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DIGITAL PLATFORMS, MARKET DOMINANCE AND COMPETITION POLICY CHALLENGES IN INDIA

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Abstract

Over the past decade, the rapid expansion of digital platforms has transformed the world economy, but it has also given rise to a fundamental competition policy challenge. Based on the exploratory analysis, this paper examines the rise of dominance by a small number of platforms, sources of dominance and evaluates whether India's existing competition framework is apt to address the challenges posed by digital platforms. The study observed that leading global platforms heavily invest substantially in R & D, emerging as the highest R&D spenders worldwide. In addition, significant capital expenditure on data centres, cloud infrastructure, logistics networks, and digital ecosystems strengthens their operational capabilities, which has created high entry barriers for potential competitors. Mergers and acquisitions strategies are widely practised by leading platforms either as killer acquisitions to eliminate rivals or to complement their technological advancement. While domestic leading digital platforms such as Flipkart, Zomato, and Swiggy acquire rivals for market expansion, global digital platforms have acquired startups to build their technological capabilities in India. It argues that platform dominance has emerged from the interaction between structural characteristics and strategic business practices. The paper further demonstrates that the CCI has applied competition principles inconsistently, particularly in defining relevant market and assessing dominance, limiting the effectiveness of ex-post enforcement. Drawing insights from recent developments in the EU and the USA, the paper argues that India should adopt a hybrid framework combining ex-post antitrust enforcement with targeted ex-ante obligations to preserve market contestability, fairness and innovation.

Keywords: Competition Policy; Antitrust and Competition Law; Monopolization and Anticompetitive Practices; Digital Platforms; Innovation; Economics of Regulation; Mergers & Acquisitions; Start-ups; Ex-ante and Ex-post.

JEL Classification: L40, L41, L86, O31, K21, L51.G34 M13.

Digital Platforms, Market Dominance and Competition Policy Challenges in India¹

I. Introduction

The rapid expansion of the digital economy has transformed the competitive landscape of markets across economies. At the centre of this transformation are digital platforms². These platforms have become integral to both economic activity and daily life, reshaping the way individuals and businesses interact, transact and create value. They provide the technological infrastructure that facilitates interactions among multiple groups of users and act as essential intermediaries across a wide range of activities, including online retail, digital advertising, online food delivery, ride-hailing, entertainment, financial services, cloud computing and other high-tech industries. Their growing economic significance is reflected in the fact that platform-mediated activities (mainly e-commerce) accounted for \$27 trillion in 2022, which constitutes 26.7 % of the global GDP (UNCTAD, 2024) . While platform-based e-commerce accounts for around 19% of the global retail sales in 2020 (UNCTAD, 2021) . Furthermore, digital platforms mediate more than half of digital payment transactions worldwide, highlighting the increasing dependence of consumers, businesses and governments on platform-based ecosystems for commerce, payments and service delivery. India has experienced an equally remarkable digital transformation. Supported by widespread broadband diffusion, affordable smartphones and digital payment infrastructure, the country's digital economy has grown rapidly. It accounts for 11.7% of the value added in 2022-23 and is expected to contribute 20% of national income by 2029-30 (ICRIER (2025)). Platform-mediated markets such as online retail, food delivery, ride-hailing, online travel and digital payments have recorded impressive growth in the last decade.

However, these markets are dominated by a few large digital platforms. For instance, Amazon and Flipkart account for most of the organised online retail³. Quick commerce platforms such

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² The OECD (2019) defines digital platform as a digital service that facilitates interactions between two or more distinguished but interdependent groups of users who interact through the service via the internet.

³ Reuters, *India to summon Amazon, Flipkart executives as regulatory scrutiny grows, source says* (Nov. 11, 2024).

as Blinkit, Zepto, Swiggy Instamart and BigBasket control online grocery businesses in India⁴. Similarly, Ola and Uber dominate the online ride-hailing market⁵. While expansion of digital markets generates substantial gains for consumers (in terms of lower prices and wider choices) and for businesses (in terms of improved efficiency and greater market access) (Evans & Schmalensee, 2016; OECD, 2019), concentration of economic activity in a few platforms raises serious concerns regarding market power, barriers to entry, killer acquisitions, fairness and the contestability of digital markets (Cr  mer et al., 2019; Khan L.M., 2017). This has also given rise to a fundamental competition policy challenge: why do rapidly growing digital markets tip towards dominance by a small number of platforms?

Amid the rising regulatory challenges posed by the growing concentration of digital platforms, there has been an active debate in recent years on what should be the core focus of competition policy (Shapiro, 2019). These challenges have led to a rethinking of antitrust enforcement across major jurisdictions. Traditionally, competition policy has been guided by the consumer welfare standard promoted by the Chicago school, under which regulatory intervention is warranted only when the market conduct of a firm results in perceptible harm to consumers (in terms of higher prices, reduced outputs or lower quality) (Beena 2025; Khan, 2019a). However, applying this framework to digital markets would be more challenging because several platforms offer services free of cost while generating revenues from advertising, data monetisation, and other complementary markets (Khan, 2019b). Conventional price-based indicators for “consumer harm” often fail to capture anti-competitive practices and consolidation of market power in digital markets. Neo-Brandeisians argue that the dominance of firms such as Google, Apple, Amazon, Meta and Microsoft is not simply the result of superior efficiency or innovation. Digital markets possess structural characteristics that can enable a few firms to acquire and preserve substantial power. Similar concerns have emerged in India, where several digital platforms, including e-commerce giants Amazon⁶, Flipkart, Zomato⁷ Swiggy have been alleged to be involved in anti-competitive unfair practices such as predatory pricing, discriminatory tariffs, deep discounting, and preferential treatment given to select sellers. These concerns have been addressed by the Competition Commission of India under the Competition Act, 2002. Although the CCI has made attempts to adapt its enforcement to address competition issues posed by platforms, the Act was enacted long before

⁴ *The Economic Times, Blinkit tops quick commerce with over 50% market share, set to gain more: BofA* (Sept. 23, 2025).

⁵ *Equentis, 14% Cabs, 31% Autorickshaws, 56% Bike Taxis: Is Rapido Set to Outpace Ola-Uber?* (Dec. 4, 2024).

⁶ *Reuters, Exclusive: Amazon, Walmart's Flipkart breached India antitrust laws, investigation finds* (Sept. 13, 2024).

⁷ *Reuters, India finds Zomato, Swiggy food delivery businesses breached antitrust laws, documents show* (Nov. 8, 2024).

the emergence of large digital platform ecosystems and was not originally formulated to address distinctive structural characteristics of digital platforms.

The rapid growth and increasing concentration in digital markets create an important empirical setting for analysing mechanisms through which digital platforms expand and maintain persistent market power. An attempt has been made in this paper to examine the growth strategies followed by dominant platforms in digital markets and the sources of dominance. This study also aims to assess whether India's existing competition law is suitable enough in addressing anti-competitive challenges posed by these platforms. Particular attention is paid to the consistency of the CCI's enforcement across online markets including food delivery, ride hailing and e-retail. The paper further highlights the implications of the ex-ante and ex-post policies pursued across major jurisdictions, particularly the European Union (EU) and the United States (USA) and assesses their relevance for strengthening India's evolving competition framework for digital platforms.

The remainder of the paper is organised as follows. Section II develops the theoretical framework by examining the economics of digital platforms and highlighting the structural characteristics of digital platforms that underpin their competitive advantages. Section III discusses data sources and methodology. Section IV analyses the rapid expansion of these platforms in India and explains the enabling factors driving market dominance. Section V evaluates the CCI's enforcement approach by examining major cases involving online retail, food delivery and ride-hailing platforms. Section VI critically assesses the implications of ex-post and ex-ante antitrust frameworks and identifies lessons for strengthening India's evolving competition framework for digital markets. Section VII concludes with major findings.

Section II. Theoretical Literature Survey:

The following session tries to review the theoretical work related to the economics of digital platforms and structural sources of market power. What distinguishes digital platforms from traditional firms lies in their unique structural characteristics, such as multi-sidedness, strong network effects, data driven economies of scale & scope, gatekeeper position etc., which explain their ability to achieve rapid expansion, persistent market dominance and increasing market concentration (Prado, 2020). While traditional firms primarily compete through production efficiency and prices, platform dominance emerges from the interaction of several mutually reinforcing structural characteristics that collectively reshape market dynamics. The multi-sided nature of digital platforms facilitates interactions among distinct but interdependent

groups of users, such as consumers, sellers, advertisers and developers (Armstrong, 2006; Rochet & Tirole, 2003). By reducing search, matching and transaction costs and exploiting network externalities, platforms create value by functioning as intermediaries or market facilitators rather than conventional producers (Goldfarb & Tucker, 2019). This organisational structure enables platforms to adopt asymmetric pricing strategies, subsidising one side of the market while monetising another through advertising, subscriptions, commissions or data-driven services, thereby rapidly acquiring users and creating conditions necessary for platform growth (Armstrong, 2006; Rochet & Tirole, 2003).

The expansion of multi-sided user groups generates direct and indirect network effects⁸ whereby the value of the platform increases as user participation rises (Farrell & Klemperer, 2007; Katz & Shapiro, 1985). These network effects create self-reinforcing feedback mechanisms where many users attract additional consumers, sellers and advertisers, further increasing the usefulness of platforms for all participants (Varian, 2019). As network effects strengthen, platforms generate massive amounts of data, which become key inputs for platforms to improve algorithms, personalise services and enhance consumer participation (Goldfarb & Tucker, 2019). As a result, network effects transform initial user growth into competitive advantages that increase switching costs, raise barriers to entry and create conditions under which digital markets may tip towards a small number of dominant platforms.

