



Corporate Diversification in the Digital Age: A Comparative Study of Technology and Platform Firms

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Abstract

Titel: Corporate Diversification in the Digital Age: A Comparative Study of Technology and Platform Firms

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Keywords: Diversification, Platform Companies, Technology, Digital Age, Herfindahl-Hirschman-Index, HHI, Resource-Based View, Developed Markets, Emerging Markets

This thesis examines corporate diversification in the technology sector, with a particular focus on platform firms. While diversification has long been central to strategic management research, the rise of digital and platform-based business models introduces new complexities that are not yet fully understood. Using a quantitative approach based on the Herfindahl-Hirschman Index, the study compares three groups: (1) technology versus non-technology firms, (2) platform firms versus general tech firms, and (3) platform firms in developed versus emerging markets.

The findings challenge established theory. First, contrary to Resource-Based View expectations, technology firms are significantly less diversified than non-tech firms. Second, platform firms, despite assumptions about network effects and ecosystem expansion, do not show significantly higher diversification than other tech firms. Third, platform firms from emerging markets appear more diversified than those in developed markets, supporting institutional theory, though the result lacks statistical significance.

These findings have theoretical and managerial implications. They suggest a need to reassess diversification strategies in the digital economy and indicate that strategic focus may outperform broad diversification in tech firms. In emerging markets, diversification may still serve as a response to institutional voids. The study also discusses methodological limitations and offers directions for future research on evolving diversification strategies and institutional context.

Sumário

Título: Diversificação Corporativa na Era Digital: Um Estudo Comparativo de Empresas de Tecnologia e Plataformas

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Palavras-chave: Diversificação, Empresas de Plataforma, Tecnologia, Era Digital, Índice Herfindahl-Hirschman, HHI, Visão Baseada em Recursos, Mercados Desenvolvidos, Mercados Emergentes

Esta dissertação examina a diversificação corporativa no setor de tecnologia, com foco particular em empresas de plataforma. Embora a diversificação seja um tema central na pesquisa em gestão estratégica, o surgimento de modelos de negócios digitais e baseados em plataformas introduz novas complexidades ainda pouco compreendidas. Com base no Índice Herfindahl-Hirschman, o estudo compara três grupos: (1) empresas tecnológicas versus não tecnológicas, (2) empresas de plataforma versus empresas tecnológicas em geral e (3) empresas de plataforma em mercados desenvolvidos versus emergentes.

Os resultados desafiam teorias consolidadas. Primeiro, ao contrário das expectativas da Visão Baseada em Recursos (RBV), empresas tecnológicas são significativamente menos diversificadas do que empresas não tecnológicas. Segundo, empresas de plataforma — apesar de pressupostos sobre efeitos de rede e expansão de ecossistemas — não apresentam diversificação significativamente maior. Terceiro, empresas de plataforma em mercados emergentes parecem mais diversificadas do que em mercados desenvolvidos, apoiando a teoria institucional, embora sem significância estatística.

As conclusões têm implicações teóricas e gerenciais. Sugerem a reavaliação das estratégias de diversificação na economia digital e indicam que o foco estratégico pode ser mais eficaz. A diversificação pode continuar sendo uma resposta válida a lacunas institucionais em mercados emergentes. O estudo também discute limitações metodológicas e propõe direções para pesquisas futuras.

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Disclosure

I want to disclose that I used ChatGPT, a large language model, during the preparation of this thesis. The tool was used to refine the language and support brainstorming ideas. It was used as a supplementary and was always under critical judgment, ensuring that the thesis's originality, analysis, and conclusions are entirely my own.

This statement is provided in accordance with the guidelines of the Católica Lisbon School of Business and Economics to ensure transparency and academic integrity.

July 23rd, 2025

Table of Contents

<i>Abstract</i>	<i>ii</i>
<i>Sumário</i>	<i>iii</i>
<i>Acknowledgements</i>	<i>iv</i>
<i>Disclosure</i>	<i>v</i>
<i>Table of Figures</i>	<i>viii</i>
<i>Table of Tables</i>	<i>ix</i>
1. Introduction	10
1.1 Background and Context	10
1.2 Problem Statement and Research Objectives	11
1.3 Relevance of the Thesis	11
1.4 Dissertation Outline	12
2. Literature Review	13
2.1 Concept and Types of Corporate Diversification	13
2.2 Motivations for Diversification	14
2.3 Diversification and Firm Performance	15
2.4 Institutional Theory and Emerging Market Context	17
2.5 Diversification in Technology Firms and Platform Businesses	18
2.6 Synthesis and Research Gap	22
3. Methodology	25
3.1 Research Design and Sample Collection	25
3.2 Data Sources and Collection	27
3.3 Measures and Operationalization of Diversification	28
4. Analyses of results	30
4.1 Hypothesis 1: Tech vs. Non-Tech Firms	30
4.2 Hypothesis 2: Platform Firms vs. Tech Firms	32
4.3 Hypothesis 3: Emerging vs. Developed Market Platform Firms	33

5. General Discussion.....	35
5.1 Interpretation of Key Findings.....	35
5.2 Theoretical Implications	38
5.3 Managerial Implications	41
5.4 Limitations and Future Research.....	44
6. Conclusion.....	48
<i>Bibliography</i>	50
<i>Appendices.....</i>	55
Sample Composition	55
Data Construction.....	75
Descriptive Statistics.....	77

Table of Figures

Figure 1: Boxplots of the HHI values of 15 tech and non-tech firms 31

Figure 2: Boxplots of the HHI values of 90 tech and 333 non-tech firms 32

Figure 3: Boxplots of the HHI values of 90 tech and 57 platform firms 33

Figure 4: Boxplots of the HHI values of 59 platforms from developed markets and 333 platforms from emerging markets 34

Figure 5: Calculation of the HHI values of 15 tech firms based on NAICS codes..... 55

Figure 6: Calculation of the HHI values of 15 tech firms based on SIC codes 55

Figure 7: Calculation of the HHI values of 15 non-tech firms based on NAICS codes 56

Figure 8: Calculation of the HHI values of 15 non-tech Firms based on SIC codes 56

Figure 9: Extracted segment data, on which the HHI calculations are based on (WRDS)..... 75

Figure 10: Extracted segment data, on which the HHI calculations are based on (Refinitiv Eikon)..... 76

Figure 11: Boxplots of the HHI values of 15 tech and non-tech firms based on NAICS codes 77

Figure 12: Boxplots of the HHI values of 15 tech and non-tech firms based on NAICS codes 78

Figure 13: Boxplots of the HHI values of 90 tech and 57 platform firms based on NAICS codes 79

Table of Tables

Table 1: Summary of the research results 34

Table 2: Calculation of the HHI values of 90 tech firms based on SIC and NAICS codes 59

Table 3: Calculation of the HHI values of 333 non-tech firms based on SIC and NAICS codes 68

Table 4: Calculation of the HHI values of 57 US platform firms, using SIC and NAICS codes 70

Table 5: Calculation of the HHI values of 48 emerging markets platform firms, using Refinitiv Eikon segments 72

Table 6: Calculation of the HHI values of 59 developed markets platform firms, using Refinitiv Eikon segments 74

1. Introduction

1.1 Background and Context

Diversification is one of the most researched subjects in the field of management academia (Palich et al., 2000). The academic view on diversification has changed over the last decades. During the post-World War II period (1949-1974), the level of diversification among US industrial firms more than doubled, driven by a belief in the benefits of scale, scope, and risk reduction. However, in the 1980s, Western conglomerates failed to meet expectations, which led to a shift and divestment. By the 1990s and 2000s, it was generally agreed that the key to success was related diversification, which exploits firm-specific capabilities while lowering the risk of managing different businesses (Rumelt, 1982; Chung et al., 2025).

The academic views on corporate diversification have evolved significantly in recent decades, as have the sectors and companies themselves. The industrial sector's dominance has been replaced by that of the service sector. In the 21st century, the emergence of the technological sector and the digital economy drastically changed the corporate environment. Tech companies, and particularly internet-based platform companies like Alphabet, Amazon, Apple, Meta, or Microsoft, became the most valuable companies in the world in a matter of years. Platform companies account for 60–70% of the billion-dollar unicorns, indicating that the trend is far from over (Cusumano et al., 2019).

Diversification strategy differs among these companies. Amazon has expanded into hardware manufacturing, cloud computing, physical retail, and digital streaming, surpassing its origins as an online retailer. On the other hand, despite having substantial financial resources, Meta is still largely focused on social media (Refinitiv Eikon, 2025). Since traditional diversification theories predate the emergence of digital business models, and technology firms pursue different diversification strategies, these two factors call for a reconsideration of the applicability of conventional diversification theory to tech companies. Furthermore, most research on diversification is based on observations of Western companies, overlooking the institutional context prevalent in emerging markets (Khanna & Palepu, 1997). Therefore, it is unclear whether diversification theory applies to tech companies in different market environments.

1.2 Problem Statement and Research Objectives

Industry-specific studies are still rare, with the technology sector being particularly understudied despite its importance. To fill this gap, this thesis compares the degree of corporate diversification in the tech sector. Specifically, it analyses the diversification of digital platform companies in different institutional contexts. The thesis makes three different comparisons to close the research gap:

1. **US technology vs. US non-technology companies:** Do tech companies differ in their degree of diversification from companies of other industries?
2. **US platform firms vs. US (general) technology firms:** Are platform companies more diversified than tech companies in general?
3. **Emerging vs. developed market platform firms:** Do platforms in emerging markets diversify more than their platform companies in developed markets?

The analysis offers a nuanced understanding that is lacking in current literature by concentrating on the market's maturity and context. The Herfindahl-Hirschman Index (HHI) is used to calculate diversification using segment revenue data from financial databases.

1.3 Relevance of the Thesis

From an academic standpoint, this thesis adds to the current discussions about the contexts in which diversification is reasonably pursued as a strategy by large companies. Despite a wealth of research on diversification, little is known about how different sectors and institutional contexts affect diversification behaviour. Due to their novelty and quick evolution, tech and platform companies' diversification strategies are understudied. This research fills those gaps.

In practical terms, the results help managers to make decisions in the technology industry. The study explores presumptions regarding the benefits of diversification for executives in tech and platform companies and analyzes diversification as a solution to institutional difficulties in emerging markets.

1.4 Dissertation Outline

The thesis is structured in six chapters. The study's theoretical foundations are presented in the Literature Review (Chapter 2), which focuses on theories of diversification, the Resource-Based View, platform theory, and institutional theory. It prepares the ground for the empirical research.

The research design, data sources, and analytical methodology are described in the Methodology (Chapter 3), which explains the sampling, how firm samples were formed, and how diversification was measured. The Analysis (Chapter 4) presents the empirical findings. It compares the level of diversification between tech and non-tech firms, platform firms and non-platform tech firms, and platform companies in developed and emerging markets.

The Discussion (Chapter 5) interprets the results and practical implications. It reflects on the challenges of the theoretical frameworks and discusses managerial relevance. Also, the limitations of the study and future research are addressed.

2. Literature Review

This section provides an overview of the conceptual foundation of corporate diversification. After discussing the idea and types of diversification, the chapter summarizes theoretical reasons why companies pursue diversification strategies. Then, the link between diversification and firm performance is explained. The impact of contextual factors, such as the institutional environment in developed and emerging markets, is given special emphasis. Finally, it analyzes theories related to technology and platform companies by discussing their unique traits and diversification tactics. The literature review leads to three research hypotheses, which will guide the empirical analysis in the following chapters.

2.1 Concept and Types of Corporate Diversification

Corporate diversification refers to a firm's engagement in multiple product markets or industries (Palich et al., 2000; Wan & Hoskisson, 2003). It occurs when a business grows into the production and sale of goods or services that have no cross-price elasticity with its current offerings and no market interaction (Rumelt, 1982).

In academia, diversification is distinguished as either related or unrelated. A company diversifies into related fields by using its core competencies (e.g., marketing network, distribution system, R&D expertise, etc.) in the new areas of expansion. Often, those areas are similar to the original ones. On the other hand, entering industries with no discernible resource or capability overlap is known as unrelated diversification. This unrelated expansion tends to impose higher administrative complexity and coordination costs due to the lack of shared synergies, which frequently leads to inefficiency (Rumelt, 1982; Wan, Hoskisson, Short, & Yiu, 2011).

The thesis's main goal is to analyse exclusively the product-related diversification. Geographic diversification, which is the expansion across national or regional markets, is excluded (Grant et al., 1988). Geographic diversification is incompatible with the limited capacity of this thesis since it involves different strategic drivers.

2.2 Motivations for Diversification

Businesses and executives diversify for different managerial, financial, and strategic reasons. In general, companies expect diversification to improve their strategic position in the market, better utilization of internal resources and capabilities, as well as financial benefits through risk reduction or profit stability. Internal cross-subsidization, or the ability to use profits from one business area to offset losses in another, is one key financial driver for diversification. It gives diversified businesses financial stability and flexibility without having to rely on outside funding (Stein, 1997; Montgomery, 1994). Additionally, by offsetting profits with losses from underperforming divisions, diversified firms can reduce their overall tax liability and realize tax advantages (Palich et al., 2000).

Large conglomerates have significant market power due to their size and cash reserves. They can influence industry dynamics to their advantage by strategically reallocating funds across divisions to deter competitors, participate in reciprocal buying, or support tacit agreements (such as mutual forbearance) with their internal capital markets. This internal funding flexibility is advantageous because of increased debt capacity and capital-allocation efficiency (Martin & Sayrak, 2003).

According to Transaction-Cost Economics (TCE), firms can internalize transactions through vertical integration by acquiring distributors or suppliers. As a result, external contracting's expenses and risks decrease. According to TCE theory, when market transactions are expensive or unpredictable, bringing supply chain stages in-house enhances efficiency and value chain control (Williamson, 1975; Rumelt, 1982).

The Resource-Based View (RBV) argues that diversification helps businesses to better exploit their internal resources and capabilities. Diversified companies can boost their performance by sharing managerial expertise, brand equity, and technologies across different units. Technology companies have substantial intangible assets, such as proprietary software, extensive data repositories, and advanced R&D capabilities, which are especially scalable and transferable across various product markets. Additionally, according to RBV, related diversification generally performs better than unrelated diversification because there are more opportunities to effectively leverage core competencies and resources (Montgomery, 1994; Penrose, 1959; Wernerfelt, 1984; Prahalad & Hamel, 1990; Dickler & Folta, 2020).

Relying on a single product or market makes businesses more vulnerable to external shocks, and companies can lower this risk by having a diverse range of businesses and revenue streams. Diversifying cash flows enhances the overall stability, attracts shareholders, and facilitates easier access to financing at a lower cost (Palich et al., 2000). According to Ilseven (2023), diversification increased the company's ability to withstand external shocks like the 2008 global financial crisis. In highly unpredictable situations, diversification can boost a company's performance and adaptability.

