

Could (and eventually to what extent) online platforms offering consumers high quality free services such as search engines, social networks or e-commerce platforms actually harm competition? The digital economy has brought about new markets developments which have impacted society as a whole. The growth and importance of online platforms has been widely recognised, and their role in society has been the subject of in-depth assessments by regulators across the European Union. In 2014, online platforms in the EU account for a total value of over \$26 billion, purchases within the 28 EU Member States via the use of online platforms were over €270 billion and the time saved by making purchases on such platforms was over €140 billion. Despite the fact that dynamic market interactions in the digital economy could intensify competition in ways that increase consumer welfare by increasing market transparency or lower search and transaction costs, there is a concern that successful online platforms tend to become giants that wield considerable market power. These platforms have achieved extravagant market valuations in relatively short periods of time. They top the list of the most accessed websites in the world, with search engines, social media and e-commerce as the most visited types of platforms. With such a significant increase in use, there will undoubtedly be more occasions that will require scrutiny of competition law as a means of combating the potential anti-competitive consequences arising from the exercise of substantial market power.

Against this background, this project will explore how existing competition tools and concepts can ensure that we reap the benefits offered by the innovation of the digital platform and free online services while mitigating the associated risks of restricting competition. It will be shown that online platforms have specific features that make them unique and still disputed under competition law. Therefore, when applying this law, the competition authorities face several challenges – the analytical steps and instruments used for assessing the relevant market and dominance, starting with market definition, followed by an analysis of market power and establishing anti-competitive behaviour. The hypothesis is posed that the existing competition concepts are flexible enough to deal with the increasing prevalence of online platforms, although the application of the established legal tools require adjustments in the context of these digital markets. The subject of the project has become increasingly relevant to the practice of competition law and lies at the core of some of the most prominent cases in recent times. In June 2017, the European Commission fined Google €2.42 billion for abuse of its market dominance as a search engine by giving an illegal advantage to another Google product – its comparison shopping service. The abusive conduct consists in the more favourable positioning and display, in Google’s general search results pages, of Google’s own comparison shopping service compared to competing comparison shopping services.

In order to achieve the above objective, this research will provide an analysis of some hypothetical scenarios of an abuse of dominance drawn from relevant literature, the author’s own observations and various competition initiatives introduced by the authorities. The research will focus on the analysis of free online services and the competition of undertakings based on factors other than price (the so-called “non-price competition”). Even though the analysis may also be applicable to various digital markets, particular attention is paid to three types of online platforms (search engines, social networks or e-commerce platforms) because of their significance in the digital economy. In the first step of the research, chosen digital market will be defined and hypothetical scenarios of non-price practices potentially constituting an abuse of dominance will be developed. In the next step, it will be examined whether and to what extent the conventional tools of competition law are appropriate to these markets and practices. The works undertaken will consist not only in defining the current state of play, as a point of departure for the research, but they will also consist in describing the suggested mechanisms and methods of solving the existing problems. The preliminary research shows that online platforms might abuse their market power in a number of ways, in particular through the creation of barriers to entry, the leveraging of market power on adjacent markets and preventing competitors from gaining access to essential information, data or resources for anticompetitive reasons.