats, Glovo and Foodora: the first point that made us think it was the right example to take, was the clear business model, indeed the competitors where not clear at all about it, mixing different businesses: Deliveroo is just Food Delivery company so it is operating in just one Two-Sided Market.

The other peculiarity we were looking for was the Innovation, so a company which had been able to bring something radically new in its sector: this company has been the first one able to introduce a whole new way to intend the food delivery, as we saw at the beginning Food Delivery is now saw as something more linked to a premium service, not just an emergency meal.

Deliveroo is a web-based Platform which, on the line of the other four cases, have been able to split the innovation on both sides, providing a new reason why people are willing to order food at home, and developing One Side Value Added Services to the restaurant, making itself look like more to a Consultant then a delivery service.
3.3 Data Gathering

The research is developed mainly on secondary sources, thus articles, websites, videos and so on.

The choice of the sources took place having clearly in mind the elements of theory we were looking for, thus Meaning Innovation and two sided mechanisms.

We gathered almost sixty secondary sources, which are shown in the table from 12 to 17 at the end of the thesis in the Attachment chapter, which we analyzed one by one carefully and we will describe later on in the Results.

For what concerned Deliveroo, we decided to set up a much more in depth study based also on, primary sources.

At the beginning, to improve our knowledge on the industry, we thought it would have been interesting to collect some data regarding the world of the Online Food Delivery services as a whole, in order to have some feedback from the outside on how each company is carrying on the activity inside such a sector.

We had been able to interview the Italian General Manager, who was in Deliveroo from the very beginning of their businesses in Italy, we made two interviews, both of them helped us really much to clear out the situation in particular all the dynamics regarding the introduction of the service and the relationship with the sides of the platform.

After the General Manager, we interviewed the Italian Head of Operations, he had been chosen with the aim to help us in understanding better the mechanism which are lying behind the platform. This also would have been a great opportunity to avoid bias and, in the case he would have confirmed
the opinion of the GM, to give more strength to our theory thanks to the triangulation of the data gained, deleting the possibility of subjectivity in the interpretation.

All the interviews have been carried on in Italian, which was the mother tongue of the people we were talking with, the results are almost three hours of tape recorded, and we will see in the following chapter how we managed such an amount of material.
3.4 Data Analysis

With the aim of better understanding our data, as soon as the quantity of material available was quite high, we decided to use the Coding, which is an analytical process through which is possible to categorize the data given by the interviews and by the articles and collect them into clusters.

We will follow the method of the two-step process in which is possible to identify at the beginning the macro-topics, and during a second phase dividing each macro-topic in sub areas, creating clusters with info provided by all the interviews we made and the articles we studied.

The coding was defined starting from the GAP we found during the Literature Review, splitting the whole Research Question into three main cluster each one regarding one of the main topic we analyzed.

In the next picture it is possible to have an idea of the tree which is composing our analysis, each of the code represent one topic defined by a precise reference on which we will investigate with the data available from the interviews and the secondary sources.

Once we will be done, we will have all our information clustered in a matrix with the code on one side, and the company name on the other, so it will much more easy for us to understand the results of the research.

We took inspiration from the methodology provided in the article of Miles and Huberman (1984).
Figure 7: Code Tree
3.4.1 Platforms

Concerning the platforms, we would like to identify which are the main actors dealing with this entity, and which is the most important interaction facilitated by the platform.

This helps us to confirm that we are actually talking about the right topic. Inside this macro-topic we identified thus two main sub-areas, which are the actors linked by the platforms so the sides linked, and the type of connection facilitated by the platforms itself, so the peculiar service provided by the platform.

3.4.2 Two-Sided Market

The two sided market are the main part of the coding.

We started analyzing the Two-Sided Markets’ dynamics regarding how the second side is managed, thus analyzing the choice criteria for the Restaurants, trying to see if there is something which is breaking through the famous sentences “the more is better” or “the less is better”. We will triangulate this previous code with the numbers of the individuals present in the business side of each firm, giving some more strength to the hypothesis.

At this point we will understand if the classical Network Externalities which are well described in many papers and sources are still valid or not, so understanding the type of relationship which is linking the sides of the platforms.

At the end, we want to understand which are the pricing policy, if they are close or not to the pricing dynamics which are generally regulating the two
sided market and in which way they are varying in relationship with the introduction of One Side Value Added Services.

3.4.3 Innovation of Meaning

For what concern the Meaning, the most important point is to clear out if effectively there had been a radical innovation or not.

To do so we decided to analyze carefully the old reason why customers were choosing a platform instead of another and we will try to understand which are the new needs created by the new platform, thus the new reason why that is making the customers and the restaurants to switch from the old platforms to the most innovative ones.

At the end, to complete the analysis, we would like to understand in which way the technology helped in this switch, so if a Technology Epiphany took place or not.

<table>
<thead>
<tr>
<th>CODE</th>
<th>REFERENCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>OLD REASON WHY</td>
<td>(Verganti, 2008)</td>
</tr>
<tr>
<td>NEW REASON WHY</td>
<td>(Verganti, 2008)</td>
</tr>
<tr>
<td>TECHNOLOGY EPIPHANY</td>
<td>(Verganti, 2006)</td>
</tr>
<tr>
<td>PLATFORM “ACTORS”</td>
<td>(Evans and Schmalensee, 2007)</td>
</tr>
<tr>
<td>INTERACTION FACILITATED</td>
<td>(Eisenmann et al, 2006)</td>
</tr>
<tr>
<td>NUMBER OF SECOND SIDE</td>
<td>(Rochet and Tirol, 2006)</td>
</tr>
<tr>
<td>SIDES’ RELATIONSHIP</td>
<td>(Eisenmann et. al., 2006)</td>
</tr>
<tr>
<td>PRICING THE PLATFORM</td>
<td>(Rochet and Tirol, 2003)</td>
</tr>
<tr>
<td>VAS</td>
<td>(Rochet and Tirol, 2003)</td>
</tr>
<tr>
<td></td>
<td>(Dou and Xu, 2016)</td>
</tr>
</tbody>
</table>

Table 2: Code References
4 Results

We analyzed a series of cases which will be helpful for us in detecting macro trends inside the Online Platforms Industry, in this section we will present each one of these cases trying to understand why they will be a good example and how they can help us in better understand the Online Platform situation.

4.1 Spotify

Spotify is an online music service which offers streaming on demand of albums provided by several music companies such as Sony, EMI, Warner and Universal. Launched in October 2008 from the Swedish startup Spotify AB, the platform reached 75 millions of users in just seven years. In September 2016 had been able to reach 40 millions of user willing to pay for the service. It is a worldwide service, available in almost thirty countries in the world.

The music could be organized by artist, album, company, type or playlist, in order to give the possibility to the customer to find always the right track to play.

Two types of subscription are possible, the free one will give the possibility to the customer to start listening to their favorite music without paying but forcing to listen to advertising between a track and the other, the premium service is free from this fact, and makes possible to the customer to download the playlists offline in order to make them playable even when there is lack of internet connection, moreover premium customer’s music is streamed to a higher quality.
Spotify could be used on several devices, such as smartphones, consoles, computers and smart televisions.

