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b8ta Ends U.S. Operations but the Experiential Trailblazer Leaves Multiple Lessons for Other Retailers

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By Bryan Wassel

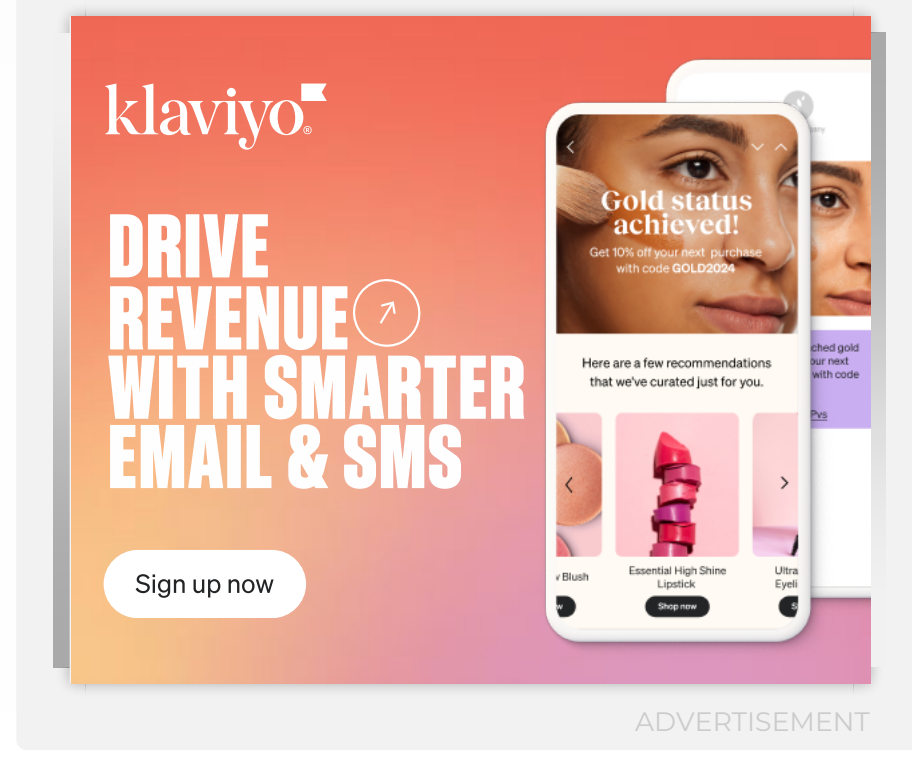


Experiential retailer **b8ta** officially shut down its U.S. brick-and-mortar operations on Feb. 18, 2022, according to the company website. The brand's international businesses, **b8ta Japan** and **b8ta MENA** in the UAE, remain operational, and the Japanese business has acquired the brand's licenses in Japan, according to *TechCrunch*.

"It was an amazing **seven** years, and we are incredibly thankful to our employees, investors, partners, and shoppers," said b8ta in a message to its U.S. community. "We had an amazing run. We hosted **millions** of shoppers, **helped** thousands of brands launch their products and inspired people all over the globe about technology and the future. Thanks for everything."

The company's decline likely began when b8ta's U.S. brick-and-mortar presence was **severely challenged** by COVID-19. In March 2020, b8ta furloughed approximately **250** retail associates and laid off nearly **half** its corporate employees due to store closures. The remaining employees received pay cuts, though the retailer also provided a one-time relief check of **\$1,000** for remaining full-time employees and **\$500** for part-time employees.

The stores reportedly were never the same even after they reopened, according to media reports; b8ta's Houston location averaged **1,000** shoppers on a typical weekend before the pandemic, but dropped to **40** customers during the first weekend of May 2020, according to *Protocol*. The Austin store saw a similar **98%** drop in foot traffic.



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Some of the stores were affected by other challenges. Both of the retailer's San Francisco stores closed in response to armed robberies in February 2021, according to the *San Francisco Chronicle*. The city had been suffering from a surge in burglaries — up **50.9%** in 2020 over 2019 — and b8ta's collection of high-end electronics made its shops a target for thieves.

b8ta Lives on in Other Countries

b8ta Japan was formed in 2019 as a joint venture between US VC Evolution Ventures and b8ta, but in September 2020 it ended its direct relationship with the U.S. company and instead licensed use of the b8ta trademark and software in Japan. As a result, the retailer will carry on even after the closure of the U.S. company.

"We will continue to embody the founder's mission of bringing new discoveries to people through retail, and the b8ta store business in Japan and the accompanying RaaS [Retail as a Service]," said Takuji Kitagawa, a representative of b8ta Japan in an interview with *TechCrunch*. "We will continue to expand new businesses. We are also planning to expand from Japan to other regions of Asia, and we would like to further expand stores that are not mainly for retail sales."

b8ta launched in the UAE in 2019 through a **partnership with Chalhoub Group**, leading to the retailer's first international store in Dubai. The b8ta MENA website was still operational as of late February 2022, but details regarding its future were unavailable.

