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ARTICLE

From customer to actor value propositions: an analysis of digital transaction platforms

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ABSTRACT

Digital transaction platforms are reconfiguring how customers and suppliers interact and transact. This evolution challenges the applicability of some of the canonical concepts and theories inherited from businesses focusing on dyadic customer-firm relationships. In this respect, we know very little about the extent to which business concepts, such as the customer value proposition (CVP), can capture the dynamics of multi-actor digital platforms. The purpose of this study is thus to explore how value can be proposed in digital transaction platforms. To illustrate and capture the complexity and diversity of digital transaction platforms' current value propositions, we identify, compare, and analyze the CVPs of 58 digital transaction platforms worldwide. As a result, we introduce and define the construct of the actor value proposition (AVP) as a distinct and critically important concept for understanding and managing value creation in digital transaction platforms. This study is among one of the first to uncover the mechanisms and dynamics of digital transaction platforms from the point of view of different actors' value creation.

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Introduction

Digitalization has fundamentally changed the structure and form of the retail sector, as new digital intermediaries are challenging incumbent retailers worldwide (e.g. Hagberg, Sundstrom, and Egels-Zandén 2016; Hänninen, Kwan, and Mitronen 2021; Savastano et al. 2019; Teller, Brusset, and Kotzab 2019; Verhoef and Bijmolt 2019). One important digital intermediary is the digital transaction platform, that is, platforms that function as 'intermediaries or online marketplaces that make it possible for people and organizations to share information or to buy, sell, or access a variety of goods and services' (Cusumano, Gawer, and Yoffie 2019, p. 20). Digital transaction platforms, such as Amazon.com, Alibaba, and eBay, now intermediate a large share of online retail sales. In 2019, global eCommerce sales reached approximately 14.1% of all retail sales, with an annual growth rate of over 15% (Statista 2019). For example, Amazon and Alibaba now intermediate around 38% and 56% of all eCommerce sales in the US and China, respectively (eMarketer 2019a, 2019b).

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Digitalization is increasing the complexity of retail trade and decreasing the explanatory power of many existing retail concepts and theories (Haas 2019). For example, digital transaction platforms are notably different from traditional businesses, based on dyadic customer–supplier relationships (Hänninen, Mitronen, and Kwan 2019; Parker, Van Alstyne, and Choudary 2016). Digital transaction platforms enable the interaction and transaction between two or more distinct groups of users (e.g. McIntyre and Srinivasan 2017). The interactions between independent demand- and supply-side participants enable new forms of value creation (Smedlund 2012) characterized by competition and cooperation (e.g. Van der Borgh, Cloodt, and Romme 2012; Pierce 2009). Therefore, the global character and volume of digital transaction platforms and their business logic, management models, and critical success indicators fundamentally differ from those of traditional businesses (Cusumano, Gawer, and Yoffie 2019). This paradigmatic change exerts pressure on managers to shift their understanding and capabilities to resource orchestration instead of control, interaction instead of transactions, and network effect instead of sales volume (Parker, Van Alstyne, and Choudary 2016). In retail, this is evident through the increased innovation and the move to develop and adapt prevailing retail business models considering these changes (Hristov and Reynolds 2015).

However, despite outstanding academic and practitioner interest in digital transaction platforms, research on these topics remains limited and fragmented in marketing and retail journals (Hänninen 2020; Perren and Kozinets 2018; Sriram et al. 2015). It is generally agreed that digital transaction platforms present both tremendous opportunities and challenges for marketers and businesses (Leeflang et al. 2014). Yet, we know very little about the extent to which traditional business concepts capture the dynamics related to multi-actor settings (Perks et al. 2017). One such concept is the customer value proposition (CVP), which captures what kind of value firms aim to create for customers (e.g. Rintamäki, Kuusela, and Mitronen 2007; Rintamäki et al. 2006; for an extensive review, see Payne, Frow, and Eggert 2017). Analyzing the value proposition in this context is essential, since it is a key element of any business model (Johnson, Christensen, and Kagermann 2008). While there is an emerging stream of research addressing important platform-related topics, such as business model attributes (Täuscher and Laudien 2018) and platform strategies (Zhu and Furr 2016), there have been only a few attempts to address and clarify the role of CVPs in the context of the platform economy (Muzellec, Ronteau, and Lambkin 2015), and particularly with regard to digital transaction platforms and in a retail and consumer services setting (Hänninen 2020).

In order to gain a deeper understanding of the value-creating potential of digital transaction platforms, the purpose of this paper is to explore how value is proposed in digital transaction platforms. We accomplish this aim by identifying, comparing, and analyzing the CVPs of 58 digital transaction platforms worldwide. By identifying the characteristics of digital transaction platforms in general, and their value propositions, we extend the discussion of CVPs in a dyadic setting toward multi-sided digital transaction platforms. This places greater focus on uncovering current and potential sources of value for the different actors making up the platforms. Our findings advance marketing and retail literature and show practitioners how they can compete with the increasing platform competition.

The remainder of the paper proceeds as follows. First, we briefly discuss recent research on digital transaction platforms and value propositions. Second, we describe our

methodology in terms of generating the set of case examples and analytical procedures. Third, we present our findings, consisting of the identified value types for both buyers and sellers. We conclude with a discussion of the contribution, managerial implications, limitations, and future research directions.

Theory

Digital transaction platforms

Platforms have received increasing interest from management, strategy, and information system scholars as many firms' innovation activities have shifted from the physical to the digital (e.g. Gawer 2014). This interest has also been sparked by the recent emergence of platform-based businesses in many parts of the economy, including the accommodation, media, music and transportation sectors (e.g. Cusumano, Gawer, and Yoffie 2019). Digital transaction platforms 'intermediate transactions among firms and/or individuals that may not be able to transact otherwise' (McIntyre and Srinivasan 2017; 472). Such platforms are inherently multi-sided, meaning that they enable direct interaction between two or more distinct sets of users (Hagiu and Wright 2015), and they 'bring together (or match) distinct groups, whereas the value for one group increases as the number of participants from the other group increases' (De Reuver, Sørensen, and Basole 2018; 127).

