

Data Practices in Digital Ecosystems: Implications for Value Creation, Competition and Regulation

Digital Markets Competition Forum CBS initiative
21 October 2020, 18:00 – 19:30 Central European Time
<https://us02web.zoom.us/j/86020036307>

Background and Objectives

Digital platforms and their connected ecosystems have provided a new mode of organizing economic activity that has created large benefits for consumers and new economic opportunities and efficiencies. As they continue to flourish and become more dominant in the digital economy, concerns are mounting that platforms can leverage their market power to further expand their services across markets, erect barriers to entry, and exert a market gatekeeping stronghold that can ultimately harm competition or users.

Many of the issues that have led to increased scrutiny and demands on policy makers to act revolve around data – how platforms can use data to create customer lock-in and harm competitors. Suspicious greedy practices that have been identified include self-preferencing (using data exclusionary access and recommendation systems to promote and favor own services against those of rivals), exclusion of access to user data to block competition, restrictions to user data portability to create switching costs and user lock-in, and collection and aggregation of data to reinforce market dominance and expand market reach of own services. A number of reports have been produced by competition authorities, some proposing *ex ante* regulation of dominant platforms acting as market “gatekeepers.”ⁱ Some of the remedies being proposed range from prohibition against self-preferencing, obligation to provide real-time data portability, prohibition of data collection on/off platforms for purposes other than the ones connected to the current service (“data silos”), transparency of data collection, and obligation to provide access to user dataⁱⁱ.

This virtual roundtable brings together academic experts to discuss the role of data in the digital economy, the challenges with current data practices and the economic, innovation and competition impact of the proposed measures. The aim will be to encourage new ideas that go beyond existing notions and to understand the broader implications for the well-functioning of digital markets.

Focus and Questions to consider

The workshop will explore the role of data for the functioning of digital ecosystems, data practices for value creation and capture, and policy implications by discussing the following issues:

- How do data work, really? How are data created and used? How do data create value?
- Open vs. closed data: implications for (economic) value and (societal) values
- Data practices in the digital economy: what’s good, what’s bad, and why?
- Proposed regulatory interventions range from curbing data collection and usage to mandating data access: Do these make sense and on which basis - economic value, innovation, competition?

Invited experts will present short interventions which will be commented by discussants. A short Q&A session will follow.

This meeting builds on an earlier meeting on the role of network effects in users and data for platform’s market power and customer lock-in.

Insights will be captured in a briefing paper and presented at live DMC Forum event.

Agenda

Introduction

1. Welcome & introduction (3 minutes): Introduction to the topic; aim of the meeting; overview of agenda

Carmelo Cennamo, Professor MSO of Strategy, Copenhagen Business School, Director of DMC Forum

2. Corporate Perspective: A view on data value (5 minutes)

Eliana Garces, Public Policy Director, Economic Policy, Facebook

Panel Discussion

3. Panel: Data Practices and Regulation – initial views (30 minutes)

Cristina Alaimo, Assistant Professor in Digital Economy, LUISS Guido Carli (6 minutes)

Ioanna Constantiou, Professor of Digitalization, Copenhagen Business School (6 minutes)

Marco Iansiti, Professor of Business Administration, Harvard Business School (6 minutes)

Michael Jacobides, Professor of Strategy, London Business School (6 minutes)

Geoffrey Parker, Professor of Engineering, Dartmouth U. (6 minutes)

4. Panel Discussion: Bridging views on harmful practices and implications of proposed remedies (30 minutes)

5. Q&As and Open Discussion (20 minutes)

Closing remarks

6. Closing remarks (2 minutes)

Carmelo Cennamo, Professor MSO of Strategy, Copenhagen Business School

The DMC Forum initiative:

The Digital Markets Competition Forum is a new initiative to enhance the dissemination of Strategy and Innovation research, and its practical relevance in the context of the digital economy. Led by Professor (with special responsibilities) Carmelo Cennamo, the DMC Forum's main objective is to foster a progressive debate on the role of digital platforms in the economy and the new competitive forces in digital markets. In particular, the DMC Forum aims to:

- bridge academic research and the practice of management in (and of) digital markets;
- promote the dissemination of management research on digital platforms, ecosystems and competition and innovation in digital markets;
- reach out to policymakers, firms, and stakeholders at large to discuss the opportunities (for innovation and value creation) as well as the challenges associated with digital platforms and digital markets, including the implications for the regulatory framework.

ⁱ European Commission, "Digital Services Act package: open public consultation", https://ec.europa.eu/eusurvey/runner/Digital_Services_Act?surveylanguage=EN.

ⁱⁱ See for instance the German report for a EU platform regulation (https://www.bmwi.de/Redaktion/EN/Publikationen/Wirtschaft/a-new-competition-framework-for-the-digital-economy.pdf?__blob=publicationFile&v=3); Furman report for the UK CMA (https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/785547/

[unlocking digital competition furman review web.pdf](#)); and the Digital Service Act EU directive proposal (Ibid., 1)