

Consumer Welfare in the Platform Economy

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Abstract : Starting from transport to food, today's world platform economy and digital markets have taken over almost every sphere of consumers' lives. Sellers and buyers are getting connected through platforms, which is acting as an intermediary. It has made consumer's life easier in terms of time, price, choice and other factors. Having said that, there are several concerns regarding platforms. There are competition law concerns like unfair pricing, deep discounting by the platforms which affect the consumer welfare. Apart from that, the biggest problem is lack of transparency with respect to the business models, how it operates, price calculation, etc. In most of the cases, consumers are unaware of how their personal data are being used. In most of the cases, they are unaware of how algorithm uses their personal data to determine the price of the product or even to show the relevant products using their previous searches. Using personal or non-personal data without consumer's consent is a huge legal concern. In addition to this, another major issue lies with the question of liability. If a dispute arises, who will be responsible? The seller or the platform? For example, if someone ordered food through a food delivery app and the food was bad, in this situation who will be liable: the restaurant or the food delivery platform? In this paper, the researcher tries to examine the legal concern related to platform economy from the consumer protection and consumer welfare perspectives. The paper analyses the cases from different jurisdictions and approach taken by the judiciaries. The author compares the existing legislation of EU, US and other Asian Countries and tries to highlight the best practices.

Keywords : competition, consumer, data, platform

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