

Amazon planning first real-world shop: report

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Online retail titan Amazon will open its first real-world shop in its hometown of Seattle devoted mainly to books and the company's Kindle tablets.

Online retail titan Amazon will open its first real-world shop in just a few months, according to a blog devoted to news about electronic readers such as the popular Kindle.

Amazon spokeswoman Mary Osako on Tuesday declined to discuss the report, telling AFP "We don't comment on rumors or speculation."

Website goodereader.com cited unnamed sources close to the project as saying that Amazon intends to open a small boutique shop in its home town of Seattle devoted mainly to books and the company's Kindle tablets.

The shop will showcase [digital books](#) as well as ink-and-paper editions printed by Amazon's publishing arm, according to goodereader.

Apple has had phenomenal success with its retail stores devoted to the California company's coveted iPads, iPhones, iPods, and [Macintosh computers](#).

The new Kindle Fire tablet has been touted as a viable challenger to the [iPad](#), and Amazon may be following Apple's winning model of providing a tailored buying experience that puts devices and accessories in shoppers' hands.

Amazon's fourth-quarter net profit sank to \$177 million, compared to \$416 million a year before, and earnings per share dropped to 38 cents from 91 cents, short of analyst forecasts.

Net sales grew 34.6 percent in the quarter to \$17.4 billion, but a 37.6 percent rise in costs ate away at the Internet sales giant's margins.

Despite a hugely successful holiday season for its Kindle e-reader and tablet devices, with sales up 177 percent from a year earlier, Amazon was challenged by price cutting from rivals on the Web and those with storefronts, and many with both.

The company said to expect more of the same for the first quarter -- strong sales growth but narrowing [profit margins](#).

It forecast at best a 69 percent fall in operating income for the current quarter, and allowed for a possible net loss.

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