

Legal regulation of price monopoly on e-commerce platforms

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Abstract. With the advancement of internet technology and the widespread adoption of high-speed network technologies such as 5G, e-commerce platforms have become the primary channels for everyday shopping. However, issues such as "big data price discrimination" and predatory pricing have emerged during their development, leading to price monopolies that harm the real economy and public interest. This study analyzes the legal regulatory framework, fundamental principles, regulatory measures, and their advantages and disadvantages concerning price monopoly on e-commerce platforms. It further identifies the factors influencing the effectiveness of legal regulation and the challenges faced. Based on this analysis, the study proposes recommendations such as improving legal frameworks, strengthening law enforcement and supervision, enhancing technological capabilities, and promoting industry self-discipline, making it a topic of significant practical relevance.

Keywords: e-commerce platform, price monopoly, legal regulation, big data price discrimination, law enforcement and supervision

1. Introduction

1.1. Research background

With the continuous advancement of internet technology, an increasing number of people are gaining access to and utilizing online services. The widespread use of mobile devices and the gradual rollout of high-speed network technologies such as 5G have enabled consumers to shop and make payments online with ease, anytime and anywhere. E-commerce platforms integrate product information and supply chain management into a digital system, eliminating cumbersome intermediary processes and improving sales efficiency and user experience. However, issues such as "big data price discrimination" and predatory pricing have also surfaced. Digital platforms collect extensive user data and exploit information asymmetry and consumer dependency to engage in price monopoly. In recent years, monopolistic behaviors among major e-commerce giants such as Taobao, Tmall, JD.com, and Pinduoduo have been rampant. The price monopoly on e-commerce platforms has inflicted harm on both the real economy and the public interest. Furthermore, as the digital economy rapidly evolves, the outdated and inadequate nature of antitrust laws established in the industrial economy era has become increasingly apparent. Thus, legal regulation of price monopoly on e-commerce platforms is an urgent necessity.

1.2. Theoretical basis and current situation of price monopoly on e-commerce platforms

1.2.1. Theoretical basis of price monopoly

1.2.1.1. Concept, characteristics, and market impact of price monopoly

Price monopoly refers to the behavior in which one or a few firms manipulate market prices by controlling supply or demand to obtain excessive profits. It typically occurs in markets lacking sufficient competition, where monopolists can independently determine prices without being constrained by market forces.

The characteristics of price monopoly include:

- **Market Control Power:** Monopolists hold a significant market share and can influence market prices.
- **Pricing Power:** Monopolists can set prices independently rather than relying on supply and demand dynamics.
- **High Barriers to Entry:** High entry barriers prevent new competitors from entering the market, sustaining the monopoly.

The impacts of price monopoly on the market include:

- First, it leads to inefficient resource allocation. The monopolized market price exceeds marginal cost, preventing optimal resource distribution. Monopolists limit production and raise prices to obtain excess profits rather than meeting consumer demand at the lowest cost.
- Second, it harms consumer welfare. By raising prices and restricting supply, monopolists reduce consumer surplus—the difference between what consumers are willing to pay and the actual price they pay. Consumers are forced to pay higher prices while receiving fewer goods or services.
- Finally, a lack of competition in monopolistic markets can discourage innovation. Without competitive pressure, monopolists are more inclined to maintain the status quo rather than invest in technological advancements or product improvements.

1.2.1.2. Economic theories behind price monopoly

- **Market Power Theory**

This theory suggests that firms gain market dominance through economies of scale, technological superiority, or resource control, enabling them to manipulate prices. Monopolists influence market prices by controlling supply or demand, securing excess profits. For example, large corporations use economies of scale to lower costs, gain a pricing advantage, and drive out competitors, thereby consolidating their monopolistic position.

- **Barriers to Entry Theory**

This theory highlights that various obstacles¹—technical, financial, legal, or otherwise—prevent new firms from entering the market, allowing existing firms to maintain their monopoly. High entry barriers reduce competition, enabling existing firms to raise prices without losing customers due to the lack of viable alternatives. These elevated cost thresholds reinforce market dominance and facilitate price monopoly.

- **Network Effect Theory**

In markets characterized by network effects²—where the value of a product or service increases with the number of users—early entrants can quickly amass a large user base, creating a natural monopoly. For instance, e-commerce and social media platforms become more valuable as their user base grows, making it difficult for new competitors to disrupt the established monopoly.

1.2.2. Current status of price monopoly on e-commerce platforms in China

1.2.2.1. Development of China's e-commerce industry

According to the 2023 China Internet Development Report, as of June 2023, the total number of internet users in China reached 1.051 billion, an increase of 5.4% year-on-year, accounting for 23.4% of the global internet user base—the highest in the world. Among them, 74.1% engaged in online shopping. By 2024, according to data from the National Bureau of Statistics, China's annual online retail sales grew by 7.2%, contributing 1.7 percentage points to overall retail sales growth. This demonstrates the rapid rise of third-party e-commerce platforms in recent years. Currently, China's retail sector has fully entered the e-commerce era, with major players such as Alibaba, JD.com, Pinduoduo, and Suning.com dominating the industry³. Additionally, according to the 2024 Douyin E-commerce Industry Development Report, merchants from industrial hubs across China completed 15.4 billion orders via Douyin E-commerce, with livestreaming sales accounting for 63% of the total. The growing dominance of e-commerce platforms has significantly impacted brick-and-mortar retail businesses, many of which have been forced to close, signaling the decline of traditional physical stores.

1.2.2.2. Research trends and legal developments in China

Chinese scholars primarily analyze price wars from the perspective of their impact on business strategies. Chen Yuan applied the prisoner's dilemma and Bertrand models to conclude that price wars only cease when prices fall below marginal costs. Sun Yuyao used Bertrand models, the prisoner's dilemma, and cartel models for data analysis, concluding that price wars are inevitable in oligopolistic markets due to rational firm behavior. Chen Liqiang suggested that differentiation strategies, strong consumer relationships, technological innovation, and product quality improvement are effective ways to avoid price wars. China's current Anti-Monopoly Law lacks specific regulations on pricing, and price discrimination by e-commerce platforms falls under "abuse of market dominance."

¹ These barriers include technological, capital, legal, or other forms of obstacles.

² Network effects refer to the phenomenon where the value of a product or service increases as the number of users grows.

³ Apart from these e-commerce giants, the 2024 Douyin E-commerce Industrial Belt Development Report reveals that in 2024, merchants across various industrial belts in China successfully completed 15.4 billion orders through the Douyin e-commerce platform, with live-streaming sales accounting for as much as 63% of total transactions.

As e-commerce platforms become integral to China's economy, their competition with brick-and-mortar businesses has intensified. Due to the significance of price in consumer decision-making, e-commerce platforms employ low-price strategies to outcompete physical stores, leading to price monopoly. Such practices concentrate consumer choices within e-commerce platforms, posing threats to market order and consumer rights. To address practices like "exclusive dealing agreements," the government has enacted anti-monopoly laws. However, gaps remain in legal provisions regulating competition between e-commerce and brick-and-mortar businesses, necessitating further research and policy recommendations.