The huge dimension of the music catalogue is one of the main success factor of this company, and it is for sure the hardest challenge for Spotify to keep it always update.

The business model is quite easy and it is based on the concept “the more is better”: the more customers are using the platform, the more interesting is the platform for the Labels, and vice versa.

**Figure 8: Meaning Innovation in Spotify**

In the Figure 8, it is possible to see how Spotify works:

- The Network Externalities in red, are positive for both the sides.
- A part from the main services provided to the customers and to the second side (navy arrow), there is the collection of data and the consequent service built on it (red data/VAS arrow).
- The Innovation of Meaning is consequently declined on both the side through the services highlighted by the grey arrows.

What makes Spotify so really interesting for us, is the services provided for both sides and the way they had been able to change the meaning: after
having presented their new idea of business, which is for sure disruptive because they had been able to create a whole new need in the customer mind giving them the possibility to discover the music world for free which was something that it was not possible before, they had been able to convince the Labels to be more likely to accept the introduction of a new competitor by paying them fees but, moreover, with a series of consultancy services linked to the huge amount of data at their disposal (see the article “Big music data streaming YouTube and Spotify” linked in Table 14), in particular with the service “Spotify Artists”.

Basically, all the data provided by the customers while listening to a song, in terms of musical preferences, locations, trends and so on and so forth, are clustered, analyzed and sold to the Labels or directly to the Artists to inform them on what the people is likely to listen and choose.

They will have access to a huge database, in which they can find information about the trends occurring, but they can also leverage on the playlists made by Spotify in order to boost the activity of some artists (see the page “Artist.Spotify.com” linked in Table 14).

<table>
<thead>
<tr>
<th>SPOTIFY RECAP</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>New Meaning Customer Side</strong></td>
</tr>
<tr>
<td><strong>Data Gathered</strong></td>
</tr>
<tr>
<td><strong>Value Added Service Second Side</strong></td>
</tr>
</tbody>
</table>

*Table 3: Spotify Recap*
4.2 Airbnb

It is an Online Platform which is linking people who are looking for an accommodation to stay abroad for short periods, with people who owns and are willing to share an extra space with the guests.

The Company have been founded in 2007, in just nine years have been able to reach almost 34000 cities in 192 countries all over the world with two millions of accommodations available.

The accommodations which are possible to find on the platform are the most disparate: from the small room to whole castles, going through flats, igloo, boats and islands.

The guests can scroll between all the opportunities given by the platform, and once they have chosen the right one, it is possible to pay the host by credit card, in order to avoid fraud or misunderstanding, moreover, in order to increase the reliability of the service, a rating system is applied to each side of the platform, providing the maximum level of transparency between the parts.

The main revenue stream of Airbnb are the fees they are charging to each transaction happening on the platform, which are going from the 6% to the 12%, depending on the total amount of the reservation price.

As in Spotify case, here we are in front of a huge innovation of meaning too. Indeed, the reason why people are travelling is skipped to something more linked to the use and behavior of the place they are going, they want to feel as the inhabitant of these places are feeling.

Another remarkable point is the development of One Side Value Added Services for the host like, for example, the dynamic pricing algorithm: this
tool provides to the Host reliable suggestions about the pricing, giving them the opportunity to maximize their profit taking care of the variation of the probability to rent the space when the price they want to set for their accommodation is changing (see the articles “Airbnb open sourcing Airflow, Aerosolve for machine learning, data discoveries” and “Airbnb’s pricing algorithm and Aerosolve, its open-source machine learning tool” in Table linked in Table 17).

It’s important to highlight how this tool is free for them and it is, in some ways a proper free consultant for their experience, built through the utilization of the data provided by the customer with their own choices through the website.

Figure 9: Meaning Innovation in Airbnb
In the Figure 9, it is possible to see how Airbnb works:

- The Network Externalities in red, are positive for both the sides.
- A part from the main services provided to the customers and to the second side (navy arrow), there is the collection of data and the consequent service built on it (red data/VAS arrow).
- The Innovation of Meaning is consequently declined on both the side through the services highlighted by the grey arrows.

<table>
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</thead>
<tbody>
<tr>
<td><strong>New Meaning</strong></td>
</tr>
<tr>
<td><strong>Customer Side</strong></td>
</tr>
</tbody>
</table>
| The New Meaning relies on the desire of the travelers to feel as an inhabitant of the place they want to travel, with Airbnb you can “travel to feel as a local person”.
| **Data Gathered** |
| The Data gathered from the customer side are about the preferences and the willingness to pay.
| **Value Added Service** |
| **Second Side** |
| With these Data Airbnb created the algorithm Aereosolve, which helps the hosts to make choice in pricing which can maximize their probability to rent the space.

*Table 4: Airbnb Recap*
4.3 Uber

The platform provides a private transportation service with cars through an application for smartphones which links passengers and drivers. At the beginning it was possible to rent the car just with a text message, later the main method to rent a car became the geo-localization through the smartphone app.

The pricing system is similar to the normal Taxi one: if the speed of the car is higher than 17km/h the price will vary according to the time, if the speed is lower than this threshold the price is calculated according to the total distance covered during the trip.

There are several categories of vehicle available for the customers, from the city car till the luxury super car, the requests that Uber is asking to its drivers are a minimum age of 21 years, a car not older than eight years, a minimum of ten points on the driving license.

![Figure 10: Meaning Innovation in Uber](image)
In the Figure 10, it is possible to see how Uber works:

- The Network Externalities in red, are positive for both the sides.
- A part from the main services provided to the customers and to the second side (navy arrow), there is the collection of data and the consequent service built on it (red data/VAS arrow).
- The Innovation of Meaning is consequently declined on both the side through the services highlighted by the grey arrows.

In order to provide a valuable service for the customers, Uber is likely to offer additional services for the drivers in order to keep the level of their cars always at the top, such as free revisions of the vehicle, free washing service and so on and so forth, these services are all for free, and they make sure that the customers will appreciate at the maximum the service (see the articles “The Amazing Ways Uber Is Using Big Data” and "Uber the big data company” linked in the Table 16).

<table>
<thead>
<tr>
<th>UBER RECAP</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>New Meaning Customer Side</td>
<td>The Taxi is not seen as just a comfortable way to move in the big cities, now it’s a proper luxury experience.</td>
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<tr>
<td>Data Gathered</td>
<td>The Data gathered from the customer behavior helps the software to move the drivers in order to improve their experience.</td>
</tr>
<tr>
<td>Value Added Service</td>
<td>The VAS developed for the second side are linked to the maximization of their income thanks to suggestion on where to move, and to the maintenance of the car at top level of quality.</td>
</tr>
<tr>
<td>Second Side</td>
<td></td>
</tr>
</tbody>
</table>

Table 5: Uber Recap
4.4 Trivago

Trivago is a German multinational company operating in the field of hotels, lodging and metasearch. It is a sort of search engine for hotels, and it had been the first European player in this kind of business. The business model is based on the classical cost-per-click indeed, according to one of its founder: "Trivago makes money from advertising partners. You cannot book with us. We are an independent information resource for travelers. We work with a wide range of industry suppliers and booking agents".

