

Who Do You Trust?



At the recently held annual meeting of the Bearing Specialists Association, there was a lot of talk about online sales channels and how Internet retailers are changing the way industrial products are researched, sourced and purchased.

Two of the three guest speakers at the event focused heavily on the threat that these online channels pose to traditional distributors like the companies that make up BSA's core membership. The speakers explored ways that distributors can reinforce their value proposition by emphasizing the services and expertise they provide.

"You can't out-*Amazon Amazon*," said Dr. Barry Lawrence, who is director of the Global Supply Chain Lab at Texas A&M University. Once a product becomes commoditized, it's difficult for traditional distribution channels to compete, he explained.

Amazon.com is perceived as the lunchroom bully of the sales world. They have the clout and resources to take your lunch money if they want to. And recently, they've been paying more and more attention to things like gears, bearings, motors and other industrial products. In 2010, Amazon Industrial & Scientific division joined the PTDA. Today, Amazon lists almost half a million products under the "Power Transmission" category alone.

My question is: Can you trust it?

My brief and unscientific survey of the power transmission category revealed that if you want to buy a Timken tapered roller bearing—or an SKF, FAG or Koyo—you can find it on *Amazon.com*. Likewise you can buy name brand gears, belts, chains, sprockets, etc. In most cases, you'll be shown a variety of choices for each product, with different prices being offered by different sellers.

For example, on the first page of listings on *Amazon.com* for tapered roller bearings I found a Timken 13889 tapered roller bearing. It's a 1.5" ID, single-cone, standard accuracy bearing that was being offered in prices ranging from \$25-\$44. The same bearing from the Motion Industries website costs \$49.

Discounted prices are attractive to anyone. A backyard mechanic working on his weekend project wouldn't think twice. But most of you design, build or maintain equipment that requires a much more responsible approach. A factory's production might depend upon it. Your job might depend upon it. People's lives might depend upon it.

And on Amazon, it's often hard to tell exactly whom you're buying from. Amazon is a distributor itself, so they stock and warehouse a lot of components, but they don't say where they got them, and as far as I can tell, Amazon is not an authorized

distributor for any major power transmission brand. They say they have policies in place to prevent counterfeit goods from getting in their pipeline, but various online discussion forums and recent news headlines indicate the system may not be perfect. They also allow third-party sellers to participate in their marketplace. I'm just a lowly editor, not a purchasing professional or an engineer, but I find it hard to trust.

My guess is that you or your companies have well-established channels for sourcing power transmission products, whether you deal directly with the manufacturers or work with established distributors. Doing otherwise might introduce risks that far outweigh any potential cost savings or convenience.

But my guess is also that those lower prices are a temptation for some of you, which is why the online sales channels remain a hot topic at meetings like the BSA's.

The distributors recognize that the game is changing. They know that the online sales channels aren't going away. Some of them with deeper pockets and greater resources—like Motion Industries—provide an online channel that's every bit as convenient as *Amazon.com*. Other distributors with fewer resources may not be able to compete as effectively online, but they're not panicking either. Most distributors know that they provide significant value beyond holding inventory and shipping goods. Their knowledge and understanding can go a long way toward helping you make the right choices when buying products.

And the game will continue to change. How it does so will depend largely on you, the buyers of mechanical power transmission products. So I'm very interested in what *you* have to say, in *your* experiences and *your* company's philosophy and practices. Drop me a line at wrs@powertransmission.com and keep the discussion going.

A handwritten signature in black ink that reads "Randy Stott". The signature is fluid and cursive, with the first letters of "Randy" and "Stott" being significantly larger and more prominent.