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# **Platform Oligopoly:** A reader for activists in the platform sector

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# What is **platform oligopoly?**

In economics, an oligopoly is defined as a situation where a limited number of competitors control the market for a product or service. Based on this definition, the food delivery platform sector in India can be defined in market terms as an oligopoly as two companies, Swiggy and Zomato, exercise dominant market control. According to the National Restaurant Association on India (NRAI)[1], the two companies between each other controlled 95% of the Indian market. Further, Swiggy controlled 70% of the South Indian market for food delivery, while Zomato controlled 70% of the North Indian market.

Similarly, in the ride-hail platforms sector, the three largest companies, Uber, Ola and Rapido dominate the market. Some estimates place Uber as the leading player for platform taxis, with 50% of the Indian market share, followed by Ola with 34% and Rapido with 14%, their combined market share thus hovering at 98%. The same estimates had Uber with 40% of the autorickshaw market, Ola with 26% and Rapido with 31%, adding to 97%; in the bike taxi service, Rapido alone had 56% of the market share[2]. We should clarify here that the market domination is within the platform-based ride-hail sectors; this excludes the large number of private taxis and autorickshaws that remain outside the platform economy.

[1] National Restaurant Association of India (NRAI) v. Zomato Limited & Ors. Case No. 16 of 2021. Available at: https://www.cci.gov.in/images/antitrustorder/en/1620211652180990.pdf

[2] Chettiar, Archana. 14% Cabs, 31% Autorickshaws, 56% Bike Taxis: Is Rapido Set To Outpace Ola-Uber. Equentis. 2024. Available at: https://www.equentis.com/blog/14-cabs-31-autorickshaws-56-bike-taxis-is-rapido-set-to-outpace-ola-uber/

# Why should **market domination** be a problem?

Domination by a few big players in the market can reduce choice for other stakeholders. These stakeholders include the consumer of the products or services on offer. If I am ordering food through a specific delivery platform, my choice would be restricted by what the platform has on offer. In an oligopoly, as a few platforms dominate the market, and new platforms might find it difficult to compete with them, I as a consumer will have to be content with what the dominant platform has to offer. The platform can therefore direct and influence consumer behaviour. Further, restricted choice might force a customer to go with a platform service even when not finding it satisfactory. In a situation where I might urgently require transport, if there is only one platform, I might be forced to wait for the platform provided taxi, even when the platform does not have any immediately available rides. I may also be forced to pay an abnormally high price for the ride during periods of the day assigned as 'surge pricing'.

Another important stakeholder is any competing platform in the sector. The taxi company Meru challenged Uber before the Competition Commission of India (CCI) of various practices that adversely affected its ability to compete in the market. It accused Uber of using predatory pricing, offering huge discounts to customers and large incentives to drivers, to ensure both the customers and the drivers preferred to go with Uber. Meru claimed that this predatory pricing cost Uber a loss on average of Rs.204 per ride. Meru claimed that Uber was therefore able to deprive Meru of both customers, and drivers to ride its taxis.\

A third stakeholder could be the producers of merchandise sold through the platforms. The National Restaurant Association of India (NRAI), as an association of food producers using the food delivery platforms accused both Swiggy and Zomato before the CCI of using their dominant position to push through unfair practices. The platforms created market dominance by adding restaurants on their networks with zero or very little commissions, simultaneously offering customers huge discounts. Once they had gained a dominant market share, commissions were raised to 20 to 30%. Further, Zomato and Swiggy used their market dominance to build their data on consumers; the data was denied to the restaurants. This created a dependency relationship among the restaurants on the platforms.

Are the delivery partners also stakeholders who could be adversely impacted by platform domination by a few large players? Several platform workers with Swiggy and Zomato, or with Uber and Ola describe how they were initially attracted to platform work through attractive fee structure and large incentives. Many left stable employment as the platform initially promised much better earnings with freedom of work. However, once the platforms gained market dominance, they changed their practice. Earnings would decline and the workers would be forced to stay with the platforms well beyond the standard 8-hours, to earn even the bare equivalent of the statutory minimum wage. Many workers said that having invested in buying a taxi or a two-wheeler and other necessary gear to join platform work, they were forced to carry on work despite worsening conditions; they sought alternatives but often did not have a choice because of the domination of the large platforms.

