FAIRNESS AS STRATEGY

Guidelines for building
fair platform companies in Europe

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INCREASE
CORPORATE POLITICAL
RESPONSIBILITY AND
ACCOUNTABILITY

INCA

Berlin, 1. March 2026

Background

Online companies are central to how Europeans access information, communicate and receive services in the digital economy. This includes platform companies such as Uber and Deliveroo in mobility and food delivery, Upwork in freelancing and Airbnb in accommodation. Yet despite their popularity, online companies are often criticised for business practices that users, workers and other businesses consider unfair, particularly because these platform participants have little choice but to accept the platforms' rules. An online marketplace might have unclear pricing or hidden fees, or a social media company may rely on opaque and misleading algorithms, making it difficult for users to understand why certain content is shown or hidden.

This guide focuses on *fairness* and provides recommendations for managers of platform companies on how to make their platform business models fairer towards participants: users, workers and other businesses. There is still room for interpretation regarding what is fair and what is not. By fairness, we mean the idea that companies should implement practices that are attentive to the needs and perspectives of all participants on the platform. This publication is an introduction to the topic and draws on best practices from the field. Managers of platform companies can use it for internal discussions, to reflect on their own business models and to sharpen their own understanding of fairness.

Our guidelines are based on a range of academic studies. To keep the text easy to read, we do not cite them directly. All sources are listed in the Resources section, where they can be explored in more detail. We also draw on three years of research conducted within the EU Horizon project *INCA – Increase Corporate Political Responsibility and Accountability* (of digital platforms). In this project, we analysed companies whose business practices differ from those of the dominant platforms. We present these practices as illustrations of fair business practices. We rely on open data, such as press materials from European companies, as well as empirical data. Together with our colleagues Verna Alcalde-González, Fabiola Mancinelli and Olga Jubany (University of Barcelona) and Mattia Frapporti and Maurilio Pirone (University of Bologna), we conducted interviews with managers of 15 European companies in Germany, Italy and Spain. We sincerely thank the managers who participated in our research for sharing their insights.

We hope this guide will empower companies to contribute to a better European platform economy.

1
Understanding fairness

Fairness is relative

Fairness is not an absolute concept; it is shaped by context and relationships. What is considered fair depends on societal norms and public consensus about the direction in which technology and society should develop. For example, in some societies, the extensive use of personal data for personalised advertising may be less controversial than it is in Europe. This guide focuses on the European environment and addresses internet companies operating in European countries. In this context, there are clear societal expectations regarding how companies should behave.

One source of these societal expectations is the EU legal framework. European law sets out clear rules governing how online companies must treat users, workers and personal data. The *Consumer Rights Directive* and the *Unfair Commercial Practices Directive* define what constitutes fair commercial behaviour, while data protection law requires platforms to adhere to strict standards when handling personal data. The *Platform Work Directive*, together with the national labour laws of EU Member States, provides protection for workers. More recent EU initiatives have adopted a more comprehensive regulatory approach, including the *Digital Markets Act (DMA)*, the *Digital Services Act (DSA)* and the *Artificial Intelligence Act (AI Act)*.

As the EU continues to update its regulatory framework in response to technological and market developments, online businesses are likely to face increasingly stringent requirements. The *Digital Fairness Act (DFA)*, which is currently under development, will establish a legal basis for understanding fairness in terms of preventing unethical, misleading and exploitative commercial practices affecting users, businesses and workers.

But Europe's ambition goes beyond simply enforcing rules. It is about envisioning the future of the European online economy and society – one that not only promotes digital technologies but also ensures the protection of fundamental consumer rights, fosters competition and builds trust in digital services.

Power asymmetry

What lies behind unfair and exploitative commercial practices? These practices stem from the power that companies hold over who participates on a platform and how. The platform business model is based on connecting different user groups and acting as an intermediary in their transactions. Some companies exploit this central position by implementing business practices that go beyond what is reasonably necessary or proportionate to protect their commercial interests. Dominant e-commerce companies penalise sellers who offer lower prices on other marketplaces by reducing the visibility of their products, delisting items or restricting access to promotional tools. Users may not always know if they are being treated unfairly when platform algorithms are misleading and there is limited transparency about how decisions on pricing and the display of certain reviews are made. Platform participants often have no choice but to comply with these rules if they want to continue using the service.

