THE PENNSYLVANIA STATE UNIVERSITY
SCHREYER HONORS COLLEGE

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AMAZON'S ACQUISITION OF DOLLAR GENERAL: A STRATEGIC, LOGISTICAL, AND FINANCIAL ANALYSIS OF THE PROPOSAL

GABRIELLE ATOR
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Reviewed and approved* by the following:

Robert Novack
Associate Professor of Supply Chain Management
Thesis Supervisor

John Spychalski
Professor Emeritus of Supply Chain Management
Honors Adviser

* Electronic approvals are on file.

ABSTRACT

Since its inception in the mid 1990s, Amazon has transformed itself from an online bookstore into the world's largest online marketplace. The company has built its success on its ability to meet customer needs solely from an online perspective. However, other companies have learned to imitate Amazon's quick order fulfillment and shipping policies, the very component of the company's business model that once allowed Amazon to remain far above industry competition. The time has come for Amazon to explore its next growth strategy, one that should be based on how the company can serve consumers from an in-store perspective in addition to online. Given the company's history and desire to grow as quickly as possible, developing an in-store purchasing option would most likely be done through an acquisition. Thus, Amazon's rumored acquisition of Dollar General. The discount chain excels in areas where Amazon lacks, with a business model structured around selling low priced products to consumers from one of its physical storefronts. Consequently, this research serves to analyze if Dollar General should be Amazon's next acquisition by looking at the strategic synergies between the two companies in addition to the financial and logistical implications of the acquisition. The result of this analysis is that if Amazon is to consider breaking into the brick-and-mortar retail space once and for all, acquiring Dollar General would be the most beneficial way for the company to do so.

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Chapter 1

Introduction

Over the course of the last decade, Amazon has become a household name. What started in 1994 as an online bookstore is now the retail giant that has changed not only the way the industry operates, but also the way consumers operate. Amazon could be thought of as an everything store, selling products in virtually every category. With an acquisition of Whole Foods Market in 2018, Amazon also expanded into the grocery industry, ultimately becoming a one stop shop for its loyal consumer base. However, the company is far from content. Although Amazon has perfected its current business model of selling online to middle- and upper-class customers, this strategy no longer sets the company apart as it once did. Recent pushback from top competitors is forcing the company to quickly think of its next growth strategy.

Amazon loses market-share to competitors in two areas: in-store purchasing and discount shoppers. Even though the company was the first to offer two-day shipping on all of its products, companies such as Walmart and Target are now offering the same benefit but with no cost of membership. In addition, Amazon has had a longstanding problem of missing out on customers that prefer to shop in store. Second, although Amazon offers arguably the most competitive price on all of its products, it does not necessarily fall into the discount store category. To gain this market share, Amazon must do two things: develop a physical, in-store infrastructure and increase its appeal to discount shoppers. Although Amazon has the capabilities to develop its own proprietary solutions to these two shortfalls, the company's previous solution to similar problems was to acquire a company that already has the answers in place. Thus, Amazon's

rumored acquisition of Dollar General. With a focus on selling products to low-cost focused customers through its physical retail stores, Dollar General capitalizes on areas where Amazon is lacking. But how would this acquisition impact Amazon? To answer this question, this research will examine historical mergers and acquisitions and compare them to those previously made by Amazon in order to uncover Amazon's acquisition strategy. Using this knowledge, Amazon and Dollar General will then be examined from a financial and logistical perspective in order to determine if these two companies are compatible.

This thesis is separated into eight sections. The second section will analyze two failed mergers and acquisition to examine reasons as to why these deals can end unsuccessfully. Subsequently, Amazon's previous acquisitions will be analyzed to determine the strategy the company follows when making an acquisition. Next, the proposed acquisition of Dollar General will be analyzed to ensure Dollar General and Amazon align strategically. Then, a financial analysis will be conducted to determine the financial implications of such the proposed deal. Following the financial analysis, a logistical analysis will be done in order to determine how Amazon would incorporate Dollar General's stores into its established distribution network. After, other considerations will be discussed before concluding if this acquisition is an appropriate choice for Amazon. Finally, a conclusion will summarize these thoughts.

Chapter 2

Past Mergers and Acquisitions

Mergers and acquisitions (M&As) are a key component of any company's growth strategy. The decision to acquire a company should be strategic, with a goal of placing both the acquiring firm and the acquired in a better position than they were before. However, as evidenced by hundreds of failed corporate mergers and acquisitions, not all companies find success in their acquisition endeavors. There are various reasons why M&As fail, but one of the most common reasons is because of a company's faulty acquisition strategy (Payne, 1987). Developing a proper acquisition strategy is a key component to ensure the success of a merger. The acquiring and target company should have synergies in multiple areas of their business operations. The combined company should then be able to leverage these synergies to aid each other in areas where one company might have been previously deficient. In addition, a company needs to determine what the true purpose of an acquisition is and what benefits it will provide to the acquiring company, its consumers, and its shareholders. While this may seem simple, too often the underlying acquisition strategy of a company is flawed. The following paragraphs contain a synopsis of two significant M&As in the retail industry. While the deals themselves were quite different, what they both have in common is their unsuccessful endings.

Quaker Oats and Snapple (1994)

In November of 1994, the Quaker Oats Company (Quaker) purchased Snapple Beverage Corporation for $1.7 billion. Although Snapple was founded twenty years prior in 1972, the juice

and tea company experienced peak sales growth in the early 1990s leading to an all-time high stock price in February of 1994. However, by the third quarter of that same year, sales growth slowed, and Snapple's stock price began to fall. Quaker seized this opportunity to purchase Snapple in order to add to its expanding brand portfolio (Collins, 1994). However, the Quaker and Snapple deal was short-lived. Just twenty-seven months after the acquisition was finalized, Quaker sold Snapple for just $300 million, a $1.4 billion loss for Quaker shareholders (Schultz, 2008). Thirty years later, this merger is still known as one of the worst of all time. The factors that contributed to the failure of the deal will be discussed below in an attempt to discover if proper consideration of them would have lessened the severity of the failure or even prevented it altogether.

Snapple was founded in Brooklyn, New York in 1972 as Unadulterated Food Products, but it was not until 1987 when the company introduced its ready-to-drink iced teas that sales soared. In 1992, Snapple officially became Snapple Beverage Corporation and had its first public offering later that year (Farris & Friberg, 2019). The company used a direct-store distribution system to deliver its products directly from its independent bottlers to the cold channel market, which is made up of convenience stores, street vendors, recreation areas and restaurants. Most other companies at the time focused their sales on the warm channel market of grocery stores (Kaplan, 1994). Snapple's focus on the cold channel gave its products a reputation of being available for immediate consumption. This focus, coupled with the company's unique brand and product offerings, helped Snapple gain traction against competitors (Todd, 2004). However, this approach varied greatly from other popular beverage companies at the time, especially Quaker Oats' Gatorade.

At the time of the Snapple acquisition, the Quaker Oats Company was over nine decades old. Founded in 1901, Quaker had been through a series of acquisitions throughout its years of business. One of Quaker's most profitable acquisitions came when it purchased Stokely-Van Camp Inc. in 1983, the owner of the sports-beverage company, Gatorade (Strahler, 2014). Over the course of the next decade, Quaker revamped Gatorade's marketing strategy and expanded its distribution network. Gatorade thrived under Quaker's ownership. It became Quaker's largest brand in sales volume and in 1993 had $1.2 billion in global sales, accounting for twenty percent of Quaker's sales that year. Quaker hoped to replicate Gatorade's success with Snapple. By revamping Snapple's marketing strategy and combining its distribution network with Gatorade, Quaker hoped to revive Snapple's slowing sales. The acquisition created the third-largest nonalcoholic beverage market in North America (Collins, 1994).

