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Strategic Complexity in Platform Economies: Managing Interconnected Business Relationships in Digitally Mediated Markets

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Abstract

Platform economies have reshaped competitive landscapes by embedding firms in networks of dense interdependence, in which value creation and capture depend on coordinated interactions among multiple actors. This theory-development article proposes a novel framework for understanding strategic complexity as an inherent structural property of digitally mediated markets. Strategic complexity arises from the interplay of multi-actor interdependence, shifting complementarities, cooperative tensions, and platform-mediated governance mechanisms that simultaneously enable and constrain firm behavior. Traditional strategy theories, focused on dyadic relationships or internal resources, fail to capture the entanglement of business relationships in platform ecosystems, where coordination burdens, power asymmetries, and feedback loops amplify uncertainty and require continuous repositioning. Synthesizing insights from ecosystem, platform, and digital business literatures, the article develops six theoretical propositions that explain how interconnected relationships generate complexity and how firms can manage it through orchestration, selective governance, and adaptive positioning. By advancing a theory of digitally mediated strategic entanglement, this manuscript offers conceptual clarity for scholars and actionable guidance for managers navigating platform economies. Implications extend to ecosystem governance, competitive strategy, and the evolving nature of inter-firm dependence in digital markets.

Keywords Coopetition, Platform economies, Strategic complexity, Ecosystem interdependence, Digitally mediated markets, Orchestration

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Introduction

Platform economies represent a profound transformation in the organization of economic activity and in the mechanisms through which value is created, delivered, and captured in digitally mediated markets. In contrast to traditional linear value chains, where firms typically operate through relatively bounded supplier–producer–customer relationships, platforms act as orchestrators of multi-sided ecosystems that connect users, complementors, advertisers, service providers, competitors, and other stakeholders through shared digital infrastructures [1–7]. This shift from pipeline-based to platform-based organizing

has altered the foundations of strategic management. Competitive advantage is no longer derived solely from internal firm resources or bilateral exchange relationships, but increasingly from a firm's capacity to position itself within complex constellations of interdependent actors whose actions continuously shape one another [1, 4, 7]. As a result, strategy in platform economies must be understood not simply as market competition, but as the management of interconnected relationships embedded in digitally coordinated systems.

The strategic significance of this transformation has become especially visible with the rise of dominant platform

firms such as Apple, Google, and Amazon, as well as a growing range of industrial and business-to-business digital platforms that mediate transactions, innovation, and coordination across sectors [8]. These platforms do not merely facilitate exchange; they structure the conditions under which exchange occurs. By defining participation rules, controlling access to data, governing visibility, and shaping the architecture of complementarity, platform owners influence not only who can compete but also how value-creation opportunities emerge and evolve [9, 10]. Consequently, firms participating in platform ecosystems operate in environments where their performance depends not only on their own strategic choices, but also on governance decisions made by powerful intermediaries and on the behavior of other ecosystem participants [3, 5, 11]. Interdependence, therefore, is not peripheral to competition in platform settings; it is one of its defining characteristics.

This interconnectedness generates a level of strategic complexity that exceeds the coordination challenges typically found in conventional markets. In traditional settings, firms may manage supplier relations, distribution channels, or competitive rivalry through relatively discrete and stable boundaries. In platform economies, however, firm boundaries become increasingly porous as value creation depends on interactions with multiple actors whose roles may overlap or shift over time. A complementor may simultaneously be a collaborator, a competitor, and a source of innovation; a platform sponsor may be both an enabler of market access and a potential appropriator of value [3, 5, 11]. These overlapping roles create tensions that complicate strategic decision-making, because firms must pursue ecosystem growth through cooperation while also protecting their own positions in struggles over value capture. The result is a strategic environment characterized by simultaneity, ambiguity, and ongoing adjustment rather than clear separations between collaboration and competition [5, 8, 11].

Platform governance mechanisms intensify these dynamics by embedding coordination within technical and algorithmic systems. APIs, software development kits, ranking algorithms, revenue-sharing arrangements, data access protocols, and content moderation rules all serve as instruments through which platforms shape ecosystem behavior [9, 10]. These mechanisms can stimulate generativity by lowering barriers to participation, enabling experimentation, and fostering innovation among distributed actors. At the same time, they can create asymmetries of power by locking participants into platform-

specific standards, constraining strategic autonomy, or allowing platform owners to reallocate value through unilateral rule or system design changes [9, 10]. Thus, governance in platform economies is inherently dual in character: it enables broad-based participation and innovation while simultaneously creating conditions of dependence and vulnerability for ecosystem participants [10]. Firms must therefore navigate not only market uncertainty, but also governance uncertainty, as critical strategic conditions may be altered outside their direct control.

