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Platform mergers differ significantly from traditional mergers. In platform mergers, foreclosure issues, which are crucial in traditional vertical mergers, carry less significance but may still arise indirectly. Platforms, moreover, can favor their own businesses potentially disadvantaging competitors, and leverage their market power to new businesses. Lastly, entry barriers could increase as a result of platforms' multi-service provisions. Nevertheless, platforms can enhance consumer welfare, especially through product (service) bundling. Thus, we need to overhaul the merger review system to incorporate the aforementioned characteristics of platform mergers.

Restructuring Platform Merger Review

Sung Ick Cho, Senior Fellow at KDI



I. Introduction

Amidst the escalating debate on platform regulation, there has been a surge in platform mergers, leading to a corresponding increase in the need for platform merger reviews.

The regulation of online platforms is a highly debated topic due to the rapid growth of platform firms and their negative effect such as monopolies and user exploitation. While some argue for government intervention to address these issues, others worry that regulatory measures could stifle industry progress and deter innovation. The concerns on overregulation are not insignificant, particularly considering the shift towards a platform economy and the substantial benefits for consumers.

In the merger review process, platform firms are drawing significant attention from policy authorities and interested parties. Recent merger cases have shown two notable characteristics: an increase in international mergers¹⁾ and a pattern of repeated small and mid-size mergers by platforms. The visible upsurge in platform mergers amidst ongoing debates on platform regulation, clearly highlights the importance of the platform merger review system. This situation raises pertinent questions as to whether the potential platform's side effects happen in the platform mergers and whether we need new review guidelines specifically designed to platform mergers.²⁾

At the heart of the issue is how appropriate the existing review system is in evaluating platform mergers. If platform mergers possess unique characteristics and impacts dissimilar to traditional mergers, conducting a comprehensive merger review through the existing framework designed for traditional mergers might be challenging. Generally, the primary goal of merger reviews is to maintain market competition and prevent anti-competitive behaviors. The present merger review guidelines,

1) In Korea, the internationalization of merger review occurs through two channels. Firstly, the Korea Fair Trade Commission (KFTC) reviews mergers between foreign companies. Even in cases where the merger involves only foreign entities, it is still required to undergo a review in Korea if its potential impact on the Korean economy exceeds a certain threshold. Numerous mergers between international companies have been reviewed by KFTC, including Microsoft's recent acquisition of Activision Blizzard. Secondly, many mergers between Korean companies require approval from overseas competition authorities. Examples include the cases of Hyundai Heavy Industries Holdings and Daewoo Shipbuilding & Marine Engineering, as well as Korean Air and Asiana Airlines. As the Korean economy expands and companies become global enterprises, both types of merger cases are expected to increase in the future.

When a merger is being reviewed in multiple countries and fails to obtain approval in any of them, it typically results in the failure of the merger as a whole. Furthermore, each country may impose different corrective measures, and the merged company is obligated to comply with all of them. This underscores the necessity of cooperation between countries, which can become more challenging if the merger review systems differ among countries. In fact, Korea's merger review process differs from that of the US and the EU, and efforts are being made to modify the process in response to the increasing international mergers. For details on policy direction, please refer to the KFTC (Dec. 29, 2022), and for a detailed description of the merger review system, please refer to Kim (2022).

2) In fact, discussions have taken place among countries including the U.S., EU, and others regarding the introduction of new regulations. These discussions include proposals such as implementing a principle of banning big platforms from acquiring companies, as well as considering a shift in the burden of proof from the authorities to the platform firms. Then, merging parties themselves should demonstrate anti-competitive and efficiency-promoting effects from the merger.

