Wirtschaftswissenschaftliche Fakultät

Lehrstuhl für Wirtschaftsinformatik mit Schwerpunkt
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Masterseminar
"The Role of Data for Online Platforms"

Online platforms, such as Amazon, Google, or Instagram, have become an essential part of many consumers' lives. Online platforms are internet-based intermediaries that enable, facilitate, manage, and specifically control exchange and interaction between participants who affiliate themselves with the platform (e.g., users, providers of products or services). Consumers may use their smartphone to consult a search engine about the location of a restaurant nearby, use a ride-sharing app instead of using their own car to get there, and pay driver and food through a payment provider of their choice.

When consumers use these platform services, they enable the owners to collect and use their (personal) information. In exchange, many online platforms offer their services to consumers free of charge. Platforms may use the user information to generate business value. Perhaps the most known example is using data to sell targeted advertising to brands. In other applications, the platform owner may enhance its value proposition, e.g., by reducing search costs of the individual consumer by tailoring content to their preferences.

A pivotal property that has led to the rise of platforms in the first place are network effects. Network effects occur when the use of a product or service by one individual directly or indirectly affect the attractiveness of the same product or service to others. Network effects lead to a winner-takes-all dynamic, and, as a result, user attention online has consolidated on very few providers. These so-called gatekeepers have unprecedented means of data collection. Given the data-driven nature of the services offered by platforms, unequal access to data can skew market power and the resulting imbalances possibly lead to unfavorable market outcomes for consumers (e.g., excessive data collection) and business users (e.g., excessive pricing).

In response to such concerns, regulators around the world have taken action to curtail abuse of market power by online platforms. On the consumer side for instance, regulations like the General Data Protection Regulation (GDPR), the California Consumer Privacy Act (CCPA) or the Chinese Personal Information Protection Law (PIPL) aim at safeguarding consumer privacy. More recently, the Digital Markets Act includes "Do's and Don'ts" for platforms vis-à-vis business users and rivals to tame their market power. Similar regulations are being devised in the US and China.

In this vein, the seminar "The Role of Data for Online Platforms" aims at providing students with an understanding of basic data-related mechanisms in the platform context. In particular, the seminar deals with questions regarding the role of data in competition, data use by platforms (e.g., advertising purposes, reputation, and recommendation systems), data governance and data protection.