The main revenue comes indeed from the booking sites, which pays Trivago for each customer which is redirected on their webpage by the platform. From one side they have the customers, which are looking for information about hotels and travel destinations. On the other side there are the Hoteliers, which are paying to be on this platform and to show their offers trying to reach as many people as the site can reach.

![Figure 11: Meaning Innovation in Trivago](image-url)
In the Figure 11, it is possible to see how Trivago works:

- The Network Externalities in red, are positive for both the sides.
- A part from the main services provided to the customers and to the second side (navy arrow), there is the collection of data and the consequent service built on it (red data/VAS arrow).
- The Innovation of Meaning is consequently declined on both the side through the services highlighted by the grey arrows.

The structure of this Two-Sided market is following again the theory of “the more is better” as we saw in the previews examples too: the more Hoteliers are posting offers on the website, the more the platform is gaining value for the final customers.

A great remarkable point is given by the Trivago Hotel Manager, which is an additional service given by Trivago to its business side through which the Hotels are able to gain information about the customers they are going to serve in the future, consequently they can adapt their Rooms or the services they use to provide to the different types of customers they are planning to have ( see the article “Trivago Hotel Manager, utile, gratuito e potente” and the page “Hotel Manager” linked in Table 15).

<table>
<thead>
<tr>
<th>TRIVAGO RECAP</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Meaning Customer Side</td>
</tr>
<tr>
<td>Data Gathered</td>
</tr>
<tr>
<td>Value Added Service Second Side</td>
</tr>
</tbody>
</table>

Table 6: Trivago Recap
4.5 Deliveroo

It is a British company with operations all around the world. The company have been founded in 2013 in London, and as soon as the idea had been presented to the investors lots of Venture Capitalist decided to provide money, arriving in three years to collect more than half a billion of dollars with which they started to improve their position first in England, then Europe, and then again all around the world.

It aims to link top quality Restaurants with customers in a quick and unexpansive way, the choice of the business side is limited only to these customers which are able to satisfy high standards of quality. Once the Restaurant is on the platform it will enjoy a series of Value Added Services provided in a customized way by the platform, indeed the real driver of choice in this Industry is not the price, according to what the General Manager told us in the interview what really makes the difference is the capability of the platform to transmit share this common feeling that whatever will be the price paid, the quality of the service will be at the top.

For services, we mean all these type of activities which the platform uses to provide to its business side, such as the development of marketing activities, consultancies on the packaging for the delivery and, with all the data available collected from the final customers, providing useful suggestion on the strategy to adopt and on the choices to make.

What really comes out from the interviews made in TEAL, is the idea that the pricing strategies are far away from being important, what really matters is the quality of the Value Added Services provided which let the platform to be innovative and so appealing to the business side too, thus
being able to change the meaning for both the sides and not just for the final customers.

Moreover, what is possible to highlight too, is the ability of the platform to move the paradigm of the typical network externalities to something new: the idea is that the utility of the whole customer side is completely not linked to the number of the Restaurants, in any way, but it is linked to their quality, thus a sort of “the more is the quality, the better it is”.

In Milan, indeed, they have more or less 600 partnerships with restaurants of all kind, from the Italian cuisine till the Japanese one, the common characteristic of all these locals is the quality, which is always at the top.

Figure 12: Meaning Innovation in Deliveroo
In the Figure 12, it is possible to see how Deliveroo works:

- The Network Externalities in red, are positive for both the sides.
- A part from the main services provided to the customers and to the second side (navy arrow), there is the collection of data and the consequent service built on it (red data/VAS arrow).
- The Innovation of Meaning is consequently declined on both the side through the services highlighted by the grey arrows.

All the first four cases have been analyzed just through secondary sources, trying to understand which are the main trends occurring in the Online Platform world.

The first main remarkable point is the strong presence of the typical Externalities present in the Two-Sided Markets: in this case they are always positive, so the more individuals are present in one side, the higher is the value of the platform for the individuals present in the opposite side.

Another important remark is the one given by the development of secondary services, also called Value Added Services, which in some cases are slightly far from the core services usually provided by the platforms, but thanks to which the company is able to decline and modify the “general” innovation of meaning on both sides, making it desirable for both the type of users.

This is something we can find even in the last case, Deliveroo, and which is confirming our thesis, so that developing an innovation of meaning on a product/service which should serve more than one customer is something much more complex than the usual: in particular, the innovation has to be
divided in two main sub-innovations, and each of them should be appealing for one of the two sides of the platform.

Moreover, what came to our eyes studying Deliveroo, is that the Innovation of Meaning created through the development of Value Added Services for the second side, had been able to trigger the destruction of the classical Network Externalities, we will see how in the next chapter.

<table>
<thead>
<tr>
<th>DELIVEROO RECAP</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>New Meaning Customer Side</strong></td>
</tr>
<tr>
<td>The platform, with the quality of the restaurant provided, made the customer skip the old paradigm of the Food Delivery as an Emergency, to Food Delivery as a Restaurant at home.</td>
</tr>
<tr>
<td><strong>Data Gathered</strong></td>
</tr>
<tr>
<td>The customers provide data regarding their habitudes, their tastes and their expectation from the food they want to receive.</td>
</tr>
<tr>
<td><strong>Value Added Service Second Side</strong></td>
</tr>
<tr>
<td>The VAS are all linked to the strategy, the marketing, and the packaging of the food. The platform act as a consultant on all these topics, thanks to the Data collected.</td>
</tr>
</tbody>
</table>

*Table 7: Deliveroo Recap*
### 4.6 Recap

<table>
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<tr>
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<tr>
<td><strong>Customer Side</strong></td>
<td>Data Gathered: The customers provide data regarding their habitudes, their tastes and their expectation from the food they want to receive.</td>
</tr>
<tr>
<td><strong>Value Added Service</strong></td>
<td>Value Added Service Second Side: The VAS are all linked to the strategy, the marketing, and the packaging of the food. The platform act as a consultant on all these topics, thanks to the Data collected.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>TRIVAGO RECAP</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>New Meaning</strong></td>
<td>The platform provides to travelers an extremely large choice of possible destination: it is like a supermarket of travels.</td>
</tr>
<tr>
<td><strong>Customer Side</strong></td>
<td>Data Gathered: The customers provide data regarding their habitudes, their tastes and their expectation from the trips.</td>
</tr>
<tr>
<td><strong>Value Added Service</strong></td>
<td>Value Added Service Second Side: The VAS are all linked to the customization of the service by the hoteliers, in order to better match the expectation of the travelers.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>UBER RECAP</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>New Meaning</strong></td>
<td>The Taxi is not seen as just a comfortable way to move in the big cities, now it’s a proper luxury experience.</td>
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<td>Value Added Service Second Side: The VAS developed for the second side are linked to the maximization of their income thanks to suggestion on where to move, and to the maintenance of the car at top level of quality.</td>
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<tr>
<th>AIRBNB RECAP</th>
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<tbody>
<tr>
<td><strong>New Meaning</strong></td>
<td>The New Meaning relies on the desire of the travelers to feel as an habitant of the place they want to travel, with Airnb you can “travel to feel as a local person”.</td>
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<td><strong>Customer Side</strong></td>
<td>Data Gathered: The Data gathered from the customer side are about the preferences and the willingness to pay.</td>
</tr>
<tr>
<td><strong>Value Added Service</strong></td>
<td>Value Added Service Second Side: With these Data Airbnb created the algorithm Aereosolve, which helps the hosts to make choice in pricing which can maximize their probability to rent the space.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SPOTIFY RECAP</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>New Meaning</strong></td>
<td>The New Meaning relies on the possibility of the customers to discover the music without being forced to spend money buing compact discs. Thus “Music as a Discovery”</td>
</tr>
<tr>
<td><strong>Customer Side</strong></td>
<td>Data Gathered: The Data gathered from the customer side are all about trends in music, and information about the customers.</td>
</tr>
<tr>
<td><strong>Value Added Service</strong></td>
<td>Value Added Service Second Side: With these Data it is possible for Spotify to provide strategic insight to Labels and Artists in order to create music which could be more successful.</td>
</tr>
</tbody>
</table>

