STUDY OF BUSINESS COMPETITION LAW IN THE INCREASINGLY COMPLEX DIGITAL MARKET ERA

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Abstract

The digital economy era has encouraged online business and purchasing, influencing the dynamics of business competition. Even though Law No. 5 of 1999 concerning the Prohibition of Monopolistic Practices and Unfair Business Competition applies, this regulation does not fully accommodate the impact of the digital economy. Therefore, this research examines changes in the legal paradigm of business competition in an increasingly complex digital market era. This research uses normative legal analysis methods. In adapting competitive analysis tools to digital markets, several vital characteristics are to consider, including network effects, cross-platform externalities, rapid changes in the competitive landscape, non-price competition, and broad geographic coverage. Efforts to improve business competition law in the digital market era must combine flexibility in regulation, cooperation between sector regulators, a deep understanding of the dynamics of digital market demand, and adaptation of methodology and assumptions in business competition analysis. Law Number 5 of 1999 needs to be adapted to the continuously developing digital market by improving merger control, creating clear guidelines, increasing digital expertise for KPPU officials, closer international cooperation, and using comprehensive market studies. This aims to maintain fair competition innovation and protect consumer interests in a dynamic global digital ecosystem.

Keywords: Business Competition Law, Business Competition Supervisory Commission (KPPU), Digital Market, Digital Economy

A. INTRODUCTION

The era of the digital economy, which has penetrated various aspects of life, has brought about an extraordinary transformation in people's economic activities worldwide. Information and communication technology advances have fundamentally changed how we interact, shop, do business, and communicate (Picht, 2019). The era of economic digitalization has brought about a drastic transformation in the way we interact with the economy. Economic digitalization refers to the concept where almost all aspects of economic life, including transactions, payments, promotions, and other business interactions, shift to digital and online platforms (Aravantinos, 2021). This covers various sectors, such as electronic commerce, fintech, online business, and internet-based applications that present new solutions for customers and businesses (Podszun & Bongartz (2021).

Apart from that, the most striking changes are related to the flow of goods and services traffic. In the past, business activities generally focused on a local and national scale, but with the presence of digital markets, geographical boundaries are increasingly fading (Buiten, 2021). Now, local businesses compete with local competitors and face competitors from foreign countries who can quickly sell their products or services via digital platforms. The era of economic digitalization is understood when the economy is entirely digital or online, starting from transaction patterns (Li et al., 2020). The dramatic changes in economic activity brought about by the digitalization era bring very complex challenges in business competition and law enforcement (Teece, 2018).

One of the main challenges is determining the relevant market in cases of business competition violations (Ma & Ma, 2020). Traditionally, market concepts can often be identified in a geographic context. However, trade and business interactions have transcended geographical boundaries in the digital era, making them limitless (Sheth, 2020). For example, a consumer in

Indonesia can now easily make purchases from online retailers based abroad. This creates a dilemma when there are allegations of business competition violations in such transactions.

The debate surrounding determining the relevant market has become increasingly complicated in the context of the globalization of the digital economy. There is an urgent need to develop a clear and internationally applicable legal framework to address this problem (Lianos, 2019). International organizations such as the World Trade Organization (WTO) and cooperation between countries are essential to reach fair and sustainable agreements in determining jurisdiction in business competition cases involving cross-border digital transactions (Ahmed, 2019).

The process of digitalization poses issues for both business entities and law enforcement agencies. Capobianco and Nyeso (2018) state that business entities must demonstrate adaptability in response to emerging market mechanisms, particularly in digital markets. This entails a careful consideration of the associated risks and opportunities. In the context of digital-based trade, it is imperative to comprehensively evaluate legislative tools to regulate and manage the dynamics of this domain effectively. This evaluation is crucial to address issues related to unhealthy business rivalry and safeguard the interests of the business actors involved. The current regulatory framework should carefully consider many features and strategic variables that contribute to facilitating digital market mechanisms (Widjaja, 2022).