By intermediating transactions between independent buyers and third-party sellers, digital transaction platforms have transformed how customers and suppliers interact (Mathmann et al. 2017) and enabled the creation of 'special kinds of markets that play the role of facilitators of exchange between different types of consumers that could not otherwise transact with each other' (Gawer 2014; 1240). In particular, digital transaction platforms have now created online structures for many human activities (Kenney and Zysman 2016) and enabled exchanges between platforms' constitutive agents to be 'purely transactional, and where the pricing mechanism is the principal mode of coordination among platform agents' (Gawer 2014; 245).

In the context of digital transaction platforms, the value proposition is critical, as the platforms' economic value is measured in terms of the size of the user base (Gawer and Cusumano 2014) and the number of high-quality buyers and sellers using them (Haucap and Heimeshoff 2014). However, rather than investigating the value that such platforms offer to their users, research has focused on the mechanisms through which digital transaction platforms attract users. Studies show that network effects, in which each new platform user increases the value of the platform for all other users (Rysman 2009), arguably meaning that the success of a digital transaction platform largely depends on its ability to reach a critical mass of users (Ondrus, Gannamaneni, and Lyytinen 2015). In addition, network effects can often trigger a continuous feedback loop of new users that drives a winner-takes-all situation, in which one platform attains a dominant position in the market (Eisenmann, Parker, and Van Alstyne 2006). However, as research shows that digital platforms have a set of core value propositions to their users (e.g. Hevner and Malgonde 2019), elucidating their value propositions to different sets of users can provide a new lens to understand such business models and add to the identified mechanisms for platform growth.

Broadening the value proposition concept

The (customer) value proposition is a critical element of any organization's business model (Chesbrough 2010; Day and Moorman 2010; Johnson, Christensen, and Kagermann 2008). It is a strategic tool to communicate the value the business attempts to create, motivate key stakeholders, and position a business in relation to its competitors (Payne, Frow, and Eggert 2017). A value proposition is 'a competitive statement of the dimension of value offered to a specific group of customers, the ways in which the firm creates value, and reasons for customers to select the firms' offering' (Yrjölä 2015; 30). It also describes the organization's distinctive competitive advantage: what the organization excels in and what the competition cannot match (Collis and Rukstad 2008).

As a strategic tool, the value proposition is 'used both externally, to position the brand in the market and internally to guide the organization's efforts' (Yrjölä et al. 2018a, p. 534; see also Rintamäki, Kuusela, and Mitronen 2007; Payne, Frow, and Eggert 2017). Externally, the value proposition serves two functions: it impacts and influences the relationships that an organization develops, and it shapes the perceptions of value (Frow et al. 2014). Value propositions define who the customers are and how the organization interacts with these customers (Day and Moorman 2010; Johnson, Christensen, and Kagermann 2008). Value propositions also involve a choice of what type of value is offered to customers. Broadly speaking, value propositions can focus on three different types of value: offering increased benefits (performance value), decreasing costs for customers (price value), or attempting to lower customer-perceived risk (trust[1] value) (Day and Moorman 2010). All three types can appear in multiple ways. For instance, performance value can be created through superior quality, design, or functionality. Price value can involve low monetary, cognitive, or effort-related costs. Trust value can be created through total solutions, customized services, or risk-reducing policies, such as free returns. The value offered is usually expressed in concrete benefits (and costs) that are relevant to customers and superior to the competition (Anderson, Narus, and van Rossum 2006; Day and Moorman 2010). Internally, the value proposition guides the ways in which value is created and delivered through the business model (Johnson, Christensen, and Kagermann 2008).

Digital transaction platforms are notably different in term of their value-creating logic in comparison with traditional customer-supplier businesses. Consequently, they differ also in terms of their value propositions. Platforms need to develop and effectively communicate at least two distinct types of value propositions to attract and motivate buyers and sellers, respectively. In line with this mode of thinking (albeit in a different context), Frow and Payne (2011) take a stakeholder perspective. They suggest that value propositions can act as a stakeholder alignment mechanism. In particular, they encourage organizations to develop value propositions for all relevant stakeholders, such as suppliers, employees, potential recruits, investors, the media, and policymakers (Ballantyne et al. 2011; Frow and Payne 2011). Thus, digital transaction platforms must consider how to align the value creation of the different platform actors and manage their potentially conflicting interests. Specifically, the value proposition can be a critical tool to increase the user base and, consequently, the valuation of the platform.

To understand value creation in digital transaction platforms, it is necessary to consider different *roles* played by each actor. Technology can enable companies to give their customers a more active role in designing and conducting their own purchase and

consumption experiences. This role can act as a distinguishing feature of the companies' value proposition, as in the case of omnichannel retailing (Yrjölä, Saarijärvi, and Nummela 2018b). Conversely, the platforms themselves can move beyond a mere matchmaker role to one that offers added benefits, such as security. Therefore, in addition to value propositions pointing out why actors should choose the platform over competing alternatives (Payne, Frow, and Eggert 2017), the propositions should delineate what roles each actor is expected to play on the platform.

We summarize the discussion above by proposing that the value propositions of digital transaction platforms should be analyzed in terms of the following questions:

(1) *To whom* is the value proposition made?
(2) *What type of value* is offered (is the focus on performance, price, or trust value)?

Methodology

Despite recent research on internet platforms and online retail, digital transaction platforms are still in an early phase of scholarly exploration (Hänninen 2020). Given the novelty of the research phenomenon of digital platforms (Muzellec, Ronteau, and Lambkin 2015), this study follows an explorative, qualitative research strategy, in which extensive review of suitable case examples offer the means to capture an evolving phenomenon. Through the analysis of multiple case examples, we aim to illustrate and capture the complexity and diversity of current value propositions (e.g. Saarijärvi, Mitronen, and Yrjölä 2014; Yrjölä, Saarijärvi, and Nummela 2018b). Focusing on multiple case examples instead of one is appropriate because the study's aim is to generate an overall understanding of the phenomenon rather than a deep understanding of one company's value proposition and strategy (Eisenhardt 1989). The case examples, or vignettes (e.g. Reinartz et al. 2011), aid in understanding the focal research phenomenon by illustrating its different aspects and dimensions (e.g. Holbrook 1999; Sánchez-Fernández and Iniesta-Bonillo 2007). Therefore, the focus is on generating empirical insights (e.g. Yrjölä, Saarijärvi, and Nummela 2018b) from different digital transaction platforms to address the research purpose of exploring the value propositions of such platforms. The chosen platforms themselves were not the focus, but they enable a deeper understanding of the research phenomenon (Stake 2005); that is, their value propositions.