There is a need for new guidelines for platform merger review to reflect the unique characteristics of such mergers. These guidelines should outline the review methodology and the assessment of potential competitive constraints.

capturing this core objective, are not inherently deficient in assessing the competitive harm by platform mergers. Yet, ill-fitted guidelines could create substantial uncertainty for both the reviewing authority and the companies under review. Organizations responsible for the review process, such as the Korea Fair Trade Commission (KFTC), need to invest additional effort to accurately capture the real anti-competitive impacts within the scope of the existing merger guidelines. Meanwhile, merging parties would suffer uncertainty, unsure of which articles in the merger guidelines their proposed merger might infringe. Although merger is among the most crucial business decisions, merging parties find themselves sitting on considerable uncertainty.³⁾

Thus, there is a pressing need to improve the merger review process specifically tailored for platform mergers. These guidelines should offer sharper criteria in evaluating platform mergers and identifying their potential competitive harms. This study sets out to explore the necessary elements to be integrated into new guidelines specifically designed for platform mergers.⁴⁾ It is noteworthy that the discussions herein are limited to cases where platforms merge with firms operating outside their primary market (non-horizontal mergers), rather than mergers between competing platforms in the same market (horizontal mergers).⁵⁾

3) Uncertainty in decision-making processes can lead to longer durations for merger review.

4) Realistically speaking, the importance lies not only in the new ideas themselves but also in the way they are organized. This could involve creating a new guideline exclusively for platform mergers, or composing a new chapter for platform mergers within the existing guideline. The necessary articles could be inserted into relevant sections of the current guideline. This study does not delve into specific ways for implementing these changes.

5) Horizontal mergers between platforms present various issues. Firstly, the market definition for such mergers differs from that applied in traditional mergers since both sides of the platform involve users and their interactions need to be taken into account. One issue related to competitive constraints is killer acquisitions, which are currently classified as mixed mergers but exhibit characteristics of horizontal mergers. However, this study focuses solely on issues related to non-horizontal mergers. The challenges arising from horizontal platform mergers primarily revolve around the complexities of the review process, while the major concerns and patterns of anti-competitiveness in non-horizontal mergers qualitatively differ from those observed in traditional merger cases.

II. Platform's Business Strategy and Merger Incentives

Indirect network externality plays a crucial role in locking in users to specific platforms.

Platform firms provide a diverse range of services, offering multiple ancillary service platforms that revolve around a few core platforms or other businesses associated with the platforms.

Platform firms often pursue mergers to expand into new revenue-creating areas or to strengthen their competitiveness in core services.

To check and overhaul the platform merger review system, it is crucial to comprehend platform business strategies, motivations for mergers, and the differences between platform and traditional mergers. Firstly, we need to understand the concept of indirect network externality of platforms.⁶⁾ This refers to a situation wherein an increase in users on one side of the platform enhances the utility of users on the other side, effectively locking in that particular platform. The presence of a larger user base on one side leads to greater benefits for users on the other side, such as improved chances of successful transactions. This phenomenon serves as a means to effectively establish user loyalty towards a specific platform. Indirect network externality, which locks in consumers, could create a platform's market dominance, so it must be considered cautiously when we evaluate competitive constraints of a platform's business strategy.

Moving forward, let us delve into business strategies employed by platforms. Most platform firms provide a diverse range of services, offering multiple ancillary service platforms that revolve around a few core platforms or other businesses associated with the platforms. For instance, Google provides services such as advertising, maps, and over-the-top (OTT) content, in addition to its core search service, mobile OS, and app market service. Similarly, NAVER and Kakao primarily focus on search and mobile messaging, respectively, while also offering a wide array of services including online shopping, real estate brokerage, gaming, music, content distribution, taxi services, and banking services. This strategy, which involves providing a multitude of services and fostering user loyalty towards a specific company, is often regarded as a platform's approach to building its ecosystem.⁷⁾

In order to comprehend the rationale behind this strategy, it is essential to understand why platforms interconnect their services and how they achieve this integration. Platforms often bundle services because their core business alone does not create sufficient profits. For example, Google offers its search service and mobile operating system, Android, free of charge, as imposing fees could impede the establishment of a sizable user base. Due to the inherent nature of indirect network externality, platform businesses cannot sustain themselves without reaching a critical mass of users. Therefore, it is natural for platforms to explore adjacent areas to

6) In addition to network externality, there exist several other characteristics that define the nature of transactions conducted on platforms, such as non-neutrality of pricing structure and the impossibility of circumvent transactions. This study specifically focuses on the platform's scale of economy through indirect network externality, which would induce tipping. For further details on the definition and characteristics of platform, refer to Lee (2010).

