Self-preferencing: building an ecosystem
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"Self-preferencing" is a normal part of how platforms operate, both to improve the value of their core product and to make money from it so that they have a reason to keep investing in it.

The Debate:

Digital platforms have been accused of unfairly favoring their own products over those of their competitors, most notably in the EU's case against Google for displaying Google Shopping results in relevant Search result pages.

But… platforms' incentives are to maximise the value of their whole ecosystem, which includes both the core platform and the services they attach to it. Platforms that preference their own products frequently end up increasing the value of the market overall by growing the total share of users of a particular product, and those that preference inferior products end up hurting the attractiveness to users of their 'core' product, weakening themselves to competition from rivals.

Read the full tl;dr explainer here.

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