

Unit 4 ➤

1 Before you read, choose the correct definition (a or b) for the words in bold in these sentences.

- 1 Google has just opened a new **physical store** in my hometown.
 - a a shop that sells body-building equipment
 - b a real shop, not an online shopping site
- 2 Shopping online is OK, but there's nothing like a good **brick-and-mortar** bookshop.
 - a real, not virtual
 - b antique
- 3 Our corner shop is open 24/7 and sells all the **convenience items** you need.
 - a things like food, drinks, magazines, soap, toothpaste, etc. that people buy frequently
 - b things like gadgets, souvenirs, etc. that people buy as presents
- 4 I haven't got enough money for luxuries. I spend it all on **groceries**.
 - a second-hand clothes
 - b food and other things used in the home
- 5 Zara has retail **outlets** in many cities around the world.
 - a shops
 - b advertisements
- 6 Our company has an annual **revenue** of about €12 million.
 - a amount of tax companies have to pay every year
 - b money received from selling goods or services

2 Read the article and complete the gaps (1–4) with the sentences (a–e). There is one extra sentence you do not need.

- a So, from Amazon's point of view, the grocery market is very attractive.
- b Amazon also built a network of smaller warehouses close to city centres.
- c U.S. retailers must evolve to succeed in the next decade.
- d For example, it opened its first physical bookstore in Seattle in 2015 and later opened more in several other cities.
- e Instead, they order their goods online in advance, then drive to the store and wait in their car.

3 Choose the sentence which best summarises the article.

- 1 Excellent overall sales figures make it possible for Amazon to experiment with physical stores in new areas such as groceries.
- 2 Because its main competitors have difficulty finding growth in their grocery sales, Amazon has decided to focus on bookstores instead.
- 3 Amazon's growing network of warehouses close to urban centres is evidence that the company is giving up on online sales.

4 Decide if the statements are *true* (T) or *false* (F).

- 1 Amazon's new strategy means it is no longer exclusively an online company.
- 2 Over three quarters of U.S. retail sales are already online.
- 3 Retailers can sell groceries at a much higher price than what they buy them.
- 4 At the Seattle store, customers can drive up and down the aisles to choose the items they want to buy.
- 5 Amazon's Prime Now programme is now available outside the USA.
- 6 Analysts think Amazon will experiment with physical clothes shops as well.

5 Complete the sentences with prepositions.

- 1 Amazon is one of the most valuable businesses _____ the world.
- 2 Grocery is probably Amazon's biggest potential for a rise _____ revenue.
- 3 I order my groceries online _____ advance, then I go to the drive-in store.
- 4 Amazon's warehouses are usually close _____ city centres.
- 5 Our courier will deliver your order _____ your office within two hours.
- 6 Amazon has developed an excellent strategy to compete _____ its brick-and-mortar rivals.

Amazon's drive-in grocery stores continue offline strategy

A Amazon's online-only strategy was so successful that the company quickly became the world's largest online retailer and one of the most valuable businesses in the world. Encouraged by its success and rapidly increasing overall sales, the company decided to start testing out new strategies.

5 Despite the growth of the U.S. online retail market, more than 80 percent of U.S. retail sales were still offline. People familiar with Amazon's thinking knew that it would start looking for new ways to get a piece of such sales.

Indeed, Amazon started to experiment with brick-and-mortar outlets. ¹ _____ Very soon, it also started to increase its brick-and-mortar presence in other areas.

10 **B** Amazon set itself a key new goal: mastering the grocery market. Although the difference between what it costs retailers to buy groceries and what they sell them for is relatively small, shoppers buy grocery items more frequently than any other category of products. ² _____ A financial analyst also said that grocery was the company's biggest potential for a rise in revenue.

15 **C** The retailer's first step into physical stores for grocery and convenience items was its innovative grocery store in Seattle. It is a drive-in store, so customers do not have to walk up and down the aisles looking for the products they want to buy. ³ _____ When their order is ready, an Amazon employee takes it to their car, and that's it.

20 **D** ⁴ _____ These warehouses are used as bases for its one-hour and two-hour delivery programme, 'Prime Now'. How does this programme work? First, customers have to have an Amazon Prime account; they also need to make sure Prime Now is available in their area. They can then order online their selection of groceries, convenience items, electronics, etc., and an Amazon courier will deliver the order to the customer's house or workplace within two hours. Delivery is completely free for members of the Prime Now programme but there is something to pay if the customer wants to get the items within one hour of ordering.

25 Amazon's futuristic 'Prime Now' programme expanded to many U.S. cities, as well as to other cities in other parts of the world such as London and Paris.

30 **E** Analysts expect that it is only a matter of time before Amazon starts testing out brick-and-mortar strategies in other areas, starting with clothing. With the success of its online model, Amazon has already turned the traditional retail market upside down, and now it continues to adapt its strategy to compete with its brick-and-mortar rivals.