2. Legal framework for regulating price monopoly on e-commerce platforms

2.1. Overview of China's legal regulatory system

2.1.1. China's legal framework for regulating price monopoly on e-commerce platforms

2.1.1.1. Legal provisions

Anti-Monopoly Law: This fundamental law governs price monopoly on e-commerce platforms. The 2022 revision strengthened the regulation of monopolistic behaviors by platform enterprises, explicitly prohibiting operators from engaging in monopolistic practices such as monopoly agreements, abuse of market dominance, and anti-competitive mergers. The new amendments explicitly ban the use of data, algorithms, technology, capital advantages, and platform rules to engage in monopolistic conduct, providing a clear legal basis for regulating price monopoly on e-commerce platforms.

Anti-Unfair Competition Law: This law prohibits predatory pricing and other unfair competition practices. It is often used to regulate e-commerce platforms that sell goods or services at unreasonably low prices to drive competitors out of the market, ensuring fair market competition.

Pricing Law: This law stipulates that pricing behaviors for goods and services must adhere to the principles of fairness, legality, and good faith. It explicitly prohibits enterprises from engaging in price fraud and predatory pricing, ensuring that e-commerce platform pricing complies with legal provisions.

E-commerce Law: As the first comprehensive law specifically regulating e-commerce in China, this law prohibits e-commerce platforms from abusing their market dominance. It also bans platforms from imposing unreasonable restrictions or conditions on businesses or charging unreasonable fees, ensuring fair competition in the digital economy.

2.1.1.2. Administrative regulations and guidelines

Anti-Monopoly Guidelines for the Platform Economy: These guidelines refine the anti-monopoly rules for the platform economy by clarifying methods for defining relevant markets⁴, enforcement approaches for monopoly agreements, and identifying abusive market dominance. Article 17 explicitly states that a platform operator with market dominance may abuse its position by imposing discriminatory treatment on transaction counterparties under the same trading conditions without justification, thereby restricting competition. The guidelines also address unfair pricing behaviors such as big data-driven price discrimination, enhancing the legal framework's enforceability and predictability.

Measures for the Supervision of Online Transactions: These measures regulate online commodity transactions and related services, outlining the responsibilities of online trading platforms and the obligations of operators. They help standardize pricing behaviors on e-commerce platforms and prevent price monopoly issues.

Regulations on the Administrative Penalties for Price Violations: This regulation specifies penalties for various price violations, providing a concrete basis for punishing price monopoly behaviors on e-commerce platforms.

2.1.1.3. Regulatory documents

Notice on Regulating Online Retail Pricing Behavior: Government agencies issue such notices during key e-commerce promotion periods. For example, the National Development and Reform Commission's Price Supervision and Anti-Monopoly Bureau has previously issued notices prohibiting misleading pricing tactics like false discounts (e.g., "Limited-Time Offer," "Today Only," or "Price Increases Tomorrow"). These regulations help ensure transparency and prevent deceptive pricing practices in online retail.

⁴ Article 17, Paragraph 1, stipulates that operators in the platform economy with a dominant market position may abuse their market dominance by unjustifiably imposing differential treatment on trading counterparts under the same transaction conditions, thereby excluding or restricting market competition.

Beyond legal provisions, several enforcement agencies oversee anti-monopoly investigations and impose penalties: State Administration for Market Regulation (SAMR)⁵ can impose fines, order the cessation of illegal practices, and confiscate unlawful gains to maintain fair market competition; National Development and Reform Commission (NDRC)⁶ is responsible for investigating price monopoly and other pricing violations; Ministry of Commerce (MOFCOM): Responsible for anti-monopoly reviews of business mergers and acquisitions to prevent market concentration from leading to price monopolies.

2.1.2. Comparison of domestic and international legal frameworks

2.1.2.1. Similarities

Both domestic and international legal systems aim to maintain fair market competition, protect consumer rights, and promote the healthy development of the e-commerce industry. They follow similar fundamental principles such as fairness, transparency, and justice. Regulatory authorities in different jurisdictions closely monitor price monopoly behaviors such as collusive pricing agreements, abuse of market dominance, and predatory pricing.

2.1.2.2. Differences

- Legislative Approaches

China adopts a combination of specialized legislation and supplementary laws, forming a comprehensive regulatory system, including the Anti-Monopoly Law and the Anti-Monopoly Guidelines for the Platform Economy. The United States relies on traditional antitrust laws such as the Sherman Act, applying case law to adapt to emerging digital economy challenges. The European Union enforces the EU Antitrust Law, complemented by sector-specific regulations such as the P2B Regulation⁷ (Regulation 2019/1150), which enhances fairness and transparency in online platform business transactions. Japan has incorporated the regulation of market dominance abuses into its Anti-Monopoly Act since 1953, forming a well-established legal framework.

- Enforcement and Penalties

China has strengthened its penalties, though there is still room for improvement. The Anti-Monopoly Law imposes fines ranging from 1% to 10% of an enterprise's previous year's sales revenue. The United States imposes stricter penalties, including significant fines and potential criminal liability for monopolistic practices. The European Union imposes severe financial penalties, with fines reaching up to 10% of a company's global annual revenue. Companies such as Google have been fined billions for antitrust violations.

- Regulatory Bodies and Coordination Mechanisms

China has multiple regulatory agencies, including the SAMR, the NDRC, and MOFCOM, requiring enhanced inter-agency coordination. The United States divides antitrust enforcement between the Federal Trade Commission (FTC) and the Department of Justice (DOJ Antitrust Division). Additionally, individual states have their own enforcement agencies, requiring coordination between federal and state levels. The European Union centralizes its anti-monopoly enforcement under the European Commission, with national regulators in member states ensuring policy consistency and enforcement effectiveness.

2.2. Fundamental principles of legal regulation on price monopoly in e-commerce platforms

2.2.1. Principle of fair competition

Fair competition is the core principle of a market economy and serves as the foundation for regulating price monopoly on e-commerce platforms. This principle aims to maintain market order, promote innovation and efficiency, and ensure that small and new market entrants have equal opportunities to compete. As intermediaries connecting merchants and consumers, e-commerce platforms must guarantee fair competitive conditions for all participants, preventing the abuse of market dominance through unfair pricing or exclusionary practices.

The principle of fair competition is reflected in legal provisions that explicitly prohibit platforms from engaging in predatory pricing, restricting trading partners, or imposing unreasonable conditions to eliminate competitors. E-commerce platforms must

⁵ The primary institution responsible for antitrust enforcement oversees nationwide regulation of unfair competition and pricing behaviors. Its duties include investigating, collecting evidence, and penalizing monopolistic pricing practices on e-commerce platforms to uphold fair market competition.

⁶ During the 2015 "Double 11" shopping festival, the Price Supervision and Antitrust Bureau of the National Development and Reform Commission publicly issued the Reminder on Regulating Online Retail Pricing Behavior to urge and guide enterprises to consciously comply with pricing laws and regulations.

⁷ Its full title is the Regulation (EU) 2019/1150 on promoting fairness and transparency for business users of online intermediation services, a law passed by the European Parliament and the European Council on June 20, 2019, and enacted on June 20, 2020, aiming to enhance fairness and transparency in platform operations.

not collude with merchants to manipulate prices or use algorithmic pricing coordination to distort competition. Instead, they should ensure transparency in pricing mechanisms by disclosing pricing rules and algorithmic logic, thereby preventing opaque or manipulative pricing strategies.

