Strategies for Addressing Big Tech Dominance: Regulation, Reform, or Revolution? †

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Abstract

The Big Tech firms have captured substantial economic value with their dominant digital platforms, while raising major concerns for stakeholders and society. However, the field of strategy remains largely focused on examining their value creation, leaving remedies to other disciplines. In this essay, we examine three approaches to addressing the consequences of Big Tech platform dominance, highlighting their merits and limitations: regulation through the judicial system, voluntary reform of corporate purpose, and revolution through the design of alternative platforms that prioritize societal values. We discuss how these approaches can be complementary and encourage strategy scholars to actively engage in this conversation by revisiting core assumptions, theorizing, and testing new business models for digital platforms that can challenge the Big Tech firms' hegemony.

INTRODUCTION

Value creation and capture are central themes in strategic management, with natural monopolies often viewed as a desirable *corporate* outcome (Bansal et al, 2025; Chatain and Zemski, 2011; Kern and Gospel, 2023; Porter, 1985). A natural monopoly arises when one firm can serve the market at a lower cost than many firms, typically due to high fixed costs, economies of scale, or network externalities, as seen in digital platforms. However, from a *societal* perspective, a competitive market is preferred because monopoly rents reduce consumer welfare. Hence, platform ecosystems such as Amazon Marketplace, Facebook, the Apple Store, Google Search, Uber, and Airbnb, once celebrated for their ingenuity, are now facing growing scrutiny for their dominance of the digital economy (Cutolo and Kenney, 2021; Gawer and Srnicek, 2021; Lavie, 2023). Platform ecosystems provide the alignment structure that orchestrates the complementary contributions of different users, such as vendors and end consumers, to promote a joint value proposition (Adner, 2017; Jacobides et al., 2018; Kapoor, 2018). In such platforms, the orchestrator often accumulates disproportionate power and value, disadvantaging other ecosystem participants (Curchod et al., 2020; Cutolo and Kenney, 2021). For example, in 2025, Google had a 90% market share in online search (Statista, 2026), Amazon reached beyond 40% share in US ecommerce (eMarketer, 2026), while Facebook's revenue share in social media exceeded 70% (Statista, 2025), with these Big Tech firms enjoying some of the highest market valuations.

Market share underestimates the dominance of Big Tech firms, as multi-sided platforms rely on network externalities and user lock-in, rendering traditional competition law enforcement and merger control inadequate (Jenny, 2021). On such platforms, power derives not only from market share but also from the ability to set the terms of market access for all sides simultaneously: a platform that controls, for instance, 40% of e-commerce transactions can practically control the

conditions under which most vendors can reach their customers, a form of leverage that conventional market-share metrics do not capture. Hence, the implications of Big Tech dominance extend beyond market share to encompass market power, control over digital architecture, advantages in data access, ecosystem reach, and even political influence. Although the Big Tech platforms have made essential contributions to technological progress, on their path to market dominance, they have been accused of and in some cases found liable for anticompetitive behavior and exploitative practices, such as self-preferencing, exclusion, data privacy violations, and behavioral manipulation (Harracá et al., 2023; Lavie et al., in press). Yet, these practices are difficult to detect due to the closed nature of these platforms' architecture and the inaccessibility of proprietary platform data to outsiders. Hence, the algorithms, data flows, and ranking mechanisms governing platform decisions are opaque to regulators, researchers, and even to the complementors and platform users who are subject to them (Curchod et al., 2020; Gawer and Srnicek, 2021). The business practices of Big Tech firms stifle competition, raise higher costs for complementors, and take advantage of employees, while limiting consumer choices and imposing a burden on society (Gawer, 2022; Gawer and Srnicek, 2021; Lavie et al., in press), all the more so given the winner-take-all dynamic and network externalities inherent to digital platforms.

Strategy research has underplayed the negative consequences of Big Tech dominance. When studying digital platforms, the literature has examined the implications of multi-sided markets, network externalities, winner-take-all dynamics, multi-homing, and disintermediation for value creation and capture (e.g., Rietveld and Schilling, 2021), but has seldom recognized how little competition remains in platform competition. Despite recent discourse on platform power and governance (Cutolo and Kenney, 2021; Gawer, 2022; Harracá et al., 2023), strategy research has not sufficiently integrated these considerations, neglecting the importance of competition for

and within the market as well as calls for greater transparency and accountability. Social responsibility has often been considered a cost of doing business or an impediment to innovation — a source of competitive disadvantage rather than advantage, as illustrated by the relentless quest for dominance in artificial intelligence (Haeck and O'Regan, 20215). The unfortunate reality is that behavioral biases, bundling practices, viral social media, and network externalities, among other reinforcing mechanisms, led to single-homing in core market segments, thus keeping users entranced in a few platform ecosystems (Heidhues et al., 2024). Furthermore, strategy research has pledged that by striving for competitive advantage, firms maximize not only their own utility but also that of their stakeholders. However, when the net costs of corporate operations in terms of pollution and extracted natural resources, such as rare earth minerals and water used for cooling data centers, are externalized, it is doubtful that this pledge can be held (Bansal et al., 2025). Thus, Big Tech dominance raises societal challenges, including market dysfunctions, opportunity costs, and social welfare issues, which have often been overlooked by strategy research.

This essay contributes to strategic management research by exploring potential approaches for addressing the dominance and harmful practices of Big Tech firms. By 'addressing,' we mean introducing strategic approaches that can potentially reduce the harmful consequences of Big Tech dominance for platform users, complementors, competitors, employees, and society at large. We consider three distinct approaches: (1) regulation driven by governments, competition authorities, and courts, which involves legislation, law enforcement, court trials, and legal penalties imposed on platform orchestrators; (2) reform of corporate mission undertaken by the Big Tech platforms and industry associations to infuse a more stakeholder-oriented purpose in the for-profit agenda of digital platforms; and (3) revolution, pursued by alternative digital platforms, that seek to rectify Big Tech dominance and serve society. We analyze the advantages and drawbacks of each

approach before considering their interplay. In particular, we build on past research (Aragón et al., 2020; Short and Toffel, 2010) to argue that corporate purpose and self-regulation must be reinforced by mandatory regulatory pressure to effectively curb the Big Tech platforms' activities. Moreover, the revolution would not completely replace Big Tech platforms but would offer an alternative that is appealing to stakeholders who care about societal values. Finally, we conclude with implications for the field of strategic management.

THE NATURE AND CONSEQUENCES OF BIG TECH FIRMS' DOMINANCE

The Big Tech firms enjoy significant power over complementor firms, various users, and employees. This power takes several forms (Harracá et al., 2023). First, the Big Tech firms exert constitutional power, i.e., the ability to decide what each participant may or may not do or access within the ecosystem they orchestrate. This feature has major consequences for the dependence of complementors on the platform (Cutolo and Kenney, 2021) and keeps users in a state of "immaturity" whereby they delegate their reasoning and decision-making to the platform (Harracá et al., 2023). Second, these firms possess juridical power, which allows them to arbitrate disputes and sanction behavior according to rules that they have unilaterally designed. Third, these firms can mobilize discursive power not only by producing but also by hosting, articulating, controlling, and scripting information exchanges that various platform users can access. Finally, these firms exercise distinction power by setting the categories that drive user choices in platforms. This enables them to favor certain users or products, including their own, through self-referencing.