The field of law serves as a regulatory mechanism that establishes boundaries between permissible and impermissible actions, intending to mitigate the occurrence of unanticipated unfair competition (Gerber, 1998). It is imperative to consider that the functioning and dynamics of digital markets differ significantly from those of traditional marketplaces. Establishing a business competition necessitates cultivating a conducive environment that promotes the well-being of all participants, encompassing both individual entrepreneurs and corporate entities. According to Kagermann (2014),

The concept of the "digital market" is not explicitly delineated under the provisions of Law Number 5 of 1999. Law Number 5 of 1999 stipulated that a market is a physical or virtual space where individuals or entities engage in commercial exchanges of goods and/or services through direct or indirect means (Wahyuningtyas, 2023). The terminology must adequately capture the complexities of monitoring unfair business rivalry inside the digital market. Digital markets can potentially yield benefits for both consumers and companies alike. Nevertheless, this situation can potentially yield negative consequences without well-defined parameters. According to Wahyuningtyas (2019), the legal framework will ensure that corporate actors and consumers have well-defined obligations and rights. This will include implementing rules and regulations that explicitly ban unfair economic rivalry within the digital market.

Business competition in the digital market requires legal provisions that comprehensively suppress unhealthy competition. Law is needed to control social life in all aspects, including social, political, and cultural, and its impact on economic growth during trading activities (Park, 2012). Law is fundamental to prevent disputes between economic resources due to limited economic resources on the one hand and endless demand or needs on the other hand. Law is essential to economic growth to produce social welfare (Petersmann, 2002).

Based on the background above, the problems that will be studied in this article include how to adapt business competition analysis tools to digital markets and how to improve business competition law in the digital market era. Furthermore, finally, how to adapt business competition law policies to the digital market. This research examines changes in the legal paradigm of business competition in an increasingly complex digital market era. We will also assess the relevance of current business competition law in dealing with digital markets and identify the challenges that business competition law will face in the future. This research will provide a deeper understanding of the impact of the digital economy, help improve existing regulations, and design more adaptive legal solutions to face the ever-growing digital market.

B. LITERATURE REVIEW

1. Business Competition Law

commercial competition law is a legal framework that governs the conduct of corporations or commercial entities inside the marketplace, wherein their interactions are driven by economic incentives (Gabor, 2013). The legal delineation of business competition is consistently linked to competition within a market-oriented economy, wherein business entities, encompassing corporations and sellers, autonomously strive to attract consumers to accomplish the objectives of their respective business ventures (Coates & Middelschulte, 2019). The significance of business competition law in Indonesia is a fundamental requirement for effectively operating a democratic economic system grounded in Pancasila. The enactment of Law Number 5 of 1999 is closely tied to the underlying aspirations of fostering national economic progress (Sirait, 2009).

The establishment of business competition legislation was intended to facilitate the development of a market-based economic framework, thereby ensuring the continuity of rivalry among corporate entities to promote overall societal well-being (Jones, 1926). The primary objective of business competition law is to deter monopolistic practices and mitigate unfair competition within the business sector. Implementing corporate competition legislation is anticipated to result in attaining economic efficiency, hence fostering the promotion of overall public welfare (Pitofsky, 2017).

Various forbidden actions that hurt market competition include monopoly, monopsony, market control (such as predatory pricing, price war, price competition, and fraudulent manipulation of production costs), and conspiracy (Leslie, 2013). When examining the concept of Prohibited Agreements, it becomes evident that it involves the presence of at least two parties engaged in an agreement. Conversely, Prohibited Activities pertain to actions that can be undertaken by a single party or business actor (Hillgenberr, 1999).

Perfect business competition means that: a) there are many buyers and many sellers; b) the goods being bought and sold are the same from the consumer's point of view; c) anyone can start or close a business; d) production sources can move anywhere; and e) buyers and sellers know each other and know the goods being bought and sold (Waterson, 2003). Unfair business competition, on the other hand, is when businesses compete by making and/or selling goods and services in a way that is not honest, is against the law, or hurts business competition. Unfair business competition is marked by the following: a) there are few buyers and few sellers; b) the goods being bought and sold are different in the eyes of consumers; c) there is no freedom to start or end a business; and d) buyers and sellers do not know each other and do not know what is being bought and sold (Duch-Brown, 2017).

