

Amazon to launch more US brick-and-mortar stores: report

August 19 2021



Amazon reportedly plans another push into physical retail in the United States, which would expand on its 2017 acquisition of Whole Foods Market.

Aiming for a bigger presence in US brick-and-mortar retail, Amazon plans to open "several" multipurpose shopping venues similar to

department stores, The Wall Street Journal reported Thursday.

The stores will sell [household items](#), electronics and apparel, showcasing Amazon's private-label merchandise, the newspaper said, citing people familiar with the matter.

Some of the first stores are expected in California and Ohio, according to the report.

An Amazon spokesperson said, "we do not comment on rumors and speculation."

The move would come on the heels of Amazon's 2017 acquisition of the Whole Foods Market grocery chain for \$13.7 billion, which significantly expanded the e-commerce giant's presence in physical retail.

At around 30,000 square feet, the new shops would be far smaller than traditional department stores but bigger than most existing physical retailers in the company's network, which includes bookstores and smaller grocery shops.

Department stores were once prominent spaces in American retail, showcasing not only high-end fashion but also items such as toys, furniture and appliances.

But like other brick-and-mortar shops, department stores have lost [market share](#) to online vendors, as well as big-box stores including Walmart and Target.

Chains such as JC Penney and Macy's have closed dozens of outlets at US malls over the last few years, with the former company also shifting owners following a reorganization overseen by a bankruptcy court. Without those big anchor stores, malls too have been in steady decline.

Analysts pointed to a number of strategic reasons for Amazon's planned expansion into physical retail, including the desire to boost sales in apparel, home furnishings and other [product lines](#) and a recognition that the "future of retail is multichannel" rather than primarily online, GlobalData Retail's Neil Saunders said in a note.

"The move by Amazon will be experimental at first," Saunders said. "However, if it gets rolled out in a serious way, it is very bad news for traditional department stores."

© 2021 AFP

Citation: Amazon to launch more US brick-and-mortar stores: report (2021, August 19) retrieved 27 April 2024 from <https://techxplore.com/news/2021-08-amazon-brick-and-mortar.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.