

Consumer privacy and competition

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Type: (Bachelor's Thesis), Master's Thesis

Motivation and Aim:

With the advent of the digital era and the affordability of smartphones, firms have been able to gather an unprecedented amount of consumer data. This data collection has benefited consumers in many ways by improving consumer services both individually and on a societal level. However, the ability of a few firms to collect and analyze data also presents challenges that may be detrimental to consumers and smaller firms. The importance of consumer data and network effects make access to data essential for firms to innovate and improve their products. The inability of smaller competing firms to access/collect data on a large scale creates an insurmountable entry barrier. This will result in lower consumer choice which further steers consumer to the dominant firm and in the process strengthening its position.

The aim of this thesis is to understand the role of consumer data collection and its impact on competition in markets. A natural starting point is to pick a market from the following: search engine, online marketplace platforms and smartphone OS. For the chosen market, identify how data is collected and the types of data collected? Identify the firms active in that market and the data types collected. What are the most crucial data types in a market and how do firms value such data? How does acquiring this data create an advantage for these firms? Can mandatory sharing of data acquired by firms increase competition between firms in the market by levelling the playing field or stifle innovation in the long run?

The thesis has to be written in English.

References and related literature:

- De Corniere, Alexandre, and Greg Taylor. "Data and Competition: A General Framework with Applications to Mergers, Market Structure, and Privacy Policy." (2020).
- Tucker, Catherine. "Digital data, platforms and the usual [antitrust] suspects: Network effects, switching costs, essential facility." *Review of Industrial Organization* 54.4 (2019): 683-694.
- Lerner, Andres V. "The role of 'big data' in online platform competition." Available at SSRN 2482780 (2014).

- Lambrecht, Anja, and Catherine E. Tucker. "Can Big Data protect a firm from competition?" Available at SSRN 2705530 (2015).
- Krämer, Jan, Daniel Schnurr, and Sally Broughton Micova. The role of data for digital markets contestability: case studies and data access remedies. Centre on Regulation in Europe asbl (CERRE), 2020.