At the onset of the deal, the future of the newly combined companies looked promising. However, problems quickly arose as Quaker tried to implement the "big brand" strategies that it had used on Gatorade with Snapple (Todd, 2004). During the 1995 and 1996 fiscal years, Quaker experienced a combined $160 million in operating losses from Snapple's decreased sales. In addition, Quaker's book value decreased by $1.4 billion from the time it purchased Snapple. As a result, Quaker's stock plateaued while the overall market increased. In order to preserve the company's remaining operations, Quaker opted to sell Snapple in March of 1997 to Triarc Companies for $300 million. Quaker's chairman and CEO, William Smithburg issued a statement the day after the sale of Snapple was publicly announced, stating that Snapple had the "ability to generate growth" 'but that it was in the interest of Quaker shareholders' "to remove the financial burdens and risks Snapple brought to the portfolio and better focus on our value-driving businesses" (Feder, 1997).

Thus, the reason the Quaker and Snapple merger failed was two-fold. The first problem was the size difference between the two companies. An article that discussed famous mergers in the beverage business stated, “many acquisitions of small brands by larger corporate companies fail because large companies try to impose ‘big brand’ strategies” (Todd, 2004). This is what happened with Quaker and Snapple. Quaker tried to incorporate Snapple directly into its Gatorade operations to maximize the company’s sales. At the time of the purchase, Gatorade was about 1.7 times larger than Snapple in terms of sales, but Quaker tried to use the exact same distribution strategy on Snapple that it had used to achieve success with Gatorade. Quaker’s attempt to remake Snapple’s brand to fit its own marketing and branding strategy was the second reason the merger failed. Snapple gained traction with customers because it was unique. When Quaker tried to replicate with Snapple what it had done with Gatorade, that sense of uniqueness was lost, and as a result, so were sales.

Kmart and Sears (2004)

In November of 2004, Kmart announced its plan to buy Sears, Roebuck & Company for $11 billion dollars. The companies would maintain separate identities but would be known collectively as Sears Holdings. By creating the third largest retailer in America, the deal was an attempt at better positioning the companies to take on the industry leaders, Walmart and Target (Hays, 2004). The merger was championed by investor, Edward Lampert, who was credited with saving Kmart from bankruptcy in 2002. Although Lampert, who was announced chairman of Sears Holdings, acknowledged the company would face challenges going forward, investors found the real estate holdings of Kmart and Sears valuable enough to look past potential shortcomings (Morgenson, 2005). However, after years of struggles, Sears Holdings filed for

bankruptcy in October of 2018 (Bomey, 2019). A series of faulty strategic decisions over the years ultimately led to the merger's unfavorable ending.

After the merger was finalized, cost savings was the first area of focus for Sears Holdings management. By streamlining the companies supply chains and purchasing operations of its newly combined 3,500 stores, an estimated $300 million was expected to be saved annually. In addition, when the deal was finalized in early 2005, Sears and Kmart would sell each other's products, which management forecasted would contribute to an additional $200 million in savings (Hays, 2004). Although the millions of dollars in cost savings excited investors, their excitement wore off when sales started to decline. Sears Holdings focus on cost savings led to underspending in one key area of brick-and-mortar retail: the selling environment.

Although Sears and Kmart were able to combine their product offerings, the environment where these products were sold was outdated, turning customers away. A 2005 article estimated the combined prior year capital expenditures (CAPEX) of Sears Holding in order to compare the company's reinvestments in its business to that of Walmart and Target. The article estimated that in 2004, Walmart spent approximately $7 per square foot on store maintenance and upkeep, with Target spending $6.51 per square foot. Sears Holding spent considerably less – just $1.33 per square foot. The unwillingness to reinvest in Kmart and Sears stores was reflected less than a year after the deal was finalized as Sears Holdings' sales started to decline (Morgenson, 2005). This trend continued as the economy entered the recession in 2008. Even when consumer spending began to rise, few people were looking to purchase from Kmart and Sears. As a result, the company lost billions and closed over 3,000 of its stores between 2004 and 2019 (Barbaro, 2007; Tejada, 2017).

The decline in sales as a result of cost cutting was not the only reason the Kmart and Sears merger failed. As mentioned, investors were confident that even if the company's earnings did not turn out as expected, the real estate value of the company's stores was still enough to make the merger valuable to shareholders. Prior to the merger, Kmart sold eighteen stores to Home Depot for $271 million in August of 2004, equating to a sales price of $150 per square foot (Morgenson, 2005). However, with the economy in the midst of a recession in the latter part of the decade and majority of the company's stores being in outdated shopping malls and other undesirable locations, Sears Holdings struggled to find buyers for its vacant store fronts (Clifford, 2010). In addition, the money made from selling off its properties went towards funding the company's failing operations and not its bottom line (Tejada, 2017). Although the company pushed online shopping to consumers in 2010, competitors were doing the same. The company's entrance into the e-tail space was not enough to gain back the customers it lost in the early days of the merger (Clifford, 2010).

Although merging Kmart and Sears seemed like the best strategy to help the two struggling retailers, poor decisions are what led to the company's slow demise. When reflecting on where the company went wrong, it is evident that an aggressive cost saving strategy was not the best way to increase the company's bottom line. The company should have recognized earlier that customer experience drives in-store sales. Costs were decreasing, but the lack of reinvestment in its stores was decreasing the sales of Sears Holdings even more. Investors believed that even if sales did not turn around, the company was still valuable due to its extensive real-estate holdings. However, the value of these holdings decreased because of Sears Holdings' refusal to reinvest in the properties. Looking back, more emphasis should have been

placed on the fact that Sears Holdings was first and foremost a retail store. Ultimately a retail company cannot succeed without successful sales.

Factors Contributing to Failed Acquisitions

After looking at the above two examples, it can be said that the reason each of these M&As failed was due to faulty acquisition strategies being employed. Quaker Oats' acquisition strategy was to merge Snapple's distribution network with that of its own. However, Quaker failed to account for the difference in company size as well as the different distribution channels in which Snapple's products had traditionally been sold. In addition, Quaker was too quick to change Snapple's brand image, even though its unique brand image was why most consumers chose it in the first place. Quaker should have recognized this and let Snapple stand on its own. In the merger between Kmart and Sears, the acquisition strategy was to create cost-savings. Yet, the focus on cost-savings and lack of willingness to invest in Kmart's outdated stores was the main factor that contributed the failure of Sears Holdings. In hindsight, the company's management should have been prepared to invest in the company's storefronts. Additionally, the company should have had a second plan in place as to how they would utilize the company's real estate holdings if the value of them did decrease.

The above examples demonstrate that a flawed acquisition strategy can lead to an undesirable outcome. Prior to making an acquisition, a company should consider what benefit the target company will provide to the acquiror. Hence, a strategy should be developed as to how the target company will be incorporated into the acquiring company's operations, with a reason behind why that strategy is the most effective way to incorporate the company.