The ability to exploit these network effects is further reinforced by the distinctive cost structures of digital platforms. Developing digital infrastructure requires substantial upfront investments in software, cloud computing, artificial intelligence (AI), cyber security and platform design, whereas the cost of serving an additional user is almost zero (OECD, 2019). This combination of high fixed costs and zero/very low marginal costs allows successful platforms to expand rapidly while consistently lowering average costs. Large digital platforms, therefore, can adopt aggressive pricing strategies, invest substantially in innovation and scale globally at a pace that potential new entrants find it difficult to replicate (OECD, 2019) These cost advantages further reinforce network effects and can contribute to persistent market dominance.

⁸ Direct network effects arise when the utility that a user derives from a platform increases with the number of users on the same side of the market. This phenomenon is particularly evident in social networking and messaging platforms, such as Facebook, Instagram, WhatsApp, and WeChat, where each additional user enhances the value of the platform for existing users by expanding communication and interaction opportunities (Katz & Shapiro, 1985; Rochet & Tirole, 2003). While indirect network effects operate across different sides of the platform where growth in one user group increases the attractiveness of the platform to another group, such as advertisers, sellers, or application developers (Armstrong, 2006; Evans & Schmalensee, 2016; Parker et al., 2016).

As platforms grow, they increasingly exploit economies of scale and scope by using existing technological infrastructure, complex algorithms, big data and digital capabilities across multiple products and markets (Parker et al., 2017). Economies of scale reduce average costs of platforms offering a variety of products or services as more users join the platforms, while economies of scope enable platforms to diversify into adjacent markets with low incremental investments (Teece, 2018). This facilitates ecosystem expansion, allowing platforms to integrate complementary services such as cloud computing, digital payments, advertising, logistics, streaming and AI under the same digital ecosystems of platforms (Jacobides et al., 2018). Such integration generates cross-market synergies, strengthens user lock-in and shifts competition from individual products or services to competition in digital ecosystems.

The effectiveness of these mechanisms is ultimately coordinated through algorithmic governance. Digital platforms use proprietary algorithms to allocate visibility, determine rankings & prices, personalise recommendations, moderate content, and regulate participation within their ecosystems (Pasquale, 2015). Access to real-time data enables these algorithms to improve over time and reinforce first-mover advantages derived from network effects and economies of scale (Goldfarb & Tucker, 2019). At the same time, algorithmic governance increases information asymmetries between platforms and market participants, strengthens user dependence, and further raises barriers to entry (Cr  mer et al., 2019). Consequently, controls over algorithms transform technological capabilities into durable market dominance.

What we can infer from understanding these platforms' characteristics is that these characteristics operate interdependently and constitute an integrated ecosystem of cumulative advantages. Multisided platforms generate strong network effects, which, in turn, produce a massive amount of data. Data improves algorithms, and algorithmic learning enhances service quality. High fixed costs and near-zero marginal costs facilitate rapid scaling. Economies of scale and scope enable platforms to leverage these advantages across adjacent markets (OECD, 2019; Parker et al., 2017). The interaction of these mechanisms strengthens market concentration, reduces contestability and entrenches the dominant position of digital platforms. However, structural characteristics alone do not inevitably produce anti-competitive outcomes. Rather, they create the economic conditions (entry barriers, user lock-in, asymmetric bargaining, data advantages etc) that make business strategies effective.

Section III: Methodology and Data Source

The analysis is primarily descriptive and draws on multiple sources of secondary data. Financial information is obtained mainly from the Centre for Monitoring Indian Economy (CMIE) Prowess database, while the Tracxn database is used primarily for information on mergers and acquisitions. Company annual reports are consulted where relevant, supplemented by reports from multilateral organisations such as UNCTAD. Market-share information presents a particular data constraint because comprehensive and comparable estimates for individual digital platforms are generally available through proprietary databases that require paid access. Where such primary databases are not publicly accessible, the paper therefore relies on recent newspaper reports that cite estimates from established consulting and market-research firms.

The analysis focuses on cases involving major digital platforms that are central to the study and in which complaints alleging abuse of dominance were brought before the Competition Commission of India (CCI). The cases are examined chronologically to trace changes in the CCI's approach to relevant-market definition and competitive assessment across different stages of digital-market development. The classification of market definitions as broader or narrower follows the relevant-market delineation adopted in the respective CCI orders. Accordingly, the case analysis is intended to provide an illustrative account of how the CCI's analytical approach has evolved.

Section IV. Growth of digital platforms in India: Enabling Growth Strategies

This section examines how digital platforms strategically exploit structural advantages through ecosystem expansion, mergers and acquisitions including killer acquisitions⁹, deep discounting, self-preferencing and substantial investments that reinforce cumulative advantage and transform structural opportunities into durable market power.

A. Changing landscape of the digital economy

Rapid expansion of the digital economy has been driven by the rise of data-driven digital platforms across countries. This is reflected in the dominance of digital big tech firms such as Google, Amazon, Facebook, Apple and Microsoft (collectively known as GAFAM), which

⁹ Those acquisitions where an **incumbent firm acquire an innovative target firm with the similar product lines in order to eliminate potential competition** are generally called 'Killer Acquisitions' (Cunningham et al., 2021) .

together account for seven of the top 10 most valuable companies in the world. (see Table 1). This represents a major shift from a decade and a half ago, when oil, energy and industrial firms dominated the global corporate world (UNCTAD, 2019). The global digital economy is highly concentrated, with the top 20 digital MNEs headquartered in the USA and China (UNCTAD, 2025). Their influence is further reinforced by significant investment in data centres, logistics and R & D. Digital multinational firms accounted for almost one third of greenfield projects in data centres, and their share of projects in the logistics sector reached 10%. Their global FDI in research and development in IT and software peaked at 26% before 2015, then declined to 21% during 2020-2024¹⁰.

Table 1. The World's top 10 most valuable companies by market capitalisation

Company	Location	Industry	Market capitalization (\$T)
NVIDIA	USA	Information Technology	4.456
Microsoft	USA	Information Technology	3.880
Apple	USA	Information Technology	3.403
Amazon	USA	Consumer Discretionary	2.374
Alphabet (Google)	USA	Communication Services	2.440
Meta Platforms (Facebook)	USA	Communication Services	1.932
Saudi Aramco	Saudi Arabia	Energy	1.562
Broadcom	USA	Information Technology	1.434
TSMC	Taiwan	Information Technology	1.254
Tesla	USA	Consumer Discretionary	1.063

Source: Companies ranked by Market Cap - CompaniesMarketCap.com. Data accessed on 11/08/2025 at 7:00 PM

Over the past decade, big tech firms have markedly expanded their share of global sales and assets, underscoring the rising importance of platformization in the world economy. Table 2 shows the top 10 digital platforms in the global digital economy. American leading digital platforms generate a significant amount of revenue from the rest of the world, and therefore their investment /assets are also higher in those regions. For instance, Apple derives 64% of

¹⁰ UNCTAD, *World Investment Report 2025*.

its overall sales from countries other than the USA, followed by Meta (Facebook) with 63%. Google (Alphabet) and Microsoft generate 52.4% and 49.5% of their total sales, respectively, from the rest of the world.

Table 2. Top 10 Digital Enterprises by Sales and Assets

Company	Country	Industry	Sales (\$bn)		Assets(\$bn)	
			Total	Rest of the world (%)	Total	Rest of the World (%)
Amazon	USA	E-commerce	573	27.1	528	26.1
Apple	USA	Platforms	383	64.0	353	23.8
Alphabet	USA	Platforms	307	52.4	402	25.9
Microsoft	USA	Digital solutions	212	49.5	412	38.8
JD.com	China	E-commerce	153	1.3	89	0.0
Meta	USA	Platforms	135	63.0	230	16.1
Alibaba	China	E-commerce	126	10.3	255	3.9
Bytedance	China	Platforms	120	33.3	NA	NA
Walt Disney	USA	Digital content	89	21.3	206	11.2
Tencent	China	Digital content	86	9.3	222	36.0

Note: Data on sales & assets correspond to FY2023. Source: UNCTAD World Investment Report 2025.

GAFAM platforms have also grown significantly in India in the last decade. Their presence is widely noticeable in various sectors of the economy. Amazon's revenue from India's operation has grown significantly from Rs 2331 crores in 2016 to Rs 47538 crores in 2024. Similarly, Microsoft has grown seven times during this period from Rs.4605 crores to Rs. 22997 crores in the same period. Facebook, Google, and Apple have also grown multiple times in India (see Table 3). As of 2024, Apple accounted for a major market share among the five leading digital platforms in India. Amazon and Microsoft stood in second and third positions in terms of revenues (Table 3).

Table 3. Market size¹¹ of select global digital platforms in India (Rs. Crore)

Year	Google	Amazon	Facebook	Apple	Microsoft
2016	5904	2331	177	9937	4605
2020	7567	20483	1216	13623	8820
2024	8971	47538	3035	66728	22997

Note: Google figure are the aggregate revenues reported by Google India Pvt. Ltd., Google Cloud, Google India Digital Services. Similarly, Amazon revenue figures are the combined revenues reported by Amazon Seller Services, Amazon Retail India, Amazon Wholesale, Amazon Pay and Amazon Web Services. Revenues of Facebook, Apple and Microsoft are reported revenue from Facebook India internet services, Apple India and Microsoft Corporation (India) respectively.

Source: Centre for Monitoring Indian Economy (CMIE) Prowess database, extracted on 05/09/2026

Leading domestic digital platforms across India's major online markets have grown rapidly between 2017 and 2024 (see Table 4). The food delivery sector experienced the fastest growth, with Zomato's revenue increasing from Rs.332 crore in 2017 to Rs.12,114 crore in 2024, while Swiggy expanded even more rapidly from Rs.24 crore to Rs.11,634 crore during the same period. Similar trends are evident in ride-hailing. Uber's revenue increased nearly tenfold from Rs.411 crore to Rs.3,860 crore, whereas Ola's revenue initially expanded before moderating in recent years. The strongest evidence of sustained expansion is observed in the online retail sector, where Amazon India's revenue increased almost eightfold from Rs.3,257 crore in 2017 to Rs.25,406 crore in 2024, while Flipkart's revenue rose from Rs.15,569 crore to Rs.70,844 crore, consolidating its position as the largest online retailer in the country. Other online sectors follow similar growth patterns.