Data generation

The objective of the data generation was to identify examples of digital transaction platforms that reflect the diverse value propositions used by such businesses. The data generation process consisted of three distinct phases: broad, complementary, and focused search. Two of the authors collected the data between January 15 and 30 April 2019.

First, we conducted a broad online search to generate a large number of potential case examples and familiarize ourselves with the research phenomenon. This search included keywords such as 'digital platforms,' 'transaction platforms,' and 'platform companies.' We visited the companies' websites to ensure that they were platforms and intermediated transactions between buyers and sellers. In this phase, only platforms that included

a transactional feature (i.e. they enabled selling and buying), were selected as case examples. Furthermore, we identified and familiarized ourselves with the actor value propositions (AVPs) of the selected cases, such as 'Millions of Walmart customers can't wait to see what you have in store' or 'Our pages are filled with thousands of pieces of art, craft and design, created by hand across the British Isles. What will you discover today?' The broad online search resulted in a total of 66 case examples that met the initial criterion of being a digital transaction platform.

Second, building on the understanding gained from the first phase, we executed a complementary search with additional keywords, such as 'end-user goods platform,' 'platform services,' 'grocery platforms,' and 'social shopping.' The focus was extended beyond the platforms' own web pages to consultant papers, blogs, and forums. The focus was on ensuring the comprehensiveness of the data by broadening the amount of appropriate case examples. This search phase produced an additional 42 case examples, raising the total number to 108 platforms.

Third, we returned to companies' websites for more specific scrutiny, with the aim of collecting detailed data related to offerings, to identify the sellers and buyers, how critical third-party sellers are to the business, and how the platforms aim to create value. The data was gathered by exploring content targeted to sellers (in many cases, an instruction manual on 'how to become a seller') and completed by detailed information from company financial statements, consultant papers, and blogs. Additionally, data from the buyers' perspective was gathered by scanning the offering, going through the transaction process, and identifying benefits.

After the search was completed, we set additional criteria to ensure a focus on the retail context, thereby allowing for a more detailed analysis. Specific criteria were:

(C1) the buyer should be a consumer,

(C2) the offering should consist of products and/or services (instead of being an innovation, social interaction, or knowledge sharing platform), and

(C3) the platform should be open for third-party sellers.

This phase resulted in excluding some of the platforms, reducing the final number of case examples to 58 (see Appendix). The final data consists of case examples of both privately and publicly owned companies of varying maturity levels (in existence from 4 to 182 years). The selected cases are distributed globally and based in Asia, Australia, Europe, North America, and South America, and their market presence ranges from 1 to 191 markets. The case examples also feature various third-party actors with different roles (e.g. 'supportive,' 'critical') for the digital transaction platform. The variation in product offering ranges from a niche (e.g. mobile phones, handcrafted products) to a wide selection (e.g. clothing, electronics, general consumer goods, or an unlimited assortment of used goods). However, digital platforms have played a crucial role in steering many industry transformations recently. Consequently, examples in the data also include some digital platforms from related industries (e.g. transportation and hospitality) to broaden the retail focused understanding. While digital-platform-driven industry transformations may have started outside of the retail sector (e.g. Netflix in the video sector), there is no doubt that similar logics and the winds of change can also prevail in retailing. On the other hand, this can entail moving from retail to other businesses (e.g. Amazon to on-

demand video). Thus, there is much that retail research can learn from platform-driven transformations in adjacent industries. The data characteristics are presented in Table 1 and provide a well-grounded basis for identifying, comparing, and analyzing the various value propositions of digital transaction platforms in the global retail landscape.

Data analysis

The data analysis process was informed by previous literature, especially the recent studies on CVPs and digital transaction platforms. Two main questions guided the analysis: (1) to whom is the value proposition targeted and (2) what type of value is offered? The data analysis consisted of three complementary phases: grouping cases, content analysis, and categorization.

First, the case examples were grouped depending on *the target of the value proposition*. This grouping resulted in five distinct categories of sellers with different numbers of case examples: a retailer or service provider in 12 case examples; a supplier or brand in 19 case examples; a group of retailers, suppliers, and brands in 10 case examples; a consumer in 5 case examples; and a retailer or a consumer in 12 case examples. Table 2 presents the grouping.

Second, a formal content analysis was conducted to identify *the types of value proposition* for each group (e.g. Abbott and McKinney 2013). Thus, the focus was on what kind of value was offered to the respective actors. We carefully explored each case example with the specific aim of uncovering the value types; that is, the associated increased benefits and decreased sacrifices being created on the platforms and to whom a value proposition was targeted. This analysis resulted in the identification of 11 value types for the selling actors and 6 for the buying actors.

Table 1. Characteristics and key indicators of the data.

Company founded Reflecting the phase of company life cycle 2010s 23 cases (40%) 2000s 18 cases (31%) Earlier 17 cases (29%)	**Origin** Geographical distribution of case examples Asia 15 cases (26%) Australia 2 cases (3%) Europe 21 cases (36%) North America 18 cases (31%) South America 2 cases (3%)	**Ownership structure** Reflecting incentives and financial model Private equity 42 cases (72%) Public equity 16 cases (28%)
Geographical reach Number of markets platforms participated in High (<21) 29 cases (50%) Medium (5–20) 5 cases (9%) Low (>5) 24 cases (41%)	**Platform business model type** Reflecting value creation mechanisms Consignment2 cases (3%) Gross border5 cases (9%) Hybrid5 cases (9%) Marketplace46 cases (79%)	**Third-party access** Platform criticality to company business Critical role 46 cases (79%) Value-adding role 2 cases (3%) Supportive role 10 cases (17%)
Offering Reflecting focus area Products (niche) 16 cases (28%) Products (wide range) 34 cases (59%) Service 8 cases (14%)	**Selling actors** Third-party sellers Consumer5 cases (9%) Supplier or brand 19 cases (33%) Retailer, supplier, or brand 10 cases (17%) Retailer or service provider 12 cases (21%) Retailer and consumer 12 cases (21%)	**Buying actor** Buyers Consumer 58 case (100%)

Table 2. Grouping the digital transaction platforms.