Fair alternatives

Fair platforms are those that pay careful attention to the interests of their participants. They also create and capture value by connecting different user groups – this is similar to other platform companies and in line with the core elements of the platform business model. However, fair internet companies prevent abuses of power. They reject practices they consider questionable and adopt alternative ways of doing business online.

In complex online ecosystems, promoting fairness for one group, such as gig workers or businesses, can unintentionally create unfairness for others. If improving workers' conditions leads to higher service prices, users may perceive the price increase as unfair. Platforms should therefore aim to balance fairness across all key participants.

Building a platform based on fair business practices is complex. It is important to consider fairness as a guiding principle from the outset, as changing established practices later can be difficult.

The benefits of pursuing fairness

In a highly competitive environment, companies may be reluctant to adopt fairer practices. Internet companies may perceive exploitative practices as necessary to remain competitive, particularly when dominant companies engage in anticompetitive behaviour.

However, fairness can also bring strategic advantages. Profit margins of fairness-focused platforms may be lower than those of dominant platforms in the short term, but they often build stronger and more loyal user communities; this can yield long-term benefits. Logistics platforms could charge higher delivery fees but attract customers by offering reliable service, dignified working conditions and fair wages. Similarly, social media and information platforms can build

stronger user networks by providing trusted moderation, verified content and better protection of personal data.

EXPLORING EUROPEAN MARKETPLACES

In recent years, public debate has focused primarily on dominant US online companies such as Amazon, Meta and Uber. Research and managerial studies have similarly tended to focus on large technology platforms. But what do we know about European platforms and their business models?

European countries have produced relatively few globally recognised platforms, with notable exceptions such as Booking.com, Klarna and Spotify. Nevertheless, Europe hosts a thriving digital ecosystem. Many European platform companies have established themselves as leaders in niche markets, including ride-hailing, e-commerce and delivery services. These companies typically follow a *'concierge'* business model, aiming to solve relatively simple, location-bound problems and often operating in local or national European markets.

By contrast, platforms based on a *'wizard'* business model seek to deliver high-quality solutions tailored to specific customer needs. These platforms rely on expertise and knowledge sharing between the company, customers and platform workers, as well as on the development of high-quality networks built on transparency and trust. Examples include platforms for management consulting or lending, which depend more on specific conditions and long-term relationships.

While the concierge model can be relatively easy to replicate because it addresses simple problems, the wizard model emphasises quality over rapid scaling as well as moderate growth, long-term relationships and sustainable development.

2
Fairness in practice

We illustrate our guidelines through examples of fair platform practices in four key areas: **data collection**, **decision-making**, **employment conditions and remuneration** and **economic practices**.

Each key area marks problematic practices identified in our research (☁️) and highlights alternative or fairer approaches that companies can adopt (🪄). After that, an example of fair platform practices is presented for each key area in a grey box.

Fairness in data collection

☁️ Dominant online companies collect vast amounts of user data with minimal transparency and consent. This data is often used for targeted advertising or sold to third parties, while users rarely benefit from the value their data generates.

🪄 Companies can shift data-collection practices to gather only the information necessary for their services and implement strong safeguards to prevent the misuse of user data.

Platform revenue beyond user profiling

A European social media company has designed its advertising model to minimise intrusive profiling by collecting only a small set of essential data, while allowing users to decide whether to provide additional information. Like other social media platforms, its primary revenue source is advertising. However, because the company targets a specific audience and user demographic, this privacy-conscious approach effectively supports an advertising-driven business model.

DuckDuckGo operates in search and browser services. It does not save or share users' search or browsing history, nor does it log IP addresses or any personal identifiers. Its advertising is contextual rather than personalised – ads are shown solely based on search keywords, without creating user profiles.

Fairness in decision-making

Platform owners wield significant power over governance and decision-making, often leaving the interests of other participants who create value unrepresented.

