

## The More the Merrier? Insights into the Supply-Side of Digital Service Platforms

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**Purpose** - The past decade has seen digital service platforms, such as *Airbnb* and *Uber*, become increasingly popular amongst both end-customers and service providers across the economy. By combining software as a service (SaaS) modules that take care of back-office tasks with the benefits of a multi-sided market connecting service providers with end-customers, digital service platforms arguably have the potential to increase business performance and ease the barriers of entry into service professions. However, little empirical evidence about these potential performance effects of digital service platforms are yet available in marketing, services or entrepreneurship literature. We therefore seek to fill this gap by identifying the potential benefits and drawbacks for the platforms supply-side from engaging in digital service platforms and using such platforms to interact and transact with the platforms end-customers.

**Design/methodology/approach** - We study a digital service platform in the Nordic beauty profession, primarily, through quantitative methods. Our data consists of the digital service platform's back-end data, a total of approximately 5.6 million rows. In addition, semi-structured interviews and a survey were also administered to service providers about their use of the platform.

**Findings** - Our findings reveal that the performance of service providers is dependent on how they use the platforms SaaS modules. In addition, the number of new end-customers they receive as well as their business performance is dependent on whether or not they use the platforms, multi-sided, appointment marketplace. These findings speak to an important debate regarding the benefits of digital service platforms for the platforms supply-side. We identify that it is not enough to simply adopt a digital service platform, but in order to capture higher levels of business performance from the platform, the way that the platform is used is critical to decipher.

**Practical implications** - In terms of the implications for managers and policy makers, we reveal insights into the sustainable governance of digital service platforms, as the sale of the discounted and commoditized appointments through an appointment marketplace should be compensated with well-designed SaaS modules in order to maximize the performance gains for service providers from its use. These insights are critical for policy makers and managers who are still struggling to grasp the regulatory and competitive implications of digital markets.

**Originality/value** - While extant studies have quantified the effects of the introduction of a digital service platform in a specific market, in terms of, for example, incumbent firms, and entrepreneurial activity, there is however little understanding for the effects of digital platforms, and specifically digital service platforms, on a platforms supply-side. Our study provides novel understanding regarding this research gap, particularly how service providers should use digital service platforms in order to capture higher performance levels.

**Keywords** - Platform economy, digitalization, service platforms, service providers, supply-side, service economy