Chapter 3

Amazon's Past Acquisitions and Acquisition Strategy

As noted, even large and well-developed companies can still struggle when making acquisitions. On the other hand, Amazon has managed to experience some level of success in each of its acquisitions. Although some of its acquisitions were arguably more successful than others, none of its previous acquisitions have even come close to the magnitude of failure that was experienced in the examples given in the previous chapter. So, what does Amazon look for in a target company, and how does this translate into a successful acquisition? This chapter will serve to answer this question by first introducing three of Amazon's most notable acquisitions. Then, the primary reason for each acquisition will be highlighted to uncover Amazon's acquisition strategy.

Zappos (2009)

One of Amazon's first major acquisitions in the retail industry came in July of 2009 when Amazon purchased Zappos, an online footwear and clothing retailer, for $847 million. At the time of the deal, Amazon CEO Jeff Bezos issued a statement saying "Zappos is a customer-focused company. We see great opportunities for both companies to learn from each other and create even better experiences for our customers" (Amazon, 2009). As Bezos pointed out, one of Amazon's main selling points with Zappos was the company's priority on customer experience, which is one of Amazon's core principles as well (Dart & Lewis, 2011). Both companies were

already demonstrating this at the time of the deal, with Zappos offering customers free shipping and easy returns – a very similar model to what Amazon was offering at the time as well.

In addition to both companies being customer focused, there are a few other reasons for this acquisition. When the deal was made, Zappos released an open letter to its employees from the company's CEO, Tony Hsieh. In the letter, Hsieh revealed Amazon's plan with Zappos was not to re-brand it to fit with Amazon, but to instead let it continue to build as Zappos. The letter went on to describe the three main reasons why Zappos agreed to the deal, with Amazon allowing Zappos to maintain its independence being one of them. The other two reasons were that Amazon would help Zappos grow at a faster rate and both companies were focused on long-term success. Jeff Bezos also released a video to Zappos employees revealing why Amazon chose Zappos. In the video, he again discussed Zappos' customer obsession, but also touched on the company's unique culture, sound leadership, and growth opportunities (Parr, 2009).

Diapers.com (2010)

Less than one year after Amazon's acquisition of Zappos came the acquisition of Quidsi, Inc (Quidsi). Quidsi was the parent company of several online retailers, including Soap.com, BeautyBar.com, and Amazon's main target, Diapers.com. Prior to the acquisition, Diapers.com was posing a serious threat to Amazon. The online retailer of over 40,000 baby supplies experienced a twenty-six percent increase in revenue from 2006 to 2011. The company developed robot-assisted warehouses in order to fulfill and ship orders fast, a selling point that kept customers coming back time and time again. In fact, seventy-five percent of its orders in 2011 were from repeat customers. In a 2010 article that was published right before the Amazon-Quidsi deal was finalized, Cathy Halligan, the former Chief Marketing Officer for Walmart.com

cited three reasons consumers loved shopping on Quidsi's sites: free shipping, ease of reordering, and customer experience. Halligan further went on to say that Quidsi's online browsing experiences topped Amazon's experience because they focused on a "browse experience" rather than a "search experience" (Tsuruoka, 2010). A browse experience allows customers to do just that: browse through different items and brands to discover new products before purchasing. A search experience requires a customer to have a specific product name in mind so it can be searched in the search bar to return the exact product. While Amazon did have a browser experience built into its online store, Halligan believed Quidsi's sites were better curated towards improving the customer experience (Tsuruoka, 2010).

In the same article, Halligan stated Amazon's main reason for purchasing Quidsi was because Amazon had yet to establish its online presence in being a major retailer of everyday items. Amazon sought to acquire Quidsi for the same reason they purchased Zappos a year earlier: to quickly establish authority in selling a new product. In the end, the acquisition of Quidsi by Amazon was completed in late November of 2010 for a final price of $540 million.

Whole Foods (2017)

Perhaps Amazon's most famous acquisition came in August of 2017. Amazon agreed to purchase Whole Foods Market, Inc. for $13.7 billion. However, this deal had one added bonus that Amazon had yet to receive from other acquisitions: an overnight in-store presence. Additionally, the acquisition allowed Amazon to enter into the $800 billion-dollar grocery industry (Hetrick, 2018). Both of these factors disrupted the surrounding retail market. After the deal was announced, shares of top competitors Walmart, Costco, and Target dropped by 4.7, 7.2, and 5.1 one percent respectively. With Amazon's gateway into brick-and-mortar complete, the

company started to gain back the edge that competitors previously had as their sole advantage ("Here's What Amazon's Whole Foods Purchase Means for the Future of Retail," 2017).

Looking at the deal from Whole Foods' perspective, an acquisition may have been what the company needed. At the time, Whole Foods was losing sales to competitors that were offering similar, yet cheaper, products to Whole Food's target market of health-conscious consumers. This was evidenced by declining sales in 2016 and 2017, of 2.5 percent and 1.5 percent, respectively (Hirsch, 2018). In the retail industry, this decline may seem minor, but in the grocery industry, where profit is made on the basis of selling large quantities at thin margins, it was not a promising sign for Whole Foods. Furthermore, as the health trend continued to infiltrate American consumers and affect how they spend their disposable income, one would think sales should be heading the opposite way for a grocery store that was designed to serve the health-conscious population.

Contrary to the prior two acquisitions, Whole Foods underwent notable changes to help fit Amazon's way of doing business. One change was Whole Food's purchasing strategy. To fit Amazon's brand, which thrives on efficient operations, Amazon helped Whole Foods centralize their purchasing. Previously Whole Foods helped smaller brands enter the marketplace by purchasing at the regional level. Amazon altered this strategy, so all purchasing is now conducted at a national level. Suppliers must be able to support Whole Foods on a national scale, rather than expanding into one region at a time (Hirsch, 2018).

Other Acquisitions

In addition to Zappos, Diapers.com, and Whole Foods, Amazon has made other notable acquisitions in recent years, such as PillPack Inc., a pharmaceutical delivery company, and Ring

Inc., a video doorbell manufacturer, both in late 2018 ("Zephyr – Deal records," 2019). However, the popularity and scale of the Zappos, Diapers.com, and Whole Foods deals provide more insight as to what Amazon looks for in target companies. The primary reason for each acquisition is highlighted below.

Zappos: Culture

As noted, Zappos' customers were at the forefront of their business model even prior to the acquisition by Amazon. The customer focused company aimed to satisfy customers through top-of-the line customer service. With customer experience and satisfaction being one of Amazon's core values as well, acquiring a company that shares these values was, and still is, one of Amazon's top priorities. In addition, because Amazon allowed Zappos to remain independent and develop its own brand, culturally compatibility was of even greater importance. It ensured the companies had similar visions and would grow together, not apart. As discussed in Chapter 2, mergers most often go wrong when there are cultural misalignments or miscommunications between companies in terms of what their priorities are.

Diapers.com: Competition

It is no secret that Amazon likes to remain at the forefront of the competition. However, prior to acquiring Quidsi, Diapers.com was outperforming Amazon in sales of diapers and baby products. Amazon subsequently dropped prices by thirty percent on these products in an attempt to gain back the market share. Diapers.com followed Amazon's lead, only to have Amazon drop prices yet again thanks to its price-tracking software. Ultimately, Diapers.com revenue growth slowed thanks to Amazon's pricing pressure and, in the end, Quidsi agreed to acquisition talks

(Del Rey, 2013). This example shows that if Amazon feels threatened or cannot beat the competition, it will instead just try to acquire it.

