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# Monopolistic Practices by Google LLC through the Implementation of the Google Play Billing System (Case Study of KPPU Decision Number 03/KPPU-I/2024)

**Dinda Azzahra[1)] & Sylvana Murni Deborah Hutabarat[2)]**
[1)]Faculty of Law, Universitas Pembangunan Nasional "Veteran" Jakarta (UPNVJ), Indonesia, E-mail: 2210611173@mahasiswa.upnvj.ac.id
[2)]Faculty of Law, Universitas Pembangunan Nasional "Veteran" Jakarta (UPNVJ), Indonesia, E-mail: sylvana.hutabarat@upnvj.ac.id

***Abstract.*** *Digital businesses are growing along with technological advancements. As one of the largest technology companies in the world, Google controls more than 90% of the digital application distribution market share. Google has implemented a coercive Google Play Billing System, thus triggering monopolistic practices in the digital market. This study aims to analyze the form of monopolistic practices of Google LLC through the Google Play Billing System and examine its impact on business competition, technological innovation, application developers, and consumers in the Indonesian digital ecosystem. The research method uses normative juridical with a case study approach of Case Decision No. 03/KPPU-I/2024 through an analysis of statutory regulations. The results show that the implementation of the Google Play Billing System fulfills the elements of monopolistic practices as stipulated in Article 17 of Law No. 5 of 1999 through dominant market control, control of payment system access, and restrictions on consumer and developer choices. The impacts of the Google Play Billing System policy include increased developer operational costs, obstacles to innovation in alternative payment technologies, dependence on the Google ecosystem, and reduced consumer choices.*

***Keywords**: Business; Competition; Google; Monopoly.*

## 1. Introduction

Nowadays, technology has become a crucial element in the continuity of daily human life. Humans need something more advanced to facilitate their lives. Technological developments have impacted various aspects of modern human life. Smartphones are a concrete example of technological advancement, the use of which has led to a close dependence on technology. According to David Wood, smartphones have advantages in terms of usability compared to other communication devices. The features contained in smartphones are more sophisticated and modern. These more sophisticated and modern features demonstrate the smartphone's ability to support human activities such as work, education, entertainment, and more (Sharma, 2022).

Digitalization across various sectors has driven the emergence of numerous technology platforms that dominate the global market, including in application distribution services. In this digital era, smartphone use is supported by operating systems (OS) and the development of internet networks. An operating system is essential for smartphones to function as a connection provider for application developers. Meanwhile, the internet is essential for people to access various types of information, communicate, and run various digital services such as downloading applications and updating operating systems.

One crucial aspect of the digital economy is the application distribution platform, which acts as the primary intermediary between app developers and users. Several operating systems are commonly known in Indonesia, namely Android and iOS. On Android devices, apps can be downloaded through the Google Play Store. On iOS devices, apps can be downloaded through the App Store. Both operating systems serve as core software that activates key functions on every certified Android and iOS device. (Nararya, 2023). Large technology companies like Google and Apple have a significant influence on digital business competition.

As one of the largest technology companies in the world, Google began acquiring the Android operating system owned by Android Inc. As a result of this acquisition, smartphones and tablets that use the Android operating system only provide Google Play Store services as a platform that provides a variety of applications. (Djaka, 2023). Google Play Store has become a comprehensive digital platform, offering not only mobile applications, but also digital content such as music, films, books, and games. This platform has grown into one of the largest application distribution services in the world with the number of application downloads reaching billions each year. Google Play Store is the main medium for application developers to distribute their products to Android users worldwide, including in Indonesia.

In essence, in business competition, companies demonstrate their respective advantages in the fields of trade, production, weaponry, and so on. (Rahmawiti & Hutabarat, 2020). Business competition in the digital market has unique characteristics such as a multi-sided market model where digital platforms can connect various consumer groups simultaneously, as well as strong network effects, where the more users join, the higher the value of a digital service. Furthermore, digital businesses generally have large economies of scale, with high fixed costs but low variable costs, making it easier for large companies to dominate the market. Furthermore, market dominance is also strengthened by ownership of intellectual property rights and vertically integrated business models. Furthermore, high platform switching costs discourage users and application developers from switching services (OECD, 2022).

