Digital Platforms in Retail

Mikko Hänninen
Assistant Professor
Nottingham University Business School
Introductions

Mikko Hänninen, DSc
Assistant Professor
Nottingham University Business School
Operations Management and Information Systems Division

Research Interests

- Digital Transformation
- Ecosystems
- Platform Economy
- Retailing
- Strategic Management
Digital Platforms in Retail are as Dominant as Ever

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“Platforms are an increasingly important vehicle for value creation in the retail industry, for businesses, and our society at large. Traditional retailers face competitive pressure, as digital transaction platforms are disrupting the ways in which various resources and processes are digitally reconfigured for value creation.”
How do Platforms Differentiate from Traditional Retail?

- Fast(er) deliveries
- Trusted Payments
- Diverse ecosystem
- Large selections and low prices
- Engaged suppliers
- Superior customer experience

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Many Companies Won't Survive the Pandemic. Amazon Will Emerge Stronger Than Ever
“transaction data -- distinguishes platforms from incumbent retail business models, and we expect that data generated through digital platforms will form an even greater competitive advantage in the future as these platforms can collect data from a multitude of interactions with their user base, both online and offline”
"This shift in competition is due to multi-sided marketplaces increasingly catering to the needs of more customers demanding convenience, by being able to create a more efficient one-click shopping experience combined with fast delivery and no-hassle returns."
Consumers Have Become “Hooked” on Speed
Europe post consolidation: France and Italy remain as crowded markets

- **Just Eat**
  - Dominantly #1 in UK, Italy, Spain, Portugal, Denmark
  - Also #1 France
- **Delivery Hero**
  - #1 in Germany (not dominant), Sweden, Finland
  - #2 in Poland
  - Present across Eastern Europe since FoodPanda acquisition in December 2016
- **FoodPanda**
  - Present across Eastern Europe (and Asia and LatAm)
  - Focus on emerging markets
- **Takeaway.com**
  - Dominantly #1 in Benelux and Poland
  - Strong #2 in Germany
- **deliveroo**
  - Leader in premium segment
  - Strong #2 in France
Digital Platforms, However, Face Growing Criticism

Please see slides at the end of this template for chart and table examples as well as different elements. Copy and paste these items onto this page.
“The European Commission has informed Amazon of its preliminary view that it has breached EU antitrust rules by distorting competition in online retail markets.”
Example. Amazon

I'm not a robot': Amazon workers condemn unsafe, grueling conditions at warehouse

Employees under pressure to work faster call on retail giant to improve conditions – and take their complaints seriously

Michael Kianoto

Rehtaeh Parry's death by suicide: it's time to speak up about sexual harassment

Rehtaeh Parry's death by suicide: it's time to speak up about sexual harassment

Raulina Carrabino has worked three 12-hour shifts every week at Amazon's gargantuan New York City warehouse, called JFK8, on Staten Island since it first began operations in late 2018. As a sorter on the outbound ship dock, her job is to inspect and scan a mandated rate of 1,200 Amazon packages an hour – 30 per minute – that are sent through a chute and transported on a conveyor belt before leaving the facility for delivery.

Workers such as Carrabino helped Amazon achieve its fast-run Christmas

Workers such as Carrabino helped Amazon achieve its fast-run Christmas
More and More Retail Firms Dependent on Platforms

'More and More Retail Firms Dependent on Platforms'

'Fees are murder': delivery apps profit as restaurants forced to close doors

Coronavirus crisis has decimated food service - and apps still probably won't be enough to keep many small businesses alive

- Coronavirus - latest US updates
- Coronavirus - latest global updates
- See all our coronavirus coverage

California restaurants were some of the first in the US to close in order to stem the spread of the coronavirus. And in the food service industry's crisis, third-party delivery platforms have found great opportunity.

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This Has Many Strategic Consequences for Firms

“Digital platforms present a troubling paradox for service providers participating in a platform-based online marketplace: despite increases in market reach, in terms of a higher rate of new customer acquisition, those service providers participating in the marketplace have lower sales than others.”
Increasing (or continuing) Migration to Retail by Western Digital Platform Giants (e.g., Facebook, Alphabet).

Data and Logistics Continue to be King (e.g., micro-fulfillment)

Combination of Physical/Digital Touchpoints (e.g., Amazon Fresh Supermarket, Walmart).

Diminishing brand power, increasing role of private labels (e.g., Amazon Basic).

Global Expansion of Digital Platforms Continues (e.g., Amazon Launch in Sweden).
Thank you!