Countering these sources of power are two main counterpowers: crowd power and hacking power (Harracá et al., 2023). Crowd power "results from the influence that users can exert on the platform by the sheer mass of their actions, which may or may not be coordinated" (Harracá et al., 2023: 455). However, in practice, the accumulation of users is an advantage rather than a threat

for Big Tech firms, as it enables them to leverage network externalities. Hacking power refers to "the ability to identify the features and categories of digital spaces, such as overlooked programming errors and ungoverned areas, that may be used for a different purpose than the one originally intended" (Harracá et al., 2023:456). This power is deliberately aimed at challenging the Big Tech firms' power. However, it often operates at the margin, on a small scale and under the radar, with limited impact, and is often eliminated by the Big Tech firms' constitutional and juridical powers, which render its manifestation non-compliant with platform rules.

The dominance of a few market players has serious consequences for competition. Although competition thrived during the initial growth phase of digital platforms, once the Big Tech firms had established their dominant market positions, challengers failed to mount a challenge. Typical of pirate organizations (Durand and Vergne, 2012), these firms leveraged the market conditions that fostered early innovation to create strongholds and engage in anticompetitive behavior, such as predatory pricing, exclusive dealing, acquisitions of contenders and complementors, and the leveraging of market power to force unfavorable terms in economic exchange (Cutolo and Kenney, 2021; Ezrachi and Stucke, 2022; Thatchenkery and Katila, 2023; Wu, 2018). The structural dependence of complementors on powerful platforms compels them to sacrifice their autonomy in exchange for access to end users, who have few alternatives (Wen and Zhu, 2019), reinforcing these exploitative dynamics.

Beyond their impact on competitors and complementors, the Big Tech firms pose ethical, social, and environmental risks, including data privacy violations, addictive algorithms, algorithmic biases, and the spread of harmful content that threatens user well-being and safety (e.g., Gawer and Srnicek, 2021). AI-driven platform algorithms not only consume vast amounts of energy for computation but also encourage consumerism, exacerbating environmental

sustainability challenges (UNCTAD, 2024). Social media platforms spread fake news and disinformation that threaten democratic values. Finally, small businesses face bankruptcy while employees risk losing their jobs and suffer from algorithmic Taylorism, as evidenced in Meta's "Low Performer" layoffs (Gawer and Srnicek, 2021; Herzlich, 2025). In sum, besides their shareholders, the dominance of the Big Tech firms has left no stakeholder unharmed. Next, we consider how regulation, reform, and revolution can address the Big Tech firms' dominance.

REGULATION

What has regulation achieved?

Antitrust regulation

Digital platforms that disrupt market structures often disregard regulations in their early market entry phase. Such disruptions may prompt new regulations or adjustments to prevalent regulations to address the inadequacies exposed by these platforms (Durand and Vergne, 2012). From 2000 to 2020, public authorities responded to the growing market power of Big Tech firms with a reactive antitrust approach that intervened only ex post. For instance, the U.S. Department of Justice's antitrust case against Microsoft in the 90s facilitated innovation among complementors, but their profitability declined (Thatchenkery and Katila, 2023). This case did not restore competition but, ironically, enabled Google to dominate once the internet opened to competition. The case sought to pave the way for a new generation of internet firms while maintaining competitive pressure as a catalyst for innovation, but its success was short-lived.

Since the Microsoft case, the U.S. judiciary has not enforced antitrust laws against the Big Tech firms for two decades. Ex ante merger control of digital platforms was virtually nonexistent: thousands of M&A deals that reinforced the power of dominant platforms were approved worldwide, with only a couple blocked—the acquisition of Giphy by Meta in 2022 by the CMA

and Booking/eTraveli by the European Commission (EC) in 2024—and another abandoned under EU pressure, namely Amazon's acquisition of iRobot in 2024 (Cabral, 2025; Kwoka and Valletti, 2021), bringing the latter to bankruptcy the following year. The EU led the way in bringing antitrust cases to court. For example, between 2017 and 2019, Google was fined nearly $10 billion for three major antitrust violations (Shopping, Android, and AdSense cases). The high-profile Android case decision revealed how Google abused its dominant market position to unfairly exclude competitors through a web of illegal restrictions imposed on mobile phone manufacturers seeking access to the Android operating system. As a result, millions of consumers were deprived of genuine choice and innovation for a decade. In practice, many consumers had no viable alternative to using Google's search engine and Chrome browser on their mobile devices (Amelio, 2023). In September 2025, the EC fined Google €2.95 billion for self-preferencing its advertising technology business – a fourth sanction, partly elevated for recidivism (European Commission, 2025).

After 20 years of inaction, the U.S. judiciary has followed up with three major antitrust cases: two against Google, focusing on online search and the Ad Tech market, and one against Meta, concerning social networks. The U.S. online search case aligns with the EU's Android case, with mounting evidence that Google foreclosed access to the iOS operating system by paying Apple around $20 billion per year to remain the default search engine on iPhones. In August 2024, Google was found guilty of illegally monopolizing the search market, and in September 2025, its exclusive default-search contracts were banned. The court did not order the divestment of Chrome or Android; instead, it required data sharing with rivals. This lenient approach illustrates how even landmark liability rulings may yield remedies too modest to restore competition. Separately, in April 2025, Google was found to have illegally monopolized the publisher ad server and ad exchange markets, with remedies still pending. The Meta case ended in November 2025 after the

FTC had failed to prove that Meta holds a monopoly in social networking, with TikTok and YouTube identified as genuine rivals, but the FTC has appealed.

Pro-competitive regulation

These cases expose the harmful practices of dominant platforms and help assess the extent and consequences of the Big Tech firms' market power. However, they also highlight several limitations of reactive antitrust regulation. In response, the EU has sought to complement this approach with a more proactive effort to prevent potential harm. This effort is embodied in the Digital Markets Act (DMA), which went into force in 2023. The DMA targets seven designated gatekeepers—firms with significant market influence—including the five "GAFAM" (Google, Amazon, Facebook, Apple, and Microsoft), as well as Booking.com and ByteDance (TikTok's parent company). These gatekeepers must adhere to a list of obligations and prohibitions designed to prevent unfair practices and promote a fairer, more competitive digital market. For example, Amazon must not prioritize its own products in the Buy Box feature over rival products with similar characteristics; WhatsApp must allow interoperability with messaging apps such as Telegram and Signal; and Apple must permit alternative app stores on iOS.