Application distribution services in Indonesia are growing. Several smartphone vendors, such as Xiaomi and Samsung, have developed their own application distribution services to reduce dependence on the Google Play Store. Currently, other digital distribution services exist, such as the Mi Store, Galaxy Store, and Huawei App Gallery. This situation presents new challenges for businesses and the government to anticipate monopolistic practices by one application distribution service provider that attempts to suppress and hinder the progress of other competitors. (Indithohiroh et al., 2024). However, despite the existence of other alternatives, the Google Play Store still dominates the digital market as the largest digital service distribution platform in Indonesia with a market share of 93%. (KPPU, 2022). Other platforms still have limitations in terms of credibility, security, and user reach, making it difficult to compete with the Google Play Store or become a substitute for the Google ecosystem. (Halidi, 2023).

The Business Competition Supervisory Commission (KPPU) has taken steps to investigate alleged violations committed by Google as stipulated in Case Decision No. 03/KPPU-I/2024. This investigation refers to Law No. 5 of 1999 concerning the Prohibition of Monopolistic Practices and Unfair Business Competition. KPPU suspects that Google has monopolized the digital market and abused its dominant position as the largest digital distribution service platform in Indonesia as stipulated in Law No. 5 of 1999, particularly through conditional sales practices and discrimination in digital application distribution services. These actions have the potential to hinder healthy business competition and harm consumers and businesses in Indonesia.

Google implements a strategy to avoid competition by requiring the use of its own payment system in the Google Play Store, known as the Google Play Billing System (GPBS). (Jagga, 2022). The GPBS implementation functions as a payment method for developers who charge fees for downloading applications and in-app content from the Google Play Store. All transactions in applications distributed through the Google Play Store must comply with the GPBS policy. All applications, especially those that accept or require payment to gain access to in-app features or services, including digital content, digital products, or application functions.

The GBPS policy reflects Google's monopolistic practices. With a market share exceeding 50%, Google has implemented a policy with unreasonable service fees and limited payment options for app developers and users. The GPBS policy includes a service fee policy for apps and in-app products sold through the GPBS, with a fee of 15%-30%. Meanwhile, for apps using the Additional Billing System, the service fee described above is applied, minus 4%. (Google, n.d.) The GPBS policy has drawn a response from competition watchdogs, app developers, and startups worldwide. This is because the GPBS policy makes it difficult for other businesses to compete with similar products.

Research on monopolistic practices in Indonesian competition law has been conducted by several researchers with diverse focuses. The first study, conducted by Huta Disyon, Garnita Amalia, and Illona Novira Elthania in 2023, entitled "A Review of Business Competition Law Regarding Alleged Monopolistic Practices in Aviation Fuel Sales in Indonesia," used a normative juridical research method to examine alleged monopolistic practices carried out by PT Pertamina (Persero) in the aviation fuel sales market structure in Indonesia. The results of the study indicate that the aviation fuel sales market structure in Indonesia is monopolistic, with Pertamina having significant dominance in this strategic sector. This study evaluates whether this monopolistic condition violates the provisions of Indonesian competition law. (Disyon et al., 2023)

The second study, conducted by Dandi Jayusman and Reni Budi Setianingrum in 2023, entitled "Problems of Group Companies: Forms and Potential of Monopolistic Practices and Unfair Business Competition," used a normative juridical research method to analyze monopolistic practices and unfair business competition carried out by group companies in Indonesia. The results of the study revealed various forms of violations that can occur within group company structures, including cross-shareholding and price discrimination practices. They also comprehensively examined the relationship between group companies and competition law in Indonesia and provided an in-depth understanding of the complexity of competition supervision within complex corporate structures. (Jayusman & Setianingrum, 2023).

The third study conducted by Iqta Adzkia, Elisatris Gultom, and Deviana Yuanitasari in 2025 entitled "Analysis of Alleged Monopoly of Payment Systems by Shopee in Indonesia, Including Its Impact on Business Competition, Law Enforcement, and Legal Implications in the Digital Ecommerce Ecosystem" used normative juridical research methods to examine alleged monopolistic practices carried out by Shopee through its digital payment system, Shopee Pay. The results of the study revealed that Shopee's policy of providing exclusive incentives to Shopee Pay users can be categorized as a form of binding that has the potential to violate Law No. 5 of 1999, and emphasized the importance of regulatory updates and more adaptive supervision from the Business Competition Supervisory Commission (KPPU) to address the complexity of business competition in the digital era. (Adzkia et al., 2025)

Based on previous studies, there are several updates in this study. First, from the aspect of the subject and object of research, previous studies focused on state-owned enterprises in the energy sector, general analysis of group companies with complex ownership structures, and potential studies on Meta Platforms, while the new research will focus specifically on Google LLC as a multinational technology company. Second, from the business scope, previous studies focused on the traditional business sector, while this study will analyze the global digital business sector through digital payment systems. Third, from the aspect of research focus, previous studies only identified monopolistic practices, while this study will specifically analyze the impact of the implementation of GPBS on business competition, technological innovation, application developers, and consumers in the Indonesian digital ecosystem.

