

# Facebook, Google and Amazon too big? Why that question keeps coming up

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For more than a decade now, our love affair with three high-profile tech companies has been torrid.

Google answers our every query. Facebook keeps us connected. Amazon anticipates our shopping desires and delivers them fast.

But as the importance of these software-driven, data-collecting, money-making giants in our lives has mushroomed, so too have concerns that these sprawling businesses—whose combined market cap is a whopping \$1.6 trillion—have grown too big, too influential, too unmonitored. Too much the Big Brother that dystopians warn about.

What's particularly striking about the growing chorus criticizing Google, Facebook and Amazon is it comes from all corners, from consumers to congressmen, from the conservative right (including President Trump's former advisor Steve Bannon) to the liberal left (Sen. Elizabeth Warren).

Conservatives charge that platforms such as Facebook suppress pages expressing their views, while companies such as Google unfairly demonize employees who raise controversial issues. And liberals decry Facebook's role in the Fake News groundswell that played a role in the presidential election, and sound antitrust alarms as Amazon looks to dominate yet another industry.

Consumers also have fears. They don't trust the computer algorithms that

determine what Facebook updates they see from friends. They wonder about the veracity of the search links that Google delivers. And they fear that Amazon, the "everything" store, will put every brick and mortar retailer out of business.

Patsy Wehner, 44, who works at a military store in Severna Park, Md., adores her Amazon Prime membership, something she shares with around 85 million Americans. But she also senses she's "in a Catch-22 of sorts," trading short term convenience for long term troubles.

"I feel that monopoly companies are just bad for business," she says. "Because then, when all of the other stores are gone, they can change prices to be sky high and we won't be able to do anything about it besides gripe."

## **The price of convenience**

Long praised as shining examples of American innovation, Internet companies for years enjoyed a collective pass from consumers and lawmakers enamored with their ease and seemingly overnight ability to vault us into the future.

Antitrust laws anchored to a singular concern—fair competition for the benefit of consumers—didn't touch disruptive companies providing goods and services that were often cheaper, if not free.

But while few experts predict the breakup of big tech in the way that railroads and oil companies were dismantled, Silicon Valley's biggest players are now facing the kind of grilling usually reserved for Wall Street hedge funds and big banks.

Facebook and Google have come under the most intense pressure from U.S. lawmakers they've ever faced—scrutiny that's likely to at least

prove a new cost. Consider the \$2.7 billion fine recently levied against Google by European regulators, which said Google gave an unfair advantage to its own shopping service in its search results. Google has denied any wrong doing.

This new pressure could possibly hamper growth. Facebook, in response to Congressional investigators looking at the sales of \$100,000 in Russian ads on its platform during the U.S. election, has already promised a change to how it sells political ads.

While Amazon's rampant business deals rarely caused a stir in the past, its recent \$13.7 billion purchase of Whole Foods was flagged for its monopolistic implications by some Democrats.

The deal eventually was approved by the Federal Trade Commission, citing no evidence it would lessen competition—likely a reflection of Amazon's mere 2% share of the \$600 billion grocery market. Yet the debate put a new spotlight on the Seattle-based [company](#)'s tightening yoke over all facets of retail shopping, from books to shoes to music, and now, fresh food.

"We should really be concerned about the influence these companies have on the ways we structure out thoughts and our lives," says Siva Vaidhyanathan, professor of media studies at the University of Virginia and the author of *The Googlization of Everything: (And Why We Should Worry)*.

"Our everyday interaction with Google and Facebook seems to imply no danger or annoyance," he says. "But that doesn't mean there is nothing to worry about."

In a Survey Monkey poll for USA TODAY, 76% of respondents felt technology companies were getting too influential in the lives of

everyday Americans, with 52% describing this influence as a bad thing.

When asked if they were concerned about unchecked growth, such as the recent Whole Foods deal, opinions were almost evenly split, the SurveyMonkey poll found, but monopolies concerned 30% of respondents, and layoffs 19%. On the flip side, some felt such consolidations increased innovation (28%) and lowered prices (19%).

"In the back of my mind I'm thinking, 'Yes, I am paying a price for this (convenience),' " says Lisa Carey, 50, who runs a social media marketing company in Houston and is regularly logged onto dozens of platforms daily. "People give out so much information (to [tech companies](#)), and they think it doesn't mean anything but it does."

Worries over tech companies getting too big have rippled across the political divide.