Grouping the digital transaction platform companies that have at least two distinct value propositions			
Groups	Target of the value proposition		Case examples
	As a seller	As a buyer	
Group 1	Retailer or service provider	Consumer	12 **(e.g. Delivery Hero, Uber)**
Group 2	Supplier or brand	Consumer	19 **(e.g. Amazon, Spartoo, Xiaohongsu.com, Zalando, Wish)**
Group 3	Retailer, supplier, or brand	Consumer	10 **(e.g. Alibaba, Flipkart, Rakuten, Walmart.com)**
Group 4	Consumer	Consumer	5 **(e.g. Swap.com, The RealReal)**
Group 5	Retailer or consumer	Consumer	12 **(e.g. Airbnb, eBay, Etsy, Zadaa)**

Table 3. Example of data analysis proceedings.

Data: Excerpt	Group	Proposed Benefits	Value Type	Value Category
″ Millions of Walmart customers can't wait to see what you have in store″	'Third party sellers' who have ability to integrate and serve by requirements of a large brand platform (e.g. other retailer, supplier or brands	To enlarge and expand impact area	Expansion	Price value
		Integration to new sales channel and customer base	Revenue opportunity	
		To avoid initial investments to customer acquisition	Financial security	Trust value
		Ability to leverage strong brand value	Reliability	

And finally, although the value propositions of the platforms differed by type, they were further analyzed via Day and Moorman (2010) *categorization of value propositions*. The identified value types were categorized based on their focus (price, performance, or trust), and the analysis involved reflecting on the cases with the existing literature. This categorization yielded a clear summary of the types of value propositions taking place between different actors.

In each of the three phases, we discussed and compared our views. By doing this, we aimed to minimize the subjective assessment in the interpretation of value propositions. Adjustments were made until we reached a shared understanding regarding each finding. For instance, during the content analysis phase, multiple iterations of dividing and merging categories were needed to reach the final 17 value types.

Findings and discussion

While dyadic relationships between a retailer and a customer is often characterized by value creation and capture in a platform-based business, value occurs through the interplay among three key actors: seller, buyer, and the platform. Toward that end, the analysis identified 17 value types included in value propositions: 11 for the seller and 6 for the buyer (the consumer). Although the value types created for the buyers and sellers partly

overlap, the content varies significantly, depending on the target of the value proposition. Additionally, the motivation for the type of value proposition varies, as does the focus, the eventual reason for proposing the value type. Tables 3 and 4, 5 summarize the findings.

Next, we discuss types of value propositions to either sellers or buyers on the platform, followed by a presentation of the four AVPs we identify.

Value types characterizing the value propositions for sellers

In the analysis, we identified 11 value types for sellers. Among the analyzed platforms, sellers were found to fall into five distinct categories: 1) retailer, 2) supplier/brand, 3) consumer, 4) service provider, or 5) any combination of these actors. The identified value types for the platform sellers are control, convenience, differentiation, efficiency, expansion, financial security, option, profitability, reliability, revenue opportunity, and trustworthiness. In Table 4 we present the findings from our study. Our findings are organized according to the Day and Moorman (2010) categorization of value propositions as performance, price, and trust values.

Value types characterizing the value propositions for buyers

In the analysis, we identified six types of value propositions for buyers. On the analyzed platforms, the buyers are the consumers. The identified value types are alternative, choice, convenience, reliability, savings, and trustworthiness. In Table 5 we present the findings from our study. Our findings are organized according to the Day and Moorman (2010) categorization of value propositions as performance, price, and trust values.

Actor value propositions

While traditional dyadic relationships point toward creating and delivering competitive CVPs, in the context of digital transaction platforms, based on the above analysis of the value types, the focus should be extended to actor value propositions (AVPs). By AVPs, we mean the following:

> "A competitive statement of the type of value (whether performance, price, or trust) offered to a specific group of actors (whether buyers or sellers), the ways in which the platform facilitates value creation, and reasons for actors to participate in the platform"

Based on the analysis, we identified four AVPs for the actor as a 1) retailer, supplier, or brand (the seller), 2) service provider or small- to medium-size enterprise (SME; the seller), 3) consumer (the seller), and 4) consumer (the buyer). All these AVPs include the three value categories (performance, price, and trust) from the Day and Moorman (2010) framework, and they are presented in Table 6.

The AVPs consist of value types shared by all groups of actors, those shared by only some groups of actors, and those that were unique to a specific actor group.

First, each AVP, regardless of whether the focus is on selling or buying, shares reliability and trustworthiness as the critical value type. Reliability refers to the perceived operational excellence, while trustworthiness refers to the consistent delivery of the value proposition. These are the critical factors for new digital businesses, so the analyzed

Table 4. Value types characterizing the value propositions for sellers.

For sellers	Identified value type	Definition and application	Case example and description
Performance value types Performance value refers to offering increased benefits to sellers (Day and Moorman 2010)	*Control*	To influence or direct one's behavior by providing autonomy	*Airbnb* enabling sellers to use multiple sales channels (beside *Airbnb*) simultaneously and providing integrated easy-listing feature to share available dates between other services. (*Appendix case example no.1*)
	Convenience	To proceed with something without difficulty by making the use of the service as effortless as possible.	*Amazon Marketplace* creates convenience for sellers to sell online providing the right to choose the just right level of ancillary services relevant for their own business. For example, to leverage fulfillment models or alternatively manage the entire process themselves. (*Appendix case example no.4*)
	Differentiation	To distinguish oneself from others by enabling to customize offerings	*Rakuten Ichiba* enables sellers to customize their online storefronts and create personalized customer experiences to differentiate from other sellers. (*Appendix case example no.40*)
	Option	To increase freedom of choice by providing meaningful options would not be met on other channels.	*Etsy*, as an intermediary between artists, crafters, collectors and buyers of a unique products, is encouraging individuals to attain their dreams by turning a hobby into a profession, or vice versa. (*Appendix case example no.19*)
Price value types Price value refers to decreasing costs inflicted on sellers (Day and Moorman 2010)	*Efficiency*	To accomplish something with the least time and effort by providing solutions to reduce the wasteful use of resources.	*Uber* provides ability to receive orders, payments, and support services (e.g. navigation, scheduling, discounted repairs, gas, and car washes) enabling drivers to utilize their existing vehicles and select appropriate work hours. (*Appendix case example no.51*)
	Expansion	To enter new markets or create growth by increasing regional market reach	*eBay* supports transaction processes via payment solutions and logistics partner networks over regional market boundaries expanding seller's market reach from local to global. (*Appendix case example no.15*)
	Revenue opportunity	To find new potential sales by colliding with new consumers groups or segments	*Wish* service exclusively targets cross-border buyers enabling supplier and brands from low production cost counties to reach a new customer base primarily willing to buy e.g. low-cost products. (*Appendix case example no.54)*
	Profitability	To obtain financial gain from one's business activities by supporting increase of sales performance.	*Walmart* marketplace provides a dashboard for carefully selected suppliers, which includes tools to manage profiles, products, inventory, orders, and sales optimization (e.g. insights and analytics) combined into cost efficient high-volume supply chain solutions. (*Appendix case example no.52*)