Whole Foods: A New Market Segment

One might initially think Amazon's primary purpose for acquiring Whole Foods was for its physical presence, but research shows that it was more so about gaining traction in a new market segment. Although Amazon had extensive brand offerings prior to the Whole Foods acquisition, they had not been able to develop a solid model to deliver the one category missing from its offering's portfolio: fresh food. Amazon had perfected procuring all of its other products and shipping them to its customers, but all of these products had no little or no sensitivity in terms of climate control, expiration date, or time spent in transit. Whole Foods helped Amazon solve this problem with its well-established supply chain designed for acquiring and distributing fresh food (Hirsch, 2018). Even though Whole Foods kept its own brand and name, Amazon was finally in the position to complete its customer offerings and compete directly with other industry giants.

Amazon's Acquisition Strategy

In conclusion, Amazon looks for three characteristics when picking a potential acquiree: the company's culture, whether the company is a competitor or not, and if the company operates in a market segment that Amazon is not currently in. In terms of Amazon's acquisition strategy, Amazon's target company must have at least one out of these three characteristics, but the target company could have more than one. For example, it could be argued that Zappos was a competitor of Amazon in addition to being culturally compatible. Thus, for Amazon to see

success with an acquisition, at least one of these characteristics must be present in the target company.

Chapter 4

The Proposed Acquisition of Dollar General

As displayed by Amazon's prior acquisitions of Zappos, Diapers.com, and Whole Foods, the e-tail leader is strategic when selecting a company to acquire. Although the company is almost thirty years old, Amazon continues to grow every day. With that being said, Amazon's next big acquisition is a topic for speculation. Considering Amazon's acquisition strategy that was uncovered in the previous chapter, the company will likely acquire a company that has a similar culture, is a major competitor, or provides an entryway into a new market segment. When thinking of its next target, Amazon also needs to consider its lack of in-store infrastructure. Amazon is a model company for the e-tail industry, but the company has barely scratched the surface of selling through brick and mortar outlets. In addition, majority of Amazon's Prime customers earn an annual income of over one-hundred thousand dollars (Hanbury, 2017). Thus, the company lacks appeal to cost-conscious consumers. These two areas in which Amazon could be considered deficient is where discount store Dollar General finds its success, perhaps making it the optimal choice for Amazon's next acquisition.

Dollar General is a Tennessee-based discount retailer that owns and operates over 16,000 stores in forty-five U.S. states (Dollar General Celebrates Grand Opening of its Jackson, Georgia Distribution Center | Dollar General Newsroom, n.d.). Although the company has the word "dollar" in its name, it is not technically a dollar store. The company's product offerings are mainly priced around ten dollars and below. Its product offerings are centered around non-perishables, refrigerated food items, household products and various other necessities a

consumer would seek out for a quick re-stock ("Mergent Intellect," 2019). Dollar General's main competitors are Dollar Tree and its subsidiary, Family Dollar. Family Dollar, in fact, is a true dollar store, with all of its products priced at just one dollar. All three of the chains showed growth since the second quarter of 2018.

Comps Growth	**Q2 2018**	**Q3 2018**	**Q4 2018**	**Q1 2019**	**Q2 2019**
Dollar General	3.7%	2.8%	4.0%	3.8%	4.0%
Dollar Tree	3.0%	2.3%	3.2%	2.5%	2.4%
Family Dollar	0.0%	-0.4%	1.4%	1.9%	2.4%

Table 4-1. Growth Amongst Dollar Chains, Q2 2018 - Q2 2019

Source: Detroit Free Press, October 2019

As displayed in Table 4-1 above, Dollar General experienced the most growth out of the three chains. This, coupled with the fact that Dollar General is the largest out of the three chains, makes it the store that Amazon should consider.

Dollar General has continued to maintain and expand its market share by capitalizing on aspects of business that other retailers have traditionally considered to be less important. For example, most of Dollar General's stores are in low income areas that are otherwise underserved by larger retailers like Walmart and Target. In addition, Dollar General has taken after stores such as TJ Maxx by creating a "treasure hunt" experience for consumers, meaning they offer exclusive products at a discount for limited amounts of time (Petro, 2019). These factors, coupled with the company's already low-priced product offerings, are what lead to the company opening 975 new stores in 2019 while other retailers were announcing hundreds of closures (Ladd, 2019).

Dollar General has proven it can withstand the challenges Amazon has created for other retailers. Considering Amazon just acquired Whole Foods, it does not necessarily need to make another acquisition anytime soon. However, acquiring Dollar General could aid Amazon's entry into the grocery industry, allowing it to better compete directly with Walmart and Target. As of March 1, 2019, only 476 Whole Foods stores existed in the United States (Redman, 2019). Dollar General, on the other hand, operates around 16,000 stores. In 2013, Dollar General began adding more coolers to its stores to allow it to sell more fresh and frozen foods. In 2019 alone, the company planned to add around 40,000 more coolers. The company has started to utilize these coolers to self-distribute frozen and refrigerated goods to its stores. Additionally, the discount store is beginning to sell more fresh produce and launched a "Better For You" line of products in 2018 to keep up with consumer health trends (Ladd, 2019).

Thus, Amazon could utilize Dollar General's stores in a few ways. It could either transform these stores into smaller Whole Foods or leave them as is. Either option would provide them with more touchpoints in the grocery industry. Amazon could also use Dollar General's stores to expand its Amazon Fresh grocery-delivery service. Considering Dollar General's stores exist in a wider variety of locations, Amazon could use Dollar General's stores as fulfillment centers for Amazon Fresh orders, increasing the number of customers that are able to use this service.

Amazon would not only be able to utilize Dollar General's grocery business but also would be able to use the stores to help ease the impact Amazon's free two-day shipping policy has had on its bottom line. Previously, Amazon required a twenty-five-dollar order minimum to qualify for free two-day shipping. However, in late 2018, Amazon removed this requirement (Porter, 2018). Now Amazon Prime members can order products that cost as little as one dollar

and have them arrive at their door in two days for free. Amazon removed the order minimum requirement to remain competitive but shipping five-dollar products for free is not a sustainable business model. Amazon already struggles with the cost of the last mile in shipping. However, acquiring Dollar General could potentially ease this burden on the company. Dollar General's extensive network of stores would allow Amazon to use Dollar General's stock as mini-fulfillment centers. Plus, loyal Amazon shoppers would be able to stop by Dollar General to re-stock on low cost products instead of ordering them online.

Before going further, it is important to consider if Dollar General would fit Amazon's acquisition strategy. Chapter 2 illustrated how quickly M&As can fail when a sound acquisition strategy is not in place. Considering Amazon's strategy of acquiring either a culturally aligned company, a competitor, or a company that provides an entryway into a new market segment, Dollar General fits two of these requirements. While not necessarily a direct competitor, Dollar General does pose a small threat to Amazon when it comes to the sale of consumables and household products. With Dollar General currently in a growth-phase as well, the company could pose a bigger threat to Amazon in future years. Dollar General also provides Amazon with an opportunity to access a new market segment of low-income shoppers. The only requirement Dollar General does not fulfill is similar cultures, but this can be attributed to the companies distinctive business models.

