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## **MONOPOLY STUDY: AMAZON'S MARKET POSITION AND ITS APPROACH TO ANTITRUST ISSUES**

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### **Abstract:**

This research examines Amazon's dominant position in the global e-commerce and digital economy, focusing on the company's monopolistic practices and their implications. The study highlights how Amazon's consistent revenue growth, advanced technological infrastructure, and pricing strategies contribute to its market power. It also analyzes the regulatory responses from governments and institutions, particularly the European Union's Digital Markets Act (DMA) and the U.S. Federal Trade Commission's investigations, aimed at curbing monopolistic behavior. The findings emphasize the importance of antitrust policies in maintaining fair competition and protecting small and medium-sized enterprises in the digital marketplace.

**Keywords:** Amazon, monopoly, digital economy, antitrust regulation, Digital Markets Act, e-commerce, market dominance, small businesses, FTC, competition policy

In today's modern world, the e-commerce market is expanding at an unprecedented pace. Leading companies operating in this sector have secured a vital position in the global economy, controlling a significant share of the market. Among them, Amazon stands out as one of the most powerful and influential multinational corporations. As of today, Amazon not only dominates the sale of goods and services but also plays a substantial role in shaping global economic relations through technological innovation, artificial intelligence, logistics, and information technology.

However, the dominance of large corporations like Amazon may suppress market competition and hinder the growth of small and medium-sized enterprises. Companies that hold monopolistic positions tend to prioritize their own products and



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services, thereby disrupting fair competition and creating unequal conditions for independent sellers. In this regard, Amazon's market strategy, the methods it employs to maintain dominance, and the regulatory measures adopted by governments in response are all worthy of in-depth examination.

The aim of this research is to analyze Amazon's monopolistic position in the market and to explore its approaches to antitrust regulation. Throughout the study, various economic and political factors influencing Amazon's market standing will be explored, along with the company's strategic development and the challenges it poses to competition policies. The key objectives include analyzing Amazon's market dominance, evaluating its antitrust strategies, and examining the global antitrust measures implemented to regulate such large-scale corporations.

The object of this study is the development of monopoly in the field of e-commerce and the digital economy, along with its consequences, while the subject is Amazon's position in the market and its practices in countering antitrust regulations.

Since its founding in 1994 by Jeff Bezos, Amazon has grown into one of the largest and most successful companies in global e-commerce. Today, Amazon is not only known as an online marketplace but also leads in areas such as cloud computing, logistics, and artificial intelligence, driving innovation across various sectors. By 2023, Amazon's global market capitalization had reached \$10 trillion. The company's market share has grown significantly across international trade, reinforcing its monopolistic influence. Compared to its main competitors, Amazon holds a dominant position. For instance, in the U.S. market, Amazon accounted for over 40% of online retail sales in 2023. In 2024, the company's total revenue exceeded \$570 billion. Moreover, Amazon's "Prime" services and its cloud computing platform AWS have become widespread and highly profitable.

One of the key factors strengthening Amazon's monopolistic position is its pricing strategy and wide array of services. The company often offers products at lower prices compared to competitors, which places small and medium-sized businesses at a disadvantage. This approach of underpricing to gain market dominance significantly limits competition. Additionally, Amazon's use of technological innovations and artificial intelligence also enhances its monopoly. For instance, algorithms built into its platform generate personalized recommendations for

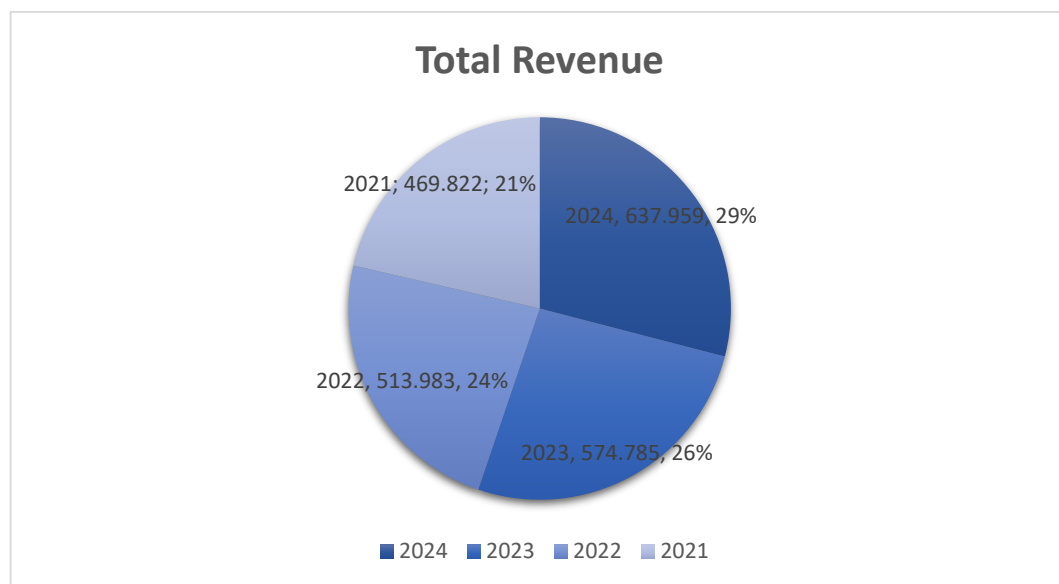
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customers. This gives Amazon a competitive edge, as personalized services can greatly influence consumer purchasing decisions. The response of governments to Amazon's monopolistic power plays a crucial role. Investigations and penalties by the United States and the European Union are aimed at regulating the company's market strategies. For example, in 2020, the European Union fined Amazon \$1 billion for anti-competitive practices. These penalties and investigations are intended to prevent further monopolization of the market. However, despite such efforts, Amazon continues to hold a powerful position and persistently challenges market competition.