Similar pro-competitive regulations have proven successful in utility industries with strong network effects and major capital investments, such as telecommunications (Cave et al., 2019). EU regulations have mandated telecom firms to share parts of their infrastructure with competitors and have prevented vertically integrated telecom firms from discriminating against market entrants. For Big Tech platforms, these interventions—ensuring access and preventing discrimination—correspond to the DMA's principles of contestability and fairness. Rather than directly regulating prices, the DMA seeks to promote competition. Enforcement began in April 2025, when the EC fined Apple €500 million for App Store steering restrictions and Meta €200

million for its ‘consent or pay’ advertising model, with Google facing non-compliance in Google Play and Search. These fines, however, illustrate the limitations of financial sanctions. For firms generating hundreds of billions in annual revenue, such penalties are a modest deterrent, and Big Tech firms have treated DMA compliance as a legal optimization exercise rather than a call for fundamental change to their business model. The DMA has not rebalanced market power, with no measurable shifts in market shares or advertiser behavior, while entry barriers persist.

It is worth distinguishing among regulatory instruments by their likely competitive effects, a distinction that matters for strategy scholars interested in how regulation reshapes market structure and platform governance. Some instruments primarily lower entry barriers and enable multi-homing. Interoperability mandates, requiring, for instance, messaging platforms to communicate across ecosystems, reduce switching costs and network lock-in, the very mechanisms that sustain platform dominance. When users can interact across platforms without migrating their network, the incumbent’s scale advantage erodes, and new entrants can contest the market without reaching critical mass independently. App store openness obligations reduce the distribution toll that complementors must pay, directly improving their bargaining power and enabling business models previously foreclosed by platform gatekeeping. Data portability requirements address a different pillar of dominance: the accumulated informational advantage that makes the Big Tech firms’ algorithms more accurate and personalized. When users can transfer their data and social network to rival services, switching costs fall, and the data moat that deters entry shrinks. Non-discrimination rules, which prohibit self-preferencing in search rankings or buy-box placement, level the playing field for complementors competing against the platform’s own vertically integrated products, directly affecting their investment incentives and their governance strategies vis-à-vis the platform orchestrator (Jacobides and Lianos, 2021).

These structural instruments are thus, in principle, more likely to promote genuine competition than financial penalties alone, as they target the platform's architecture rather than just taxing anticompetitive behavior after it occurs. However, in practice, these instruments also face a fundamental challenge because the same firms whose conduct is being regulated have strong incentives and substantial resources to resist, delay, and undermine their implementation. For example, Apple's response to the DMA's app store openness requirement involved introducing a 'Core Technology Fee' of €0.50 per install for apps distributed outside its own store, along with various technical restrictions and contractual requirements, designed to hinder an alternative distribution ecosystem from being commercially viable (European Commission, 2025). The European Commission found Apple non-compliant and imposed a €500 million fine, yet the underpinning platform architecture remained largely intact, prompting new proceedings. This scenario exemplifies the structural-instruments version of the cost-of-doing-business dynamic in which compliance is undertaken, fines are paid, and a further enforcement cycle begins. For strategy scholars, this identifies a critical requirement for structural remedies to deliver their theoretical competitive effects: regulators must possess the technical expertise to assess real-world compliance rather than just formal compliance, be capable of acting promptly rather than engaging in years-long proceedings, and maintain credible backstop threats (including divestiture) that make Big Tech resistance more costly than genuine reform. Absent these conditions, even well-designed structural remedies are considered by Big Tech platforms as manageable operating costs.

A similar regulatory shift has occurred in China, where digital markets have become highly concentrated, dominated by platforms such as Baidu, Alibaba, and Tencent. These firms control much of China's e-commerce, collect vast amounts of data on citizens, and pose a challenge to the state-owned financial system. This concentration of corporate power spurred the Chinese

government to introduce new regulations targeting anticompetitive agreements, abuses of market power, and merger control. While the EU and Chinese regulatory frameworks share similarities in addressing the dominance of Big Tech firms, China's approach reflects the Communist Party's concerns about political threats posed by concentrated corporate power, whereas the EU's DMA seeks to ensure market fairness, innovation, and competition (Liu, 2024). Besides China's tightening control over its platforms, its recent geopolitical competition for technological supremacy with the US and the EU–US tensions over DMA enforcement suggest that digital market regulation has become inseparable from broader industrial and national security policies.

Regulation for data privacy and user protection

Beyond competition law, policymakers have introduced regulations to address the negative impact of Big Tech firms on platform users. First, the General Data Protection Regulation (GDPR), introduced in the EU in 2018, established stringent rules for collecting and processing personal data, placing the Big Tech firms under major scrutiny. For example, in 2023, Meta was fined €1.2 billion for breaching GDPR by unlawfully transferring the personal data of EU Facebook users to the U.S. without the required safeguards. At the same time, Ireland's Data Protection Commission had not initiated a single investigation into Google over several years of the GDPR's applicability, revealing how empty formal compliance frameworks can become in practice.

Second, alongside the DMA, the EU introduced the Digital Services Act (DSA) in 2023. While the DMA focuses on competition, the DSA addresses consumer protection and societal risks such as hate speech and disinformation. Unlike the DMA, which targets gatekeepers, the DSA applies to various digital services and follows an ex post regulatory approach. It governs liability for online content, targeted advertising, know-your-business customer (KYBC) requirements, transparency requirements, and systemic platform risks. It defines different requirements and

restrictions depending on the nature of the digital service. For instance, YouTube and Snapchat must disclose details about their algorithms and risk management strategies concerning political elections, civic discourse, protection of minors, and social media addiction. TikTok must inform the EC about measures taken to prevent manipulation by "malicious actors" and to mitigate systemic risks which may be amplified by recommender systems. Similarly, Facebook and Instagram have been investigated for breaching DSA requirements related to the protection of minors. Most recently, the EC launched formal proceedings against X (formerly Twitter) and TikTok under the DSA for alleged failures to contain illegal content and disinformation.

Despite its broad scope, the DSA does not classify digital platforms as traditional media outlets. Consequently, these platforms are not required to provide equal airtime for differing viewpoints, as television broadcasters must. Additionally, the DSA does not mandate fact-checking or specify what constitutes illegal content in the EU. However, it does require platforms to implement systems to report and remove content that violates existing national or EU laws, ensuring that what is illegal offline is also banned online. By early 2026, the DSA's enforcement record remained nascent: proceedings against TikTok and X were ongoing, and the Commission was developing methodologies for auditing Big Tech's recommender systems. The US–EU political tensions over digital regulation further complicated these enforcement efforts, with the US government publicly criticizing DSA proceedings as discriminatory toward American firms.

Meanwhile, in the US, the legal landscape for Big Tech platforms has shifted, following verdicts holding Google and Meta liable for harming the mental health of platform users (McQue, 2026). The jury found these firms liable for deliberately designing addictive products that are harmful to children. Meta was also found liable for misrepresenting the safety of its platforms and failing to protect children, although both firms have appealed.

