

Sector inquiry by the Hellenic Competition Commission into e-commerce

a. Feasibility

The Hellenic Competition Commission, in the context of its responsibilities under Article 40 of Law 3959/2011 and following the relevant decision of the Plenary Session from 11.03.2020, declares the initiation of the sector inquiry in electronic commerce (e-commerce).

E-commerce is now an integral part of our daily lives, being in the consciousness of the average Greek consumer a reliable alternative to traditional, natural distribution channels. According to studies, in 2019 it was estimated that about four million of our compatriots would buy products or services online (Athens University of Economics and Business - Electronic Commerce Laboratory, 2019), with the total value of online markets amounting to € 10.2 billion in the same year (Stochasis, December 2019).

Coincidentally, the operation of online stores has become particularly important in recent times, with the rise of the coronavirus pandemic (Covid-19).

The introduction of online shopping into our consumer habits is not surprising given the diverse benefits of digital stores: convenience, direct access, lower prices - and all this, within a few "clicks" between them. At the same time, online platforms act as intermediaries between retailers and consumers, allowing the latter to search for products and compare prices, eliminating the relative cost of research and promoting pricing competition. In fact, in the era of the 4th Industrial Revolution, artificial intelligence, the use of algorithms and the ability to use big data enhance the already dynamic nature of e-commerce, with significant benefits for consumers.

E-commerce also allows the productive part of the market to acquire access to an unlimited distribution channel and to ensure access to countless markets, both in Greece and abroad, contributing in the transformation of both the Greek economy and the strengthening of its extroversion. As the possibilities provided by the internet and e-commerce come to ensure the much needed access to consumers, overcoming geographical and other technical constraints, they also create the possibility for all producers – without exception – to develop and expand their activities, to invest in research and innovation, to design and create products and services that will be competitive and accessible worldwide, to promote Greek brands and, in general, to contribute to systematic productive restructuring and development of all sectors of the Greek economy.

At the same time, the development of internet technology is coming to overturn, disrupt and provoke established conditions and structures in every market, offering a unique opportunity to spread new ideas and implement initiatives by start-ups in creating collaborative innovation formations (clusters) and ultimately to attract scientific and other personnel, recovering the relative brain drain that Greek society has suffered in recent years.

At the same time, however, with the development of the use of the internet and e-commerce, the conditions are being created that favor the development of competition

distortions, which may limit the ability of consumers and producers to benefit to the fullest extent possible from the competitive advantages of online commerce.

In this context, the Hellenic Competition Commission is taking the initiative to launch a sector inquiry into e-commerce, using the relevant option provided by law, to determine whether and to what extent competition in the digital environment works effectively and to identify any practices that are able to harm consumer welfare. The launch of this sector inquiry in a period in which the Covid-19 pandemic has brought about significant changes in the habits of the Greek consumer, highlighting the importance of e-commerce, is part of the actions taken by the Hellenic Competition Commission to protect consumers at this difficult juncture.

The sector inquiry primarily focuses on the following markets:

- clothing and footwear (with emphasis on the relevant sportswear and footwear market)
- electronic and electric devices
- books
- mediation services to provide travel tickets
- mediation services for the provision of tickets for events
- mediation services to provide catering services
- accommodation and rental – AIRBNB
- e-pharmacies (with emphasis on dietary supplements and parapharmaceuticals)

without prejudice to the ability of the Hellenic Competition Commission to further specify and / or limit and / or expand the scope of the research depending on the case-by-case findings of the research, as it evolves.

This sectoral inquiry into e-commerce aims to help the Hellenic Competition Commission to gain a more complete picture of the competitive conditions prevailing in emerging markets, so that, at a second stage, it can either intervene or take initiatives to promote specific competition policies or regulations in the relevant sectors. In this way, the e-commerce sector inquiry is at the heart of the Hellenic Competition Commission's overall initiative to take measures to contribute to the country's digital transformation, and in particular - given the current situation - to restructure the economy and promote innovation after the end of the Covid-19 pandemic.

b. Objective

As part of the e-commerce sector inquiry, the Hellenic Competition Commission will focus on addressing issues such as:

- mapping of relevant online markets,
- possible obstacles to the entry of new players or the expansion of existing ones,

- the use of algorithms by digital retailers and platforms for advertising or pricing purposes, including the implementation of personalized pricing systems for which there will be special market research by the Hellenic Competition Commission,
- the importance of consumers' mass data (bigdata) for the operation of digital retailers and platforms, as well as the scope of their use in commercial practice,
- restrictive practices (agreements / concerted practices) between competitors operating in online commerce, with particular emphasis on cases where these restrictive practices are facilitated by a common counterparty (e.g. digital platform),
- the application of vertical restrictions on online distribution systems (e.g. setting minimum resale prices and / or minimum advertised prices, MFN clauses, imposing geographical restrictions),
- all kinds of restrictions on the distribution of products and services over the Internet, such as: the (direct or indirect) general ban on online sales, the exclusion of certain online stores from distribution systems, or the prohibition of sales through platforms or price comparison websites,
- implementation of dual pricing policy by suppliers, depending on whether their products are distributed through a physical or online channel,
- abusive practices of powerful platforms (e.g. competitors' exclusion practices, excessive pricing),
- practices falling within the scope of Regulation (EU) 2019/1150, with an emphasis on the latter's relationship with competition law.