Across the Indian digital markets such as Food delivery, Ride Hailing, E-commerce, travel, and Digital Payments, only two or three players have captured the entire market (see Table 4). Zomato and Swiggy together account for the entire online food delivery market, holding 58% and 42% market shares, respectively. In ride-hailing, Uber and Ola collectively dominate the sector, with market shares of 50% and 34%. Similarly, online retail is highly concentrated, where Flipkart (48%) and Amazon (24%) account for nearly three-quarters of the market. The analysis suggests that the rapid platform growth in terms of revenue has been accompanied by increasing market concentration, with a few platforms emerging as dominant players across major Indian digital markets.

¹¹ Market size is measured in terms of operation revenues, which is the revenue generated by the core business of an enterprise.

Table 4. Sector-wise leading digital platforms and their market size (Rs. Cr)

Sector	Platforms	2017	2020	2024	Market share (%)
Food Delivery	Zomato	332.3	2,604.7	12,114.0	58(FY24) ¹²
	Swiggy	23.6	3727.7	11634.4	42(FY24) ¹³
Ride Hailing	Ola	1381	2844	2204	34(Dec-2024) ¹⁴
	Uber	411	750	3860	50(Dec-2024) ¹⁵
Online Retail	Amazon	3257	10848	25,406	24(FY23) ¹⁶
	Flipkart	15569	34586	70844	48 (FY23) ¹⁷
Travel	MakeMyTrip	2765	848	NA	57 (FY23) ¹⁸
Digital Payments	PhonePe	NA	427.21	5722.2	46(July 2024) ¹⁹
E-Pharmacy	Tata 1mg	12	369	1991	31(Sept 2023) ²⁰
OTT video streaming	JioHotstar	324	NA	NA	26(Aug 2024) ²¹
	Netflix	NA	936	2895	13(Aug 2024) ²²

Sources: Data on revenues are compiled from annual reports of companies, while market share figures are collected from various newspaper articles.

One of the major sources of these platforms' market power is the presence of network effects. The study has used two indicators (i.e., average monthly users of the platform and number of apps downloaded) as proxies to quantify network effects. Table 5 shows that Zomato had monthly users of more than 18 million during 2024, while in the same period, Swiggy had 12.7 million users. In the ride-hailing market, Ola, Rapido and Uber have onboarded 28.6, 31.8 and 33.6 million users, respectively, on their platforms. Similarly, Amazon and Flipkart in online retail have monthly users of 200 and 180 million in 2025. Other major platforms such as MakeMyTrip, PhonePe, Netflix and Hotstar follow a similar trend. These platforms have recorded tens of millions to over 100 million app downloads, indicating widespread consumer adoption. The simultaneous expansion in active users and app installations reflects the presence of strong direct and indirect network effects whereby a large user base increases the

¹² The Economic Times, Zomato leads food delivery with 58% market share in Q1, Blinkit tops quick commerce: Motilal Oswal (Nov. 20, 2024).

¹³ *Id.*

¹⁴ Equentis, *supra* note 4.

¹⁵ *Id.*

¹⁶ Reuters, *India to summon Amazon, Flipkart executives as regulatory scrutiny grows*, *supra* note 2.

¹⁷ Mint, Flipkart dominates with 48% market share, Meesho emerges as fastest growing e-commerce platform: Report (Jan. 26, 2024).

¹⁸ BusinessLine, MakeMyTrip emerges as dominant player in Indian online travel market (July 8, 2023).

¹⁹ Business Standard, PhonePe tops UPI in July with 8.93 bn transactions, 46% market share (Aug. 14, 2025).

²⁰ The Economic Times, 1mg overtakes PharmEasy in market share in top order change (Nov. 16, 2023).

²¹ Reuters, Top streaming platforms in content-hungry India (Aug. 28, 2024).

²² *Id.*

value of the platform for consumers, sellers, advertisers and others. These network effects can generate massive amounts of data, which can act as a strategic resource for digital platforms, further raising barriers to entry and entrenching market dominance. A number of VC-backed online businesses such as PayTM, Mobikwik and Freecharge offer attractive cash-back discounts for almost every transaction carried out on their platform in order to achieve rapid network expansion by attracting maximum number of users and merchants within the shortest possible time (Parsheera et al., 2017) .

Table 5. Users of Digital Platforms in India

Sector	Platforms	Average Monthly users (In Millions)	App-download (Crore+)
Food Delivery	Zomato	18.4 (FY24) ²³	10
	Swiggy	12.73 (FY24) ²⁴	10
Ride hailing	Ola	28.6 (FY25) ²⁵	10
	Uber	33.6	100
	Rapido	31.8	10
Online Retail	Amazon	200 (FY25) ²⁶	50
	Flipkart	180(FY25)	50
Travel	MakeMyTrip	68 (2024) ²⁷	10
Digital Payments	PhonePe	600 (FY25) ²⁸	50
OTT video streaming	JioHotstar	503 (FY25) ²⁹	100
	Netflix	12 ³⁰	100

Source: Author's compilation from Google's Play Store

Combining information on turnover and users of platforms, we can observe how big or significant they have become in the Indian digital sector. Under the section 3(2) of the Draft Digital Competition Bill (2024), an enterprise can qualify as a Significantly Significant Digital Enterprise (SSDE) in relation to a Core Digital Service if it satisfies at least one financial threshold and at least one user threshold³¹. The financial threshold includes any one of the

²³ [The Economic Times, Swiggy vs Zomato: Who is winning the financial race? \(Oct. 1, 2024\).](#)

²⁴ *Id.*

²⁵ [The Economic Times, The torpedo that is heading towards Uber and Ola's cab-hailing ship \(Dec. 4, 2024\).](#)

²⁶ [AP Startup, Biggest online shopping app in India: Stats, Features & Shopping Hacks \(June 26, 2025\).](#)

²⁷ [DMR, MakeMyTrip Statistics 2026: Users, Downloads, Revenue, and Facts \(Mar. 7, 2026\).](#)

²⁸ [PhonePe, PhonePe Crosses 600 Million Registered Users \(Mar. 11, 2025\).](#)

²⁹ [Medianama, JioHotstar's 503M Monthly Active Users Drive Big Quarter for Reliance in Q4FY25 Amid IPL, ICC Boost \(Apr. 29, 2025\).](#)

³⁰ [Business Standard, India hooked to Netflix's content; subscribers and revenue surge in Q2 CY24 \(July 19, 2024\).](#)

³¹ Ministry of Corporate Affairs (Mar. 2024), Draft Digital Market Competition Bill,

following: a) Indian turnover should be greater or equals to Rs. 4000 crores or b) Global turnover $\geq$ \$30 billion or c) India Gross Merchandise Value (GMV) $\geq$ Rs.16000 crore or d) Global market capitalization $\geq$ \$75billion. User threshold includes a) if end user base $\geq$ 1 crore or b) business users $\geq$ 10,000.

Applying the quantitative criteria proposed under the Draft Digital Competition Bill, 2024 to the available revenue and user data identifies Zomato, Swiggy, Amazon, Flipkart, MakeMyTrip and PhonePe as the strongest potential SSDEs among the platforms examined. Each exceeds the proposed threshold of Rs.4,000 crore in Indian turnover and one crore end users. Other platforms including Ola, Uber, Tata 1mg, JioHotstar, Netflix exhibits strong user base far above user threshold and satisfy at least one other financial threshold criteria among GMV, global turnover and Global market capitalization. For instance, Uber's global turnover³² was reported \$52 billion in FY2025 as per the company's annual filing (far above \$30billion threshold). Similarly, Netflix's global turnover (\$45 billion in FY2025)³³ and market capitalization (\$325 as of September 2026)³⁴ are far above the financial threshold. Ola and Tata 1mg fall short of financial threshold. However, the CCI may designate an enterprise as an SSDE even where the quantitative thresholds are not met, based on factors such as network effects, data advantages, economies of scale and scope, user dependence, switching costs, barriers to entry and expansion, and the enterprise's economic power. Overall, digital sectors included in the study witness the presence of SSDEs whose anti-competitive practices could be monitored by the CCI.

B. Strategic business practices and Anti-competitive conduct: Enablers of Platform Growth

While data-driven network effects and economies of scale and scope are significant factors for establishing dominance by digital platforms, they further strengthen and consolidate their market positions through several mutually reinforcing strategies. These strategies include business strategies such as mergers & acquisitions, copying & imitation, heavy capital and R & D investments, as well as anti-competitive conduct such as deep discounting, preferential treatment, bundling & tying, among others.

³² [Uber Technologies, Annual Report 2025](#)

³³ [Netflix Inc, Annual report 2025](#)

³⁴ <https://companiesmarketcap.com/netflix/marketcap/>

1. Mergers & Acquisitions

Acquisitions of existing or potential competitors have been a significant strategy for digital platforms to consolidate their market position. For instance, Facebook acquired Instagram (\$1 billion) in 2012 to contain an emerging social media threat and subsequently purchased WhatsApp (\$22 billion) in 2014 to strengthen its dominance in the global messaging market. It is reported that Facebook has developed a warning system to alert it to rising competitors³⁵. The FTC monopolization case against Facebook provides independent support for concerns about the strategic identification and acquisition of emerging competitive threats. The FTC alleged that Facebook systematically monitored potential competitive threats and used acquisitions, including Instagram and WhatsApp, to maintain its monopoly (FTC, 2021). Similarly, Google bought “Waze,” a rising competitor to Google Maps. Table 6 presents the number of acquisitions by major digital platforms globally as well as in India by leading global and domestic platforms. Google has acquired 262 competitors across various sectors until now. Microsoft retains the second position with 211 acquisitions globally. Apple and Amazon, with 118 and 111 acquisitions globally, retain the top third and the fourth positions. Indian digital platforms Flipkart is the top acquirer (22), followed by Zomato (16) and Ola Cabs (11) acquisitions until now. Food aggregator Swiggy has acquired 6 companies. This indicates that acquisition has been an important mechanism through which large digital platforms tend to expand their technological capabilities and presence across markets.

