

The New Gatekeepers

How Disney, Amazon, and Netflix Will Take Over Media

Executive Summary

The rise of streaming video over the past decade provided some amount of increased competition and a greater diversity of content than ever before. However, deregulation and mergers have laid the groundwork for a future of increased market power that could soon leave just three companies controlling what content is made, what consumers can watch, and how they can watch it. Disney, Amazon, and Netflix are positioning themselves to be the new gatekeepers of media, growing through acquisitions and using their increased power to disadvantage competitors, raise prices for consumers, and to push down wages for creative workers. Pay and working conditions for writers have become so dire, and media conglomerates so unresponsive, that 11,500 writers went on strike in May 2023. Without intervention, these conglomerates will seize control of the media landscape and the streaming era's advances for creativity and choice will be lost.

These new gatekeepers have amassed market power through mergers and other anti-competitive practices, offering an alarming window into the future of media.

- ✘ **Disney** has grown through a series of multibillion-dollar acquisitions, using its power to reduce film output, shut down competing studios, foreclose independent content from its distribution networks, expand control of the labor market, and force creators to give up financial participation in future licensing revenue.
- ✘ **Amazon** has gained a sizeable footprint in media in a short time by utilizing the well-documented playbook critical to its ascendance as a tech company. Though anticompetitive behavior and vertical integration, Amazon has harmed competitors, privileged its related business, and abused employer leverage to underpay writers.
- ✘ **Netflix** was once an innovative competitor, but is now using its position as the largest streaming service in the world to abuse its leverage as an employer, decrease innovative content spending and raise prices for consumers. The company has cut out independent producers and severely underpaid writers in multiple areas, and a series of recent acquisitions signal its intent to further increase dominance and market power in order to reduce innovative content investment.

Streaming video is now the dominant distribution platform for content, but it is largely unregulated, taking the problems of vertical integration and media consolidation to the extreme. Streaming's dominant employers have used their leverage to erode the sustainability of writing work; further consolidation could result in fewer writers able to earn a living and diminished variety in the marketplace of ideas. It is crucial that antitrust agencies and lawmakers take the following actions to protect the future of media:

1. Block further consolidation;
2. Proactively investigate anti-competitive issues and outcomes; and
3. Increase regulation and oversight in streaming.