Because of these features, strategic decisions in platform ecosystems rarely remain isolated in their consequences. Decisions about pricing, complement development, data sharing, interoperability, market entry, or alliance formation can trigger reactions across the broader ecosystem, generating second-order and third-order effects that are difficult to predict *ex ante* [2]. A change in platform rules may alter complementor incentives, thereby affecting user adoption, competitive positioning, and the innovation trajectory of the ecosystem as a whole. Likewise, a firm's attempt to differentiate itself within the platform may provoke imitation, exclusionary responses, or shifts in platform governance that reshape the competitive landscape [2]. These feedback loops make strategy in platform economies inherently dynamic and recursive. Firms must not only formulate positions, but continually reassess them in light of evolving interdependencies, emergent complementarities, and reconfigurations of control. Such conditions create persistent coordination burdens and make it harder to sustain an advantage over time.

Although existing research has provided important insights into ecosystem structures, platform governance, network effects, and platform competition, a unified theoretical explanation of how strategic complexity emerges from digitally mediated market structures remains underdeveloped [1, 6, 12–14]. Much of the literature has examined particular components of platform environments, such as entry strategies, complementor relations, governance design, or ecosystem evolution. However, fewer studies have explicitly theorized strategic complexity as a core property of the platform form of organizing. This leaves an important gap in our understanding of why firms in platform economies face persistent tensions, why strategic responses often appear provisional and adaptive rather than stable and optimizing, and how digitally mediated interdependence transforms the nature of

managerial decision-making [1, 6, 14]. Addressing this gap is increasingly important because platform logics are expanding across consumer markets, industrial systems, public services, and knowledge-intensive sectors, making complexity a widespread strategic condition rather than a niche concern [8, 15–19].

This article addresses that gap by developing an original theory of strategic complexity in platform economies. We argue that strategic complexity is not merely a contingent characteristic of turbulent environments or the result of technological disruption, but a structural outcome of interconnected business relationships shaped by digital mediation. More specifically, we identify three core drivers. First, multi-actor interdependence blurs firm boundaries and embeds organizational outcomes within a broader web of ecosystem interactions [3, 8, 20–22]. Second, the coexistence of coopetition and dependence generates a persistent tension between collective value creation and individual value appropriation, forcing firms to collaborate with actors on whom they also compete or rely [3, 5, 11]. Third, platform-orchestrated coordination mechanisms enable large-scale innovation and participation while imposing asymmetrical control over standards, visibility, access, and monetization [5, 8, 11, 22]. Together, these elements produce what we conceptualize as strategic entanglement: a condition in which firm positioning, strategic choice, and performance become inseparable from the evolving dynamics of the ecosystem in which the firm is embedded.

The central theoretical contribution of this article is to conceptualize strategic complexity as an endogenous feature of platform architectures rather than as an exogenous shock or contextual complication. In doing so, we shift attention from viewing complexity as something firms merely react to, toward understanding it as something generated by the very structures that organize participation and exchange in platform economies. We study the literature to show that prior frameworks, while highly valuable for explaining ecosystem formation, governance choices, and platform competition, have not fully theorized how firms manage interconnected relationships under conditions of persistent, structurally produced complexity [1, 2, 4, 7, 12, 13]. By integrating ecosystem theory, platform governance perspectives, and coopetition research, we develop a more comprehensive explanation of how interdependence, coordination burdens, and asymmetrical control combine to shape strategic behavior. On this basis, we advance propositions that specify the

causal relationships linking ecosystem structure, governance design, and firm-level strategic responses.

The article also offers practical relevance for managers operating in platform-mediated environments. As more sectors become organized through digital platforms, firms increasingly require tools not only to identify opportunities for participation but also to diagnose the sources of strategic complexity that constrain action and shape outcomes. Our framework provides such a lens by helping managers recognize when complexity stems from interdependence among actors, from tensions between cooperation and competition, or from governance mechanisms that centralize control while distributing innovation. This perspective can support more deliberate governance choices, partnership strategies, and capability development to improve adaptability without sacrificing strategic autonomy. In an era in which platforms mediate an expanding share of economic activity and influence the terms of market participation, understanding the structural origins of strategic complexity is critical for both scholarly explanation and managerial practice [15, 18, 23, 24].