This research has an urgency to examine the form of monopolistic practices carried out by Google through the Google Play Billing System and the impact of these monopolistic practices. With this study, it is hoped that clearer and more effective legal solutions can be found in dealing with monopolistic practices in the digital market. In addition, this research can also provide recommendations for policymakers to adjust regulations to be more adaptive to the development of the digital economy, so as to realize healthy and fair business competition, and protect the rights of business actors and consumers in Indonesia. Therefore, the author wants to conduct a study with the title "Monopoly Practices by Google LLC Through the Implementation of the Google Play Billing System (Case Study of KPPU Decision Number 03/KPPU-I/2024)".

## 2. Research Methods

In order to resolve problems in society, legal research is needed, which is the process of systematically analyzing legal phenomena using certain methods and ideas. (Purwati, 2020). The type of research used by the author is normative juridical. This type of research aims to find legal rules and principles that can answer legal problems in society. (Marzuki, 2019). In accordance with the type of normative juridical research, the approach used is a statute approach using Law No. 5 of 1999 as a reference. This research also uses a case approach by studying the case study of the KPPU Case Decision No. 03/KPPU-I/2024. To answer the research problem formulation, the author utilized public secondary data. This data was obtained through literature searches or in-depth information gathering, covering primary legal materials, namely Law No. 5 of 1999 and KPPU Regulation No. 11/2011. Additionally, secondary legal materials such as books, scientific journals, and previous legal research findings were used to explain the primary legal materials. Furthermore, tertiary legal materials, such as dictionaries and news portals, assisted in explaining the primary and secondary legal materials. Data collection for this paper was conducted through document and literature studies, limited to written materials related to Competition Law. This research did not involve direct field observations, but rather studied written manuscripts. The collected data was analyzed using qualitative analysis techniques. Legal materials were analyzed by examining their content. The writing was descriptive to explain problem-solving in detail and systematically. (Muhaimin, 2020).

## 3. Results and Discussion

### 3.1. The Monopolistic Practices Carried Out by Google Through the Implementation of the Google Play Billing System

In today's digital market economy, businesses compete to outperform others. Businesses demonstrate the superiority of their respective products, whether in terms of resources or company recognition. (Rahmawitri & Hutabarat, 2020). This competitive environment is unavoidable. Under competition law, a business holding a large market share in an industry is considered a monopoly and potentially capable of engaging in monopolistic practices. Businesses control the market in which they operate and exert greater influence over their competitors. Businesses with market dominance for a product can implement independent strategies, such as creating policies that are independent of competitors and consumers. (Sudhiarto, 2021). However, it is important to understand that the law prohibits not monopoly status itself, but rather monopolistic practices and unfair business competition that are proven to be detrimental to the public interest. (Nugroho, 2018)

Law No. 5 of 1999 contains regulations prohibiting business actors from engaging in anti-competitive practices and creating unfair business competition. This regulation is crucial because the primary element of monopoly, namely control over the production and/or marketing of goods or services, is the primary evidentiary element for alleged violations, such as oligopoly, monopsony, and others. (Nugroho, 2018). In real-world conditions, business actors who dominate the relevant market have the potential to create anti-competitive policies. However, this law is not sufficient to prevent or even eliminate monopolistic practices, as every business actor always has loopholes to violate. Therefore, the government established the Business Competition Supervisory Commission (KPPU) as an independent institution specifically tasked with enforcing regulations related to healthy and fair business competition. (Sianturi & Hutabarat, 2020).

