Creating Successful Third-Party Developer Ecosystems Around B2B Digital Platforms

David Rochholz
University of Bamberg, mail@davidrochholz.de

Follow this and additional works at: https://aisel.aisnet.org/treos_ecis2024

Recommended Citation
https://aisel.aisnet.org/treos_ecis2024/49

This material is brought to you by the AIS TREO Papers at AIS Electronic Library (AISeL). It has been accepted for inclusion in ECIS 2024 TREOS by an authorized administrator of AIS Electronic Library (AISeL). For more information, please contact elibrary@aisnet.org.
CREATING SUCCESSFUL THIRD-PARTY DEVELOPER ECOSYSTEMS AROUND B2B DIGITAL PLATFORMS

TREO PAPER

Abstract

Platform owners engage third-party developers in their ecosystems by using boundary resources to grant them access to some of the platforms' core functionalities. Although boundary resources are a niche in Information Systems research, many publications from renowned journals and conferences concentrate on mobile platform ecosystems, adopt a generalist viewpoint, or choose other business-to-consumer (B2C) cases. The business-to-business (B2B) context is underrepresented in this focus. B2C ecosystems typically attract third-party developers more easily because they have a larger customer base than B2B ecosystems. To address this gap, the author suggests conducting research on the creation of successful third-party developer ecosystems around B2B platforms.

Keywords: Digital Platforms, Third-Party Developers, Boundary Resources, B2B

1 Introduction

In recent years, the field of IS has recognized digital platforms as a significant research subject. A crucial characteristic of these platforms is their ability to allure third-party developers. These third parties provide complementary offerings, which expand the platform's initial capabilities (De Reuver et al. 2018, Gawer 2014, Mini and Widjaja 2019). Boundary resources like APIs, SDKs, and documentation, positioned at the intersection of platform owners and complementors, facilitate and govern this two-way relationship (Ghazawneh and Henfridsson 2013). Third-party developers leverage the platform's network effects to expose their products to potential new customers. Ghazawneh and Henfridsson (2013) describe the exchange between both parties as a relationship at "arms-length", with the third-party developers at the shorter end of the arm. This suggests that third-party developers willingly accept a position of lesser negotiating power because platform owners can offer substantial advantages to them.

Boundary Resources research primarily targets business-to-consumer ecosystems like Apple iOS or Google Android. This focus is due to the readily available historical data from published content like keynote speeches, press conferences, or usage reports (Bender 2020, Eaton et al. 2015, Ghazawneh and Henfridsson 2011, Hyyrnsalmi et al. 2016, Karhu et al. 2018). A literature review conducted by the author highlighted this research imbalance. Using a boolean search connecting the terms "boundary resource," "third-party developer," "digital platforms," and their respective synonyms, identified 64 literature contributions from reputable conferences and journals. Out of these publications, researchers focused most on mobile ecosystems, such as Apple iOS or Google Android, with 17 publications. Another eleven publications adopted a generalist viewpoint. Authors often address the limitation of applying their findings to a broader set of platform ecosystem types when taking the perspective of only one type of ecosystem (Ghazawneh and Henfridsson 2013, Karhu et al. 2018, p. 201, Schreieck et al. 2016). The focus on mobile ecosystems and generalist viewpoints in this already small niche of literature limits our understanding of the relationship between platform owners and third-party developers, as we
cannot necessarily transfer findings from B2C platforms to B2B environments. To tackle this imbalance, I ask the following research question: “How to create successful third-party developer ecosystems around B2B digital platforms?”

2 Research Agenda & Conclusion

The author suggests addressing the research question by pursuing the following research agenda:

First, attracting third-party developers is a cornerstone of boundary resource literature. Publications often name issues such as simplifying the onboarding process (Bender 2020, Engert et al. 2022, Nambisan et al. 2018), governing third-party development (Ghazawneh and Henfridsson 2010, Li and Kettinger 2021), and lowering entry barriers (Engert et al. 2022, Gawer 2021). Furthermore, Gawer (2014) emphasizes the importance of attracting third parties for platform relevance. However, findings from B2C platforms to B2B platforms are not necessarily transferable. In the B2B context, engaging third-party developers often occurs behind closed doors due to competitive, legal, or complexity reasons. Instead of individuals, organizations bound to business-critical processes are the customers. An example is IoT platforms, where the attraction of third-party developers remains critical. However, this engagement happens with the participation of additional actors like sensor manufacturers, software companies, or consumers acting in various inhomogeneous environments, such as machines or processes (Hein et al. 2019). The author plans to conduct explorative interviews with platform owners and third-party developers to uncover incentives, challenges, and considerations in engaging with a B2B platform. This method, chosen due to the typically private nature of B2B ecosystem information, will inform the creation of case studies on successful B2B platforms. These case studies aim to identify strategies and best practices for attracting third-party developers.

Second, researchers have largely neglected the topic of boundary resources monetisation. Ghazawneh and Henfridsson (2011) differentiated between active and reactive monetisation, which endogenous or exogenous factors trigger respectively. Tan et al. (2020) identified APIs as a potential business strategy. It's important to research how organisations strategize to generate profit from engaging third-party developers, considering the urgency of Return on Investment (ROI) in innovation strategies. To expand the knowledge around boundary resource monetisation, the author plans to interview several B2B platform sales teams to understand how they persuade third-party developers to join, the costs involved, and their potential earnings from building complements. This process is expected to be the base for forming monetisation strategies from the context of B2B that could be validated or invalidated for B2C as well.

This extended abstract notes the overemphasis on B2C digital platform ecosystems, neglecting B2B ecosystems. This gap limits knowledge on building third-party developer ecosystems around digital platforms. More research on drawing third-party developers in B2B contexts, and a closer look at monetisation strategies for boundary resources, should improve understanding of platform co-innovation.

References