Table 1 provides a theoretically integrated decomposition of strategic complexity into its structural drivers, generative mechanisms, and observable strategic consequences in platform ecosystems.

Table 1. Structural drivers and mechanisms of strategic complexity in platform economies

Structural driver	Underlying mechanism	How complexity is generated	Strat implic for fi
Multi-actor interdependence	Shared infrastructure and cross-actor coupling	Cascading effects of local decisions across the ecosystem	Need ecosy lev strat anal
Coopetition dynamics	Simultaneous collaboration and competition	Role ambiguity and tension between value creation and capture	Contir relati balar and se open

Platform governance asymmetry	Centralized control over rules, data, and access	Unequal distribution of coordination power and uncertainty	Strategic dependencies and multi-homing
Algorithmic coordination	Automated ranking, matching, and visibility control	Opaque cause-and-effect relationships and informational asymmetry	Investment in interoperability and adaptation capabilities
Cross-side network effects	Interdependence across heterogeneous user groups	Nonlinear amplification of strategic actions	Strategic timing and sequencing of moves
Feedback loop dynamics	Recursive interaction between actions and ecosystem responses	Self-reinforcing cycles of complexity over time	Need for dynamic repositioning capabilities

coordination challenges when platform rules evolve, leading to strategic uncertainty and the need for multihoming or selective engagement [11, 22]. Coopetition emerges as a central theme: firms cooperate to expand the ecosystem while competing for rents, creating entangled relationships that defy traditional zero-sum logic [3, 16, 23].

Governance and orchestration represent critical mechanisms for managing complexity. The literature on platform governance underscores the role of rules, algorithms, and incentive structures in shaping inter-firm behavior, with power asymmetries often favoring the orchestrator [9, 10, 12, 18]. Orchestration involves selectively promoting complementary, data-sharing, and feedback mechanisms that influence ecosystem evolution [7, 8, 19]. Recent contributions extend these ideas to industrial and societal platforms, showing how digital mediation amplifies coordination burdens across global value networks [8, 15, 17].

Interdependence is further complicated by feedback loops and path dependencies. Dynamic ecosystem models illustrate how initial positioning decisions lock firms into trajectories of increasing or decreasing complexity, with repositioning requiring relational investments and governance realignment [6, 13, 21, 23]. Multi-sided market complexity adds another layer: participants on different sides exert cross-side network effects that can either stabilize or destabilize the ecosystem, depending on platform design [4, 11, 24].

Theoretical Foundations and Literature Synthesis

The literature on platform economies has evolved rapidly since 2017, shifting from early descriptions of multi-sided markets to nuanced analyses of ecosystem dynamics and strategic implications [1, 2, 4]. Foundational work established ecosystems as structures of interdependent actors rather than mere collections of firms, emphasizing alignment of activities around a focal platform [1, 2]. This structural view highlights how platforms reduce transaction costs while creating new forms of dependence, in which complementors rely on platform infrastructure to access users and data [4, 7, 21].

Subsequent research has deepened the understanding of complexity arising from interdependence. Studies document how generativity—the capacity of platforms to enable third-party innovation—introduces tension between openness and control, as platform owners must balance ecosystem growth with value capture [5, 20]. Empirical and conceptual analyses reveal that complementors face

The present theory addresses three gaps. First, while ecosystem structure is well theorized [1, 2, 14], the micro-foundations of strategic complexity at the firm–ecosystem interface remain fragmented. Second, coordination burdens are acknowledged but rarely linked causally to interdependence and repositioning under digital mediation [8, 9, 22]. Third, the literature has under-emphasized how complexity becomes a self-reinforcing property through entangled relationships [3, 5, 12, 13]. By integrating these streams, we develop a cohesive framework that treats strategic complexity as endogenous to platform architectures. The following theory section formalizes these relationships through propositions and a visual architecture.

Digitally Mediated Strategic Entanglement: A Theory of

Complexity Management in Platform Economies

Interdependence in platform economies

In platform economies, interdependence emerges as a structural condition rather than a contingent feature of exchange. Firms' value propositions become tightly coupled through shared digital infrastructures, common user bases, and interlinked complementarities that bind their outcomes together. Unlike traditional inter-firm relationships, which are often bounded and contractually defined, platform-mediated interdependence is diffuse, scalable, and continuously reconfigured through participation and interaction. As a result, a focal firm's strategic actions—such as pricing, innovation, or market entry—are not confined to bilateral effects but propagate across the ecosystem, influencing and being influenced by a wide array of actors [1, 3, 8, 22].