**Table 8: General Recap of the Cases**
5 Discussion

In the discussion we will try to answer to our research question through the data collected during our path. In particular, we will understand if, after a Meaning Innovation, the mechanism present in a Two-Sided Market are still valid or not, but, in order to do so, we have to understand how it is possible to introduce such a type of disruptive change when the customer is not just one, but two or more at the same time.

Starting from the definition of the Meaning Innovation, we will understand how it is possible to introduce it in a Two-Sided Market, after we will be done with this, we will understand how this is modifying the mechanism and the dynamics inside such an environment with particular attention to the pricing dynamics and the network externalities.

When introducing a new product or service in the market there are many aspects to take into consideration in order to create something which could be desirable for the users, and so successful, such as the utilitarian, the symbolic and the emotional values. The latter two values, thus Symbolic and Emotional, are the reason why a new product, with a whole new meaning, is able to be successful.

Indeed, research in marketing, consumer behaviors, and human being more in general highlighted that the emotional and symbolic dimension of consumption are as important as the merely utilitarian aspect, and this is true even for industrial b2b customers.
According to what we said till now, and thanks to the definition of design we found, we can say that innovation in design could be both, a matter of functional utility, something more deep as the meaning, or both.

The first interesting remark of this thesis is the way an Innovation of Meaning should be introduced in an environment such as a Two-Sided Market, where managers should take care not just of one type of customer, but two or more, each of them with their own requests which could be very different from each other.

In all the Exploratory Cases it had been possible to observe how this problem is solved by the companies: through the implementation of Value Added Service so trying to change at least for one side “the rules of the game”, giving to this side the possibility to experience something radically new irrespective to what was already present in the market.

It seems that, in particular for the Second Side, the One Side Value Added Services are the key to introduce Disruptive Meaning Innovations and so to gain the attention of this side, making the whole general Idea of Innovation feasible.

Let’s try to think about Deliveroo: the company introduced a new reason why for the final customer, indeed the meaning is skipped from “Food Delivery as an emergency meal” to “Food Delivery as Restaurant at home”, bringing the company to reach a big success between the individuals present in the customers’ side.

What had been harder was to convince all the restaurants about the quality of the service, about the real value that was behind this idea.
To do so what really helped the platform was the capability to introduce new additional services, that made the reason why the business side was willing to choose a platform more than the other change.

In this phase we decided to take as an example the Food Delivery Market, because is the one we had been able to study more in depth, however what we wrote is valid for all the other companies studied too.

Another remarkable point is given by how these One Side Value Added Service are managed: the literature so far said few things about this topic, and mainly all of them linked to the pricing strategy. In particular the main mechanism highlighted is depending by the variation of the marginal investing costs, if it is high, the pricing for the un-invested user side could either increase or decrease, but the interesting part is that the price for the
invested side is decreasing, if we compare it to the standard case where no Value Added Services are being developed, we see that in this case there is no fixed law that links the pricing method, thus for both sides the price is free to increase or decrease according to the strength of the network externalities effects.

Moreover, if both the sides are priced higher after the investments, it is possible to observe that the un-invested side is priced even higher than the invested one.

This law, gives us the idea that behind this mechanism there is a regulation policy that is controlling the pricing methods in presence of this kind of investments.

However, what we could observe in all our Cases, and it was confirmed by all the interviews made in Deliveroo too, was that even if the One Sided Value Added Services are building the biggest part of the interest for the business side, there is absolutely no reflection of this fact in the pricing policy, which remains completely unchanged.

Indeed, one of the main pillars that comes out from the data we have, is that these firms are that strong with their position given by their Meaning Innovation that potentially they are free to act as they prefer on the price. What really matters, and what could bring to the failure these companies, is not the wrong pricing, but missing the expectation that the customers have on all the services, thus not being able to attend the promises made to the sides.

So far we talked just about the business side thus, for our Explanatory Cases, the Restaurants, but there are important remarks to make even for
the customer side, with a strong focus on the pricing and on the externalities. In particular, it would be helpful to make a recap of the whole Literature Review regarding the Network Externalities and the Pricing Policy.

As we said, there could be two types of network effects either positive or negative revealed by the platforms: a same side effect or cross side effect, in which the number of individuals in one side of the platform is making the value for other individuals change, either in the same side or in the other side.

Pricing a platform have always been an hard task to accomplish, the price for each side of the platform should be chosen by the platform manager taking care of the consequences that this choice has on the other side’s growth and enthusiasm. In a platform we can usually recognize the “subsidity side”, the group of customer which is highly valued by the “money side” which is the group of customer willing to spend money for the products or the services.

The “subsidity side” is crucial to have onboard, because it helps to create the value of the platform itself and to attract the other side, making them willing to spend more. Moreover, the “subsidity side” is attracted if on the platform are present lots of individuals in the money side, because it means that there could be more people willing to buy their product or services. Ultimately, pricing is more complicated by “same- side” network effects.

Defining the level of the pricing for both sides is not an easy matter, because the process should take care of the mechanism we saw earlier and
also of other dynamics which we will explain in the following list, which is provided by Eisenmann et al. (2006):

- The price sensitivity of users
- User sensitivity to quality
- The Cost of Output
- The effects of the Same-side network
- Brand Value of the users

So, how these dynamics are varying with the introduction of the Meaning Innovation thanks to the Value Added Services?

The main point is the change of the classical effect of the Network Externalities, what comes out from the interview is the complete independence of the value perceived by the platform users from the number of individuals in the other side: what we already said is that now what really matters is the quality of the Second Side, thus the quality of the Restaurants, and this is the only thing that could influence the value perceived by the final customers.