From an external viewpoint, acquiring Dollar General appears to be Amazon's best option. Dollar General would provide Amazon with the potential to appeal to more customers with wider arrays of income levels, aid with Whole Foods' grocery business, and finally give Amazon a physical infrastructure. However, as with every merger, there are much deeper financial and logistical issues to consider, in addition to other considerations such as consumer

reactions. The next two chapters will examine the proposed acquisition more in-depth to answer the question of whether or not Dollar General is Amazon’s way to break into the brick-and-mortar retail industry.

Chapter 5

Financial Implications of the Proposed Acquisition

Acquiring Dollar General would impose both financial and logistical implications on Amazon. This chapter will serve to analyze the financial implications of this acquisition. First, Amazon's financial performance will be discussed in order to determine if the company has adequate financial resources available to make another large acquisition just three years after its acquisition of Whole Foods. As displayed with the Sears Holdings merger, a parent company should not enter into an acquisition deal if it does not have funds readily available to invest in the target company. A lack of resources could lead not only to a failed acquisition, but also to the failure of the parent company. In addition to considering Amazon's current financial resources, its sources of funding and the stock market's reaction to prior acquisitions will be highlighted. This chapter will conclude with an analysis of some of Dollar General's key profitability ratios.

Although Amazon's shipping costs have become more of a threat to the company's bottom line in recent years, neither Amazon's management nor investors appear to be worried about its ability to cover costs or generate a return. As of September 2019, the company was trading at fifty-eight times its expected earnings on the S&P 500, versus the average of seventeen times (ContentEngine, LLC, 2019). Furthermore, Amazon's cash from operations more than doubled from 2016 to 2019. See Table 5-1 for this analysis.

Cash from Operations			
2016	**2017**	**2018**	**2019**
$ 16,443,000	$ 18,434,000	$ 30,723,000	$38,514,000

Table 5-1. Amazon's Cash Flows from Operations 2016 – 2019

Source: Mergent Intellect

In the past, Amazon has chosen to fund acquisitions by either issuing common stock or long-term notes. For example, Amazon funded its acquisition of Zappos by issuing common stock and vesting restricted stock units. More recently, Amazon chose to finance its acquisition of Whole Foods by issuing long-term notes (Zephyr Deal Records). These examples demonstrate that Amazon does not chose to finance its acquisitions in any one way and that, based on its past success in financing its acquisitions and Amazon's profitable financing performance, financing a future acquisition is not an area of concern.

Perhaps another area of financial concern Amazon needs to consider is the stock market's potential reaction to another large acquisition. Amazon is unique in that after the company's prior acquisitions were announced, Amazon's stock price was not negatively affected. This is not the typical trend displayed, as normally the acquiring company's share price declines after an acquisition is announced. However, when looking at Amazon's share prices in the six months prior to and post its three largest acquisition announcements, it is evident Amazon avoided this trend. Figures 5-1, 5-2, and 5-3 show Amazon's share price in the six months trailing and six months post the date Amazon announced its plans to acquire Zappos, Diapers.com, and Whole Foods, respectively.

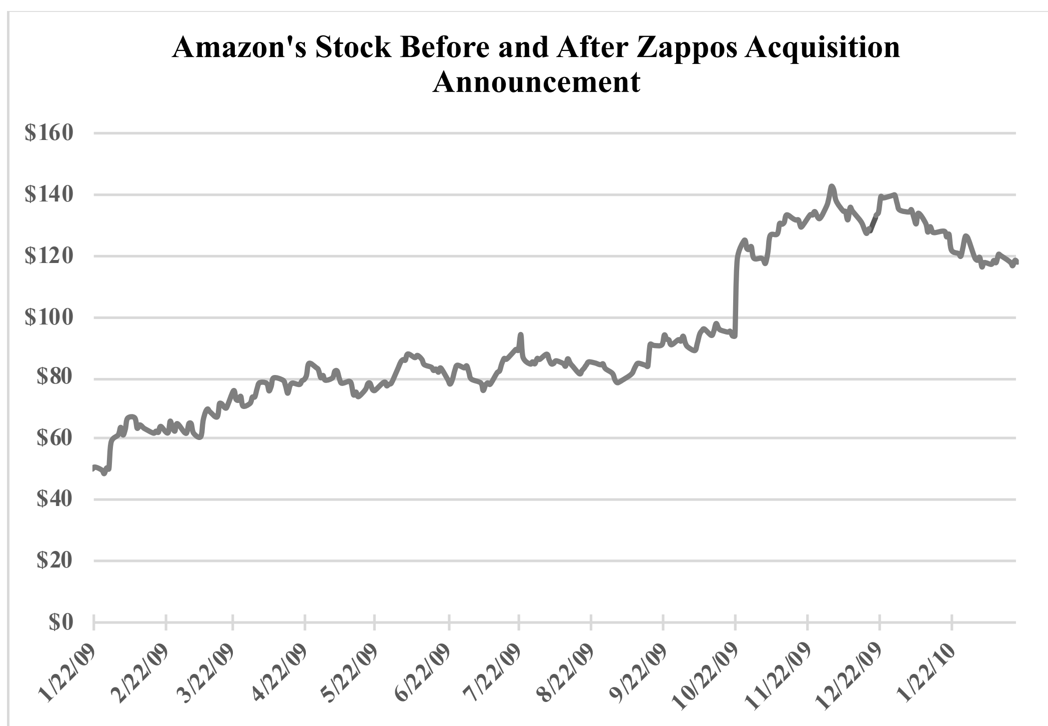

Figure 5-1. Effect of Zappos Acquisition on Amazon's Stock Price

Source: Yahoo Finance

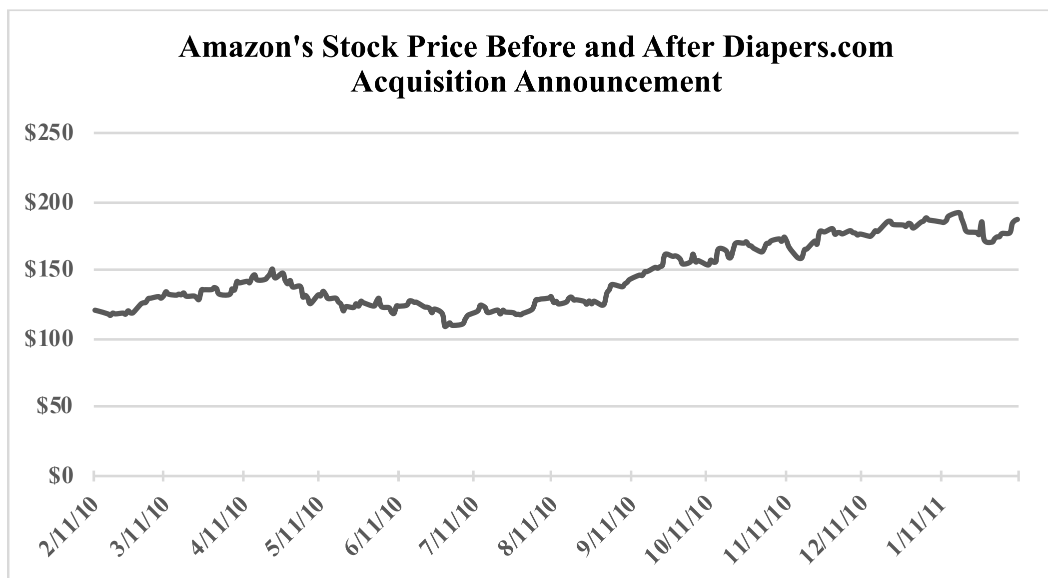

Figure 5-2. Effect of Quidsi (Diapers.com) Acquisition on Amazon's Stock Price

Source: Yahoo Finance

Figure 5-3. Effect of Whole Foods Acquisition on Amazon's Stock Price

Source: Yahoo Finance

One area of further discussion arises from Figure 5-2 and Figure 5-3. The dates on the y-axis nearly overlap since Amazon announced its acquisition of Diapers.com less than a year after it announced its acquisition of Zappos. Both of these acquisitions were huge undertakings for Amazon logistically and financially. The combined cost to acquire both companies was over $1.387 billion. Yet, even with two costly acquisitions almost back to back, Amazon's stock did not suffer. The point is that when considering whether or not to acquire Dollar General, Amazon should not consider the fact that Whole Foods was acquired only three years ago, at least from a financial perspective. While Amazon's ownership of Whole Foods should be considered when deciding if and how the company should incorporate Dollar General's stores into its operations, the cost of the acquisitions should be treated completely on their own.

