

RETAIL

## Luxury ecommerce to benefit as Amazon's 1-click shopping patent expires

September 15, 2017



*Amazon no longer has a stranglehold on single click shopping. Image credit: L2*

By DANNY PARISI

The patent held by Amazon for its 1-click payment technology expired Sept. 11, meaning other online retailers can begin implementing similar convenient checkout systems into their own digital marketplaces.

Subscribe to **Luxury Daily**  
Plus: Just released  
State of Luxury 2019 **Save \$246 ▶**

For luxury brands looking to take advantage of the growing hunger for ecommerce, 1-click purchasing should be an interesting prospect. The technology allows customers to quickly make purchases without having to go through complicated forms and confirmations, leading to a smoother online shopping experience.

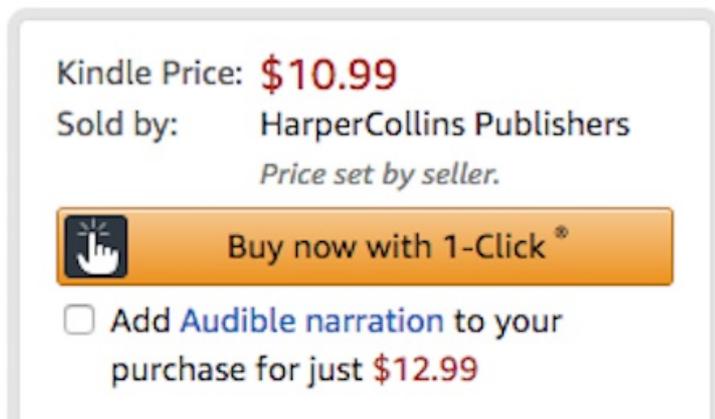
"With the expiration of Amazon's 1-click buying patent, retailers are left with a significant opportunity to leverage similar technologies, a functionality that can help reduce cart abandonment," said Casey Gannon, vice president of marketing at [Shopgate](#), Austin, TX.

### One click

Amazon patented the 1-click online payment feature in 1999. The feature was meant to allow customers to quickly make purchases with a single click by having them fill out and save all of their payment information beforehand.

Thanks to Amazon jealously guarding its patent, other online retailers have had to carefully design around the patent in order to avoid legal troubles. Barnes & Noble famously added a second click to its "Express Lane" checkout option so as to avoid drawing Amazon's ire.

But Amazon's exclusive ownership over single-click purchasing expired on Sept. 11 of this year, meaning any ecommerce site is now free to begin using 1-click purchasing.



*Amazon's 1-click settings. Image credit: Amazon*

While it may seem like a small thing, the amount of convenience that can be given from reducing the online purchasing process to a single click is extraordinary.

This is especially true for avoiding cart abandonment, one of the biggest problems facing online retailers. Customers frequently add items to their cart and then drop them somewhere between selection and finalizing the purchase.

With 1-click, much of that problem can be avoided.

"For mobile users in particular, cart abandonment is one of the most prevalent challenges retailers face," Shopgate's Ms. Gannon said. "With abandonment rates estimated by some to be as high as 95 percent, retailers must utilize every means possible to ensure completed checkouts."

#### Ecommerce opportunity

Amazon is set to eclipse Macy's as the largest seller of apparel in the world by the end of 2017, making it an area of priority for anyone in the fashion industry.

In addition the problems faced by online retailers seeking to integrate anything similar to 1-click shopping, fashion brands also face a threat from Amazon's resellers.

While much of the apparel sold on Amazon is from mass brands or Amazon's own Amazon Essentials brands, a new report from L2 shows that there are thousands of so-called "gray market" options for consumers to buy luxury apparel from unauthorized third-party sellers. In addition, Amazon may be looking to get into more luxury fashion with such elements as Prime Wardrobe ([see story](#)).

But for now, 1-click shopping is no longer something to be avoided and can be embraced by luxury brands of all stripes.

This will be especially important as luxury brands start to create their own ecommerce platforms in an attempt to take some of the market share back from Amazon.

For example, online home furnishings group Wayfair Inc. has launched a new ecommerce destination for home furnishings aimed at the luxury consumer.



*Wayfair's Perigold. Image credit: Perigold*

Perigold opened with a selection of 50,000 items, including linen makers Frette and Sferra and furnishing labels including Ralph Lauren Home, Missoni Home and Swarovski, and it has since grown to retail about 75,000 pieces. Among the approximately 300 brands retailing with Perigold are some that have not sold online previously, representative of luxury's increasing embrace of ecommerce across product categories ([see story](#)).

"Timeliness is the single most vital aspect of the decision-making process, and mobile retailers should adopt 1-click checkout processes, as well as leverage deep links, social login and other streamlined payment options to most effectively capture the mobile user in the right moment the exact moment they're browsing," Shopgate's Ms. Gannon said.

---

© 2020 Napean LLC. All rights reserved.

Luxury Daily is published each business day. Thank you for reading us. Your [feedback](#) is welcome.