

# INSIGHTS

## TIPPING THE BALANCE?

### ASSESSING THE COMPETITIVE IMPACT OF PLATFORM EXCLUSIVITY

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**Digital platforms employ exclusive arrangements as a widespread strategy across sectors such as food delivery, online travel, streaming, and gaming. These arrangements typically involve business users – including restaurants, hotels, or content providers – engaging exclusively with a single platform.**

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While platform exclusivity is often justified on grounds such as promoting investment or quality control, it can, in some circumstances, give rise to competition concerns by limiting rivalry between platforms and potentially entrenching market power.

In competition enforcement, exclusive arrangements present a balancing act between the risk of anti-competitive foreclosure and the potential benefits of exclusivity.

When would exclusive arrangements give rise to competition concerns, and how are competition authorities incorporating economic evidence in their assessment of competitive effects?

## THE TWO FACES OF EXCLUSIVITY IN PLATFORM MARKETS

While exclusive arrangements have been a focal point of antitrust discussions for many years, the emergence of digital platforms and their specific economic characteristics have added new flavours to the debate.

Economic theory suggests that exclusivity agreements can have both anti- and pro-competitive effects. The potential anti-competitive effects stem mostly from the risk of market foreclosure. Put simply, exclusive arrangements imposed by dominant firms could prevent or make it more costly or impossible for competitors to access sufficient business partners or consumers, thus raising barriers to entry and limiting rivals' ability to compete effectively. This can also apply in situations where a dominant platform secures long-term exclusive arrangements with key business users before a competitor has the chance to enter the market. Even if no single firm is dominant, widespread use of exclusive arrangements can shut out newcomers and entrench existing players (legally, raising issues under Article 101 TFEU).

Competition authorities tend to be particularly wary of exclusive arrangements in the presence of strong (indirect) network effects, where having more users on one side (e.g. restaurants or hotels) attracts more users on the other side (e.g. consumers), and vice versa. Business users locked in via exclusivity agreements would attract end users/customers on the other side of the platform. This initial inflow of end users would trigger more business users to join the platform, creating a self-reinforcing mechanism or feedback loop. If users cannot easily use multiple platforms (referred to as "multi-

homing"), exclusivity may tip the market in favour of the incumbent.

Nevertheless, exclusive arrangements are not always harmful and can bring about pro-competitive effects. By securing a stable partnership with important business users, a platform may be more willing to invest in better technology, marketing, or customer support, knowing that its efforts will not be immediately undermined by free-riding competitors. This is especially relevant for relationship-specific investments to e.g. promote visibility of business users. Exclusivity may also stimulate competition between platforms. When two or more platforms compete for the exclusive rights to a business user, they may offer better terms, such as lower fees or increased promotional support. This kind of "competition for exclusivity" enables platforms to differentiate their offer to consumers and can intensify competition, particularly among players with similar market positions seeking to attract key partners to gain an edge.

As such, exclusive agreements are not inherently anti-competitive. In the words of many economists, 'it depends'. So, what do economic theory and relevant case practice tell us about when a clear-cut case for intervention can be made? And when does the balancing act call for a more nuanced, case-specific analysis?

## ONE DEAL, MANY DIMENSIONS: HOW TO ASSESS EXCLUSIVE ARRANGEMENTS?

The first step of any competitive assessment of abuse of dominance is determining whether the undertaking engaging in the conduct has significant market power or holds a position of dominance. This reflects the principle that unilateral conduct by non-dominant firms is

generally outside the scope of Article 102 TFEU and equivalent national provisions.<sup>1</sup>

The assessment of market power in the context of digital platforms has been extensively discussed in economic literature and recent enforcement practice.<sup>2</sup> Compared to conventional markets, identifying dominance in platform settings often presents additional analytical challenges, for example, due to interdependencies between the different sides of the platform, e.g. hotels or restaurants, and their customers, and the presence of indirect network effects, raising barriers to entry. Furthermore, high switching costs – whether technological, contractual, or behavioural – can further limit user mobility, while widespread multi-homing behaviour may reduce the risk of tipping and undermine market power. These elements are central both to the assessment of dominance and may also play an important role in the evaluation of the conduct itself.

