

Amazon.com gets creative with in-store Price Check promotion Saturday

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Amazon.com is using its Price Check app to snag brick-and-mortar store customers this Saturday.

The Texas Retailers Association and other industry groups say the promotion, which they say puts stores in the position of being Amazon.com showrooms, points to the need for sales tax parity.

Shoppers using Amazon's Price Check application on their smartphones while inside stores will get an additional 5 percent discount (up to \$5) off Amazon's price on up to three products. Eligible categories are books, electronics, toys, music, sporting goods and DVDs.

To get the discount, the shopper must enable the geo-location feature on Price Check while in the store.

Texas Retailers Association president Ronnie Volkening said Saturday's promotion is a reminder of the "unfair advantage" that many e-commerce sites continue to have on their competitors who operate physical stores. Amazon.com doesn't collect sales tax from customers in most states, including Texas.

"They are paying people \$5 to walk into a competitor's store and then sell them the item tax-free," Volkening said. "Texas business will suffer from this unfair advantage over the weekend."

Amazon.com also will be collecting information Saturday from shoppers who choose to submit store prices on the app. The Seattle-based online retailer didn't respond to a question about what it would do if the price in the store is cheaper than what its Price Check app offers.

Toys R Us, Target, Wal-Mart and Best Buy have offered razor-sharp prices this holiday shopping season, knowing that e-commerce was likely to grab market share as more people get comfortable with online shopping.

A random check of a few popular toys in Dallas Thursday morning found competitive prices in physical stores.

The Fisher-Price GeoTrax Train Table cost \$179.99 in Toys R Us. The lowest of five offers on Price Check was \$199.99. At Best Buy, an Xbox 360, 250GB Bundle with Kinect cost \$399.99. The best of 74 offers on Price Check was \$379.99.

“Physical retailers have been quite competitive on price” this holiday season, Volkening said. “I hope by next Christmas we’ll have a level playing field on the sales tax issue.”

Booksellers will have a harder time competing than toys and electronics chains.

A letter sent Thursday to Amazon’s chief executive Jeff Bezos from American Booksellers Association chief executive Oren Teicher started out: “We’re not shocked, just disappointed.”

Despite Amazon’s recent support for a federal law to standardize collection of online sales taxes, “you created a price-check app that allows shoppers to browse Main Street stores that do collect sales tax, scan a product, ask for expertise and walk out empty-handed in order to buy on Amazon,” Teicher wrote. “We suppose we should be flattered that an online sales behemoth needs a Main Street retail showroom. Forgive us if we’re not.”

State revenue shortfalls during the recession put a bigger focus on online sales taxes, and the issue is gaining traction in Washington. Three bills have been introduced in Congress. Last month at a hearing in the House Judiciary Committee, an Amazon.com representative testified that the company supports federal online sales tax legislation.