7) Extensive researches have been conducted on platform ecosystems and platform envelopment. The OECD (2020) provides valuable insights into these subjects.

create additional profits, such as integrating advertisements with search services to attain monetization opportunities.

As for the “How?” aspect, the key lies in accessing consumers. Once platforms have amassed a certain level of user base for their core services, it presents an opportunity for them to effectively offer additional services to these users. This approach can be likened to restaurants situated within a department store’s dining area, targeting consumers who visit the store. The ability to engage users is directly correlated to the duration of their stay on the platform. For instance, NAVER provides services like NAVER Shopping and NAVER TV, specifically targeting users of its search engine. Similarly, Kakao offers a diverse range of content and services, such as gifting and remittance, to users of its messaging app. Conversely, in the case of food delivery platforms, consumers spend less time on the platform while restaurants are long term residents. Therefore, it is natural for these delivery apps to expand their business scope to encompass wholesale food markets, delivery agencies, and payment services.⁸⁾

Driven by the compelling need to expand into new sectors, platforms often consider M&A as a measure. Additionally, they occasionally pursue M&As to strengthen their competitiveness in core service areas. As mentioned earlier, many platforms adopt a business strategy of building their own ecosystem by offering a range of ancillary services. By providing diverse services that complement one another and operate at multiple tiers, users can effectively utilize the platform’s core services. When search engine users can seamlessly transition to a variety of additional services that align with their search results, they are likely to perceive an improvement in the quality of the search experience. Consequently, the overall competitiveness of the platform’s entire ecosystem is enhanced. In this regard, platform operators who aspire to incorporate complementary services capable of augmenting the competitiveness of their core offerings may opt for M&As.

8) The provision of a variety of services through platforms is indeed advantageous for users, enabling convenient and reliable access to various services from one platform and even linked platforms. The structure of integrated services on platforms may somewhat differ from traditional product bundling, but basically, it also can generate positive effects similar to the efficiency gains associated with bundled products.

III. Competitive Harms of Platform Mergers and Difference between Platform and Traditional Mergers

One significant concern regarding anti-competitive practices in platform mergers is the potential for excluding competitors via self-preferencing in the new markets.

The addition of new ancillary services through a merger can potentially raise entry barriers in both the platform's core service areas and the overall platform ecosystem.

1. Potential for Platform Mergers to Constrain Competition

In the previous section, the expansion into new business areas was identified as a common motivation behind platform mergers. While entering a new business domain is not inherently anti-competitive, it is important to recognize the possibility of anti-competitive behavior during the merger process. Platform mergers involving new business areas differ from horizontal mergers in the same market. The objective of platform mergers is to create synergies by integrating firms operating in different markets.

One significant concern regarding anti-competitive practices in platform mergers is the potential for excluding competitors via self-preferencing in the new markets. This strategy involves leveraging market dominance in a core service, keeping users to their ancillary services. For example, a platform providing online shopping price information may prioritize its own open marketplace by giving it a more favorable position on the webpage. Additionally, operators who control app markets might reject the listing of apps that block ads in order to safeguard their own ad market. It's important to acknowledge that many platform's core services, such as search, messaging, and social media, directly influence the distribution of information among users. In certain market, platform operators could exploit the way of information distribution to gain an advantage or disadvantage their competitors, thereby ensuring their success in the new market they enter.

Another case aforementioned is when platform companies utilize mergers to strengthen their competitiveness in core services by establishing an ecosystem through bundled services. Apple's "walled garden" strategy stands as a good example of this approach. In such cases, the inclusion of new complementary services through a merger has the potential to further strengthen the barriers surrounding the platform. As new users are attracted through these complementary services, indirect network externalities once again come into play. The influx of new users leads to the attraction of additional users on the opposite side, causing the concentration of users to grow more rapidly.

