

TRUE FALSE COMPREHENSION EXERCISE CORRECTION

EXERCISE 1 Comprehension: True / False Circle the correct choice and justify your answer

1. Users can connect and benefit from a platform only by means of another software product. **T** / F

For example, a game console is a platform for users to socialize and play using software (games) developed by a myriad of companies

2. A game console is a complementor of a platform hardware device. T / **F**

Not hardware but software

The challenge for a new game console is that software developers don't want to create games for a console unless there are enough console owners that can use the games — and players don't want to buy a console unless there are enough games to play on it.

3. Platform companies and complementors are interdependent. **T** / F

These early studies stressed the role of complementors — external companies or entrepreneurs that build products and services to run on a platform, thus increasing the platform's attractiveness

4. Platform challengers meet no major hurdles when setting up a user base. T / **F**

It's the opposite:

Building a large installed base can seem like an insurmountable obstacle for platform challengers

5. The success of a platform on the market depends mostly on the quality and price of the device. T / **F**

Price is not mentioned.

Platform sponsors place great emphasis on providing technological support for their complementor network in such forms as software tools, technical training and documentation, technical support and conferences

6. A large installed base can be built faster if a platform company is an early market entrant. **T** / F

These recent experiences of platform companies that entered the market late and were still able to succeed and dethrone powerful incumbent platforms provide us with additional insights to enhance our understanding of platform markets

7. Complementors are usually attracted by platforms with a small installed base. T / **F**

It's the opposite: complementors are naturally attracted to those platforms with the largest installed base. Platform sponsors

8. Platform envelopment may drive bundled software developers out of the market. **T** / F

A platform can also bundle the functionality of another, typically smaller and financially weaker, platform, thus making the latter virtually irrelevant to the market.

9. The challenge faced by dethroners is to reach rather than stay at the top of the platform market. T / **F**
Once successful, staying successful and fending off others who are trying to dethrone you can be a real challenge.
10. Apple's iTunes shows that leveraging implies bundling and nullifying smaller platforms. T / **F**
However, platform leveraging implies that iTunes is a separate platform that will continue to be nurtured and grown. This in turn means that other smart phone platforms, new or old, can also enjoy the benefits of linking to iTunes — and Android, Google's smart phone platform and Apple's main rival in this space, has done just that.

EXERCISE 2 Vocabulary

(A) Use the list of definitions above to select the appropriate term to fit each sentence

1. Customers who are senior citizens may be less concerned with the number of people using a **platform** than they are with the number of other senior citizens using it.
2. New **entrants** to the market can gain significant traction by focusing on a user group that is distinctive and underserved by the dominant company.
3. Facebook focused on consumers rather than businesses to **dethrone** MySpace and Friendster when it entered the social network platform market.
4. Facebook opened its platform to anyone only after its **installed base**, initially centered on students, had grown.
5. **Platforms leveraging** differs from a platform complementor relationship in that both platforms belong to one company.
6. By using a multitouch display, Apple has unveiled a totally new interface for smartphones while embedding **functionality** in a streamlined, one-button design.
7. Platform companies who **complementors** by offering technical support and working alongside them to define and clarify standards.
8. The **social network** segment that Apple targeted when it launched its iPhone included consumers that app entrepreneurs had not been able to reach easily before.
9. **Software developers** need to test constantly that the apps they write work properly on mobile platforms.
10. Consumers can **download** a lot of frivolous apps on their smartphones like Drync, a wine-buying app.

(B) Answer the following questions with a correct expression from the text

1. How would you describe the platforms of manufactured goods such as those used in the automotive industry? They are **pioneering platforms**
2. What name is often given to companies trying to outcompete leading platforms with large installed bases? They are called **platform challengers**
3. What is the role of organizations like FIFA, NBA or EPL, the English premier soccer league, that inspire and lend their prestige to a lot of video games? They are **platform sponsors**
4. How do you compare the offerings of Google, Yahoo and Hotmail on the webmail market? They are **rival platforms**
5. What type of businesses are providing hardware devices, traditional software or software in the cloud and are releasing application programming interfaces? They are **platform companies**

6. What is the standing of Apple's iPhone and Samsung's Galaxy on the platform markets of today? Each of them is considered to be a **dominant platform**
7. How do you refer to groups of users connected by a shared technology that enables them to form and benefit from a social network? They are referred to as **platform markets**
8. What name is given to the set of principles governing business models that create value by facilitating exchanges between two or more interdependent groups? It is called **platform theory**
9. What is Google's Android? It is a mobile phone **operating system**
10. How would you label a company like Apple which ousted Blackberry as a longstanding leader on the platform market? It is a **dethroner**

EXERCISE 3 Grammar The suffix 'ize'

(A) Change the word in italics into a verb ending in 'ize' to express the ideas in the sentences below

1. to participate actively in a *social* group **socialize**
2. to offer *incentives* or some form of motivation to customers or employees **incentivize**
3. to build, fit or alter a product or service according to *customer* specifications **customize**
4. to convert data or an image to *digital* form **digitize digitalize**
5. to exert a *monopoly* over a market **monopolize**
6. to transfer a state-owned company to the *private* sector ; **privatize**
7. to render a software programme *operational* ; **operationalize**
8. to make actions or operations synchronous ; **synchronize**
9. to provide different forms of *subsidy* to a company ; **subsidize**
10. to place *emphasis* or stress on something ; **emphasize**

(B) Use the verbs you have formed in the correct tense to complete the sentences below

1. Companies can differentiate their products by **emphasizing** the attributes highly valued by the target customers.
2. Players can **socialize** on a game console used as a platform.
3. Governments tend to **privatize** state-owned utility companies.
4. The first iPhones did not **synchronize** standard business applications or apps unlike Microsoft Exchange server in which e-mail, calendar and contacts are **synchronized**
5. A market entrant can gain significant attractiveness by **customizing** a platform to a particular segment.
6. Several investors agreed to **subsidize** the new digital venture.
7. Companies **incentivize** employees with perks such as lunch vouchers.
8. Record companies **digitized** songs at the turn of the 21st century and made them available on the Internet. **digitalized**
9. The company **has monopolized** the market for computer operating systems since the late 1980s.
10. The company's plans for enhanced capabilities are yet to be **operationalized**