The share of acquisitions classified as business/asset acquisitions varies substantially across platforms. Tencent (95%), Uber (95%), Alibaba (84%), Ola (82%), and Flipkart (77%) have particularly high proportions, whereas Apple (55%), Facebook (57%), Google (58%), and Zomato (63%) have relatively lower proportions. This variation suggests that acquisitions by digital platforms are not homogeneous: some platforms appear to rely more heavily on acquiring operating businesses or productive assets, while others undertake a larger proportion of transactions that may involve technology, intellectual property, and human capital. Many startups aim to be acquired by big tech giants rather than competing against them (Ederer & Pellegrino, 2023).

³⁵ The Wall Street Journal, *The New Copycats: How Facebook Squashes Competition From Startups* (Aug. 9, 2017).

Table 6. Total number of acquisitions by select Digital platforms

Digital platforms	Acquisitions Globally	Acquisitions in India
Google	262	2
Amazon	111	8
Facebook	95	1
Apple	118	2
Microsoft	211	1
Alibaba	25	NA
Tencent	44	NA
Uber	19	NA
Zomato	16	9
Swiggy	6	6
Flipkart	22	20
Ola Cabs	11	9

Source: Tracxn database, Extracted on 10/11/2025

Table 7 presents a selected number of acquisitions by major tech giants: Google, Amazon, Facebook, Apple, Microsoft, Alibaba, and Tencent (often called “seven significant digital platforms”). It lists those major acquisitions globally whose deal value exceeds \$1 billion. The analysis shows that the majority of the acquisitions have been in the acquirer’s home country (China for Alibaba & Tencent, USA for other major digital platforms) and the acquired companies are operating in high-tech sectors. Major acquisitions of high-tech firms include the acquisition of Activision Blizzard (\$70 billion) & LinkedIn (\$26 billion) by Microsoft and WhatsApp (\$22 billion) by Facebook. Alibaba and Amazon have made important acquisitions in the retail sector as well. Acquisitions in the advertising, marketing and telecom equipment sectors have been made by Alibaba and Google, respectively.

Table 7. Selected Acquisitions by Major Digital Platforms Globally

Acquisition Year	Target Company	Target Country	Acquirer	Acquisition price (\$ billion)
2006	YouTube	USA	Google	1.65
2007	DoubleClick By Google	USA	Google	3.1
2007	aQuantive	USA	Microsoft	6
2011	Motorola Mobility	USA	Google	12.5
2011	Skype	Luxembourg	Microsoft	8.5
2012	Instagram	USA	Facebook	1
2014	UCWeb	China	Alibaba	4.5
2014	Beats Music	USA	Apple	3.2
2014	Beats Electronics	USA	Apple	3
2014	Oculus	USA	Facebook	2.3

2014	WhatsApp	USA	Facebook	22
2014	Nest	USA	Google	3.2
2015	Youku Tudou	China	Alibaba	4
2016	Tudou	China	Alibaba	4
2016	LinkedIn	USA	Microsoft	26.1
2016	China Music Corp	China	Tencent	2.7
2016	Supercell	Finland	Tencent	10.2
2017	Kioxia	Singapore	Apple	18
2018	GitHub	USA	Microsoft	7.5
2018	Amer Sports	Finland	Tencent	6.4
2019	YES Network	USA	Amazon	3.47
2020	ZeniMax	USA	Microsoft	7.5
2021	MGM Studios	USA	Amazon	8.45
2021	Nuance	UK	Microsoft	19.7
2022	One Medical Group	UK	Amazon	3.9
2022	One Medical	USA	Amazon	4
2022	Mandiant	USA	Google	5.4
2022	Activision Blizzard	USA	Microsoft	70
2025	Wiz	USA	Google	32
2025	Ximalaya	China	Tencent	2.4

Source: Tracxn Database, extracted on 28/10/2025

Table 8: GAFAM acquisitions with transaction values exceeding the 2026 U.S. HSR \$535.5 million threshold

Acquirer	Acquisition Date	Target company	Acquired Stake (%)	Acquisition Price (\$million)
Amazon	Aug 05, 2022	iRobot	100	1700
Amazon	Jul 23, 2022	One Medical Group	100	3900
Amazon	Jul 21, 2022	One Medical	100	4000
Amazon	May 26, 2021	MGM Studios	NA	8450
Amazon	Jun 26, 2020	Zoox	100	1200
Amazon	Aug 29, 2019	YES Network	20	3470
Amazon	Sep 19, 2018	More Store	NA	580
Amazon	Jun 28, 2018	PillPack	100	1000
Amazon	Feb 27, 2018	Ring Labs	100	1167
Amazon	Mar 22, 2017	Souq	100	580
Amazon	Aug 25, 2014	Twitch	100	970
Amazon	Mar 19, 2012	Kiva Systems	100	775
Amazon	Nov 08, 2010	Quidsi	100	545
Amazon	Jul 22, 2009	Zappos	100	888

Apple	Sep 28, 2017	Kioxia	NA	18000
Apple	May 28, 2014	Beats Music	100	3200
Apple	May 09, 2014	Beats Electronics	100	3000
Facebook	Nov 30, 2020	Kustomer	100	1000
Facebook	Sep 23, 2019	CTRL	100	1000
Facebook	Mar 25, 2014	Oculus	100	2300
Facebook	Feb 19, 2014	WhatsApp	100	22000
Facebook	Apr 09, 2012	Instagram	100	1000
Google	Mar 18, 2025	Wiz		32000
Google	Feb 09, 2022	Mandiant	100	5400
Google	Oct 31, 2019	Fitbit	100	2100
Google	Jun 06, 2019	Looker	100	2600
Google	Sep 08, 2016	Apigee	100	625
Google	Jan 13, 2014	Nest		3200
Google	Feb 11, 2013	Waze	100	1300
Google	Aug 04, 2011	Motorola Mobility	100	12500
Google	Apr 08, 2011	ITA Software	100	700
Google	Nov 09, 2009	AdMob	100	750
Google	Jul 09, 2007	Postini	100	625
Google	Apr 13, 2007	DoubleClick By Google	100	3100
Google	Oct 09, 2006	YouTube	100	1650
Microsoft	Jan 18, 2022	Activision Blizzard	100	70000
Microsoft	Apr 11, 2021	Nuance	100	19700
Microsoft	Sep 21, 2020	ZeniMax	100	7500
Microsoft	Mar 26, 2020	Affirmed Networks	100	1350
Microsoft	Jun 03, 2018	GitHub	100	7500
Microsoft	Jun 13, 2016	LinkedIn	100	26100
Microsoft	Sep 15, 2014	Minecraft	100	2500
Microsoft	Jun 25, 2012	Yammer	100	1200
Microsoft	May 09, 2011	Skype	100	8500

Microsoft	May 18, 2007	aQuantive	100	6000
Microsoft	Mar 14, 2007	Tellme	100	800
Microsoft	May 08, 2002	Navision	100	1330

Source: Tracxn, extracted on 28/10/2025

Table 8 presents a sample of major acquisitions by GAFAM firms selected using the \$535.5 million 2026 U.S. HSR threshold as the transaction-value criterion. The sample provides a basis for examining whether large GAFAM acquisitions involved nascent competitors/killer acquisitions, technology/talent acquisitions, or broader market and ecosystem expansion.

Several acquisitions in the sample raise concerns regarding the elimination of potential or nascent competitors. In particular, Facebook’s acquisitions of Instagram and WhatsApp and Google’s acquisition of AdMob involved young firms with products that overlapped with, or could potentially have constrained, the acquirer’s existing activities. Google’s acquisition of Waze can similarly be viewed as a potential-competition case or killer acquisitions in digital mapping.

Our sample has listed only fewer acquisitions crossing the merger threshold of Rs. 2000 crores although there are many firms acquired small sized Indian firms including Indian start-ups (Table 9 and Table 11).

Table 9: Large-Value Acquisitions by Indian Digital Platforms: Selected Transactions

Acquire	Acquisition Date	Target company	Acquired Stake (%)	Acquisition Price (Rs. crore)
Flipkart	May 22, 2014	Myntra	100	2078.64
Zomato	Sep 03, 2024	Paytm Insider	100	2036.32
Zomato	Jun 24, 2022	Blinkit	100	4465.52

Source: Tracxn, extracted on 28/10/2025

It is further observed that global digital platforms have bought Indian firms primarily for talent, specialised tech, and local product teams rather than large consumer businesses (see Table 10). The acquisitions by GAFAM (Google, Apple, Facebook, Amazon, Microsoft) platforms are predominantly AI/ML, mobile apps or commerce product teams, which are employed to accelerate local product development and acquire engineering talents. In India, Google made its first acquisition in India, taking over an AI start-up, “Halli Labs” in 2017. Halli Labs was

applying modern AI and ML techniques. Google also acquired India's most popular train tracking app "Where Is My Train," estimated to have 10 million users in 2018 (Table 10). In contrast, acquisitions by Indian digital platforms Flipkart (Myntra, Jabong, eBay), Zomato (Uber Eats) and Ola (TaxiForSure) are intended for market expansion. These platforms have used acquisition strategies to broaden their digital ecosystem (logistics, payments, grocery, reservations, etc.) and prevent emerging competitive threats. For instance, although, Ola acquired Foodpanda during 2019, it had to closed down its online food delivery business due to aggressive competition. Seven months later, Zomato acquired Uber India eat and thus Zomato and Swiggy controls almost the entire food delivery market (Business Standard, 2020).

