



Reality Check: P2B for EU Platforms

 **Marketplace** - Supporting traditional craftsmanship, caring for the environment, embracing gender inclusivity and preserving traditional craft skills are the driving principles for an inclusive trade marketplace for clothes, jewellery and artisan goods. The marketplace's terms of services clearly outline to its business users the kind of products it wants to host.


Imagine such a market place starts receiving large amount of complaints about low-quality products which are labelled as "consciously crafted". Users perceive them as "fake" products, which upon examination seem industrially produced. Under the *IMCO Compromise on Suspension and Termination*, the marketplace will have to wait two weeks before it can take these misleading products down, as the product is neither illicit nor unsafe. In the meantime, its engaged community of consumers will continue to be tricked by the fraudulent seller, who will benefit from a competitive advantage over the other sellers that abide to the marketplace's terms of services. Customer and business user complaints start appearing in reviews and blog posts and irreparably damage the reputation of the small market place.

[READ HERE about the top 50 marketplaces in Europe, many of which are startups](#)

 **Connected Speakers / Operating Systems** - The Internet of Things and connected devices offer huge opportunities and will this year again be amongst the most popular Christmas presents. Alongside a handful of popular providers, an armada of smaller, specialised providers has emerged across Europe.

European IoT startups are small but aim at conquering the world. Their strength is excellency in engineering, entrepreneurial drive and knowledge of local markets, not legal proceedings. With operating systems included in the scope of the P2B proposal, European IoT champions will avoid the risks that come with developing their own operating systems and be more inclined to use available operating systems. These allow for less customisation, less EU specific services and leave IoT startups unable to compete.

[READ HERE about thriving IoT startups in Europe and Vertical Integration](#)

 **Online Travel Planning** - A small online travel agency offers tickets specialising in scenic train rides, putting adventurous consumers directly in touch with train companies. These train rides can be managed by large, either public or private companies.

Search results are classified by convenience for the traveller instead of commercial alliances of business users. The platform uses publicly available rankings (blog posts/social media), click-rate and the number of complaints about specific providers to rank their popularity among users.

Imagine that following the forced disclosure of the ranking parameters by the startup OTA, financially stronger business users start engaging in search engine optimisation to pump the clicks. As a result, not the best results are shown on top but those by the financially stronger business users. As the platform detects the malpractice it introduces additional parameters to counter the gamification. The large business users seek action against the platform for not disclosing those parameters and force further disclosure, allowing continued optimisation. Consumers perceive the platform as biased because they won't find the best deal anymore. Investors pull out and the startup OTA soon closes down.

[READ HERE about the top 10 travel startups across Europe](#)

SEE our Mapping of 60+ European Startup Platforms - How will stricter EU rules affect them?