(*Continued*)

Table 4. (Continued).

For sellers	Identified value type	Definition and application	Case example and description
Trust value types Trust value refers to lower customer-perceived risk (Day and Moorman 2010)	*Financial security*	To protect oneself from financial losses by reducing intolerable financial risk	*Delivery Hero* support local restaurants to outsource online customer acquisition, home deliveries and web development by providing online browsing, ordering, payment, and delivery with no investment requirements, significant changes on existing inhouse processes or increased fixed costs. (*Appendix case example no.11*)
	Reliability	To perform consistently well by being guided successful platform owner policy	*To ensure* international brands positioning into emerging markets, *Alibaba Tmall* requires, that each seller personalized marketplace is operated by a cross-functional team or certified partner. (*Appendix case example no.2*)
	Trustworthiness	To be relied on as honest and trustworthy by delivering the value proposition consistently.	*Swap.com* 'Sure Sell Guarantee' eliminates the uncertainty over whether a specific product will be sold or not ensuring sure transaction for independent sellers. If a product has not been sold, a seller can choose to receive a guaranteed price, product return, or sales period extension. (*Appendix case example no.46*)

digital transaction platforms aim to add policies and features that reduce the risks that actors face from using them (e.g. the Swap 'Sure Sell Guarantee').

Second, certain value types are shared among some of the actor groups. When considering all actors except large sellers, the most common value type is convenience. This characterizes the importance of effortless use of digital transaction platforms for both buyers and sellers. Also, smaller sellers (e.g. SME retailers, service providers, consumers) share revenue opportunity as a value type. This is natural, as digital transaction platforms efficiently provide access to new markets and consumers at the local, national, and global levels. Moreover, revenue opportunity provides sellers with access to new business opportunities that previously were unrealized, as a growing number of platforms focus on a specific niche product or service category (e.g. Folksy and Etsy).

Third, some value types are unique to a specific actor group. For larger retailers, brands, or suppliers, the platforms offer opportunities to expand to new geographic markets, include tools for differentiation from competition, provide control by promoting seller autonomy, and improve profitability. This can be achieved, for example, by scaling toward more affluent consumer segments through exclusivity and strict quality controls (e.g. Alibaba Tmall). However, for SMEs who are seeking new sales channels, financial security is particularly important. As a result, many digital transaction platforms have emphasized transparency and flexibility, such as by giving sellers advanced tools for monitoring and managing sales performance. Further, using these platforms does not require a large initial investment. Buyers and sellers inherently have very different value types. Consumers are looking for alternative consumption channels, and digital transaction

Table 5. Value types characterizing the value propositions for buyers.

For buyers	Identified value type	Application	Case example and description
Performance value types Performance value refers to offering increased benefits to sellers (Day and Moorman 2010)	*Alternative*	To serve an option for traditional, mainstream service providers.	*Folksy* marketplace highlights sustainable values (e.g. shortened product life cycles, lack of incentives for environmentally friendly production) and micro-businesses' well-being when connecting buyers, who are looking for an alternative against mass production and one-size-fits-all culture, to individual manufactures. (*Appendix case example no.23*)
	Choice	To enlarge the freedom to choose by increasing selection opportunity.	*Flipkart* offers a wide selection of products, including more than 80 million items, from more than 100,000 sellers. Customers can choose their desired quality and price level, product features and delivery options (e.g. same-day delivery). (*Appendix case example no.20*)
Price value types Price value refers to decreasing costs inflicted on sellers (Day and Moorman 2010)	*Savings*	To increase one's benefits by providing monetary savings	Snapdeal offers customers exclusive online shopping deals from over 500,000 marketplace sellers. In addition, Snapdeal offers digital gift carts to customers, for example to leading retailers online and physical stores or partner services, such as Uber and GooglePlay. (*Appendix case example no.44*)
	Convenience	To decrease one's sacrifices by enabling to proceed without difficulty.	*Xiaohongshu.com* (aka. Little Red Book) integrates e-commerce and social media bringing products, user experiences and ability to buy into conversations linked to desired or cheapest supplier or web shop. (*Appendix case example no.55*)
Trust value types Trust value refers to lower customer-perceived risk (Day and Moorman 2010)	*Reliability*	To meet or surpass expectations delivering continuously high-quality performance.	*Spartoo* selects only highly reputable suppliers, enables product reviews on website, offers only fulfilment models managed by company itself and mediates any disputes between buyers and supplier. (*Appendix case example no.45*)
	Trustworthiness	To be relied on as honest and trustworthy by diminishing customer risk.	*Zadaa* "100% payment guarantee" diminishes the uncertainty over whether a specific product meets the expected form and quality by insuring all transactions up to €10 000 and releasing payment for seller only after the buyer confirms product received and being satisfactory. (*Appendix case example no.57*)

platforms meet this need by providing a wide selection, even in niche product categories. Figure 1. summarizes the above discussion and illustrates the construction of AVPs.

Conclusion

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

Table 6. Actor value propositions on digital transaction platforms.