As mentioned above, Amazon is a profitable company, but it is also important to look at Dollar General's profitability as well. To do this, four of Dollar Generals profitability ratios were

selected. The values of these ratios in addition to the industry average ratio value is displayed in Table 5-2. These calculations, which are all five-year averages, were obtained from Morningstar's Investment Research database. Moreover, since Amazon is still looking to grow itself, it should look to acquire similarly minded companies. This is why Dollar General's growth rate is highlighted in Table 5-2 as well.

Key Financial Metrics		
Metric	**Dollar General**	**Industry Average**
Growth Rate +/- Industry	7.8x	—
Return on Equity	23.1%	19.5%
Return on Assets	11.2%	6.0%
Net Profit Margin	6.0%	2.7%
Price to Earnings	19.4	27.0

Table 5-2. Ratio Comparison Between Dollar General and the Discount Store Industry

Source: Morningstar

Dollar General's compounded annual growth rate is 7.8 times the industry average. The company's high level of growth is not too surprising considering the changes Dollar General's management has implemented in the last few years that were touched upon in Chapter 4. From Amazon's perspective, Dollar General's high growth rate compared to the industry could be both a positive and negative. The upside is that both companies are growth focused and, thus have similar cultures, which is one requirement of Amazon's acquisitions strategy. This could also

imply that Amazon would have to pay a premium price for Dollar General since the company has proven that it has had no problem growing on its own.

Table 5-2 also highlights four key profitability ratios: return on equity (ROE), return on assets (ROA), net profit margin, and price to earnings (P/E). Aside from its P/E ratio, Dollar General's profitability ratios are above the industry standard. The fact that Dollar General's ROA is greater than that of its peers in the industry indicates the company is more efficient when using its assets to generate a return for its investors, which can also explain why the company's ROE is greater than that of the industry. Dollar General's net profit margin also indicates the company is effectively able to manage its costs relative to its sales versus its competitors. Although the company's P/E ratio of 19.4 is lower than the industry standard of 27.0, this is not necessarily a bad thing for Amazon. This means shares of Dollar General's stock are in less demand than the shares of other companies' stocks in the discount industry. This could imply to Amazon that it can potentially acquire Dollar General at a competitive price.

To summarize, Amazon has historically had little trouble funding acquisitions. Furthermore, the company's investors and the rest of the market respond positively when the company does make acquisitions. Dollar General is also profitable company relative to those in the discount store industry. Although Amazon might have to pay a premium price for Dollar General, Amazon has sufficient financial resources to do so. Dollar General's high growth rate also might imply that the initial capital outflow by Amazon would be recovered quickly. Thus, the financial implications of acquiring Dollar General are relatively low for Amazon. Next, the logistical implications will be considered.

Chapter 6

Logistical Implications of the Proposed Acquisition

As discussed in the previous chapter, Amazon acquiring Dollar General comes at a relatively low cost to Amazon. While financials should be considered, Amazon's main focus when considering this proposal should be the logistical effects. Integrating Dollar General's seventeen distribution centers (DCs) with Amazon's vast U.S. distribution network would allow the company to expand in just a few months rather than a few years. Plus, the acquisition would give Amazon access to over 16,000 Dollar General retail locations. While there are obvious benefits to the acquisition, how Amazon would incorporate Dollar General's infrastructure into its own to best serve both companies' customer bases is not as apparent. To determine if this merger is feasible or produces a benefit that outweighs the cost, Amazon needs to consider the best route to take with Dollar General's retail stores following the changes from integrating Dollar General's distribution network with its own. The following chapter will provide greater detail on these considerations.

The Integration of Distribution Networks

Amazon's two-day shipping guarantee that encompasses the majority of items available for sale on its website would not be possible without an extensive distribution network. As of January 2020, Amazon had 110 active fulfillment centers servicing its U.S. operations (Palmer, 2020). Figure 6-1 illustrates the locations of Amazon's active fulfillment centers across the U.S.

Moreover, it shows the locations of potential new warehouses that the company is planning to open in the future.

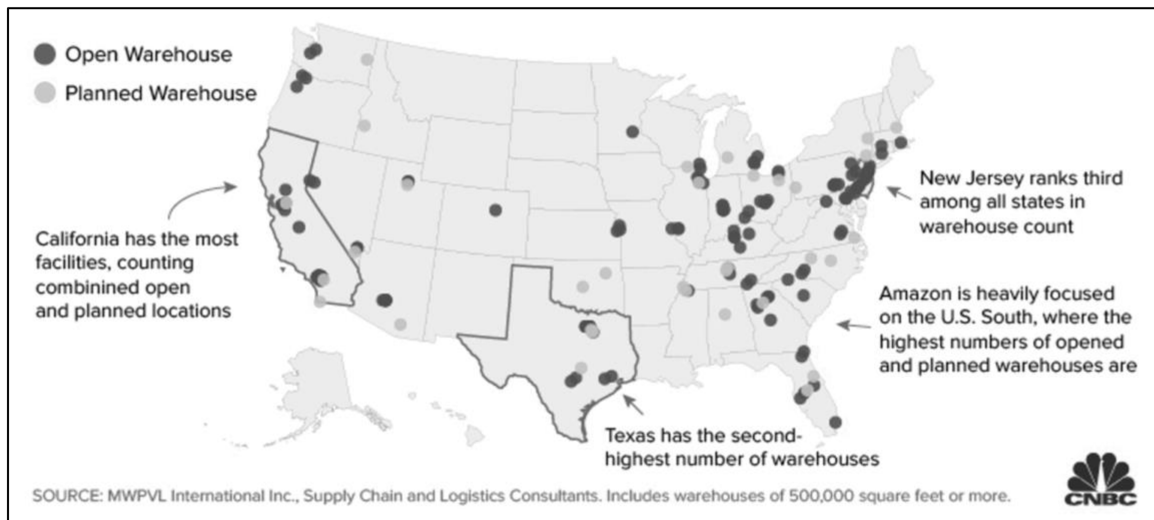

Figure 6-1. Map of Amazon's Fulfillment Network

Source: CNBC, adopted from MWPVL International Inc.