Once dominance is established, the competitive assessment proceeds to determine whether the use of exclusivity agreements is capable of producing anti-competitive effects. The extent of market (including geographic) coverage, the identity of users under exclusivity, and the role of indirect network effects are amongst the key factors that warrant examination, as follows.

**Market coverage:** The relevant case law, most notably the Court of Justice's judgment in *Intel*, has identified several

factors to consider in the assessment of the capability to produce exclusionary effects.<sup>3</sup> From an economic perspective, a central element is the market coverage – that is, the share of the market subject to the conduct. There is no clear-cut threshold of market coverage above which an exclusivity agreement is considered abusive/leads to foreclosure. One such factor is the minimum viable scale required for a rival to enter or remain in the market profitably. If the share of the contestable market (i.e. not subject to exclusivity) is below the minimum viable scale, the agreement is likely to effectively exclude rival platforms. In new and growing markets, even a high share of existing demand captured by exclusivity may not be determinative if rivals can target future growth segments. Conversely, in mature or saturated markets, a similar level of coverage may have stronger exclusionary effects because rivals face limited opportunities to expand their user base.

**Type of users under exclusivity:** A platform's business partners (say, chains of hotels or restaurants) vary in their competitive relevance. In many digital platform markets, certain business users, often referred to as "must-haves", play a disproportionate role in attracting and retaining end users. There is no one-size-fits-all approach to assessing the degree to which a customer is a must-have, which is inevitably a matter of degree. Data on customer preferences and frequency of search or transaction activity associated with a business user may

<sup>1</sup> While our focus here is on Article 102 TFEU (abuse of dominance), similar analysis can be considered in the context of Article 101.

<sup>2</sup> See for example Franck, J. U., & Peitz, M. (2019). *Market definition and market power in the platform economy*. Centre on Regulation in Europe asbl (CERRE).

<sup>3</sup> Relevant factors are the extent of the dominant position, the share of the market covered by the

arrangement, the conditions of the arrangements, their duration, and "the possible existence of a strategy aiming to exclude competitors that are at least as efficient as the dominant undertaking from the market". See Judgment of 6 September 2017, *Intel v Commission*, C-413/14 P, EU:C:2017:632, paragraph 139.

provide useful indications about the importance of a particular partnership. From an empirical perspective, assessing how consumer demand shifts when such users are added to or removed from a platform, e.g. through an event study, can provide indirect evidence on the extent to which they are a “must have” for the platform.<sup>4</sup>

#### **Geographic distribution of exclusivity**

**agreements:** The degree of market coverage can vary across cities or regions, depending on the platform's network density and investment focus. For instance, the use of exclusive arrangements by a platform with dominant presence in major metropolitan areas but limited reach in smaller cities may raise concerns only in selected geographic sub-markets. Conversely, rivals may remain viable in areas where the exclusivity agreements are sparse, even if national-level coverage appears high. Moreover, in areas where competing platforms are on relatively equal footing, provided that these areas exhibit genuinely different competitive conditions, the use of exclusive arrangements can be a legitimate competitive tool that drives benefits to users via e.g. lower platforms' commissions.

**Strength of indirect network effects.** Depending on the market share of the platform and the strength of network effects, even a modest level of exclusivity involving key business users can disproportionately reduce the ability of rival platforms to attract consumers. Measuring the strength of (indirect) network effects is inherently challenging and rarely done in the existing case practice or academic literature. Econometric studies or natural experiments, such as the entry or exit of large business users, can shed light on these relationships, but data limitations often constrain such analyses. In practice, qualitative indicators such as high user sensitivity to variety or a pattern of rapid tipping in favour of one platform may be suggestive of strong network effects.

Notably, in a recent case, the Finnish Competition and Consumer Authority (FCCA) undertook what appears to be one of the first empirical analyses by a competition authority to quantify the role of network effects in the context of exclusivity agreements in digital platforms.<sup>5</sup> Specifically, the authority used transaction-level data from two competing food delivery platforms, Wolt and Foodora, to assess how network effects, when combined with exclusivity agreements by a firm in a strong market position (Wolt), may amplify the risk of foreclosure and market tipping (see Box 1).