2. Difference from Competitive Constraint of Traditional Mergers

To comprehend the distinction between the potential competitive harms of platform mergers and that of traditional mergers, it is important to examine the typical anti-competitive behaviors stemming from traditional mergers. Mergers of firms operating in different markets can be

If a vertical merger leads to the foreclosure of purchasing or sales channels, it can seriously harm market competition.

In mixed mergers, leveraging market power from one market to another can occur through tying.

categorized into two types: vertical mergers and mixed mergers. Vertical mergers involve the consolidation of firms operating at different stages of the production process. For example, a merger between an automaker and a steel company would be considered a vertical merger since steel plates are crucial for car manufacturing. On the other hand, mixed mergers involve firms that do not compete in the same market or have a vertical relationship. A merger between a food company and a broadcasting company would be an example of a mixed merger.

Consider a hypothetical vertical merger between a monopolistic raw material company and a competitive final product company. The merged entity has the potential to limit the raw material supply to downstream competitors. While the actual decision to withhold supply would depend on various factors, it is evident that the merged firm now has the power to do. During a merger review, the primary focus is on assessing the likelihood of an actual disruption in the supply chain. If supply is indeed disrupted, downstream competitors will face significant challenges in sustaining their operations, leading to a reshuffling of the market centered around the merged firm. Therefore, when non-integrated downstream competitors are foreclosed in input supplies (a practice known as foreclosure), it can severely impact market competition. Consequently, it is essential to develop measures to preserve competition through robust merger reviews.⁹⁾

In mixed mergers, tying or bundling plays a significant role. For instance, operating systems (OS) and web browsers are both computer software, but they serve different purposes and have distinct usage methods. Thus we cannot consider them as products competing within the same market.¹⁰⁾ When a company holds a dominant position in the OS market while the web browser market remains competitive, bundling its web browser with its OS can compel customers who purchase the OS to also acquire the web browser. This creates significant difficulties for competitors in the web browser market, irrespective of their level of competitiveness, due to the OS market structure. This practice is commonly referred to as 'leveraging one's dominant position in one market to promote its own products in another market through tying.' The review of mixed mergers primarily focuses on the potential for abusive leveraging

9) Conversely, in cases where the downstream market is monopolized while the upstream market remains competitive, there is a possibility of unintegrated upstream rivals being foreclosed from selling to the merged firm (customer foreclosure). In a vertical merger, the review principally focuses on assessing input foreclosure and customer foreclosure.

10) The tying case by Microsoft (MS) was in the 1990s. The situation has recently evolved with cloud computing systems, leading to a convergence between OS and web browser.

and the subsequent negative impact on market competition.

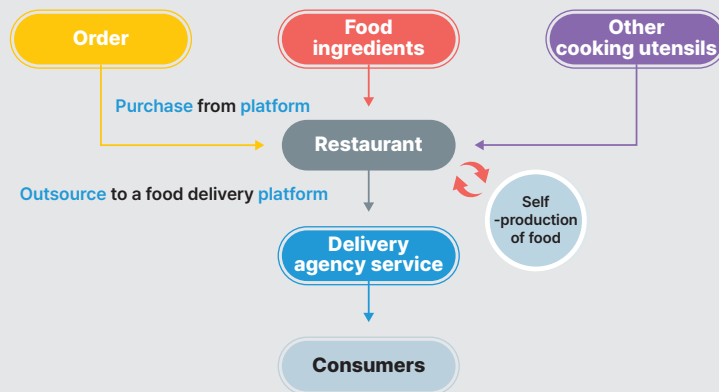
However, in platform mergers, the pattern of competitive constraints differs somewhat from traditional mergers. Firstly, distinguishing between vertical and mixed mergers becomes challenging. Even in cases where they may appear similar with traditional vertical foreclosure, many instances of anti-competitive conduct in platform mergers are often associated only with indirect foreclosure, which distorts consumer choices. Moreover, the leveraging of market power from one market to another can occur without tying. It is important to note that indirect foreclosure and the leveraging of market power are often closely intertwined in platform mergers.