Another important remark has to be made on the pricing, this time for the final customers. Indeed, the pricing strategy in this market doesn’t take care at all about who is the “money side” or the “supply side”, it is like both the side are willing to pay the classical premium price for something which they could not live without: each of the rules we previously saw are completely overtaken by the willingness to be on the platform and to start enjoying the services.
6 Conclusions

In this section will be possible to understand which are the conclusion of the research. At the beginning the theoretical implications will be analyzed, thus trying to understand the main remarks from the point of view of the Literature.

Going on the Managerial Implications will be presented, trying to see where this research could be helpful for a manager working in a Platform.

At the end the future development are going to be seen, understanding where there is further space for researching.

6.1 Theoretical Implications

From a theoretical perspective this research aims at filling the gap among the innovation of meaning and two-sided markets literature streams.

In particular, this research contributes to the innovation of meaning literature showing how this innovation strategy can be applied also on a particular market structure, such as the two-sided markets, where the service provider link together two different kind of customers.

Indeed, at the same time, after generating an innovation for the customer side, the company should be able to support this innovation by introducing a new meaning for the Second Side too, and it could be done through the exploitation of the potentiality of the Value Added Services, which are services that could be even quite different from the ones typically provided by the platform. All these, in order to develop a new meaning interesting for the business side too, no one so far have never published anything which is linking this two theories, and the remarkable point, as we saw, is that in the real world is something happening quite commonly.
In particular, the development of these One Side Value Added Services is interesting because we had been able to see that they are not meant like a classical subsidization, as stated in the paper provided by Sun and Tse in which they were focusing on the law which were regulating such an introduction with all the pricing consequences that this could bring, but the meaning innovation is able to create a virtuous cycle through which at the end the company is able to provide them for free, exploiting all the data provided unconsciously by the customer using the platform, or, at least, without changing the price for none of the sides once they have been introduced. This is something which had been confirmed by all the cases we saw. Another important remark has to be made regarding the variation in the Network Externalities dynamics.

We verified that in some cases, they could not be valid anymore: the introduction, of the concept of quality which is going beyond the matter of the quantity brought the companies to something radically new, in which the value of the platform is completely far away from what Eisenmann was explaining in its paper. In particular, when the Innovation of Meaning is able to bring the new reason why to both sides, it could bring them to vary what they are expecting from the platform, giving rise to new type of dynamics which could even not be linked to the number of individuals on the platform: in our case we saw that even if the restaurants are not a lot, what really matter for the final customer is the quality of the ones which decided to be on the platform and for the restaurants is the quality of the services provided by the platform itself, this is what makes the value of the platform.
6.2 Managerial Implications

The main managerial implications regard the way the company should follow to provide an Innovation of Meaning in a Two Sided Market, in particular the importance of adding new services to one side to sustain the whole strategy: if the Innovation of Meaning is strong, and the service provided is felt by both sides as valuable, there is the possibility that both sides will stay onboard no matter how the pricing is structured or how many individuals there are in the other side of the platform.

In particular, the company should be able to maintain a high standard of quality, because there is the threat that if one side start to see the service as not satisfying, destroying loops may arise, making the company fail.

Another important managerial implication is given by the way an Innovation of Meaning can modify the dynamics, thus once had the idea, if this is strong enough, it is possible that the old paradigm of the classical Network Externalities will be overtaken, giving birth to new mechanism. It goes by itself that the Innovation behind should be outstanding, but we verified that the change can be really disruptive, bringing the concept of Network Externalities from a mere matter of quantity to, as we saw in our Explanatory cases, something linked to the quality or the selection.

A good starting point, in order to be able to succeed in this strategy, could be to not focus the investments to gain huge number of individuals for both the sides to reach value linked to the Externalities, but to invest in the platform itself, providing to both the types of customers something which is triggering their attention.
6.3 Further Research

Further research could be linked to the generalization of what we said, indeed even if the cases we provided are a lot, in order to better understand if the dynamic seen are valuable it should be analyzed on a larger quantity of examples.

So the future studies should focus on the introduction of Meaning Innovation in platforms which do not have to be necessarily online, but extend the analysis on other sectors, with the aim to prove that the trend regarding the One Side Value Added Service is true.

Moreover, we analyzed the phenomena under qualitative lenses, there is space to understand if under a quantitative view it is possible to state the same things.
# References


• Schmalensee, Richard; Evans, David S. Industrial organization of markets with two-sided platforms. Competition policy international, 2007, 3.1.


### CODING FOR THE PLATFORM

<table>
<thead>
<tr>
<th>PLATFORM</th>
<th>DELIVEROO</th>
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<tbody>
<tr>
<td>(Cusumano, 2010)</td>
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<td>(Cusumano and Gawer, 2002)</td>
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<td>(Bonchek and Choudary, 2013)</td>
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<table>
<thead>
<tr>
<th>ACTORS OF THE PLATFORM</th>
<th>“Deliveroo è un pair che si occupa di gestire il servizio di Food-Delivery, di gestire il complain del cliente e di svolgere tutte quelle attività che stanno tra il ristorante e il cliente stesso”</th>
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<tr>
<th>CONNECTION FACILITATED</th>
<th>“Creando Deliveroo tutto il sistema è gestito da un player, che è la piattaforma, la quale non si occupa solo della consegna, ovvero la parte logistica del business, ma si occupa anche di altri due assets fondamentali che sono quelli su cui poi il ristorante ha meno capacità ossia il marketing e tutta la parte di customer service.”</th>
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<tr>
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<th>“La piattaforma è molto più funzionale che non emozionale, cioè la piattaforma deve permetterti di scegliere il ristorante che vuoi ordinando nel minor tempo possibile senza fronzoli. Non è il luogo in cui viene esplicitata l’esperienza di marca. Deve funzionare.”</th>
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<th>“esperienza di delivery, che nel nostro caso è creata in maniera scalabile come prima non poteva essere”</th>
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*Table 9: Coding for the Platform*
<table>
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<tr>
<th>TWO-SIDED MARKET</th>
<th>DELIVEROO</th>
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<tbody>
<tr>
<td>(Eisenmann et al, 2006)</td>
<td>“Abbiamo circa 600 ristoranti a Milano e circa 400 a Roma.”</td>
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<tr>
<td>(Evans and Schmalensee, 2007)</td>
<td>“Abbiamo negato l’accesso alla piattaforma a tantissimi ristoranti nel corso del tempo.”</td>
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<tr>
<td>(Dou and Xu, 2016)</td>
<td>“Il posizionamento di Deliveroo è un posizionamento qualitativamente alto direi il più alto che c’è in Italia, Foodora si avvicina molto ma da noi è alto sia a livello di qualità dei ristoranti che a livello di servizio, i nostri standard sono altissimi, ed è una delle sfide più importanti, e non è facile ma è ciò che ti fa distinguere per dire nei confronti di JustEat, che è molto più quantitativo che qualitativo. Foodora è come noi più qualitativa che quantitativa, però meno di noi ecco.”</td>
</tr>
<tr>
<td>(Armstrong, 2006)</td>
<td>“I ristoranti che vorrebbero entrare sulla piattaforma possono scriverci poi noi li valutiamo e proviamo tutti, perché la selezione che facciamo risulta essere fondamentale: le persone potenzialmente devono sapere che qualsiasi ristorante scelgano su Deliveroo è un ristorante di ottima qualità anche se non l’hanno mai sentito nominare.”</td>
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<td></td>
<td>“Viene fatta un’esclusione che serve a garantire al cliente quelli che sono dei criteri minimi di qualità”</td>
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<td>“quindi è normale che se in una città ci fossero diecimila ristoranti buoni, potenzialmente sarebbe meglio, ma siccome non è così ci troviamo a dover fare delle scelte.”</td>
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<td>“è assolutamente vero che il numero dei ristoranti è solo un fattore, ma il dato che noi abbiamo potuto vedere sul lungo periodo è che solo al cliente nuovo interessa questo numero, una volta che il cliente è fidelizzato, cioè dal secondo ordine in poi, la rosa dei ristoranti dalla quale questo cliente attinge mano a mano si restringe, la cosa incredibile è che i clienti iperfidelizzati, quindi quei clienti che ci scelgono una volta a settimana restringono questo campo ad ancora meno”</td>
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<td>“ristoranti da inizialmente il valore principale, ossia la credibilità, perché nel momento in cui apro Deliveroo ciò che vedo prima è ciò che posso scegliere quindi questo mi influenza molto, soprattutto sulla percezione di qualità.”</td>
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“Supply dei ristoranti, tutti di media alta qualità, per aumentare il valore verso il cliente”