When the actor is	Types of value propositions and managerial implications
A retailer, supplier, or brand (seller)	**Performance value** Control – Increasing seller autonomy Differentiation – Helping sellers differentiate from rivals **Price value** Efficiency – Improving the utilization of resources Expansion – Enabling access to new geographic markets Profitability – Offering tools to increase sales performance **Trust value** Reliability – Performance supporting platform owner policy Trustworthiness – Ensuring the delivery of the value proposition
A service provider or SME (seller)	**Performance value** Convenience – Making use easy and effortless Option – Providing a meaningful option not met on other channels **Price value** Efficiency – Improving the utilization of resources Revenue opportunity – Enabling expansion to new consumer groups **Trust value** Financial security – Reducing potential financial risks faced by the seller Reliability – Performance supporting platform owner policy Trustworthiness – Ensuring the delivery of the value proposition
A consumer (seller)	**Performance value** Convenience – Making joining and use effortless **Price value** Revenue opportunity – Enabling expansion to new consumer groups **Trust value** Reliability – Performance supporting platform owner policy Trustworthiness – Ensuring the delivery of the value proposition
A consumer (buyer)	**Performance value** Alternative – Enabling the consumer to find an alternative to traditional services Choice – Increasing freedom of choice **Price value** Savings – enabling monetary savings Convenience – Making joining and using the platform effortless **Trust value** Reliability – Producing high-quality performing service Trustworthiness – Diminishing customer risks

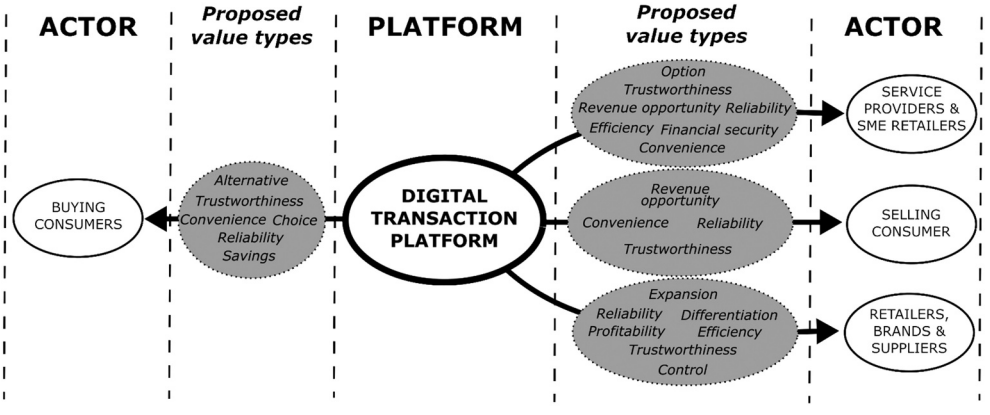

Figure 1. Constructing actor value propositions on digital transaction platforms.

processes are digitally reconfigured for value creation. From the scholarly and practitioner perspectives, conceptual tools and constructs inherited from a dyadic and industrial business environment can be inadequate to address the logic of value creation in its current form. Most importantly, understanding how the shift toward multi-sided platforms reshapes the value types eventually offered to different actors is increasingly significant.

The purpose of this study was to explore how value is proposed in digital transaction platforms. We discussed recent literature on digital transaction platforms and CVPs and compared 58 examples of current digital transaction platforms worldwide. These examples offer insight into exploring the content and nature of the value being provided by contemporary platform-based businesses and, consequently, provide the opportunity to identify, compare, and analyze respective value propositions for different actors participating on such platforms. As a result, we identified a set of theoretical and managerial contributions.

Theoretical contribution

Digital transaction platforms are increasingly important mediums for coordinating economic activity in the global economy. Yet, we know very little about what benefits they deliver to the different actors using them. The prior research within the scope of retailing, for example, has been limited to specific topics, such as the sharing economy, and their effect on incumbent interaction patterns in the value chain, without seeking to extend understanding about the phenomenon at large (e.g. Perren and Kozinets 2018). This study extends prior literature on platforms to the context of retailing and consumer services (e.g. Täuscher and Laudien 2018) and provides explorative empirical insight on what value is created among different actors of such platforms in contrast to the many recent, essentially anecdotal studies in this domain (e.g. Hänninen, Mitronen, and Kwan 2019; Kenney and Zysman 2016). It is also among the first studies to uncover the mechanisms and dynamics of digital transaction platforms from the point of view of different actors' value creation. We make three main theoretical contributions.

First, from the conceptual discussion and analysis of 58 case examples of digital transaction platforms, we introduce a definition of the actor value proposition (AVP). AVP is a competitive statement of the type of value (whether performance, price, or trust) offered to a specific group of actors (whether buyers or sellers), the ways in which the platform facilitates value creation, and reasons for actors to participate in the platform. Through this definition, we hope to advance the evolving and emerging theoretical discussion around digital transaction platforms and provide better conceptual means to address multi-sided platforms' unique characteristics. AVP can be used as both an internal management tool to coordinate resources and processes within the platform organization and an external tool to position the platform in the marketplace.

Second, we introduce a set of different value types, such as trustworthiness, savings, convenience, efficiency, and reliability, that characterize the value propositions for different actors. These value types, included in the AVP, capture the means for digital transaction platforms to attract actors, position themselves in relation to competition, and,

eventually, remain competitive (Anderson, Narus, and van Rossum 2006; Payne, Frow, and Eggert 2017).

Third, this study identifies and categorizes the different actor types that engage in digital transaction platforms. This categorization, together with the respective value types, both uncovers the complexity of value creation in the platform economy and underlines the importance of extending the perspective from dyadic CVPs toward multi-sided AVPs (see also Ballantyne et al. 2011; Frow and Payne 2011). This is aligned with recent calls to extend the traditional firm- and product-centric view of platforms (e.g. Perks et al. 2017) toward focusing on the multitude of actors, such as customers, suppliers, and other stakeholders, participating on digital transaction platforms.

Managerial contribution

Understanding what kind of value digital transaction platforms provide to different actors offers many important implications for marketers and retailers. We put forth three main managerial implications.