2. Digital Market

The increasingly rapid development of technology, information, and communications (ICT) has become the main driver in the development of the Digital Market. With the increasingly widespread spread of the internet, people have more comprehensive access to the online world, creating new business opportunities and transformations in how consumers interact with products and services (Desai & Vidyapeeth, 2019). Innovations in technology such as e-commerce, mobile applications, and online platforms have opened the door for companies to reach a global audience and enable consumers to shop, communicate, and share information digitally. Additionally, technological developments such as artificial intelligence and data analysis have enabled companies to understand consumer preferences better and improve their experience in the digital world. This marks the beginning of the Digital Market era, which continues to develop rapidly (Van Loo, 2018).

To initiate an analysis of competition in digital markets and evaluate the necessity of modifying the current competition policy framework, it is imperative to define specific fundamental characteristics of digital markets (Qi et al., 2023). The attributes above, which contribute to the formation of competitive dynamics, may encompass:

1) Diverse consumer groups are brought together in multi-sided markets where digital items serve as a platform. A digital content platform, for example, might have content providers on one side, content viewers on the other, and marketers on the third.
2) Strong network effects mean that as the number of users grows, so does the product's value to the consumers. This network impact can cause the market to "fall" into a monopoly in the extreme.
3) Many digital marketplaces have significant fixed costs and minimal or nil variable costs, resulting in significant economies of scale and scope. As a result, a company can rapidly scale, expand geographically, or employ assets in one market to enter another.
4) Relying on enormous amounts of user data can be difficult to recreate and costly to analyze.
5) Costs of switching For example, a user may have spent time and effort developing a profile on a social network or establishing a reputation as a supplier on an exchange platform, both of which may be lost if they transfer.
6) Patents, which grant the owner limited-term control over a technique or procedure, are frequently essential intellectual property rights.
7) Low or no pricing is connected with company strategies that generate revenue via gathering consumer data, selling advertising, or selling "premium" or other paid products through customer connections. This business model is becoming increasingly important: Seven of the top 10 global corporations offer free products and services in digital markets.
8) Disruptive technologies that drastically lower transaction and intermediary costs and may be supplied outside of legal frameworks that constrain incumbent competition.
9) Vertically integrated and conglomerate business models may generate concerns about anti-competitive activity. If they benefit their downstream operations, digital platforms that operate as "gatekeepers" between downstream enterprises and their clients may face competition difficulties. Furthermore, a firm may strive to transfer its market power from one market to another, for example, by merging and tying together techniques that stifle competition within an "ecosystem" of digital products.

The attributes under consideration, such as network effects and invaluable business models, have been previously acknowledged but are currently garnering heightened scrutiny in digital marketplaces. This increased focus carries substantial implications for the dynamics of these markets. This phenomenon has the potential to lead to the formation of concentrated markets, characterized by the establishment of expansive digital conglomerates that operate across many market sectors. This phenomenon can also give rise to a dynamic characterized by a "competition for market" paradigm when enterprises use competitive strategies to establish themselves as the dominant entity inside a specific market.

C. METHOD

The research employed the normative juridical approach as the chosen methodology. The author conducted research in this study by utilizing secondary data sources such as library materials and thoroughly reviewing relevant bibliographic resources. Ali (2021) defines the normative juridical approach as a method of legal research that examines library materials or secondary data as the primary sources for doing research. This technique entails conducting searches on laws, regulations, and literature relevant to the subject under study.

The methodologies employed in this study encompass the legislative approach and the conceptual approach. The statutory approach comprehensively examines all relevant laws and regulations about the specific legal matter under analysis (Benuf & Azhar, 2020). The objective of the Law Approach is to analyze the coherence and appropriateness of a given law concerning other laws, the 1945 Constitution, or the regulations outlined in Law No. 5 of 1999, which pertains to the Prohibition of Monopolistic Practices and Unfair Business Competition.

The methodology for collecting data in this legal research project is library research, specifically focusing on utilizing papers and materials available within library resources. The process of data collection involves the acquisition of written material that is relevant to the specific subject under investigation. This research employs deductive reasoning to analyze legal materials, specifically examining many legal premises to derive a conclusion that effectively addresses the earlier problem formulation.