Limits to the regulatory approach

Although regulations have made progress in addressing competition and data privacy concerns, current regulations still suffer from major limitations. First, regulations are too slow. It often takes years to identify harmful practices, prosecute offenders, and enforce remedies. For instance, the Google Shopping case took seven years (2010–2017) to reach a ruling, by which time most competitors had disappeared (Amelio, 2023). Even when courts rule against Big Tech firms, sanctions are often inadequate. Because antitrust enforcement lacks the technical expertise to impose specific remedies, it tends to issue a generic "cease and desist" order, leaving the Big Tech firm unharmed and largely in control, which allows it to further delay the process. For example, after the EC ruled against Google in the Android case, Google responded by introducing "choice screen auctions," forcing rival search engines to bid for visibility—further entrenching its dominance (Ostrovsky, 2023). More recent regulations, such as DMA, DSA, or GDPR, similarly suffer from delays and a lack of remedies for victims. The Big Tech firms have an incentive to appeal rather than comply with regulations. Consequently, trials take years, leaving victims unprotected in a deteriorating situation. In fact, these regulations operate under the logic of financial sanctions on the richest firms, which can neither prevent harm nor adequately remedy it. Ultimately, regulation is seen by the Big Tech firms as a "cost of doing business" rather than a serious call to amend their behavior and business models. This approach applies not only to financial sanctions but also, as noted above, to structural instruments when enforcement capacity and regulatory reaction time are insufficient to prevent hollowing-out strategies.

Second, compliance requires substantial resources and elicits implementation and enforcement challenges (Gawer and Srnicek, 2021). As a result, it faces the risk of remaining a legal box-ticking exercise, sometimes resorting to self-assessment and drafting compliance

reports, which only the Big Tech firms can afford, thus further reinforcing their dominant positions vis-à-vis competitors. Stated differently, whereas the cost of compliance is prohibitive for small competitors, Big Tech firms can afford to comply formally without fundamentally changing their harmful practices. Moreover, regulations are often weakly enforced and encourage behaviors that prioritize avoiding sanctions over addressing the harm they cause. This outcome is particularly likely in the case of GDPR and the 2024 AI Act (Bechtold et al, 2022).

Third, unlike utility regulations, which are geographically bound due to physical infrastructure, digital platforms operate globally. This global reach enables firms to engage in forum shopping for favorable legal environments and divide-and-conquer lobbying, thereby weakening regulatory effectiveness (Cutolo and Kenney, 2021; Gawer and Srnicek, 2021). Fourth, the envisaged regulations have no direct approach to address monopolies. While some discussions have proposed breaking up Big Tech firms—particularly Google—such measures remain unlikely, especially given the U.S. government's economic reliance on these firms. The hope is that market entry at the periphery would draw closer to the core or that the Big Tech firms would enter each other's turf. This latter scenario, while plausible, is particularly unimaginative: one substitutes a current scenario in which a handful of dominant platforms have a core monopoly for one where the same platforms dictate the evolution of digital markets.

Beyond the limitations of existing regulations, it is puzzling that only a few of the harms inflicted by the Big Tech firms have been addressed. Regulation is slow to address novel concerns and emerging harmful practices, such as those related to AI's progress. In fact, the retreat from AI regulation in the US under the second Trump administration – including the revocation of Biden's 2023 executive order on AI safety and the scrapping of draft legislation – leaves little hope for such an endeavor at the federal level, even though the EU's AI Act entered enforcement in 2025.

Moreover, regulation primarily targets practices that harm either the economy (e.g., competition or tax evasion) or citizens' well-being (e.g., harmful content or data protection), so it is contained in time and space. The large-scale and lasting societal impact of Big Tech platforms, such as energy consumption and its environmental effects, calls for a supranational remedy. Given these challenges and the absence of effective regulatory pressure, it is crucial to consider whether voluntary corporate reforms can mitigate the Big Tech firms' dominance.

REFORM

Would firms voluntarily reform their purpose?

Regulation aims to amend corporate behavior through external governance, but would Big Tech firms voluntarily reform their corporate purpose to not overstep stakeholders' rights? Would such reform be implemented at the firm level, for example, by setting red lines, or at the industry level, e.g., via self-regulation? How likely are the Big Tech firms to redefine their corporate purpose within their responsibility limits to address challenges from which they benefit?

Controversies over platform practices—such as Amazon's self-preferencing of its own merchandise, Apple's strict App Store policies, and Google's approach to AI development — underscore the need for these firms to adapt to public sentiment and refrain from abusing their power. Modular policies, voluntary commitments to fair competition, and reasoned vertical integration can balance proprietary and open-access models. The rise of the internet, which foreshadowed the platform boom, illustrates this dynamic (Farrell and Weiser, 2003). With antitrust interventions looming and regulations resembling public-utility frameworks, voluntary reform at both firm and industry levels could serve as a preemptive response to intensifying scrutiny while also promoting innovation in digital markets. To avoid regulatory fines and forced disintegration, dominant platforms may adopt voluntary reforms for fair competition, refrain from

externalizing environmental and societal costs, and align their practices with stakeholder expectations. Key reforms include enhanced transparency, accountability, and self-regulation.

Transparency and Accountability at the Firm Level

Proactive and ongoing assessments of corporate practices can help firms avoid stringent regulatory interventions that could hinder operations, while fostering innovation and maintaining stakeholder satisfaction and support. Investors and other stakeholders increasingly expect transparency, particularly concerning data protection and fair competition practices (Hou and Yao, 2022). In recent years, firms have disclosed more information about their operations, financial stability, and decision-making processes to build stakeholder trust (Anjali Srivastava, 2024). Robust disclosure practices related to environmental, social, and governance (ESG) issues can help Big Tech firms engage stakeholders and foster collaboration for long-term value creation.

Additionally, accountability mechanisms such as independent audits and ethical oversight committees ensure that governance practices align with ethical standards, reinforcing corporate commitments to responsible behavior. For example, Amazon has faced scrutiny over its dual role as a marketplace operator and a seller on its platform, prompting an EC investigation into whether it used sensitive data from third-party sellers to gain an unfair advantage. In response, Amazon has explored voluntary measures to enhance transparency, including clearer data-sharing policies and restrictions on its use of seller information, to strengthen relationships with third-party sellers.

Establishing a culture of ethics and compliance can prevent unethical practices while promoting corporate integrity. Encouraging employees to express their opinions and report misconduct without fear of retaliation enables the early detection and resolution of potential concerns. For instance, in the aftermath of Anthropic's discontinued negotiation with the Pentagon, employees at Google, Amazon, and Microsoft urged their executives to adopt strict red lines and

decline any defense contracts (Morris et al., 2026). In other contexts, hotlines and free access to counsel help in recognizing the influence of power structures and group dynamics on whistleblowing behavior (Bergemann and Aven, 2022; Greve et al., 2010). By implementing safe reporting channels, the Big Tech firms can mitigate corporate scandals and enhance their reputation with both regulators and the public. The controversy surrounding Google's dismissal of Timnit Gebru, former co-lead of its Ethical AI Research Team (Simonite, 2021), highlights the challenges of balancing innovation with ethical concerns. In response to mounting criticism over its AI ethics practices, Google has pledged to review its algorithms and training datasets, exploring ways to address potential biases and enhance accountability in AI development.

Industry self-regulation

Facing increasing regulatory scrutiny, Big Tech firms can adopt industry-level self-regulation as a proactive strategy. While transparency and stakeholder engagement rely on independent corporate initiatives, industry self-regulation involves multiple firms committing to collective action. Historically, self-regulation has played a significant role in various industries, from early oil production and chemical waste management (King and Lenox, 2000) to the advent of digital technologies. The appeal of self-regulation has increased as traditional regulatory frameworks struggle to keep pace with the rapid evolution of digital platforms.