# How do platforms create **market dominance?**

Platforms invest money to create market dominance. They adopt practices when starting a business that would appear to militate against economic common sense, giving on the one hand incentives to platform workers or other service intermediaries to attract their services, while simultaneously providing these services to customers at very low prices to create a consumer base. In effect, they buy these services expensive, and sell them cheap, as opposed to the standard business mantra of buy cheap and sell expensive, to create dependence from both customers and service providers; simultaneously, they make it too expensive for potential new entrants.

Creating platform dominance does not depend as much on innovative technology, as on the ability to fund losses. A senior executive at Namma Yatri explained that the technology behind the "app" in ride-hail platforms was based on a simple scheduling algorithm; beyond the basic app, the technology cost was related to data mining and investing in large data handling ability. Namma Yatri kept costs much lower than Uber or Ola by keeping its services more basic. This would disadvantage Namma Yatri to an extent in the quality of service it is able to offer. In normal business circumstances Namma Yatri would offset that against being able to offer its services at a lower price. But Uber and Ola are willing to invest huge sums to fund losses while undercutting Namma Yatri by offering cheaper fare to customers. The extent of investment that platforms are willing to make to develop market dominance can be gauged from the food delivery platforms: Swiggy started business in August 2014, over a decade ago, and made continuous losses since then; as on 31st March 2025 it had accumulated losses of Rs.32540 crores; for the year 2024-25 it declared loss of Rs.3117 crores.Zomato commenced business in July 2008, 17 years ago and made losses continuously for 15 years before turning profitable; as on 31st March 2024 its accumulated losses were Rs.6200 crores. The respectively accumulated losses represent the investment of Swiggy and Zomato in building platform dominance.

# Who benefits from **market dominance?**

Table 1 compares the performance of Zomato and Swiggy on various metrices for the years 2022-23 and 2023-24. Both companies show a decline in the orders to delivery partners year on year over the period. In the case of Zomato, the orders steadily declined from a high of 2132 per annum in FY20 to 1882 in FY24, a cumulative decline of 12% over a 5-year period. For Swiggy, the numbers of orders per delivery partner decreased even further for FY25, to just 1221 per annum.

**Table 1: Comparison on platform performance: Zomato and Swiggy**

| | Zomato | | Swiggy | |
|---|---|---|---|---|
| Year | FY 24 | FY 23 | FY 24 | FY 23 |
| Orders/delivery partner* | 1882 | 1985 | 1472 | 1583 |
| Orders/restaurant partner | 3081 | 3048 | 2944 | 2971 |
| Orders/customer | 38 | 42 | 46 | 45 |
| Average order value (Rs.) | 402 | 402 | 428 | 416 |

*Average number of delivery partners for FY23 for Swiggy is assumed to be the same as for Zomato for that year. This is a reasonable assumption based on other related data.

We can see similar underperformance on orders per restaurant partner, orders per customer and average order value from a customer. The average order value after adjusting for inflation actually showed a decline from FY23 to FY24 for Zomato, and remained flat in the case of Swiggy.

Who then benefits from market dominance? Between 2021 to 2024, post the Covid pandemic, Zomato increased its customer base (average annual transacting customers) from 6.8 million to 18.4 million. The gross order value during the same period for the company increased more than 3-fold from Rs.9400 crores to Rs.32200 crores. Swiggy had 9.9 million average monthly transacting users in 2022, the number increased to 14.7 million by FY25; the gross order value increased during the same period from Rs.18500 crores to Rs.28800 crores. Both companies benefitted substantially from their market dominance.

# What constitutes **revenue** and **profits** for platforms?

Swiggy includes in its stream of revenue the following for its food delivery and quick commerce businesses: (i) pre-agreed commissions from restaurant and merchandising partners; (ii) advertising revenue from partners; (iii) fees and subscription charged to users and delivery partners for the use of their technology platform; and (iv) fees for other business enablement services from restaurant and merchandising partners. Clearly the addition of business partners, delivery workers and customers all add to the revenue to the platform, tracing a direct benefit from market dominance.

In this age of information, there is another advantage from market domination to the platforms – access to large data. The data would come primarily from the customers, and can get monetised in various ways. It helps the platform to enter new business areas where market data is key. To give an instance, a taxi service collects customer data on places visited that also have bearing on their consumption patterns, allowing it to explore business in related areas of commerce for its customer base.