2.2.2. Principle of consumer protection

Consumers are the ultimate beneficiaries of market economies, and protecting consumer rights is a key objective of regulating price monopolies on e-commerce platforms. Price monopoly behaviors often result in inflated prices, reduced choices, and diminished service quality, directly harming consumer interests. Therefore, regulatory measures must focus on preventing excessive pricing and deceptive pricing practices to ensure fair access to goods and services.

2.2.3. Principle of market efficiency

Market efficiency is a critical criterion for assessing the rational allocation of resources. Price monopolies on e-commerce platforms may lead to resource misallocation and decreased market efficiency. Legal regulations should address market failures by restoring the authenticity of price signals and promoting the optimal allocation of resources through antitrust interventions.

2.2.4. Principle of public interest

As a fundamental part of the digital economy, e-commerce platforms exert a significant influence on public welfare. Legal regulations should balance the interests of various stakeholders to ensure that platform activities align with the broader social good. This includes preventing price monopolies that undermine economic stability, innovation, and consumer welfare.

2.2.5. Principle of international cooperation

E-commerce platforms operate across multiple jurisdictions, and price monopoly behaviors often involve cross-border implications. Therefore, legal regulations should emphasize international cooperation to establish a coordinated governance framework. Strengthening global regulatory collaboration is essential to effectively address transnational price monopoly issues and ensure fair competition in the global digital economy.

2.3. Legal regulatory measures for price monopoly on e-commerce platforms

2.3.1. Analysis of legal regulatory measures

Legal regulatory measures for price monopoly on e-commerce platforms

- **Administrative Penalties**

The core legal basis for administrative penalties related to price monopoly on e-commerce platforms primarily derives from the rigorous framework established by the Anti-Monopoly Law and the Pricing Law, among other relevant laws and regulations. Additionally, to strengthen anti-monopoly enforcement in the platform economy sector and prevent disorderly capital expansion, the State Council General Office, the State Administration for Market Regulation (SAMR), and the State Council Anti-Monopoly Commission have successively introduced a series of departmental regulations, guidelines, and other normative documents⁸ that complement the Anti-Monopoly Law [1]. These legal provisions provide a solid legal foundation and clear guidelines for regulatory enforcement actions.

Regarding penalty procedures, regulatory authorities first initiate an investigation and evidence collection process according to the law to comprehensively and objectively determine whether a price monopoly exists and the specific circumstances of the violation. This step is crucial to ensuring the legitimacy and fairness of the penalty decision. Additionally, regulatory authorities must guarantee the investigated e-commerce platform's right to present statements and defenses. The platform has the right to express its views on relevant facts, evidence, and legal applications, which the regulatory authority must carefully consider. Based on the collected evidence and arguments, authorities issue penalties according to legal provisions. If the penalized platform believes the decision is illegal or inappropriate, it has the right to seek administrative reconsideration or file an administrative lawsuit with the court. These legal remedies serve as important safeguards for the platform's legitimate rights and interests.

⁸ Examples include the Interim Provisions on Prohibiting Abuse of Market Dominance (2019), the Guiding Opinions on Promoting the Regulated and Healthy Development of the Platform Economy (2019), the Draft Amendment to the Anti-Monopoly Law (for public consultation, 2020), the Anti-Monopoly Guidelines on the Platform Economy (2021), the Measures for the Supervision and Administration of Online Transactions (2021), and the Draft Amendment to the Anti-Monopoly Law (2021), among others.

- Civil Litigation

Consumers or competing e-commerce platforms directly affected by price monopoly behaviors have the legal right to file a civil lawsuit in court, seeking reasonable compensation for economic losses caused by the monopolistic platform. This legal remedy fundamentally reflects the law's direct protection and full respect for victims' legitimate rights.

- Criminal Sanctions

When price monopoly behavior reaches a particularly severe level and poses significant harm to society, such as violating criminal statutes on illegal business operations, the responsible parties may face criminal penalties. As the most stringent legal measure, criminal sanctions serve as a strong deterrent. Punishments such as imprisonment and fines not only strip violators of their illegal gains but also create a widespread deterrent effect in society, effectively curbing potential price monopoly behaviors and maintaining fair and orderly market competition.

2.3.2. Advantages, disadvantages, and application scenarios of different regulatory measures

2.3.2.1. Administrative penalties

The primary advantages of administrative penalties lie in their speed and enforceability. Compared to other legal remedies, administrative penalties enable swift intervention in price monopoly behaviors, effectively curbing the continuation and expansion of such illegal practices. Additionally, the mandatory nature of administrative penalties ensures that violating e-commerce platforms cannot evade their legal responsibilities.

However, administrative penalties also have limitations. On one hand, they may lack flexibility, making it difficult to impose tailored, precise penalties suited to different circumstances. On the other hand, administrative penalties focus primarily on punishing violators rather than compensating victims, offering limited direct redress for affected parties.

Application scenarios for administrative penalties on E-commerce price monopoly:

- Fixing or Altering Product Prices: E-commerce platforms use technical means or agreements to fix or manipulate product prices within the platform, restricting competition from other businesses;
- Restricting Product Production or Sales: Platforms abuse their market dominance by limiting the production or sales volume of certain products to maintain high prices or restrict competition;
- Refusing Transactions or Imposing Unreasonable Conditions: Platforms refuse to engage in transactions with certain businesses or impose unfair conditions to suppress market competition;
- Exclusive Dealing ("Choose One of Two" Behavior): Platforms require merchants to exclusively operate on their platform, prohibiting them from selling on competing platforms. If merchants violate this rule, they may face traffic restrictions, search suppression, delisting, store closures, or other direct or indirect punitive measures [2].

2.3.2.2. Civil litigation

Civil litigation offers significant advantages in addressing price monopoly cases. Firstly, it provides direct remedies for victims' specific losses, including but not limited to compensation for financial damages. This effectively safeguards victims' legitimate rights and helps restore their market position or consumer interests that were harmed by monopolistic pricing behavior. Secondly, civil litigation follows a rigorous judicial process, involving evidence collection, fact-finding, and legal application. This process enables a thorough and detailed investigation into price monopoly behaviors, uncovering their nature and specifics. Moreover, court rulings in civil cases can serve as valuable judicial precedents for future antitrust enforcement efforts.

However, civil litigation also presents inherent challenges and limitations: Time-Consuming Process: Litigation procedures can be lengthy, spanning from case filing to judgment and enforcement. This prolonged process demands significant patience and perseverance from the affected parties. High Burden of Proof: Civil litigation follows the principle of "he who asserts must prove." This means victims must provide substantial evidence to prove (1) the existence of a price monopoly, (2) the exact extent of their economic losses, and (3) the direct causal link between the monopolistic behavior and their losses. Given the technical complexity and evidentiary challenges, some victims may struggle to meet the required burden of proof, potentially deterring them from pursuing legal action. This, in turn, affects the accessibility and effectiveness of civil remedies.

Since monopoly regulation falls under state market supervision, civil litigation is more suited to private law disputes between specific monopolistic entities and affected consumers. If an e-commerce platform's price monopoly behavior deprives consumers of fair trading opportunities or forces them to purchase goods at unreasonable prices, thereby infringing on their legitimate rights, consumers may file civil lawsuits under the relevant legal framework.