Lastly, the agency theory suggests that executives may diversify their businesses for managerial self-interest and personal benefits rather than shareholder value. Increasing the size of the company often results in greater financial rewards and personal power for the executives, thereby incentivising diversification. However, this kind of empire-building diversification reduces shareholder value and frequently results in inefficient capital allocation (Jensen, 1986; Montgomery, 1994; Markides, 1995; Martin & Sayrak, 2003).

Considering these different motivations helps to understand the different degrees to which companies are diversified in practice. The strategic reasons to diversify are manifold and vary in different companies and industry contexts. The following section examines theory regarding the effects of diversification strategies on firm performance.

2.3 Diversification and Firm Performance

Research in strategic management has long analysed the connection between firm performance and diversification. Diversification, and especially unrelated diversification, can negatively impact performance, according to fundamental empirical research by Rumelt. Conglomerates that diversified into unrelated business lines typically performed worse than those that concentrated on related industries. Conglomerates frequently trade at lower valuations or generate lower returns than more focused businesses due to the so-called "diversification discount" (Rumelt, 1974; Rumelt, 1982). Ineffective internal capital allocation that befalls highly diversified companies is one explanation. Cross-subsidizing underperforming divisions by profitable units results in a misallocation of resources and lowers overall performance (Berger & Ofek, 1995; Martin & Sayrak, 2003; Amihud & Lev, 1981).

However, diversification is not always seen as harmful; in fact, some studies show it can lead to improved performance results. Diversification enables businesses to leverage synergies

between units and better adapt to market-specific dynamics (Piscitello, 2004; Singh et al., 2001). Pandya and Rao (1998) argue that when evaluated through a risk-adjusted perspective, diversification is positively linked to performance. Low- and medium-performing firms benefit greatly from diversification, as it lowers risk exposure and stabilizes earnings, while high-performing firms face a trade-off with reduced returns. These findings suggest that the value of diversification depends on a company's context and the metrics used to measure success.

In their seminal study, Palich et al. (2000) offered a more balanced view that reconciles conflicting perspectives. There is an "inverted U-shaped relationship" between diversification and performance, where moderate levels of diversification usually outperform both narrow and broad focuses. While excessive diversification can lead to diseconomies of scale, inefficiencies, and strategic incoherence, a lack of diversification can restrict a firm's growth potential and its ability to reduce risk. An optimal level of diversification exists where the benefits (risk reduction and synergies) are maximized, and the drawbacks (complexity and diluted focus) are minimized (Grant et al., 1988; Yiğit et al., 2013).

Additionally, the question of causality is another aspect of the discussion. The observed link between diversification and poor performance may not necessarily mean that diversification causes poor results. The "diversification discount" might reflect an underlying firm trait or circumstances rather than the effects of diversification itself, as already underperforming firms may be more likely to diversify as a turnaround effort (Villalonga, 2004; Martin & Sayrak, 2003). Diversification may not be the main cause of value decline, but rather a sign of past weaknesses or a strategic move by struggling companies.

Another nuance is added by Hyland's (2008) contribution, which points out the effect of diversification over time. The study states that diversification may deliver benefits in the short term, but the advantages might not last. Diversified firms perform worse in the long run, which outweighs the short-term gains in the beginning. This short-term versus long-term perspective highlights that the effects of diversification may vary over a firm's timeline, adding a temporal dimension to the discussion of diversification and performance.

As demonstrated, context greatly affects how diversification affects a company's performance, with different results depending on variables like firm size, past performance, time horizon, and external environmental conditions. The empirical analysis conducted in this thesis is specifically motivated by this ambiguity, which is expressed in contradictory findings about

diversification discounts and potential benefits. Finding out which viewpoint applies in the modern technology industry context is crucial, given the economic influence.

Institutional distinction between developed and emerging markets is a corporate context in which much research has already been conducted with regard to corporate diversification and performance impact. The following section looks at institutional theory and the market context.

2.4 Institutional Theory and Emerging Market Context

The performance impact of corporate diversification hinges on the institutional context. In economies with robust legal systems, strong capital markets, and reliable intermediaries, firms rarely need to replicate those functions internally (Khanna & Palepu, 1997). By contrast, companies in many emerging markets face limited external finance, weak contract enforcement, and sparse market infrastructure. Diversification substitutes in emerging markets for those institutional voids (Khanna & Palepu, 1997; Guillén, 2000). Empirical work on business groups confirms that such internally created “mini-markets” can add value (Kock & Guillén, 2001). Cross-country comparison therefore shows that diversification is generally associated with higher, or at least neutral, returns in emerging-market settings, whereas it tends to reduce performance in mature economies where external institutions function well (Wan & Hoskisson, 2003; Yiğit & Behram, 2013).

Diversified businesses in emerging markets frequently bridge the gap left by unstable financial systems or weak enforcement of regulations. A lack of public capital is addressed by creating internal financing channels to support their units. When educational systems are insufficient, diversified conglomerates can invest in creating a skilled talent pool. And regulatory challenges are addressed by political and social networks. These broad organisational structures and strategies allow diversified businesses to overcome institutional shortcomings and gain competitive advantages that focused companies find more difficult to obtain (Khanna & Palepu, 1997; Khanna et al., 2005).

However, the benefits of diversification tend to diminish as institutions become more established and emerging markets mature. For example, in Chile, market liberalization and growth have gradually reduced the performance advantage that highly diversified business groups once enjoyed. As Chile's capital and product markets became more efficient, companies became less dependent on internal funding and informal agreements. Previously valuable non-

market advantages, such as political or familial ties, became less important (Khanna & Palepu, 1999; Selçuk, 2015).

The implication for firm performance depends fundamentally on market maturity. Diversification may lead to inefficiencies in developed markets while serving as an effective strategy in emerging economies by compensating for institutional weaknesses. This perspective not only frames expectations about technology and platform firm behaviour across contexts but also informs the analytical distinction made later in this study between firms in emerging and developed markets. Understanding how institutional maturity shapes diversification strategies in the context of tech companies is critical, given the market dynamics and importance of technology-driven and platform-centric firms.

2.5 Diversification in Technology Firms and Platform Businesses

As was shown, context affects the outcomes of diversification, and a wide range of factors that affect the outcome were identified. Today, technology-driven companies stand out due to their global reach and substantial economic influence (Borah et al., 2018). These tech firms and platform-based business models have characteristics that set them apart from more traditional companies, e.g., industrial companies. Examining diversification in the context of technology is necessary and contributes to the academic conversation about diversification.

Characteristics and diversification in technology firms

Tech companies offer digital innovation and new technology like software, internet services, or electronics (Borah et al., 2018). The size and track record of these leading tech companies raise the question of whether the same concepts and strategies for corporate diversification apply to them as to other companies. To this end, it must be analysed whether these successful tech companies are more or less diversified than other companies.

Intangible assets are a crucial aspect that affects diversification. Tech companies have advanced R&D capabilities, large data repositories, or proprietary software. These scalable resources can be used in different markets. As these assets are not restricted to a single physical product or location, technology companies can use the same software platforms, algorithms, or technical expertise to expand into adjacent or even entirely new business areas at a relatively low marginal cost (Borah et al., 2018; Kim & Kogut, 1996). This scalability provides strong

theoretical support for anticipating greater diversification in technology-intensive sectors than in traditional industries.

On the other hand, tech companies face strategic obstacles to diversification. Given that the tech market is characterized by a winner-takes-it-all dynamics, gaining leadership in a core platform or product line can be extremely valuable. Therefore, rather than overstretching across too many industries, technology companies are cautious about diversifying too much and instead concentrate on safeguarding and enhancing their flagship products and core services. Additionally, the tech sector's rapid innovation cycles and specialized knowledge bases make it challenging to manage multiple business units simultaneously. Broad diversification in this sector may come with inherent trade-offs because balancing several projects can impair a tech company's agility and focus (Borah et al., 2018; Kuchinke & Vidal, 2016).

According to Borah et al. (2018), diversification can be especially difficult for technology firms, as these companies usually face a larger market-value penalty, known as the "diversification discount," compared to firms in other industries. Several factors unique to the technology sector explain this situation. First, tech companies mainly have intangible assets, such as patents, proprietary algorithms, or unique software, which are difficult for investors to value accurately. This makes valuation more challenging and increases information asymmetry, causing diversified technology firms to appear less transparent to external stakeholders. Additionally, investors often lack detailed knowledge or understanding of the specialized resources and capabilities that give technology firms their competitive edge. As a result, the market tends to undervalue these complex, multi-segment companies. Overall, these characteristics suggest that diversification worsens existing valuation difficulties in technology-driven sectors, making it potentially more harmful to market value for tech firms than for companies in industries with tangible and easily understood assets (Wu & Lai, 2020).

Although technology companies have inherent resources and scalability to diversify, their ability to do so is limited by strategic and operational factors. Pursuing a broad diversification strategy is often riskier for tech firms than for companies in more traditional industries, since tech businesses must weigh the benefits of expansion against the market penalties and managerial challenges.

Characteristics and diversification for platform businesses

Platform-based businesses constitute a subset of technology firms. Many of the world's most prominent tech companies base their business model on a platform. Companies like Amazon, Alphabet, Uber, and Meta enable interactions between independent user groups. Platforms generate value by promoting co-creation and exchange in digital ecosystems, as opposed to traditional businesses that do so by manufacturing and selling goods or services. The company's function in these multifaceted platforms is to provide the infrastructure that allows users (such as buyers, sellers, or app developers) to communicate, transact, or innovate with each other (Cusumano et al., 2019; Evans & Gawer, 2016; Rochet & Tirole, 2003).

The network effect, where each new user (on the supply or demand side) raises the platform's value for all other users, is a defining characteristic of platform businesses. In an online marketplace, for instance, bringing in more sellers gives buyers more options and better prices, which attracts more buyers and further invites sellers. Because a large user base enhances the appeal to all participants, platform companies have powerful incentives to scale up rapidly and capture as many users as possible (Gawer & Cusumano, 2014; Evans & Schmalensee, 2016). This need for fast scaling shapes their strategies and could influence their diversification choices. Expanding into new services or markets may be one way to enlarge and engage the user ecosystem. The open architectures and third-party innovation/participation increase the offering and improve the user engagement. However, the platform company must carefully strike a balance between control and openness (Evans & Schmalensee, 2016). Leaders must ensure that third-party contributions support rather than compromise the platform's core business by putting governance and quality controls in place to protect monetization opportunities and maintain the platform's integrity (Gawer & Cusumano, 2014).

Building on pre-existing user networks and technological capabilities, diversification in platform enterprises typically takes place as an extension of the current ecosystem. Instead of making acquisitions in entirely unrelated industries, these companies expand the scope of their ecosystems by adding new services to existing platform infrastructure. This kind of growth does not require completely new skills, as new products and services are integrated into the ecosystem. Platform companies' diversification strategy is different from that of traditional conglomerates as it focuses more on broadening the scope than it does on assembling a collection of business areas (Chung et al., 2025). This "ecosystem expansion" supports the

thesis's hypothesis that platform businesses are structurally oriented towards greater diversification.

A layered diversification strategy, expanding both within existing user categories and into new service or user segments, can significantly enhance a platform's resilience and adaptability by enabling the firm to capitalize on network synergies (e.g., cross-utilization of data and user relationships across services) and increase the strategic flexibility. By broadening its scope to offer multiple layers of services and engage diverse user groups, a platform becomes better equipped to market shifts or competition, as a more versatile ecosystem is less vulnerable to the decline of any single service or user segment (Cusumano et al., 2019).

However, there are drawbacks to these diversification advantages, as platforms are dependent on their independent participants (e.g., sellers, service providers, and app developers). The company cannot control the contributions and priorities, in contrast to a traditional firm, which manages its divisions and employees. Due to this dependence, expanding into new markets or services may result in resource conflicts or internal tensions within the platform's ecosystem. Uber, for instance, unintentionally increased competition for its driver pool when it branched out from its primary ride-hailing service into food delivery (Uber Eats), forcing drivers to decide between delivering meals and transporting passengers. In Uber's ecosystem, this expansion resulted in a type of platform cannibalization and operational strain (Chung et al., 2025). Therefore, adding new platform services needs to be handled carefully to not undermine existing business.

Moreover, the ability to successfully diversify depends not only on technological know-how or digital infrastructure but also on managerial skills and strategic coherence. A platform company with a strong technological base needs to make sure that any growth into related markets or services fits in well with its long-term goals and organizational capabilities. Diversification attempts may fail if there is not enough managerial flexibility or a clear strategic fit. Consequently, in practice, a wide variation in diversification strategies across the platform landscape can be observed. Some platform firms diversify aggressively, while others remain more specialized, depending on their unique strengths and priorities (Cennamo, 2021; Chung et al., 2025).

In conclusion, scalable technologies, network effects, and user-driven innovation facilitate strategic diversification for platforms. However, organizational constraints, external

dependencies also impact diversification behaviour. These dynamics make platform firms an especially intriguing and challenging topic for empirical research. To ascertain whether these incentives are mirrored in the actual diversification behaviour, empirical analysis is necessary. In the following, the research gaps and hypotheses will be identified to connect theoretical presumptions with data.

2.6 Synthesis and Research Gap

Prior research on the motivations and performance of diversification has yielded contradictory results. The context is significantly impacting the outcome of diversification. The literature has not yet provided answers on how diversification plays out in the unique environments of technology and platform firms, despite their increasing economic relevance. This ambiguity underscores the need for further empirical investigation, particularly to determine how technology firms and platform firms might differ in their diversification behavior compared to more traditional conglomerates.

It is unclear if tech companies' diversification practices are systematically different from those of companies in more traditional industries. Also, the subset of platform companies has unique features such as network effects, ecosystem growth, and third-party innovation, which offer distinctive diversification opportunities. However, there are no empirical studies on how these characteristics specifically affect the degree of diversification of these companies. Lastly, there is a lack of empirical research evaluating whether platform firms from emerging markets have higher levels of diversification than those from developed markets, despite strong theoretical arguments from institutional theory.

Most previous research has examined diversification in broad terms, often correlating diversification with performance across many firms and industries. This research directly addresses the patterns and degrees of diversification between tech and platform companies and compares them to traditional sectors. Thus, this thesis fills a gap in research by moving beyond generic diversification–performance correlations and instead conducting a structured, three-step comparison across firm types and institutional contexts. The empirical analysis tests the following hypotheses:

Hypothesis 1:

Technology firms exhibit a higher degree of diversification than non-technology firms.

Reasoning: Technology companies have intangible assets, like advanced R&D capabilities, large data repositories, and proprietary software. According to the RBV, tech companies can diversify at low marginal costs because these intangible resources are highly scalable and can be effectively leveraged across multiple product markets (Borah et al., 2018). In contrast to traditional businesses, whose potential for diversification is constrained by physical, location-bound resources.