<sup>4</sup> An event study is an empirical method used in economics to assess the impact of a specific event—such as a regulatory change, a merger announcement, or contract—on the value or behaviour of firms or markets. It typically examines changes in stock prices, sales, or other

outcomes around the time of the event to infer causal effects.

<sup>5</sup> FCCA (2025), Dnro KKV/900/14.00.00/2022, (Decision in Finnish language. Available [here](#), accessed: 22 May 2025).

**Box 1: Empirical analysis to assess exclusivity arrangement with network effects**

Between 2022 and 2025, the Finnish Competition and Consumer Authority (FCCA) investigated exclusivity agreements between Wolt, the leading food delivery platform in Finland, and a significant number of restaurants, including national chains. The FCCA defined a market for food ordering and delivery platforms comprising only two players: Wolt and Foodora. While both firms engaged in exclusivity with restaurants, concerns were raised that Wolt's stronger market position could, in combination with network effects, lead to tipping and long-term foreclosure.

To assess this risk, the FCCA analysed transaction-level data to examine consumer switching behaviour. It found that Wolt's exclusivity agreements caused a notable demand shift in consumers who previously ordered from a given restaurant on Foodora – not only to Wolt's exclusive restaurants, but more broadly across the platform – while Foodora's exclusivity had weaker effects. An econometric difference-in-differences analysis confirmed that these effects were attributable to the exclusivity agreements. A descriptive analysis of restaurant behaviour also showed increased single-homing on Wolt compared to Foodora, reinforcing the platform's attractiveness and amplifying feedback effects.

The FCCA announced plans to monitor the impact of the removal of exclusivity and price parity clauses on user behaviour and market dynamics.

Source: FCCA (2025), Wolt's exclusivity agreements jeopardised competition between food delivery platforms - Why can exclusive agreements be harmful to competition and how did the agency investigate the effects of Wolt's agreements?, Available [here](#) (Accessed: 29 July 2025)

Besides the elements explained above, the duration and terms of exclusive arrangements can mitigate or amplify their competitive effects. Short-term arrangements are less likely to raise competition concerns than long-term exclusivity clauses that effectively lock in business users for extended periods. Additionally, exclusive arrangement with severe penalties for early termination may exacerbate foreclosure risks by making it prohibitively costly for businesses to switch to rival platforms.

Finally, as noted, exclusive arrangements may also have pro-competitive rationales. The assessment should consider whether those arrangements provide incentives for the platform to invest in technology improvements, tailored marketing efforts or directly in supporting the

operations of the business user. Thus, while the burden of proof on such efficiencies remains with the dominant firm, there may be legitimate justifications that come with exclusivity and warrant assessment.

**A SURGE OF ANTITRUST CASES ON PLATFORM EXCLUSIVITY**

In recent years, competition authorities across jurisdictions have increasingly scrutinised the use of exclusivity agreements in digital platform markets. This enforcement activity has led to a range of outcomes, often shaped by the specific market conditions in each case. Table 1 provides an overview of some notable decisions pertaining to the food delivery platform markets.