D. RESULTS AND DISCUSSION

1. Adapting Business Competition Analysis Tools to digital markets

The unique attributes inherent in digital markets pose a significant analytical challenge for the Business Competition Supervisory Commission, henceforth referred to as KPPU. While the underlying economic principles of conventional competition analysis remain valid, it is necessary to modify the application of analytical methods (Drexl, 2012). This trait is not novel, as many competition authorities have prior expertise in performing assessments in multilateral marketplaces. Nevertheless, it is imperative to thoroughly scrutinize the methodology and assumptions inherent in current analytical tools due to the prevalence of these features in digital marketplaces and their significant influence on market dynamics. (List, 2004) is a citation indicating the source of information. There are several areas where the analysis must be adapted to the digital market, namely:

a) Network Effects

A comprehensive analysis of competition in digital markets must include a careful assessment of the importance of network effects. Network effects are a phenomenon where the more people or users who join a digital platform or service, the more valuable the platform becomes for each new user. These network effects can result in significant consumer benefits, such as more excellent choices, competitive prices, or better experiences. However, on the other hand, network effects can also be a significant barrier to entry, as established platforms have advantages that are difficult for new competitors to catch up to. In some cases, strong network effects can even create the risk of monopoly, where one or a few companies dominate the market without fair competition. In particular, when network effects and associated data collection create mutually reinforcing feedback cycles, this can seriously threaten healthy competition and innovation in digital markets (Lemley & McGowan, 1998). Therefore, a deep understanding of network effects and careful monitoring of digital markets is essential to balance consumer benefits, fair competition, and preventing potential monopoly risks.

b) Multi-sided Platform Marketplace

Cross-platform network externalities, which refer to the benefits acquired by one side of the platform from higher involvement on the other side of the market, are frequently created by complicated relationships between different sides of a digital platform. In the context of an online marketplace, for example, consumers profit when more sellers join and offer their products or services, while sellers benefit when more consumers utilize the platform. When studying corporate competitiveness, it is critical to consider these cross-platform network externalities when their function is so prominent in a given market, particularly in pricing. Failure to account for these externalities might lead to incorrect assumptions about market demand response (Menell, 2019). In the case of commercial rivalry, for example, the SSNIP (Small but Significant Non-transitory Increase in Price) test should be amended to include a better understanding of the interaction between demand on different sides of the platform. This includes thinking about how price hikes or service changes on one side of the platform may affect participation on the other and vice versa.

c) Rapid Changes in the competitive landscape

Analysis in the context of digital markets must be carried out with caution, mainly because these markets tend to experience rapid and constant change. This speed of change can change competitive dynamics quickly, so assessments must constantly be updated and adapted to current conditions. In addition, in digital markets, product market boundaries can become blurred. While a product may not be a perfect functional replacement for another, the relevant question is whether it still competes directly for consumers' valuable time, attention, and data. Competitive analysis should also consider the potential for new competitors to enter the market. In the digital era, entry has become easier for new companies with innovative ideas. Therefore, it is essential to assess the innovation capacity of companies in this context (Czepiel, 2020). Sometimes, existing players in the market may focus too much on existing strategies, while new innovators may develop products or services that shake up the market. Therefore, in competitive analysis, it is necessary to consider potential new product development paths that may open up, providing a different picture of the product market than what is currently visible. It is also a reminder that existing competitors may be limited in innovation, while new competitors could be serious disruptors in a rapidly growing market.

d) Non-price competition

Many digital markets exhibit competitive characteristics that are much more complex than just price, so an analysis that focuses too much on price factors can produce a minimal picture. This is especially relevant when many digital products or services are offered to consumers at zero or meager cost. In this context, it is essential to recognize that competition can occur across various non-price dimensions involving product features, service quality, user experience, technological innovation, and other factors influencing consumer preferences. Analysis of business competition in digital markets is critical to reveal relevant non-price dimensions of competition. This includes an assessment of how competitors within a market compete for attention and users from the same market segment (Esayas, 2019). Additionally, in the case of corporate actions or mergers, the analysis should consider the potential impact of such actions on these non-price dimensions. For example, could the action reduce product variety, harm the level of innovation, or hinder consumer choice? These questions must be answered to understand the consequences of business actions in a highly dynamic digital marketplace.

e) Wide geographic market coverage

Digital markets have the unique characteristic of not being bound by physical territorial boundaries so that individuals worldwide can access products and services in these markets. However, digital market analysis remains essential to reveal geographic coverage limitations (Johnson & Post, 1996). These limitations can stem from various factors, such as differences in regulations in different countries or the languages used by users. First, the regulations and laws in force in various countries can influence how a digital platform operates. Data privacy requirements, taxes, e-commerce regulations, and other laws may vary significantly between countries, limiting a platform's ability to operate uniformly worldwide.