“È inevitabile che soprattutto all’inizio i nomi dei ristoranti disponibili siano molto importanti perché danno garanzia al cliente sulla qualità del servizio.”

“non c’è un interesse particolare da parte nostra ad avere un enorme numero di ristoranti, quanto una selezione, bocciamo infatti tantissimi ristoranti”

“Crescita funzionale alle nostre necessità di copertura della città. Non c’è mai stata la necessità di dire dobbiamo arrivare per forza ad un numero, il ragionamento è cercare di capire quale sia il numero ottimale per cercare di garantire una certa qualità di servizio in una data zona della città.”

“tutto ciò che può portare il cliente ad essere più soddisfatto del servizio senza andare a rendere Deliveroo una realtà in perdita, sono situazioni che si possono pensare e approvare, nulla è scritto nella pietra.”

“Noi portiamo ai ristoranti un grosso aumento delle revenues e anche di potenziali nuovi clienti che poi usufruiranno del ristorante anche offline.”

“Non abbiamo mai pensato di abbassare i prezzi ai ristoranti perché sappiamo per certo che loro possono lavorare con quel tipo di commissione indipendentemente dai comportamenti dei clienti, andare ad abbassare la commissione sotto una certa soglia ci impedisce di andare a generare profitto, e quindi se non facciamo ciò saremmo solo un buco nero.
C’è invece la volontà di lungo periodo di riuscire ad essere così efficienti da abbassare la soglia di ingresso dei customer, ma non sarà comunque quello il delta, la differenza vera.”

“il ristorante ha un unico ruolo che è quello di fare il cibo migliore nel minor tempo possibile. Il nostro ruolo come piattaforma è spiegargli l’importanza di questi dati e lavorare in partnership con loro affinché i dati matematici diventino qualcosa di tangibile per loro. Per cui non c’è un costo aggiuntivo in questo, ma è uno degli asset della relazione che non può essere basata solo sulla percentuale che viene applicata, perché senz’altri rimaniamo confinati solo nella parte di servizio hard e non in quella di consulenza che invece puoi fare nei confronti di un attore che non ha questo tipo di competenze.”

“Ci sono ristoranti che fanno il loro servizio di delivery e hanno la consegna gratuita sopra i venti euro, e la gente ordina comunque sopra i venti euro da noi perché siamo dei garanti: il ristorante non può farsi carico della garanzia sul servizio come facciamo noi. A questo punto io cliente so che la piattaforma mi da la garanzia di essere protetto da qualsiasi tipo di inconveniente.”

“Secondo me la lotta vera, soprattutto in un mercato inizialmente indifferenziato come è il nostro, devi vincérla sul servizio, quindi il cliente paga 2,50 euro ma sa che pagando quei soldi qualsiasi cosa succeda entro un tot di tempo è risolta. A me cliente non interessa di chi è la colpa, ma mi interessa che tutto sia risolto.”

“Il ristorante si mette in gioco, se la mia componente di servizio, che in questo
caso è il rapporto ristorante-rider ristorante-customer viene meno, a prescindere dalla commissione il ristorante cambia perché la faccia comunque ce la mette lui.”

“da un lato il controllo della reportistica e la possibilità di avere un controllo su quella che è l’evoluzione del business lato delivery apre finestre di mercato che il ristorante fino a quel giorno non aveva chiara o comunque non era ben definita. Su una piattaforma come la nostra il ristorante può vedere nero su bianco, mese su mese, come sta andando la sua evoluzione con una serie di dati di cui prima era molto difficile tenere conto, per esempio qual è il piatto più ordinato, quale è la fascia di prezzo che i clienti preferiscono a livello di delivery a qual è geograficamente la zona dove finiscono i miei ordini, con la possibilità poi di trarne tutte le conclusioni del caso.”

“Lato pubblicità si ha sicuramente un impatto positivo, il ristorante vede la possibilità di accrescere il proprio business.”

“La piattaforma va a liberare il ristorante dal dover fare tutte queste cose, ossia gli semplifica la vita enormemente.”

“Una volta che noi sappiamo che c’è una certa qualità di cibo oppure che alcuni prodotti sono quelli più richiesti, oppure che un certo ristorante è particolarmente gettonato, riusciamo a dare una risposta a tutte queste esigenze”

“la piattaforma acquisisce valore dai clienti perché effettuano transazioni, quindi il valore monetario, poi c’è una valore di dati, e in fine un valore di behaviour, quindi c’è un dato secco sul tipo di ordini, e uno che riguarda il tipo di utilizzo che faccio della piattaforma, quindi più legato al lifestyle diciamo.”

“con tutti i dati che noi raccogliamo siamo dei veri e propri consulenti ti faccio degli esempi: il ristorante x ha un piatto che è il più richiesto, però è stagionale, possiamo analizzare il trend degli ordini di questo ristorante e vedere che nell’arco della stagionalità gli ordini scendono in un dato periodo perché quel piatto non è disponibile, possiamo quindi avvertirlo del fatto che ha sempre performato molto bene, ma le sue performance diminuiscono anche perché ha tolto quel piatto. Altro esempio è andare a lavorare su tutte le metrice che il ristorante ha, quindi il tempo di preparazione, il tempo di attesa medio, lo scontrino medio, e dagli tutta una serie di suggerimenti che gli permettono di migliorare tutta la parte di logistica. C’è poi il terzo tema, che è quello più interessante e più sfidante, ossia suggerirgli proprio le zone dove aprire un potenziale nuovo locale, dove noi sappiamo che c’è potenzialmente una richiesta altissima ma c’è una supply bassa di ristoranti a lui affini. Quindi andare a mappare utilizzando i dati raccolti da tutti gli attori e dirgli che c’è la possibilità di aprire un business che possa essere profittevole.”