Thus, the ride-hail major, Uber was able to build a food delivery platform, Uber Eats, on the back of the customer data it obtained from its ride-hail business. There would likely have been substantial synergy between the customers of Uber in its taxi operations and in its newly formed food delivery business. Uber Eats would also through its process of setting up the business, have gathered a database on food production (restaurant) partners, including exclusive merchandising arrangements, and its base of delivery partners. The value of this data can be gauged in monetary terms; Zomato gave Uber a 7% stake in its company in exchange for Uber Eats. The current market capitalisation of Zomato based on the traded price of its share is around Rs.2 lakh crores;[3] if Uber had held on to its shares, the value of its 7% stake in Zomato would have been around Rs.14000 crores. Given platforms are asset-light enterprises, Uber Eats would not have had much in terms of machinery or buildings to transfer; the asset of value was its data-base on its customers, its restaurant partners, and delivery partners.

The capitalisation of data is best shown in the global example of the USA giant Amazon, which from merchandising has expanded into a whole web of related businesses of logistics and data services. An excellent analysis of the making of the Amazon monopoly has been undertaken by Lina Khan, the former head of the FTC in the USA.[4]

# How does market dominance **impact delivery workers?**

Curiously, as Table 2 shows, despite underperforming with respect to rewarding the delivery workers, the number of workers with Zomato and Swiggy seem to continuously increase. This reflects the dire employment situation in urban India, and absence of choice in the delivery sector because of the dominance of the big two in the sector.

[3] https://companiesmarketcap.com/inr/zomato/marketcap/

[4] Khan, Lina. Amazon's Antitrust Paradox. Yale Law Journal. 2017. Available at: https://yalelawjournal.org/pdf/e.710.Khan.805_zuvfyyeh.pdf

| Table 2: Average numbers of delivery partners for Zomato and Swiggy FY23-FY25 | | | | | | |
|---|---|---|---|---|---|---|
| | Zomato | | | Swiggy | | |
| Year | 2025 | 2024 | 2023 | 2025 | 2024 | 2023 |
| Delivery partners | 482 | 400 | 326 | 515 | 392 | N/A |

In the context, the continued use of third party suppliers of platform workers, like Shadowfax, may be called to question when platforms have been recruiting more workers even while orders per worker declined. As per the Annual Report AR24 for Zomato, "In select cities, Zomato has collaborated with third-party logistics vendors to ensure the availability of delivery partners when needed, ensuring the continuity of business operations." Regulation of employment in platforms is necessary to ensure their rights do not get diluted through platforms plugging into the vast reserve army of the unemployed in cities. Otherwise attempts to get some minimum employment standards in the sector will remain stillborn.

There is an additional aspect on how data mining could have a bearing on the platform worker. A diamond rated food delivery worker of Zomato explained during a discussion how he was able to meet targets as he knew his geographic beat well, and was even able to take short cuts that the app could not come up with. He said this was the competitive advantage that experienced workers had, allowing them to keep ahead of the curve and maintain their high rating. However, with technology and Artificial Intelligence (AI), it would be a matter of time before AI figures out what the experienced worker does, imagining his local geography in both spatial and temporal terms, and optimising travel time. The experienced worker would lose his advantage, and his skills would stand devalued. With market dominance, these forms of data also become proprietary, further strengthening the ability of the dominant platform to resist entry of potential competition.

# Are there indications of **cartelisation** by Zomato and Swiggy?

An issue of significance to be inferred from Table 1 is the similarity in metrics for platform performance between Zomato and Swiggy. A considerable congruence exists on the metrices, except for metric on orders per delivery partner. One might argue that both companies follow similar business practices, suggesting the possibility of limited cooperation to resist entry of competition. They have incentives in seeking this limited cooperation. Moving up the ladder from a duopoly to a monopoly would be extremely expensive, while the duopoly could allow these companies to band together to better protect their turf, keeping new entrants out. They could within the market develop different territories of regional concentration. Zomato and Swiggy have apparently carved out separate monopolies for food delivery: Zomato in North India and Swiggy in South India. The foregoing might suggest the use of restrictive trade practices by the two companies to keep out competition.

The instance of similar practices in the face of competition might also be seen in the ride-hailing sector. In Bangalore, in the face of market challenge from Namma Yatri in the autorickshaw sector, both Ola and Uber changed from a commission model to a ‘slot’ based subscription model, following the practice of Namma Yatri for onboarding workers. They further copied Namma Yatri in allowing their drivers to directly transact a ‘tip’ from customers. At the same time, unlike Namma Yatri which operates a low-cost model and does not have cash incentives, both Uber and Ola continued with incentive schemes, further increasing their cost of operations.