Second, language is also an essential factor that influences the geographic coverage of digital markets. Some platforms or digital content may only be available in specific languages, limiting appeal and accessibility among users who do not speak those languages. For example, in conducting digital market analysis, it is essential to consider how regulations and language may limit or influence participation and growth in a particular market. This also impacts business and marketing strategies and decision-making related to international expansion in this diverse digital market.

2. Efforts to improve business competition law in the digital market era

This paper examines the distinctive characteristics of digital markets that may lead to competition concerns and the distinct manifestations of merger violations and resulting harm within these markets. The distinctiveness of this characteristic also presents difficulties when it comes to choosing appropriate treatment methods. The emergence of enduring market dominance exhibits distinct characteristics compared to historical natural monopolies, mainly due to the influence of dynamic competition, innovation, and complex product ecosystems. Hence, it is imperative for the relevant authorities, specifically the KPPU, to reconsider their stance towards remedial measures. There exist three primary domains for enhancement within the realm of corporate competition law.

First, structural improvements and business line restrictions have long been effective in dealing with business competition issues, especially in corporate mergers or anti-competitive behavior. This approach is simple to understand and implement, as it involves splitting up companies or restricting business activities that could hinder competition. However, when we move into the context of highly dynamic and complex digital markets, this approach often does not fit the platform business model typical of the industry. To create a flourishing ecosystem, digital platforms depend on collaboration and interaction between various parties, including users, content creators, and advertisers. Implementing structural improvements in this context may be impractical or stifle innovation at the heart of digital market development. Another challenge is assessing the complex sources of market power in digital markets. Extensive data collection and market domination by a few large platforms are clear examples of this source of power. However, taking action, such as forcing a company to spin off or curtail business lines in such cases, often requires conclusions based on solid evidence and in-depth analysis that fully understands the dynamics of digital markets. Mistakes in determining whether a practice or condition is detrimental to fair competition can have negative impacts, hinder economic growth, and reduce benefits for consumers. Therefore, while structural improvements and business line restrictions remain necessary instruments in business competition law, there is a need for a more flexible and contextual approach to dealing with them in an ever-changing digital market.

Second, improving behavior in facing competition problems in digital markets requires careful design and supervision. Due to digital markets' complex and dynamic nature, companies are incentivized to look for loopholes in existing rules and regulations. Therefore, effective policy design is needed to prevent behavior that harms competition. To achieve this, close cooperation and coordination with sector regulators and other supervisory authorities may be a significant step. By sharing information and supervisory authority, joint authorities can better understand and address the challenges in digital markets. Additionally, it is essential to remember that no behavioral solution can be the sole solution to all competitive problems in digital markets. These markets are very diverse, and market conditions must be considered for measures such as data portability or interoperability to be effective. Each regulatory measure must be adapted to market characteristics, and solutions that work in one sector may not be fully applicable in another sector. Flexibility in regulatory design and the ability to respond quickly to market changes is critical in maintaining healthy competition in the ever-evolving digital era. Thus, improving company behavior in digital markets must be part of a broader strategy to create an environment that supports fair competition, innovation, and consumer benefits.

Third, the KPPU must consider and understand the dynamics on the demand side of the digital market. These dynamics can significantly impact the effectiveness of improvement efforts and exacerbate existing competitive problems. One of the key challenges in digital market analysis is identifying the source of problems on the demand side. In some cases, consumer behavior or user decisions can be a factor that influences the level of competition.