It was argued that there are many killer acquisitions such as Zomato's - Uber Eats, Freecharge-Snapdeal and Whatsapp-Facebook managed to escape antitrust scrutiny in India as the asset size was much below the thresholds level (Modi and Shukla, 2021). These acquisitions, however, form a crucial part of the discourse on platform concentration, market entry barriers, and the evolving contours of competition policy in India's digital economy.

Table 10. Major Acquisitions in India

Acquirers	Acquired Firms	Acquisitions Date	Business description
Amazon	Tapzo	2018	Smart business cards
	More Store	2018	Supermarket & online grocery operator
Google	Halli Labs	2017	Provider of AI development and ML solutions
	Where is my Train	2018	Mobile app for real time information on Indian railways
Facebook	Little Eye labs	2014	Mobile-app performance analytics startup
Apple	Tuplejump	2016	Machine-learning / big-data startup
Microsoft	Wand Labs	2016	Messaging / conversational AI team
	Myntra	2014	fashion e-commerce
Flipkart	eBay	2017	e-commerce
	PhonePe	2017	Digital payments
Zomato	Uber Eats	2020	Food delivery
	Blinkit	2022	Online grocery
Swiggy	Scootsy	2020	Premium and hyperlocal logistics
	Dineout	2020	Restaurant tech
Ola Cabs	TaxiForSure	2015	Ride hailing
	Ridlr	2010	App-based platform for journey planning solutions

Source: Tracxn database, Extracted on 10/11/2025

In cases where target firms have declined acquisition offers, big tech firms have responded strategically by imitating or copying the core features or business models of targeted firms to encroach upon their market share. For instance, Facebook introduced many features that had made Snapchat unique, by adding AR effects, QR codes, similar filters, and even similar interfaces when Snapchat declined the acquisition offer by Facebook in 2013. Performance of Snapchat has been poor since then in terms of low user growth and its share value (Gallagher, 2018) . A similar story was experienced by Skype as well.

2. Investments in R & D and fixed assets

In addition to the merger & acquisition strategy, leading digital platforms heavily invest in R & D and development of digital infrastructure to maintain their market dominance (see Table 11). In 2024, Facebook maintained the top position as the highest R & D spender (26.7%), followed by Google (14%), Amazon (13.9%) and Microsoft (12%). Innovation is crucial to sustaining their competitive advantage in data-driven and networked markets. Digital platforms invest heavily in intangible assets such as proprietary software, algorithms, data, and intellectual property that support their innovation and market dominance. They develop AI models, cloud platforms, and recommendation systems; acquire patents and trademarks; and build brand equity and user trust through design and marketing. High research and development expenses reflect substantial investment in intangible assets such as software, complex algorithms and data infrastructure, yielding increasing returns to scale (Bessen, 2017).

Table 11. R & D Intensity³⁶ of Major Digital Platforms

Year	Google	Amazon	Facebook	Apple	Microsoft	Alibaba	Tencent
2015	16.4	11.7	26.9	3.5	12.9	14.0	8.8
2020	15.1	11.1	21.5	6.8	13.5	8.5	8.1
2024	14.1	13.9	26.7	8.0	12.0	5.6	10.7

Source: Annual Reports of these companies

Despite the significant relevance of intangibles, business models of these platforms also rely heavily on tangible assets for supporting data extraction, collection, storage, connectivity, and global service delivery. Leading platforms have invested substantially in tangible assets, mainly in plant and equipment, as these are the backbone of their digital operations (See Table 12). These expenditures mainly include spending on setting up data centres, servers, and network infrastructure for cloud computing (AWS, Google Cloud and Azure). Investments are also undertaken for content delivery networks, AI training clusters and logistics infrastructure such as fulfilment centres and delivery robots. High capex relative to the industry size can create

³⁶ R & D intensity is defined as R & D expenditures as a percentage of the total revenues of the company.

strategic entry barriers-a key mechanism for dominance in a contestable market framework (Baumol, 1982).

Table 12: Tangible Assets/Plant & Machinery (% of total Revenues) of major Digital Platforms

Year	Google	Amazon	Facebook	Apple	Microsoft	Alibaba	Tencent
2015	13.3	4.3	14.1	4.8	6.4	10.1	5.3
2020	12.2	10.4	17.6	2.7	10.8	8.9	7.1
2024	15.0	13.0	22.6	2.4	18.1	3.5	9.5

Source: Annual reports of companies

3. *Anti-Competitive Conducts*

The rapid growth across digital platforms is also attributed to the unfair business practices used by digital platforms. The 53rd report of the Parliamentary Standing Committee on Finance³⁷ (2022) identified ten major anti-competitive practices commonly employed by large digital enterprises across digital markets in India. Among these, deep discounting, preferential treatment and tying and bundling have emerged as influential. Deep discounting enables platforms to rapidly acquire more users, sellers and service providers by subsidising one side of the market by burning venture capital funds, cross-subsidisation, or revenue generated from complementary businesses. Such a pricing structure benefits consumers through lower prices; it also increases network effects and switching costs, thereby raising entry barriers for competing platforms. Deep discounting is widely practised by digital platforms until platforms reach a critical threshold to exploit network effects. In India, major leading platforms have been alleged to be engaged in deep discounting practices. Uber was found to be losing Rs.204 per trip in respect of every trip made by the cars of the fleet owners (CCI Case No.06, 2015)³⁸, reflecting an unfair strategy to eliminate competitors from the online ride-hailing market.

Preferential treatment further accelerates platforms' growth by allowing vertically integrated platforms to favour their own products, affiliated sellers, or preferred business partners through search rankings, recommendations, and advertising. Such practices increase the visibility and sales of preferred/own entities while reducing the competitive opportunities available to independent sellers, thereby extending market power from the platform into adjacent markets. Reuters' investigation of Amazon found traces of preferential treatment where merchants in

³⁷ Standing Committee on Finance, Lok Sabha, Sixtieth Report (Action Taken Report on "Anti-Competitive Practices by Big Tech Companies") (2023).

³⁸ CCI (Apr. 24, 2015), *M/s Fast Track Call Cab Private Ltd. v. M/s ANI Technologies Pvt. Ltd.*, Case No. 06 of 2015,

which Amazon had equity stakes accounted for around 35% of the platform's sales revenue in 2019³⁹.

Similarly, tying and bundling encourage users to consume multiple complementary services within the same ecosystem: for example, integrating digital payments, logistics, subscription services, cloud infrastructure, or app-store services with the core platform. While these strategies may generate efficiencies and growth through lower transaction costs, improved interoperability, and greater consumer convenience, they also deepen ecosystem integration, increase user dependence, and discourage multi-homing. However, these strategies are considered anti-competitive by several global regulatory authorities.

Various sector specific regulations for large digital platforms have been implemented to discipline and prevent harm to consumers and business users alike. Such regulations include FDI policy for e-commerce (2018), IT Rules (2021), Digital Personal data protection (2023) and consumer protection (e-commerce) rules (2020). The committee on the competition law (2024) states that although sectoral regulations enhance consumer protection, data privacy, and investment regulation, they are fragmented and lack capability in addressing structural dominance by the large digital platforms. Table 13 presents major sector specific regulations applicable to the functioning of large digital platforms.

Table.13 Sector specific regulations for large digital platforms

Regulation	Governing Authority	Primary Objectives	Relevance to Digital Platforms
FDI (E-commerce)	DPIIT	To attract foreign capital while ensuring fair competition between foreign and domestic entities. To regulate equity participation and ownership structures in digital marketplaces. To maintain platform neutrality by prohibiting inventory-based e-	Targets foreign-funded e-commerce platforms like Amazon and Walmart-Flipkart; Aims to prevent self-preferencing, exclusive listings, and discriminatory treatment of sellers.

³⁹ [Reuters, Amazon documents reveal company's secret strategy to dodge India's regulators \(Feb. 17, 2021\).](#)

		commerce under FDI.	
2. Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021 & IT (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011 (SPDI Rules)	MeitY	To impose due diligence and transparency obligations on intermediaries and social media platforms. To ensure user safety, privacy, and responsible content moderation To regulate collection and handling of sensitive personal data.	Addresses intermediary accountability (e.g., Google, Meta) but limited to user protection; does not directly regulate anti-competitive practices like data leveraging or platform bias.
Digital Personal Data Protection (DPDP) Act, 2023	Ministry of Electronics and IT	To safeguard individual privacy and ensure lawful, fair, and transparent processing of digital personal data. To regulate data transfer and consent-based processing. To establish the Data Protection Board for oversight.	While enhancing consumer data rights, it indirectly influences competition by limiting exploitative data use by dominant platforms. However, its primary focus is privacy, not market power.
Draft National Data Governance Framework Policy (NDGFP), 2022	MeitY	To establish uniform standards for non-personal data governance and sharing. To enable secure data exchange between	Promotes open data access and innovation ecosystems but not designed for addressing anti-competitive data consolidation by large digital enterprises.

		government and private entities. To create frameworks for data accessibility, security, and interoperability.	
Proposed Digital India Act (under draft)	MeitY (proposed to replace IT Act, 2000)	To modernize India's digital regulatory architecture. To create clear accountability for intermediaries, AI systems, and emerging tech. To harmonize cyber, data, and platform regulation.	Aims at comprehensive governance of digital intermediaries and online harms; may provide enabling provisions for future ex-ante competition oversight.
Consumer Protection Act, 2019 & Consumer Protection (E-Commerce) Rules, 2020; Consumer Protection (Direct Selling) Rules, 2021	Ministry of Consumer Affairs	To ensure fair trade practices and prevent deceptive advertising, unfair contract terms, and consumer exploitation. To promote transparency in pricing, ranking, and grievance redressal mechanisms. To regulate misleading reviews and ensure disclosure of seller information.	Governs online marketplaces like Amazon, Flipkart, Nykaa, and others. Focuses on consumer fairness and transparency but not market structure or dominance concerns.
Draft National E-Commerce Policy, 2019	DPIIT	To develop a coherent framework	Recognizes platform concentration risks and

		for digital commerce including data ownership, localization, and consumer protection. To promote fair competition and prevent data monopolization. To balance innovation with regulatory certainty.	calls for data-sharing norms to ensure level playing field, though yet to be operationalized.
RBI Master Directions on Prepaid Payment Instruments, 2021	Reserve Bank of India	To regulate issuance and operation of digital wallets and payment instruments. To ensure financial stability, interoperability, and consumer safety in digital payments. To prevent concentration risk and systemic vulnerabilities.	Applies to fintech platforms such as Paytm, PhonePe, and Amazon Pay; fosters interoperability and prevents monopolistic control in payment ecosystems.
NPCI 'Guidelines on Volume Cap for Third-Party App Providers (TPAPs) in UPI,' 2021	NPCI	To impose a 30% transaction volume cap for third-party payment apps on UPI. To ensure contestability and prevent dominance by any single app	Directly prevents market tipping and encourages entry of smaller players; however, limited to UPI ecosystem and not applicable across other digital markets.