Business competition between business actors can encourage them to demonstrate the superiority of their respective products through new innovations. (Lubis et al., 2017). Business competition law still prioritizes healthy and fair business practices in the relevant market. This healthy competition is what ultimately benefits consumers by providing a wider choice of quality products at reasonable prices. Meanwhile, monopolistic practices carried out by a business actor can result in losses for the economy, other business actors, and consumers. In competition law theory, a monopoly occurs when one company has significant market power to determine prices and production quantities without facing significant competition. (Indithohiroh, 2024). This is in accordance with the definition of monopolistic practices in Article 1 number 2 of Law No. 5 of 1999 which defines monopolistic practices as the concentration of economic power resulting in control of the production or marketing of certain goods or services that give rise to unfair business competition and can harm the public interest.

Monopolistic practices can be classified into two main forms based on how they are formed: natural monopoly and legal monopoly (Ibrahim, 2009). Natural monopoly occurs when a business actor is able to dominate the market due to efficiency factors and resource advantages that are not easily imitated by competitors. Specifically, this condition often arises from the achievement of economies of scale, where a company is supported by superior technology and capital so that it can serve the entire market at a lower cost, making it difficult for other competitors to enter. This characteristic is relevant to analyzing the dominance of technology companies, including Google's alleged monopolistic practices through GPBS (Sirait, 2023). Meanwhile, government monopoly arises due to the existence of state regulations or policies that explicitly grant exclusive rights to certain business actors to manage a sector or product (Keraf, 2012).

Based on the classification of the forms of monopolistic practices, the monopoly carried out by Google in Case Decision No. 03/KPPU-I/2024 can be categorized as a form of natural monopoly. This is due to objective conditions possessed by Google, such as technological mastery, an integrated digital service ecosystem, and a very large economy of scale, thus creating barriers to entry for competitors. Other business actors in the relevant market, in this case the digital application distribution market, find it difficult to match Google's dominance, both in terms of infrastructure, number of users, and global reputation. This is reinforced by the unique characteristics of the digital market, such as the network effect, which makes it different from conventional markets.

The prohibition on monopolistic practices is further regulated in Article 17 of Law No. 5 of 1999. This provision contains indicators of forms of monopolistic practices designed to maintain a healthy and fair business competition climate. In addition, there is KPPU Regulation No. 11/2011 concerning Guidelines for the Implementation of Article 17 of Law No. 5 of 1999 which serves as a reference in determining how monopolistic practices are carried out by Google. By using the rule of reason approach, it is necessary to first understand the relevant market covered, after which there is a need for proof of market control by the business actor or its monopolistic position so that the form of monopolistic practices carried out by Google can be determined. (Citrawan, 2017). Determining the relevant market is necessary to determine the extent of control of products or services by a business actor. The definition of the relevant market in the digital sector is different from the conventional sector, because in the digital sector it has been influenced by the internet network so that the market is global. (KPPU, 2020).

The definition of the relevant market for Google in KPPU Case Decision No. 03/KPPU-I/2024 can be analyzed from a product market perspective using an approach based on product usability, characteristics, or price (Usman, 2013). If analyzed from a product market perspective, Google's relevant market is as a digital application distribution service platform. This is because the Google Play Store is a digital service platform that is useful for providing applications, games, films, books, and other things that can be downloaded by users. In addition, the Google Play Store is a meeting place between application developers who want to distribute their products and users who want to use those products. Dominance of products or services in the relevant market can occur due to large ownership of market share supported by technological capabilities and business actors' resources. Only after the relevant market is clearly defined can the elements of violations of the law be clearly analyzed.

In Article 17 Paragraph 2 of Law No. 5 of 1999, a business actor can be said to be engaging in monopolistic practices if: (a) the product in question has no substitute, (b) it results in other business actors being unable to enter competition in the market, (c) the business actor controls more than 50% of the market share. This provision provides clear boundaries regarding when a business actor is considered to be abusing its dominant position so that it can create unfair competition. In practice, this article is very important because it provides a legal basis for the KPPU to assess whether a company's dominance is reasonable due to efficiency or has entered the category of monopoly that is detrimental to other parties. The three elements in this provision are very relevant to Google's condition as the developer of the Android operating system, having direct control over the Google Play Store which is the digital distribution service platform on Android devices. Although Android is open source, Google has de facto control through Google Mobile Services (GMS), which automatically makes the Google Play Store the default and primary app store. (Hoppner & Westerhoff, 2022).

