

Microsoft Expanding Its Retail Business: Next Stores In Denver And San Diego

Jay Yarow | [Apr. 1, 2010, 10:30 AM](#) | [10,244](#) | [13](#)

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Buzz

Microsoft's retail operations, launched last fall, are apparently doing well enough for the company to continue investing in more stores. Microsoft is preparing to open its next two stores in Denver and San Diego, the company has confirmed with us.

In fact, they're hiring! We spotted job openings on Microsoft's site for [Denver](#) and [San Diego](#). Microsoft didn't comment on when the stores would be opening, however.

If you've never been to a Microsoft store, click here to see what they look like →

In general, the company is seriously tight-lipped about its whole retail operation, which it [launched last fall](#), with two stores -- one in Phoenix, Ariz., and one in Mission Viejo, Calif.

Other than things are going "great," we couldn't get much out of the company. Microsoft's retail employees wouldn't talk, either. When pushed, one espoused the same positive spin, but not much else.

How about neighborhood gossip? An employee in an adjacent store in the mall in Phoenix told us she sees plenty of foot traffic in the Microsoft store, but has no idea about sales. She didn't notice how many filled bags were filing out of the store.

We also talked to NPD analyst Peter Baker, who was fresh from a recent visit to the store in Mission Viejo. He told us he was "more impressed than he thought he would be."

Baker said Microsoft has "taken the best ideas of the Apple stores and added their own tweaks and twists." He also said the employee who helped him -- and didn't know he was an analyst -- was "very impressive" and really "knew his stuff."

Baker didn't have any sales data for us. But he did say, "It's a store, so they want to sell, but it's also about building the brand," adding, "Microsoft can put its product in the best environment."

Why does Microsoft need to be in the retail business in the first place? As Baker notes, to build its brand. But also, eventually, to help sell more PCs, Xboxes, Zunes, and other Microsoft products. Premium retail has been a huge winner for Apple -- representing 20% of its Mac unit sales last quarter, up 34% year-over-year. So it makes sense that Microsoft would want to capture some of that for itself and its PC, gadget, and software partners.

One more data point about Microsoft's stores, courtesy location-based "check-in" app Foursquare:

On Foursquare, in [Phoenix](#), Microsoft had 42 unique visitors, with 55 checkins overall. The Apple store down the street had 119 unique visitors with 620 checkins.

In the mall in Mission Viejo, Microsoft's store has 50 unique visitors checking in 132 times. Apple's had 60 unique visitors with 90 checkins.

Check-ins are a relatively new phenomenon, but they represent consumers who are proud enough to be in Microsoft's (or Apple's) store that they'd bother telling their friends about it. So far, Apple has an edge here, but Microsoft is not



Image: Associated Press

MSFT Apr 1 2010, 08:10 PM EDT

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AAPL Apr 1 2010, 08:10 PM EDT

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terribly behind, at least in Mission Viejo. (Some of Apple's advantage could probably be attributed to the heavy iPhone presence among Foursquare's users.)

Whatever the case may be, the fact that Microsoft is building new stores shows that its retail strategy isn't a complete flop. And that's encouraging.

If you've never been to a Microsoft store, click here to see what they look like →

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A nice open, welcoming environment.



Image:

Source: jonred

Yes, it does resemble an Apple Store, but what are they supposed to do?



Image:

Source: rameshking



Image:

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Image:

Source: [jakeelwood](#)

You can demo cool toys



Image: [volvoshine](#)

You can watch Steve Ballmer's CES keynote apparently

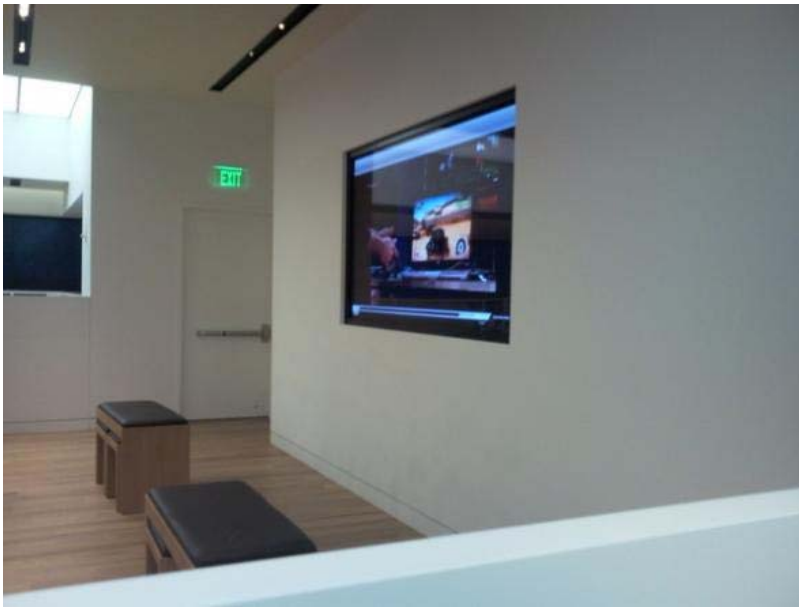


Image: Volvoshine

A bunch of laptops to choose from



Image: etaxero

Let's hope they're not always this empty



Image: brettsschorr

So, you get the idea



Image: eraugrad

Now that you've seen Microsoft's stores...

Image: Flickr/Yoshikazu Takada

Learn about Peter Bohlin, the genius that designed the Apple retail stores >