		(e.g., Google Pay, PhonePe).	
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Source: Author's own compilation

Section V. Anti-competitive Allegations against digital platforms in India and the CCI's enforcement

India's anti-trust regime is primarily governed by the Competition Act, 2002. The Act seeks to prevent unfair competitive practices, promote a level playing field, protect the interests of consumers and ensure freedom of trade. The responsibility of the enforcement is entrusted to the CCI, while appeals can be filed with the Supreme Court of India. The Competition Act covers three main areas. First, section 3 of the Act prohibits anti-competitive agreements (cartels, exclusive agreements, etc.). Second, section 4 prevents abuse of dominant position, which can take place through predatory pricing, tying and self-referencing. Sections 5 and 6 of the Act govern mergers & acquisitions. While the merger control regime is ex-ante in nature, enforcement under sections 3 and 4 is ex-post, where the CCI acts only after abuse of dominance is established. Determining dominance first requires defining the relevant market, which has been a contentious issue in digital markets. The current ex-post framework was conceived with a view to ensuring competitiveness and fairness in traditional markets, at a time when digitalisation was low. Various sector-specific regulations for large digital platforms have been implemented to discipline and prevent harm to consumers and business users alike. Such regulations include the FDI policy for e-commerce (2018), IT Rules (2021), Digital Personal Data Protection (2023) and consumer protection (e-commerce) rules (2020). The committee on the digital competition law (2024) states that although sectoral regulations enhance consumer protection, data privacy, and investment regulation, they are fragmented and cannot address structural dominance by the large digital platforms.

The increasing dominance of digital platforms has generated a growing number of competition cases before the CCI, involving online retail, food delivery, ride-hailing, mobile operating systems, app stores, and digital advertising markets (see Table 14). Several leading digital platforms, including online retail giants Amazon⁴⁰, Flipkart, Zomato⁴¹ and Swiggy, have been

⁴⁰ Reuters, *Exclusive: Amazon, Walmart's Flipkart breached India antitrust laws*, *supra* note 5.

⁴¹ Reuters, *India finds Zomato, Swiggy food delivery businesses breached antitrust laws*, *supra* note 6.

alleged to be involved in anti-competitive unfair practices. Allegations against these platforms were largely centred on abuse of dominance practised through anti-competitive practices. These practices include deep discounting, preferential treatment to select sellers, bundling & tying, anti-steering clauses, ranking manipulation, control over data, restrictions on access to the app store and algorithmic biases. Google was penalised for tying Android with preinstalled apps and restricting app store competition⁴². It was also investigated in-app billing rules. MakeMyTrip and OYO were fined for exclusivity agreements with hotels⁴³. WhatsApp and Meta were challenged for forcing users to share data across services⁴⁴.

Table 14. Major Anti-competitive cases filed against digital platforms in India

Year	Parties involved	Anti-Trust Allegations
2014	Mohit Manglani vs. Flipkart, Amazon, Snapdeal	Deep discounts, Exclusive agreements. Restricting intra-brand competition
2015	Fast Track, Meru, and Mega cabs vs Ola cabs	Abuse of Dominance, predatory pricing, entering exclusivity contracts with drivers
2018	Umar Javeed and Others Vs. Google	Abuse of dominance, imposition of unfair conditions, denial of market access, tying & bundling of products
	All India Online Vendors Association vs. Flipkart	Preferential treatment to select sellers, deep discounting, exclusive arrangements, predatory pricing.
2019	Prachi Agarwal & Others Vs. Swiggy	Abuse of dominance, charging unfair prices to customers
2019	Delhi Vyapar Mahasangh Vs Flipkart & Amazon	Abuse of dominance, deep discounting, preferential treatment, exclusive tie ups, search manipulation, predatory pricing
2020	AIOVA Sellers Association vs Amazon	Predatory pricing, preferential treatment to select sellers, misuse of marketplace model.
2020	Rohit Arora Vs Zomato	Unfair delivery/cancellation charges, alleged abuse of dominance
2021	NRAI vs Zomato & Swiggy	Platform neutrality/self-preferencing, price-parity & discount controls, data use, bundling of listing & delivery, exclusivity
2021	Match Group, vs. Google Alliance of Digital India Foundation vs. Google	Abuse of dominance, imposition of discriminatory condition, denial of market access to competitors
2020	Kshitiz Arya, Purushottam Anand vs Google & Xiaomi	Abuse of dominance, Bundling Play Store with Android TV operating system, Denying market access

Source: Author's own compilation

⁴² CCI, Monetary penalty of Rs. 1337.76 crore imposed on Google for anti-competitive practices in relation to Android mobile devices (Oct. 20, 2022).

⁴³ CCI, Monetary and non-monetary sanctions imposed on MakeMyTrip, GoIbibo and OYO for indulging in anti-competitive conduct (Oct. 19, 2022).

⁴⁴ Reuters, India tribunal lifts WhatsApp data-sharing ban, upholds Meta fine (Nov. 4, 2025).

While the CCI has progressively recognised several structural characteristics of digital platforms, including network effects, data-driven market power, ecosystem integration, and business-user dependence lately, its application of these principles has varied considerably across sectors and over time. This inconsistency is particularly evident in three areas: the definition of the relevant market, the assessment of dominance under Section 19(4) of the Competition Act 2002, and the treatment of anti-competitive practices.

The most significant source of inconsistency concerns the determination of the relevant market, which constitutes the foundation of abuse of dominance analysis. Determining dominance first requires defining the relevant market in which abuse of dominance will be established if found. In several early cases involving online retail and food delivery platforms, the CCI adopted broad market definitions (offline plus online) by treating online services as substitutes for their offline counterparts. For instance, in *Ashish Ahuja vs. Snapdeal* (CCI, Case No. 17, 2014)⁴⁵ and *All India Online Vendors Association (AIVA) vs. Flipkart India* (CCI, Case No. 20, 2018)⁴⁶, Amazon, Flipkart and Snapdeal were viewed as participants in the broader retail market (online plus offline retail markets). Similarly, complaints concerning food delivery platforms, *Swiggy* (CCI, Case No.39, 2019)⁴⁷ and *Zomato* (CCI, Case No.54, 2020)⁴⁸ were assessed within the wider restaurant services market. These broad market definitions do not treat online and offline markets separately. Therefore, it substantially reduced the likelihood of establishing dominance, leading the Commission to dismiss complaints concerning deep discounting, exclusive arrangements, and discriminatory conduct at the prima facie stage. However, in later investigations⁴⁹, particularly *Delhi Vyapar Mahasangh vs. Amazon Seller Services* (Case No. 40, 2019) and *National Restaurant Association of India (NRAI) vs. Zomato* (Case No. 16, 2021), the Commission acknowledged the structural characteristics of digital platforms, including network effects, vertical integration, and the dependence of business users on platform access. The Commission recognised that digital platforms may possess significant competitive influence even in the absence of conventional monopoly positions. These

⁴⁵ CCI (May 19, 2014), *Mr. Ashish Ahuja v. Snapdeal.com & SanDisk Corp.*, Case No. 17 of 2014

⁴⁶ CCI (Nov. 6, 2018), *All India Online Vendors Association v. Flipkart India Pvt. Ltd.*, Case No. 20 of 2018

⁴⁷ CCI (June 19, 2020), *Ms. Prachi Agarwal & Anr. v. Bundl Technologies Pvt. Ltd. (Swiggy)*, Case No. 39 of 2019,

⁴⁸ CCI (Apr. 4, 2022), *Mr. Rohit Arora v. Zomato Pvt. Ltd. (now Zomato Ltd.)*, Case No. 54 of 2020

⁴⁹ CCI (Jan. 13, 2020), *Delhi Vyapar Mahasangh and Flipkart Internet Private Ltd. & Ors.*, Case No. 40 of 2019; CCI (Apr. 4, 2022), *National Restaurant Association of India v. Zomato Ltd. & Anr.*, Case No. 16 of 2021

contrasting approaches indicate that the CCI has not yet developed a consistent methodology for defining relevant markets in multi-sided platform industries.

Closely related to market definition is the Commission's inconsistent application of Section 19(4) of the Competition Act, which requires the assessment of factors such as market share, entry barriers, consumer dependence, vertical integration, and economic power when determining dominance. In several early investigations, including *Ashish Ahuja vs. Snapdeal* (CCI, Case No. 17, 2014) and *All India Online Vendors Association vs. Flipkart India* (CCI, Case No. 20, 2018), the Commission focused primarily on market shares and the existence of alternative suppliers while giving limited consideration to platform-specific characteristics such as network effects, switching costs, data accumulation, or ecosystem integration. In contrast, the *NRAI* proceedings (CCI, Case No. 16, 2021) recognised restaurant dependence, barriers created by network effects, and vertical integration as relevant indicators justifying a detailed investigation. Similar recognition of structural platform power appeared in *Delhi Vyapar Mahasangh vs. Amazon Seller Services* (CCI, Case No. 40, 2019) and in cases concerning Google's Android ecosystem, such as in *Android OS* (CCI, Case No. 39, 2018). Yet comparable reasoning was absent in several subsequent complaints where the burden of proving dominance remained largely with complainants despite the presence of concentrated digital markets. The selective invocation of Section 19(4) of the Competition Act, 2002 has therefore contributed to uncertainty regarding the analytical framework governing abuse of dominance in Indian digital markets.

