E-TAIL TO RETAIL

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ONLINE GIANTS HAVE BEEN OPENING PHYSICAL STORES, PROVING ONCE AGAIN
THAT BRICKS-AND-MORTAR IS AS ALIVE AS EVER.

Street retail gets a lot of doom-and-gloom publicity these days. US retailer **J.C. Penney Co.** recently announced the closure of 140 stores, echoing **Macy's Inc.** plans to shut 100 of its locations. Yet the bricks-and-mortar business model is far from being in its death throes. The fact that online giants are investing into physical stores testifies to this.

Chinese e-commerce conglomerate **Alibaba**, which, according to HSBC, represents more than one-tenth of the country's total retail sales, recently unveiled a 2.6bn USD plan to take over the leading department store chain **Intime**. Alibaba intends to "tap into the long-term growth potential of a new form of retail in China powered by internet technology and data," said CEO Daniel Zhang. The company plans to utilize its digital expertise to roll out omnichannel shopping experiences in physical retail locations.

Across the pond, the US is seeing the offline expansion of the e-tail giant **Amazon**. Over the last two years it opened physical bookstores in Seattle, Portland and San Diego. More intriguingly, late 2016 saw the launch of **Amazon Go**, checkout-free physical grocery stores premised on computer vision, sensor fusion and deep learning. Amazon's 'Just Walk Out' technology automatically detects when products are taken from or returned to the shelves and keeps track of them in a virtual cart. Once the customer has finished "shopping", s/he can simply leave the store – no queuing, no checkouts; shortly after, his or her Amazon account gets charged automatically.

These examples show that bricks-and-mortar is certainly not dead; the task now is to make it as convenient as online shopping, marrying the excitement and experience of a physical space with the practicality and data processing capacities of digital tech. Fashion retailers are following the lead: one of **Rebecca Minkoff**'s stores, for instance, already has a self-checkout.