2.3.2.3. Criminal sanctions

The application of criminal sanctions in price monopoly cases is subject to strict conditions and high thresholds. Under fundamental principles of criminal law, imposing criminal liability for price monopoly behavior typically requires meeting two key conditions: Objective Condition: The monopolistic behavior must be severe and highly detrimental to society, such as causing massive economic losses or seriously disrupting market competition mechanisms; Subjective Condition: It must be proven that

the perpetrator acted with malicious intent, meaning they knowingly engaged in price monopoly behavior despite fully understanding its severe consequences for market competition and consumer rights. Because these two conditions must be met simultaneously, criminal sanctions are rarely applied in price monopoly cases. They are reserved for extreme violations with particularly grave consequences.

Criminal penalties, however, serve as a strong deterrent against severe price monopoly behaviors. Their effectiveness lies in their ability to deter potential violators from engaging in such practices. That said, due to the principle of restraint in criminal law, authorities must carefully assess the actual harm caused by the monopoly and the perpetrator's level of intent before invoking criminal sanctions. This cautious approach ensures that criminal penalties are applied prudently and appropriately in the enforcement of competition laws.

2.4. The purpose and significance of legal regulation of e-commerce platforms

2.4.1. Filling legal gaps and regulating industry development

China has relatively few laws specifically targeting price monopoly, and those that exist were introduced relatively late. The country only began its reform and opening-up policy in the late 1970s, and the socialist market economy system was not formally established until 1994. As a result, legislative efforts related to price monopoly regulations have been relatively limited. During the early stages of e-commerce development, the lack of corresponding legal frameworks and regulatory oversight led to numerous issues, such as quality disputes, refund and return policies, and price differences. Compared to developed countries like the United States and Europe, China's penalties for price monopoly violations have traditionally been relatively lenient. According to the Anti-Monopoly Law, fines for violators are based on 1% to 10% of the company's sales revenue from the previous year [3].

However, enforcement by regulatory bodies—such as the National Development and Reform Commission (NDRC)—has often been relatively mild in practice. With the enactment of laws such as the E-commerce Law, regulators have formally recognized the legitimacy of the e-commerce business model and provided a legal framework for industry competition. These legal provisions have helped fill gaps in e-commerce legislation and contributed to the standardized development of the industry.

2.4.2. Clarifying e-commerce platform obligations and protecting consumer rights

As key players in the digital marketplace, e-commerce platforms have a duty to ensure the authenticity of sellers and the quality and safety of products offered on their platforms. Legal regulations explicitly define these responsibilities, allowing for better protection of consumers' legal rights and interests.

2.4.3. Regulating e-commerce practices and promoting fair competition

According to China's Regulations on Administrative Law Enforcement Procedures for Anti-Price Monopoly, the State Council's pricing authorities are responsible for enforcing anti-price monopoly laws nationwide. However, due to the late introduction of relevant laws and regulations, China has faced challenges in establishing sufficiently mature anti-price monopoly investigation mechanisms. These limitations include long investigation periods, a lack of specialized enforcement agencies and personnel, and relatively weak enforcement measures, making it difficult for regulators to respond efficiently to price monopoly behaviors.

Legal regulations address harsh business conditions, unfair contract terms, abusive clauses, and even technical barriers imposed by platforms. By prohibiting businesses from leveraging their technological, service, or market dominance to exploit consumers, these regulations help create a fair and just market environment. Ultimately, this fosters healthy competition and ensures the sustainable development of the e-commerce industry.

2.4.4. Promoting cross-border e-commerce and enhancing international competitiveness

In the context of global economic integration, cross-border e-commerce has become a key driver of international trade growth. Legal regulations provide a solid legal foundation for the expansion of cross-border e-commerce, helping Chinese companies expand into global markets and enhance their international competitiveness.

2.4.5. Enhancing consumer experience and strengthening consumer confidence

With the legal protections offered by the E-commerce Law, consumers can shop online with greater confidence, benefiting from higher-quality products and services. Legal regulations require e-commerce platforms to improve product quality control, provide comprehensive after-sales services, and establish effective complaint-handling mechanisms. These measures contribute to a better overall shopping experience, increasing consumer satisfaction and trust in the e-commerce ecosystem.

2.5. Evaluation of the regulatory effectiveness on e-commerce platform price monopoly

2.5.1. Practical effectiveness of legal regulatory measures in governing price monopoly on e-commerce platforms

To assess the practical effectiveness of legal regulatory measures in combating price monopoly on e-commerce platforms, this section examines two landmark cases⁹:

2.5.1.1. Alibaba Group's abuse of market dominance case

In December 2020, the State Administration for Market Regulation (SAMR) launched an antitrust investigation into Alibaba Group Holding Limited (hereinafter referred to as "Alibaba") for abusing its dominant position in China's online retail platform market. The investigation found that, since 2015, Alibaba had leveraged its market dominance to impose "exclusive dealing" policies, prohibiting merchants from selling on competing platforms or participating in promotional activities on rival platforms.

- Legal Regulatory Measures

The State Administration for Market Regulation (SAMR) imposed administrative penalties on Alibaba Group, ordering it to cease its illegal conduct. The company was fined 4% of its 2019 domestic sales revenue (RMB 455.712 billion), amounting to RMB 18.228 billion. Additionally, SAMR issued an "Administrative Guidance Document", instructing Alibaba to: Strictly fulfill its responsibilities as a platform enterprise; Strengthen internal compliance and risk management; Maintain fair competition; Protect the rights of platform merchants and consumers; Submit annual compliance reports for three consecutive years

- Effectiveness

This case demonstrated the severity and effectiveness of legal regulatory measures in curbing price monopoly practices on e-commerce platforms. The hefty fine placed significant financial pressure on Alibaba, compelling the company to halt its anti-competitive practices and undertake comprehensive reforms. The administrative guidance further reinforced Alibaba's responsibility as a platform operator, leading to stronger internal compliance and a fairer competitive landscape. Additionally, the case served as a warning to other e-commerce platforms, encouraging them to proactively comply with antitrust regulations and avoid monopolistic behavior [4].

2.5.1.2. Meituan's abuse of market dominance case

In April 2021, SAMR launched an antitrust investigation into Meituan, a leading food delivery platform, for abusing its dominant position in the online food delivery market. The investigation found that Meituan had engaged in anti-competitive practices, including: Exclusive dealing—forcing restaurants to choose between Meituan and competing platforms; Unreasonably high commission fees, restricting market competition and harming both merchants and consumers.

- Legal Regulatory Measures:

The State Administration for Market Regulation (SAMR) took action against Meituan for its abuse of market dominance. The company was ordered to: Cease its illegal activities; Fully refund the exclusive cooperation deposit of RMB 1.289 billion; Pay a fine of 3% of its 2020 domestic sales revenue (RMB 114.748 billion), which amounts to RMB 3.442 billion; Additionally, SAMR issued an "Administrative Guidance Document", requiring Meituan to: Improve the platform's commission charging system and algorithm rules; Safeguard the rights of small and medium-sized restaurant merchants; Protect the legal rights of delivery workers; Submit annual self-compliance reports for three consecutive years

- Effectiveness:

Similar to the Alibaba case, this ruling reinforced the strict enforcement of antitrust laws in the e-commerce industry. The high fine and mandatory policy changes forced Meituan to abandon its monopolistic practices and enhance compliance. Additionally, the case led to improved platform regulations, ensuring greater fairness for merchants and consumers. This case also set a precedent for future antitrust enforcement, discouraging other platforms from engaging in similar anti-competitive behavior.