One advantage of industry self-regulation is its potential to enhance technological and economic efficiency. Establishing industry-wide regulatory standards can improve compatibility among digital platforms, creating economies of scale, lowering costs, and increasing profitability (Cusumano et al., 2021; Farrell and Weiser, 2003). Self-regulation can also facilitate the entry of new platforms offering new services, e.g., AI-powered services, thereby stimulating competition (Cusumano et al., 2021), though industry associations have historically benefited members by

facilitating collusion. In today's geopolitical and geophysical context, wars waged at critical juncture points of international commerce with natural resources rarefying, self-regulation may promote a better use of a limited pool of resources (e.g., rare earths, copper, tungsten, and other ores) and the prevention of societal harms (e.g., addictions, de-socialization). Hence, industry self-regulation can facilitate better governance of critical resources and externalized harms.

Proponents maintain that industry self-regulation enables government agencies to allocate limited resources to more pressing competition policy matters, reducing the need for direct oversight of every aspect of industry. It can help firms address harmful practices like deceptive advertising and anti-competitive behavior — without formal legal intervention. Yet, as Cattani and colleagues (2024) note in the case of the UK's Advertising Standards Authority, stakeholder trust in self-regulation depends on clear, enforceable rules and transparent decision-making.

Historically, self-regulation has evolved in response to both internal and external pressures, demonstrating varying degrees of effectiveness in curbing monopolistic behavior. Success hinges on cohesive industry associations that enforce compliance among their members (Cattani et al., 2024; Greve et al., 2010). When a small, cohesive group of firms abides by self-imposed rules, adherence is more likely because non-compliance risks losing membership and associated benefits. However, larger, less cohesive, or hyper-technological dynamic industries face greater challenges in ensuring consistent adherence and enforcement because the costs of enforcement breaches appear modest relative to the size of the obtainable market advantage.

Collectively, Big Tech firms are expected to balance growth with responsible business practices to prevent abuses of market power. Recent calls by executives at Anthropic and OpenAI to collectively curb the rapid development of AI technologies to protect the public from potential catastrophic risks illustrate this principle (Wright, 2026). Effective self-regulation requires

collaboration with stakeholders — including government agencies, competitors, and consumers — to create a market environment that encourages competition while upholding ethical standards.

Limits to voluntary reform of purpose

Despite its potential, voluntary reform, via transparency and accountability or industry self-regulation, may fall short of addressing concerns regarding competition and societal impact. Voluntary corporate levers are necessary but often insufficient. A clear challenge is that such initiatives rely on the Big Tech firms' willingness to reform their practices and relationships with ecosystem partners. Research on corporate purpose and stakeholder orientation rarely includes the Big Tech firms, as they have shown little interest in adopting these principles (Gulati, 2022). Recent policy shifts, such as the abandonment of DEI and sustainability initiatives, further illustrate that respect for stakeholder rights is not central to their strategy (Sensi, 2025).

One motivation for voluntary reform is to avoid formal regulation that could threaten firms' competitive positions. However, the credibility of regulatory threats against the Big Tech firms is often weak, ultimately challenging these firms' stakeholders and less powerful rivals instead.

Reform could help Big Tech firms address complementors' efforts to reduce power imbalances through multihoming or collective action (Cutolo and Kenney, 2021). Yet such efforts are likely to pose a sufficient threat to trigger a substantive response from the Big Tech firms. Indeed, they can make multi-homing very difficult through the design of their technological infrastructure (Jacobides et al., 2018) and incompatible interfaces (Cutolo and Kenney, 2021). In response to complementors' collective action, Big Tech firms typically exhibit symbolic commitment rather than substantive change (Cutolo and Kenney, 2021; Gawer and Harracá, 2025).

Voluntary adoption of certain ethical principles can improve user rights but disadvantage firms if rivals do not adhere to the same standards. For example, Google faces strict scrutiny over

the safety and biases of its DeepMind AI models, arguably more than emerging competitors like DeepSeek (Burga, 2024). As a result, the transparency and accountability requirements are improperly addressed, and the Big Tech firms may set low, unambitious standards.

Industry self-regulation also has inherent limitations. A primary concern is conflict of interest, as firms prioritize their own interests over public welfare. When corporations establish their own regulatory frameworks, it can resemble "putting the fox in charge of the henhouse," with firms colluding to protect vested interests rather than safeguard the public good (King and Lenox, 2000). This self-serving behavior can result in standards that favor commercial objectives over consumer protection (Birkinshaw, 2024; Cusumano et al, 2021). Indeed, when the firms setting the standards are the dominant incumbents, there is a persistent risk that those standards are designed to entrench rather than challenge their market positions. Self-regulating entities often lack transparency, leading to mistrust and allegations of misconduct concealment. Without external oversight, accountability measures are often inadequate, thereby enabling continued ethical violations and scandals (Cattani et al., 2024). Weak enforcement mechanisms further undermine the effectiveness of self-regulation. In regimes lacking statutory backing, penalties imposed by self-regulatory bodies may be insufficient to deter malpractice, allowing anti-competitive behaviors to persist. This challenge is even greater for global platforms, where regulatory inconsistencies complicate enforcement (Stallkamp and Schotter, 2021).

One must question why Big Tech firms would make significant voluntary reforms if they have not already done so despite extensive regulation, court penalties, and public scrutiny. Even if implemented, one may further wonder whether self-regulation can impose meaningful constraints on these American Big Tech firms amid intense competition with China and global geopolitical tensions. The negative externalities of their market dominance—such as competitive distortions,

privacy concerns, and threats to smaller complementors—exacerbated by their monopolistic power (Acemoglu and Johnson, 2023), may not weigh sufficiently in the race for global market supremacy. Does addressing these challenges require revisiting the economic growth model, calling for fundamental shifts in the business strategies of digital platforms?

REVOLUTION

Designing a revolutionary digital platform

A revolution is called upon when judicial governance fails to protect stakeholders' interests and when those causing harm lack the incentive to stop their unethical conduct. Under such conditions, stakeholders and local communities are motivated to engage in collective action that drives social change (Goodwin and Jasper, 2004; Montgomery et al., 2012). Unfortunately, we have reached this point with the Big Tech firms. For decades, policymakers have sought to curb their dominance and mitigate harmful business practices through regulation and reform, with little success. While these measures shape corporate behavior to an extent, they primarily address symptoms rather than the root cause: the underlying tendency of the Big Tech firms to profit at the expense of stakeholders, including consumers, vendors, and employees (Lavie, 2023). This drive is not unique to Big Tech firms; it is common to most firms; rather, these firms have leveraged advanced technologies and internet-driven advantages such as network externalities to an unprecedented degree to serve their objectives (Gawer, 2022; Srnicek, 2017; Zuboff, 2019).