Despite the winner-takes-all dynamics, managerial complexity, rapid innovation cycles, and information asymmetry between the companies and investors, this hypothesis posits that the advantages outweigh the constraints, thus predicting a higher degree of diversification for technology firms (Borah et al., 2018).

Hypothesis 2

Platform firms exhibit a higher degree of diversification than technology firms.

Reasoning: Platform businesses, a specialized subset of technology companies, are based on network effects, which raise the ecosystems' value as they draw in more users and broaden their service offerings (Cusumano et al., 2019; Evans & Schmalensee, 2016). They require fewer new capabilities to expand into complementary markets because of their open architectures and reliance on third-party innovation. Platforms are incentivized to grow their user ecosystem, which can be done by integrating new services (Chung, Zhou & Choi, 2025; Cennamo, 2021). Therefore, it is predicted that platform firms diversify even more intensively than non-platform technology firms.

Even though diversifying into new services may result in resource conflicts (e.g., Uber's case of platform cannibalization) and increased managerial complexity, the anticipated benefits of diversification for platform firms support the hypothesis that platforms tend to diversify more broadly than non-platform technology companies (Chung et al., 2025; Cennamo, 2025).

Hypothesis 3

Platform firms from emerging markets exhibit higher levels of diversification than platform firms from developed markets.

Reasoning: In emerging markets, diversification is often prompted by institutional gaps, such as those in capital markets, legal enforcement, and market intermediaries (Khanna & Palepu, 1997; Wan & Hoskisson, 2003). The hypothesis aims to test the applicability of these decades-old theories to today's digital platform companies. Platform firms in emerging markets might adopt broader diversification strategies, replicating market functions that developed-market platforms can outsource or access externally. Consequently, emerging-market platforms might integrate more diverse services (e.g., combining ride-hailing, finance, and e-commerce) into a single offering, enabling them to address institutional shortcomings and exploit synergies across multiple business segments. Therefore, the hypothesis suggests that platform firms in emerging markets will diversify more broadly than their counterparts in developed markets.

3. Methodology

This chapter outlines the methodological approach employed to empirically investigate differences in diversification levels among technology, non-technology, and platform firms. It starts by outlining the precise steps taken to gather data, explains the chosen samples, and describes the methods that are employed to quantify diversification.

The study first selects appropriate firm samples, starting with large companies that are listed in reputable indices, such as the Fortune 500, NASDAQ-100, and S&P 500. The samples of platform companies are based on existing academic lists. The HHI, which was specifically selected for its ability to reflect the distribution and breadth of diversification across business segments, is used to quantify the degree of diversification. The research hypotheses are tested based on these groupings and calculation methods.

3.1 Research Design and Sample Collection

First Approach: Initial US Tech vs. US Non-Tech Sample

A small, balanced sample of the top 15 technology and non-technology companies from the 2024 Fortune 500 list was used in the first empirical investigation. The goal of this first step was to produce a baseline understanding of diversification differences. Because of its great reputation and inclusion of well-known American companies, the Fortune 500 list was chosen.

Major corporations classified under Computer Software, Computers Office Equipment, Internet Services, Network Systems, and Information Technology were specifically included in the technology sample. Companies like Apple, Alphabet, Microsoft, and Meta were among them. Large corporations from sectors such as Manufacturing, Energy, Retail, and Healthcare made up the non-tech firms. Notably, because of their fundamentally different diversification patterns, companies in the insurance and financial sectors were excluded here, following best practices described in the literature on diversification (Berger & Ofek, 1995; Villalonga, 2004). Despite its small size and preliminary nature, this exploratory sample provided a first comparison and offered insights for the later, more extensive analyses.

Second approach: Expanded US Tech and US Non-Tech Samples

By adding larger and more statistically sound samples drawn from two stock indices, the S&P 500 and the NASDAQ-100, the second approach significantly increased the size of the first sample. The S&P 500 as a whole provided a trustworthy standard for US non-tech companies. For representing technology companies, the NASDAQ-100 was chosen. It is the most suitable index for representing major technology firms due to its strong concentration in large-cap, innovation-driven companies. While it includes some non-tech firms, its broad coverage and focus on market-leading digital businesses make it the best proxy for capturing the dynamics of the modern tech industry.

The choice of these indices was explicitly justified by their comprehensive coverage and better representativeness of contemporary business activities. Conventional classifications often do not explicitly cover only technology companies but also include more general companies, whereas the NASDAQ index focuses mainly on technology-oriented companies. To avoid overlap, firms listed in both indices were exclusively assigned to the NASDAQ-100 sample, resulting in a final selection of 90 tech firms and 333 non-tech firms from the S&P 500. Importantly, financial and insurance firms were retained in this expanded dataset, based on the assumption that potential sector-specific diversification patterns would balance out within such a large dataset, thus mitigating selection bias.

This larger sample provided enhanced statistical reliability and allowed rigorous testing of diversification differences between technology and non-technology companies. Furthermore, the tech sample of 90 companies also served as the basis for examining the second hypothesis.

Third Approach: Platform Firms from Developed and Emerging Markets

The third analytical step targeted the diversification patterns of platform firms in emerging and developed markets. Platform firms were identified using academic classifications by Evans and Gawer (2016) and Hosseini and Schmidt (2020), ensuring credible and consistent identification of platform firms distinct from general technology companies. The use of those academically recognized sources to identify platform companies ensured that a standardized definition and understanding of platform companies were used. This prevents the grouping from being biased and compiled from different sources.

Two distinct samples were created: 59 platform firms from developed markets (primarily the U.S., Canada, and the EU) and 48 from emerging markets (predominantly China and India). Despite their scale and technological sophistication, this study defines China as an emerging market, following the practice of leading index providers and multilateral organisations (FTSE Russell, 2025; IMF, 2025).

Data availability constrained the size of these samples. Companies in both groups operate within digital ecosystem-driven industries such as e-commerce, fintech, ride-sharing, and social media, featuring well-known firms like Meta, Uber, Alibaba, and Tencent. This targeted comparative approach allowed direct evaluation of diversification differences driven by institutional contexts, directly addressing the third research hypothesis.

Across all three analytical steps, a consistent criterion was maintained: firms were only included if they reported segment revenues by product or business line rather than by geographic region. This requirement significantly impacted the final sample sizes but ensured consistency and comparability, minimizing bias.

3.2 Data Sources and Collection

After defining the samples, relevant data were gathered using financial databases: Wharton Research Data Service (WRDS) for data from U.S. firms and Refinitiv Eikon for data from outside the U.S. for the third hypothesis. Compustat Segments (WRDS) provided comprehensive segment-level revenue data for the fiscal year 2024 for U.S.-based tech and non-tech companies in the first two hypotheses. Comprehensive segment descriptions, segment revenues, and related SIC and NAICS industry codes were all extracted from Compustat's data.

Given that SIC/NAICS codes are not consistently used outside of the United States, Refinitiv Eikon was required for the third hypothesis involving international platform firms. Due to availability limitations, this database used data from the fiscal year 2023 to provide comparable segment-level data sourced from annual reports, financial filings, and analyst reports. To avoid distortions in the calculation of the diversification metric and improve the accuracy and consistency of the analysis, companies that reported negative segment revenues, typically as a result of accounting adjustments or unprofitable activities, were excluded.

3.3 Measures and Operationalization of Diversification

The HHI was used to measure the diversification degree of each firm. This metric was selected because of its ability to capture both segment revenue concentration and diversification breadth simultaneously (Ekerdt & Wu, 2023; Knott & Pasipanodya, 2023). The HHI was calculated for each company as follows:

$$\text{HHI} = \sum_{\{i=1\}}^n (s_i)^2$$

where s denotes the revenue share of each business segment relative to the total company revenue, and n is the total number of reported business segments. An HHI close to 1 indicates high revenue concentration (low diversification), whereas values near 0 indicate extensive diversification.

While the HHI effectively captures the breadth of diversification, it inherently overlooks the strategic relatedness or synergies between segments, which is a limitation. Nevertheless, since this study primarily emphasizes diversification breadth rather than segment relatedness, the HHI remains the most suitable measure.

Segment classifications for U.S. firms were based explicitly on detailed 4-digit SIC and 6-digit NAICS codes, consistent with best practices in diversification literature (Berger & Ofek, 1995; Fort & Klimek, 2016). Identical industry code segments were aggregated to avoid duplication. Both SIC- and NAICS-based HHI values were conducted for each company to verify robustness, and results were found highly consistent, enhancing validity.

For international platform firms (third hypothesis), standardized SIC/NAICS classifications were not available, requiring reliance on firms' self-reported business segments (e.g., "e-commerce," "cloud computing," "digital entertainment") from Refinitiv Eikon. The HHI methodology remained unchanged.

Following firm-level calculations, the mean and median HHI values were examined for each sample to compare the level of diversification across the groups. To prevent biases arising from differences in firm size, the averages were left unweighted, enabling comparisons of

diversification between platform, non-tech, and technology firms. This approach provides the empirical basis required to methodically test the stated research hypotheses.

4. Analyses of results

The three research hypotheses are analyzed in this chapter using statistical techniques to find and assess data patterns. The Mann-Whitney U test and Welch's test were specifically chosen for the hypotheses to ensure validity and robustness due to sample size variations and unequal variances across the samples.

An initial exploratory comparison using the small and balanced Fortune 500 samples was used to test the first hypothesis, which compared technology and non-technology firms. This was followed by an evaluation using expanded samples from the NASDAQ-100 and the S&P 500. A sample of platform firms and the NASDAQ-100 sample were used for the second hypothesis, which sought to distinguish platform firms from general technology firms. The third hypothesis used geographically defined platform firm samples to compare platform firms in developed and emerging markets.

Boxplots, which show the interquartile ranges (IQR) of HHI values, are used to visually represent the levels of diversification based on SIC-codes across samples. The line inside each box represents the median, while "×" denotes the mean. Points that are outside of the whiskers' $1.5 \times$ IQR are outliers.

4.1 Hypothesis 1: Tech vs. Non-Tech Firms

According to the first exploratory analysis for testing hypothesis 1, technology companies are more diversified than non-technology companies. A small, balanced sample of 15 Fortune 500 technology and 15 non-technology companies was used in order to make a preliminary assessment. The HHI was computed based on SIC and NAICS industry codes, revealing average HHI values of approximately 0.774 (SIC and NAICS) for tech firms and around 0.841 (SIC) and 0.839 (NAICS) for non-tech firms. These preliminary findings seemed to confirm theoretical predictions made by the RBV, suggesting that technology companies have an advantage when it comes to scaling intangible assets across a variety of markets. This analysis functioned as an initial benchmark for the ensuing larger-scale analysis due to its exploratory nature and small sample size.

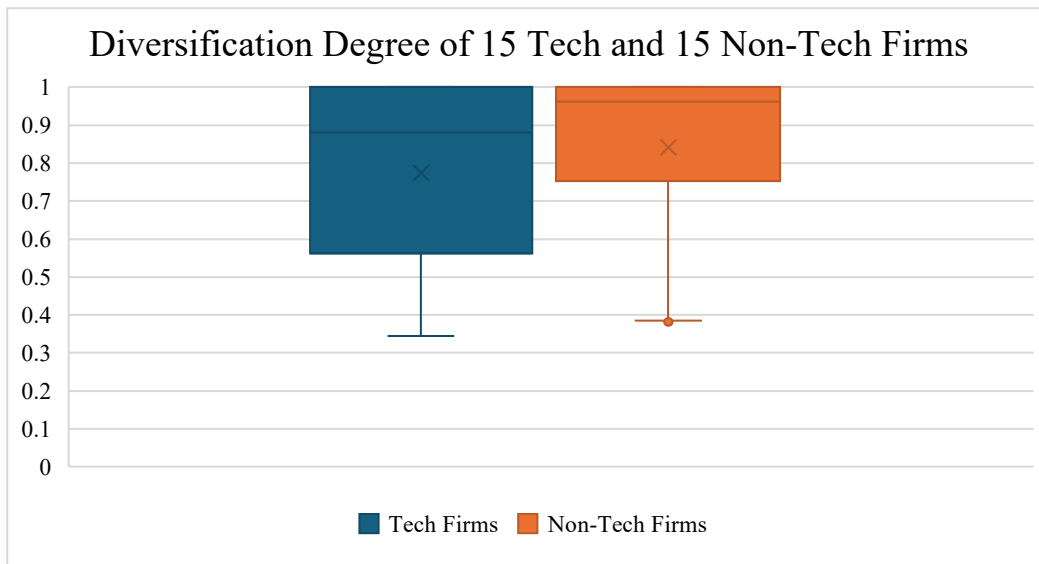


Figure 1: Boxplots of the HHI values of 15 tech and non-tech firms

To overcome the limitations of the small exploratory sample, a significantly larger and statistically robust analysis was conducted using 90 NASDAQ-100 technology firms and 333 non-tech firms from the S&P 500 (see Methodology chapter). The preliminary findings were contradicted by this analysis. With a mean HHI value of 0.926 (SIC and NAICS) and a median of 1, which indicates less diversification, NASDAQ-100 technology companies showed greater revenue concentration. On the other hand, non-tech companies showed greater diversification, as evidenced by their median HHI of 0.973 and mean HHI values of 0.813 (SIC) and 0.806 (NAICS). The boxplot illustrates the significant difference between the two groups, showing that non-tech firms exhibit greater variability in their diversification patterns while tech firms are focused.

A Welch's t-test, chosen due to its robustness to unequal variances and unequal sample sizes, confirmed the statistical significance of this observed difference ($p\text{-value} = 2.0 \times 10^{-5}$). Even though the test assumes normal distribution, the central limit theorem makes it robust for large samples. Despite theoretical predictions that tech firms would diversify more extensively, the empirical findings strongly indicate the opposite.

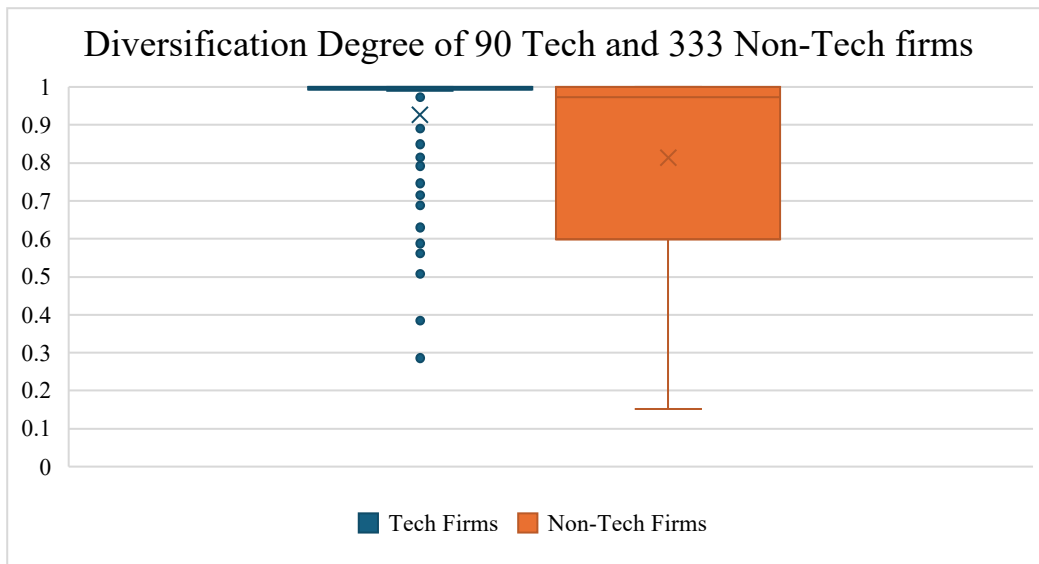


Figure 2: Boxplots of the HHI values of 90 tech and 333 non-tech firms

Consequently, Hypothesis 1 is rejected, suggesting that strategic constraints or managerial complexities limit diversification within tech-intensive industries. This finding encourages more research into the strategic elements influencing diversification strategies, which are covered in the Discussion chapter.