① Difficulty in Distinguishing Vertical and Mixed Mergers

Korea's Merger Guideline defines "vertical merger" as a merger "between companies in adjacent stages of the production and distribution process, from the production of raw materials to the production and sale of goods." Consider a merger scenario involving a food delivery app platform and a delivery agency platform.

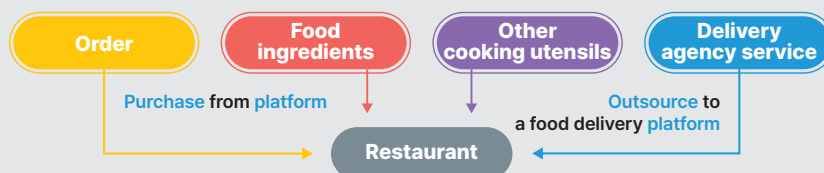
From the perspective of food consumers, the process of meal preparation and delivery revolves around restaurants as they are responsible for preparing the food. Restaurants receive orders through delivery app platforms and source ingredients and cooking utensils from various suppliers. Once the meals are prepared, they engage delivery services through agency platforms to transport the meals to consumers. The delivery app platform and the delivery agency platform operate within a sequence of production and distribution steps. Thus, a merger between these two entities may initially appear to resemble a vertical merger. However, the intermediate position of the restaurant's food production stage makes it challenging to consider the two platforms as being adjacent (see Figure 1).

Figure 1. Position of Delivery App and Delivery Agency: Consumer Perspective



Consider another viewpoint from the perspective of the restaurant, which acts as both a vendor and consumer. A restaurant procures various ingredients to prepare meals for delivery. From their standpoint, the order facilitated by the food delivery app and the delivery service obtained from the delivery agency platform are just a few of the essential raw materials they acquire. In this context, categorizing the two platforms as being adjacent in the production stage does not align. This complexity was highlighted in the case of the delivery platform Delivery Hero (Yogiyo) acquiring a stake in Woowa Brothers Corp. (Baedal Minjok). The Korea Fair Trade Commission (KFTC) considered characterizing the merger between the delivery app and delivery agency service as a mixed merger rather than a vertical one (KFTC, Feb. 2, 2021).

Figure 2. Position of Delivery App and Delivery Agency: Restaurant Perspective Purchase from a delivery agency platform



The determination of whether a merger is vertical or mixed is bound to be confusing when a platform, acting as an intermediary between consumers and small and medium-sized vendors, seeks to merge in order to add an auxiliary service for these vendors.

Platform operators have the ability to foreclose competitors in other sectors but only indirectly, using accessibility to users.

The aforementioned merger case involving the delivery app and delivery agency serves as more than just an example. Such a confusion is bound to arise when a platform acts as an intermediary for transactions between consumers and small to medium-sized vendors, and then seeks to merge in order to add an auxiliary service for these vendors. From the consumers' perspective, both platforms play a role in every stage of production and distribution, while the production of the sellers (vendors) resides in between, thereby complicating the categorization of their merger as purely vertical. On the other hand, sellers perceive the platforms as operating during the raw materials procurement stage, suggesting that the merger is not vertical. This emphasizes the intricacies involved in distinguishing between vertical and mixed mergers in the majority of platform mergers. Moreover, considering the potential constraints on competition, which will be addressed in the subsequent section, there is little to be gained from making a distinction between these two types.

② Loose Foreclosure

In traditional vertical mergers, a monopolistic supplier of raw materials can foreclose competitors in the downstream market by refusing to sell. However, when it comes to platforms exercising monopoly power in one business domain, the potential for foreclosing competitors in another domain is not a straightforward yes or no answer. Consider a hypothetical situation where an open marketplace platform, holding a significant market share, decides to acquire a firm that directly compete with its vendors. In this case, the marketplace platform possesses the capability to direct consumer orders towards its newly integrated entity using various methods. Nevertheless, it is crucial to recognize that the ultimate decision-makers for placing orders are users, not the platform itself. This situation clearly differs from when a monopolistic steel manufacturer chooses not to supply steel plates to downstream rivals. Notwithstanding, open marketplace platforms employ complex business strategies that meticulously factor in user behaviors. As a result, they have the potential to significantly limit orders destined for competitors. Thus, relying solely on the existing parameters of traditional foreclosure patterns to assess the foreclosure effect driven by platform mergers may underestimate the actual foreclosure effect of such mergers.

