

What's the Deal By [Daniel Lesser](#)

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Are Amazon Hotels coming?

(The views and opinions expressed in this blog are strictly those of the author.)

Amazon.com Inc.'s recent blockbuster announcement of its US\$13.7 billion bid to acquire high-end supermarket chain Whole Foods has raised concern that the company's expanding breadth is facilitating its morphing into a monopoly. Amazon has been rapidly moving into new markets and seeking ways to deliver products to customers faster.

Founded in 1994 as an online bookstore, Amazon now is an electronic commerce and cloud-computing company that is the world's largest internet-based retailer by total sales and market capitalization. It is enormous: It offers more than 400 million products for sale, sells more than 50% of all books (print, electronic and audio) in the United States, handles more than 40% of all online commerce, and controls 45% of the enterprise technology arena that provides the infrastructure to operate thousands of websites.

It is obvious that in addition to its aspiration to dominate all aspects of retail, Amazon's ambitions include inserting its platform into all facets of people's lives. With its massive trove of consumer data, Amazon has a track record of being a paradigm-shifting force for any market it enters. For example, with its use of drones, the company is anticipated to dramatically increase efficiencies of delivery services, which will likely challenge UPS and FedEx in the near term.

Amazon's unique model is that it connects consumers with highly competitively priced products with minimum friction. Coupled with enormous scale and an unmatched customer convenience experience, its platform is conducive to selling products and providing services across various industries.

It therefore stands to reason that once Amazon perfects product delivery services, transporting humans will be an easy next step, challenging companies such as Uber and Lyft. Amazon already controls a fleet of cargo aircraft to deliver packages, so expanding to passenger air travel and challenging commercial airlines such as American, Delta, Southwest and United is a potential next step.

Once Amazon is moving thousands of people to business and leisure destinations, it would only make sense for the company to offer transient lodging accommodations. Therefore, when the first Amazon branded hotel opens its doors, remember you heard it here first. If on the other hand my prediction never comes to fruition, forget you ever read this blog entry.



An Amazon.com warehouse /Photo: Getty Images

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