Companies can promote more inclusive decision-making by implementing mechanisms that give participants a meaningful voice.

Peer networks

Couriers and bike messengers sometimes use shared messaging groups or third-party apps to coordinate routes, share demand information and distribute orders collaboratively – outside the official platform interface. These tools enable workers to self-organise tasks, manage workloads more fairly and support one another in ways that platform algorithms cannot.

At *Mensajería Rayo*, a local bicycle-based delivery service, couriers use *CoopCycle* – a platform developed by a federation of worker-owned delivery cooperatives in France to support ethical, worker-owned delivery services. CoopCycle has since grown into a global network of cooperatives that share common values and use a shared tool to manage deliveries, with collective discussions guiding its development. As an open-source platform, CoopCycle allows cooperatives to customise and implement features to meet their local needs.

Community-driven moderation

In large platforms, moderation is guided by corporate policies and automated systems. In contrast, community-run platforms allow users to decide what is appropriate, taking local culture, region and context into account. On social media platforms such as *gutefrage.net, nebenan.de* and *Jodel,* moderation is carried out by users themselves, following shared rules and norms.

Another example can be found on platforms in the *Fediverse,* a network of decentralised social media platforms such as *Mastodon, PeerTube* and *Pixelfed*. Each platform instance operates independently, setting and enforcing its own moderation rules based on the values and goals of its community. This means there is no single set of rules for the entire network, allowing communities to shape their own online spaces.

Platform cooperatives

Platform cooperatives are digital platforms owned and governed collectively by their users or workers. They have attracted considerable interest as a way of giving participants a genuine voice in decision-making, but their operation poses significant challenges. Nevertheless, further exploration of this experimental model could provide valuable insights into the design of platforms with democratic governance.

Fairness in employment conditions and remuneration

Dominant platforms are often criticised for prioritising profit over worker rights, resulting in precarious jobs, unsafe conditions and limited career opportunities.

Platforms can promote a fairer, safer and more supportive environment for workers by focusing on three key areas: fair employment terms and compensation; health, safety and workload management; and training and onboarding.

Fair employment terms and compensation

Fair platforms often move from freelance arrangements to formal contracts and align pay with collective agreements. At *Cleta*, a delivery platform based in Madrid, workers are paid according to the Courier Collective Agreement, earning 10% above the minimum wage. While individual bonuses are not offered, profits are distributed collectively among cooperative members.

Koiki, a Spanish 'last-mile' delivery company, employs all its workers under formal contracts – none are self-employed. The company also provides fair employment opportunities to groups at risk of labour market exclusion and offers job coaching as part of an inclusive onboarding process to support skills development.

Health, safety and workload management

Platforms can ensure safe and well-managed working conditions. *Byciclo*, a local bike-messaging and cycle-logistics company from Seville, prioritises the psychological well-being of its workers. The company emphasises gradual integration to prevent early exposure to high-stress situations, rotates tasks to avoid burnout and avoids imposing strict time pressures on workers in order to prevent risky behaviour in urban environments.

Training and onboarding

Targeted training programmes strengthen workers' skills and safety knowledge, while inclusive onboarding ensures that new employees receive the guidance and support they need to succeed in their roles. *CITYlogin,* based in Madrid, specialises in urban logistics and sustainable last-mile delivery. New hires are initially assigned simpler routes to help them adapt to city traffic and build confidence. *CITYlogin* provides training on vehicle use, sustainable delivery practices and efficient driving, ensuring that employees develop both practical skills and an understanding of the company's environmental and operational standards. Moreover, the company offers structured career pathways that enable employees to progress from junior courier roles to senior positions, potentially including traffic management or commercial roles.

Fairness in economic practices

Dominant platforms often employ pricing models that primarily benefit the platform – frequently at the expense of users, workers or small businesses. Users may pay higher prices or have fewer choices, while small businesses may struggle to compete and receive less visibility.