First, at minimum, any retailer should monitor and benchmark digital transaction platforms as potential new competitors. In this endeavor, our exploration of the 58 platforms (see Appendix A) provides a relevant benchmark for them and other businesses to evaluate and possibly absorb some of the value creation dynamics related to such platforms. This diverse list of players uncovers the value types that characterize contemporary value creation in digital transaction platforms and so provides important insight for companies – regardless of their actor role on a platform – to design their market positioning in relation to existing competition. Moreover, understanding both the different platforms and their respective value types can help in constructing relevant points of parity and points of difference as the basis for future competitive advantage.

Second, the study helps both retailers and platform firms to assess their existing value propositions against those identified in this study. The priority should be to adjust value propositions so that, at a minimum, they match those of competing platforms. While the different value types (e.g. trustworthiness, efficiency, choice, and convenience) help illuminate what different actors (e.g. suppliers and brands) value in digital transaction platforms, they also exemplify what kind of competence and process requirements the platforms expect from participants actors (e.g. pricing, logistics, payments, data analytics, company policies). This can help both emerging and existing platforms, but also incumbent retailers, to design priorities for investments and other development activities to adjust their value propositions. Although the insights of this study are presented on a global level, the adjustments can also be executed on a local level as well (Frenken and Schor 2019). For example, many platforms localize their business systems and activities to cater to local legislation and any unique cultural demands of local actors.

Third, through the case examples and identified value types, this study offers practitioners a better means to consider the expectations posed for digital transaction platforms today, especially regarding the AVPs. Understanding the expectations related to the use of platform businesses is critical to the actors' success on the platform. The findings are, therefore, particularly relevant for retailers considering and evaluating the opportunity to join an existing digital transaction platform or to launch their own differentiated platform. On the other hand, digital transaction platforms can leverage this study when evaluating

how they can add value, as an intermediary, to the relationships between existing customers and retailers. As summarized, platforms should clearly highlight what kind of value they are eventually proposing for each actor, such as customers, suppliers, other retailers, and brands, and thereby establish their raison d'être in ways that go beyond a dyadic CVP.

Research limitations and avenues for future research

Although this study utilizes insights from several digital platforms, caution should be applied when generalizing and applying these findings. New digital transaction platforms are being created at a fast pace, and there is no transparency about what constitutes a profitable business model. Therefore, exploring how these platforms offer value to different actors may lead to imprecise implications for what characterizes a sustainable and viable platform business. In addition, given the explorative nature of the study, the data – although based on a large sample of digital transaction platforms – was secondary and not generated via interaction with actual buyers or sellers. The focus was on *proposed*, rather than *perceived*, value. Therefore, there may be a discrepancy between the value propositions and the actual behavior of these organizations.

Despite the above limitations, the study offers a preliminary insight into the characteristics of AVPs in the context of digital transaction platforms. Future studies could deepen the organizational perspective through quantitative research design, conducting in-depth or comparative case studies of these organizations, or interviewing platform managers. Further, an analysis of buyers' and sellers' value perceptions might yield another fruitful perspective. Categorizing and comparing how different actor groups perceive price, performance, and trust value on digital transaction platforms could be the next step. In addition, the notion of how to manage AVPs – in strategic and operational terms – could offer an important avenue for future research. This would benefit scholars and practitioners in developing new means for understanding the evolution of platform-based businesses. Our categorization of the different actor types engaging in digital transaction platforms can also serve as a basis for further research on the platform economy. Finally, while our approach was intendedly general and we include examples of digital platforms also outside the retail sector, future research could focus specifically on studying examples of digital platforms within the confines of the retail industry. Nevertheless, as the borderline between retail and services continues to narrow, and many platforms have expanded from retail to other industries, and vice versa, such strict industry- or sector-specific separations may not be necessary due to the truly global and industry boundary-crossing characteristics of digital platforms.

Note

1. This dimension was originally called 'relational value' in the framework by Day and Moorman (2010). In the context of this research, the term might be confusing, as its more established use in the literature refers to 'the economic rents generated within a relationship by unique combinations of complementary relation-specific resources that partnering firms bring to bear' (Dyer and Singh 1998; Saraf, Langdon, and Gosain 2007). Day and Moorman (2010), however, use the term to refer to elements that decrease customer-perceived risks, such as a known brand, customer recommendations, and guarantees. Moreover, the term 'relational' implies ongoing relationships between customers and firms/brands – a notion that might not

apply to the digital transaction platform context. Therefore, we have now taken the liberty of renaming this specific value dimension as 'trust value' to better reflect the intended meaning of risk reduction.

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Disclosure statement

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Appendix A.

The illustrative case examples

Illustrative case example in alphabetical order	Firm characteristics Founded in (country) Founded (year) Ownership model	Offering Reflecting focus area Products (niche) Products (wide range) Service	Selling actors Identified third-party sellers	Third-party access Platform criticality to company business Critical role Value-adding role Supportive role	Geographical reach Number of market platform participates High (<21) Medium (5–20) Low (>5)	Platform business model type Reflecting value creation mechanisms
1. Airbnb	US, 2008, Private	Service	Retailer or consumer	Critical role	High	Marketplace
2. Alibaba Tmall	China, 1999, Public	Wide product range	Retailer, supplier, or brand	Critical role	High	Marketplace
3. Allegro	Poland, 1999, Private	Wide product range	Retailer or service provider	Critical role	Low	Marketplace
4. Amazon	US, 1994, Public	Wide product range	Supplier or brand	Value-adding role	High	Hybrid
5. Apple	US, 1976, Public	Service	Supplier or brand	Critical role	High	Marketplace
6. Bol.com	Netherlands, 1976, Public	Niche product range	Supplier or brand	Critical role	High	Marketplace
7. Bonanza	US, 2007, Private	Wide product range	Retailer or consumer	Critical role	Low	Marketplace
8. Catch	Australia, 2006, Private	Wide product range	Retailer, supplier, or brand	Supportive role	Low	Marketplace
9. Cdiscount	France, 1998, Private	Wide product range	Retailer or service provider	Critical role	Low	Marketplace
10. Coolshop	Denmark, 2003, Private	Wide product range	Retailer or service provider	Critical role	Medium	Gross border
11. Delivery Hero	Germany, 2011, Public	Service	Retailer or service provider	Critical role	High	Marketplace
12. Depop	UK, 2011, Private	Wide product range	Retailer or service provider	Critical role	High	Marketplace
13. Diaping	China, 2003, Private	Service	Retailer or service provider	Critical role	Low	Marketplace
14. Didi Kualdi	China, 2012, Private	Service	Retailer or service provider	Critical role	High	Marketplace
15. eBay	US, 1995, Public	Wide product range	Retailer or consumer	Critical role	High	Marketplace