**Figure 1. Amazon's total revenue from 2021 to 2024<sup>1</sup>**

Amazon's total annual revenue has consistently increased year after year. From 2021 to 2024, the company's revenue rose by approximately \$168 billion. The year 2024 marked Amazon's most profitable year to date, with total revenue reaching \$637.959 billion—accounting for 29% of its overall earnings during the period.

Annual growth rates:

- 2021–2022: ~9.4% growth

<sup>1</sup> <https://finance.yahoo.com/quote/AMZN/financials/>



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- 2022–2023: ~11.8% growth
- 2023–2024: ~11% growth

The steady and significant rise in Amazon's annual revenue underscores the company's strengthening leadership in the global market. This consistent financial growth is closely linked to Amazon's diversified operations across multiple sectors—including e-commerce, AWS, advertising, and logistics—as well as its competitive edge in digital technologies.

Moreover, the significant growth in Amazon's revenues has become a compelling reason for increased regulatory scrutiny—particularly in light of rising antitrust efforts and the implementation of laws such as the Digital Markets Act (DMA), which came into force in the European Union in 2023. This legislation directly targets large tech companies, known as “gatekeepers” (including Amazon), aiming to curb their market dominance and ensure fair competition.<sup>2</sup>

The Digital Markets Act (DMA) introduces several key restrictions for Amazon:

1. Prohibition on using third-party seller data: Amazon is no longer allowed to exploit data from independent sellers on its platform—such as sales statistics, customer behavior, or pricing strategies—to develop competing products.
2. Ban on self-preferencing: Amazon cannot prioritize its own branded products (e.g., AmazonBasics) in search results over those of third-party sellers.
3. Obligation to ensure fair conditions: Amazon must provide equal access to technical tools, advertising space, and delivery systems for all sellers on its platform.
4. Transparency and accountability: The company is required to regularly report to the European Commission on how its algorithms function and how product recommendations are generated. These measures are not only transforming the way Amazon operates, but are also setting new standards for other tech giants, aiming to foster a fairer competitive environment within digital markets. In the United States, the Federal Trade Commission (FTC) has also conducted numerous investigations into Amazon's anti-competitive practices. Furthermore, the company's use of its technological infrastructure—such as its capacity to collect and analyze personal data—has prompted calls for new regulatory frameworks. These developments

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<sup>2</sup> [https://digital-markets-act.ec.europa.eu/index\\_en](https://digital-markets-act.ec.europa.eu/index_en)



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reflect the growing need for governments to design modern antitrust policies in response to the expanding influence of tech monopolies.

In analyzing Amazon's market position and its approach to antitrust regulation, the core observation is that the company significantly restricts competition through its dominance in the global economy and e-commerce sector. However, legal frameworks and investigations introduced by governments and regulators are increasingly aimed at curbing Amazon's monopolistic strategies.

At the same time, Amazon's strong market presence, aggressive pricing strategies, and technological innovations present notable challenges for small and medium-sized enterprises (SMEs). These dynamics provide insight into the nature of monopoly and its economic implications. The way governments respond to monopolistic behavior plays a critical role in maintaining the stability of the digital economy on a global scale.

From an economic theory perspective, a monopoly refers to a market structure where competition is either absent or significantly diminished. Such a structure is typically characterized by:

- One or a few firms controlling the majority of the market share;
- High entry barriers for potential competitors;
- Pricing and service control concentrated in the hands of the monopolist;
- The suppression or reduction of competition through strategic dominance.

In her seminal work *The Economics of Imperfect Competition* (1933), economist Joan Robinson emphasized that monopolists tend to maximize profits by increasing prices, often under the guise of product differentiation or by lowering quality. However, the consolidation of monopolistic power can reduce overall economic efficiency and harm public welfare.

A central factor in Amazon's monopolistic reinforcement is its extensive and innovative service ecosystem. The company harnesses cutting-edge technologies within the digital economy, including artificial intelligence, data analytics, and personalized marketing strategies. Through these, Amazon is able to generate highly individualized offers, actively encouraging consumer engagement and purchase behavior.



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For instance, Amazon's algorithms are designed to provide tailored suggestions to customers, significantly increasing the likelihood of purchase. This personalized approach gives Amazon a substantial competitive edge, as other platforms often struggle to match the sophistication of its consumer experience. However, this advantage creates a competitive imbalance, particularly disadvantaging smaller businesses that lack the technological infrastructure to offer similarly tailored services.

Due to Amazon's monopolistic position, numerous governments and regulatory bodies are striving to exercise oversight over the company's operations. For instance, both the European Union and the United States have launched investigations into Amazon's anti-competitive practices. The European Union, in particular, has expressed concerns over how Amazon's "Prime" services potentially marginalize smaller retailers on its platform.

Similarly, in the United States, the Federal Trade Commission (FTC) has been analyzing how Amazon uses its digital services to reinforce monopolistic control. Various measures are being discussed regarding how the company should revise its technological and economic approaches. Updated legislation introduced by regulators is designed to limit Amazon's market power and encourage fairer competition.

In conclusion, the steady increase in Amazon's annual revenue clearly reflects the company's growing monopolistic dominance in the market. Through the systematic exclusion of competitors across various sectors, Amazon has secured a powerful position that undermines the principles of free competition and adversely impacts small and medium-sized enterprises. As a response, regulations such as the European Union's Digital Markets Act (DMA) have been implemented to impose necessary restrictions on digital giants like Amazon. The findings of this research suggest that an effective antitrust policy is essential to ensuring healthy competition and sustainability in the digital economy.



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