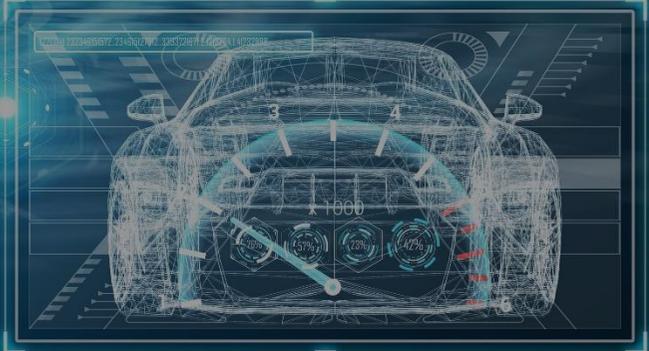


DATA IN AFTERMARKETS: COMPUTERS ON WHEELS AND MORE IOT

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Copenhagen Economics

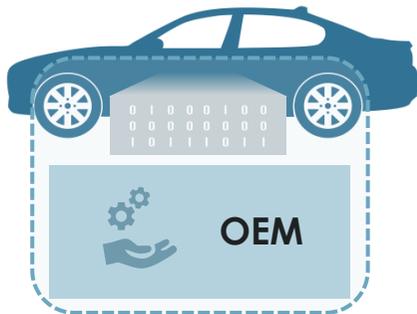


2019.10.15



No access to data generated by machines may lead to foreclosure in related aftermarkets

PRIMARY MARKET



AFTERMARKET

 Maintenance & repair

 Fleet management

 Insurance

 Other services

The setup

OEMs build sensors into their machines that generate 'big data' – OEMs control this 'big data'.

This 'big data' can be useful for aftermarket services but may not be easily accessible for 3rd parties.

Theories of harm

Exclusionary: OEMs with market power in the aftermarket foreclose competitors by restricting their access to OEM data.

Exploitative: OEMs have market power in the aftermarket and charge excessive prices for data.

The EC's Expert report clarifies approach to data-related issues in aftermarkets

Data is an input with no property rights defined



Market definition and dominance



Aftermarkets can be separate markets even if primary markets are competitive.

OEMs may have market power in the aftermarket if their data is not available to aftermarket entrants.

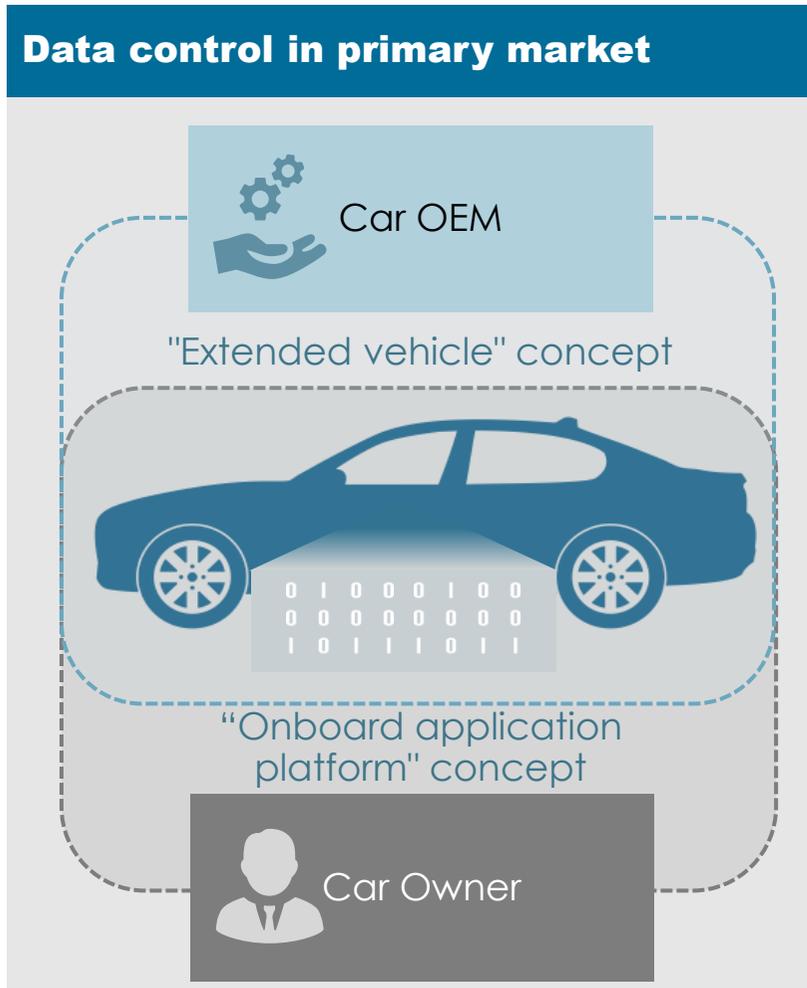
The foreclosure theory of harm



If a data controller is dominant on a separately defined aftermarket, a refusal to grant access to the relevant data may constitute an abuse.

Interest balancing criterion: ensure contestability of aftermarket vs. protect investment incentives

Data governance in the car ecosystem



- Extended vehicle concept**
 - All data on OEM's servers under its control
 - OEM monopoly position on car data from its brand
 - Position supported on security/safety grounds
 - Aftermarket service providers exposed
- Onboard application platform concept**
 - OEM installs completely independent OS on board
 - Data stored and processed inside the car
 - OS/apps have access to the car's internal data
 - Development costly for OEM because of security