

Amazon pulls the plug on dozens of its in-house brands

Article

The news: Amazon is shuttering dozens of its house brands, including 27 of its 30 apparel brands and its furniture brands **Rivet** and **Stone & Beam**, per The Wall Street Journal.

- The decision appears to serve two purposes: It's yet another [cost-cutting move](#) by Amazon, and it's a means of responding to the US Federal Trade Commission's investigation of the

company's business practices.

- Included in that FTC inquiry are the tactics it used to develop and grow its private-label business. The Journal reported in 2020 that Amazon used the data it gathered from third-party sales on its platform to develop private-label products that competed with those sellers.

The context: While Amazon spent several years attempting to build out a wide-ranging private-label business, it began scaling back those ambitions last year after a profitability review of each private-label item it sells.

- That drove it to focus on producing fast-selling private-label items like phone-charging cables rather than a wide array of items that sell in low quantities.
- The company has also taken several other steps to cut costs, including multiple rounds of [layoffs](#), [pausing construction](#) on its HQ2, and [cutting ties](#) with some European wholesalers.

The big takeaway: The attention the company's private-label business has attracted far exceeds the revenues that those items generate; Amazon said its private-label business accounts for just 1% of its overall retail sales.

- That said, the company's private-label business isn't going away—it's only getting simplified.