Artificial intelligence platforms: A new research agenda for digital platform economy

Tomasz Mucha Timo Seppälä



Al Day 2020 26.11.2020



Tomasz Mucha

Department of Industrial Engineering and Management, Aalto University



Timo Seppälä

Department of Industrial Engineering and Management, Aalto University

Research Institute of the Finnish Economy, ETLA

Defining Al

"Artificial Intelligence . . . is intended to make computers do things, that when done by people, are described as having indicated intelligence"

Brooks, R. A. (1991). Intelligence without reason.



Al everywhere?



≡ Google Translate

XA Text Documents					
DETECT LANGUAGE	ENGLISH SPANISH FRENCH \checkmark \leftarrow ENGLISH SPANISH ARABIC \checkmark				
	Translation				
Ŷ	0 / 5000 🧪				

Customers Who Bought This Item Also Bought

******* 553

\$18.99 *Irime*

<



Galaxy S6 Case, Spigen Spigen Galaxy S6 Case, [METALLIZED BUTTONS] Spigen [AIR CUSHION] Neo Hybrid Series Case for Slim Armor Case [KICK-Samsung Galaxy S6 STAND] for Samsung \$16.77 */Prime*



Samsung Wireless Charging Pad w/ 2A Wall Charger - Retail Packaging - Black Sapphire, Part # \$29.45 *Prime*



Galaxy S6 Case, MoKo [Heavy Duty] Full Body Rugged Holster Cover Case with Swivel Belt Clip -\$6.99 **/Prime**



OtterBox DEFENDER SERIES for Samsung Galaxy S6 - Frustration-Free Packaging - Black \$49.95 JPrime

01



OtterBox COMMUTER SERIES for Samsung Galaxy S6 - Retail Packaging - Black ******* 271 \$25.33 /Prime



Page 1 of 15





What about others?







Learn a new language



Award-winning method for language learning

 \mathbf{X}

goodbye

hola

adiós

lo siento

yo

Personally optimized learning - Start now!



These were just some examples

More insights:

https://faia.fi/state-of-ai-in-finland/



What do executives say about Al use cases?



Background data

- Qualitative analysis
 - Inductive analysis of publicly available content

Data

- January 2004 May 2019
- Transcripts of S&P500 company investor presentations and earnings calls where "AI" or "machine learning" are mentioned

Total transcript count	2 062
Count per company	
Median	1
Mean	4
Min	0
Max	91
Count per sector	
Median	134
Mean	186
Min	15
Max	949









Gold miners

Who are they?

AI platform strategy



AI platform strategy









"Evolving organizations or metaorganizations that:

- 1. federate and coordinate constitutive agents who can innovate and compete;
- 2. create value by generating and harnessing economies of scope in supply or/and in demand; and
- 3. entail a technological architecture that is modular and composed of a core and a periphery."

Gawer, A. (2014). Bridging differing perspectives on technological platforms: Toward an integrative framework.

"Evolving organizations or metaorganizations that:

- 1. federate and coordinate constitutive agents who can innovate and compete;
- 2. create value by generating and harnessing economies of scope in supply or/and in demand; and
- 3. entail a technological architecture that is modular and composed of a core and a periphery."

Gawer, A. (2014). Bridging differing perspectives on technological platforms: Toward an integrative framework.



PLATFORM OWNER

"Evolving organizations or metaorganizations that:

- 1. federate and coordinate constitutive agents who can innovate and compete;
- 2. create value by generating and harnessing economies of scope in supply or/and in demand; and
- 3. entail a technological architecture that is modular and composed of a core and a periphery."

Gawer, A. (2014). Bridging differing perspectives on technological platforms: Toward an integrative framework.



"Evolving organizations or metaorganizations that:

- 1. federate and coordinate constitutive agents who can innovate and compete;
- 2. create value by generating and harnessing economies of scope in supply or/and in demand; and
- 3. entail a technological architecture that is modular and composed of a core and a periphery."

Gawer, A. (2014). Bridging differing perspectives on technological platforms: Toward an integrative framework.