## Does the slot model help platforms to extend their market dominance?

A discussion with a part-time autorickshaw driver clarified aspects of the slot model. The driver had a full-time job and rode the autorickshaw for 4-5 hours in the evenings. He was simultaneously using Uber, Ola and NY platforms to get rides. He explained that both Uber and Ola charged a fixed slot rate of Rs.29 and Rs.20 for unlimited rides during the day. NY charged a slot rate of Rs.25 for the day with the difference that the first ride on NY was free, that is, he could pick one ride on NY without any commission. In addition, Uber and Ola also gave incentives; however, he said that it was possible to score incentives only if the rider was exclusively with the app for a whole day. As a part time rider, he did not seek to earn incentives.

The driver explained that he started his evenings simultaneously switching on all three apps. Given the normal ride availability in his area, the likelihood was that Uber would be his first ride. The slot model incentivised him to then stay with Uber through the evening. Thus, the system allowed the dominant platform to further extend its market control.

# What is the **legal remedy** against platform oligopoly?

In most labour markets, the wages and working conditions of workers are shaped by their available options of ‘voice’ and ‘exit.’ Voice refers to workers’ ability to secure fair treatment—either by bargaining collectively through unions or by enforcing compliance with labour laws on issues such as wages, working hours, and workplace standards. Exit, by contrast, refers to workers’ ability to leave their current employment, whether by taking up another job or choosing unemployment.[5]

[5] Hirschman, Albert O. Exit, Voice and Loyalty. Responses to Decline in Firms, Organizations and States. Harvard University Press. 1970. Available at: this link.

Policy debates and remedies to poor working conditions tend to focus almost exclusively on strengthening workers' voice, while neglecting the equally critical dimension of exit. Yet, workers' exit options are often more decisive than they are given credit for.

Over time, one of the central challenges workers have faced is the scarcity of meaningful alternative employment. Labour markets have become increasingly concentrated, with only a few—sometimes a single—employers dominating. In such settings, workers are forced to compete with one another for limited jobs. Research shows that where alternatives are few, wages are depressed, and workers are left with little choice but to accept exploitative conditions. The reality for many is stark: a poorly paid job or no job at all.

In the preceding sections, we have shown that this is precisely the dilemma faced by workers in the gig and platform economy in India. Having once joined the platform economy on the promise of genuine independence and high wages, workers have seen their incomes plummet. Many workers report that after platforms lured workers through attractive offers, they have now changed their practices. Having invested in cars/two wheelers, the workers claim they are forced to carry on despite bad working conditions, in the absence of real alternatives to switch over to because of the domination of large platforms.

Yet, the struggles of gig workers and unions have focused mainly on securing recognition and protections within labour law, while largely overlooking how concentrated labour markets restrict workers' ability to exit exploitative arrangements. Expanding labour protections alone is not enough. Alongside efforts to strengthen and deepen labour rights, workers and unions must also draw on antitrust principles to push for a more competitive labour market—one that offers genuine exit options and, in turn, the countervailing power needed to demand better wages and working conditions.

Our argument is simple. Drawing on Marshall Steinbaum work, we argue that if platforms want to claim that workers in the platform economy are truly independent contractors who enjoy freedom to work as they wish, and that the companies merely "facilitate" a service between them and end-users, then platforms must adhere to principles of anti-trust: principles that forbids them from exercising control by dictating prices, through incentive structures, unliteral termination etc. Further, these contractors (workers) must be allowed to claim remedy in challenging undue restraints under anti-trust legal principles. If, however, platforms insist that they need control over the above aspects to run as a business, then they must accept that their business model is predicated on the structure of control, obligating them to take responsibility for their workers as an employer.[6]

To reiterate, platform companies justify the current status quo by claiming that their workers are independent contractors. But if drivers were truly independent, platforms would not be able to dictate prices,

[6] Steinbaum, Marshall. The Anti-Trust Case Against Gig Economy Labour Platform. Law and Political Economy Blog. 2022. Available at: https://lpeproject.org/blog/the-antitrust-case-against-gig-economy-labor-platforms/

unilaterally terminate contracts, or otherwise exercise employer-like control. The central principle is this: when companies try to avoid responsibility under labour law, they fall within the ambit of antitrust, and vice versa. Indeed, in some jurisdictions, employers have even suggested that if antitrust scrutiny were applied, they would prefer to grant drivers full employee status.