4.2 Hypothesis 2: Platform Firms vs. Tech Firms

Using scholarly classifications from Evans and Gawer (2016) and Hosseini and Schmidt (2020), a sample of 57 platform firms was built and compared to the sample of 90 NASDAQ-100 technology firms for the second hypothesis. It was anticipated that platform companies would show greater diversification due to their distinctive ecosystem-driven business models, that emphasise multi-sided markets, network effects, and third-party innovations.

In contrast, platform and general technology firms showed a similar degree of revenue concentration: the mean HHI values for platforms were 0.921 (based on SIC) and 0.918 (based on NAICS), while the mean HHI values for general tech firms were 0.926 (based on SIC and NAICS), with a median of 1.0 for both groups. Given moderate sample sizes and the non-normal distribution, a Mann–Whitney U test was selected for statistical validation. The resulting U-value (2542.5) was close to the expected mean under the null hypothesis, with a non-significant p-value considerably above 0.05. Consequently, no statistically significant difference was detected. The minor difference in the means is likely attributable to random variation within the sample.

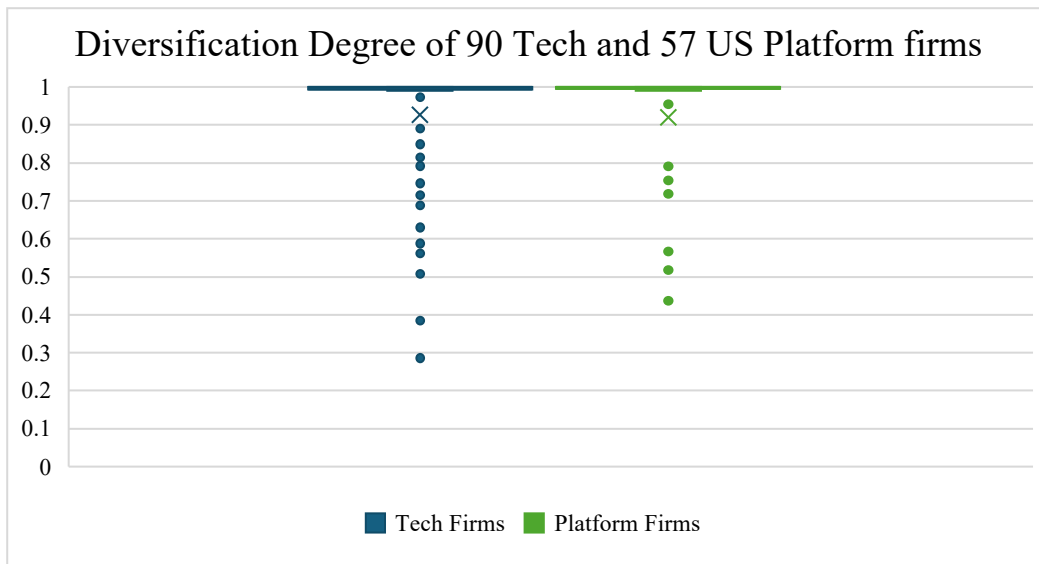


Figure 3: Boxplots of the HHI values of 90 tech and 57 platform firms

This finding challenges the assumption that platform characteristics naturally promote wider diversification, even though it is statistically insignificant. It provides a complex viewpoint that merits more investigation.

4.3 Hypothesis 3: Emerging vs. Developed Market Platform Firms

The segment data, extracted from Refinitiv Eikon, was used to examine the differences in diversification degrees between platform firms from emerging and developed markets. Based on the platform samples from Evans & Gawer (2016) and Hosseini & Schmidt (2020), 59 companies from developed markets and 48 from emerging markets were contrasted.

Results suggested greater diversification among emerging-market firms (median HHI = 0.632, mean = 0.672) compared to their developed-market counterparts (median = 0.812, mean = 0.756). However, the Mann–Whitney U test indicated no statistically significant difference at the 5% level ($U = 1121.5$, $z = -1.57$, $p\text{-value} \approx 0.116$). Nevertheless, the descriptive statistics and visual trends indicate a consistent pattern: platform firms from emerging markets appear to be more diversified.

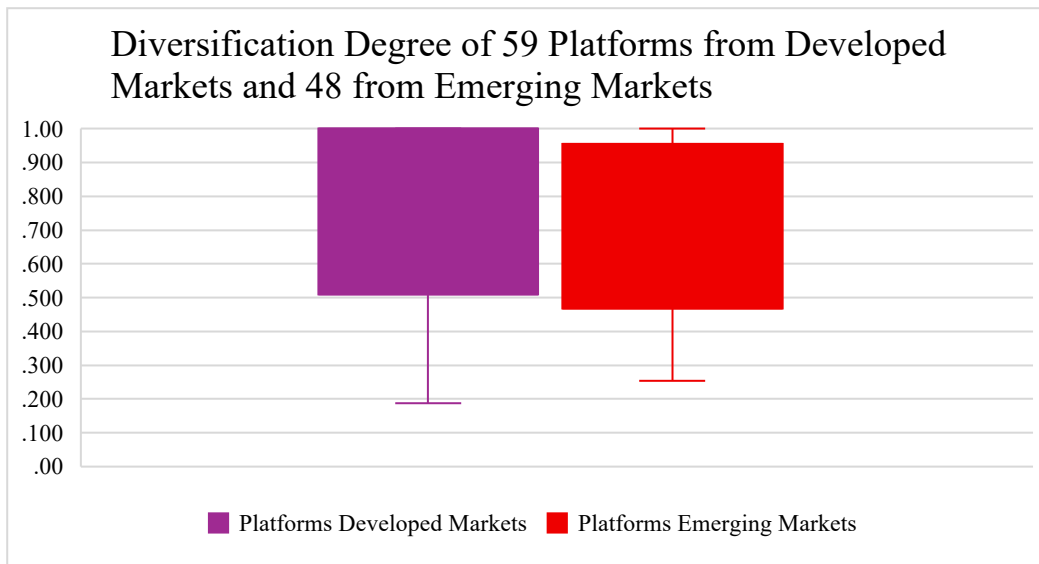


Figure 4: Boxplots of the HHI values of 59 platforms from developed markets and 48 platforms from emerging markets

Although these results do not support Hypothesis 3, they do show an analytically notable trend that is in line with institutional theory, indicating that platform firm diversification strategies may be indirectly influenced by regional contexts. In the Discussion chapter, limitations and implications for future research will be highlighted to further examine the conflict between statistical insignificance and observed substantive trends.

	Sample	Source	Outcome	Outcome
H1	15 tech vs. 15 non-tech companies	Fortune 500; WRDS	Tech firms being more diversified.	Accepted (not significant)
H1	90 tech vs. 333 non-tech firms	NASDAQ 100 vs. S&P 500; WRDS	Tech firms being less diversified.	Rejected (significant)
H2	90 tech vs. 57 platform firms	NASDAQ 100 vs. CGE Report ¹ & MIT Platforms ² ; WRDS	Both groups highly concentrated.	Rejected (not significant)
H3	48 EM vs. 59 DM platforms	CGE Report ¹ & MIT Platforms ² ; Refinitiv Eikon	Emerging market platform firms are more diversified.	Accepted (not significant)

Table 1: Summary of the research results

¹ CGE = Center for Global Enterprise Report (Evans & Gawer, 2016)

² MIT Platforms = MIT Platform Ranking (Hosseini & Schmidt, 2020)

5. General Discussion

5.1 Interpretation of Key Findings

The empirical results of this study offer insights into how diversification manifests in the digital era, contradicting some expectations. In summary, three main findings emerged:

- Contrary to the RBV and other arguments that would suggest the asset-light tech industry is more diversified; technology firms are significantly less diversified than non-tech firms.
- Although platform firms have a different business model from other tech firms, they do not exhibit significantly different levels of diversification.
- As can be deduced from the theory, platform companies from emerging markets are more diversified than platform companies from developed markets. Even if the data situation does not allow statistically significant statements to be made.

H1: Technology vs. Non-Technology Firms

Technology firms were found to have more concentrated business activities than non-technology firms, which contradicts the initial hypothesis. RBV and scalable and intangible assets justified the hypothesis of market expansion at low marginal costs (Montgomery, 1994; Penrose, 1959; Wernerfelt, 1984). Tech companies, however, tend to stay focused, suggesting that having the ability to diversify does not always translate into diversification in practice. Focusing on and strengthening the core products and platforms is preferred over spreading. Strong network externalities and winner-takes-all dynamics are common in the technology sector, where controlling a key product or platform generates disproportionate profits. Furthermore, considering the industry's high demand for specialized knowledge and quick innovation cycles, diversification is probably discouraged by the risks and difficulties of managing diverse units in fast-paced tech markets (Borah et al., 2018). The response of the capital market (“diversification discount”) is another explanation why tech companies diversify less (Pan et al., 2018).

This finding implies that real-world managerial and market constraints outweigh the theoretical scalability of tech resources, forcing companies to adopt more specialized scopes. This

emphasizes how crucial context is. This finding's strong statistical significance confirms that the pattern is robust and leads to a re-examination of RBV predictions in the tech context.

H2: Platforms vs. General Tech Firms

The second key finding is that platform firms did not differ significantly in diversification from other tech firms, despite expectations based on network effects and ecosystem expansion, which suggest they could easily add complementary services to their platform ecosystem. (Cusumano et al., 2019; Evans & Schmalensee, 2016). There was no statistically significant variation in diversification, according to the analysis. On average, both groups showed high revenue concentration.

Platform diversification usually builds on existing user communities and core competencies rather than entirely new capabilities (Chung et al., 2025). One interpretation is that successful digital platforms tend to diversify by deepening their existing ecosystems rather than expanding into unrelated industries. For example, a social media platform like Meta might add new features to its platform or even acquire new social media platforms instead of diversifying into new business segments. Despite the underlying variety in offerings, these expansions are incremental and integrated, and companies may report them within a single broad segment, which could lead to a high HHI. The relatively low level of diversification among tech and platform companies suggests that the impact of their business models on strategic diversification may have been overestimated. The unique characteristics of platform companies do not appear to impact diversification.

The result suggests that rather than diversifying across multiple separate businesses, platforms may grow by increasing engagement in a single interconnected domain. This finding calls for a reconsideration of the concept of diversification in the platform context, where depth and ecosystem control may outweigh the transferability of intangible assets to new business areas.

H3: Emerging vs. Developed Market Platforms

The third finding was consistent with the hypothesis of emerging markets platforms being more diversified than platforms that are based in developed markets. As no statistical significance at the 5% level was reached ($p = 0,116$), there needs to be caution when concluding. Despite the

lack of significance, the pattern is suggestive and aligns with theoretical expectations (Khanna & Palepu, 1997; Wan & Hoskisson, 2003).

In the context of platform companies, a "super app" or multi-service ecosystem satisfies numerous needs under a single corporate umbrella. This is seen in Asia with companies that span multiple services, such as WeChat, Grab, or Gojek. In addition to gaining competitive advantages unavailable to more focused players, this integration of various services can address market inefficiencies (Khanna & Palepu, 1997).

The lack of statistical significance in comparing platform firms from developed and emerging markets can be attributed primarily to two factors: substantial variance within both groups and relatively small sample sizes (59 developed-market platforms versus 48 emerging-market platforms), limiting statistical power. Nevertheless, the observed trends remain analytically insightful and suggest institutional contexts influence diversification strategies. Platform firms in less mature markets appear to adopt more conglomerate-like structures compared to those in developed economies, highlighting that strategic choices are context-dependent.

Alternatively, the absence of statistically significant differences might indicate structural convergence driven by inherent characteristics of digital platforms, such as network effects and scalable infrastructures, which constrain diversification regardless of the institutional environment. Within-group heterogeneity further complicates the analysis, as illustrated by firms like Trip.com, which maintains a narrow travel-sector focus, contrasted against Alibaba's broad diversification across e-commerce, cloud services, and media. Similarly, developed-market platforms also vary considerably, exemplified by Netflix's specialization in streaming entertainment versus Uber's expansion into multiple business segments.

It would also be interesting to analyse cultural and political influences on corporate diversification. Customers and political players in developing markets might prefer large conglomerates instead of specialised platforms.

5.2 Theoretical Implications

The conclusions have several theoretical implications, especially when it comes to elements of the RBV, platform ecosystem literature, and institutional theory in relation to strategy.

Revisiting the Resource-Based View in Tech and Platform Firms

According to the RBV, businesses can take advantage of excess resources or capabilities when diversifying into new markets. Therefore, businesses with highly scalable resources, like tech firms, will seek a wider scope to maximize those assets (Montgomery, 1994; Penrose, 1959; Wernerfelt, 1984; Prahalad & Hamel, 1990). However, according to the data in Hypothesis 1, tech companies do not seem to take advantage of their scalable intangible assets. Tech firms face a heightened diversification discount, and capital markets penalize diversification (Borah et al., 2018). The RBV should be adjusted to serve as a valuable theory in the context of tech firms. RBV emphasizes exploiting resources in new markets, but in tech and especially for platforms, the priority for a firm might be to entrench its core product to capture network effects and preclude rivals, rather than divert resources to secondary arenas.

In summary, being specialized in core competencies may now be a more viable and profitable strategy than broad diversification for high-tech enterprises. In theoretical terms, this calls for an updated understanding of RBV, one that incorporates how digital scale and market feedback constrain diversification. The classic RBV argument that firms expand scope to utilize resources should be tempered by the realization that the value of those resources might be maximized by intensive use in a narrow scope.

Revisiting Platform Ecosystems and Diversification Strategy

The absence of a difference in the degree of diversification between platform and non-platform tech firms in Hypothesis 2 challenges assumptions in platform theory. Network effects and the modular architecture of platforms do not appear to favor company diversification to the extent that significantly more platform companies diversify (Gawer & Cusumano, 2014; Evans & Schmalensee, 2016; Cusumano et al., 2019). The empirical findings suggest that structural advantages may be overstated.