- Overall Evaluation

The Alibaba and Meituan cases highlight the significant role of legal regulatory measures in curbing price monopoly on e-commerce platforms. Fines, compliance mandates, and administrative guidance have proven to be effective deterrents, ensuring that dominant platforms cease monopolistic practices and promote fair competition. Furthermore, these rulings have provided clear legal guidance for the industry, encouraging self-regulation among e-commerce platforms and fostering a healthier, more competitive market environment. Overall, legal regulatory measures have been highly effective in governing price monopoly on e-commerce platforms, making them an indispensable tool for ensuring market fairness and protecting consumer and merchant rights.

⁹ See Jixi Market Supervision and Administration [Case Publicity] Publicity of Typical Cases of Market Monopoly Behaviors (5).

2.5.2. Factors affecting the effectiveness of legal regulation

The effectiveness of legal regulations in curbing price monopolies on e-commerce platforms is influenced by multiple interconnected factors. These factors collectively determine both the efficacy of regulatory measures and the challenges in their implementation.

2.5.2.1. Characteristics of e-commerce platforms

- Cross-network externalities

This refers to the phenomenon where an increase in users on one side of a platform attracts more users on the other side, creating a positive network effect. While this feature enhances a platform's ability to attract users, it also increases the risk of price monopolies. Once a platform reaches a dominant market position, user switching costs increase, further reinforcing its monopoly power.

- Platform compatibility and switching costs

Low compatibility between e-commerce platforms means that users face high switching costs when moving from one platform to another. These costs include time, effort, and emotional attachment, which discourage users from switching platforms and strengthen the platform's ability to maintain a price monopoly.

2.5.2.2. Market competition environment

- Market share concentration

A few large e-commerce platforms dominate most of the market, creating a monopolistic structure. This high level of market concentration gives these platforms greater pricing power, increasing the likelihood of price monopolies.

- Entry barriers

The e-commerce industry has high entry barriers, such as technology, capital, and brand recognition. These barriers restrict the entry of new competitors, making it easier for existing platforms to maintain price monopolies [5].

2.5.2.3. Government regulatory measures

- Completeness of laws and regulations

The clarity and enforceability of antitrust laws directly impact their effectiveness in curbing price monopolies. Well-developed laws provide clear guidance for enforcement agencies, ensuring effective regulation of e-commerce platforms.

- Enforcement strength and regulatory tools

The ability of enforcement agencies to detect and penalize price monopolies in a timely manner significantly influences their effectiveness. The adoption of advanced regulatory tools, such as big data analytics and artificial intelligence, can help identify and combat price monopolies more efficiently.

2.5.2.4. Consumer behavior

- Consumer preferences and loyalty

High consumer loyalty to a particular platform grants it greater pricing flexibility, increasing the risk of price monopolies. If consumers are reluctant to switch platforms, they may unknowingly accept higher prices, allowing platforms to sustain monopolistic practices.

- Consumer awareness and willingness to take action

Active consumer participation in reporting price monopolies to antitrust authorities strengthens oversight and enforcement. Higher consumer awareness about their rights pressures platforms to maintain fair pricing practices and comply with regulations.

3. Legal challenges in regulating price monopolies on e-commerce platforms

3.1. Challenges faced

- The widespread prevalence of monopolistic practices on e-commerce platforms poses severe threats to individual merchants and the ecosystem of small and micro e-commerce websites.

Large e-commerce platforms achieve market dominance through low-price strategies, resulting in predatory pricing and price monopolization at the expense of fair competition and consumer rights. Such practices restrict market entry for competitors and enable long-term price manipulation. Additionally, by monopolizing online traffic, these platforms compel merchants to invest heavily in digital advertising, leading to a decline in business quality and price suppression of products.

- Price monopolization on e-commerce platforms harms both consumer interests and societal welfare.

Data indicate that abnormal price fluctuations encountered by consumers on e-commerce platforms may be linked to price monopolies. Many consumers believe that monopolistic pricing practices have led to financial losses and increased shopping costs. This phenomenon of "price discrimination" gives rise to "big data-driven price gouging", where platforms leverage data analytics to manipulate prices. Consumers find it difficult to escape the influence of monopolistic pricing. Furthermore, the price monopoly exercised by major e-commerce platforms is detrimental not only to small and micro e-commerce businesses and brick-and-mortar retailers but also to consumers and the broader economy.

- Consumers have limited means to counter price monopolization on e-commerce platforms, inadvertently enabling monopolistic behavior.

When confronted with price monopolies, consumers often lack effective solutions.

On one hand, consumers can only compare prices across different platforms to choose the best purchasing channel. However, this approach is ineffective if multiple platforms have engaged in price-fixing agreements, leaving consumers with no truly competitive prices. Additionally, consumers often lack sufficient information to determine whether a given price is fair, making it difficult to resist monopolistic pricing.

On the other hand, legal recourse for consumers is fraught with challenges. Although China has enacted laws and regulations to curb price monopolies, consumers face significant obstacles in practice, such as difficulty in gathering evidence and high litigation costs. As a result, many consumers forgo legal action against monopolistic pricing, further perpetuating its existence.

3.2. Issues and deficiencies in the current legal regulatory system

3.2.1. Limitations in the applicability and specific provisions of the Anti-Monopoly Law

Although the Anti-Monopoly Law plays a crucial role in regulating monopolistic behavior on e-commerce platforms, it consists of only 57 articles, many of which are abstract and lack practical enforceability. Additionally, the law does not contain specific provisions targeting online monopolistic practices, making its application to e-commerce platforms relatively weak [6].

According to the Anti-Monopoly Law, an operator is presumed to hold a dominant market position if its market share reaches 50% in the relevant market. Based on this, any abuse of market dominance can be subject to regulatory action. However, applying this standard to e-commerce platforms presents challenges. Competition in the e-commerce sector is often more intense, and a high market share does not necessarily equate to market dominance. For example, "big data-driven price discrimination" involves complex algorithms and data processing, but the Anti-Monopoly Law lacks clear provisions to regulate such behavior. Furthermore, existing laws also fail to effectively regulate exclusive agreements between e-commerce platforms and consumers.

3.2.2. Incoherence between different legal frameworks

The lack of coherence between different legal frameworks often leads to disputes in legal application. A notable example is the overlap between the Anti-Monopoly Law and the Anti-Unfair Competition Law, particularly regarding price monopolies on e-commerce platforms [7].

Although both laws belong to the broader category of competition law and have some degree of complementarity, they differ significantly in terms of their scope, definitions of monopolistic behavior, and legal consequences. This disparity creates legal uncertainty when regulating price monopolies on e-commerce platforms.

On the one hand, the Anti-Monopoly Law primarily focuses on eliminating anti-competitive practices to safeguard free market competition. It targets firms with dominant market positions, prohibiting them from abusing their market power through monopolistic pricing and restrictive trade practices. However, determining whether an e-commerce platform holds a dominant position and whether its practices constitute price monopolization is often a complex issue.