The core issue is not the unethical or uncompetitive conduct of the Big Tech firms alone, but the broader economic system that prioritizes relentless value capture over fair value distribution (Bacq and Aguilera, 2022; Bansal et al., 2025). Regulation can mitigate the extreme consequences of this system, but it does not fundamentally change it. Whereas some firms engage in reform, most continue to prioritize shareholder value over stakeholder interests. Stakeholder

theory highlights the importance of serving stakeholders and suggests ways to incorporate their interests into strategic decision-making (Freeman et al., 2007), yet the gap between theory and practice remains vast. Many firms resort to symbolic actions rather than substantive changes that truly benefit stakeholders (Durand et al., 2019). Even firms committed to social responsibility, such as the B Corps (Marquis, 2020), do not drive systemic sector-wide reform.

Current efforts to patch the economic system fail to address the excessive power of the Big Tech firms and the systemic inertia that preserves the status quo. Firms that challenge the current system's core principles are often penalized by competitors that adopt those principles. Instead of expecting Big Tech firms to change, new contender platforms can emerge with designs that inherently align corporate purpose with stakeholder interests. Such contender platforms may be incentivized not only intrinsically by pursuing a revolution aligned with their societal values but also extrinsically by the prospects of gaining from targeting an underserved market of users whose values and interests are misaligned with those of the Big Tech platforms.

Regulation and reform operate on the assumption that for-profit corporate interests are inherently misaligned with the public interest, such that internal or external governance is required to compel dominant firms to respect that interest. By contrast, the revolution seeks to embed in the platform design principles that align corporate success with societal well-being. In this model, platforms would thrive by serving stakeholders and society rather than by exploiting them. The shift in Big Tech firms' models would result not from regulatory mandates or goodwill but from competitive pressures enabled by this alternative economic model.

But how can contenders pursuing a revolutionary platform design challenge the hegemony of the Big Tech firms without institutional upheaval or regulatory change? Who will lead the revolution? Several organizations have been developing new economic designs that prioritize

societal values as part of grass-roots initiatives, suggesting that the revolution is underway. These organizations include the Wellbeing Economy Alliance, One Project (Economic Democracy), Bounce Beyond, CatalystNow, Doughnut Economy Action Lab, ECOnGOOD, Post Growth Institute, Partners for a New Economy, Institute for Inclusive Economies and Sustainable Livelihoods, International Degrowth Network, ECOLISE, Good Money Lab, PINE (Plataforma de Introducción a Nuevas Economías), Nena (New Economy Network Australia), Prosumer Economy Society, Global Tapestry of Alternatives, Business Declares, Social Enterprise World Forum, People and Planet First, Purpose Foundation, Øutra Economia, Re-Action Collective, and World Fair Trade Organization, among others (see map in Figure 1). These organizations are also accompanied by powerful cooperatives such as SEKEM and Mondragon, and their initiatives are coordinated via conferences such as the Next Economies Forum. Several digital platforms that underscore societal values have already been launched in connection with this revolution, including Good4Trust (e-commerce), Fairwork (freelance work), Mastodon (social media), and Proton (collaborative office and communication apps). Other platforms incorporate certain prosocial design principles, such as Too Good To Go, which minimizes food waste by offering unsold food at a discount; Etsy, which offers an international marketplace for small vendors; Vinted, which offers a marketplace for second-hand merchandise; BuyNothing, which enables gifting used items in local communities; and Fairbnb, which offers short-term vacation rentals while donating to community projects. These platforms typically operate in narrow industry sectors and follow traditional economic motives while promoting voluntary donations. However, by incorporating additional prosocial design options, platforms can drive more systemic change. Whether this trend gains momentum and which platform design becomes dominant remains to be seen, but understanding the underlying principles is essential.

***** Insert Figure 1 about here *****

Challenging our economic model's assumptions

Digital platforms with a social purpose, a.k.a., prosocial digital platforms, challenge the assumption that all economic actors are universally self-interested. Research in behavioral psychology suggests that while some individuals are opportunistic, most are cooperative and, in fact, conditionally prosocial — they are willing to contribute to the welfare of others if reciprocity is ensured (Fischbacher and Gächter, 2010; Fischbacher et al., 2001; Flynn et al., 2015). Opportunistic behavior dominates digital platforms not due to human nature, but because the economic system reinforces and rewards such behavior while penalizing prosocial behavior by restricting reciprocation (Bridoux et al., 2011). As a result, the conditions needed to support prosocial behavior are rarely met, and participants in economic exchange resort to the emerging norm of opportunistic behavior (Lavie, 2023). Regulation and reform address only symptoms, not these systemic incentives that promote opportunism, and hence fall short.

Digital platforms can facilitate prosocial behavior by encouraging participants to enhance others' utility, even at a cost to themselves (Brief, 1986; Bridoux et al., 2011; Grant and Patil, 2012; Schroeder and Graziano, 2015). More than half of the population reveals prosocial inclinations. Besides personality and religious beliefs, prosocial tendencies are shaped by cultural, social, and institutional factors (Boyd and Richerson, 2009; Fehr and Schurtenberger, 2018; Gächter and Schulz, 2016; Henrich and Henrich, 2014). Much like opportunistic behavior, prosocial behavior is contagious and can become a social norm if reciprocity is encouraged (Falk and Fischbacher, 2006). Hence, platforms can establish mechanisms to reinforce prosocial behavior while protecting stakeholders from exploitation. If reciprocity and incentives prove insufficient, opportunistic participants could be excluded to allow the majority to sustain a prosocial norm (Okada, 2020).

Prosocial behavior has emotional rewards, including increased happiness and life satisfaction (Aknin et al., 2013, 2015; Khanna et al., 2017). Thus, it can persist despite the economic costs to prosocial actors and help redistribute wealth and power, end the abuse of private data, and restrict the overconsumption imposed by Big Tech firms (Lavie, 2024).

To succeed, revolutionary platforms must repurpose existing technologies to benefit stakeholders. Machine learning and AI can help prevent excessive concentration of power and prioritize the interests of consumers, vendors, and employees. These technologies can also help limit consumption, scrutinize opportunistic behavior, and promote economic equality. In turn, platforms can reward and reinforce prosocial behavior, thereby offsetting opportunistic behavior, leading to a more just distribution of value. To accomplish this, the platform design should redefine the responsibilities of various stakeholders, including end users and complementors, promote a sense of community among them, and adopt innovative governance mechanisms.

The role of end users

A key design principle that can be introduced in a prosocial platform is price subsidization. Unlike traditional tax systems that have struggled to tax the Big Tech firms effectively and offered limited support to deprived communities (Clausing et al., 2020), a direct transfer mechanism through price adjustments can create emotional incentives for participation. Algorithms would adjust vendor prices based on consumers' income levels, ensuring that higher-income users subsidize lower-income users while keeping vendor revenue unchanged. The emotional benefits of prosocial behavior would encourage participation, whilst the algorithms should ensure that prices are set so that high earners do not feel exploited. Additionally, subsidized consumers, such as students, would be encouraged to "pay it forward" once they are financially stable (Gray et al., 2014). This platform design can enhance economic freedom and entrepreneurship while discouraging free riding.

To prevent overconsumption among subsidized users, consumption limits should be set. The platform's sustainability orientation can be further promoted by facilitating donations of unused goods and restricting advertising that fuels unnecessary consumption.