Platform managers often choose to concentrate on cultivating a dominant position in their primary market, achieving a critical mass of users and capabilities, before considering major expansions. Managing expansion is not easy, and diversifying firms may face governance issues, quality control problems, and internal conflicts (Cennamo, 2021). Such diversification may result in cannibalization within the platform, as illustrated by the Uber case (Chung et al., 2025). Many platform companies might thus opt to remain lean and specialized in what they do best rather than risk overextension. Platform theory should account for an optimal scope.

In summary, this research suggests that platform scholars should refine assumptions about scope: the “platform advantage” might lie more in depth and network density than in breadth of business lines. Theoretical frameworks like ecosystem-driven diversification need to explicitly consider the limits of diversification, which can counteract the impetus to diversify widely.

Revisiting Institutional Theory and Emerging Markets Strategy

The comparison of emerging vs. developed market platform firms (Hypothesis 3), while not statistically definitive, aligns with and enriches institutional theory in strategic management. Institutional theory posits that in environments with weak institutions, firms adopt broader scope as a substitute for missing market functions (Wan & Hoskisson, 2003; Guillén, 2000; Khanna & Palepu, 1997). The observed trend, emerging-market platforms being more diversified on average, is consistent with this view and thus lends support to the applicability of institutional theory even in the context of cutting-edge digital businesses.

The absence of a strong statistical difference does not disprove institutional theory but suggests that other factors, such as access to global capital and the adoption of Western best practices, may reduce diversification pressure in emerging markets. Meanwhile, mature platform firms in developed markets, like Amazon, often diversify as growth slows in their core domains, blurring predicted contrasts. Institutional pressures are not fixed but evolve with market development (Khanna & Palepu, 1999; Selçuk, 2015). This supports a more contingency-based view. Diversification strategies depend on the institutional, societal, political and cultural context. What is optimal in Silicon Valley may differ from what works in Southeast Asia.

Lastly, bridging back to the RBV discussion, it is intriguing to note that emerging-market platforms perhaps realize the RBV ideal of leveraging resources across businesses more than

developed-market platforms do. This might be because in their context, doing so is not only internally efficient but externally necessary. Thus, institutional theory and RBV can be seen as complementary: RBV tells us diversification is attractive when you have resources to spare, and institutional theory tells us when it is imperative due to external conditions. The evidence suggests both theories find their place depending on context, a useful insight for scholars aiming to build more holistic models of diversification strategy.

5.3 Managerial Implications

From a practical standpoint, these findings carry important lessons for executives in technology and platform companies, as well as for those operating in emerging markets. Managers must carefully calibrate diversification decisions, as the study highlights that more diversification is not always better, especially in fast-evolving tech sectors, and that the strategic rationale for diversification can differ by environment.

Caution for Technology Firm Managers

Diversification should not be approached impulsively or under the mistaken belief that abundant tech resources guarantee success across all industries. The evidence shows that tech firms, on average, are less diversified. While it may be tempting to use proprietary technology or big data in new markets, such actions could have negative consequences if they overload the company or confuse investors. Shareholders penalize tech companies that become overly diverse due to scepticism about the ability of management to oversee a range of operations in a high-tech environment effectively (Borah et al., 2018). Managers should only pursue diversification when there is a clear strategic fit and should communicate that rationale transparently to stakeholders.

In tech, focus beats breadth. Leading in one domain can be more valuable than being average in many, especially in a winner-takes-all environment. Tech executives might consider strategies such as incremental or modular diversification, e.g., adding a new module or service that builds on the existing platform.

In short, the default stance for tech firm managers should be one of caution, focusing on core competencies, and only expanding scope when a clear, sustainable advantage exists. This avoids pitfalls that have historically plagued over-diversified conglomerates, and it aligns with what can be observed among many successful tech giants, who often derive the bulk of their revenue from a single cash-cow product or platform.

Implications for Platform Growth

While network effects and user ecosystems offer opportunities, platform diversification should be guided by strategic intent, not assumed as a natural outcome. Managers must evaluate

whether new ventures genuinely complement the core platform and whether organizational capabilities are sufficient to support them.

Managers need to guard against internal conflicts and platform cannibalization. As highlighted, when Uber expanded into food delivery, it encountered tensions with its original ride-hailing operations. Platform leaders should consider how the new activity impacts existing ecosystems. Governance mechanisms and conflict mitigation strategies are essential if a platform expands its scope (Chung et al., 2025).

Another implication for platform managers is the value of partnerships and ecosystem orchestration as an alternative to outright diversification. As platforms leverage third-party innovation, they have the option to facilitate a new service on their platform without owning it fully. For instance, rather than building a payment service internally, a ride-sharing platform could integrate an existing fintech provider. This way, the platform extends its user offering but avoids having to manage an entirely new business division. Such an approach can keep the platform's structure lean and focused.

Strategies for Emerging Markets

For business leaders in emerging markets who run platform enterprises or tech firms, diversification can be a necessary strategy when faced with institutional voids. The trend of emerging-market platforms being more diversified suggests that executives in these markets must work across multiple industries to succeed. Those operating in countries with underdeveloped financial systems, talent shortages or infrastructure weaknesses should view diversification as a means of overcoming these challenges. According to institutional theory (Khanna & Palepu, 1997), using diversification to create internal markets and capabilities that substitute for missing external ones is encouraged.

Platforms like Grab or Alibaba combine services like payments, e-commerce, and transportation to deliver convenience to customers and lock in their loyalty while compensating for the fact that consumers might not have easy alternatives for those services individually. Executives should remain cognizant that the institutional landscape can change. As countries develop, some voids will be filled by improving institutions or by specialized entrants. Diversification that was once advantageous could become a burden if it's no longer needed, and yet still consumes company resources. Thus, a savvy emerging-market manager will

periodically review the firm's portfolio and be willing to divest or consolidate segments that no longer confer the advantages they once did.

5.4 Limitations and Future Research

While this study provides novel insights, it is not without limitations. These limitations offer opportunities for future research to extend and refine the understanding of corporate diversification in the digital era.

Diversification Measure - HHI

The HHI was used to measure diversification based on business segment revenues. While it captures the degree of concentration, it does not provide insights about the relatedness or strategic fit between the segments. A firm with two very dissimilar businesses and a firm with two synergistically related businesses could have the same HHI, yet their diversification meaning and performance implications would differ. This is important because prior research shows related diversification outperforms unrelated diversification (Rumelt, 1974; Rumelt, 1982; Montgomery, 1994).

Measures of relatedness, such as categorical definitions or textual analysis techniques, should be included in future research to determine how similar a firm's segments are. By doing this, researchers could investigate whether tech or platform companies prefer related diversification over unrelated moves and how that relates to results.

Inconsistencies in Segment Reporting

Data collection revealed that firms' segment reporting practices are not uniform, especially across different countries. In emerging markets, disclosure standards can differ, and some firms report minimal segment information.

Refinitiv Eikon was used for non-U.S. companies' segment data, and while it provided coverage, it relies on self-reported segments and differs systematically from the SIC/NAICS segmentation. This limitation means that the HHI measures for Hypothesis 3 (developed and emerging market platform firms) are not comparable to those of the first two hypotheses. Researchers should be aware of these reporting discrepancies and possibly seek alternative data sources to cross-verify diversification measures.

Static Snapshot of Data

The analysis is essentially a cross-sectional snapshot of diversification levels in 2023/2024. Large firms were selected from certain indices, built samples, and looked at their average diversification level at that point in time. This static approach does not capture how diversification strategies evolve or the direction of trends. However, for this study, focusing on a single year was justified, as it allowed us to use the most recent data available while examining phenomena (platform and modern tech firms) that are relatively recent in their emergence. Incorporating significantly older data might have introduced distortions, given the fast-evolving nature of these business models.

A longitudinal design that looks at diversification over years or decades should be considered in future studies. It may be possible to determine whether the gaps are growing, closing, or varying with economic cycles using a panel dataset. Additionally, the study of causality and sequencing would be possible by longitudinal analysis. Furthermore, a time-based study might link shifts in institutional conditions to shifts in diversification. Adding several time points would strengthen conclusions and help to identify one-year anomalies.

Lack of Performance Outcomes

This study deliberately did not examine performance outcomes related to diversification. The goal was a comparative description rather than a normative assessment of “good” or “bad.” As a result, it cannot be concluded how diversification (or lack thereof) impacts firm performance in the samples. The thesis is highly relevant, even if no direct performance comparisons and statements can be made. The causalities in the free economy are difficult to interpret for large macro trends due to the lack of ideal control groups. Due to the limited data set and the scope of the thesis, an observation of the degree of diversification seemed more meaningful than a performance component.

Including a performance link would be interesting, and metrics like profitability, shareholder returns, and growth rates could deliver insights. Prior literature has debated this extensively, with findings of both diversification discounts and premiums under different conditions. For tech and platform firms, this question remains open and important, as the results hint at strategic choices but not their payoffs. Additionally, performance analysis could explore risk and

resilience. Future analysis might reveal whether there is an optimal level of diversification for platform firms, an inverted U-shape, as seen for general firms (Palich et al., 2000).

Sample Coverage and Bias

The sampling strategy, while comprehensive in including major indices and global lists, inherently focused on large, established companies (e.g., Fortune 500, S&P 500, NASDAQ-100). This could introduce bias, as smaller firms and startups are not represented in prominent indices or lists.

Additionally, although the overall dataset was large, the statistical testing of some hypotheses, especially the third comparing platform firms from emerging and developed markets, was limited by sample size constraints. It was difficult to collect a sufficiently large and unbiased sample of platform firms from emerging markets. Achieving statistical significance was therefore challenging, and it was an ongoing trade-off between increasing the number of firms and avoiding sample bias. Including firms based only on subjective judgment or expanding the dataset with very small or young platforms would likely skew the results, as such firms may seem undiversified, not due to strategic choice but simply because of their early development stage. The numbers of the different samples could not be expanded without adding more sources or increasing subjectivity.

Future studies should strive to maintain objective selection criteria while expanding sample sizes, particularly for underrepresented firm types. Additionally, broadening the sample to encompass a greater variety of firm sizes and ages would enrich the discussion and allow for a more thorough examination of whether the findings apply to a larger group of businesses. It would shed light on the open question of whether younger or rapidly expanding businesses diversify more or less than more established ones, which is related to the life-cycle theory of diversification.

Classifications of “Tech” and “Platform”

A conceptual limitation is the potential ambiguity in the classification of firms into tech, non-tech, and platform categories. The boundaries of these categories are increasingly blurred. Many “traditional” companies are adopting digital technologies and platform-like strategies.

Even though reputable sources were used (e.g., S&P 500, NASDAQ-100, and academic sources), there is still judgment involved.

The criteria for these categories should be improved in future studies, or continuums rather than binary options should be investigated. For instance, instead of using "tech vs. non-tech," one could assign each company a "tech intensity" score based on factors like R&D expenditures, the percentage of intangible assets, or the percentage of software engineers working for them. In a similar vein, platforms can be recognized by their business model's inclusion of multifaceted market dynamics. Furthermore, classification will get even more complicated as new kinds of digital businesses appear. Scholars ought to remain aware of the changing definitions used to classify businesses. The accuracy of comparative studies will increase with the clarification of these definitions.

Hypothesis three in particular (comparison of diversification between emerging and developed markets) could be the starting point for future research to investigate the influence of cultural dimensions and political interests. Customers or political players in countries such as India or China may be demanding greater diversification of platform companies

Addressing these constraints will open new research paths. The phenomenon of tech and platform diversification is continually evolving. Future studies can build on this work and change the methods, such as longitudinal data, sample size, and integrated performance analysis. As technology companies grow and platform ecosystems expand further, it will be valuable to explore whether the observed trends persist or change in the coming years. More in-depth research is needed to examine the ambiguities and trends identified in this thesis. The insights gained help to bridge the gap between traditional corporate strategy frameworks and the new realities faced by businesses in the digital economy of the 21st century.

6. Conclusion

With an emphasis on platform companies, this thesis examined trends in corporate diversification in the technology industry. The study adds to current discussions in strategic management regarding how and why businesses diversify, as well as whether traditional theories still apply in the digital economy, by conducting a comparative analysis across various firm types and geographical areas.

The first significant finding challenges accepted theoretical knowledge. It was discovered that technology companies, which are frequently thought to be more diversified because of their flexible capabilities and scalable intangible assets, were less diversified than non-technology companies. The RBV, which stresses the reusability and leverage of technological resources across business domains, is challenged. It reflects the winner-take-all nature of tech markets, where diversification may not be as effective as intense concentration in a single area.

The lack of a statistically significant difference in diversification between platform firms and general technology firms is the thesis's second main finding. Platforms do not naturally diversify more than their tech peers, despite theoretical assertions that platform models should promote ecosystem growth and diversification. Instead of branching out into unrelated markets, platform companies seem to place more emphasis on depth within their ecosystem by providing services that are closely related to their core value proposition.

Lastly, by contrasting platform companies in developed and emerging markets, the study investigated regional variation. The findings imply that platform companies in emerging markets are typically more diversified. This result is consistent with institutional theory, which holds that businesses in developing nations frequently diversify to make up for their underdeveloped markets and weak institutions. The directional trend and theoretical support offer a basis for further research, even though the diversification difference was not statistically significant.

By pointing out the shortcomings of current diversification frameworks when applied to modern digital firms, the thesis makes a theoretical contribution. The results advocate for a more context-sensitive definition of diversification that takes into consideration industry-specific elements such as the strategic limitations of digital ecosystems and the maturity of institutional environments.

Diversification isn't always a good growth strategy. Rather, strategic focus may be more valuable, particularly in digital markets that are highly competitive. Diversification provides platform companies in emerging markets strategic opportunities and risk mitigation, but managers must exercise caution when pushing their capabilities too far.

Additionally, the study has several limitations that should guide future investigations. The HHI is used to measure the extent of diversification but does not account for the strategic coherence of business segments. Furthermore, the analysis is static and cross-sectional, concentrating on the most recent data from 2023–2024. Future research should examine longitudinal trends and possible performance implications of diversification. There is a need for classification efforts and locating adequately large and balanced samples, particularly for platform firms in emerging markets.

This thesis concludes by emphasising that traditional perspectives alone are insufficient to comprehend diversification strategy in the digital age. Platform and technology companies work in distinct environments, and the way they diversify reflects a complicated interaction between institutional context, industry logic, and strategic intent.

