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Tech Titans 1: How might this quote relate to regulators' view of the pharmaceutical industry?

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Few pharmaceutical companies control a large share of the market and have the ability to manipulate prices of medications.

Research and development by pharmaceuticals leads to new cures and beneficial medications but requires temporary market power to make the investment worthwhile.

Pharmaceuticals are a natural monopoly in that one firm can better serve a large population than many competing firms.

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The platforms have become so dominant because they benefit from “network effects”. Size begets size: the more sellers Amazon, say, can attract, the more buyers will shop there, which attracts more sellers, and so on. By some estimates, Amazon captures over 40% of online shopping in America. With more than 2bn monthly users, Facebook holds sway over the media industry. Firms cannot do without Google, which in some countries processes more than 90% of web searches. Facebook and Google control two-thirds of America’s online ad revenues.



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Tech Titans 2: This quote is describing the tech titans as... Visual settings

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Natural monopolies

Predatory pricers

Firms in a highly competitive market

Colluding firms

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“The firms themselves stress that a giant-killing startup is just a click away and that they could be toppled by a new technology, such as the blockchain. Before Google and Facebook, Alta Vista and MySpace were the bee’s knees. Who remembers them?”



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Tech Titans 3: This quote is suggesting...

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That the tech titans are waiting until they secure full market share (a monopoly) before they begin to take advantage of consumers.

That the tech titans are more vulnerable than their large market share suggests and are unlikely to take advantage of consumers.

That prior tech titans, like MySpace and Alta Vista, became too large and were ultimately dismantled by regulators to maintain a competitive marketplace.

Potential solutions -

- Scrutinize mergers
- “Second, trustbusters need to think afresh about how tech markets work. A central insight, one increasingly discussed among economists and regulators, is that personal data are the currency in which customers actually buy services. Through that prism, the tech titans receive valuable information—on their users’ behaviour, friends and purchasing habits—in return for their products. Just as America drew up sophisticated rules about intellectual property in the 19th century, so it needs a new set of laws to govern the ownership and exchange of data, with the aim of giving solid rights to individuals.”