

Retail shopping models had long been considered binary – either e-commerce or brick and mortar. In practice, the industry involved a long spectrum with pure e-commerce on one end and pure brick and mortar on the other end. In between, many different models are emerging, like ordering online and picking up in-store, shopping in-store and ordering online, digitally enhanced shopping and many others.

Amazon was founded in 1994 by Jeff Bezos, who launched Amazon.com in 1995 to sell books online. By early 2000s, Amazon had developed the reputation for convenient online shopping featuring a vast array of products.

By 2019, Amazon was the world's most valuable online retailer exceeding \$1 million(USD). So when the company announced the purchase of whole foods and further committed to the expansion of Amazon Go store locations, many questioned the strategic value. Why would a pioneering company so clearly successful in the digital realm seek to enter the more traditional brick and mortar space?

By 2019, Amazon had 479 whole foods markets stores. This acquisition represented a step-functions in market share, yet it also required significant effort to integrate an existing business with so many stores into the Amazon ecosystem.

Questions :

- a. How could the fusion of digital and physical retail worlds make customer feel with the degree of control Amazon have on its buyers? (05 Marks)
- b. How could Amazon reasonably predict success for each interaction expansion? (05 Marks)
- c. What limitations existed to a purely online sales model? (05 Marks)
- d. Explain the key dynamics of Amazon rise to online sales prominence. (05 Marks)

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