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Appendices

Sample Composition

HI (small sample): 15 Tech vs. 15 Non-Tech Firms (Fortune 500)

Technology Firms	Revenue Share	HHI	Overall HHI:
ADOBE INC	1,22%	1	0,77409107
518210	100,00%		
ALPHABET INC	19,88%	0,989428429	
423690	0,47%		
518210	99,47%		
0,06%			
APPLE INC	22,21%	1	
334220	100,00%		
BOOKING HOLDINGS INC	1,35%	1	
561510	100,00%		
CDW CORP	1,19%	0,791669502	
423430	88,19%		
518210	11,81%		
0,00%			
CISCO SYSTEMS INC	3,06%	1	
334118	100,00%		
DELL TECHNOLOGIES INC	10,04%	0,880872204	
334111	93,64%		
513210	6,35%		
0,01%			
HEWLETT PACKARD ENTERPRISE	1,71%	0,346115159	
334111	52,88%		
334210	14,94%		
518210	17,17%		
522299	11,65%		
523999	3,37%		
HP INC	3,04%	0,561494707	
334111	67,58%		
334118	32,37%		
533110	0,05%		
0,00%			
INTL BUSINESS MACHINES CORP	3,56%	0,345074899	
334111	22,34%		
518210	43,16%		
522299	1,14%		
541519	32,97%		
0,39%			
META PLATFORMS INC	9,34%	0,974249344	
513210	1,30%		
519290	98,70%		
MICROSOFT CORP	13,92%	0,566905376	
513210	68,29%		
519290	31,71%		
ORACLE CORP	3,01%	0,718730349	
33411	5,79%		
513210	83,96%		
541519	10,25%		
SALESFORCE INC	3,96%	1	
513210	100,00%		
UBER TECHNOLOGIES INC	2,50%	0,436826154	
485310	57,04%		
519290	31,27%		
541614	11,69%		
0,00%			
Grand Total	100,00%		

Figure 5: Calculation of the HHI values of 15 tech firms based on NAICS codes

15 Technology Firms	Revenue Share	HHI value	Overall HHI:
ADOBE INC	1,22%	1	0,77409107
7370	100,00%		
ALPHABET INC	19,88%	0,98942843	
5065	0,47%		
7370	99,47%		
0,06%			
APPLE INC	22,21%	1	
3663	100,00%		
BOOKING HOLDINGS INC	1,35%	1	
4724	100,00%		
CDW CORP	1,19%	0,7916695	
5045	88,19%		
7374	11,81%		
0,00%			
CISCO SYSTEMS INC	3,06%	1	
3576	100,00%		
DELL TECHNOLOGIES INC	10,04%	0,8808722	
3571	93,64%		
7372	6,35%		
0,01%			
HEWLETT PACKARD ENTERPRISE	1,71%	0,34611516	
3571	52,88%		
3661	14,94%		
6159	11,65%		
6799	3,37%		
7370	17,17%		
HP INC	3,04%	0,56149471	
3571	67,58%		
3577	32,37%		
6794	0,05%		
0,00%			
INTL BUSINESS MACHINES CORP	3,56%	0,3450749	
3571	22,34%		
6159	1,14%		
7370	43,16%		
7379	32,97%		
0,39%			
META PLATFORMS INC	9,34%	0,97424934	
7372	1,30%		
7375	98,70%		
MICROSOFT CORP	13,92%	0,56690538	
7372	68,29%		
7375	31,71%		
ORACLE CORP	3,01%	0,71873035	
3570	5,79%		
7372	83,96%		
7379	10,25%		
SALESFORCE INC	3,96%	1	
7372	100,00%		
UBER TECHNOLOGIES INC	2,50%	0,43682615	
4121	57,04%		
4731	11,69%		
7375	31,27%		
0,00%			
Grand Total	100,00%		

Figure 6: Calculation of the HHI values of 15 tech firms based on SIC codes

Non-Technology Firms	Revenue Share	HHI	Overall HHI:
⊙ CARDINAL HEALTH INC	8,64%	0,86066487	0,83893184
339112	1,99%		
423450	5,46%		
424210	92,59%		
	0,04%		
⊙ COMCAST CORP	4,71%	0,38444031	
512110	6,33%		
516120	18,96%		
516210	57,71%		
517111	7,82%		
713110	6,96%		
	2,21%		
⊙ COSTCO WHOLESALE CORP	9,69%	1	
455211	100,00%		
⊙ ELEVANCE HEALTH INC	6,68%	0,75274573	
621	1,95%		
456110	12,92%		
524114	85,77%		
	0,68%		
⊙ FEDEX CORP	3,34%	0,7457674	
484122	10,36%		
488510	3,69%		
488999	0,30%		
492110	85,65%		
⊙ FORD MOTOR CO	7,05%	0,43930395	
336110	36,17%		
336310	55,10%		
336320	2,08%		
522220	6,64%		
	0,00%		
⊙ HOME DEPOT INC	11,63%	1	
444110	100,00%		
⊙ JOHNSON & JOHNSON	3,38%	0,53995106	
325412	64,13%		
339113	35,87%		
	0,00%		
⊙ KROGER CO	11,43%	0,97150548	
445110	98,55%		
541850	1,45%		
⊙ MARATHON PETROLEUM CORP	5,29%	0,92795106	
324110	96,26%		
486110	3,74%		
	0,00%		
⊙ NVIDIA CORP	4,64%	1	
334413	100,00%		
533110	0,00%		
⊙ PHILLIPS 66	5,45%	0,99951113	
324110	99,98%		
325110	0,00%		
	0,02%		
⊙ TARGET CORP	8,19%	1	
455219	100,00%		
⊙ VALERO ENERGY CORP	4,72%	1	
324110	101,85%		
325193	2,92%		
	4,78%		
⊙ VERIZON COMMUNICATIONS INC	5,14%	0,96213654	
517112	98,07%		
	1,93%		
Grand Total	100,00%		

Figure 7: Calculation of the HHI values of 15 non-tech firms based on NAICS codes

Non-Technology Firms	Revenue Share	HHI	Overall HHI:
⊙ CARDINAL HEALTH INC	8,64%	0,86066487	0,84123966
3841	1,99%		
5047	5,46%		
5122	92,59%		
	0,04%		
⊙ COMCAST CORP	4,71%	0,38444031	
4813	7,82%		
4833	18,96%		
4841	57,71%		
7812	6,33%		
7996	6,96%		
	2,21%		
⊙ COSTCO WHOLESALE CORP	9,69%	1	
5399	100,00%		
⊙ ELEVANCE HEALTH INC	6,68%	0,75274573	
5961	12,92%		
6324	85,77%		
8000	1,95%		
	0,64%		
⊙ FEDEX CORP	3,34%	0,38176582	
4213	10,36%		
4215	39,06%		
4513	46,59%		
4731	3,69%		
4789	0,30%		
⊙ FORD MOTOR CO	7,05%	0,83792289	
3711	91,27%		
3714	2,08%		
6141	6,64%		
	0,00%		
⊙ HOME DEPOT INC	11,63%	1	
5211	100,00%		
⊙ JOHNSON & JOHNSON	3,38%	0,53995106	
2834	64,13%		
3842	35,87%		
	0,00%		
⊙ KROGER CO	11,43%	0,97150548	
5411	98,55%		
7310	1,45%		
⊙ MARATHON PETROLEUM CORP	5,29%	0,92795106	
2911	96,26%		
4612	3,74%		
	0,00%		
⊙ NVIDIA CORP	4,64%	1	
3674	100,00%		
6794	0,00%		
⊙ PHILLIPS 66	5,45%	0,99951113	
2865	0,00%		
2911	99,98%		
	0,02%		
⊙ TARGET CORP	8,19%	1	
5331	100,00%		
⊙ VALERO ENERGY CORP	4,72%	1	
2869	2,92%		
2911	101,85%		
	4,78%		
⊙ VERIZON COMMUNICATIONS INC	5,14%	0,96213654	
4812	98,07%		
	1,93%		
Grand Total	100,00%		

Figure 8: Calculation of the HHI values of 15 non-tech Firms based on SIC codes

HHI (large sample): 90 Tech (NASDAQ-100) vs. 333 Non-Tech (S&P 500)

Tech Firms	HHI (SIC)	HHI (NAICS)
ADOBE INC	1	1
ADVANCED MICRO DEVICES	1	1
AIRBNB INC	1	1
ALPHABET INC	0,989428429	0,98942843
AMERICAN ELECTRIC POWER CO	0,994135334	0,95209032
AMGEN INC	1	1
ANALOG DEVICES INC	1	1
ANSYS INC	1	1
APPLE INC	1	1
APPLIED MATERIALS INC	1	1
APPROVIN CORP	1	1
ARM HOLDINGS PLC	1	1
ASML HOLDING NV	1	1
ATLASSIAN CORP	1	1
AUTODESK INC	1	1
AUTOMATIC DATA PROCESSING	0,56151439	0,56151439
AXON ENTERPRISE INC	1	1
BAKER HUGHES CO	0,507582336	0,50758234
BIOGEN INC	1	1
BOOKING HOLDINGS INC	1	1
BROADCOM INC	0,513961155	0,51396116
CADENCE DESIGN SYSTEMS INC	1	1
CDW CORP	0,791669502	0,7916695
CHARTER COMMUNICATIONS INC	1	1
CINTAS CORP	0,629791587	0,62979159
CISCO SYSTEMS INC	1	1
COGNIZANT TECH SOLUTIONS	1	1
COMCAST CORP	0,384440305	0,38444031
COPART INC	1	1
COSTAR GROUP INC	1	1
COSTCO WHOLESALE CORP	1	1

CROWDSTRIKE HOLDINGS INC	1	1
CSX CORP	0,890645319	0,89064532
DATADOG INC	1	1
DEXCOM INC	1	1
DIAMONDBACK ENERGY INC	1	1
DOORDASH INC	1	1
ELECTRONIC ARTS INC	1	1
EXELON CORP	1	1
FORTINET INC	1	1
GE HEALTHCARE TECHNOLOGI INC	0,994727005	0,99472701
GILEAD SCIENCES INC	1	1
GLOBALFOUNDRIES INC	1	1
HONEYWELL INTERNATIONAL INC	0,286098313	0,28609831
IDEXX LABS INC	1	1
INTEL CORP	1	1
INTUIT INC	0,812236795	0,81223679
INTUITIVE SURGICAL INC	1	1
KLA CORP	0,898525362	0,89852536
KRAFT HEINZ CO	1	1
LAM RESEARCH CORP	1	1
LULULEMON ATHLETICA INC	1	1
MARRIOTT INTL INC	1	1
MARVELL TECHNOLOGY INC	1	1
MERCADOLIBRE INC	1	1
META PLATFORMS INC	0,974249344	0,97424934
MICROCHIP TECHNOLOGY INC	0,973304448	0,97330445
MICRON TECHNOLOGY INC	1	1
MICROSOFT CORP	0,566905376	0,56690538
MICROSTRATEGY INC	1	1
MONDELEZ INTERNATIONAL INC	1	1
MONGODB INC	1	1
MONSTER BEVERAGE CORP	0,848997549	0,84899755
NETFLIX INC	1	1

NVIDIA CORP	1	1
NXP SEMICONDUCTORS NV	1	1
O'REILLY AUTOMOTIVE INC	1	1
OLD DOMINION FREIGHT	1	1
ON SEMICONDUCTOR CORP	1	1
PACCAR INC	0,587511673	0,58751167
PALANTIR TECHNOLOG INC	1	1
PALO ALTO NETWORKS INC	1	1
PAYCHEX INC	1	1
PAYPAL HOLDINGS INC	1	1
QUALCOMM INC	0,746393249	0,74639325
REGENERON PHARMACEUTICALS	1	1
ROPER TECHNOLOGIES INC	0,634330893	0,63433089
ROSS STORES INC	1	1
SYNOPSYS INC	0,571357953	0,57135795
T-MOBILE US INC	1	1
TAKE-TWO INTERACTIVE SFTWR	1	1
TESLA INC	0,814829126	0,81482913
TEXAS INSTRUMENTS INC	1	1
TRADE DESK INC	1	1
VERISK ANALYTICS INC	1	1
VERTEX PHARMACEUTICALS INC	1	1
WARNER BROS DISCOVERY INC	0,688320512	0,68832051
WORKDAY INC	1	1
XCEL ENERGY INC	0,715334113	0,71533411
ZSCALER INC	1	1
Overall HHI value	0,92640322	0,92593606

Table 2: Calculation of the HHI values of 90 tech firms based on SIC and NAICS codes

Non-Tech Firms	HHI (SIC)	HHI (NAICS)
3M CO	0,357875328	0,357875328
ABBOTT LABORATORIES	0,561182084	0,561182084
ABBVIE INC	1	1
ACCENTURE PLC	1	1
AES CORP (THE)	1	1
AGILENT TECHNOLOGIES INC	0,371985012	0,371985012
AKAMAI TECHNOLOGIES INC	1	1
ALBEMARLE CORP	0,688827097	0,688827097
ALEXANDRIA R E EQUITIES INC	1	1
ALIGN TECHNOLOGY INC	0,689395517	0,689395517
ALLIANT ENERGY CORP	0,955807418	0,955807418
ALLSTATE CORP	0,918516312	0,918516312
ALTRIA GROUP INC	0,76961459	0,996289438
AMCOR PLC	0,632589847	0,632589847
AMERICAN WATER WORKS CO INC	1	1
AMERIPRISE FINANCIAL INC	0,680757843	0,680757843
AMETEK INC	0,558717084	0,558717084
AMPHENOL CORP	0,584546117	0,584546117
AON PLC	0,557080581	0,557080581
APOLLO GLOBAL MGMT INC	0,926699215	0,926699215
APTIV PLC	1	1
ARCH CAPITAL GROUP LTD	0,693602411	0,41370417
ARCHER-DANIELS-MIDLAND CO	0,629464773	0,629464773
ARISTA NETWORKS INC	1	1
ARTHUR J GALLAGHER & CO	1	1
ASSURANT INC	0,992631346	0,992631346
ATMOS ENERGY CORP	0,885873579	0,885873579
AUTOZONE INC	0,964005164	0,964005164
AVALONBAY COMMUNITIES INC	1	1
AVERY DENNISON CORP	1	1
BANK OF AMERICA CORP	0,417901932	0,417901932
BANK OF NEW YORK MELLON CORP	0,553356258	0,553356258
BAXTER INTERNATIONAL INC	0,639740963	0,639740963
BECTON DICKINSON & CO	1	1
BERKLEY (W R) CORP	0,894718004	0,690714153
BERKSHIRE HATHAWAY	0,179304624	0,179304624
BIO-TECHNE CORP	0,598359814	0,598359814
BLACKROCK INC	1	1