Experiential Retail Will Never be the Same

Even if this is the end for b8ta in the U.S., its legacy will live on in experiential retail across the country. The brand's stores were designed as labs where shoppers could **try out products before buying them**, while the brands got a better understanding of how shoppers reacted to their products. Partnerships with **Macy's**, **Google** and **Lowe's** emphasized this arrangement.

One of b8ta's goals was to be a destination for pure-play retailers looking to make the leap into brick-and-mortar without the cost of opening their own physical stores. This concept has since been picked up by other companies; in 2019, Unibail-Rodamco-Westfield **launched pop-ups** for digitally native vertical brands at several Westfield malls.

Not all of b8ta's experiments were successful, in part due to the pressure of COVID-19. The company partnered with **Tru Kids Brands** to **resurrect Toys 'R' Us** for the 2019 holiday season, but they **closed by early 2021**. b8ta also **acquired RaaS retailer ReStore**, but its website hasn't advertised a new batch of clients since February 2021.

The retailer didn't take the hit to its brick-and-mortar operations lying down — instead, it set its sights on becoming one of the pioneers in the live shopping space. b8ta Founder and CEO Vibhu Norby believed that livestreaming could present retail in a very different light compared to traditional ecommerce.

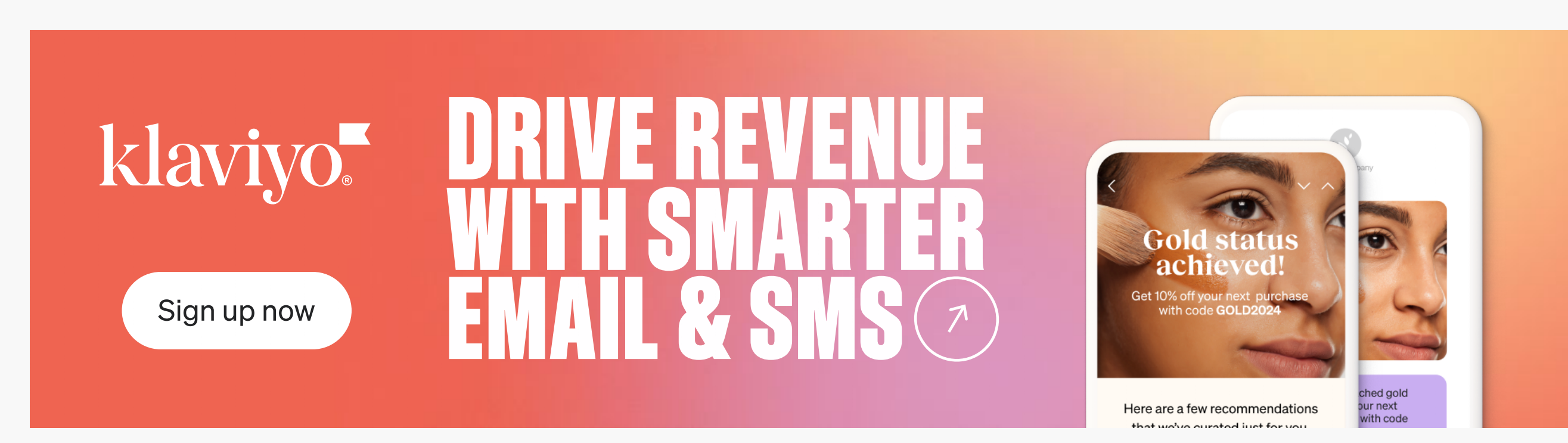
"I think when people are engaging with video, they're thinking in a discovery/entertainment mindset, and I think our version of shopping is entertainment," said Norby in a December 2021 *interview with Retail TouchPoints*. "It's another way to spend time. We are competing against Netflix or Fortnite, things like that. My feeling is that the discovery portion of retail is going to be very much driven by video, and very much by live. If you don't believe me, all you have to do is look at what Facebook, YouTube, Instagram, TikTok and Snapchat are all doing."

Discovery and experience were the core values b8ta promoted until the very end. While b8ta itself may become a memory, other companies can still learn plenty by studying the triumphs and failures of this retail trailblazer.

Posted In: Experiential Retail, News Briefs

Tagged With: b8ta, brick-and-mortar, closure, Coronavirus, ecommerce, experiential retail, Japan, live shopping, Toys R Us

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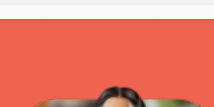
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