

NEED TO KNOW



Will Amazon's 4-star store move the dial?

Is the online retail giant's new physical presence an experiment for experiment's sake or a genuine threat to its traditional rivals, asks **Grace Bowden**

The ever-experimental Amazon has launched its latest foray into bricks and mortar. Last week, the retail titan unveiled Amazon 4-star in New York.

The concept of the store is, in theory, very simple – the stock will comprise entirely of products sold on Amazon which have received the best online reviews, with the average rating of the items currently being sold standing at 4.4 stars.

Strong sellers and locally trending products will also be available for purchase offline in Amazon's latest bricks-and-mortar venture, in a store which could resemble an Aladdin's cave, last-minute gifter's dream or, for a harsher view, a lightly curated shambles.

Amazon's online platform is seen as something of an 'everything store', and this descriptor acts both as a compliment and a criticism.

There's the oft-referenced stat that it is now used more often than Google by shoppers searching for specific retail products – but it is not an online shopping experience

that encourages a customer to linger or browse.

This store is arguably a response to that criticism, with highly rated products across electronics, kitchenware, home, toys, books and games categories, as well as Amazon devices such as its smart speakers and Fire TV stick, for shoppers to peruse.

The question is, will they?

The verdict

Amazon says its 4-star store is "a direct reflection of our customers – what they're buying and what they're loving".

Perhaps a store format stuffed with products that other shoppers quite literally rate will resonate with consumers – particularly as Amazon plans to rotate the product proposition on a weekly basis.

However, Gartner L2 research associate Lakshmi Kalluri says "the assortment feels very hodgepodge – neither comprehensive nor selective".

This ultimately means there is a lack of clarity about what a shopper would get from this store that they couldn't just buy off of Amazon via their smartphone.

What's more, unlike its forays into offline grocery and bookselling, the tangible lesson for – and possible disruption to – traditional retailers that Amazon 4-star offers is less than clear.

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Lakshmi Kalluri, Gartner L2

Unlike Amazon Go, it doesn't use cutting-edge technology to increase the speed and convenience with which shoppers will be able to purchase products. Shoppers at

Going to a book shop and picking up a few other page-turners you wouldn't have otherwise bought makes sense. Popping to the shops for a board game and coming back with a highly rated slow cooker, less so

4-star have to queue at the till the old-fashioned way.

And unlike Amazon Books, 4-star does not combine Amazon's well-respected product ratings system with a laser focus on one particular sector, which means the offline shopping journey for customers is not as clear cut.

Going to a book shop for a holiday read and ending up picking up a few other page-turners you wouldn't have otherwise bought online makes sense. Popping to the shops for a board game and coming back with a highly rated slow cooker, less so.

Top-rated?

"Overall, the shopping experience feels very similar to what you would find at any other traditional small-format retailer," Kalluri concludes.

"It's questionable how successful the store will be at driving meaningful sales because by design the assortment skews towards items which Amazon already has a strong foothold in online.

"Regardless, the opening of 4-star provides further indication of Amazon's willingness to invest and experiment in bricks and mortar as the retail giant strives to capture a greater share of overall consumer spending."

Amazon 4-star is certainly an interesting concept and, although it is one that is unlikely to have traditional retailers quaking in their boots, it does demonstrate the retailer's continuing willingness to innovate.

Its latest foray into the physical may be a gimmick, or nothing more than an experiment for experiment's sake, but it should serve as a warning that Amazon remains determined to shape the future of offline retail, just as much as online. **RW**