As displayed in Figure 6-1, California currently has the greatest number of fulfillment centers, followed by Texas and New Jersey. In addition to its network of fulfillment centers used to ship consumer products, Amazon also owns twenty-two Amazon Pantry distribution centers that are used to distribute both dry and fresh food products to consumers through its Amazon Pantry delivery service. Amazon also manages twelve Whole Foods DCs, which are used exclusively to deliver food to Whole Foods' stores (Amazon Distribution Network Strategy | MWPVL International, 2020). Figure 6-2 illustrates the combined locations of Amazon Pantry and Whole Foods distribution centers.

Figure 6-2. Map of Amazon's Whole Foods and Food Distribution Centers

Source: MWPVL International

Dollar General owns only seventeen distribution centers across the United States. A map of these distribution centers is shown below in Figure 6-3.

Figure 6-3. Map of Dollar General's Distribution Centers

Source: Dollar General.com

Dollar General also utilizes cold storage facilities to orchestrate its DG Fresh initiative. The initiative, which began in 2018, was started with the purpose of having more fresh food options in Dollar General's stores. Rather than relying on outside vendors to stock its stores with fresh goods, Dollar General maintains its own cold storage facilities to do so (Redman, 2019).

Thus, Amazon would have a few decisions to make regarding Dollar General's distribution network if it were to acquire the company. One can infer from the figures above that the two distribution networks have some overlap. Nonetheless, the integration of the two networks would still provide Amazon with a larger distribution network that would help fuel its growth initiative. Plus, Dollar General's considerably smaller network would benefit from Amazon's more established network. Before discussing the benefits of integrating the two distribution networks, it is important to consider how Amazon would integrate Dollar General's stores into its operations. This decision will allow the implications of integrating the two networks to be outlined more clearly.

Options for Dollar General's Stores

The fact that Dollar General has established retail stores is one of the main reasons Amazon should consider the acquisition in the first place. The options that Amazon could take regarding these stores were briefly touched upon in Chapter 4. Conversely, Amazon would need to have a concrete idea in mind as to how it would utilize Dollar General's stores prior to making the acquisition. Listed below are three different options that Amazon could choose regarding Dollar General's stores. Each option would have a different impact on the companies themselves, their logistical operations, and their consumer bases.

Option 1: Dollar General Stores Remain Separate

The first option, which appears to be the easiest and most obvious option, would be to let Dollar's General's stores remain as they are. Amazon would still be able to make the appropriate updates it deems necessary, but Dollar General would continue to operate under the Dollar General brand and name. This is similar to what Amazon did with Whole Foods. The benefit to Amazon of choosing this option is that it is the simplest, would take the least amount of time to implement, and would allow Amazon to indirectly serve discount shoppers, an area in which it previously lacked. This would expand Amazon's customer mix from the high-income shoppers that use Amazon Prime and shop at Whole Foods to low-income shoppers that more frequently shop at Dollar General. Logistically, Amazon might be able to re-purpose some of Dollar General's DCs if there is overlap between product mix and location. However, it would be easiest to keep the distribution networks operating separately initially.

Option 2: Transform Dollar General's Stores

Compared to option number one, the second option is more drastic and would take more time to implement. This option would entail Amazon doing three different things with Dollar General's stores. First, Amazon would be able to repurpose a select number of Dollar General's stores into Physical Amazon stores, where consumers could go to pick up Amazon's highest turnover items that it sells online. Transforming all of Dollar General's 16,000 stores into Amazon stores right-away would be unrealistic. Amazon would want to test this concept in a few locations first but acquiring Dollar General would give Amazon the retail space to do so. Also, Amazon would be able to transform select Dollar General stores into Whole Foods locations. Since certain Dollar General locations are already equipped to sell fresh food as part of the

company's DG Fresh initiative, Amazon would have a smaller cost of capital upfront. Logistically, Amazon would be able to use Dollar General's established distribution network to fulfill these stores. Amazon could also integrate Dollar General's cold storage facilities into its own network of Whole Foods and Amazon Pantry DCs.

Nonetheless, the main issue this option presents is the immediate disposal of the Dollar General brand. Dollar General's typical consumer is different than a typical Amazon Prime or Whole Foods consumer. Immediately giving Dollar General Stores an Amazon or Whole Foods name would turn consumers away and lead them to other discount chains. This option does not seem as realistic in terms of what Amazon would do if it were to acquire Dollar General given its past acquisition history and behavior.

Option 3: Incorporate Dollar General's Stores and Integrate Distribution Networks

After exploring the first and second options described above, it can be concluded that if Amazon were to acquire Dollar General, neither of these options would offer Amazon, Dollar General, and each respective customer base the most value. That brings about a third option. Similar to option one, this option would entail majority of Dollar General stores keeping their own name and remaining largely unchanged. Still, Amazon could slowly redo select Dollar General stores, most likely in areas where there is more than one Dollar General location near one another, in order to offer some of its consumers to shop through Amazon in-store rather than online. This would allow Amazon to attract consumers that prefer to shop in-store versus online while potentially attracting customers that were previously unable to afford Amazon Prime memberships. This option would entail Amazon using Dollar General stores as mini fulfillment centers. Overtime, Amazon could use Dollar General stores to fulfill orders right from their stock

rooms. This would help the company decrease its shipping costs while simultaneously helping to combat the issue of the last mile, something most retail companies struggle with.

Additionally, this option would entail Amazon and Dollar General integrating the food-focused aspects of their distribution networks. Dollar General has already adapted its distribution network to implement its DG Fresh initiative at select stores and has plans in place to continue expanding this initiative. Amazon could utilize Dollar General stores to expand Amazon Pantry delivery services and make it available to more consumers across the country, rather than just limiting the services to urban areas. Finally, Amazon could integrate Dollar General's cold storage facilities with its Whole Foods and Food Distribution centers across the U.S., allowing for immediate expansion of these distribution networks. While this option would not necessarily be as immediate as option one, it would take less time to implement than option two. Amazon would also have the freedom to transform even more Dollar General stores into its own stores in the future if so desired.

Therefore, Amazon should select the third option regarding Dollar General's stores. Integrating the distribution networks and using Dollar General stores to fulfill some of Amazon's orders would provide the greatest benefit to Amazon. It gives Amazon the opportunity to transform a select number of Dollar General locations into Amazon stores while still appealing to discount shoppers. The logistical implications of this option are largely positive as the benefits of a larger distribution network and more food distribution centers would help both companies improve their supply chains. So, while the logistical benefits are there, and the financial costs are low, a few more considerations will be made in the following chapter before concluding if Dollar General is an appropriate next target for Amazon.

Chapter 7

Other Considerations

In Chapter 4 of this research, it was concluded that Dollar General fits Amazon's acquisition strategy. The following two chapters looked at how the acquisition would affect both companies financially and logistically. While the logistical implications are significantly more than the financial implications, there is no reason to conclude that the acquisition is not logistically feasible for Amazon. As stated previously, acquiring Dollar General's stores would give Amazon access to Dollar General's 16,000 retail stores which it would be able to utilize in a multitude of ways. Amazon could integrate Dollar General's distribution with its own to decrease the company's shipping costs and better service customers in less urban areas. From a strategic, financial, and logistical standpoint, Dollar General appears to be the best option for Amazon's next acquisition target. Before reaching a final conclusion on this subject, however, there are a few more items that Amazon should consider.

