

Amazon begins a new chapter with opening of first physical bookstore

The Guardian, 3 November 2015

Amazon is opening its first physical bookstore, 20 years after the world's biggest online retailer started selling publications on the internet. The company will unveil a shop called Amazon Books at University Village in Seattle, its home city, on Tuesday. Amazon will stock about 6,000 titles, with the selection based on reviews and sales data from Amazon.com. The price of books in the store will be the same as on the website.

Richard Mollet, chief executive of the Publishers Association, said the surprise initiative showed the strength of demand for hardback and paperback books.

"This is a vote of confidence in the physical book and the physical book store," he said. "Book stores have been imperilled in recent years, but even Amazon has seen the benefit of a physical browsing experience." Mollet said Amazon Books could be a boost for the industry if it grew beyond the Seattle store into a chain, despite Amazon's dominance in the book industry.

"If they expand it across the US and come to the UK, then the more high street presence there is for physical books the better," he said.

Mollet said Amazon was following in the footsteps of Apple as well as traditional bookshops. Apple has opened shops across the world to sell technology, and it also uses the physical locations to bolster its brand. Amazon has slowly moved into physical retailing by launching lockers and pick-up points where customers can collect their orders, as well as kiosks where they can buy gadgets such as the Kindle e-reader. Amazon Books is thought to be the first time the retailer has opened a full-size, traditional shop.

"To give you more information as you browse, our books are face-out, and under each one is a review card with the Amazon.com customer rating and a review. You can read the opinions and assessments of Amazon.com's book-loving customers to help you find great books," said Jennifer Cast, the vice-president of Amazon Books.

She added: "We've applied 20 years of online bookselling experience to build a store that integrates the benefits of offline and online book shopping."

The opening of the store comes a month after Waterstones, the UK book chain, said it would stop selling the Kindle. James Daunt, the book chain's managing director, said he had removed Kindles from most of its 280 stores because they were "getting virtually no sales". Waterstones has handed the space to paperback and hardback books instead.

After a decade in the doldrums for physical book sales – which took Waterstones to the brink of collapse – industry bosses said this highlighted the revival of hardbacks and paperbacks.

Nonetheless, customers will be able to try out Amazon technology products including the Fire tablet and the Kindle in the Seattle store.

Retail analysts said the shop showed the similarities between online and physical retailers were growing. Neil Saunders at Conlumino said: "With the lines between physical and online becoming more blurred it makes sense for Amazon to experiment with physical outlets.

"This is especially important as a number of US retailers, like Walmart, are now starting to move more aggressively into the digital space and are using their existing stores as hubs for delivery and collection of product.

"This gives them a strategic advantage over Amazon and is something that the online giant needs to defend against. In this regard experimenting with physical outlets makes sense.

"The store is also important from a promotional perspective in that it is both a marketing initiative ... and can be used as a point of collection for products."

(615 words)