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Commerce

Retailers Vs. Amazon: A Brick-and-Moral Dilemma

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Brick-and-mortar retailers are asking consumers to “buy it where you try it” after Amazon disclosed it will be encouraging consumers to treat stores as showrooms through the use of a one-day promotion on Saturday.

[Amazon's promotion](#) will give shoppers up to \$5 off on most purchases made using its price-check application. The event serves as a way for Amazon to increase usage of its bar-code-scanning application, while also collecting intelligence on pricing in the stores.



Large and small retailers alike often consider Amazon one of their toughest competitors, but this time around they say the company's initiative is a direct attack.

“It's wrong to try something in the store and then buy it online,” said Lesley Tweedie, who owns a bike shop with her husband in Chicago and is hoping that the mantra “buy it where you try it” takes off.

Tweedie is also the founder of [Little Independent](#), a six-month-old marketplace where local stores can feature products online.

“I don't know what their [Amazon's] motivations are. I would like to believe it's about business and it's not about deliberately trying to hurt a retailer,” she said. “But this affects our little bike shop in Chicago, Target, Wal-Mart or Nordstrom. It affects them all.”

The promotion brings into question a shopper's moral compass just in time for the holidays.

Does price or convenience win? Or, is it more important to shop locally to support jobs and nearby businesses?

From the consumer's perspective, it's hard to walk away from Amazon's offer. The application compares prices, gives product reviews and, on Saturday, will also offer a discount to those who use it to make a purchase online.

Still, it seems consumers are becoming increasingly aware of the online-versus-local debate.

EBay recently conducted an online survey on the subject, and based on more than 1,000 responses, found that nearly 50 percent of shoppers plan to allocate up to half of their holiday budget to buying local this season. EBay says it tries to be an advocate for local stores. Its bar-code scanning app, Red Laser, not only shows people the cheapest price online, but also provides a list of stores where the item can be purchased locally.

Yesterday, the Retail Industry Leaders Association made a much less emotional argument.

Jason Brewer, the association's VP of communications and advocacy, said Amazon is anticompetitive because it does not collect sales tax in most states, so it will nearly always have a price advantage over a physical store.

“Our retailers aren't afraid to compete on price — that's a part of retailing,” he said. “If the price check app replaces the Sunday newspaper circular, that's fine. But what retailers can't do is not collect sales tax.”

Tweedie says the one silver lining of Amazon's promotion is that it is bringing the conversation out into the open.

She frequently catches people pulling out their phone in her store and often even hears them wonder out loud if they find it for less on Amazon. “It's hard as a retailer without alienating the shopper. But they've never thought about it, and they aren't trying to be rude. ... What I think is so exciting is how many people are talking about this.”

Amazon will offer the discount on up to three qualifying products in eligible categories, including electronics, toys, music, sporting goods and DVDs, and is anticipating that Saturday will be one of the biggest days of the year for the application.

Return to: [Retailers Vs. Amazon: A Brick-and-Moral Dilemma](#)

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