This systemic interconnectedness transforms the nature of strategic decision-making. Firms must account not only for direct competitive responses but also for indirect and cascading effects that arise from networked interactions. Complementors' innovations can reshape demand conditions; platform rule changes can reallocate value; and user adoption patterns can amplify or dampen strategic initiatives. Consequently, interdependence in platform economies is not merely relational but architectural, embedding firms within a web of mutual influence that generates both opportunity and vulnerability [3, 8, 22]. This structural embedding is a primary source of strategic complexity, as it increases the number of relevant contingencies firms must consider and reduces the predictability of outcomes.

Complexity and coordination in digital ecosystems

Digital mediation intensifies coordination demands by enabling high-frequency interaction, real-time data exchange, and algorithmic enforcement of rules. On one hand, these features enhance the capacity of platform ecosystems to scale efficiently, align dispersed actors, and support rapid innovation. On the other hand, they introduce new forms of complexity by embedding coordination within opaque technical systems that are often only partially visible to participants [4, 9, 11, 20].

Algorithmic governance, in particular, alters the locus and nature of coordination. Decisions regarding visibility, ranking, matching, and access are increasingly delegated to automated systems that operate according to platform-defined logics. While such systems can reduce transaction costs and standardize interactions, they also create informational asymmetries that hinder mutual adjustment among ecosystem participants. Firms may struggle to interpret how their actions translate into outcomes, as the mechanisms linking cause and effect are mediated by algorithms that evolve [9, 11, 20].

Moreover, the same digital infrastructures that enable coordination also amplify interdependence, thereby increasing the system's sensitivity to local changes. Small adjustments in platform rules or participant behavior can generate disproportionate effects across the ecosystem, producing nonlinear dynamics and reinforcing feedback loops [4, 20]. As a result, coordination in digital ecosystems becomes an ongoing, adaptive process rather than a stable equilibrium, requiring firms to continuously update their expectations and strategies in response to shifting conditions.

Coopetition and relationship entanglement

A defining feature of platform ecosystems is the coexistence of cooperation and competition among the same set of actors. Complementors collaborate to enhance the platform's overall value by introducing innovations that attract users and expand the ecosystem. Simultaneously, they compete for visibility, user attention, and revenue within the same environment. This duality gives rise to relationship entanglement, a condition in which firms' interactions cannot be cleanly separated into cooperative or competitive domains [5, 16, 23].

Entanglement creates persistent strategic tension. Firms must invest in collective ecosystem growth while safeguarding their own positions against imitation, displacement, or appropriation. For example, sharing knowledge or integrating closely with platform standards may increase overall value creation but also expose firms to competitive risks. Conversely, attempts to differentiate or protect proprietary advantages may limit the firm's ability to benefit from network effects and complementarities [5, 23].

This tension is further compounded by the platform owner's role, which may simultaneously enable complementor

success and act as a direct competitor. Such dynamics blur traditional role distinctions and complicate strategic positioning. Firms are therefore required to engage in continuous relational management, balancing openness and protection, collaboration and rivalry, dependence and autonomy. Relationship entanglement thus becomes a central mechanism through which strategic complexity is experienced and reproduced within platform ecosystems [5, 16, 23].

Governance under strategic complexity

Platform governance plays a critical role in shaping how complexity is generated, distributed, and managed. Platform orchestrators deploy a range of governance mechanisms—including interface standards, participation rules, revenue-sharing schemes, data access policies, and algorithmic controls—to coordinate ecosystem activity and sustain growth [10, 12, 18, 24]. These mechanisms are designed to reduce uncertainty, align incentives, and enable scalable interaction among heterogeneous actors.

However, governance is inherently asymmetric. Platform owners possess privileged control over critical resources such as data, user access, and system architecture, allowing them to influence the distribution of value and the terms of participation. While such control can enhance overall coordination efficiency, it can also exacerbate dependence for complementors, who must adapt to evolving rules that they do not fully control [10, 18, 24].

Importantly, governance mechanisms can both mitigate and intensify strategic complexity. Standardization and clear rules may reduce ambiguity and coordination costs, but frequent changes, opaque algorithms, or selective enforcement can increase uncertainty and strategic risk. Complementors must therefore develop adaptive capabilities to respond to governance shifts, anticipate potential changes, and maintain flexibility in their strategic positioning [12, 18, 24]. In this sense, governance is not merely a solution to complexity but a dynamic force that co-produces it.