One of the most relevant elements to analyze in the conditions described above is the lack of substitution, particularly in terms of network effects. From a network effect perspective, Google has dominated the market with more than 50% of users. This has led many users to choose to use the Google Play Store, as its platform's value is increasing. Although there are alternative digital distribution service platforms such as the Mi Store, Galaxy Store, or Huawei App Gallery, these platforms still use the same operating system, namely Android. These digital platforms cannot replace the Google Play Store as the default platform on Android. This fulfills the elements of a violation of Article 17 Paragraph 2 Letter (a) because this condition reflects the absence of other platforms that can be used as a substitute for the Google ecosystem. The possibility of application developers and users switching from the Google ecosystem is very small. (Kurnia, 2022).

In addition to the lack of viable substitutes, Google's market dominance is also evidenced by its dominant market share. As of July 2025, Google had more than 2.5 billion users on the Google Play Store. Furthermore, applications distributed through the Google Play Store have reached more than 2 million applications (Statista, 2025). This makes Google a business actor that dominates production and marketing in the digital application distribution service platform market. This is supported by the results of the KPPU investigation which revealed that the Google Play Store controls more than 93% of the market share of the digital application distribution service platform in Indonesia. This fulfills the elements of a violation of Article 17 Paragraph 2 Letter (c), namely having a market share of more than 50%. Google, as a business actor that holds a monopoly position or real control over a product in the relevant market, has implemented a GPBS policy that must be approved by all application developers in distributing their products through the Google Play Store. This obligation is applied universally without providing alternative payment systems to application developers. This situation places app developers in a weaker bargaining position, consistent with the view that consumers are confronted by businesses, which, in this case, possess significant power due to their substantial capital holdings, thus lowering their bargaining position (Hutabarat et al., 2023).

In the GPBS payment process, Google charges a service fee of 15%-30% to application developers who distribute their products through the Google Play Store. This is where monopolistic practices occur, Google applies unreasonable service fees. This condition shows that Google not only controls the Google Play Store distribution market, but also controls the digital payment market within its ecosystem. By not providing alternative payment system options, Google is hindering the entry of business actors (barriers to entry) in the digital payment services market for Android applications. This fulfills the elements of a violation of Article 17 Paragraph 2 Letter (b) of Law No. 5 of 1999, namely preventing other business actors from entering the same market. In fact, before the implementation of GPBS, application developers could use alternative payments such as Doku. The monopolistic practices carried out by Google have resulted in unfair business competition and are detrimental to the public interest.

Alternative payment platforms like Doku, Xendit, and Midtrans offer lower service fees than GPBS. These alternative payment methods typically charge less than 5%. However, the low service fees offered by Google's competitors cannot match the operational scale of the GPBS payment system. However, implementing GPBS presents a barrier to innovation and efficiency

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for developers and alternative payment platforms in digital payment services. Furthermore, developers who do not use GPBS cannot distribute their products through the Google Play Store.

Google's monopolistic practices through GPBS are manifested in two main business strategies: tying arrangements and discrimination. In the tying arrangement strategy, Google ties access to the Google Play Store to the obligation to use the GPBS payment system. The Google Play Store and GPBS are two different products: the Google Play Store is a digital application distribution service platform, while GPBS is a payment system service. This practice creates conditions that benefit Google economically. Furthermore, other monopolistic practices carried out by Google through GPBS are evident in its discriminatory actions. Google applies unequal standards. This can be seen in the absence of GPBS implementation in Google's own application, namely YouTube, while all other third-party developers are required to use GPBS. YouTube is given the freedom to use a third-party billing system so it is not required to use the GPBS system. This self-preferencing practice creates unfair competition conditions and clearly demonstrates Google's intention to protect and expand its business monopoly.

The monopolistic practices carried out by Google through the implementation of GPBS are not only formed from natural monopolies due to control of technology and a broad digital ecosystem, but are also reinforced by business policies that clearly hinder competition. Google fulfills all elements of violation of Article 17 paragraph (2) letters a, b, and c of Law No. 5 of 1999, namely the absence of comparable substitutes for the Google Play Store platform, obstruction of entry of other business actors in the digital payment services market, control of a market share of more than 50%, and through a tying arrangement strategy between Google Play Store and GPBS and discriminatory treatment.

The practices in the Google case create very high barriers for both app developers and users to switch from the Google Play Store to other app distribution platforms. This barrier is caused, in part, by high switching costs, whether in financial terms, time, or convenience. For users, most popular and reputable apps are only available or more optimally used through the Google Play Store. This makes users reluctant or even unable to switch to other service providers. Furthermore, Google maintains control over developer and user data, such as transaction data, subscription history, and updates, which are only integrated there. Google also provides multiple layers of protection for the payment system, ensuring the security of all sensitive data and payment information. This situation not only impacts the market structure but also impacts the economy, resulting in financial losses for app developers, reduced choice for consumers, and disruption of healthy market competition mechanisms.