While solutions to demand-side problems are often more challenging to design and implement than measures aimed at producers or service providers, they should be noticed. Competition authorities should seek to understand consumers' motivations and behavior and the factors that encourage them to choose one digital platform or product over another. They should also analyze whether there are barriers to switching between platforms or products and whether consumers can access the information needed to make intelligent decisions. By understanding the dynamics on the demand side of digital markets and identifying the sources of problems, competition authorities can develop a more holistic approach to ensuring healthy and fair competition in an ever-evolving digital ecosystem.

3. Adjusting Business Competition Law Policy to the Digital Market

The Asian financial crisis, which caused the Indonesian economy to weaken during the New Order era, apparently contained wisdom, namely the birth of Law Number 5 of 1999. This impacted improving companies regarding business, organizational, financial, and legal aspects. These conditions prove that Legislative Regulations have a very significant role in providing supervision and legal certainty for all actors in economic activities in Indonesia.

The term "digital market" does not have an explicit definition in Law Number 5 of 1999, which regulates business competition in Indonesia. This law focuses more on the definition of a market, which includes physical places or traditional distribution channels where buyers and sellers can carry out commercial transactions. Because this law was created before the digital market phenomenon developed rapidly, no special provisions regulate or refer to the digital market.

The impact of the absence of a specific definition for digital markets is that the law may not fully cover or address business competition issues that occur in the digital ecosystem. Digital markets have unique dynamics, challenges, and characteristics, including competitive issues that may differ from physical markets. Therefore, there is a need to consider improvements in existing regulations or laws to overcome business competition in the ever-growing digital era. This will ensure that the responsible authorities have a solid legal basis for monitoring and regulating fair competition in digital markets. This research proposes several proposals for adapting Law Number 5 of 1999 by containing several business competition law policy frameworks that are adjusted in response to the digital market. Some suggestions include:

a) merger control framework

Increasing the merger notice threshold may aid in identifying more potentially competitive acquisitions, particularly from new competitors who may need more market share. In this way, regulatory authorities can avoid acquisitions that may impede competition more effectively. Furthermore, the emphasis on innovation and dynamic competition underscores the importance of understanding how mergers affect innovation and future market development. In digital markets, innovation is typically the driving force and unsuitable mergers can lower incentives for innovation or impede fair competition. The explicit inclusion of digital considerations in merger legislation, such as data access or intermediation capabilities, recognizes that competition challenges in the digital era necessitate a more specialized approach. The importance of data and control over digital distribution channels must be reflected in merger laws. Finally, putting the burden of proof on the merger parties to establish no adverse competition in particular scenarios promotes transparency and accountability in the merger process. This implies that corporations seeking a merger must demonstrate that their purchases do not hurt competition rather than the opposite, which may push firms to analyze the competitive implications of their merger actions more carefully. Ex-post evaluation of earlier merger choices is crucial because it allows learning from previous experiences. As digital markets continue to grow, this assists in identifying effective policies and adjustments that may be required in the merger control framework.

b) Create clear guidelines

Clear and detailed guidelines are essential to help companies understand situations that may give rise to competitive problems in the digital era and how these problems will be analyzed. In a rapidly changing and complex digital market, companies often face new and diverse challenges in competition. This Code will guide identifying situations that may give rise to competition concerns, whether related to business practices, acquisitions, or other anti-competitive behavior. In addition, the guidelines will also explain in detail the analysis process that will be followed to evaluate whether the issue violates business competition law. This may include explaining the analysis methods, the data collection required, and the criteria used to assess whether an action or behavior violates competition rules. With these straightforward guidelines, companies can ensure that they comply with regulations and follow the principles of fair competition in an ever-changing digital environment. They can also avoid potential sanctions and other adverse impacts of competition law violations.

c) Improving digital skills for KPPU officers

Improving digital capabilities for Business Competition Supervisory Commission (KPPU) officials is a critical step given the complexity of today's digital markets and the conduct that may emerge inside them. Digital marketplaces contain distinct dynamics, such as new technologies, varied business models, and various methods organizations can employ to gain a competitive advantage. As a result, ensuring that KPPU officials have a thorough understanding of the technical and legal components of the digital environment is critical to guaranteeing adequate supervision. Creating a specific staff focused on digital marketplaces is also a sensible move. This team can be equipped with specialized knowledge in data analysis, technology, and digital market trends to aid KPPU in recognizing potential competition issues and developing suitable regulations. Experimenting with new digital tools, such as using artificial intelligence to monitor competition rule implementation, could also be an innovative approach. This technology can aid in analyzing large amounts of data and more efficiently discover anti-competitive behaviors or conduct undermining competition, allowing for faster and more prompt action.

