

**Monopolizing Technology: How Giants Continue to Grow**

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## **Executive Summary**

This report examines how dominant digital platforms accumulate and wield market power, why that power can erode fair competition, and which policy and governance measures may restore balance. The analysis synthesizes legal scholarship, policy essays, and competition research. Key findings: data scale and default status produce self-reinforcing advantages that raise barriers to entry; platform self-preferencing and opaque ad-tech conduct disadvantage rivals; corporate structures and deal vehicles reduce accountability; and bipartisan momentum for reform is growing. The report recommends structural separation between platform infrastructure and commerce, stronger scrutiny of self-preferencing, improved data portability and interoperability, and clearer governance around data rights. These actions support competitive markets while preserving innovation and user benefit (Alford, 2022; Geradin & Katsifis, 2020; Khan, 2019).

## **Introduction**

Digital platforms shape how people search, socialize, shop, and advertise. Their scale and reach create benefits for both users and business partners. They also introduce concentration risks that can limit choice and suppress innovation. This report explores and examines how monopolies within the technology sector arise and persist, how their conduct interacts with antitrust and ethics, and what reforms can sustain fair competition. The focus of discovery is on platform power in search, social media, app ecosystems, and advertising technology. The audience is general technical and policy decision makers that require a clear view of causes, impacts, and actionable options.

## **Methodology**

The research integrates peer-reviewed law journals, policy analyses, and competition scholarship. Sources were selected to capture legal theory, market conduct, and policy proposals across U.S. and EU contexts. Analysis proceeded in three passes. First, I mapped recurring mechanisms of dominance such as defaults, data aggregation, and vertical integration. Second, I traced outcomes associated with these mechanisms, including entry barriers, conflicts of interest, and reduced transparency. Third, I compared remedies proposed in the literature. Evidence was synthesized thematically and is presented as findings tied to cited works rather than as a historical narrative. This method supports clarity for mixed audiences while centering on claims grounded in research (Alford, 2022; Geradin & Katsifis, 2020; Heydt, 2024; Khan, 2019).

## **Findings**

### **1. Data Scale and Default Status Create Self-Reinforcing Market Power**

Platforms gain advantages by controlling distribution channels and by accumulating behavioral data. Defaults on browsers, mobile operating systems, and devices steer users to

incumbent services. This status compounds over time because default use generates more data, which improves algorithms, which then justifies the default position. The cycle can crowd out rivals before competitive features reach users (Fukuyama et al., 2021; Heydt, 2024). Research on information monopolies explains how data accumulation can convert into influence that reshapes markets and civic life, which expands the concern beyond price effects alone (Fukuyama et al., 2021; McIntosh, 2019).

## **2. Self-preferencing and Opaque Ad-tech Practices Disadvantage Rivals**

Vertical integration lets a platform run the marketplace while actively competing inside it. Scholarship documents self-preferencing in display and search advertising that can steer demand toward owned properties or affiliated services. Opaque control over measurements further tilt the field because rivals cannot verify fair treatment or audit outcomes. Analysis of ad-tech conduct under EU competition law shows how such practices can restrict competition even without overt exclusion, especially when combined with information advantages (Geradin & Katsifis, 2020).

## **3. Governance Structures and Deal mechanisms can Reduce Accountability**

Corporate governance choices and use of deal vehicles can obscure responsibility and reduce external checks. Work on director networks and Special Purpose Acquisition Company (SPAC) transactions describe how complex ownership and rapid consolidation enable expansion while avoiding traditional diligence and oversight. These patterns can place regulators and investors at an information disadvantage, making it harder to trace strategic intent behind market moves (Alon-Beck et al., 2024).

## **4. Legal Cases Frame Both Law and Behavior**

Recent enforcement actions highlight the interplay between user psychology, defaults, and market design. Analysts of *United States v. Google* argue that defaults and interface design

cultivate user habits that keep traffic with Google even though users could switch. This preserves market power through inertia and status quo rather than explicit barriers (Heydt, 2024). The case record helps clarify how antitrust should evaluate modern harms where quality, innovation, and non-price effects carry more weight than posted prices alone. In social media, ethical critiques argue that conduct can cross from hard competition to structural cheating when market rules or user trust are manipulated for an advantage. This invites both antitrust and business-ethics scrutiny (Goldwater, 2024).

### **5. Platform-commerce Conflicts Increase Risks to Fairness**

When a platform hosts third-party businesses while selling its own goods or services, the platform can access privileged data and ranking levers, which determine the order and frequency that links appear within search results. Research argues for separating platform infrastructure from downstream commerce to reduce conflicts of interest and preserve open markets. Structural separation does not ban platform growth. It creates clearer lines that prevent gatekeepers from quietly advantaging their own offerings at the expense of rivals and users (Khan, 2019).

### **6. Data Rights and Ownership are Central to Future Competition**

Scholars warn that concentration of data rights strengthens incumbency and limits the user's agency. Alternative proposals introduce new ways to grant individuals or groups more control over data flows. The methods aim to support portability, collective bargaining, and fairer value sharing. Clearer frameworks for data access and sharing can enable entrants to compete on merit while protecting privacy and security (Hicks, 2023; McIntosh, 2019; Whitaker, 2019).

### **7. Reform has Bipartisan Traction**

Across political perspectives there is support for targeted reforms that preserve innovation while restoring market discipline. Proposed directions include stronger merger

reviews, limits on self-preferencing, interoperability obligations, and accountability for opaque ad-tech conduct. The shared objective is creating fair markets that promote choice and resilience rather than substitutes for competition (Alford, 2022).

### **Conclusion**

The literature shows how digital platform power often arises from defaults, data advantages, as well as vertical and governing conflicts that are difficult for rivals to overcome. The effects include reduced choice, slower innovation, and structural information asymmetries. A balanced response would advance four priorities. First, separate core platform functions from downstream commerce where conflicts cannot be mitigated. Second, mandate fair-dealing rules for ranking, access, and advertising that are verifiable by outside parties. Third, expand data portability, interoperability, and user data rights to lower switching costs and enable new entrants. Fourth, align governance and disclosure with the complexity of modern market structures so that accountability keeps pace. These measures, pursued with careful attention to unintended effects, can sustain competitive pressure while preserving the benefits that scale has brought to users and businesses.

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