

Target CEO unfazed by Amazon-Whole Foods deal

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US retail giant Target's chief executive Brian Cornell on Tuesday played down Amazon's massive deal to acquire grocery chain Whole Foods, arguing that it "validates" his company's business model.

"It wasn't a surprise that that deal took place," Cornell told a forum at the Fortune Brainstorm Tech conference in Aspen, Colorado.

"It really validates what we've been talking about for almost four years now. For Amazon I think there's a recognition that a [physical store](#) and proximity is important to the consumer."

Cornell said Target has been focusing on both online and in-[store](#) sales, expecting this will help the large Wal-Mart rival navigate the current troubles in retail.

"The landscape is changing, and for me I recognize we need to be thinking about tomorrow—but tomorrow includes physical stores and a great digital connection," he said.

The \$13.7 billion buyout of Whole Foods stirred fears among retailers that the acquisition could create big changes in the sector.

But Cornell noted that even as many retailers are closing stores, Target is expanding with plans for 100 small-format, urban locations while boosting the ability to buy online.

He said some 90 percent of US retail sales are still done at physical stores and that he expects this figure to remain high for the foreseeable future.

But he said Target will offer customers flexibility.

"The versatility of our [model](#), the multicategory nature and our ability to fulfill that from a physical and digital standpoint is really unique," he said.

The company is working to "embrace innovation," including using its stores as logistics points and adding artificial intelligence to help move goods more efficiently, he said.

At the same conference, the head of Amazon's worldwide consumer operations, Jeff Wilke, said the US tech giant sought out Whole Foods not to crush competitors but because "we're fans."

"It really is about being fans about what Whole Foods has built," he said. "The way they take care of their customers... there's a good match" between the companies.

Wilke also sought to play down the notion that Amazon would squash competitors in retail.

There is a "[business](#) model about conquering, but that's not us," he said. "Our business model is pioneering."

He added that retail is a massive business and that "we represent a very small share."

"There's going to be room for tons of winners.. it's not a football game and there's not one winner at the end of the day, there are going to be

many winners."

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