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Amazon and Its Friends

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During the 2012 campaign, Mitt Romney made an off-the-cuff comment about how “[corporations are people](#).” He was mocked but perhaps was ahead of his time. A few years later, corporations are not only people but our friends.

Forget about same-day delivery of diapers or reconnecting with your high school girlfriend or publishing those novels without the aid of an editor or bookstore. The greatest achievement of Silicon Valley has been the marketing of Silicon Valley. Google, Apple, Facebook — they all assert they exist for your benefit, their only goal to amuse and enlighten and help you. To be, in short, your best buddy.

The tech world’s devotion to its customers was put to a vote this month in Manhattan, at one of the [Intelligence Squared](#) series of debates. The evening’s topic: “Amazon is the reader’s friend.”

For those nostalgic for last year’s clash between Amazon and Hachette, the debate — expertly moderated by the ABC news correspondent John Donovan — replayed the brawl. The self-published novelist Joe Konrath and the Vox editor Matthew Yglesias argued in favor of the proposition; the novelist Scott Turow and the former New Republic editor Franklin Foer argued against.

“What the record demonstrates is that Amazon is nobody’s friend but Amazon’s,” Mr. Turow said.

“You are truly throwing the baby out with the bath water if you let Amazon kill the publishing system that has nurtured our literary culture,” he added.

The crowd, which voted on the proposition before and after the debate, was ultimately swayed against Amazon. But the mere fact that the topic under discussion was Amazon’s generous ways seemed a victory for the company, a measure of how the center of gravity in bookselling and with books themselves has shifted.

Over the last few years, the reputation and status of New York publishing seems to have gone in only one direction: down. Amazon and its supporters say the publishers are worse than useless, and publishing has done little to defend or promote itself.

So the debaters also considered whether “traditional publishing actually functions as a tyranny.” Mr. Konrath noted: “Publishers reject hundreds of books for every one that they publish. Now think about that. That’s censorship. It really is.”

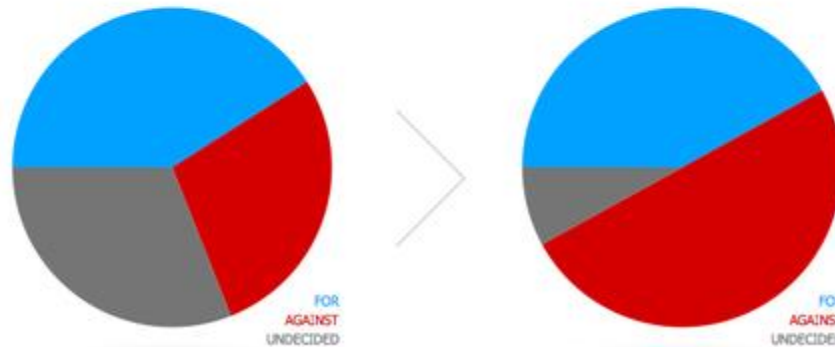
AMAZON IS THE READER'S FRIEND



DECLARED WINNER: AGAINST THE MOTION

PRE-DEBATE POLL RESULTS
41% FOR | 28% AGAINST | 31% UNDECIDED

POST-DEBATE POLL RESULTS
42% FOR | 50% AGAINST | 8% UNDECIDED



At a debate over Amazon last week, the audience went from largely agreeing with the proposition that "Amazon is the reader's friend" to disagreeing. *Intelligence Squared*

Few would dispute that Amazon has revolutionized and democratized the book business. The question is, how much of that was tactical — to win market share — and how much was because this is a new kind of business, one we can trust to look out for us the way our friends do?

Drawing a distinction between the publishers and Amazon, Mr. Konrath said: “The oligopoly wants less choice and higher prices. The monopoly wants more choices and really low prices and what is the topic of this debate? Is Amazon the friend to readers? Well, what do you want? Higher prices? Less choices? Lower prices? More choices? It’s pretty simple.”

Simplicity is elusive, however. One of the best books I read last year was “[Raven](#)” by the English scholar Robert Scoble. It’s about the supremely bizarre Edwardian writer Frederick Rolfe and his world. The book is impeccably researched, designed and illustrated, but it was issued by a small London press and is hard to get.

Enter Amazon. Its British affiliate sells the book, which can be ordered at the push of a button. Amazon is your friend! But it sells the book at the list price of 25 pounds (about \$37). List price was what brick-and-mortar bookstores used to charge, before Amazon came in with its discounts and blew away the stores as unfriendly relics. Now, it seems, we've come full circle.

Amazon may not make a profit, but it is a tightly run operation, and it does what it can to maximize the business. Sometimes this helps readers. Sometimes it helps writers. Sometimes it even helps publishers, as Amazon is quick to point out. And sometimes it doesn't.

As a reader I naturally want Amazon to raise as much as it can from Wall Street — it has raised billions in the last six months — and funnel it to me and its other friends in the form of cheaper books. Perhaps the proof of Amazon's enduring friendship would be going broke.

Unfortunately, Amazon does not seem to place such a high premium on friendship. As the Scoble book indicates, and [other examples](#) show, Amazon is already changing its model, giving a little less to me and trying to give a little more to Wall Street in the form of profits — while simultaneously expanding wildly.

How well it is doing this will be clear on Friday, when the retailer will announce its fourth-quarter profits, if any. The last couple of quarterly reports have been disappointing, with Amazon failing to meet expectations and the stock falling sharply. But analysts expect this time to be different, and it is not just the usual cheerleaders.

In a research note last week, Colin Gillis of BGC Partners upgraded the stock to buy. "We see the company becoming a single center of commerce fueled by its growth in delivery logistics, digital content, physical goods, grocery offerings, and hardware designed to facilitate consumption," he wrote.

No matter how good or bad the results are, the debate will continue.