On the other hand, the Anti-Unfair Competition Law aims to curb unfair business practices and maintain market fairness. It addresses acts such as false advertising, commercial bribery, and trade secret infringement, primarily to protect business operators' legitimate rights. While it does not directly regulate price monopolies, its general provisions on unfair competition may indirectly apply to certain monopolistic pricing behaviors.

This legal ambiguity makes it difficult for regulatory and judicial authorities to determine the appropriate legal framework in specific cases. Some e-commerce platforms with market dominance exploit this legal gray area to engage in monopolistic practices, such as signing exclusive agreements and imposing unreasonable trading conditions, thereby restricting competition. Such actions may simultaneously violate both the Anti-Monopoly Law and the Anti-Unfair Competition Law, further complicating law enforcement.

3.2.3. Technical challenges in defining market dominance

In antitrust enforcement, defining the relevant market is a crucial step in assessing market dominance. However, as e-commerce platforms operate within the digital economy and offer a wide range of services, it is difficult to delineate relevant geographical and product markets. Many e-commerce platforms implement free or subsidized strategies for specific user groups, making it

challenging to apply mainstream market analysis methods, such as the SSNIP test¹⁰. However, due to the unique characteristics of digital markets—such as user inertia, high-tech integration, and virtual transactions—this test is not always applicable to e-commerce platforms.

To determine whether an e-commerce platform has engaged in abusive market dominance, regulators must first accurately define the relevant market before assessing its market power and determining whether monopolistic practices have occurred. However, China's current Anti-Monopoly Law lacks specific criteria and explicit standards for making such judgments. According to the Anti-Monopoly Law and the Guidelines on Relevant Market Definition issued by the State Council in 2009, a relevant market is defined as the range of products or services within a specific geographic and time frame where businesses compete. While this provides a basic framework, the digital nature of e-commerce platforms makes defining their markets more complex than traditional industries, necessitating clearer and more detailed legal standards.

3.2.4. Loopholes in the merger notification system

China's antitrust enforcement follows a pre-merger notification and review system. However, due to the unique revenue calculation methods of e-commerce platforms, many transactions fall below the notification threshold. Additionally, post-merger violations incur relatively low penalties, meaning that even if an unlawful merger is identified, the consequences are minimal. As a result, many e-commerce platforms choose to bypass pre-merger notification requirements, thereby evading regulatory scrutiny.

Similarly, the legal framework for addressing price monopoly practices on e-commerce platforms has notable shortcomings, with relatively lenient penalties that lack sufficient deterrent effect. China's Anti-Monopoly Law stipulates legal responsibilities in three categories: civil, administrative, and criminal. However, in the case of e-commerce monopolies, the administrative and civil liabilities specified in the Anti-Monopoly Law are ambiguous, with penalties that are too mild and enforcement measures that are overly simplistic, failing to serve as an effective deterrent or preventive mechanism¹¹. E-commerce monopoly oligopolies can reap substantial monopoly profits through price-fixing practices, yet the fines stipulated in the Anti-Monopoly Law are far lower than the profits gained from such monopolistic conduct. Consequently, these penalties fail to offset the damages caused by online monopolistic behavior and do not serve as an adequate punitive measure for offenders. Additionally, the Anti-Monopoly Law only briefly mentions criminal liability without providing specific guidelines on how to pursue criminal charges, what constitutes a criminal offense, or how criminal responsibility should be enforced. This lack of clarity further emboldens e-commerce platforms to engage in monopolistic practices with impunity.

3.2.5. Regulatory and enforcement deficiencies

Challenges in Data Access: E-commerce transactions generate vast amounts of data that are rapidly updated and often concealed. Regulatory agencies face significant difficulties in obtaining accurate and comprehensive pricing and transaction data, making it hard to detect monopolistic pricing practices in a timely and thorough manner. Additionally, data barriers between different platforms further complicate regulatory oversight.

Limited Technical Capabilities: E-commerce platforms leverage advanced technologies for business operations and price manipulation, whereas regulatory agencies often lack the necessary technological expertise, infrastructure, and skilled personnel to effectively monitor and counter such practices. The complexity of algorithms and big data-driven pricing models makes it challenging to detect and regulate monopolistic behavior.

Difficulties in Cross-Regional Enforcement Coordination: E-commerce businesses often operate across multiple regions or even internationally, and disparities in regulatory standards and enforcement intensity among jurisdictions can create enforcement gaps or redundant oversight. Coordinating enforcement actions across different regions remains a significant challenge.

Resource Constraints: Given the sheer number of e-commerce platforms and the volume of transactions, regulatory agencies face limitations in manpower, financial resources, and enforcement capacity. As a result, they can only focus on major platforms or high-profile cases, allowing many monopolistic practices to go undetected and unaddressed.

¹⁰ The United States first introduced the SSNIP market definition method in its 1982 Merger Guidelines. The European Union also adopted this approach in its 1997 Commission Notice on the Definition of the Relevant Market. SSNIP, also known as the "Hypothetical Monopolist Test," is a conceptual experiment used to define the relevant market scope in antitrust regulation of corporate mergers.

¹¹ Article 47 of China's Anti-Monopoly Law stipulates that the primary perpetrators of monopolistic behavior shall be fined between 1% and 10% of their previous year's sales revenue. However, this level of punishment is relatively mild for those engaging in monopolistic practices. In contrast, foreign legal frameworks often impose much harsher penalties, requiring market entities that violate antitrust laws to compensate affected parties with damages amounting to three times their actual losses.

4. Countermeasures and recommendations for the legal regulation of price monopoly on e-commerce platforms

4.1. Countermeasures and recommendations in response to practical challenges

In light of the major issues identified in the legal regulatory framework concerning price monopoly behavior on e-commerce platforms, the following countermeasures and recommendations are proposed:

4.1.1. *Improving the Anti-Monopoly Law and related regulations*

4.1.1.1. *Refining legal provisions*

Given the unique nature of price monopoly behavior on e-commerce platforms, relevant laws and regulations should be further refined, particularly by introducing specialized, systematic, and detailed provisions to address emerging price monopoly behaviors such as big data price discrimination and algorithmic collusion in pricing. Specifically, dedicated clauses should be incorporated into relevant legal frameworks to clearly define and characterize these new forms of price monopoly, ensuring the precision and applicability of legal provisions. At the same time, the technical characteristics and operational models of e-commerce platforms should be considered when establishing criteria for identifying these behaviors. Factors such as manifestation, impact scope, and duration should be explicitly outlined to enable enforcement and judicial authorities to accurately assess and apply the law in specific cases. Additionally, an expert consultation mechanism could be introduced, involving professionals in law, economics, and information technology to enhance the scientific rigor and rationality of legal provisions.

4.1.1.2. *Explicitly incorporating e-commerce platform monopoly behavior into the scope of the Anti-Monopoly Law*

As a key legal framework for maintaining market competition, the Anti-Monopoly Law should evolve to explicitly encompass monopoly behavior in e-commerce platforms. The law's application should promptly incorporate concepts such as two-sided markets to more accurately grasp the competitive landscape and monopolistic conduct of e-commerce platforms. Furthermore, when determining market dominance and monopolistic status, reliance on a single market structure approach should be abandoned. The importance of market share and price-fixing should be de-emphasized, as competition in e-commerce markets is often more intense and complex. Market share alone does not fully reflect a company's market position and influence. Instead, a comprehensive criteria approach should be adopted, taking into account factors such as market share, technological strength, user base, and brand influence to provide a more accurate assessment of market dominance and monopoly status.

