



## Amazon's Next Brick-And-Mortar Venture Will Be ... Department Stores?

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Amazon's power and value have grown immensely since the outbreak of the coronavirus pandemic, which might have the company wondering if there is anything it can't do.

The retail and tech giant is planning a new form of brick-and-mortar store for a variety of products from apparel and technology to home goods, selling both its own brands and others, The Wall Street Journal reports.

In short, Amazon wants to open department stores.

At 30K SF, Amazon's concept would be much smaller than traditional department stores, more in line with smaller-format offerings rolled out by companies like Bloomingdale's and Nordstrom, WSJ reports. It also would be a similar size to the Amazon Fresh grocery stores it has been opening in major markets over the past year.

The only brick-and-mortar Amazon concept currently selling a mix of consumer goods rather than groceries or books is the Amazon 4-Star store, which averages about 4K SF in more than two dozen locations, WSJ reports.

Though Amazon recently passed Walmart as the largest seller of clothing in the U.S., it has yet to crack the code on selling luxury fashions, WSJ reports. That, along with the potential for a more traditional retail format to introduce Amazon products to customers that otherwise wouldn't interact with them, could be driving the new concept, which WSJ reports is still in preliminary planning phases.

Department stores have seen their fortunes hurt by contemporary changes in shopping habits perhaps more than any other form of retail, and the massive boxes they left behind have been a millstone around the neck of shopping malls. Though it wouldn't come close to filling a former Sears or JCPenney anchor space, an Amazon department store would likely be met with exuberance from mall owners.

Beyond Amazon, Thursday brought a bright spot to the department store industry, as Macy's and Kohl's both reported earnings well above projections in the second quarter, Reuters reports.

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