

Self-Preferencing Across Markets

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Abstract :

This paper studies the phenomenon of self-preferencing across markets, where buyers and sellers interact through a monopoly platform, and sellers must also purchase an ancillary product to accomplish the interactions. By leveraging its dominant position in the primary market, the platform promotes its ancillary product sales in the competitive adjacent market. The paper investigates such practice's impact and welfare implications. I find that sellers always benefit from self-preferencing when it is profitable for the platform. Detrimental welfare impacts only emerge on buyers under specific conditions. The paper also discusses several high-profile cases, providing policy insights and empirical evidence.