BLACKSTONE INC	1	1
BOEING CO	0,579927088	0,579927088
BOSTON SCIENTIFIC CORP	1	1
BRISTOL-MYERS SQUIBB CO	1	1
BROADRIDGE FINANCIAL SOLUTNS	1	1
BROWN & BROWN INC	1	1
BROWN FORMAN CORP	1	1
BUILDERS FIRSTSOURCE	1	1
BUNGE GLOBAL SA	0,629465363	0,629465363
CAMDEN PROPERTY TRUST	1	1
CAMPBELL'S CO (THE)	0,504170055	0,504170055
CAPITAL ONE FINANCIAL CORP	0,617728097	0,617728097
CARDINAL HEALTH INC	0,860664873	0,860664873
CARMAX INC	0,879156472	0,879156472
CARRIER GLOBAL CORP	1	1
CATERPILLAR INC	0,33079429	0,33079429
CBRE GROUP INC	1	0,607118219
CENTENE CORP	0,941478753	0,941478753
CENTERPOINT ENERGY INC	0,501388253	0,501388253
CF INDUSTRIES HOLDINGS INC	0,844886392	0,844886392
CHARLES RIVER LABS INTL INC	0,674303792	0,674303792
CIGNA GROUP (THE)	0,993684502	0,993684502
CINCINNATI FINANCIAL CORP	0,517608086	0,517608086
CITIZENS FINANCIAL GROUP INC	1	0,644360365
CME GROUP INC	1	1
CMS ENERGY CORP	0,536246133	0,536246133
CONSOLIDATED EDISON INC	0,618365725	0,617968071
CONSTELLATION BRANDS	0,704020034	0,704020034
COOPER COS INC (THE)	0,557709611	0,557709611
CORNING INC	0,217644492	0,217644492
CORPAY INC	1	1
CORTEVA INC	0,508327124	0,508327124
COTERRA ENERGY INC	1	1
CROWN CASTLE INC	1	1
CUMMINS INC	0,281365711	0,281365711
CVS HEALTH CORP	0,353976523	0,353976523
DANAHER CORP	0,516226398	0,516226398
DARDEN RESTAURANTS INC	1	1
DAYFORCE INC	1	1

DECKERS OUTDOOR CORP	0,509049733	0,509049733
DEERE & CO	0,477736608	0,477736608
DELL TECHNOLOGIES INC	0,880872204	0,880872204
DELTA AIR LINES INC	0,860732406	0,860732406
DEVON ENERGY CORP	1	1
DIGITAL REALTY TRUST INC	1	1
DISCOVER FINANCIAL SVCS	0,940464641	0,940464641
DISNEY (WALT) CO	0,531851453	0,531851453
DOLLAR GENERAL CORP	1	1
DOLLAR TREE INC	0,999544049	0,999544049
DOMINION ENERGY INC	1	0,880239558
DOVER CORP	0,285522902	0,209583966
DOW INC	0,575625786	0,575625786
DTE ENERGY CO	0,663635392	0,663635392
DUKE ENERGY CORP	0,857695657	0,857695657
DUPONT DE NEMOURS INC	0,427870648	0,427870648
EASTMAN CHEMICAL CO	0,468555402	0,468555402
EBAY INC	1	1
ECOLAB INC	0,712475244	0,712475244
EDISON INTERNATIONAL	1	1
EDWARDS LIFESCIENCES CORP	1	1
ELEVANCE HEALTH INC	0,752745727	0,752745727
EMERSON ELECTRIC CO	0,320114827	0,320114827
ENPHASE ENERGY INC	1	1
ENTERGY CORP	1	0,987644167
EOG RESOURCES INC	1	1
EPAM SYSTEMS INC	1	1
EQT CORP	1	1
EQUINIX INC	1	1
EQUITY RESIDENTIAL	1	1
ERIE INDEMNITY CO	1	1
ESTEE LAUDER COMPANIES INC	1	1
EVEREST GROUP LTD	0,966624661	0,605902802
EVERGY INC	1	1
EVERSOURCE ENERGY	0,935779492	0,664224358
EXPAND ENERGY CORP	1	1
EXPEDIA GROUP INC	0,955043088	0,955043088
EXPEDITORS INTL WASH INC	1	1
EXTRA SPACE STORAGE INC	0,810284068	0,810284068

F5 INC	1	1
FACTSET RESEARCH SYSTEMS INC	1	1
FAIR ISAAC CORP	1	1
FEDERAL REALTY INVESTMENT TR	1	1
FEDEX CORP	0,381765824	0,745767401
FIDELITY NATIONAL INFO SVCS	1	1
FIFTH THIRD BANCORP	1	1
FIRST SOLAR INC	1	1
FIRSTENERGY CORP	1	0,770815155
FISERV INC	1	0,876889898
FORD MOTOR CO	0,837922894	0,439303954
FORTIVE CORP	0,54047254	0,54047254
FOX CORP	0,978879398	0,498982457
FRANKLIN RESOURCES INC	1	1
GARMIN LTD	0,456296831	0,456296831
GARTNER INC	0,68544042	0,68544042
GE AEROSPACE	0,814205583	0,814205583
GE VERNOVA INC	1	1
GEN DIGITAL INC	1	1
GENERAC HOLDINGS INC	1	1
GENERAL DYNAMICS CORP	0,257168616	0,257168616
GENUINE PARTS CO	0,533195957	0,533195957
GLOBAL PAYMENTS INC	1	1
GLOBE LIFE INC	0,412941499	0,412941499
GODADDY INC	1	1
GOLDMAN SACHS GROUP INC	0,519451722	0,519451722
HALLIBURTON CO	0,512023852	0,512023852
HARTFORD INSURANCE GROUP INC	0,912238972	0,912238972
HASBRO INC	0,961919577	0,961919577
HEALTHPEAK PROPERTIES INC	0,967386531	0,967386531
HENRY (JACK) & ASSOCIATES	1	1
HENRY SCHEIN INC	0,729958524	0,729958524
HESS CORP	1	1
HEWLETT PACKARD ENTERPRISE	0,346115159	0,346115159
HILTON WORLDWIDE HOLDINGS	0,967954964	0,967954964
HOLOGIC INC	0,520511378	0,520511378
HOME DEPOT INC	1	1
HOST HOTELS & RESORTS INC	1	1
HOWMET AEROSPACE INC	0,338360218	0,338360218

HP INC	0,561494707	0,561494707
HUBBELL INC	1	1
HUMANA INC	0,99093825	0,99093825
HUNT (JB) TRANSPRT SVCS INC	1	1
HUNTINGTON BANCSHARES	1	1
HUNTINGTON INGALLS IND INC	0,631475341	0,631475341
IDEX CORP	0,521688644	0,521688644
ILLINOIS TOOL WORKS	0,151659147	0,151659147
INCYTE CORP	1	1
INGERSOLL RAND INC	0,685027015	0,685027015
INSULET CORP	1	1
INTERCONTINENTAL EXCHANGE	0,715267519	0,715267519
INTERPUBLIC GROUP OF COS	0,640683031	0,640683031
INTL BUSINESS MACHINES CORP	0,345074899	0,345074899
INTL FLAVORS & FRAGRANCES	0,547549096	0,547549096
INTL PAPER CO	0,718819943	0,718819943
INVESCO LTD	1	1
INVITATION HOMES INC	1	1
IQVIA HOLDINGS INC	1	1
IRON MOUNTAIN INC	1	1
JABIL INC	1	1
JACOBS SOLUTIONS INC	0,816172952	1
JOHNSON & JOHNSON	0,539951062	0,539951062
JPMORGAN CHASE & CO	0,660552592	0,660552592
JUNIPER NETWORKS INC	1	1
KELLANOVA	1	1
KENVUE INC	0,512067472	0,512067472
KEYCORP	1	1
KEYSIGHT TECHNOLOGIES INC	0,569851944	0,569851944
KIMCO REALTY CORP	1	1
KKR & CO INC	0,539977355	0,539977355
KROGER CO	0,971505483	0,971505483
L3HARRIS TECHNOLOGIES INC	1	1
LABCORP HOLDINGS INC	0,658556043	0,658556043
LAMB WESTON HOLDINGS INC	1	1
LENNOX INTERNATIONAL INC	1	1
LILLY (ELI) & CO	1	1
LIVE NATION ENTERTAINMENT	1	1
LOCKHEED MARTIN CORP	0,370802118	0,370802118

LOEWS CORP	0,681102772	0,681102772
LOWE'S COS INC	1	1
M&T BANK CORP	1	0,720716
MARATHON PETROLEUM CORP	0,927951064	0,927951064
MARKETAXESS HOLDINGS INC	1	1
MARSH & MCLENNAN COS	1	1
MASCO CORP	0,52877793	0,52877793
MASTERCARD INC	1	1
MATCH GROUP INC	1	1
MCCORMICK & CO INC	1	1
MEDTRONIC PLC	0,505148159	0,505148159
MERCK & CO	0,972614759	0,972614759
MID-AMERICA APT CMNTYS INC	1	1
MODERNA INC	1	1
MOLINA HEALTHCARE INC	0,905230384	0,905230384
MOLSON COORS BEVERAGE CO	1	1
MONOLITHIC POWER SYSTEMS INC	1	1
MOODY'S CORP	1	1
MORGAN STANLEY	0,542843964	0,543263319
MOSAIC CO	0,322147456	0,322147456
MOTOROLA SOLUTIONS INC	0,537162583	0,537162583
MSCI INC	1	1
NASDAQ INC	0,64842471	0,64842471
NETAPP INC	1	1
NEWS CORP	0,298055433	0,298055433
NEXTERA ENERGY INC	1	1
NISOURCE INC	0,499873448	0,499873448
NORDSON CORP	0,616605926	0,616605926
NORFOLK SOUTHERN CORP	1	1
NORTHERN TRUST CORP	0,525303273	0,525303273
NORTHROP GRUMMAN CORP	0,255928981	0,255928981
NORWEGIAN CRUISE LINE HLDGS	1	1
NUCOR CORP	0,559072944	0,559072944
OCCIDENTAL PETROLEUM CORP	0,753303717	0,753303717
OMNICOM GROUP INC	1	1
ONEOK INC	0,86768127	0,570432061
ORACLE CORP	0,718730349	0,718730349
OTIS WORLDWIDE CORP	1	1
PACKAGING CORP OF AMERICA	0,842495165	0,842495165

PARAMOUNT GLOBAL	0,613999733	0,613999733
PARKER-HANNIFIN CORP	0,601619812	0,601619812
PAYCOM SOFTWARE INC	1	1
PENTAIR PLC	0,598842204	0,598842204
PFIZER INC	1	1
PG&E CORP	1	1
PHILLIPS 66	0,999511132	0,999511132
PINNACLE WEST CAPITAL CORP	1	1
PNC FINANCIAL SVCS GROUP INC	0,885845029	0,885845029
POOL CORP	1	1
PPG INDUSTRIES INC	1	1
PRICE (T. ROWE) GROUP	1	1
PRINCIPAL FINANCIAL GRP INC	0,500940258	0,500940258
PROCTER & GAMBLE CO	0,240200877	0,240200877
PROGRESSIVE CORP-OHIO	1	1
PTC INC	1	1
PUBLIC SERVICE ENTRP GRP INC	1	1
PUBLIC STORAGE	0,880993133	0,880993133
QUANTA SERVICES INC	0,683778009	0,683778009
QUEST DIAGNOSTICS INC	0,949096983	0,949096983
RAYMOND JAMES FINANCIAL INC	0,620023988	0,620023988
REALTY INCOME CORP	1	1
REGENCY CENTERS CORP	1	1
REGIONS FINANCIAL CORP	0,870239662	0,870239662
REPUBLIC SERVICES INC	0,799211341	0,799211341
RESMED INC	0,781742327	0,781742327
REVVITY INC	1	1
ROCKWELL AUTOMATION	0,357571493	0,357571493
ROLLINS INC	1	1
ROYAL CARIBBEAN GROUP	1	1
RTX CORP	0,555522027	0,555522027
S&P GLOBAL INC	0,448834507	0,448834507
SALESFORCE INC	1	1
SCHLUMBERGER LTD	0,300258776	0,300258776
SCHWAB (CHARLES) CORP	1	1
SEAGATE TECHNOLOGY HOLDINGS	1	1
SERVICENOW INC	1	1
SHERWIN-WILLIAMS CO	0,999549856	0,999549856
SIMON PROPERTY GROUP INC	1	1

SKYWORKS SOLUTIONS INC	1	1
SMITH (A.O.)	1	1
SMURFIT WESTROCK PLC	1	1
SNAP-ON INC	0,534960156	0,855327602
SOLVENTUM CORP	0,508982065	0,508982065
SOUTHERN CO	0,681891267	0,681891267
SOUTHWEST AIRLINES	1	1
STANLEY BLACK & DECKER INC	0,767674222	0,767674222
STATE STREET CORP	1	1
STEEL DYNAMICS INC	0,503092983	0,503092983
STERIS PLC	0,541191135	0,541191135
STRYKER CORP	0,51931554	0,51931554
SUPER MICRO COMPUTER INC	1	1
SYNCHRONY FINANCIAL	1	1
TAPESTRY INC	0,930220168	0,930220168
TARGA RESOURCES CORP	0,742549792	0,742448831
TARGET CORP	1	1
TE CONNECTIVITY PLC	1	1
TELEDYNE TECHNOLOGIES INC	0,52595991	0,52595991
TERADYNE INC	0,774712099	0,774712099
TEXAS PACIFIC LAND CORP	0,531005112	1
TEXTRON INC	0,495548319	0,495548319
THERMO FISHER SCIENTIFIC INC	0,814013062	0,814013062
TKO GROUP HOLDINGS INC	1	1
TRACTOR SUPPLY CO	1	1
TRANE TECHNOLOGIES PLC	1	1
TRANSDIGM GROUP INC	0,953286297	0,953286297
TRAVELERS COS INC	0,829272947	1
TRUIST FINANCIAL CORP	1	1
TYLER TECHNOLOGIES INC	0,583881682	0,583881682
UBER TECHNOLOGIES INC	0,436826154	0,436826154
ULTA BEAUTY INC	1	1
UNION PACIFIC CORP	1	1
UNITED AIRLINES HOLDINGS INC	1	1
UNITED RENTALS INC	1	1
UNITEDHEALTH GROUP INC	0,73845788	0,73845788
UNIVERSAL HEALTH SVCS INC	0,507536201	0,507536201
US BANCORP	1	1
VALERO ENERGY CORP	1	1

VENTAS INC	1	0,707087791
VERALTO CORP	0,521746545	0,521746545
VERISIGN INC	1	1
VERIZON COMMUNICATIONS INC	0,962136541	0,962136541
VIATRIS INC	1	1
VICI PROPERTIES INC	1	1
VISA INC	1	1
VULCAN MATERIALS CO	0,589461788	0,589461788
WABTEC CORP	1	1
WATERS CORP	1	1
WELLS FARGO & CO	0,444642946	0,444642946
WELLTOWER INC	0,910452069	0,910452069
WEST PHARMACEUTICAL SVSC INC	0,688365427	0,688365427
WESTERN DIGITAL CORP	1	1
WEYERHAEUSER CO	0,58516376	0,58516376
WILLIAMS-SONOMA INC	1	1
WILLIS TOWERS WATSON PLC	1	0,993375562
XYLEM INC	0,380524	0,380524
YUM BRANDS INC	1	1
ZEBRA TECHNOLOGIES CP -CL A	1	1
ZIMMER BIOMET HOLDINGS INC	1	1
ZOETIS INC	1	1
Overall	0,813292328	0,805949617