Amazon SageMaker algorithms and model packages monetization example



"Evolving organizations or metaorganizations that:

- 1. federate and coordinate constitutive agents who can innovate and compete;
- 2. create value by generating and harnessing economies of scope in supply or/and in demand; and
- 3. entail a technological architecture that is modular and composed of a core and a periphery."

Gawer, A. (2014). Bridging differing perspectives on technological platforms: Toward an integrative framework.



Google's AI cloud components as of 2019



"Evolving organizations or metaorganizations that:

- 1. federate and coordinate constitutive agents who can innovate and compete;
- 2. create value by generating and harnessing economies of scope in supply or/and in demand; and
- 3. entail a technological architecture that is modular and composed of a core and a periphery."

Gawer, A. (2014). Bridging differing perspectives on technological platforms: Toward an integrative framework.



Who are Al platform scholars?

A new research agenda for digital platform economy

https://www.etla.fi/en/publications/artificial-intelligenceplatforms-a-new-research-agenda-for-digital-platformeconomy/

Aalto University School of Science ETLA

Artificial Intelligence Platforms:

NEW RESEARCH AGENDA FOR DIGITAL PLATFORM ECONOMY



Tomasz Mucha Aalto University, Finland tomasz.mucha@aalto.fi

Timo Seppälä

The Research Institute of the Finnish Economy and Aalto University, Finland timo.seppala@etla.fi

Suggested citation:

Mucha, Tomasz & Seppälä, Timo (6.2.2020). "Artificial Intelligence Platforms – A New Research Agenda for Digital Platform Economy".

ETLA Working Papers No 76. http://pub.etla.fi/ETLA-Working-Papers-76.pdf

Abstract

Three out of nine of S&P500 digital platform companies stand out as building own artificial intelligence (AI) platforms. Three is overwhelming empirical evidence of AI technologies are being central to running a digital platform business. However, the current research agenda is not directing researchers to study AI technologies in the context of digital platforms.

We have divided the proposed AI platforms research agenda as follows: The first set of questions we propose relates to an overall conceptualization of AI platforms. Thereafter, we recognize specific aspects of AI platforms, which need to be investigated in detail to gain understanding that is more complete. The second set of questions we propose relates to understanding the dynamics between AI platforms and the broader socio-economic context.

This topic might be particularly relevant to economies of countries without indigenous AI platforms. Our paper builds on the proposition that AI is a general-purpose technology, which by itself carries properties of a digital platform.

The research agenda



Macro level

Micro perspective on AI platforms



Research agenda: Micro perspective on AI platforms

Theme	Research questions
1. Conceptualization of AI platform	 Who are the agents participating in AI platform and its ecosystem? What constitutes core and periphery of an AI platform? What is the overall AI platform architecture?
2. Al platform openness and boundary resources	 How open are AI platforms? What are the boundary resources used in controlling and facilitating AI platforms?
3. Value creation and capture in Al platforms	 How value is created and distributed within AI platforms? What are the AI platform externalities?
4. Al platform strategy, ownership and control	 What are the building blocks of AI platform strategy? What are the governance models of AI platforms?
5. Sustainability of Al platforms	• What are the operating costs / operating cost models of Al platforms?

• Is the future of AI platforms sustainable?

Macro perspective on AI platforms

Expansion & integration

Competition

Regulation



Research agenda: Macro perspective on Al platforms

Theme	Research questions
6. Al platforms as (quasi) utility companies	 Do AI platforms resemble utility companies? To what extent? What level of AI platform concentration/ competition is optimal for the economy? What role should regulation play in relation to AI platforms?
7. Expansion/integration of Al platforms with other digital platforms and industrial sectors	 What are the mechanisms and consequences of AI platform expansion/integration with other digital platforms? What are the mechanisms and consequences of AI platform expansion/integration with different industrial sectors?
8. Impact of AI platforms on national economies and geopolitical relationships	 What are the AI platform related economic synergies and conflicts of interests between regions and nations? What are the AI platform related economic implications for

- What are the AI platform related economic implications for Europe, with no indigenous AI platform offering?
- What are the AI platform related economic implications for the developing economies?

Next steps...



Macro level

Empirical paper

Research agenda



Contribution:

Explication of distinct roles played by AI in platforms



Contribution: Recognition of important policy-motivated research questions