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Business Evolution towards Two-Sided Platform Business: the Case of Tencent Online Gaming Activity

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Abstract

In two-sided platform business there is a strong interdependence between the two sides of the market: the sellers and the buyers. This economic characteristic, called indirect network externalities, makes the launch of such businesses particularly risky. In this paper we analyse the staged approach followed by Tencent, the current market leader in China, for its online gaming activity.

Keywords: Online game, Two sided platform, Strategy, Tencent