### 3.2. The impact of monopolistic practices carried out by Google through the implementation of the Google Play Billing System

Monopolistic practices are a form of market failure that can have a multidimensional negative impact on the economy and public welfare. In competition theory, monopolies create inefficient resource allocation because monopolists have the ability to set prices above the level of perfect competition and reduce output to maximize profits. This condition results in significant social welfare losses (deadweight loss), where consumers must pay higher prices while monopoly producers earn excess profits (monopoly rent) without providing comparable added value (Lubis et al., 2017).

Under Indonesian positive law, monopolistic practices contradict the primary purpose of Law No. 5 of 1999. Monopolistic policies such as Google's GPBS violate Article 3 letters b and c. The GPBS policy violates Article 3 letter b because it fails to create a conducive business climate and hinders equal opportunities for local businesses. Meanwhile, the GPBS policy violates Article 3 letter c because it blocks the space for healthy and fair competition for local payment service providers. This situation is detrimental to other businesses and undermines market structures and the public interest that should be protected by competition law.

The negative impacts of monopolistic practices can be seen from various perspectives. The absence of healthy competition leads to high and uncontrolled price increases for goods or services, which ultimately can trigger inflation and harm the purchasing power of the wider community. Monopolists can gain unfair profits by setting unilateral prices, forcing consumers to accept the quality and price available. This exploitative practice impacts the workforce through the setting of low wages. Furthermore, monopolies create economic inefficiencies because companies tend not to operate at minimum average costs. Monopolies also create barriers to entry and create income inequality caused by capital wealth being channeled solely to the monopolist (Widjaja & Yani, 2002).

Monopolistic practices not only impact output quantity and prices, but also efficiency and innovation in the long term. This occurs because monopolistic businesses lack the competitive pressures they face. This lack of competitive pressures means monopolistic businesses tend to have lower costs for innovating their services. This leads to technological stagnation and a decline in the quality of service provided to consumers. Monopolistic practices also hinder market dynamics and reduce consumer choice.

The impact of monopolistic practices becomes more complex in the digital market economy. This is due to the unique characteristics of digital markets, such as network effects, high switching costs, and others. Businesses that dominate the digital market for a service further strengthen their position through network effects, which increase the service's value as the number of users increases. The monopolistic practices carried out by Google through GPBS have a significant impact on developing countries like Indonesia, as these monopolistic practices not only affect short-term economic efficiency but also have the potential to hinder the development of an independent and sustainable national digital infrastructure (Shafa & Haryanto, 2023).

In Indonesia, the negative impact of the GPBS policy has been felt most acutely by app developers operating in the domestic market, particularly those relying on the Google Play Store as their primary distribution channel. The first significant impact for app developers is the prohibitively high commission burden, with Google charging between 15% and 30% of each transaction value. This fee increases pressure on developers' operating costs, particularly for small and medium-sized businesses with limited capital. For startups, this high commission burden not only reduces profit margins but also becomes a major obstacle to developing sustainable business models. As a result, developers' ability to invest in product innovation, marketing strategies, and market expansion is severely limited (Kurnia, 2024).

The second impact for app developers is the difficulty of migrating to another digital distribution platform, as this is costly and can lead to losses. One of the biggest risks is the loss of a customer base built over years, given that Android users typically access apps through the Google Play Store as their primary platform. This loss of customers not only results in decreased revenue but also undermines the developer's reputation, as reflected in the ratings and reviews accumulated on the Google Play Store. Migrating to a new platform requires transferring user data, which is difficult in practice because Google has complete control over transaction data, purchase history, and other user information. Technical barriers and privacy regulations make this process even more challenging, especially for developers without comparable technological infrastructure. As a result, app developers become trapped in a state of high dependency (lock-in effect) on the Google ecosystem.