d) Deeper international cooperation between competition authorities

Deeper international cooperation between business competition authorities is a significant and relevant step in dealing with the cross-border nature of digital markets and the common problems they cause. Digital markets know no geographic boundaries, and companies in this ecosystem often operate in multiple countries at once. Therefore, competition problems in one country can quickly spread and significantly impact other countries. International cooperation allows competition authorities to share information, best practices, and data across borders, which is essential to overcoming competitive challenges in complex digital markets. It also helps coordinate more effective enforcement actions against anti-competitive practices involving multinational companies. Additionally, digital markets raise common problems, such as extensive data collection, the dominance of large platforms, and privacy issues. International cooperation allows business competition authorities to jointly formulate a consistent approach in dealing with this problem in various countries to provide better consumer protection and maintain healthy global competition.

e) Wider use of market studies

The broader use of market studies in taking a holistic view of competition issues in digital markets is a very positive and relevant step. The digital market is a highly complex ecosystem involving multiple players from various sectors, including digital advertising, FinTech, and patent assertion entities. Competition issues often arise in various contexts beyond mergers or enforcement cases. Therefore, comprehensive market studies can help competition authorities better understand digital market dynamics. Extensive market studies enable authorities to identify emerging trends and issues in various sectors and understand their impact on competition. It can also be used to advocate for regulatory changes to suit the ever-changing development of digital markets. For example, an increased understanding of the economics of digital advertising or policies relevant to FinTech could help formulate more effective regulations and support innovation in the digital ecosystem.

These ideas indicate that the current frameworks may only comprehensively address some competition concerns that emerge in digital markets or that the existing enforcement procedures need to be more prompt and efficient in light of the swift evolution of these markets. Moreover, the regulations above also aim to acknowledge that competition concerns in digital markets, which typically arise from long-lasting market dynamics, may intersect with additional policy matters, including equitable trade, safeguarding of data, fostering innovation, and several others. In the future, enhanced collaboration and coordination among competition policymakers in this domain will yield substantial advantages. These benefits encompass heightened efficacy of measures and alleviation of the compliance burden on companies arising from disparate approaches, mainly when innovation incentives entail associated risks.

E. CONCLUSION

Several vital characteristics must be considered when adapting business competition analysis tools to digital markets. First, network effects are essential to digital market dynamics, with potential consumer benefits and monopoly risks. Second, in multi-sided platform markets, it is necessary to understand cross-platform network externalities to understand demand and pricing. Third, rapid changes in the digital competitive landscape require continuously updated assessments and an understanding of the innovation potential of new competitors. Fourth, non-price competition becomes more complex in digital markets that offer products at low or zero prices, making it essential to understand non-price dimensions in competitive analysis. Regulations and language influence fifth, the broad geographic coverage in digital markets and can limit platform operations. Improving business competition law in the digital market era faces unique and complex challenges. Traditional approaches to structural improvements and limiting business lines must be adapted to digital platforms' dynamic and collaborative characteristics. Flexibility in regulatory design and cooperation between sector regulators and supervisory authorities are crucial to addressing behavior that harms competition. In addition, a deep understanding of the dynamics on the demand side of digital markets is essential, as factors such as consumer behavior, barriers to switching platforms, and access to information play an essential role in maintaining healthy competition. In facing unique digital market challenges, it is necessary to adjust business competition law policies. The current Law Number 5 of 1999 does not fully cover aspects of competition that are developing in the digital ecosystem, so changes and improvements are needed in regulations. Proposals include improving the merger control framework with a focus on innovation and dynamic competition, creating clear guidelines to guide companies in complying with the principles of healthy competition in a rapidly changing digital era, increasing digital expertise for KPPU officials, closer international cooperation to address cross-border issues, and the use of broader market studies to gain a holistic understanding of competitive issues across sectors. With these steps, business competition law can more effectively maintain fair competition, innovation, and consumer benefits in a digital ecosystem that continues to develop.

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