

Bucking retailer trend, Starbucks shuts online store

NEW YORK, USA - Starbucks, bucking a retailer trend focused on beefing up company-owned online stores, has shut its e-commerce site for the United States in an effort to drive more traffic to stores.



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Since Sunday, shoppers on the coffee chain's online store (store.starbucks.com) are being directed to set up an online account for pickup up at local Starbucks stores for drink, coffee beans and equipment orders. "We cannot guarantee availability of any product in stores, but we know you will find many choices to enjoy," the company said.

The move comes amid a retail industry shakeout as the rise of e-commerce pressures most brick-and-mortar retailers and threatens hundreds of shopping malls around the country. Most retailers are building up direct selling to consumers, a strategy also taken by brands such as Nike that are emphasizing e-commerce as more traditional distribution outlets struggle.

Starbucks has said it is also committed to strengthening its digital bond with consumers amid a "seismic shift" in retail, chief executive Kevin Johnson said in July. Efforts include revamping and expanding its frequent-users rewards programme and improving the Starbucks smartphone app.



Starbucks SA launches rewards programme

Jessica Tennant 1 Feb 2017



However, Johnson said commercial partnerships with third-party digital companies will make more sense in some cases. Starbucks products will still be available on Amazon and other online stores, said R.J. Hottovy, an analyst at Morningstar.

"They know that they're probably better off focusing on their stores as opposed to running their own online business," Hottovy said. "You're just going to continue to partner with other online platforms."

Source: AFP

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