

Amazon claims record-breaking Australia launch

December 6 2017



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Amazon's Australia launch was the company's biggest-ever opening day for orders, the US giant said Wednesday, but some shoppers were underwhelmed by the range of goods and prices on offer.

The country's retailers have been scrambling to lift their online presence and cut costs amid expectations that Amazon, one of the world's most valuable companies, would shake up the market and eat into their profits.

Amazon said first-day orders on Tuesday were "higher than for any other launch day" in its history, with "tens of thousands of customers visiting the website during the first 24 hours".

"We are thankful to Australian customers for making this a landmark day in Amazon history," Amazon's Australia country manager Rocco Braeuniger said in a statement.

"From early in the day, we experienced visitor numbers that far exceeded our expectations."

Despite the US giant's high-profile launch, local retailers who expect to be hurt by Amazon—including electronics chain Harvey Norman and department store Myer—saw their shares close higher Tuesday.

It followed disappointment from some shoppers that prices on Amazon were not always lower than those offered by competitors.

"Amazon has underwhelmed high customer and investor expectations with its launch based on initial range and prices," Citi analysts said in a note.

"Amazon has long targeted a pre-Christmas 2017 launch, but is unlikely to make an impact with the current undeveloped offer."

Harvey Norman's co-founder and chairman Gerry Harvey said the launch did not live up to the hype.

"Beautiful, lame duck! Can't believe how bad they are, but it's good news for everybody because the hype has been ridiculous and the result has been, well, you couldn't be this bad," Harvey told Sky News Business late Tuesday.

But he acknowledged Amazon could still undercut local rivals and "sell 20 percent below cost".

Australian Retailers Association's executive director Russell Zimmerman said it was still early days and he expected Amazon to talk to retailers about their pricing on its platform.

"Amazon have an incredible amount of data, so I think as it goes on, what they will do is talk to retailers and try to engage with their retailers to give the best possible offer to their customers," Zimmerman told AFP.

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