The third impact for app developers is the risk of their apps being removed from the Play Store. In KPPU Case Decision No. 03/KPPU-I/2024, the Gramedia app developer received a warning from Google that the app would be removed from the list of apps distributed in the Google Play Store. This was because the app did not implement the GPBS system for in-app purchases. While the app was removed by Google, users were unable to search for the app in the Google Play Store. As a result, the app did not experience an increase in users because new users could not download the app. Other app developers affected by the removal of their apps included MNC with the Motionpay app and BCA with the Sakuku app. This occurred because MNC and BCA did not implement the GPBS policy. The data from the Gramedia, Motionpay, and Sakuku cases demonstrates how Google uses its power to coerce developers, which in competition law terminology is referred to as a form of abuse of dominance. Furthermore, the removal of these apps demonstrates that Google consistently applies its policies without considering the size or reputation of the developer company.

The fourth impact for application developers is a decrease in revenue. This is due to high commission burdens that erode profit margins and a deteriorating user experience due to limited payment options, directly leading to a decline in consumer purchasing power. App developers such as Gramedia, Ruang guru, and Vision Plus experienced a significant decline in revenue and transactions. For Gramedia app developers, during the period when their apps were removed by Google, from August 2022 to January 2023, their revenue remained stagnant. However, after complying with the GPBS policy, they experienced a decline in revenue: in August 2022, there were around 2,408 transactions, compared to only 1,071 transactions in February 2023. Furthermore, Ruang guru app developers, who had declared their compliance with the GPBS policy, also complained about a 64% decline in app ratings and user base. This decline not only impacted revenue but also Ruangguru's mission to provide broader access to education for the Indonesian people.

In terms of payment methods, the first impact was a sixfold increase in fees compared to previous commissions. This was influenced by a tying arrangement strategy aimed at monopolizing a derivative market, namely the in-app payment system market. By mandating GPBS, Google effectively blocked market access for local payment service providers like Midtrans, Xendit, and others, thus stifling price competition. For example, Gramedia app developers, before complying with the GPBS policy, used the Midtrans payment system, which offers various payment methods with service fees below 5%. However, after complying with the GPBS policy, app developers must pay service fees of 15-30%.

The second impact is the change in payment systems, which resulted in the loss of various payment method options previously available to consumers. Competition is not only about price, but also about service quality and innovation. By eliminating competitors, Google also eliminated innovations they offered, such as installment plans. This reduced the accessibility of digital services for a wider consumer segment, especially those without credit cards, and directly decreased the overall quality of service. Gramedia lost the option of paying through banks, which then resulted in a decrease in the app's rating due to user complaints. A similar situation occurred with Ruang guru, which lost its installment payment feature without a credit card. This feature was previously very helpful for users without credit cards to access digital education services. However, the Ruang guru app developer had already established a partnership with a B2B payment provider that allowed for negotiations to reduce service rates without reducing transaction costs. Furthermore, the Pahamify app developer was forced to eliminate its entire payment system. This situation significantly disrupted business operations because the app could not accept payments from users. This situation shows that GPBS not only increases operational costs but can also disrupt the developer's business model.

The conditions experienced by app developers hinder the growth of Indonesia's digital startup ecosystem, which should be able to develop optimally with more competitive costs. In addition to high service fees, app developers also lose the freedom to choose their payment system. Google should offer alternative payment options such as Doku, Xendit, or Midtrans. These other payment systems have lower commissions than GPBS. With lower service fees, app developers will earn higher profits. These profits can be used to innovate their products. Furthermore, Google needs to implement User Choice Billing fairly without burdensome additional fees and ensure there is no discrimination in app promotion or ranking.

From a user perspective, the first impact felt by users due to Google's monopolistic practices through GPBS is the increase in the price of applications or in-app purchase services. This is related to the high service fees contained in GPBS, so application developers shift the burden of these costs to users. This price increase leads to a decline in consumer welfare and creates economic inefficiency because users must pay more for the same product, without receiving a commensurate increase in service. Users are forced to accept the policies determined by these business actors. (Indithohiroh & Aryandini, 2024).

Based on the KPPU Case Decision No. 03/KPPU-I/2024, the impact felt by users includes complaints about additional fees after making payments through GPBS. Previously, users could pay for subscriptions through various payment methods. This shows that Google's monopolistic practices have created a domino effect that is detrimental to the entire value chain in the digital ecosystem. Meanwhile, in the Pahamify application, users can only register for the offered learning packages but cannot check out payments due to the implementation of GPBS. Furthermore, Ruang guru application users also complained about the lack of installment payment methods without a credit card. With these restrictions, digital education services become less affordable and contradict the goals of Indonesia's digital transformation, which should increase public access and participation.