The CCI has also displayed differing approaches towards anti-competitive business practices adopted by digital platforms. Allegations of deep discounting, predatory pricing, preferential treatment, exclusive agreements, tying, and bundling were initially dismissed in several cases, including *AIVA vs. Flipkart India* (CCI, Case No. 20, 2018), because the Commission concluded that the firms concerned were not dominant in the relevant market. This approach reflects the traditional structure of Section 4 of the Competition Act, under which abuse cannot be established without first proving dominance. However, later investigations increasingly acknowledged that these practices may reinforce market power by strengthening network effects, increasing switching costs, expanding data accumulation, and reinforcing ecosystem integration. The Google Android decision and the Google Play Store billing case, together with investigations involving Amazon and Flipkart in *Delhi Vyapar Mahasangh* and *Zomato and Swiggy* in the *NRAI* case, demonstrate a gradual shift towards recognising that digital platforms may leverage dominance from one market into adjacent markets through structural,

technological integration and platform control. Nevertheless, this recognition has not been applied consistently across sectors, resulting in divergent treatment of comparable competitive concerns.

The Commission's treatment of ride-hailing platforms further illustrates these inconsistencies. Complaints against Ola and Uber alleging predatory pricing and abuse of dominance were repeatedly dismissed in cases such as *Meru Travel Solutions vs. Uber India* (CCI, Case No. 96, 2015)⁵⁰ and *Fast Track Call Cab. vs. ANI Technologies (Ola)* (CCI, Case No. 06, 2015)⁵¹ because neither platform was individually considered dominant in the relevant market. The Commission interpreted the existence of competition between Ola and Uber as evidence that dominance had not been established, thereby precluding further examination of alleged exclusionary pricing. In contrast, appellate proceedings before the Competition Appellate Tribunal (COMPAT) in *Meru Travel v. Uber India*, and subsequent observations of the Supreme Court recognised that sustained below-cost pricing and network expansion strategies warranted closer investigation. Uber was losing Rs.204 per trip in respect of every trip made by the cars of the fleet owners, which did not make any economic sense other than pointing to Uber's intent to eliminate competition in the market. Despite finding Uber's involvement in predatory pricing, it was not considered a significant player in the ride-hailing market to initiate proceedings for abuse of dominant position.

The Commission has adopted a comparatively proactive approach towards global technology firms, particularly Google and Meta. Investigations concerning Android licensing practices (CCI, Case No. 39, 2018)⁵², Play Store billing policies (CCI, Case No. 07, 2020)⁵³, Android TV (CCI, Case No. 37, 2020)⁵⁴, and WhatsApp's data-sharing practices (CCI, Case No. 01, 2021)⁵⁵ recognised the importance of ecosystem leverage, tying, bundling, and data-driven market power. The CCI imposed significant penalties and behavioural remedies designed to improve consumer choices and reduce foreclosure in adjacent markets. These decisions indicate a greater willingness to engage with modern theories of platform competition and align

⁵⁰ CCI (Feb. 10, 2016), *Meru Travel Solutions Pvt. Ltd. v. Uber India Systems Pvt. Ltd. & Ors.*, Case No. 96 of 2015,

⁵¹ CCI (Apr. 24, 2015), *M/s Fast Track Call Cab Pvt. Ltd. v. ANI Technologies Pvt. Ltd.*, Case No. 6 of 2015

⁵² *Mr. Umar Javeed & Others v. Google LLC & Anr.*, Case No. 39 of 2018, CCI (Oct. 20, 2022)

⁵³ *XYZ (Confidential) v. Alphabet Inc. & Others*, Case No. 07 of 2020, CCI (Oct. 25, 2022)

⁵⁴ *Kshitiz Arya and Purushottam Anand v. Google LLC & Ors.*, Case No. 19 of 2020, CCI (Apr. 21, 2025)

⁵⁵ Updated Terms of Service and Privacy Policy for WhatsApp Users, *Suo Motu* Case No. 01 of 2021, CCI (Mar. 24, 2021)

more closely with international enforcement trends. However, they also stand in contrast to the Commission's more cautious treatment of domestic platform markets, where similar structural concerns often failed to trigger comparable investigations.

The Indian experience demonstrates that the principal challenge lies in the inconsistent application of existing competition principles to digital platform markets. Divergent approaches to market definition, dominance assessment, business-user dependence, and platform-specific economic characteristics and delayed or partial remedies have generated uncertainty regarding the enforcement of competition law in the digital markets. It is observed that the CCI initially outrightly rejected any abuse of dominance allegations, ignoring non-price structural characteristics of platforms and relying mostly on market share criteria for establishing dominance; however, in post-COVID cases, when large organisations protested, the CCI ultimately recognised the platform-specific characteristics in influencing market outcomes.

As digital markets increasingly exhibit strong network effects, ecosystem integration, and data-driven competitive advantages, greater analytical consistency is required to ensure predictable enforcement. These developments also explain the growing policy debate on whether conventional ex post enforcement should be complemented by targeted ex ante obligations for Significantly Significant Digital Enterprises (SSDEs), thereby enabling earlier intervention before market power becomes irreversibly entrenched.

The next section discusses the pros and cons of ex-ante enforcement and regulatory shift across major economies.

Section VI. Rethinking India's competition framework: Ex-post, Ex-ante and the way forward

The emergence of digital platforms has fundamentally challenged the effectiveness of conventional ex post competition law, giving rise to an extensive debate on the need for ex ante antitrust regulation. This debate is rooted in the distinctive characteristics of digital markets, including strong network effects, data-driven competitive advantages, economies of scale and scope, and the risk of irreversible market tipping. Proponents argue that these features enable dominant platforms to entrench their market power long before competition authorities can establish abuse through traditional case-by-case investigations. Consequently, several jurisdictions, most notably the EU, have shifted towards preventive regulatory frameworks that

seek to preserve market contestability before competitive harm materialises (Cabral et al., 2021; Crémer et al., 2019).

The principal justification for ex ante regulation is that it addresses the structural sources of market power rather than merely penalising anti-competitive conduct after markets have already tipped. Unlike ex post enforcement, which often involves lengthy investigations and complex economic assessments, ex ante frameworks impose predefined obligations on dominant platforms relating to interoperability, data portability, non-discrimination, and restrictions on self-preferencing (Furman, 2019; Zingales & Maria Lancieri, 2019). Such obligations are intended to reduce regulatory delays, improve legal certainty, facilitate market entry, and protect dynamic competition by preventing exclusionary conduct before it causes irreversible harm (Bougette et al., 2025). The European Union's Digital Markets Act exemplifies this preventive approach by imposing obligations on designated gatekeepers to safeguard fairness and contestability in digital markets rather than relying solely on abuse of dominance proceedings.

Despite these potential benefits, the studies also raise important concerns regarding the unintended consequences of ex ante regulation. Critics argue that uniform regulatory obligations may overlook differences in business models, technological change, and market conditions, thereby creating a "one-size-fits-all" framework that risks constraining efficient business practices and innovation (Narayanan & Lee-Makiyama, 2020; Pettersson, 2022). Excessively rigid obligations may discourage investment, delay the introduction of new products, increase compliance costs, and reduce incentives for firms to develop innovative platform ecosystems (K. O. Afuwape, 2025; Portuese, 2021). Moreover, regulators often face considerable informational asymmetries when assessing rapidly evolving digital markets, increasing the risks of regulatory overreach, misclassification of firms, and regulatory capture. Several studies therefore contend that well-designed ex post competition law, supported by robust economic analysis, may remain preferable where market conditions are uncertain or where competitive harm cannot be established in advance (EU Commission, 2017; Japan Fair Trade Commission, 2017; Lee & Saha, 2025; OECD, 2021). This is particularly relevant in markets characterised by rapid innovation, low entry barriers, or business models whose competitive effects may change as technologies and consumer preferences evolve. The Google Shopping case (AT. 39740)⁵⁶ illustrates this challenge: the competitive concern arose not

⁵⁶ Google Search (Shopping), Case AT.39740, European Commission, 2017 O.J. (L 117) 1 (June 27, 2017)

simply from Google's position as a search platform, but from the alleged effects of favouring its own comparison-shopping service on competing services. In such circumstances, an ex-post approach allows the competition authority to examine the actual effects of the conduct, including its impact on rivals, consumers, and innovation, before imposing a prohibition. This flexibility can reduce the risk that broad ex ante rules inadvertently restrict pro-competitive product design or innovation.

Recent development increasingly suggests that the debate should not be framed as a choice between ex ante and ex post enforcement but rather as determining the appropriate balance between the two approaches. Emerging evidence indicates that ex ante regulation is most effective when applied selectively to firms possessing durable gatekeeper power while retaining sufficient flexibility for case-specific economic assessment (Bougette et al., 2025). This perspective has particular relevance for emerging economies such as India, where digital markets continue to evolve rapidly, and policymakers must simultaneously preserve innovation, encourage investment, and prevent excessive market concentration (K. Afuwape, 2024; Jain et al., 2024). Reflecting these considerations, India's proposed Digital Competition framework seeks to complement the Competition Act, 2002 by introducing targeted ex ante obligations for Systemically Important Digital Intermediaries rather than replacing conventional antitrust enforcement altogether.