4.1.2. *Strengthening legal coordination*

4.1.2.1. *Coordination between the Anti-Monopoly Law and the Anti-Unfair Competition Law*

To address inconsistencies between legal frameworks, coordination should be enhanced between the Anti-Monopoly Law and the Anti-Unfair Competition Law by clearly defining their respective scopes of regulation. This will help prevent disputes and conflicts in legal application, ensuring that enforcement and judicial authorities can accurately determine the appropriate legal framework in specific cases. Additionally, judicial interpretations or guiding cases could be developed to provide more concrete guidance for legal application.

4.1.2.2. *Coordination between the Anti-Monopoly Law and the E-Commerce Law*

Similarly, the Anti-Monopoly Law and the E-Commerce Law should be applied in a coordinated manner. The E-Commerce Law, designed to regulate internet-based commercial activities, aims to safeguard the legitimate rights and interests of stakeholders, maintain market order, and ensure fair competition. Meanwhile, the Anti-Monopoly Law seeks to prevent and curb monopolistic conduct, promote fair competition, enhance economic efficiency, and protect consumer and public interests.

Since both laws share the common goal of protecting user rights and maintaining market competition, relying solely on one may not suffice to comprehensively regulate monopolistic practices on e-commerce platforms. Thus, a combined approach leveraging both laws should be adopted to ensure stricter and more precise regulatory enforcement.

In practical implementation, these two laws can complement and reinforce each other in areas such as market definition, identification of market dominance, and regulation of unfair competition. For instance, when defining relevant markets, the E-Commerce Law can provide more detailed guidance based on the characteristics of the digital economy, while the Anti-Monopoly Law can contribute its expertise in establishing rigorous and clear legal standards for determining market dominance and regulating monopolistic practices.

4.1.3. Refining legal standards for determining market dominance

First, legal provisions should be amended to include specific clauses addressing market dominance on e-commerce platforms. The criteria and methods for assessing market dominance should be explicitly defined, taking into account platform-specific factors such as network effects, user data, and technological innovation.

Given the highly competitive nature of e-commerce markets, the market share threshold for presuming dominance could be adjusted accordingly. For example, higher market share thresholds could be set, or a combination of factors—such as barriers to market entry and user switching costs—could be considered when assessing whether an e-commerce platform holds a dominant position. In addition to market share, other dimensions such as innovation capability, user dependency, and brand influence should be incorporated into the evaluation to provide a more comprehensive assessment. Moreover, new forms of price monopoly behavior commonly observed on e-commerce platforms, such as big data price discrimination and algorithmic collusion in pricing, should be explicitly defined in the Anti-Monopoly Law and related regulations. The legal elements and corresponding liabilities for these practices should also be clearly established.

4.1.4. Addressing loopholes in the merger control notification system

The merger control notification system plays a crucial role in regulating market competition, protecting the interests of small and medium-sized enterprises, and maintaining a fair competitive environment. However, practical enforcement has revealed several loopholes that need to be addressed. The following measures are proposed:

- **Enhancing Information Transparency:** Requiring notifying parties to disclose comprehensive and accurate details, including transaction specifics and market impact assessments, to ensure that regulatory authorities fully understand the potential competitive effects of a merger.
- **Establishing an Information-Sharing Mechanism:** Encouraging regulatory authorities to collaborate with industry associations, consumer organizations, and other relevant institutions to exchange market data and regulatory insights, thereby improving the overall accuracy and completeness of information.
- **Implementing Electronic Notification and Online Review Systems:** Leveraging digital tools to streamline the notification and approval process, reducing reliance on paper documentation and enhancing efficiency. A pre-review mechanism could be introduced for smaller, low-risk mergers, allowing for simplified approval procedures or exemptions to alleviate regulatory burdens while expediting the review process. Moreover, notification thresholds should be periodically adjusted in response to economic developments and market dynamics to ensure the system remains relevant and effective.
- **Introducing Post-Merger Oversight and a Voluntary Notification Mechanism:** For mergers that fall below the notification threshold but have or are likely to have anti-competitive effects, post-merger regulatory oversight should be implemented to safeguard market fairness. Simultaneously, a voluntary notification mechanism could be encouraged, allowing businesses to proactively report mergers before they are completed, enabling early regulatory intervention, evaluation, and guidance.
- **Strengthening Liability Mechanisms:** To enhance deterrence, penalties for price monopoly behavior on e-commerce platforms should be significantly increased. Fines should be raised to a level commensurate with the illicit profits obtained from price monopoly practices, ensuring an effective deterrent effect. Additionally, a criminal liability mechanism could be introduced, where severe price monopoly offenses are subject to criminal prosecution, thereby increasing the legal costs for offenders.

4.1.5. Enhancing law enforcement and regulatory oversight

In practice, exploitative pricing models on e-commerce platforms have demonstrated negative monopolistic effects but have not received sufficient attention from antitrust regulatory authorities. This is mainly due to the limitations of traditional ex post analysis and the passive prohibition approach under the Anti-Monopoly Law, which fail to prevent monopolistic pricing behaviors. As a result, such practices have been allowed to disrupt market competition and equitable distribution¹². From the perspective of central and local legislative trends, the future antitrust model for platforms will likely combine hard-law measures for antitrust regulation with soft-law measures for compliance development, creating a governance framework that integrates government supervision with platform self-regulation. However, compliance development must not be equated with a weakening of antitrust oversight responsibilities. On the contrary, antitrust authorities should strengthen targeted antitrust regulation. In response to the widespread issue of exploitative pricing on e-commerce platforms in China, antitrust regulators should enhance real-time regulatory oversight of platform pricing behaviors to ensure effective market competition and fair distribution. The specific measures include:

¹² Regarding antitrust regulation of digital platforms, the EU introduced the "gatekeeper" rule in the Digital Markets Act to address the shortcomings of ex-post interventions. This regulation mandates that large digital platforms share and open access to essential data. By contrast, China's antitrust enforcement in the platform economy faces challenges in defining relevant markets. The hidden and rapidly changing nature of monopolistic behavior on e-commerce platforms makes it difficult for regulatory authorities to impose effective oversight.

4.1.5.1. Enhancing information acquisition capabilities

Regulatory authorities should strengthen information-sharing mechanisms with e-commerce platforms to ensure timely and accurate access to pricing data and transaction information. Additionally, efforts should be made to facilitate data interoperability between platforms, breaking down data silos and improving the ability of regulators to integrate and analyze information. Advanced technologies such as big data analytics and artificial intelligence should be leveraged to enhance data processing and analysis capabilities.

4.1.5.2. Strengthening technological regulatory capabilities

To strengthen technological regulatory capabilities, investments should be increased in both technological infrastructure and specialized personnel within regulatory agencies. This will enhance their ability to address the technological challenges posed by e-commerce platforms¹³. A dedicated technology monitoring and identification system should be established to enable real-time detection and early warning of monopolistic pricing behaviors driven by complex algorithms and big data analytics. Furthermore, cooperation and exchange with research institutions and universities should be strengthened to jointly develop advanced regulatory technologies and tools.

