

Competing Through Online Sales

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Question: I have an Amazon business and I fulfill orders all over the country. Do I have to worry about the impact my sales may have on local businesses in all the places I sell?

Answer: Generally speaking, we rule that one is only allowed to negatively impact a business if he is a local resident of the city where the business is located. If he does not live in the city, he is not allowed to compete and harm local businesses.

However, the Gemara in Bava Basra speaks about a city that has a “*yom hashuk*”, a market day when many people gather to sell and buy goods. On this day, merchants from surrounding cities would come as well to peddle their wares. The Gemara says that in such a case it would be permitted for out-of-towners to sell their products and compete with the locals. The reason is because many customers also come from outside the city to make purchases, and the non-local sellers can sell to the non-local buyers, which will not have a negative impact on the local merchants.

There is a *machlokes* in Shulchan Aruch whether the non-local merchants are only allowed to sell to non-local buyers or if they are permitted to sell to locals as well. The *Sema* says that once the non-local merchants are permitted to set up shop, they are allowed to sell to anyone. The Bach disagrees and says they can only sell to non-locals who come to town for the *yom hashuk*.

In the case of online sales, it would seem that everyone would agree that merchants may sell to whomever they want. The Bach forbids selling to local residents in a case when a merchant comes to a specific location from outside to sell to non-locals and then desires to sell to locals as well; however, the online sales world is a global open market where it is understood that every merchant can sell to whomever he wants and every buyer can buy from whoever he wants. Put simply, the internet is one big *yom hashuk* that is not specific to any single location. In such a situation, there are no limitations as to who one is permitted to sell.