**Table 1**  
**Overview of recent cases on exclusive arrangements in food delivery platforms**

CASE	DESCRIPTION	OUTCOME
Glovo, Just Eat, UberEats and Deliveroo (Spain, 2022) <sup>1</sup>	<ul style="list-style-type: none"> <li>No dominant player (although Glovo market share of 40-50 per cent)</li> <li>Market coverage less than 10 per cent</li> <li>Duration less than 18 months</li> </ul>	<ul style="list-style-type: none"> <li>No action: exclusivity not deemed anti-competitive due to limited scope</li> </ul>
Foodora (Norway, 2022) <sup>2</sup>	<ul style="list-style-type: none"> <li>Foodora presumed dominant (70-80 per cent market share)</li> <li>Exclusivity in "standard" agreements</li> </ul>	<ul style="list-style-type: none"> <li>Commitments: exclusivity dropped</li> <li>Commitments suspended in 2025 after significant competitor growth<sup>3</sup></li> </ul>
iFood (Brazil, 2023) <sup>4</sup>	<ul style="list-style-type: none"> <li>Presumed dominant (80 per cent market share)</li> </ul>	<ul style="list-style-type: none"> <li>Commitments: exclusivity capped at 2 years, limited to 25 per cent of iFood sales or 8 per cent of restaurants in large cities and exclusion of chains with more than 30 sites</li> </ul>
Foodpanda and Deliveroo (Hong Kong, 2023) <sup>5</sup>	<ul style="list-style-type: none"> <li>Duopoly</li> <li>Penalties for restaurants that switched</li> </ul>	<ul style="list-style-type: none"> <li>Commitments: exclusivity only against main rival; easier switching; entrants allowed</li> </ul>
Wolt (Finland, 2025) <sup>6</sup>	<ul style="list-style-type: none"> <li>Wolt presumed dominant (70-80 per cent market share)</li> <li>Market coverage of 20-30 per cent (Oct 2023)</li> </ul>	<ul style="list-style-type: none"> <li>Wolt abandoned exclusive agreements during the FCCA's investigation</li> </ul>

Source: <sup>1</sup> Spanish Competition Authority (CNMC), Available [here](#); <sup>2</sup> Norwegian Competition Authority (KT), Available [here](#); <sup>3</sup> Norwegian Competition Authority (KT), Available [here](#); <sup>4</sup> Administrative Council for Economic Defense (CADE), Available [here](#); <sup>5</sup> Hong Kong Competition Commission, Available [here](#); <sup>6</sup> Finnish Competition and Consumer Authority (FCCA), Available [here](#).

In Spain, exclusivity agreements were permitted in the absence of a dominant player and where market coverage remained limited. By contrast, in Hong Kong, where the market resembled a duopoly, exclusivity was allowed only to the extent it applied to the main competitor, with restrictions in place to facilitate switching and limit anticompetitive effects.

Even among cases involving (allegedly) dominant platforms, the approaches diverge. In Norway and Finland, competition concerns were addressed by the dominant firms to committing to discontinue exclusivity clauses altogether, thereby removing the potential for long-term foreclosure risks. In Brazil, the

competition authority did not require a blanket 'ban' on exclusivity but allowed the dominant platform to strike exclusive agreements in narrowly defined circumstances through limitations on exclusivity related to contract duration, geographic scope, and revenue thresholds. From an economic perspective, there could be sound reasons for such 'nuanced' approach, insofar as there are genuine, clearly identifiable differences in competitive conditions across, say, different geographic areas. From a practical perspective, the more nuanced remedies come with requirements for systematic monitoring.

## **PRESUMED HARM OR EFFECTS-BASED ANALYSIS?**

The competitive assessment of exclusivity arrangements in digital platforms is inherently complex and context-dependent. Several factors must be weighed carefully, including the platform's market power, the coverage and structure of the exclusivity agreements, the presence of 'must-have' users, different geographic dimensions, and the strength of network effects.

The European Commission's Draft Guidelines on Article 102 introduce a presumption of anticompetitive harm for exclusive dealing by dominant firms. Some commentators have viewed this as a departure from the more effects-based approach endorsed in previous cases. Others, such as Motta and Fumagalli (2025)<sup>6</sup>, have supported the economic rationale underpinning presumptions.

While the final version of the guidelines will further clarify the role of such presumptions, it seems reasonable to assume that economic evidence will remain central, both in determining whether the conditions for a presumption are met and in rebutting presumptions in less clear-cut cases.

So far, national case law has acknowledged that the effects of platform exclusivity are ambiguous and require detailed economic analysis, even in seemingly concentrated markets. As platform business models continue to evolve, there is undoubtedly more to come – and more to learn – from future cases and emerging research.

### **Disclaimer**

Copenhagen Economics advises clients on competition matters in digital platform markets. Of the cases mentioned in this article, CE supported Wolt in the investigation by the Finnish Competition and Consumer Authority. The views expressed in this article are those of the authors alone and do not necessarily reflect the position of CE.

<sup>6</sup> Akman, P., Fumagalli, C., and Motta, M. (2025). The European Commission's draft guidelines on exclusionary abuses: a law and economics

critique and recommendations. *Journal of European Competition Law & Practice*.