③ Leveraging Market Power by Raising Rival's Costs

In traditional business, the leveraging of market power often manifested through tying which compelled consumers in a monopolistic market to purchase a product from a competitive market alongside their desired product. This practice imposed significant disadvantages on competitors operating in the competitive market.

Likewise, platform firms have the ability to sell ancillary services alongside their core products. As an example, an open marketplace monopolist may provide a payment service while intermediating transactions. This particular payment arrangement creates a situation where vendors utilizing this platform have little motivation to use alternative payment services, potentially leading to a monopolization of the payment services market.

Without tying, platform operators can leverage market power from their core business area to ancillary service areas by raising rival's costs.

Without tying, platform operators have alternative strategies to leverage their dominance towards their ancillary services by adjusting the transaction policies of their core platforms. As demonstrated in the aforementioned case, they can solidify their market position in the ancillary services sectors by foreclosing access to orders. This creates a more challenging environment for competitors to obtain orders, thereby restricting fair competition in the market. Moreover, they can confer supplementary advantages to vendors operating on their core platform services who opt for their ancillary services.¹¹⁾ While this may appear to provide benefits to certain users, it can also be viewed as imposing additional burdens on competitors offering similar ancillary services. The provision of extra benefits makes competitors seem less appealing to users, further strengthening the platform's position in the ancillary service business domain.

This type of anti-competitive behavior is referred to as raising rival's costs and has historically been the focus of regulatory enforcement against abuse of market dominance. However, the leveraging of market power through raising rival's costs, in contrast to the utilization of tying, has not been a primary focus in merger reviews. This is because previous business strategies seldom involved disrupting the competitors of a subsidiary, rather than directly affecting a competitor in the same market. The situation differs slightly in the platform business, where operators can utilize the platform's other side users for their own ancillary services. To put it another way, platform operators, compared to traditional companies,

11) When consumers receive additional benefits for purchasing two products at a single checkout, this can be seen as a manifestation of market power leveraging through tying. However, a question arises when users receive additional benefits while utilizing the platform firm's core service for free: can this still be considered tied products?

Platform mergers can raise barriers to entry not only in new markets but also in existing core service areas and the overall platform ecosystem. In some cases, the creation and reinforcement of entry barriers may be a deliberate objective of the merging parties.

can more easily disrupt their ancillary service rivals by employing their core service business strategies. The practice of leveraging market power by increasing costs for competitors has received limited discussion thus far, but the current circumstances necessitate careful consideration.

④ Creating and Strengthening of Entry Barriers

The current guidelines for merger reviews also take into account the strengthening of entry barriers. However, the establishing or strengthening of these barriers has rarely been a primary focus, as more direct anti-competitive factors are given greater priority. Additionally, difficulties in quantifying the size of newly intensified entry barriers often discourage thorough examination.

Platform mergers can raise barriers to entry not only in new markets but also in existing core service areas and the overall platform ecosystem. Considering the aforementioned business strategies employed by platforms, it can be assumed that in some cases, the creation and reinforcement of entry barriers may be a deliberate objective from the outset.

Therefore, it is crucial to evaluate the establishment and reinforcement of entry barriers during platform merger reviews. Given the practical challenges in accurately quantifying the size of entry barriers resulting from traditional mergers, measuring entry barriers associated with platform mergers and incorporating them into the review process would indeed be even more challenging. However, by identifying the contributing factors to the reinforcement of entry barriers, it may be possible to achieve a reasonable level of assessment.