The first and main consideration that Amazon needs to make is if acquiring Dollar General is the best option for the company to break into the brick-and-mortar retail space. The initial idea for all of this research was that Amazon cannot wait much longer before it will need to finally offer consumers in-store purchasing options. Consequently, the idea of Amazon acquiring Dollar General was analyzed. As proven by the analysis conducted, Dollar General offers Amazon many benefits and can help the e-tail giant in areas it is currently lacking. First, Dollar General would give Amazon overnight access to thousands of stores across the country. However, Amazon would need to proceed cautiously regarding the transformation of these stores

into those with the Amazon name. As displayed by Quaker's acquisition of Snapple, implementing changes too quickly can cause an acquisition to fail. Although Amazon would be able to utilize Dollar General's stores in other ways that would be beneficial to its operations, having its own network of stores would take time to implement. So, although acquiring Dollar General would not give Amazon its own network of stores overnight, the acquisition would make Amazon the parent company of Dollar General. Thus, it would be able to service customers in-store, just not under Amazon's brand name.

Another additional consideration is the risk that the acquisition would create for Amazon. Acquiring such a massive amount of retail space would launch Amazon into previously unchartered territory. The Sears Holdings merger displayed how detrimental excess retail holdings can be to a company if it cannot properly utilize them. Conversely, this acquisition would be much different and far less risky than the Sears Holdings merger for a few reasons. First, Dollar General has experienced tremendous success and growth in the past few years whereas Sears was already on the decline when Kmart stepped in. In addition, Amazon could find benefit in Dollar General's stores by using them as mini-fulfillment centers even if in-store sales would dip. While this does not necessarily mean that this acquisition poses no risk to Amazon, the low financial cost, logistical benefits, and strategic alignment that Dollar General would provide Amazon with are greater than the risks that Amazon would assume from the acquisition.

Therefore, Dollar General should be Amazon's next acquisition. If Amazon wishes to expand, the next area that it will need to take on is in-store retailing. Although acquiring Dollar General would not give Amazon a network of stores with the Amazon brand name right-away, the option to transform a greater number of Dollar General stores into Amazon storefronts would

be readily available. Furthermore, the acquisition would benefit Amazon's logistical operations as it would allow the company to expand its distribution network and use Dollar General's stores to help conquer the last mile. Lastly, selling under the Dollar General brand would allow Amazon to expand its customer portfolio to include discount shoppers who traditionally shop in-store versus online through Amazon. While there are additional items that should be considered by Amazon that were touched upon above, the benefits of the acquisition outweigh the costs and risks.

Chapter 8

Conclusion

In summary, Amazon should acquire Dollar General. The research conducted in the second chapter of this work served to illustrate the reason as to why mergers and acquisitions often fail. The reason discovered was that failed mergers and acquisitions are often because of a faulty acquisition strategy. The third chapter looked at Amazon’s three most notable acquisitions: Zappos, Diapers.com, and Whole Foods. By analyzing Amazon’s motives for acquiring these three companies, Amazon’s acquisition strategy was uncovered. With that knowledge, Chapter 4 looked at Dollar General with Amazon’s acquisition strategy in mind. It was concluded that the discount retailer fit with Amazon’s acquisition strategy, but that the financial and logistical implications of the acquisition would need to be considered before determining if Amazon should proceed. Therefore, a financial analysis of Dollar General and Amazon was conducted in Chapter 5, with a focus on both Amazon’s funding of and stockholder reactions to its previous acquisitions and Dollar General’s profitability ratios. Being that Amazon has had little trouble funding its previous acquisitions and its stockholder reactions were largely positive, coupled with the fact that Dollar General’s profitability ratios prove it to be a lucrative and growing company, led to the conclusion that the financial implications for Amazon are relatively low.

In Chapter 6, the logistical implications of the acquisition were analyzed. Compared to the financial implications, the logistical implications are much greater. Amazon would have three

options concerning how to incorporate Dollar General's stores into its supply chain and business model. The third option was selected, which entails a majority of Dollar General stores continuing to operate under the Dollar General brand name but would grant Amazon the freedom to slowly transform a select number of stores into those with Amazon's own brand name. Additionally, this option entails Amazon and Dollar General fully integrating their distribution networks. This would allow Amazon to expand its services by being able to use Dollar General's stores as small fulfillment centers to help fulfill Amazon Pantry orders and conquer the issue of the last mile. Lastly, Chapter 7 looked at additional considerations, including that the acquisition would allow Amazon to serve consumers in-store but under Dollar General's brand name and the risk that the acquisition poses.

In conclusion, an acquisition of Dollar General will allow Amazon to finally enter into the brick-and-mortar retail space in addition to expanding its customer base. This paper's focus was on the strategic, financial, and logistical implications that the acquisition would have. While there would be additional consequences that result from the acquisition, Dollar General should be Amazon's target company when it decides to expand again. Being that Amazon's competitors are pushing back against the company every day, in addition to the fact that Amazon is still very much focused on growing as a company, one can be led to believe that Amazon's next acquisition will be sooner rather than later.

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ACADEMIC VITA

GABRIELLE ATOR

EDUCATION

The Pennsylvania State University | Schreyer Honors College **University Park, PA**
Smeal College of Business *May 2020*
Integrated Master of Accounting (MAcc), Bachelor of Science in Accounting
Minor in Information Systems Management

Honors
Beta Gamma Sigma Honor Society *March 2016*
Phi Eta Sigma Honor Society *December 2017*

Penn State Study Abroad **Rome, Italy**
Ancient Roman History and Archaeology (3 credits) *Summer 2017*

LEADERSHIP EXPERIENCE

Penn State IFC/Panhellenic Dance Marathon (THON) **University Park, PA**
Finance Captain – Assistant Treasurer *April 2019 – April 2020*

- Responsible for tracking the fundraising of over four-hundred student organizations throughout the year
- Serves as the main liaison between THON and its donors regarding the security and allocation of their donations
- Helps prepare and calculate the total that is revealed each February during THON weekend

Finance Captain – Corporate and Matching Checks *September 2018 – April 2019*

- Responsible for processing all corporate checks THON receives each
- Works alongside Co-Captains, the Finance Director, and Penn State Donor Services to track matching donations
- Serves as a liaison between Finance and Donor and Alumni Relations Captains to educate THON Volunteers

MAcc Program Student Association **University Park, PA**
Public Relations Chair *December 2017 – December 2018*

- Collaborated with 4 other board members to plan networking events for 121 class members
- Organized 2 professional portrait sessions for 120 incoming MAcc students

Delta Gamma Fraternity **University Park, PA**
Honor Board Member *November 2017 – December 2018*

- Oversaw conflict and brand management for 219 chapter members
- Sat on weekly fraternity hearing board that issued corrective actions

Morgan Academic Support Center for Student–Athletes **University Park, PA**
Peer Tutor – Accounting *August 2016 – April 2018*

- Helped assigned tutee grasp material by explaining concepts and providing examples

Schreyer Honors Orientation (SHO TIME) **University Park, PA**
Student Mentor – Entertainment Committee *February 2016 – August 2016*

- Co-mentored 10 freshman Schreyer Scholars during an exclusive 3-day honors orientation

WORK EXPERIENCE

PricewaterhouseCoopers, LLP **Philadelphia, PA**
Corporate Tax Intern *June 2019 – August 2019*

- Prepared workpapers used to test client's deferred tax balance through PwC's audit software
- Worked under senior associate to complete compliance work for various other clients

Berger Family Dealerships **Hazle Township, PA**
Sales and Marketing Intern *June 2015 – August 2017*

- Partnered with the President, Vice President and 2 sales managers to ensure customer satisfaction