



NEWSWATCH by PAULA J. HANE

Amazon's Ever-Expanding Empire

Amazon is the largest e-retailer in the world today. On Black Friday 2011, Amazon saw 50% more visitors than any other online retailer. In May 2011, Amazon reported that sales of Kindle ebooks had outpaced print books. On Dec. 15, 2011, the company announced that for 3 consecutive weeks, customers purchased more than 1 million Kindle devices per week. Clearly, the company has become a book industry leader—and disrupter.

As part of an Amazon Prime membership, all of the new Kindles released this past fall began offering access to the new Kindle Owners' Lending Library and Prime Instant Video. Kindle owners can now choose from thousands of books to borrow for free, including more than 100 current and former *New York Times* best-sellers, as frequently as a book a month with no due dates.

But some of the company's recent moves—its book lending program, its sales tax policy, its program for self-published authors, and most recently, its new Price Check app—caused some angst and dissatisfaction with accusations of aggressive tactics and predatory practices. Amazon stepped on many toes, and now many publishers, retailers, librarians, and politicians have become alarmed and are pushing back.

Tim Carmody wrote in a *Wired* article last fall that “Amazon has swiftly become the most disruptive company in the media and technology industries. Its potential in this space is simply off the charts: bigger than Apple's, bigger than Google's, or Microsoft's. It's becoming a purer version of all three.”

Amazon App Promo

Amazon's Price Check app, which is available for iPhone and Android devices, lets shoppers scan product bar codes in brick-and-mortar retail stores, take pictures of items, or conduct text searches to



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find the lowest prices and then share that information with Amazon. As an added incentive, on Dec. 10, 2011, Amazon gave customers using Price Check an additional 5% discount (up to \$5) off the Amazon price on up to three qualifying items in toys, electronics, sporting goods, music, and DVDs.

In other words, Amazon encouraged its customers to look in stores but then walk out and buy from Amazon. You can imagine the outrage that ensued. Brick-and-mortar retailers viewed this as an attack.

While books were not included in this promotion, independent booksellers felt particularly threatened. Oren Teicher, CEO of the American Booksellers Association, wrote an open letter to Amazon's CEO Jeff Bezos outlining the association's disappointment in this latest move, calling it a “\$5 bounty.” Teicher wrote, “[I]t is the latest in a series of steps to expand your market at the expense of cities and towns nationwide, stripping them of their unique character and the financial wherewithal to pay for essential needs like schools, fire and police departments, and libraries.”

Amazon Backlash

In response to the Amazon promotion, a new effort was launched on Facebook called the Occupy Amazon community, which urged everyone to boycott Amazon and buy local. I thought one of the comments on the site was particularly discerning: “I don't begrudge Amazon's right to exist, or even to dominate. Bezos and company have put together an amazing resource. But, independent booksellers offer benefits that Amazon doesn't, and can't. And Amazon is trying to put them out of business. So, I support an occupation, and will no longer do business with them unless it is absolutely necessary.”

At the American Independent Business Alliance's (AMIBA) website, Jeff Milchen commented, “Even for critics of Amazon.com's corporate practices, and [AMIBA is] certainly among them, it's jolting to see the corporation announce a promotion overtly encouraging people to spy on local stores while turning those businesses into showrooms for Amazon's profit.”

Some independent bookstores are reportedly offering discounts if a customer brings in proof of closing an Amazon account. Whether any of the protests or backlash makes a difference, one thing is certain: It meant lots of free publicity for Amazon, the current elephant in the room.

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Best QR Code Innovations

Although QR codes, or quick-response codes, have been in use for nearly 2 decades, companies are just beginning to tap the power behind these black-and-white squares that are popping up everywhere. And with smartphone use on the rise, users are reaping the benefits of these QR code campaigns in a big way.



Wasp Barcode Technologies, which has been tracking QR codes, developed a list of the best and most creative QR code campaigns of 2011. Here are the highlights:

■ **Tesco.com:** This U.K. supermarket-chain owner found an innovative way to connect stores and consumers by placing big food images on subway walls in South Korea. Using the accompanying QR code, consumers can scan individual food items, which are then loaded into virtual shopping carts. Shopping orders are processed after virtual checkout and then delivered to consumers' doorsteps.

■ **H.J. Heinz Co.:** The ketchup king used QR codes in its Our Turn to Serve promotion, which allowed consumers to scan the code on ketchup bottles and leave personal messages for American troops. For each message received, Heinz donated 57 cents to the Wounded Warrior Project.

■ **Starbucks Corp.:** When coffee lovers scanned Starbucks' QR codes in select newspapers and magazines, they could watch brief videos that offered interviews with coffee experts, a history of coffee, information about local cultural traditions where coffee beans are grown, and even a promotion of its new mobile payment app.

■ **J.C. Penney Co., Inc.:** For the holidays, J.C. Penney let consumers send personalized holiday greetings to friends and family members after purchasing items from the store. After users scanned the QR codes on the items, they could record messages up to 60 seconds and then attach the QR codes to their gifts to be scanned by recipients.

■ **Richard James Phillips & Co., LLC:** With its Blue Marble campaign, Phillips offered advertising space on building rooftops for viewing by airline travelers. The company intended to invade Google Maps' territory with codes that mobile users could scan.

■ **Victoria's Secret:** For its Sexier Than Skin ad campaign, Victoria's Secret featured scantily clad models on huge billboards with QR codes covering the models' most critical areas. When users accessed the codes, they could see the company's newest lingerie line underneath.

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