

# Why Amazon, Walmart, Target, and Etsy could benefit from retail bankruptcies

Article

Bed Bath & Beyond, David's Bridal, and Party City all announced bankruptcies in 2023. As **competition for consumers' dollars gets tougher, we'll likely see more.** But several retailers

stand to benefit from their competitors' bankruptcies, including a few surprise brands (i.e., not Amazon).

## 1. Bed Bath & Beyond

After a long struggle to stay afloat, **Bed Bath & Beyond filed for bankruptcy** on April 23. As the company begins to liquidate its merchandise and close stores, there's been a lot of speculation on which retailers will benefit most from Bed Bath & Beyond's downfall.

**The winners:** For those looking for convenience and cost, Amazon is the most likely candidate to fill the Bed Bath & Beyond gap in consumers' hearts. This year, we predict Amazon's sales of furniture and home furnishings will increase nearly 10% to reach \$49.58 billion, the third-largest product category for the ecommerce giant. However, it only makes up 27.6% of Amazon's total ecommerce sales, so there's plenty of room for growth.

Big-box stores like Walmart and Target are also likely to benefit from Bed Bath & Beyond's dissolution, especially if they can lean into the "big cultural moments" (e.g., weddings, babies, and going to college) that helped Bed Bath & Beyond become an occasion-based shopping destination for consumers.

**The underdog:** Kohl's, also struggling to find its footing, hopes to tap into Bed Bath & Beyond's seasonal customers. The retailer has moved certain **home and gift merchandise up front on the sales floor** and is using holidays like Valentine's Day and Mother's Day to drive sales. It's unlikely Kohl's will benefit much from this repositioning, but newly appointed CEO Tom Kingsbury said he sees a future in which Kohl's becomes a "destination for gifting," per HomePage News.

## 2. David's Bridal

**David's Bridal filed for bankruptcy** on April 17, citing inflation, increased competition from online retailers, and a shift in consumer preferences as reasons for its financial woes.

**The winners:** Consumers looking to save a few dollars on wedding attire may turn to fast-fashion brands like Reformation, Asos, or Revolve. Many brides may not want to take the risks of ordering fast fashion (e.g., incorrect sizing, poor quality), and instead may flock to department stores, which offer a more traditional dress-buying experience.

**The underdogs:** David's Bridal also noted that an increasing number of brides are shopping secondhand in order to find sustainable, cost-effective dress options. We forecast fashion online resale platform sales will hit \$14.14 billion this year and continue growing by double digits through 2026. If resale platforms can find a way to connect with brides and make the shopping experience feel special, it's possible they could make an already booming market even more successful.

### 3. Party City

After filing for bankruptcy in January, **Party City said it would close over 30 US stores**. The retailer faced increasing competition from big-box stores and online retailers, as well as a helium shortage that hurt its balloon business, "a focal point" of its growth strategy, the company said.

**The winners:** Amazon and big-box retailers will emerge as winners amid Party City's decline. These retailers offer wide product assortments that make it easier for consumers to get all of their supplies in one place, and flexible pickup and delivery options make them a convenient choice.

**The underdog:** Etsy offers a crafty alternative to big-chain retailers for consumers looking for a more unique and personalized product assortment. And after a 3.2% dip in US sales last year, the platform is rebounding with a 5.5% increase in sales this year, reaching nearly \$8 billion, per our forecast. If the platform doesn't deal with its **major counterfeit problem**, however, shoppers may not trust the platform to deliver the quality of product they're looking for.

*This was originally featured in the Retail Daily newsletter. For more retail insights, statistics, and trends, [subscribe here](#).*