



Home Improvement Retailers Better Watch Out, Amazon Is Coming

As if the home improvement retail category doesn't have enough to worry about, what with the continuously crappy housing marketing. Now it appears Amazon.com is gunning to be the store of choice for contractors and the DIY set.

Amazon's move to start collecting sales tax allows it to build distribution centers in major markets. Already the retailer is offering next day delivery, working to make it standard for Amazon prime user members. Same day delivery is reportedly not far behind.

In Slate, [Farhad Manjoo](#) reports a recent experience ordering smoke detectors from Amazon, debating whether to pay for next day deliver so he could install them over the weekend, opting for the free two day service and having them show up the next day anyway.

For home improvement products, Amazon's offering next day delivery in many markets. Same day delivery could deliver the death blow to some home improvement retailers. [Home Depot](#), Lowe's, Menard — is there room for everyone? Probably not.

In general, the retail industry has been weeding out the No. 3 players for years. Walmart, [Target](#) and Kmart. JCPenney, Sears and [Montgomery Ward](#). Walgreens, CVS and [Rite Aid](#). Among specialty retailers, or category killers as they were once called, the field has been even further culled. [Toys 'R Us](#) and KB Toys. [Bed Bath & Beyond](#) and Linens & Things. [Best Buy](#) and Circuit City. Toys, home goods and electronics — categories where online retail is increasingly dominant.

The home improvement channel is similarly situated and Amazon's new online fulfillment goals are set to deal the weaker of the chains a near death blow. Already, Amazon has an advantage in inventory and service. Anyone looking to remodel a bathroom, install new light fixtures or build a deck is likely to do a good amount of online research first. Home Depot and Lowe's have tutorials and sell product, but once in the store things fall apart. Out of stocks, hard to find sales people and misinformation abounds. Weekend traffic and difficult to maneuver parking lots just add to the inconvenience. The "need it now" nature of home improvement goods has helped insulate the channel from online predators.

Until now.

Amazon managed to hold off collecting sales tax until it had built up the kind of retail operation that no longer needs that as a selling feature. It has built out a site filled with valuable information and delivers the goods speedily at low prices. It's a one stop shop and a preferable experience to the big boxes. Even without the savings on sales tax, Amazon prices are usually lower than at bricks and mortar stores.

Other than Amazon, small hardware stores stand to gain in the retail shake out sure to come. As anyone who's ever taken on a home improvement project knows, there are the inevitable return visits for missing parts and tools. The small things Home Depot and Lowe's rarely even stock.

Amazon's gain is Home Depot and Lowe's loss, and could help to resurrect the neighborhood hardware store.