Table 10: Coding for the Two-Sided Market
CODING FOR THE MEANING

<table>
<thead>
<tr>
<th>MEANING</th>
<th>DELIVEROO</th>
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<tr>
<td>OLD REASON</td>
<td>“Paghi una fee per entrare e poi il ristorante è lasciato a sé stesso, esiste solo un call center ma non risolve molti dei problemi che inevitabilmente accadono.”</td>
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<tr>
<td>WHY</td>
<td>“facevano le consegne anche a costo zero hanno visto le consegne andare verso di noi perché loro non riescono a garantire un certo standard di servizio, noi invece siamo obbligati a farlo e nel caso in cui non ce la facessimo abbiamo tutto un apparato predisposto a mantenere i contatti con il cliente.”</td>
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<td>“c’è anche un atteggiamento del cliente che passa da rendere il delivery una situazione emergenziale o comunque una tantum, ad una vera e propria abitudine di consumazione.”</td>
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<td></td>
<td>“La risposta immediata a quello che è un bisogno altrettanto immediato, andare a colmare la non pianificazione della giornata o della settimana che può capitare a causa di imprevisti e impegni. Quindi andare a proporre una risposta alternativa ad un qualcosa che richiederebbe del tempo, quindi spesa cucinare ecc.”</td>
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<td>“Mancava la delivery dei ristoranti di qualità e mancava il servizio.”</td>
</tr>
<tr>
<td>NEW REASON</td>
<td>“A fronte di una spesa minima per il cliente, ossia 2,50 euro, tu ottieni un servizio di prima qualità, cioè se l’ordine dovesse essere in ritardo per qualsiasi motivo il customer service ti contatta per parlarne, se succede una qualsiasi cosa fuori dal normale tu puoi facilmente trovare i contatti dell’azienda e procedere tramite mail, live chat o telefono, e sai che i tempi di risposta sono estremamente bassi.”</td>
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<tr>
<td>WHY</td>
<td>“Noi portiamo ai ristoranti un grosso aumento delle revenues e anche di potenziali nuovi clienti che poi usufruiranno del ristorante anche offline.”</td>
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<td>“il food delivery di qualità in questo momento è andato a picchiare in un bisogno che c’era, forse dormiente, e che è totalmente diverso, sebbene non sia drasticamente innovativo, però nella scelta del ristorante, nella scelta del fattorino, nella scelta del servizio, è molto innovativo.”</td>
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<td>“Deliveroo, sia dal punto di vista globale che locale, abbia un’anima molto forte: un attaccamento, un modo di trattare i suoi dipendenti e ognuno dei player che gravitano attorno a noi che sia unico, e ciò non lo puoi imparare, ma ti deriva dal modo in cui l’azienda è impostata e non è banale, è difficilmente copiabile,”</td>
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ma fa veramente la differenza.”

“garanzia qualità di ciò che posso trovare, quindi al di la di quelli che conosco posso trovare anche altri ristoranti che sono sicuramente buoni grazie alla selezione che la piattaforma fa.”

“Noi abbiamo una quantità di dati molto interessanti per i ristoranti, e periodicamente li mostriamo a loro, per esempio se hanno raggi di consegna molto estesi sapremo che dobbiamo focalizzarci sulla qualità del packaging investendo magari di più al fine di garantire una buona conservazione del cibo.”

“ad oggi Deliveroo è l’unico servizio che ti permette, di trackare in tempo reale l’ordine”

“noi abbiamo un nostro sistema di back-end sul quale riceviamo gli ordini e vediamo in tempo reale il numero di rider e la loro localizzazione.”

“Si, da miglioramenti lato gestionale, dati che riusciamo a raccogliere, statistiche: riusciamo ad andare dal ristorante e dirgli che ha un tempo di preparazione medio teorico di venti minuti, ma dai dati sappiamo che fa otto minuti quindi riusciamo sempre a migliorare le statistiche in meglio.”

“cambio della società in termini di tecnologia, con i passi da gigante fatti negli ultimi anni è stato possibile ridefinire un po’ tutto. Si pensi al fatto che vent’anni fa il delivery della pizza a domicilio esisteva lo stesso ma, con la tecnologia di oggi si da la possibilità a molti più clienti di accedere a questi servizi”

“poter usufruire di servizi aggiuntivi, che va dal tracking dell’ordine alla possibilità di scegliere in tempo reale in base alla disponibilità del ristorante, quindi basandosi su ciò che il ristorante ha o non ha”

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<thead>
<tr>
<th>TECHNOLOGY</th>
<th>EPIPHANY</th>
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<tr>
<td><strong>Table 11: Coding for the Meaning</strong></td>
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<tr>
<td>ARTICLE</td>
<td>London startup Deliveroo has raised $100 million for its restaurant delivery service</td>
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<tr>
<td>ARTICLE</td>
<td>Deliveroo technology provides opportunities beyond food</td>
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<td>ARTICLE</td>
<td>Deliveroo riders protest in London against changes to pay structure</td>
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<td>ARTICLE</td>
<td>Ristoranti a domicilio, Bridgepoint investe 275 milioni in Deliveroo</td>
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<td>ARTICLE</td>
<td>Deliveroo: Will They Deliver?</td>
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<tr>
<td>ARTICLE</td>
<td>Here’s How Deliveroo Built An Army Of 5,000 Drivers In Just 3 Years</td>
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<td>ARTICLE</td>
<td>Deliveroo’s pay row is a symptom of a fragile business</td>
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<td>ARTICLE</td>
<td>Some Deliveroo drivers are claiming that they’re going to be paid less than minimum wage</td>
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<tr>
<td>ARTICLE</td>
<td>Investors serve up tasty $275m takeaway for Deliveroo</td>
</tr>
<tr>
<td>ARTICLE</td>
<td>Deliveroo, an On-Demand Food Delivery Service, Raises $275 Million</td>
</tr>
<tr>
<td>ARTICLE</td>
<td>Takeaway delivery service that’s ruling the roads... and now Deliveroo’s bringing wine to your door!</td>
</tr>
<tr>
<td>ARTICLE</td>
<td>Startup of the Week: Deliveroo</td>
</tr>
<tr>
<td>ARTICLE</td>
<td>Deliveroo reveals new logo and visual identity</td>
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<tr>
<td>VIDEO</td>
<td>Deliveroo: a sei mesi dallo ‘sbarco’ in Italia. Con Milano e Roma si guarda a una new entry</td>
</tr>
<tr>
<td>VIDEO</td>
<td>‘We make their profits’ - Deliveroo Workers on Strike</td>
</tr>
<tr>
<td>VIDEO</td>
<td>William Shu, Deliveroo - NOAH15 London</td>
</tr>
<tr>
<td>VIDEO</td>
<td>WILLIAM SHU</td>
</tr>
<tr>
<td>VIDEO</td>
<td>Life inside Deliveroo with Levi Aron, Country Manager, Australia</td>
</tr>
<tr>
<td>VIDEO</td>
<td>Delivering in an on-demand economy - William Shu &amp; David Rowan</td>
</tr>
<tr>
<td>VIDEO</td>
<td>DELIVERY DERBY: UBEREATS VS. DELIVEROO</td>
</tr>
<tr>
<td>VIDEO</td>
<td>Deliveroo, il piatto preferito è da te in un salto</td>
</tr>
<tr>
<td>VIDEO</td>
<td>Deliveroo Selfie Video: Berlin’s Startup for high quality food delivery</td>
</tr>
<tr>
<td>VIDEO</td>
<td>La rivoluzione del cibo da asporto si chiama Deliveroo</td>
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*Table 12: Deliveroo Secondary Sources*
## ONLINE FOOD DELIVERY INDUSTRY SOURCES

