

Do Internet Monopolies Inhibit Competition and Innovation?

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Internet Business models



Retail

Booking.com

Service/information

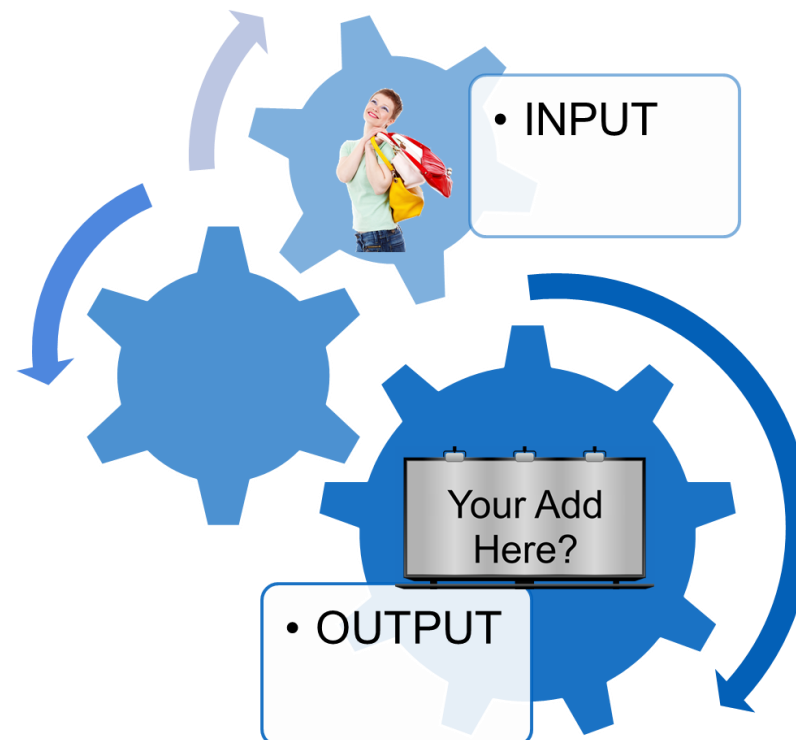


Communication



Hybrid

Consumers = input



Internet strategies



Winner-takes-all

Impact on innovation?



has been acquiring more than one company per week since 2010

Complements

or

Preemption



Leveraging  vs 

Dominance invites



Observations

1. Conventional competition enforcement is probably not sufficiently effective in digital markets — hence competition policy should tread carefully
2. Nevertheless, too little enforcement in digital markets may harm consumers
3. Dominant positions harm innovation as well as encourage entry by newcomers — but change may come slow
4. Competition enforcement should give priority to dynamics of competition and entry possibilities for newcomers — while protecting consumers where necessary (e.g. privacy)