

SCOTT GALLOWAY, THE FOUR: THE HIDDEN DNA OF AMAZON, APPLE, FACEBOOK, AND GOOGLE (2017).

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The Four: The Hidden DNA of Amazon, Apple, Facebook, and Google

*The Four manifest god, love, sex and consumption and add value to billions of people's lives each day. However, these firms are not concerned with the condition of our souls, will not take care of us in our old age, nor hold our hand. They are organizations that have aggregated enormous power. Power corrupts, especially in a society infected with what the pope calls the "idolatry of money."*¹

Introduction

Scott Galloway's *The Four: The Hidden DNA of Amazon, Apple, Facebook, and Google* highlights not only the immense growth and scope of influence that the four largest technology companies have in consumer's daily lives, but also the potential hidden dangers that these entities may pose on a national and global level. Scott argues that when companies such as these become too large, their power grants them the ability to destroy any form of competition, and shape policy as they see fit. Throughout the book, Scott offers analogies and comparisons to give readers a perspective of just how powerful these companies have become, and the potential dangers that the average consumer may not consider when using their products on a daily basis. Scott further uses this book to offer insight into what the future may look like, and how he

¹ SCOTT GALLOWAY, THE FOUR: THE HIDDEN DNA OF AMAZON, APPLE, FACEBOOK, AND GOOGLE 265 (2017).

believes young professionals should navigate their careers in a world dominated by these powerful companies.

About the Author

Scott Galloway is a professor and entrepreneur who attended UCLA and spent the early part of his career working for Morgan Stanley as an investment banker.² Fed up with his inability to work in a large firm or for other people, Scott then attended graduate school at the Haas School of Business.³ After graduate school, Scott founded a number of technology firms including Prophet; a brand strategy firm, which helps consumer brands mimic Apple.⁴ His other firms include Red Envelope and L2, a firm that “benchmarks the social, search, mobile, and site performance of the world’s largest consumer and retail brands.”⁵

Throughout his career, Scott has served on the board of media companies, such as The New York Times Company, Dex Media, Advanstar. He explains to the reader that either Google or Facebook has destroyed all of these companies.⁶ He also served on the board of Gateway, which despite selling three times as many computers as Apple, still fell victim the latter.⁷ Scott was also a board member for Urban Outfitters and Eddie Baur, which each struggled to repel amazon in the retail industry.⁸

Currently, Scott is a Professor of Marketing NYU’s Stern School of Business.⁹ He has taught brand strategy and digital marketing to over six thousand students.¹⁰

About the Book

² SCOTT GALLOWAY, *THE FOUR: THE HIDDEN DNA OF AMAZON, APPLE, FACEBOOK, AND GOOGLE* 11 (2017).

³ *See id.*

⁴ *See id.*

⁵ *See id.*

⁶ *See id.*

⁷ *See Galloway, supra note 2.*

⁸ *See id.*

⁹ *See id.*

¹⁰ *See id.*

Scott Galloway states that part of his reasoning for writing *The Four* was to give readers insight and a competitive edge in an economy where he claims it has “never been easier to be a billionaire, but it’s never been harder to be a millionaire”.¹¹ Through a breakdown of each of the four companies, Scott uses the first five chapters of the book to demonstrate how they operate, and more importantly, how their business practices allowed them to grow so large and become so powerful. He spends the most time on Amazon, because this is the company that Scott believes is growing faster than the rest, and will be the one to excel past any of its competitors in the future.

After the summary overview of each of the companies, Scott spends a portion of the book discussing some of the more nefarious practices these companies engage in. Most notably, he discusses that one of the main reasons these companies became so successful is from stealing ideas and intellectual property from other companies who innovated first. Once these companies obtain the property they want, they obtain their own patents and engage in aggressive litigation to prohibit any potential competitors from taking action. Scott’s main argument is that the success of these large companies is almost always built on the backs of other innovators work.

Another one of Scott’s main arguments in the book is that because of the size and scope of these four companies, they get away with more than other corporations do. He argues that they are granted a level of autonomy because society and politicians view them as doing “good” for consumers. To quantify, Scott explains that only six countries in the world have a GDP greater than The Four combined. That being said, while the average S&P company paid 27% of its profits in taxes in 2017, The Four all paid less than 15-20% because the government allowed them to hide and distribute profits to bring down their tax rates. This is only one of the many corrupt practices that Scott warns may pose a threat to our society.

¹¹ See Galloway, *supra* note 2, at 12.

Additionally, Scott provides other examples of business practices used by The Four, which he believes to be negligent. He explains that Amazon has so much power and capital as a company that they can simply put out a negative press release regarding a competitor, and watch the company's stock price tank in a matter of days. The question is posed of whether this level of power is too much for a single entity to have.