Fair pricing in platform markets means prices that are transparent, proportional and non-exploitative, avoiding practices that take advantage of users' reliance on the platform. A platform that prioritises fair economic practices might implement measures to clearly explain how its ranking algorithms work (including the factors that determine the visibility of businesses or sellers) and ensure fair prices, wages and service quality.

From paid visibility to transparent recommendations

A European e-commerce platform promotes transparency by disclosing how prices are determined. It has removed paid advertising, giving products visibility based on how well they match user demand rather than whether a brand pays for promotion. This approach helps users make informed and fair purchasing decisions, whether the products are from well-known or smaller brands.

Who should bear the costs?

A marketplace connecting users, workers and organisations in the elderly care sector monitors the accuracy of information advertised on its platform by conducting on-site visits to listed organisations. Its business model is based on subscription fees, but the company chooses not to charge gig workers, such as nurses. Instead, it charges organisations for promoting their visibility, arguing that it would be unfair to impose fees on already precarious workers.

When platforms give back

Some platforms go beyond simply extracting economic value – they actively contribute to the communities and urban spaces they serve. *Bookshop.org* supports independent bookstores by distributing over 80% of profit margin to local shops. Similarly, *Fairbnb,* a community-focused short-term rental platform, reinvests 50% of booking fees into local projects chosen by residents at the destination.

3
Key action points

Here, we summarise the key takeaways on general approaches for integrating fairness into business models.

- ✓ Platform companies operate across multiple markets and industries, and each platform faces distinct competitive pressures. It is important to **identify where your business model might create asymmetries** and to consider how your practices could unintentionally disadvantage users, workers or partner businesses.

- ✓ **Increase fairness across all participants.** In online ecosystems with many participants, improving fairness for one group, for example, gig workers, may unintentionally create disadvantages for another. One way to address this is to design platforms that account for fairness across all participants, rather than focusing on a single group.

- ✓ **Consider organisational and technical requirements.** Successful implementation requires engaging relevant employees and leveraging their expertise from the outset. The objective should not be merely to introduce new guidelines, but to embed these practices into day-to-day operations across all relevant areas, making the benefits of combining fairness with market effectiveness clear and tangible.

- ✓ **Identify mechanisms to monitor adherence.** This can include setting clear, measurable indicators (such as reduced data collection or improved worker satisfaction), documenting the implementation process, noting any obstacles or unintended effects and conducting regular feedback sessions with platform participants to assess whether the new practice is working as intended.

- ✓ **Foster a culture of reflection.** Fairness must be deliberately planned and implemented to achieve consistent outcomes, but it can continue to improve over time. Collecting feedback from those directly affected by platform practices – workers, sellers and users – helps identify issues early and supports ongoing improvements.

4
Conclusion

In Europe, there is a growing debate about the role of online companies and how they should shape the future of the European platform economy. Many argue that platforms should align their operations with public priorities, such as transparency, sustainability and social responsibility. This guide focuses on one key perspective: *fairness*. We provide guidelines for managers on how to create more balanced and inclusive platform companies and encourage reflection on how their organisations operate.

What are the next steps for achieving fairness in the European platform economy? Fairness is not fixed; it may evolve as new challenges arise and as society identifies issues that require attention. This guide presents one approach to building a fairer European platform economy: encouraging companies to adopt business practices and organisational cultures that reduce power asymmetry between platform owners and platform participants.

However, fairness cannot rely on individual companies alone – it requires systemic change. Users, advertisers, investors and regulators all have a role in supporting platforms that are fair, responsible and transparent. Maintaining an open dialogue between companies, academia and regulators is therefore essential for driving lasting change.

About

The project

The INCA research project – short for *Increase Corporate Political Responsibility and Accountability* of digital platforms – was an EU-funded initiative under the Horizon 2020 programme, conducted by the Alexander von Humboldt Institute for Internet and Society (HIIG) in cooperation with 12 partners across Europe. The project critically examined the role and impact of platform companies such as Google, Apple, Facebook, Amazon and Microsoft (GAFAM) on the European economy and society. It also explored how Europe's platform economy could be built on fairer, more democratic and socially responsible platform companies, offering an alternative to the extractive and centralised practices of Big Tech.

The authors

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