The second impact on users is the price difference between the app and the website, revealing price discrimination practices that are detrimental to consumers. Developers are forced to raise prices in the app to cover the 15-30% commission they must pay to Google, while prices on the website remain normal. This phenomenon creates market distortions where consumers pay different prices for the same products and services, depending on the platform they use (Soepadmo, 2020). The third impact on users is the UI/UX changes, demonstrating how monopolistic practices can hinder innovation in user experience design. App developers are unable to implement a seamless user experience. The transaction process becomes more complicated. Users seeking a lower price are forced to exit the app because they must log in through the website to pay for the desired product.

The fourth impact felt by users is the loss of their right to choose, both in how they conduct transactions and in accessing the applications they desire, which is a fundamental right in a healthy and fair digital ecosystem. Google requires app developers to use the GPBS system for all digital transactions. This forces users to adhere to a single payment method, eliminating their freedom to choose other services that may be cheaper or more convenient. Furthermore, app developers who do not comply with the GPBS regulations will have their products removed from the Google Play Store. As a result, users may suddenly lose access to their favorite or needed apps. Users' app choices become fewer not because the apps are of poor quality, but because the developers disagree with Google's rules. The GPBS policy also creates a less transparent environment for users. Some users are unaware that the 30% discount they pay is not actually received in full by the app developers. When fee structures are opaque, user trust in digital platforms declines. Transparency is a key principle in digital consumer protection, and the GBPS policy potentially violates it.

The implementation of the mandatory GPBS policy also causes other businesses, particularly local payment service providers and app developers, to face very high barriers to entry. Google forces all app transactions distributed through the Google Play Store to use its proprietary payment system. As a result, local payment service providers and digital payment solution innovators have no access to Google's ecosystem, making it impossible for businesses to compete fairly and innovatively in the Indonesian Android app market (Suhanda & Tarina, 2024). This situation does not reflect fairness in business competition, as other businesses fail to capitalize on the growth of the national digital economy because access is controlled by a single global company that dominates the entire ecosystem.

Monopolistic practices through the GPBS policy have been proven to have a very detrimental impact on other business actors in the Indonesian digital market, both in terms of innovation, costs, and business growth opportunities. If this condition continues, it will not create healthy and fair business competition conditions, where business actors can develop and compete in the relevant market with new, more efficient innovations. The negative impact on business actors and users has been a primary consideration in the KPPU's decision in KPPU Case Decision No. 01/KPPU-I/2024, which found Google guilty of monopolistic practices. The KPPU ordered the termination of the GPBS obligation and required Google to open access to the User Choice Billing program to make room for other payment gateways and reduce service costs.

## 4. Conclusion

The monopolistic practices carried out by Google LLC through GPBS are manifested in several forms that violate Article 17 Paragraph 2 of Law No. 5 of 1999. Based on an analysis of the KPPU Case Decision No. 03/KPPU-I/2024, these monopolistic practices are manifested in several interrelated forms. These monopolistic practices are manifested in the form of a natural monopoly by controlling more than 93% of the market share of the digital application distribution service platform in Indonesia, a tying arrangement that ties access to the Google Play Store with the obligation to use GPBS without alternative payment systems, and discriminatory practices by providing preferential treatment to Google's own applications such as YouTube which are not required to use GPBS. In addition, Google also creates barriers to entry for other business actors in the digital payment market and sets unreasonable service rates of 15%-30%. Google's monopolistic practices through GPBS have fulfilled all the elements of a violation of Article 17 Paragraph 2 of Law No. 5 of 1999, namely the absence of a suitable substitute for the Google ecosystem, inhibiting other business actors from entering the digital payment market, and controlling more than 50% of the market share. An analysis of the impact of Google LLC's monopolistic practices through GPBS shows that the policy has created significant market distortions in Indonesia's digital ecosystem. This monopolistic practice has been proven to harm application developers through commission charges of up to 30% and high dependency effects, harm consumers by increasing service prices and limiting payment options, and hinder healthy competition by creating barriers to entry for application developers and local payment service providers. For improvement, the KPPU needs to develop a mechanism for continuous monitoring of the implementation of the ruling and strengthen digital business competition regulations, while Google should lower GPBS service rates, open full access to User Choice Billing, and provide transparency in its cost structure to restore healthy competition conditions in Indonesia's digital market.

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