Several reports (ACCC, 2019⁵⁷; OECD, 2019⁵⁸; Furman Report⁵⁹, 2019; Stigler Report⁶⁰, 2019) have examined the business models of digital platforms globally, highlighting their unique characteristics and implications for competition. They record instances of abusive practices by dominant digital platforms, outline the concerns arising from their growing market power and importantly propose policy solutions for addressing these challenges effectively. The Parliamentary Standing Committee on Finance proposed the formation of the Digital Competition Act (Ministry of Corporate Affairs, 2024). The parliamentary committee observed that the anti-competitive practices collectively undermine market contestability through the exploitation of data advantages and network effects, entrench the dominance of incumbent firms by reinforcing vertical integration, and indirectly harm consumer welfare by restricting choice, innovation, and transparency. While the existing Competition Act, 2002, empowers the CCI to penalise abuse of dominance, it operates ex post, requiring proof of harm. The

⁵⁷ *Australian Competition and Consumer Commission, Digital Platforms Inquiry-Final Report (2019).*

⁵⁸ *OECD, An Introduction to Online Platforms and Their Role in the Digital Transformation (2019).*

⁵⁹ *HM Treasury, Unlocking Digital Competition: Report of the Digital Competition Expert Panel (2019).*

⁶⁰ *Stigler Center, University of Chicago Booth School of Business, Stigler Committee on Digital Platforms: Final Report (2019).*

Committee concluded that these practices tip markets irreversibly before enforcement can act, necessitating ex-ante obligations for SSDEs.

Internationally, competition authorities have been more consistent in defining narrow platform markets. For example, the German Federal Cartel Office treated online platforms as distinct markets due to network effects and data-driven lock-in, while the EU's Platform-to-Business (P2B) regulation directly addresses imbalances between platforms and business users (Ezrachi, 2017). While the EU has moved rapidly with ex-ante regulations, the USA has strengthened the ex-post framework. Since March 2024, the EU's Digital Markets Act sets ex ante obligations for large "gatekeepers" (Alphabet, Amazon, Apple, Meta, and Microsoft) banning self-preferencing, anti-steering, constraints on tying, interoperability, and limits on combining personal data across services. The US still relies on ex-post enforcement, but has strengthened merger guidelines⁶¹ to refine platform-related theories of harm, such as serial acquisitions, vertical foreclosure, and restrictions on nascent competition, to provide clear guidance for enforcers. The anti-trust framework evolving in major developed and emerging economies reflects a shift from a narrow consumer welfare standard (strongly promoted by the Chicago School) towards a broader standard emphasising fairness, contestability, and innovation. Insights on antitrust frameworks across the EU and the USA suggest a hybrid approach for India: a) ex-ante obligations for a small set of systematically significant platforms (imposing DMA-style obligations) and b) upgraded ex-post tools, including merger reforms, interim measures for default/data abuses. This hybrid approach is expected to improve contestability and prevent anti-competitive practices and align antitrust with digital policy goals such as user privacy, payment interoperability, and consumer protection. India is formulating a Digital Competition Bill based on the recommendations of the Committee on Digital Competition Law⁶². The bill is expected to create ex-ante obligations for systematically significant digital platforms. As of July 2026, however, the Bill has remained at draft stage and has not been tabled in Parliament yet.

The overview converges on the view that neither ex ante nor ex post regulation is independently sufficient for governing digital platform markets. The experiences of Google Shopping (Case AT.39740), Google Android (Case AT.40099)⁶³, and Apple's App Store (DMA.100109)⁶⁴

⁶¹ U.S. Department of Justice & Federal Trade Commission, *2023 Merger Guidelines*.

⁶² Ministry of Corporate Affairs, Government of India, *Report of the Committee on Digital Competition Law (2024)*.

⁶³ Google Android, Case AT.40099, European Commission 2019 O.J. (L 69) 1 (July 18, 2018)

⁶⁴ European Commission, Commission Decision Finding Apple in Breach of Article 5(4) of Regulation (EU) 2022/1925, Case DMA.100109 (Apr. 23, 2025)

illustrate the complementary roles of ex-post and ex-ante enforcement. In Google Shopping case, concerning Google's preferential treatment of its own comparison-shopping service, the ex-post investigation by the EU culminated in a decision in June 2017, after roughly seven years of investigation (investigation began formally in 2010); the case demonstrates the value of ex-post enforcement in allowing authorities to assess market context, competitive effects, and possible efficiency justifications (European Commission, 2017). The Google Android case similarly involved contractual restrictions on device manufacturers and mobile-network operators; formal proceedings began in April 2015 and resulted in the Commission's July 2018 decision, illustrating both the analytical value and time costs of ex-post enforcement (European Commission, 2018). By contrast, the Apple App Store case under the Digital Markets Act concerned Apple's anti-steering practices and was initiated in March 2024 and concluded in April 2025, illustrating the potential speed and predictability of ex-ante obligations for clearly defined practices. These cases suggest that ex-ante regulation can address identifiable and recurring risks more rapidly, while ex-post enforcement remains indispensable where the competitive effects of conduct are context-specific and require assessment of market conditions, consumer welfare, and potential efficiency gains.

While ex ante regulation offers speed, predictability, and the ability to preserve contestability in markets characterised by strong network effects and irreversible tipping, ex post enforcement remains indispensable for assessing complex market behaviour, recognising efficiency-enhancing business practices, and limiting unnecessary regulatory intervention. The central policy challenge, therefore, lies in designing a proportionate and evidence-based hybrid competition framework that preserves innovation while preventing the accumulation of durable market power in the digital economy.

A more appropriate approach for India would combine a designation-based ex-ante regime for systemically significant digital enterprises (SSDEs) with evidence-based and proportionate obligations. Following the framework proposed by the Committee on Digital Competition Law, a digital enterprise could be considered systemically significant where it crosses specified quantitative thresholds relating to turnover, market capitalisation, or user reach and simultaneously demonstrates a persistent strategic position in a core digital service. The Draft Digital Competition Bill, for instance, proposes thresholds based on Indian and global turnover, market capitalisation, and the number of end and business users. Under the Draft Digital Competition Bill, an enterprise may qualify for SSDE designation where it satisfies a financial-strength threshold such as Indian turnover of Rs 4,000 crore, global turnover of US\$30 billion, Indian gross merchandise value of Rs16,000 crore, or global market capitalisation of US\$75

billion and a significant-spread threshold based on at least 1 crore Indian end users or 10,000 Indian business users of the relevant core digital service. These quantitative indicators should, however, be complemented by qualitative evidence of network effects, high switching costs, data advantages, vertical integration, and gateway power, since size alone does not necessarily imply systemic significance (CDCL, 2024).

Importantly, designation should not automatically subject a firm to every ex-ante obligation. Instead, the obligation should correspond to the specific source of competitive risk. Evidence of self-preferencing may warrant restrictions on preferential treatment of a platform's own services; substantial switching costs and network effects may justify interoperability or data-portability requirements; and evidence of leveraging or exclusionary use of non-public business-user data may warrant restrictions on such practices. This risk-based approach combines the preventive advantages of ex-ante regulation with the proportionality concerns raised by its critics. Thus, the proposed hybrid model can be operationalised as a sequence of quantitative screening, qualitative designation, evidence-based risk assessment, and proportionate regulatory intervention.

Section VII. Conclusion

Digital platforms have grown rapidly across the globe as well as in India. Sectors such as online retail, food delivery, ride hailing and other online markets have witnessed rapid expansion in market size over the past decade. These markets are dominated by a small number of platforms, often with two leading digital platforms. For instance, online retail is mainly dominated by Amazon and Flipkart. Zomato and Swiggy capture the whole market of the online food delivery sector. More than 80% of the Indian ride-hailing market is captured by Ola and Uber. Similarly, 46% of the market share in digital payments goes to PhonePe alone. Zomato (58%) and Swiggy (42%) together account for the entire online food delivery market. These patterns of concentrated growth highlight the tendency of digital markets to evolve towards duopolistic or oligopolistic structures, which in turn raise important concerns regarding fairness, market contestability and barriers to entry. Our analysis further shows that the dominance of digital platforms cannot be adequately explained by any single structural characteristic such as multi-sidedness, network effects or control over data. Rather, persistent market power emerges through the interaction between the structural characteristics of digital platforms and strategic business practices and conduct, including anti-competitive practices of platforms. Leading global platforms heavily invest substantially in R & D, emerging as the

highest R&D spenders worldwide. In addition, significant capital expenditure on data centres, cloud infrastructure, logistics networks, and digital ecosystems strengthens their operational capabilities, which has created high entry barriers for potential competitors. Mergers and acquisitions strategies are widely practised by leading platforms either as killer acquisitions to eliminate rivals or to complement their technological advancement. It is further observed that the deal value of many of these acquisitions was much below the threshold level of merger notifications. While domestic leading digital platforms such as Flipkart, Zomato, and Swiggy acquire rivals for market expansion, global digital platforms have acquired startups to build their technological capabilities in India.

Our analysis further reveals that digital platforms reinforced these advantages by practising anti-competitive strategies such as deep discounting, preferential treatments, self-referencing and tying & bundling. Similarly, deep discounting is widely practised until platforms reach a critical threshold to exploit network effects. These mutually reinforcing strategies result in user lock-in, high switching costs, data advantages and higher barriers to entry. However, CCI has taken an inconsistent approach in addressing these challenges posed by digital platforms, particularly in defining the relevant market and assessing dominance. These inconsistencies have reduced regulatory certainty and highlighted the limitations of relying exclusively on conventional ex-post competition law in rapidly evolving digital markets. And therefore, the paper supports the growing international consensus reflected in developments within the EU and the USA that ex-post enforcement alone is insufficient to preserve contestability and fairness in digital markets. India's ongoing institutional reforms, including the Competition (Amendment) Act, 2023 and the proposed Digital Competition Bill, represent important steps in this direction. The paper argues for appropriate policy that would ensure technological advancements in a market that remain open, contestable and fair. Achieving an appropriate balance between innovation, investment and effective competition will be critical to ensure that the long-run benefits of the digital economy are broadly shared.

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