Lina Khan of Open Markets Institute, who wrote a case study using Amazon to argue for remaking antitrust laws, says that liberals and conservatives are in rare agreement over the fact that "this level of gatekeeper power among a handful of companies is anathema to democracy."

Last year, Bernie Sanders and Warren warned that Google and Amazon were trying to "snuff out competition," while Sen. Mark Warner (D-Va.) this month said Facebook's Russian ad debacle is "the tip of the iceberg" for the social network.

Conservative Fox News commentator Tucker Carlson, echoing the sentiments of former White House adviser Bannon, recently argued that large tech companies should be regulated as utilities, citing in particular its "power to censor the Internet."

The right recently rallied around James Damore, the Google engineer who released a treatise criticizing Google's efforts to hire and promote more women and people of color, lambasting the company for a "politically correct monoculture that maintains its hold by shaming dissenters into silence." He was dismissed by the company for suggesting women weren't as biologically suited to tech as men.

## **'Americans don't like bigness'**

"It doesn't matter which side of the political aisle you're on, what matters is these are the largest corporations in the world and they accumulated too much political power," said Jonathan Taplin, also a tech-as-utility advocate and author of *Move Fast and Break Things: How Facebook, Google, and Amazon Cornered Culture and Undermined Democracy*.

Taplin notes that Microsoft ran into the same sort of controversy when it was sued in 2001 by the U.S. government on grounds that it had created a software monopoly.

"People didn't like Microsoft and AT&T because they were monopolies, and now they're waking up to the fact that Google and Facebook are as well, and Amazon is on the cusp."

Exhibit A could be the fact that Google and Facebook have come to utterly dominate the U.S. digital ad market, according to a new study by research firm eMarketer. The two are now expected to rake in a combined 63.1% of U.S. digital ad spending in 2017, up from eMarketer's previous prediction of 60.4%.

That sort of control is bound to have repercussions, says Scott Galloway, professor at NYU's Stern School of Business and author of the upcoming book *The Four: The Hidden DNA of Amazon, Apple, Facebook and Google*. "The worm has turned," he says.

Galloway predicts that within the next year European regulators will levy "the mother of all fines, maybe \$10 billion" against a U.S. tech company, "mainly because where we in the U.S. see most of the upsides from these companies, Europeans don't get the financial impact and see most of the downsides."

He also expects that what can be best described as the arrogance of some tech companies—he cites Amazon's recent competition among U.S. cities to provide it with the best subsidies for its second headquarters—will prove to be fodder for upcoming politicians. Amazon has framed this contest as a search for "second home" that will bring \$5 billion in investment and 40,000 jobs.

"Amazon's trying to extract billions in tax credits instead of being the best corporate citizen in the world," says Galloway. "That's short-sighted, because soon people will say that what's good for the consumer might not be good for society."

Some experts suggest that a call to curtail the power of some tech companies may come from new political actors eager to tap into these growing Red and Blue State grumblings. While Trump administration officials have not displayed an eagerness to curtail Facebook, Google and Amazon, those vying for the White House next may sing a more modern antitrust tune.

"Americans don't like bigness, whether it's big businesses or big government," says Margaret O'Mara, a University of Washington history professor who focuses on the high tech economy. "You can always win an election by getting up on a podium and railing against bigness."

That said, their fate ultimately could be sealed by the inherently cannibalistic nature of the tech industry itself, she says. While the government can step in to break up a monopoly, "there's also an

argument that the next new thing will come along and that market dominator won't be anymore."

Indeed, a growing list of once dominant tech companies are now in the history books, from Palm (the digital device rage before iPhone) to Yahoo (Google before Google).

"Nothing in this landscape is stable," says Silicon Valley futurist Paul Saffo. "Given the challenges in the tech sector, it's hard to say if all these companies will be major forces in the next 10 years. You don't have to worry about breaking them up. They're facing enough challenges on their own."

While waiting around to see if the big tech companies police themselves may work for some, Bernetta Knighten, 40, a blogger from Tampa, Fla., tries to be more proactive. She says she uses Amazon and Google daily, but with some regrets and much caution.

Shopping online is convenient, "but it's scary to see so many businesses that we grew up with closing down because of technology."

When it comes to her kids using the Google Home assistant to help with homework, she's concerned about the singular answers that are served up. She herself often digs deep into search results to get past the answers that Google serves up first.

Technology's quick advance is frightening, says Knighten. "But I really don't know what I can do about it, outside of not using it."

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