Table 3: Calculation of the HHI values of 333 non-tech firms based on SIC and NAICS codes

H2: 57 US Platform Firms (Evans and Gawer (2016); Hosseini and Schmidt (2020))

US Platform Firms	HHI (SIC)	HHI (NAICS)
AIRBNB INC	1	1
ALPHABET INC	0,989428429	0,989428429
APPLE INC	1	1
APPROVIN CORP	1	1
ATLIASSIAN CORP	1	1
BOOKING HOLDINGS INC	1	1
BUMBLE INC	1	1
CARS.COM INC	1	1
CARVANA CO	1	1
CHEGG INC	1	1
CLOUDFLARE INC	1	1
COURSERA INC	0,453541353	0,453541353
DOORDASH INC	1	1
DROPBOX INC	1	1
DUOLINGO INC	1	1
EBAY INC	1	1
ETSY INC	1	1
EVENTBRITE INC	1	1
EXPEDIA GROUP INC	0,955043088	0,955043088
FIVERR INTERNATIONAL LTD	1	1
GOGO INC	1	0,835539507
GROUPON INC	1	1
HUBSPOT INC	1	1
INTEL CORP	1	1
INTUIT INC	0,812236795	0,812236795
JUST EAT TAKEAWAY.COM N.V.	1	1
LENDINGTREE INC	0,523817947	0,523817947
LYFT INC	1	1
MAPLEBEAR INC	1	1
MATCH GROUP INC	1	1
MERCADOLIBRE INC	1	1
META PLATFORMS INC	0,974249344	0,974249344
MICROSOFT CORP	0,566905376	0,566905376
NETFLIX INC	1	1
ORACLE CORP	0,718730349	0,718730349
PELOTON INTERACTIVE INC	0,535249431	0,535249431
PINTEREST INC	1	1

REALREAL INC (THE)	1	1
REDFIN CORP	0,437678518	0,437678518
ROKU INC	0,754211844	0,754211844
SALESFORCE INC	1	1
SAP SE	1	1
SHUTTERSTOCK INC	1	1
SNAP INC	1	1
SPOTIFY TECHNOLOGY SA	0,791401119	0,791401119
TASKUS INC	1	1
TELADOC HEALTH INC	0,518046077	0,518046077
TOAST INC	1	1
TRINET GROUP INC	1	1
TRIPADVISOR INC	1	1
TRIVAGO NV	1	1
TRUECAR INC	1	1
TWILIO INC	1	1
UBER TECHNOLOGIES INC	0,436826154	0,436826154
UPWORK INC	1	1
VERISIGN INC	1	1
ZILLOW GROUP INC	1	1
Overall	0,920480102	0,91759483

Table 4: Calculation of the HHI values of 57 US platform firms, using SIC and NAICS codes

*H3: 48 Platform Firms from Emerging Markets vs. 59 Platform Firms from Developed Markets
(Evans and Gawer (2016); Hosseini and Schmidt (2020))*

Platform Firms Emerging Markets	HHI
Alibaba	0,471986
Tencent	0,377981
Baidu	0,6505
JD.com	0,780025
Naver	0,258616
Xiaomi Corp	0,438644
Didi Kuaidi	0,832182
Lufax	1
Meituan	0,625
Dianping	0,625
PingAn	0,38332
Antfinancial	0,498564
KE Holdings	0,3134
Bilibili	0,313809
Coupang	0,9418
G-Bits	0,980216
Go-Jek	0,378949
Grab	0,456125
Joyy	0,745
Kakao	0,254069
Kuaishou	0,9608
Meituan	0,625
Netease	0,639636
Paytm	0,6922
Pinduoduo	1
Rea	0,601849
Sea Group	0,462764
Seek	1
Sensetime	1
Trip.com	1
VipSHOP	0,941646
Weibo	0,7738
Yonyou	0,49059
NetEase Inc.	0,639636
Ola Electric Mobility LTD.	1

PDD Holdings	1
Rakuten Group	0,503
Jumia Technologies	1
Eternal Ltd.	0,4667
MakeMyTrip	0,407325
InfoEdge	0,5938
Bukalapak	0,531709
StoneCo	0,771336
Pageseguro	1
Zhihu	1
Despagar.com	0,514256
Ozon	0,5242
Fawry	0,8042
Overall	0,67228402

Table 5: Calculation of the HHI values of 48 emerging markets platform firms, using Refinitiv Eikon segments

Platform Firms Developed Markets	HHI
AIRBNB INC	1
ALPHABET INC	0,617126
APPLE INC	1
APPLOVIN CORP	0,5072
BOOKING HOLDINGS INC	1
BUMBLE INC	0,68
CARS.COM INC	1
CARVANA CO	1
CHEGG INC	0,8042
CLOUDFLARE INC	1
COURSERA INC	0,4538
DOORDASH INC	1
DROPBOX INC	1
DUOLINGO INC	0,596746
EBAY INC	1
ETSY INC	1
EVENTBRITE INC	1
EXPEDIA GROUP INC	0,573381
FIVERR INTERNATIONAL LTD	1
GOGO INC	0,8509
HUBSPOT INC	0,960884
INTUIT INC	0,501236
JUST EAT TAKEAWAY.COM N.V.	1
LENDINGTREE INC	0,3491
LYFT INC	1
MAPLEBEAR INC	0,5882
MATCH GROUP INC	0,403
MERCADOLIBRE INC	0,5098
META PLATFORMS INC	0,9608
MICROSOFT CORP	0,3446
NETFLIX INC	1
ORACLE CORP	0,688856
PELOTON INTERACTIVE INC	0,52
PINTEREST INC	1
REALREAL INC (THE)	1
REDFIN CORP	0,453472
ROKU INC	0,7592
SALESFORCE INC	0,186776

SAP SE	1
SHUTTERSTOCK INC	0,7312
SNAP INC	1
SPOTIFY TECHNOLOGY SA	0,7738
TASKUS INC	0,4952
TELADOC HEALTH INC	0,5072
TOAST INC	1
TRINET GROUP INC	1
TRUECAR INC	0,818845
TWILIO INC	0,869941
UBER TECHNOLOGIES INC	0,4094
UPWORK INC	0,5032
VERISIGN INC	1
ZILLOW GROUP INC	0,597742
Amazon	0,25613
Paypal	0,82
Block	0,551381
Shopify	1
Adyen	0,417825
Zalando	0,5392
Roblox	1
Overall	0,755937983

Table 6: Calculation of the HHI values of 59 developed markets platform firms, using Refinitiv Eikon segments

Data Construction

The HHI was calculated for each company as follows:

$$HHI = \sum_{i=1}^n (s_i)^2$$

where s denotes the revenue share of each business segment relative to the total company revenue, and n is the total number of reported business segments. An HHI close to 1 indicates high revenue concentration (low diversification), whereas values near 0 indicate extensive diversification.

Example of HHI Calculation for the Platform Firm Uber Technologies Inc based on SIC Codes

@ TRUECAR INC	0,01%
@ TWILIO INC	0,27%
UBER TECHNOLOGIES INC	2,64%
4121	57,04%
4731	11,69%
7375	31,27%
	0,00%
@ LIPWORK INC	0,05%
@ VERISIGN INC	0,09%

Figure 9: *Extracted segment data, on which the HHI calculations are based on (WRDS)*

$$HHI (UBER) = 0.5704^2 + 0.1169^2 + 0.3127^2$$

$$HHI (UBER) = 0.43682$$

Example of HHI Calculation for the Platform Firm Uber Technologies Inc based on Refinitiv Eikon Segments

Uber Technologies Inc Segments	
Segments	
Annual Business Line by Segment in Thousands o	
	2023
Period End Date	31-Dec-2023
Freight revenue	14%
External Revenue	5.245.000
Total Revenue	5.245.000
Mobility revenue	53%
External Revenue	19.832.000
Total Revenue	19.832.000
Delivery revenue	33%
External Revenue	12.204.000
Total Revenue	12.204.000
All other revenue	0,0%
External Revenue	0
Total Revenue	0
Consolidated Total	100%
External Revenue	37.281.000
Total Revenue	37.281.000

Figure 10: Extracted segment data, on which the HHI calculations are based on (Refinitiv Eikon)

$$HHI (UBER) = 0.14^2 + 0.53^2 + 0.33^2$$

$$HHI (UBER) = 0.4094$$

Descriptive Statistics

HI (small sample): 15 Tech vs. 15 Non-Tech Firms

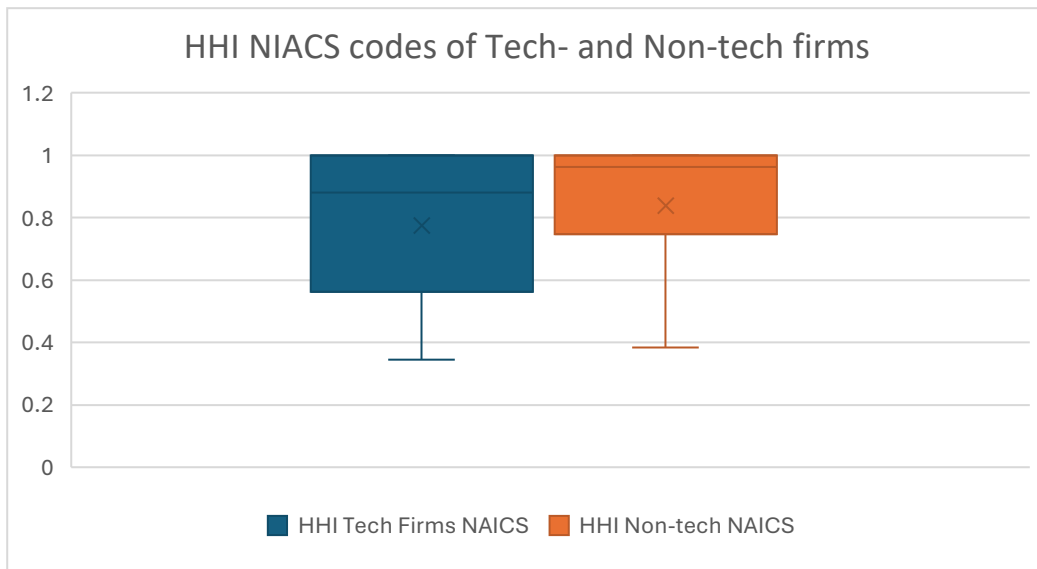


Figure 11: Boxplots of the HHI values of 15 tech and non-tech firms based on NAICS codes

HI (large sample): 90 Tech vs. 333 Non-Tech Firms

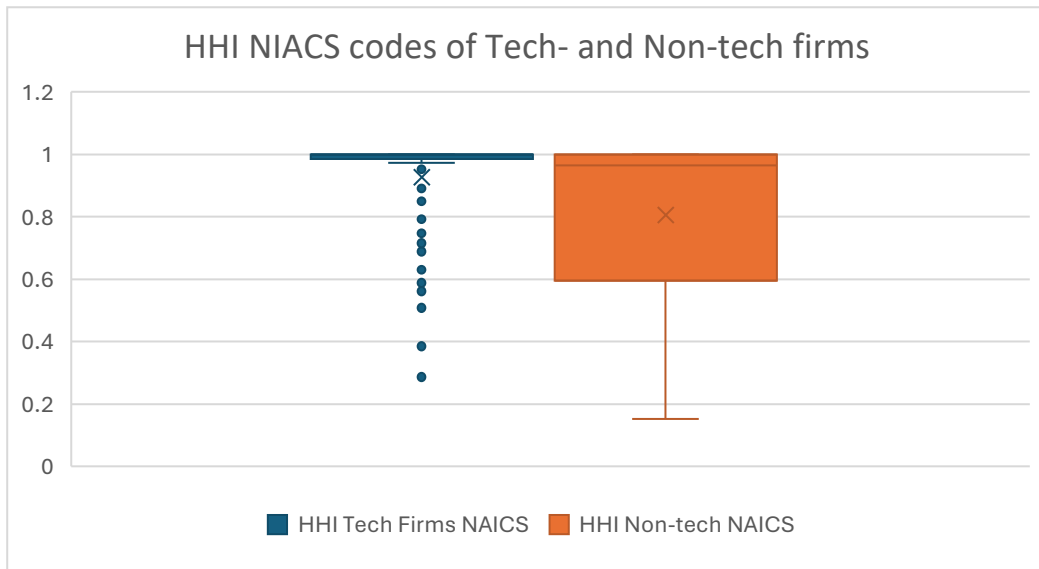


Figure 12: Boxplots of the HHI values of 15 tech and non-tech firms based on NAICS codes

H2: 90 Tech vs. 257 US Platform Firms

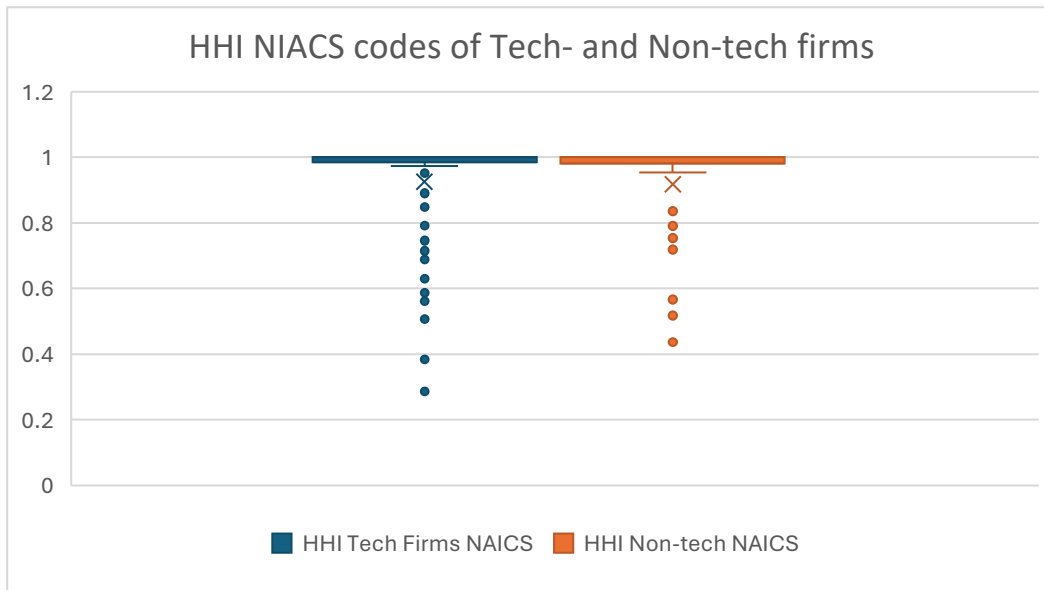


Figure 13: Boxplots of the HHI values of 90 tech and 57 platform firms based on NAICS codes