The role of complementors

For their part, complementors such as vendors should accept reasonable profit limits. In essence, the prosocial platform could disincentivize exploitation of customers by implementing a balancing process that redirects the vendor's surplus earnings back to consumers — those who purchased from the vendor, other qualified customers, or all users of the platform.

To prevent platform exploitation of vendors, the orchestrator should strictly provide platform services without storing, delivering, or directly offering any product or service on the platform, thereby preventing self-preferencing and anticompetitive behavior. Vendor prioritization must rely on objective factors such as price, quality, sustainability, and physical proximity to the customer, rather than financial incentives paid to the orchestrator. Customers should be able to rate vendors, with these quality ratings influencing vendors' visibility on the platform. Finally, the platform could help new entrants secure market share before sufficient customer reviews become available. Such design principles facilitate competition and level the playing field on the platform.

The role of the community

The prosocial platform should foster a sense of community through face-to-face interaction and mutual support, as shared culture, beliefs, language, and values favor the development of trust, reciprocity, and prosocial behavior (Boyd and Richerson, 2009; Falk and Fischbacher, 2006; Fehr and Schurtenberger, 2018). More localized marketplaces would also reduce transportation costs, enhance sustainability, and strengthen supply chain resilience. Thus, the community should be sufficiently small to gain from the social features of exchange, but not so small that it cannot

guarantee efficient clearing of market transactions. In any case, the platform can first be tested in small prosocial communities and then extended to larger and more diverse ones.

Governance and management of the platform

The revolutionary platform design can shift power from the platform orchestrator to stakeholders such as employees, complementors, and consumers whose interests would be protected. To prevent the concentration of power, contender platforms that prioritize societal values would need to accommodate the interests of their various stakeholders, who should have equal representation and decision-making power.

The platform would also promote protective and respectful employment and redistribute income by reducing salary differences. Whereas the reform approach can institute such managerial practices in some firms, the revolutionary platform can diffuse them more widely by requiring complementors that wish to trade on the platform to adhere to those standards.

Limits to the revolutionary approach

While overcoming some limitations of regulation and reform, the revolutionary approach is not without challenges. The idea may seem idealistic or even impractical. Indeed, translating the design principles into operational decisions and scaling up the prosocial platform is no trivial task. One bottleneck is the platform's technical design — setting and dynamically updating the optimal price subsidization formula, identifying appropriate consumption limits and profit caps, and redistributing profits could prove technically complex. Additionally, mobilizing and securing stakeholder buy-in would require significant effort. Moreover, developing the platform demands substantial resources. To prevent undesirable mission drift towards for-profit purpose, it is crucial to avoid reliance on venture capital investments and profit-driven shareholders. Even with crowdfunding, investors would likely require a working prototype before committing funding.

Another challenge concerns platform governance. Who will oversee platform orchestration, operational procedures, and ecosystem monitoring? Should it be managed by a public or private entity? The former may struggle with coordination, while the latter could face trust issues with stakeholders. A nonprofit or benefit corporation in which various stakeholders have equal voting rights could be a viable alternative to avoid mission drift, as with OpenAI (Andhov and Murray, 2026). However, governing the platform across diverse communities and regulatory environments presents additional complexities. For instance, while price subsidization benefits consumers, it may be perceived as third-degree price discrimination, which is legally restricted in parts of Europe (Geradin and Petit, 2005). Furthermore, how can we ensure that the platform does not replicate the exploitative behaviors of Big Tech firms? Because self-regulation often falls short, external checks and balances would be essential.

Finally, although designed for scalability, the platform's growth remains uncertain because network externalities require a critical mass of vendors and consumers for market viability in every community served by the platform. Another potential obstacle is retaliation from Big Tech firms, which may attempt to neutralize competition through acquisitions, lobbying, or other preemptive strategies to undermine the platform's appeal. Government policies may also pose challenges, given the platform's unique structure and its potential to disrupt incumbent market players.

The limitations of the revolution could be mitigated. For example, crowdfunding and community engagement initiatives could help cope with the network effects of incumbent platforms. Supporters could turn into qualified customers and prosumers to attract vendors (Scaraboto and Fisher, 2024). AI and machine learning could facilitate the design and optimization of price-subsidization algorithms. Moreover, strategy scholars could seek to identify the scalability barriers of existing prosocial digital platforms as well as the distinctive practices that can facilitate

their growth. Still, despite its promise, the revolutionary platform design could face practical hurdles. The idea may appear utopian and require further refinement to align with the evolving economic and regulatory landscape. Neither regulation, nor reform, nor revolution is without limitations, raising the question of which approach offers the most effective remedy to the challenges posed by the Big Tech firms.

***** Insert Table 1 about here *****

DISCUSSION

The dominance of the Big Tech platforms has far-reaching ramifications for society. We have outlined three alternative approaches to addressing their strategic dominance and harmful practices while keeping market conditions conducive to favor innovation and maintaining the provision of products and services: reinforcing regulation, fostering reform, and calling for a revolution. Given the strengths and limitations of each, there is no clear favorable approach. Instead, a combination of these approaches may offer the most promising path forward, as one approach's strengths can compensate for another's weaknesses. Corporate purpose and self-regulation must be reinforced by mandatory regulatory pressure (Aragón-Correa et al., 2020; Short and Toffel, 2010) to effectively restrain the Big Tech platforms' predatory strategies, induce their capacity to act responsibly, and preserve emerging innovation in their markets. Regulators could, for instance, make it compulsory for Big Tech firms to adopt specific governance tools, such as codes of conduct, as required by the United Kingdom Competition and Markets Authority and recommended by the European Parliament (Gawer and Srnicek, 2021). Conversely, as noted earlier, the reform approach can reduce the burden on regulators, enabling them to target other pressing policy matters more effectively. Still, the slow development and updating of regulations require greater reform, but reform is unlikely when self-regulation undermines network effects and

profit, which could, in turn, facilitate regulation. If regulation poses a credible threat, Big Tech firms may attempt to intervene in the regulation-crafting process, engage in pre-emptive reform, and even coordinate such reform to level the playing field (Cusumano et al., 2021).

While self-regulation can drive meaningful corporate change, it ultimately depends on Big Tech firms rethinking their economically lucrative business models. And, although antitrust regulations aim to preserve competition, stricter platform regulations may inadvertently burden bystanders and discourage the emergence of alternative business models. Hence, competition from novel contenders that adopt innovative and sustainable models, such as Etsy, TooGoodToGo, BuyNothing, Vinted, and Fairbnb, can ideally complement regulation and reform with market forces as part of the revolutionary approach. Indeed, if compliance with regulatory and ethical standards proves insufficient, the potential loss of market share to more virtuous new players could drive change in the Big Tech firms' practices. Thus, simultaneously pursuing regulation, reform, and revolution is essential. Ultimately, the purpose of the revolution is not to completely replace the Big Tech platforms but to provide a sufficient alternative that could attract some stakeholders who prioritize societal values. Together with regulation, such market pressure can facilitate corporate reform that better aligns the Big Tech platforms with societal values.