Ecosystem positioning in digitally mediated markets

In digitally mediated markets, sustained competitive advantage depends less on occupying a fixed position and more on the ability to dynamically reposition within an evolving network of relationships. Firms must continuously

adjust their roles, partnerships, and value propositions in response to changes in platform governance, user behavior, and complementor activity [6, 13, 15, 21].

This dynamic positioning is shaped by feedback loops between strategic choices and ecosystem outcomes. A firm's actions influence the structure and dynamics of the ecosystem, which in turn reshape the firm's strategic options. For instance, successful innovation may attract new entrants, intensify competition, or prompt changes in platform governance, thereby altering the conditions under which the firm operates [13, 21].

As a result, strategy in platform economies becomes a process of ongoing alignment rather than one-time optimization. Firms must develop the capacity to sense changes in the ecosystem, interpret their implications, and reconfigure their strategies accordingly. This requires not only analytical capabilities but also organizational flexibility and relational awareness. Ecosystem positioning, therefore, is both a source of and a response to strategic complexity, reflecting the recursive interplay between firm actions and digitally mediated market structures [6, 15, 21].

Propositions

Proposition 1

Higher degrees of structural interdependence among complementors and the platform owner increase strategic complexity for focal firms by amplifying coordination costs and uncertainty in value appropriation [3, 5, 8, 11].

Proposition 2

Platform governance rules moderate the relationship between interdependence and complexity such that asymmetric control mechanisms heighten coordination burdens for dependent actors while reducing them for the orchestrator [9, 10, 12, 22].

Proposition 3

The coexistence of coopetitive ties within platform ecosystems generates relationship entanglement, forcing focal firms to engage in continuous relational repositioning to maintain strategic autonomy [5, 16, 23].

Proposition 4

Feedback loops linking ecosystem dynamics, coordination burdens, and firm repositioning create self-reinforcing cycles of strategic complexity that are endogenous to digitally mediated market structures [1, 13, 21].

Proposition 5

Firms that develop orchestration capabilities—selective promotion of complements and adaptive governance—can reduce the negative performance effects of strategic complexity by converting interdependence into generative advantage [7, 8, 20, 24].

Proposition 6

In multi-sided platform markets, cross-side network effects intensify complexity when interdependence spans heterogeneous actor groups, requiring hybrid governance forms that blend centralized rules with decentralized coordination [4, 11, 18].



Figure 1. Strategic complexity architecture in platform economies

Strategic Complexity in Platform-Based Strategy

The propositions outlined in the preceding section translate into actionable strategic principles for firms embedded in platform economies. Strategic complexity is not an exogenous constraint but a navigable feature of digitally mediated markets that rewards firms capable of converting interdependence into structured advantage [1, 6, 13]. Managers must therefore shift from traditional competitive analysis to ecosystem-level diagnostics that map relational entanglement and its feedback dynamics.

Orchestration capabilities and the alleviation of coordination burdens

Proposition 5 establishes that orchestration capabilities enable focal firms to attenuate the performance-dampening effects of strategic complexity. Orchestration manifests through selective promotion of high-value complements, dynamic incentive realignment, and curated data-access protocols that amplify generativity while preserving control [7, 8, 20]. In practice, platform owners deploy algorithmic ranking adjustments and tiered revenue-sharing models to steer ecosystem evolution without imposing uniform coordination costs on all participants [9, 10]. Complementors, in turn, can develop secondary orchestration skills—such as co-developing platform extensions or forming sub-ecosystem alliances—to reduce their own dependence burdens [24–29]. This capability is especially salient in industrial digital platforms, where cross-industry coordination spans heterogeneous actors and requires continuous governance tuning [8, 17]. By institutionalizing these practices, firms transform interdependence from a source of friction into a renewable source of innovation and value capture.

Table 2 develops a configurational view of how firms strategically respond to platform-induced complexity through distinct capability bundles and governance approaches.

