

THE NEW PHENOMENON IN DIGITAL TRANSFORMATION CHATGPT AND COMPETITION LAW

**Muhammet Demirel
Assistant Competition Expert
Supervision and Enforcement Department – I**

Big Tech investing big in ChatGPT creates certain concerns related to access to data by other chat-based artificial intelligence (AI) robots.

ChatGPT, launched by OpenAI in November 2022, reached a large user base of 100 million in a very short time, becoming the newest focus of interest on the internet. Attaining a large user base as soon as launch, the rapidly increasing popularity of ChatGPT brought it to the attention of many competition authorities. In this article, we will examine ChatGPT, the latest phenomenon of human-machine interaction.

What is ChatGPT?

ChatGPT, the full name of which is Chatbot Generalized Pre-Trained Transformer, was launched by a start-up called OpenAI, founded in 2015 by entrepreneurs such as Elon Musk, Lya Sutskever, Wojciech Zaremba, Greg Brockman and Sam Altman. OpenAI, whose mission is to “ensure that artificial general intelligence benefits all of humanity,” has developed many AI models, including ChatGPT.

ChatGPT is designed to understand and produce human-like text based on the input it receives, and defines itself as an AI model that can interact with humans in natural language and manage text-based chats. In particular, its ability to provide fast, satisfying and human-like responses to the questions asked to it on technical, scientific and legal subjects highly increased ChatGPT’s popularity and brought it global renown. With its rapidly growing user base, currently ChatGPT is seen as the largest and most powerful chat-based AI model.

“ChatGPT’s inclusion in business processes significantly reduces the time and effort needed to collect information on the competitors and the future of the market.”

Competitive Pressure ChatGPT Puts on Search Engines

The success of ChatGPT in the market steered many large companies toward this area, and Microsoft’s plans to integrate ChatGPT into its search engine Bing have heated up the competition aspect.

ChatGPT’s ability to provide satisfactory and generally reliable answers to the questions asked in a textual format based on the sources it collects quickly puts competitive pressure on the incumbent search engine, Google. While at present it does not seem likely that ChatGPT will replace incumbent search engines, in light of further improvements to be made to AI in the future, it would not be amiss to state that chat-based AI bots such as ChatGPT will constantly increase the competitive pressure they exert on search engines.

Contribution to the Competitive Process among Undertakings

Thanks to its ability to understand the inquiry entered into it and to produce relevant responses, businesses have begun to include ChatGPT into their processes, including competitive intelligence gathering and market studies. In fact, when asked about its contributions to

competitive intelligence and market studies, ChatGPT stated that it can monitor market trends, analyze competitors of businesses, evaluate consumer feedback, support product development processes, and improve customer experience.

It may be said that the increasing use of AI in the business world has been completely transformed with ChatGPT. Businesses that used to put a lot of effort into market studies and competitive intelligence can access the information in the market much more easily and quickly due to ChatGPT, and can find detailed information on their competitors as well. First and foremost, ChatGPT's inclusion in business processes has significantly reduced the time and effort needed to collect information on the competitors and the future of the market. Traditionally gathered through a long and costly process based on data from various sources such as financial reports, news, articles and social media platforms, businesses are now able to access this information in a comprehensive form within minutes, just by entering the relevant question to ChatGPT.

Competitive Concerns

Although it is too early to tell if ChatGPT will cause competitive concerns, competition authorities have put ChatGPT under close scrutiny due to the ability of digital markets to develop and change very quickly.

Large amounts of data is required for training chat-based AI bots such as ChatGPT. This data is generally provided from data pools owned by Big Tech. Thus, it may be said that Big Tech have more access to data compared to other the players. In particular, the fact that Big Tech started to make large investments in ChatGPT brought about concerns related to the access of data by other chat-based AI bots. In case restrictions are put on chat bots' access to data, their most important input, it will become impossible to develop a chat bot that can compete with ChatGPT.

At the same time, ChatGPT has the opportunity to collect a large amount of data, including personal data. Together with its recent inclusion in business processes, the data collected by ChatGPT has begun to gain more and more importance. In addition, since the question of how to process the data acquired is rather complicated due to the nature of artificial intelligence, privacy as well as anti-competitive concerns related to the data have increased.

As a result, many competition authorities around the world launched examinations on ChatGPT. These examinations are conducted with an aim to understand the effect of the data acquired by ChatGPT on competitive processes, and to protect personal data. The intense interest in ChatGPT, the complexity of business processes and the increasing concerns related to competition and privacy show that ChatGPT will have to deal with competition authorities more and more in the coming days.

Conclusion

Hailed as a gift to humanity from artificial intelligence, ChatGPT has reached a lot of users in a very short time and shows no signs of stopping. Although it is yet too early to talk about the risks ChatGPT will create for competition, it is mandatory for competition law to adapt to technological developments and transform itself to ensure the sustainability of the digital ecosystem. In that process, it would be beneficial to keep a close eye on ChatGPT, especially in light of the experience gathered in the digital markets which experienced many problems in the past.