(*Continued*)

Illustrative case example in alphabetical order	Firm characteristics Founded in (country) Founded (year) Ownership model	Offering Reflecting focus area Products (niche) Products (wide range) Service	Selling actors Identified third-party sellers	Third-party access Platform criticality to company business Critical role Value-adding role Supportive role	Geographical reach Number of market platform participates High (<21) Medium (5–20) Low (>5)	Platform business model type Reflecting value creation mechanisms
16. eBid	UK, 2011, Private	Wide product range	Consumer	Critical role	High	Marketplace
17. eCrater	US, 2004, Private	Wide product range	Retailer or consumer	Critical role	Low	Marketplace
18. Emag	Romania, 2001, Private	Wide product range	Retailer, supplier, or brand	Critical role	Low	Marketplace
19. Etsy	US, 2005, Public	Niche product range	Retailer or consumer	Critical role	High	Marketplace
20. Flipkart	India, 2007, Private	Wide product range	Retailer, supplier, or brand	Critical role	Low	Marketplace
21. Flubit	UK, 2011, Private	Wide product range	Supplier or brand	Critical role	High	Marketplace
22. Fnac	France, 1954, Public	Niche product range	Retailer, supplier, or brand	Supportive role	Medium	Marketplace
23. Folksy	UK, 2008, Private	Niche product range	Retailer or consumer	Critical role	Low	Marketplace
24. Kaola	China, 2015,	Niche product range	Supplier or brand	Critical role	High	Gross border
25. La Redoute	France, 1837, Private	Niche product range	Supplier or brand	Supportive role	High	Marketplace
26. Lazada	Singapore, 2012, Private	Wide product range	Supplier or brand	Supportive role	Low	Marketplace
27. Letgo	US, 2015, Private	Wide product range	Retailer or consumer	Critical role	High	Marketplace
28. Linio	Mexico, 2012, Private	Wide product range	Retailer or service provider	Critical role	Medium	Marketplace
29. Lyft	US, 2012, Private	Service	Retailer or service provider	Critical role	High	Marketplace
30. Mercado Libre	Argentina, 1999, Public	Wide product range	Retailer, supplier, or brand	Critical role	Medium	Marketplace
31. Mia.com	China, 2011, Private	Niche product range	Supplier or brand	Critical role	High	Gross border
32. Offerup	US, 2011, Private	Wide product range	Retailer or consumer	Critical role	Low	Marketplace
33. Okazii	Romania, 2000, Private	Wide product range	Supplier or brand	Critical role	Low	Marketplace

(*Continued*)

Illustrative case example in alphabetical order	Firm characteristics Founded in (country) Founded (year) Ownership model	Offering Reflecting focus area Products (niche) Products (wide range) Service	Selling actors Identified third-party sellers	Third-party access Platform criticality to company business Critical role Value-adding role Supportive role	Geographical reach Number of market platform participates High (<21) Medium (5–20) Low (>5)	Platform business model type Reflecting value creation mechanisms
34. Onbuy	UK, 2016, Private	Wide product range	Supplier or brand	Critical role	High	Marketplace
35. Otto	Germany, 1949, Private	Wide product range	Retailer, supplier, or brand	Supportive role	High	Hybrid
36. Pinduoduo	China, 2015, Public	Niche product range	Retailer or service provider	Supportive role	Low	Marketplace
37. Pixmania	France, 2000, Private	Niche product range	Supplier or brand	Supportive role	Medium	Hybrid
38. Poshmark	US, 2011, Private	Niche product range	Retailer or consumer	Critical role	Low	Marketplace
39. Qoo10	Singapore, 2010, Private	Wide product range	Retailer or service provider	Critical role	Low	Marketplace
40. Rakuten	Japan, 1997, Public	Wide product range	Retailer, supplier, or brand	Critical role	High	Marketplace
41. Real.de	Germany, 2017, Private	Wide product range	Supplier or brand	Critical role	High	Marketplace
42. Sears	US, 1886, Private	Wide product range	Supplier or brand	Value-adding role	High	Hybrid
43. Sell.com	US, 2011, Private	Wide product range	Retailer or consumer	Critical role	Low	Marketplace
44. Snapdeal	India, 2010, Private	Wide product range	Retailer, supplier, or brand	Critical role	Low	Marketplace
45. Spartoo	France, 2006, Private	Niche product range	Supplier or brand	Critical role	High	Marketplace
46. Swap	US, 2012, Private	Niche product range	Consumer	Critical role	Low	Consignment
47. Tencent	China, 1998, Public	Service	Retailer or consumer	Supportive role	High	Marketplace
48. The RealReal	US, 2011, Private	Niche product range	Consumer	Critical role	Low	Consignment
49. Tori.fi	Finland, 2009, Private	Wide product range	Retailer or consumer	Critical role	Low	Marketplace
50. TradeMe	New Zealand, 1999, Private	Wide product range	Consumer	Critical role	Low	Marketplace
51. Uber	US, 2009, Private	Service	Retailer or service provider	Critical role	High	Marketplace

(*Continued*)

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52. Walmart	US, 1962, Public	Wide product range	Retailer, supplier, or brand	Supportive role	High	Marketplace
53. VIP shop	China, 2008, Public	Wide product range	Supplier or brand	Critical role	Low	Gross border
54. Wish	US, 2011, Private	Wide product range	Supplier or brand	Critical role	High	Marketplace
55. Xiaoshongshu.com	China, 2013, Private	Wide product range	Supplier or brand	Critical role	Low	Gross border
56. Ymatou.com	China, 2009, Private	Niche product range	Supplier or brand	Critical role	High	Marketplace
57. Zadaa	Finland, 2015, Private	Niche product range	Consumer	Critical role	Low	Marketplace
58. Zalando	Germany, 2008, Public	Niche product range	Supplier or brand	Supportive role	High	Hybrid