

Amazon Is the De Facto Ecommerce Unlevel Playing Field

Amazon's Inherently Conflicted Merchant and Platform "Marketplace"

Commands Conflicted Bottleneck Market Power over Most Consumer Supply and Demand

1. Ecommerce Supply

Monopolizing key supplier processes:

- >90% of eCommerce Platform Fees
- ~600m Products & Services, 10x more than Walmart
- >5m Marketplace Third Party Sellers
- >10,000 Online Sellers With \$1m in Annual Sales
- >100,000 Online sellers with >\$100k in Annual Sales

Monopolizing power can dictate/fix prices suppliers pay to sell to which consumers; & facilitate winner-take-all piracy, self-dealing, fee/tax arbitrage

Winner-take-all harms to suppliers:

- Can't compete with "the house" that: extracts a monopoly toll to reach online consumers; is exempt from 10-25% platform fees; abuses platform customer confidentiality to pirate, self-deal, and deny access to data necessary to market and compete.
- Commoditizes brands, products, and services by devaluing offline brand's safety, recognition, differentiation, and loyalty;
- Disintermediates suppliers from customers, so suppliers must negotiate price/terms with platform not customer -- deflating prices, destroying value creation.

3. Conflicted Bottleneck Power to:

Interrupt process of competition and market forces
Intercept inside information/trade secrets
Interject discrimination and self-dealing
Interfere with branding, selling, and direct customer relationships

Toll-Keeper
Pricing Power

Gate-Keeper
Entry Power

4. Inherently Conflicted Unlevel Playing Field:

Anticompetitive
Winner-Take-All
Unaccountability
Less Competitive Choice,
Quality and Innovation

2. Ecommerce Demand

Monopsonizing key demand processes:

- 95m US Amazon Prime members
- ~70% of US Households Are Amazon Prime
- >90% of US Consumer Buying Power Aggregated
- >65% of US Online Shoppers Start on Amazon
- ~50% of All US Online Spending Is Amazon

Monopsonizing power can drive what consumers find and buy from which suppliers; favors winner-take-all and discrimination

Winner-take-all harms to consumers:

- Hyper-concentrated aggregation of consumer demand means consumers get presented with the top one, or few, self-favored: products, services that practically reinforce winner-take-all outcomes at the expense of competitive choice, quality, diversity, differentiation, and innovation.