IV. Platform Mergers and Efficiency Gains

Compared to traditional mergers, platform mergers present larger potentials for synergies. While the synergy of traditional mergers typically manifest as cost savings in production and enhanced innovation capabilities, platform mergers bring an additional dimension of user convenience. In traditional mergers, bundled products can generate certain efficiency gains, but in platform mergers, the reduction in transaction and search costs becomes a crucial factor in enhancing user welfare, making the strength of bundled services particularly noteworthy. Thus, it is essential to carefully evaluate efficiency gains in platform merger reviews.

Another crucial factor to consider is the possibility of self-preferencing. This refers to the situation where a platform operator shows favoritism towards its own ancillary services while disregarding similar services provided by competitors in its core service areas. As previously mentioned, such bias could potentially increase costs for competitors and impede competition. Nevertheless, it is quite common for providers of all sizes to offer preferential treatment to their own ancillary services as part of a bundled service package.¹²⁾ This is because a bundled offer lacking price discounts or quality improvements holds little value. Furthermore, the utilization of a company's own service can stimulate innovations that further enhance the quality of their core service. In certain cases, the potential for innovation may be amplified by the accumulation of extensive experience, facilitated by self-preferencing.

Improving consumer welfare and generating innovation in this way inherently entails certain constraints on competition, and as such, they need to be assessed separately during the merger review process. Nonetheless, it is equally important to explore alternative approaches that are less anti-competitive and to investigate additional avenues to further enhance user convenience.

12) There are cases where no discriminatory treatment is involved, such as when competing providers offer bundled products like museum passes or ski passes.

V. Conclusions and Recommendations for System Improvement

This study explored the differences between platform mergers and traditional mergers, shedding light on the challenges associated with distinguishing between vertical and mixed mergers and their contrasting mechanism of competitive constraints. Platform mergers exhibit foreclosure issues comparable to traditional vertical mergers, albeit with an indirect effect, as platforms can solely influence consumer orders. This study also addressed the concerns about leveraging market power by raising rival's costs, in addition to tying. When platforms exploit their market dominance in core service areas to employ self-preferencing strategies in ancillary service areas, the most common methods are inducing orders and raising rival's cost. Given that platform mergers aim to enter revenue-creating sectors, it is crucial for regulatory authorities to carefully evaluate aforementioned potential anti-competitive effects during the merger review process. Furthermore, the examination of entry barriers should be conducted more rigorously, given the strong incentives for platform mergers.

On the other hand, platform mergers have the potential to generate significant synergies in terms of improving user convenience, setting them apart from the synergies observed in traditional mergers. These unique efficiency-enhancing effects are also likely to foster innovation in the core platform or across various business domains within the ecosystem. However, it is important to acknowledge that this innovation may involve some forms of discriminatory treatment, which necessitates additional evaluation of efficiency, even when concerns about self-preferencing arise.

In light of these considerations, this study proposes three guidelines tailored for platform merger reviews. Firstly, **it is crucial to eliminate the distinction between vertical and mixed mergers and instead adopt comprehensive review guidelines that encompass the assessment of self-preferencing, considering both "foreclosure" and "leveraging of market power."** By inserting these articles in the merger guidelines, platform companies seeking mergers can proactively evaluate the potential anti-competitive nature of their strategies.

Secondly, **it is necessary to explicitly state the regulatory authority's commitment to actively evaluate the case of creation and strengthening of entry barriers.** Quantifying the precise magnitude of these barriers poses challenges due to the absence of a well-established methodology, but conducting theoretical analyses of the potential increase in entry barriers can provide insights on the severity of competitive constraints and significantly help in developing methodologies in the

future.

Thirdly, the review of platform mergers should consider the distinct efficiency-enhancing effects that these mergers can generate. Currently, in the actual review process, a merging company asserts efficiency gains, and the KFTC examiner evaluates them. However, a more proactive evaluation of efficiency effects is necessary. **One potential approach is to require the submission of a separate examination review that specifically addresses the potential efficiency gains associated with the merger. ■**

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