Yet, the regulation, reform, and revolution approaches may not align easily. In response to the entry of new, prosocial platforms, the Big Tech firms may strive to maintain the competitive status quo, potentially exploiting weaknesses in the regulatory regime, rather than reforming their business models. For example, Big Tech firms may respond by attempting to block emerging competition by depriving infrastructure and engaging in an "acquire and terminate" strategy. Such attempts underscore the need for protective regulation that could support revolutionary prosocial platforms to thrive. Regulators may also be tempted to protect incumbents for geopolitical and

sovereignty reasons, thereby enabling another scenario in which regulation aligns with the profit-driven motive of the Big Tech firms. For example, the US government prioritized the advancement of its Big Tech sector vis-à-vis non-American competitors, in part by abolishing regulations that could restrict Big Tech firms' practices while protecting the well-being and rights of platform users and fostering contender platforms. Hence, the revolution requires not only the design of alternative platforms but also political advocacy by policymakers that can bring about supportive regulation.

Finally, the rise of prosocial platforms may not alter the strategies of Big Tech firms, which could instead respond with a stronger focus on enhancing shareholder value rather than by reforming their purpose. Stated differently, the revolution may be insufficient to create clear incentives for the Big Tech firms to engage in reform. Whereas emerging platforms can pursue various strategies by design, Big Tech platforms face high switching costs for modifying their established strategies. In fact, the emerging competition may even prompt corporate social counter-positioning (Mohliver et al., 2023), making it a lucrative differentiation strategy for Big Tech firms to remain distinct from new entrants while competing on price, scale, and efficiency rather than on prosocial benefits. Table 1 summarizes the complementary benefits and limitations of each approach and identifies the corresponding motivations and actors pursuing them.

Addressing the dominance of the Big Tech firms bears implications for the future development of the field of strategy. Strategy scholars are invited to reassess core assumptions regarding the roles of regulation, corporate purpose, and the value that digital platforms create versus divert. Rethinking these assumptions can generate new approaches and business models.

While the challenges posed by the increased economic and political power of digital platforms, as well as their harmful practices, align with key themes in strategic management, the approaches we discuss here have not traditionally been central to the field. Regulation has often

been treated as an exogenous constraint that may shape firms' strategies (Grant, 2024). The study of regulation has been pursued mostly in legal studies and antitrust economics, with only recent engagement from strategic management scholars (e.g., Jacobides and Lianos, 2021). Similarly, corporate purpose and leadership aspirations have been viewed as guiding inputs rather than material factors. Social values, self-governance, and responsibility have traditionally been explored in organization theory, particularly by scholars examining sustainability, misconduct, and stakeholder orientation, and have only recently gained traction in strategy research (Durand and Huynh, 2024; Gulati, 2022). Finally, the revolutionary approach of designing digital platforms that serve society challenges core assumptions in the field of strategy that have long underscored firms' motives for profit and utility maximization. Increasingly, scholars recognize the need to reevaluate these principles in light of the negative consequences that have arisen from prioritizing profit above all else (Aguilera et al., 2022; Bansal et al., 2025; Henderson, 2020; Lavie, 2024).

Thus, platform dominance compels strategy scholars to reconsider traditional assumptions about the universal self-interested pursuit of profit and utility. A more nuanced understanding of decision-makers' motivations is needed. Scholars should integrate more research on cooperation and prosocial behavior in their conceptualization of market competition. Additionally, regulation should not be considered exogenous and restraining, as evidenced by the lobbying practices of the Big Tech firms. Instead, regulation can be a mechanism for pursuing the greater good while protecting stakeholders, nature, and firms alike. Once established and effectively enforced, regulation can enhance the effectiveness of firms' corporate purpose and self-regulation. Embracing these distinct yet complementary perspectives and questioning traditional assumptions can help strategy research move beyond merely documenting and analyzing the phenomenon to actively shaping it for the better.

However, revisiting core assumptions is insufficient — strategy scholars can also play an active role in guiding innovation. The rapid growth of digital platforms has been driven by firms introducing innovative business models, which strategy scholars have subsequently investigated (e.g., Rietveld and Schilling, 2021). Yet dominant platforms, committed to their core designs and profit-driven incentives, are unlikely to pivot toward revolutionary business models that better serve societal interests. Even when some firms prioritize stakeholders over profit, scholars have remained passive observers of these emerging trends, as seen with B Academics (e.g., Diez-Busto et al., 2021). Strategy scholars are well-positioned to take the lead in conceptualizing and testing innovative digital platform designs that more equitably redistribute value to stakeholders and society. In particular, the development of prosocial platforms requires rigorous experimentation and empirical validation of the underpinning assumptions before they can be successfully implemented in practice. Designing field experiments in small communities and leveraging advanced technologies—such as artificial intelligence, machine learning, and optimization algorithms—could help address development challenges. Strategy scholars are also well equipped to inform the design of governance solutions that ensure the platform aligns with stakeholders' interests. For instance, researchers advocate implementing mechanisms, such as inspection and certification programs for digital platforms, by third-party organizations with adequate resources and expertise (Lavie et al., 2025). Finally, as strategy educators, we can teach the importance of fair value distribution to complement our traditional teaching of value creation and capture.

Just as the rise of digital platforms has fueled a rich stream of research in strategic management, their aftermath presents an opportunity for strategy scholars to shape the research agenda with practical implications. Pushing strategic management's established principles to their limits does not yield a Pareto-optimal outcome (Bansal et al., 2025). Rather, we must explore

alternative approaches, from reform to revolution, while critically examining our discipline's axioms, which may be less relevant in addressing current emerging debates. By overlooking relevant economic and social externalities, a narrow perspective that focuses solely on the strategic risks posed by the evolving market structure could diminish the field's relevance and impact. It is time to revisit established frameworks in strategic management and confront the challenges of our time with courage and determination.

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Table 1: Strategic Approaches for Addressing the Dominance of Big Tech Firms

Approach	Regulation	Reform	Revolution
Actors	• Governments • Competition authorities • Courts (EC, DOJ, national regulators)	• Platform executives • Corporate boards • Industry associations	• Civil society organisations • Cooperatives • Social entrepreneurs • Communities • Strategy scholars
Motivation	• Democratic and political pressure • Public interest	• Reputational threat • Pre-empting binding regulation	• Prosocial inclinations • Underserved market of prosocial users • Disadvantaged stakeholders
Benefits	• Binding restrictions and remedies • Broad, consistent application	• Improves ethics and transparency • Straightforward implementation • Reputational gain	• Prioritizes societal values • Benefits underrepresented stakeholders • Unconstrained by current market design
Limitations	• Reactive, slow adaptation • Compliance entails substantial resources • Weak enforcement • Geopolitical divergence • Does not foster innovation and competition	• Limited credibility under a weak regulatory regime • Discretionary and symbolic action • Misaligned with shareholder value • Disincentivized by geopolitical and sovereignty concerns	• Entails greater social responsibility • Limited financial support, e.g., no venture capital • Vulnerable to Big Tech "acquire and terminate" retaliation • Implementation challenges • Requires regulatory protection

Figure 1: Organizations Collaborating in the Design of a New Economic System



Source: Post Growth Institute (https://postgrowth.org/)