Table 2. Strategic responses to complexity: capability configurations and governance choices

Strategic response mode	Core capability configuration	Governance approach	Complexity effects
Orchestration-centric strategy	Complement curation, incentive design, and ecosystem shaping	Selective centralization with controlled openness	Converts complex interdependence into generative advantage
Adaptive positioning strategy	Multihoming, relational flexibility, and dynamic partnerships	Decentralized coordination with selective engagement	Absorbs coordination burdens and redistributes complexity
Defensive autonomy strategy	Vertical integration, proprietary control, and data shielding	Tight governance boundaries and restricted interfaces	Reduces exposure to external complexity

Collaborative co-governance strategy	Collective standard-setting, alliance formation, and shared rules	Hybrid governance (central + distributed)	Stabilizing compliance through coordination
Algorithmic adaptation strategy	Data analytics, experimentation, and real-time monitoring	Reactive alignment with platform algorithms	Enhancing responsiveness to competition
Ecosystem shaping strategy	Strategic investments, boundary resource control, ecosystem design	Proactive governance influence	Reconfiguring the core structure

Adaptive positioning amid relationship entanglement

Proposition 3 and Proposition 4 together underscore the necessity of continuous relational repositioning. Entanglement arising from coopetitive ties compels firms to monitor shifts in complementarities and reconfigure their engagement portfolios—through multihoming, selective disengagement, or targeted relational investments [11, 16, 22, 23]. Feedback loops ensure that each repositioning decision alters the firm’s interdependence profile, which in turn recalibrates complexity levels across the ecosystem [6, 13, 21]. Practically, this requires the development of ecosystem intelligence systems that track real-time signals from platform rule changes, competitor moves, and cross-side network effects [15, 18]. Firms that master adaptive positioning convert entanglement into a barrier to imitation, as their unique relational configurations become difficult for rivals to replicate at scale.

Governance innovations for digitally mediated interdependence

Propositions 2 and 6 highlight governance as the pivotal moderator of complexity in multi-sided markets. Hybrid governance architectures that blend centralized platform rules with decentralized coordination mechanisms—such as community-driven standard-setting or smart-contract-enabled dispute resolution—can mitigate power asymmetries while sustaining ecosystem vitality [4, 9, 12, 18]. For orchestrators, this means designing governance that anticipates emergent complexity rather than merely

reacting to it; for complementors, it entails collective advocacy for transparent algorithmic accountability [10, 11]. These innovations are particularly relevant in contexts of high cross-side network effects, where unchecked interdependence can destabilize participation on one or more market sides [4, 24].

Ecosystem entanglement and firm-level outcomes in digital markets

When managed effectively, strategic complexity yields differentiated firm-level outcomes. Entangled relationships, once governed through orchestration and adaptive positioning, generate unique resource configurations that enhance resilience and long-term value appropriation [3, 5, 16]. Conversely, firms that neglect these dynamics risk progressive value erosion through over-dependence or misaligned incentives [22, 23]. The architecture in Figure 1 visualizes these pathways, illustrating how platform governance and relationship types interact to produce either amplifying or attenuating cycles of complexity.

Conclusion

This theory-development article introduces a novel conceptualization of strategic complexity as an endogenous structural property of digitally mediated platform markets. By integrating ecosystem structure, governance, and coopetition perspectives, the framework explicates how multi-actor interdependence, coordination burdens, and relationship entanglement interact through self-reinforcing feedback loops to shape firm positioning and performance. The six propositions specify precise causal mechanisms, while the Strategic Complexity Architecture (Figure 1) offers a visual heuristic for diagnosing and intervening in these dynamics.

Theoretically, the contribution lies in elevating strategic complexity from a descriptive feature to a core explanatory construct, bridging previously fragmented streams in the platform and ecosystem literatures. The framework extends earlier structural views by foregrounding the management of entangled relationships as the central strategic challenge of the digital era.

For practice, the propositions supply managers with diagnostic lenses and capability-building priorities: orchestration to convert dependence into generativity,

adaptive repositioning to preserve autonomy, and hybrid governance to balance control with openness. As platforms continue to mediate expanding portions of economic activity, mastery of these practices will distinguish sustainable competitors from those displaced by ecosystem dynamics.

Limitations inherent to a purely conceptual approach include the need for subsequent empirical validation through longitudinal network studies, comparative case analyses, or simulation modeling of feedback loops. Future research should also examine boundary conditions—such as regulatory interventions, technological disruptions (e.g., decentralized Web3 platforms), and cross-cultural variations in ecosystem governance—and extend the framework to emerging contexts, including AI-orchestrated ecosystems and metaverse-mediated markets.

In sum, the theory of digitally mediated strategic entanglement reframes platform economies as arenas of managed complexity rather than arenas of simple competition. As firms navigate increasingly interconnected business relationships, the ability to orchestrate, reposition, and govern amid complexity will define competitive advantage in the digital age [7, 20, 25]. This manuscript therefore provides both a foundational theoretical scaffold

and a practical roadmap for scholars and executives seeking to understand and shape the evolving architecture of platform economies.

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