

Mandated data sharing in hybrid marketplaces

by Flavio Pino | Federico Navarra | Luca Sandrini | Politecnico di Torino | Università di Padova | Budapest University of Technology and Economics

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Considering a monopolistic hybrid platform, we investigate the effect of a mandated data sharing policy on market outcomes across different data functionalities (price discrimination and cost reduction) and different market structures (perfect and imperfect competition). We find that mandated data sharing has no effects on welfare if data can be used to price discriminate consumers who buy homogeneous goods, while mandated sharing of cost-reducing data improves welfare by lowering the average price in the markets. When goods are horizontally differentiated, data sharing with price discrimination (cost reduction) may instead negatively (positively) affect consumers. We argue that in markets where competition is softer, mandatory data sharing may damage the very agents it is intended to protect, namely consumers and (efficient) sellers.