



## AMAZON PLANS TO OPEN ITS OWN LINE OF NON-WHOLE FOODS GROCERY STORES

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Amazon is apparently not content to just use Whole Foods as its vehicle for domination of the grocery store market. The e-commerce giant is planning to launch its own line of grocery stores, independent of Whole Foods, The Wall Street Journal reports. Its plan calls for dozens of stores across multiple major cities, starting in Los Angeles as soon as the end of this year, according to the WSJ's anonymous sources. Amazon has reportedly already signed leases for two locations beyond its first location in L.A., with planned openings for early next year. While lease signings do not necessarily translate to store openings, they reflect a level of commitment. The company is negotiating locations in Seattle, San Francisco, Los Angeles, Chicago and Philadelphia, the WSJ reports. The reason behind the new brand is reportedly to hit a lower price point than the high-end Whole Foods brand, which has quality standards for ingredients that preclude many of the food industry's biggest names. Presumably, lower prices would also target a different demographic, much like the Whole Foods 365 brand was meant to do before it was discontinued in January. Amazon continues to expand the number of ways in which it penetrates the physical world of retail. Beyond its as-yet-unnamed grocery chain and Whole Foods, it is in the midst of expanding its cashless convenience store brand Amazon Go, a more measured growth of Amazon Books (a throwback to both its roots as an online bookseller and to the first type of stores it decimated) and its stores selling only products with four-star reviews on Amazon.com. Amazon is hardly pivoting away from its online shopping empire; it recently launched its own logistics service to centralize its own shipping operation and fulfill orders from other sellers. But of all the industries it has disrupted so far, grocery stores have remained relatively unscathed, which makes this announcement particularly concerning:

The WSJ reports that shares of major grocers like Kroger and Walmart dipped in reaction to the news.