In regards to Apple, Scott highlights that a form of "holy status" has been granted to the I-phone, allowing it special protections never before seen in consumer products. For example, Scott offers that when 14 people were murdered in the terrorist attack at San Bernardino, the FBI attempted to order Apple to provide software that would allow them access to the offenders phone. Apple refused, and with so much public support, the FBI's hands were tied. Scott inquires that had the phone been a blackberry, manufactured in a foreign market, a search warrant would have been successfully obtained and implemented in a matter of hours. Since society has granted I-phone and Apple so much authority, law enforcement and their ability to perform crucial work, are feeling the effects.

Relating to Facebook, Scott argues that it is truly nothing more than a media company. Media companies have a responsibility to consumers to make sure the information they are providing is accurate. That being said, Facebook claims that they are actually just a "platform". Therefore, this negates any responsibility on their part to make sure what is on their platform is actually true and accurate. As was seen in the most recent presidential election, the majority of people get their news from Facebook feeds. Since there is no responsibility on the part of Facebook to make sure the news is accurate, so much of the information that consumers are seeing has the potential of being inaccurate. The potential danger posed by this is already clearly playing out in today's political environment.

The book goes on to explain that one of the biggest reasons that The Four are allowed to get away with these negligent practices, is because they give off the public perception that they are liberal and progressive. Scott argues that companies do this because they are attempting to appeal to the general progressive consumers of society, who in turn view these companies as genuinely acting in the best interest of consumers. These companies even go so far as to dump millions of dollars into progressive lobbying groups and think tanks to further this façade. At the end of the day though, Scott argues that this is nothing more than an illusion, and that these companies are acting simply in their own best interests. If those interests align with those of consumers at times, all the better for obtaining an increasing amount of power.

The book attempts to highlight one important fact regarding the future of the competitive market between these companies. Scott explains that while these companies share the characteristic of being among the largest in the world, they absolutely hate each other. This is demonstrated by their current trends of encroaching onto each other's territories with products and services. Scott argues that on one hand this may be good for economics and competition, but on the other hand, it will allow one of the companies to excel and dominate the others. That company is Amazon.

Analysis

Scott Galloway's overall argument in *The Four* is that while Amazon, Google, Apple, and Facebook may offer valuable products and services to consumers, they are each engaging in negligent business practices, which has allowed them to garner unprecedented and unchecked power in today's global economy. While *The Four* is a seemingly general overview of the subject matter, Scott Galloway provides enough insight and statistical data to make it a credible source in this area of technology law.

Scott's most effective technique is the constant use of analogies to help the reader visualize the power that these companies hold. One of the most memorable of these was Scott's comparison of each company to a different part of the human body. He likens Google to the brain because of the ability for consumers to have infinite access to information at their fingertips, Facebook as the heart to analogize our social instincts, Amazon as the stomach to highlight our consumption of material goods as modern consumers, and Apple as the reproductive system to demonstrate the "sex appeal" status of Apple's technological goods. Using methods like this, Scott makes it easy for the reader to see exactly how these companies have learned to target our instinctual needs as consumers in a modern economy.

While reading this book, I found the information to be very credible due to the extensive use of sources cited throughout the piece. Scott uses academic pieces, books, financial reports, articles, etc. in backing up the statistical analysis he provides for each of the four companies. At the same time, he does an excellent job of making the content interesting and gripping to a reader. The book reads well to any audience, but particularly well to an individual who may not have an extensive prior knowledge as to how these companies operate in the marketplace.

Overall, Scott provides an informative book that reads easy enough for the average individual to eagerly continue on deeper into his analysis of these companies.

Evaluation

Overall, *The Four* is a valuable contribution to the technological and business law sector, as Scott Galloway achieved his goal of highlighting what allows companies to become so large in a modern consumer economy, and the potential threats that may follow. That being said, a few notes of contention do arise when reading the book. The most glaring would be Scott's own background and the experiences that may have shaped his opinions on these large companies, and the role of government in regulating them. As Scott admits himself, he is a product of "big

government”, being the first person on either side of his family to graduate high school and attend college.¹² As noted, he has also founded and been on the board of companies, many of which have suffered at the hands of The Four. For that reason, it is reasonable to question his own viewpoints and biases when it comes to his opinions on these companies. On the other hand, one may argue that these experiences have given him closer access and better insight into the inner workings of The Four.

With all of that being said, Scott does in fact represent the information and data in an objective manner. He does an effective job of explaining to the audience that no matter what side of the isle one may sit on, it is clear that these companies are becoming too large for the government not to regulate. Otherwise, their negligent practices will continue to go unchecked.

Conclusion

Overall, I found Scott Galloway’s *The Four: The Hidden DNA of Amazon, Apple, Facebook, and Google* to be very enjoyable and informative because he was able to take an incredible amount of statistical data, and provide it to the reader in a way that felt more like a story, and less like a financial report. Additionally, it was eye opening to learn about some of the more discrete practices these companies engage in to achieve the levels of success they do. It was convincing to a person such as myself, who typically opposes excessive government regulation, that the potential for abuse by The Four is real, and there is a necessity to place checks on them in order to better promote economic stability and competition in the marketplace.

¹² See Galloway, *supra* note 2.