Introducing nudging algorithms

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The debate on the competition challenges brought by algorithms is confined to two aspects. Algorithms (i) collect and personalise data, and (ii) they do it in almost perfect alignment.

1. Artificial intelligence and pricing practices

The global debate and that is how the idea of Artificial Intelligence (AI) has not yet reached but that it is so important. Indeed, AI has the potential to transform the way we live and interact with other people, and it is transforming the way we live and interact with other people, and it is transforming the way we live and interact with other people. AI can be applied for a different anticompetitive purpose. Digital platforms funded by digital advertising can develop algorithms as a tool to develop a neomodern cycle consisting of extracting data, providing increasingly more advanced services, providing more data, and consequently (better service). It is likely that personalisation will secure consumers' engagement with the platform and provide more data. As the dataset improves then advertisement services offered by the platform become more accurate and more profitable.

AI and pricing practices:...

CMA report on online platforms (n 8), paragraphs 3.112, 4.198-4.206. OECD report on digital platforms (n 6), 457-459.


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V. Nudging algorithms or pricing algorithms?

Nudging algorithms is a real issue backed by concrete and undeniable evidence. While most of the debate on algorithms has been focused on both collusion and personalized pricing it is time for competition enforcers, academics and practitioners to look into nudging algorithms and its disruptive effects in digital markets. Of course, algorithms capable of existing collusion and price personalization should be further investigated if necessary as this is an issue that could arise in the future.

If thought carefully nudging algorithms are also pricing algorithms as they allow non-monetary prices (i.e. exposure) at the amount of data provided by consumers to the platform to remain high and perhaps to continue in the future. As the platform values the issue with this not that is it really not compete and the response from competition policy-makers should follow a similar approach, the analysis on algorithms should be competent and bias-free.

The same applies to both consumer-facing markets and to search engine or social media and digital advertising.

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