

E-commerce in focus: the GVH is investigating the role of data

16 December 2020, Budapest – The Hungarian Competition Authority (GVH) is launching a market analysis to explore how consumer datasets of e-commerce companies are created and what role such assets play in the competition between online stores. The investigation will also cover to what extent consumers are aware of this data collection and how it influences their decisions.

The fear caused by the coronavirus pandemic and the restrictions on free movement have significantly increased the role of online trade. Even consumers who had never done so before, have now tried what it is like to shop from the comfort and safety of their home. This change may transform consumer habits on the long run as well, increasing the role of e-commerce. Thus, the GVH assesses the operation of the sector and the characteristics of consumer behaviour within the framework of a market analysis.

During this market analysis, the Competition Authority examines what data e-commerce companies collect from their consumers, how and for what purpose they use such data and to what extent consumers are aware of it. The analysis will also cover what competitive advantage may be gained from the accumulated data, how the lack of such data may prevent a new entrant from entering the market successfully and how this relates to other barriers to entry (e.g., setting up logistics or building brand awareness).

The market analysis does not investigate e-commerce in general but narrowed down to three product categories. The Authority chose these categories on the basis of share of consumer spending, increase of the past years, size of online sales and expansion during the first wave of the coronavirus pandemic. Thus, the investigation will cover the online retail trade of electronic products, food products and clothing.

Within the framework of this market analysis, by using publicly available market information, reaching out to market players concerned who volunteer to provide replies and conducting market research, the authority assesses the operation, processes and trends of the sector and the effect of these on competition, on business partners and on consumers. The GVH will summarise the findings of the market analysis in a report and publish it on its website.

The announcement of the initiation of the market analysis, also containing the planned schedule, [can be found on the GVH website](#).

GVH Press Office