Antitrust law itself originated in the late 19th century, grounded in the recognition that corporate concentration is a threat to democracy. The Sherman Act in the United States—the world's first antitrust law—was passed in response to pressure from farmers, workers, and small businesses against growing cartels and monopolies that endangered their livelihoods. Through the early 20th century, antitrust was widely used to defend the independence of the "self-employed" by targeting vertical restraints—such as dominant firms dictating the prices subordinates could charge or binding them exclusively to one firm. These prohibitions effectively made practices resembling today's platform economy unlawful, since they curtailed the autonomy of those not formally recognised as employees.[7] With the rise of neoliberalism, however, antitrust has been stripped down and reframed narrowly as a tool of market regulation, divorced from broader concerns of inequality, power, and welfare. As a result, corporate power has largely been challenged only through the lens of labour law, while antitrust has remained underutilised in addressing these imbalances.

Through this report we seek to reframe the conversation and encourage workers and unions to see the value of fighting for competitive labour markets, while drawing on antitrust principles, rooted in progressive and pro-labour values as part of their struggle.

# Situation in **India**

In India, the law governing market dominance and anti-trust principles is the Competition Act, 2002, which replaced the earlier Monopolies and Restrictive Trade Practices (MRTP) Act, 1969. Unfortunately, when it comes to advancing workers' rights, the Competition Act rests on a weak foundation and is in need of thorough overhaul—both in terms of its overarching objectives and in the substantive provisions.

Below, we outline some preliminary issues that, in our view, obstruct the present iteration and interpretation of the Act from being meaningfully beneficial for workers.

**First**, the Competition Commission of India (CCI), in interpreting the Act, has been reluctant to look beyond a narrow "monopoly" lens in its assessment of market power, leaving the concept of "oligopoly" largely unexamined. In markets

[7] Britton-Purdy, Jedediah. How Law Made Neo-liberalism. Boston Review. 2022. Available at: https://www.bostonreview.net/articles/jedediah-purdy-david-g-victor-amy-kapczynski-lpe/

where two or more firms exercise significant influence—often with dominance shifting between them—the CCI tends to treat the market as competitive, reasoning that no single firm enjoys "monopoly power" or "dominance." This approach was evident in a recent case involving India's ride-hailing sector, where the CCI concluded that the presence of two large players, Ola and Uber, itself indicated competition, even though at the time of adjudication Ola and Uber held 55-60% and 45%-50% of the market respectively. By the same logic, if this reasoning becomes the default interpretative baseline, neither Swiggy nor Zomato would be treated as "dominant" in the food-delivery sector, despite each controlling 42-45% and 55-58% of the market.[8]

**Second**, under the current jurisprudence, anti-competitive conduct is actionable only if "dominance" is first established. This creates a significant loophole: platforms engaging in predatory pricing—typically subsidized by investors as part of a well-established global strategy to capture both customers and drivers—can escape liability unless the high threshold of proving "dominance" is satisfied.

**Third**, the Act fails to recognize workers as a constituency or to acknowledge the harms they face. The only interests explicitly safeguarded are those of "consumers." This marks a stark departure from the MRTP Act, which explicitly sought to curb the concentration of economic power in the hands of a few, with the aim of securing the maximum benefit to the "people"—a capacious term broad enough to encompass workers, and more generally, the wider social and democratic harms of monopolies.

By contrast, the Competition Act is worded far more narrowly. Its preamble identifies its objectives as: "to prevent practices having adverse effect on competition, to promote and sustain competition in markets, to protect the interests of consumers, and to ensure freedom of trade carried on by other participants in markets in India." Here, the "consumer" is not the broader "people" but a far narrower category—the customer. This framing has profound consequences: competition is deemed impaired only when consumer interests are harmed. As long as prices remain low and customers appear satisfied, the law assumes that no significant harm is occurring, even if workers, suppliers, or the democratic fabric of markets are adversely affected.

India's competition law therefore needs a fundamental recasting before it can become genuinely useful for workers. Even so, both labour-law and antitrust challenges tend to be costly, slow and uncertain in outcome. While pushing for stronger regulation remains essential, the more immediate and productive path lies in sustained trade union action—targeting platforms for better employment conditions and greater transparency.

**To conclude:** in the recent Karnataka Legislation on Gig and Platform work, the addition of clauses restricting platform leeway in charging commissions from delivery workers; and in using predatory pricing by limiting the range between highest and lowest customer charge per trip could help restrict oligopolistic behaviour of platforms. Further, the State should encourage competition by allowing incentives to new players. It also behoves civil society organisations and delivery workers to appreciate the importance of encouraging platforms, even when they might in the short run benefit from the large players.

[8] Trade Brains. Swiggy v Zomato: Who is Winning the Food Tech War. 2025. Available at: https://tradebrains.in/swiggy-vs-zomato-who-is-winning-the-food-tech-war/