For real-time monitoring of exploitative pricing models on e-commerce platforms, regulators need to move beyond traditional regulatory approaches and adopt innovative strategies such as RegTech (Regulatory Technology) to automate and digitize regulatory processes. Given the technological limitations of administrative agencies, legally authorized third-party technology entities could be introduced into real-time antitrust monitoring. These entities would continuously track dynamic pricing behaviors and, when their calculations indicate potential harm to consumer welfare, market competition, or fair distribution, regulatory authorities could intervene using the "Three Letters and One Notice" mechanism—first issuing reminders and warnings, followed by interviews and consultations, and, if unresolved, proceeding with formal investigations, injunctions, or administrative fines.

4.1.5.3. Strengthening cross-regional law enforcement coordination

A cross-regional law enforcement coordination mechanism should be established to enhance communication and cooperation among regulatory agencies across different regions. This would require clearly defining jurisdictional authority and enforcement procedures for cross-regional cases to prevent regulatory loopholes or overlapping enforcement efforts. Additionally, collaboration with international regulatory bodies should be strengthened to jointly address price monopolies by multinational e-commerce platforms.

4.1.5.4. Optimizing law enforcement resource allocation

Law enforcement resources should be allocated based on the specific circumstances of price monopoly behaviors and regulatory priorities. This includes increasing oversight of key platforms, high-risk industries, and major cases to ensure efficient utilization of enforcement resources. Finally, the participation of third-party institutions or industry experts in regulatory processes could be considered to enhance the professionalism and efficiency of regulatory enforcement.

4.2. Future research directions and recommendations

4.2.1. Addressing e-commerce platforms as platform-based business entities

E-commerce platforms integrate both self-operated retail and third-party sellers, enriching the supply of goods and services while introducing monopolistic legal risks. These platforms play a dual role as both platform managers and self-operated retailers, which can lead to monopolistic pricing concerns. As managers, platforms are responsible for regulatory oversight, whereas as retailers, they have the right to compete with third-party sellers. However, this dual role may create monopoly risks: As self-operated retailers, platforms hold significant bargaining power over suppliers, enabling them to acquire goods at lower prices and allowing greater flexibility for price reductions. Platforms leverage third-party sales data to accurately predict demand, optimize self-

¹³ A case in point is the rise of community group buying on e-commerce platforms in the past two years. Community group buying has significantly impacted offline markets by engaging in predatory pricing, causing severe disruptions. As a result, brick-and-mortar businesses suffer financial losses, many are forced to shut down, and workers face unemployment. Additionally, this practice creates inconvenience for elderly consumers, ultimately diminishing overall societal well-being. When community group buying platforms engage in bulk purchasing, they often empty the market of certain goods. Once a platform exhausts a particular type of vegetable, for instance, supply shortages drive up prices. Meanwhile, community group buying platforms attract consumers through subsidies, leaving offline markets with limited sales channels and difficulty in selling their goods. This dynamic effectively grants community group buying platforms dominant control over market pricing and competition.

operated store operations, reduce risks, and maximize profits. Thus, attention should be given to the close relationship between e-commerce platforms' monopolistic pricing and third-party sellers.

4.2.2. Price competition between expanding E-commerce platforms and offline physical stores

The business models and marketing strategies of e-commerce platforms and offline stores differ significantly. Unlike online platforms, offline stores do not require technical personnel, specialized software, or digital infrastructure, while online platforms do not require physical storefronts or extensive staff training. Therefore, research on price monopolies and discrimination between online platforms and offline stores should not adopt a one-size-fits-all approach but rather conduct differentiated analyses based on case studies and social phenomena. More field research should be conducted to examine excessive price suppression by e-commerce platforms on brick-and-mortar stores. Price serves as a key market signal that automatically regulates production and distribution based on supply and demand. However, monopolistic pricing disrupts this mechanism, preventing prices from accurately reflecting market dynamics and distorting normal market order.

4.2.3. Balancing legal regulations on price monopolies with government oversight

China's antitrust enforcement faces challenges in market definition, the hidden nature of platform monopolistic behavior, and its rapid evolution, making regulation difficult. In practice, exploitative pricing models on e-commerce platforms have demonstrated negative monopolistic effects but have not received adequate attention from antitrust regulators. The main reason is the limitations of ex post analysis and the passive prohibition approach under the Anti-Monopoly Law, which fail to prevent monopolistic pricing behaviors. This has allowed platforms to disrupt fair competition and equitable distribution. From the perspective of central and local legislative trends, the future of platform antitrust regulation will combine hard-law measures for enforcement with soft-law measures for compliance, fostering a governance model that integrates government supervision and platform self-regulation. However, compliance should not be mistaken for a weakening of antitrust oversight; rather, regulatory agencies should strengthen targeted antitrust enforcement. To address the widespread issue of exploitative pricing on e-commerce platforms, antitrust regulators should enhance real-time oversight of pricing behaviors to ensure market competition and fair distribution.

4.2.4. Aligning the legal regulation of e-commerce price monopolies with public needs

One of the fundamental goals of lawmaking is to regulate social order and improve people's quality of life. Therefore, research on price monopoly regulation should not be detached from social realities or become an abstract theoretical exercise. It must remain grounded in public needs and practical considerations, avoiding a utopian approach that lacks real-world applicability.

4.2.5. Differentiating between types of "exclusive dealing" practices

E-commerce platforms may engage in "exclusive dealing", requiring merchants to choose between competing platforms. This practice can have legitimate justifications, such as: Enhancing product/service quality; Protecting platform-specific investments; Preventing free-riding; Benefiting consumers; Safeguarding trade secrets. For such behavior to be lawful, both its purpose and means must be justified. Enforcement agencies should conduct case-by-case analyses to determine whether an exclusive dealing arrangement constitutes an illegal restricted transaction. Coercive Exclusive Dealing is generally unlawful; Incentivized Exclusive Dealing may be unlawful if direct evidence shows it restricts market competition; Voluntary Exclusive Dealing is typically legal but must be distinguished from cases where coercion exists under the guise of an agreement.

5. Conclusion

E-commerce platforms manipulate market prices by controlling supply or demand to extract excessive profits. Such practices, including price discrimination through big data and predatory pricing, have negatively impacted the real economy and public interest. China has established a legal framework for regulating price monopolies on e-commerce platforms through the Anti-Monopoly Law, administrative regulations, guidelines, and normative documents. Enforcement measures include administrative penalties, civil litigation, and criminal sanctions. However, each regulatory approach has its own advantages and limitations, with varying applicability. The effectiveness of legal regulation is influenced by factors such as market competition dynamics, government regulatory measures, and consumer behavior. The existing framework faces challenges and shortcomings in legislation, enforcement, consumer protection, and industry self-regulation. To improve the regulation of price monopolies on e-commerce platforms, it is necessary to: Refine legal provisions to provide clearer guidance on enforcement; Strengthen regulatory oversight to enhance deterrence; Leverage technological advancements to improve monitoring and detection; Promote industry self-regulation to encourage fair competition. Additionally, authorities should establish a systematic and continuous oversight mechanism for exploitative pricing models to safeguard fair market competition and consumer rights. Regulating price monopolies

in the e-commerce sector is a complex yet crucial issue. Ongoing research and policy exploration are essential to ensuring the healthy and sustainable development of the industry.

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