<table>
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<tr>
<th>TYPE OF DOCUMENT</th>
<th>TITLE</th>
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<tbody>
<tr>
<td>ARTICLE</td>
<td>Fare milioni con il take away: cinque start up che ce l’hanno fatta</td>
<td><a href="http://www.ilsole24ore.com/art/tecnologie/2015-12-04/le-super-start-up-foodora-182551.shtml?uuid=ACDJajnB&amp;nml=2707">http://www.ilsole24ore.com/art/tecnologie/2015-12-04/le-super-start-up-foodora-182551.shtml?uuid=ACDJajnB&amp;nml=2707</a></td>
</tr>
<tr>
<td>ARTICLE</td>
<td>A Secular Shift To Online Food Ordering</td>
<td><a href="https://techcrunch.com/2015/05/07/a-secular-shift-to-online-food-ordering/#.spp8bwk:yugr">https://techcrunch.com/2015/05/07/a-secular-shift-to-online-food-ordering/#.spp8bwk:yugr</a></td>
</tr>
<tr>
<td>ARTICLE</td>
<td>Delivery Fever in Barcelona – 6 startups to follow</td>
<td><a href="http://blog.jobsbcn.com/index.php/2016/02/03/delivery-fever-barcelona-6-startups-follow/">http://blog.jobsbcn.com/index.php/2016/02/03/delivery-fever-barcelona-6-startups-follow/</a></td>
</tr>
<tr>
<td>VIDEO</td>
<td>JUST EAT, FOODORA, FOODINHO</td>
<td><a href="https://www.youtube.com/watch?v=8GqIFmWztEk">https://www.youtube.com/watch?v=8GqIFmWztEk</a></td>
</tr>
<tr>
<td>VIDEO</td>
<td>Start-ups changing the food delivery business - BBC News</td>
<td><a href="https://www.youtube.com/watch?v=GISuXBG-GQQ">https://www.youtube.com/watch?v=GISuXBG-GQQ</a></td>
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*Table 13: Online Food Delivery Secondary Sources*
## SPOTIFY SOURCES

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<tbody>
<tr>
<td>ARTICLE</td>
<td>Spotify's Financial Results Reinforce Just How Broken the Music Business Is</td>
<td><a href="http://fortune.com/2016/05/24/spotify-financials/">http://fortune.com/2016/05/24/spotify-financials/</a></td>
</tr>
<tr>
<td>ARTICLE</td>
<td>How Spotify can revolutionize the music business</td>
<td><a href="https://www.bloomberg.com/gadfly/articles/2016-11-01/how-spotify-can-revolutionize-the-music-business">https://www.bloomberg.com/gadfly/articles/2016-11-01/how-spotify-can-revolutionize-the-music-business</a></td>
</tr>
<tr>
<td>ARTICLE</td>
<td>How Does Spotify Make Money? Here’s the Business Model Behind the Streaming Service</td>
<td><a href="https://mic.com/articles/137400/how-spotify-can-revolutionize-the-music-business#.Ny5bxZaZw">https://mic.com/articles/137400/how-spotify-can-revolutionize-the-music-business#.Ny5bxZaZw</a></td>
</tr>
<tr>
<td>ARTICLE</td>
<td>Analytics at Spotify</td>
<td><a href="https://labs.spotify.com/2013/05/13/analytics-at-spotify/">https://labs.spotify.com/2013/05/13/analytics-at-spotify/</a></td>
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<tr>
<td>SITE</td>
<td>Spotify Artists webpage</td>
<td><a href="https://artists.spotify.com">https://artists.spotify.com</a></td>
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*Table 14: Spotify Secondary Sources*
### TRIVAGO SOURCES

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<tr>
<td>SITE</td>
<td>Hotel Manager</td>
<td><a href="http://www.trivago.it/hotelmanager/">http://www.trivago.it/hotelmanager/</a></td>
</tr>
<tr>
<td>ARTICLE</td>
<td>Trivago co-founder on why it doesn’t really need Expedia</td>
<td><a href="https://skift.com/2014/01/22/skift-qa-trivago-co-founder-on-why-it-doesnt-really-need-expedia/">https://skift.com/2014/01/22/skift-qa-trivago-co-founder-on-why-it-doesnt-really-need-expedia/</a></td>
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<tr>
<td>ARTICLE</td>
<td>Trivago launches direct hotel bookings in Germany</td>
<td><a href="http://hotelmarketing.com/index.php/content/article/trivago_launches_direct_hotel_bookings_in_germany">http://hotelmarketing.com/index.php/content/article/trivago_launches_direct_hotel_bookings_in_germany</a></td>
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*Table 15: Trivago Secondary Sources*
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<th>TITLE</th>
<th>LINK</th>
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<tr>
<td>ARTICLE</td>
<td>what is uber business model</td>
<td><a href="https://www.quora.com/What-is-Ubers-business-model-1">https://www.quora.com/What-is-Ubers-business-model-1</a></td>
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<tr>
<td>ARTICLE</td>
<td>web page of uber</td>
<td><a href="https://eng.uber.com/tag/big-data/">https://eng.uber.com/tag/big-data/</a></td>
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*Table 16: Uber Secondary Sources*
## AIRBNB SOURCES

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<th>TITLE</th>
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<tbody>
<tr>
<td>ARTICLE</td>
<td>Airbnb: How big data is used to disrupt the hospitality industry</td>
<td><a href="http://www.cloudcomputing-news.net/news/2016/may/09/airbnb-how-big-data-used-disrupt-hospitality-industry/">http://www.cloudcomputing-news.net/news/2016/may/09/airbnb-how-big-data-used-disrupt-hospitality-industry/</a></td>
</tr>
<tr>
<td>ARTICLE</td>
<td>Airbnb rolls out a pricing recommendation tool for hosts</td>
<td><a href="https://www.engadget.com/2015/06/04/airbnb-price-tips/">https://www.engadget.com/2015/06/04/airbnb-price-tips/</a></td>
</tr>
<tr>
<td>ARTICLE</td>
<td>Airbnb unveils an application that learns from humans</td>
<td><a href="http://www.inquisitr.com/2147455/airbnb-unveils-an-application-that-learns-humans/">http://www.inquisitr.com/2147455/airbnb-unveils-an-application-that-learns-humans/</a></td>
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</table>

*Table 17: Airbnb Secondary Sources*