

RETAIL

Hub by Amazon challenges other retailers to raise omnichannel game

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Amazon's new solution continues to improve the customer experience. Image credit: Amazon

By DANNY PARISI

Ecommerce giant Amazon is debuting a new delivery solution for apartment buildings in yet another challenge to the retail industry.

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Hub by Amazon will give customers who live in apartments a safe and secure way to access their packages, removing the need to have them left out in the entrance way to their building. As luxury brands and retailers continue to look for ways to make the online shopping experience more customer friendly, Amazon is providing yet another model and benchmark that they will have to meet.

"Hub by Amazon is another strong indicator that shoppers are gravitating toward omnichannel services," said Charles Dimov, vice president of marketing for **OrderDynamics**, Ontario, Canada. "Whether the customer expects the merchandise to be picked up in-store or at a locker, it's about convenience, ease and speed."

Hub by Amazon

For anyone who lives in an apartment building, deliveries can be a unique challenge.

While getting a package delivered to one's door is ideal, apartment buildings present an additional challenge and packages are often left out in the hallway or even outside the front door where there is a lot of foot traffic.



The Amazon Echo Look doles out style advice. Image credit: Amazon

Amazon's solution to this problem is called Hub by Amazon, a repository where Amazon packages can be safely stored so no one can access them except for the recipient. Hub by Amazon is already available to more than half a million customers throughout the United States in some of the premier properties of the big coastal cities.

Hub is a locker installed in various apartment buildings with each apartment given its own section of the locker. Packages are deposited into the Hub, which customers can then access at any time.

Hub is open 24 hours a day, meaning customers in luxury apartments will not need to wait until hours when the front desk is open.

Additionally, Hub by Amazon is not limited to packages from Amazon, accepting packages from other senders.

The new effort is focused on luxury properties such as AvalonBay and J.P. Morgan, catering to high-end consumers who do not have time to adjust their schedule for pickup times or wait for property staff to bring their packages to them.

Omnichannel efforts

While Amazon has mostly steered clear of the luxury business, some of its more recent efforts have hit closer to home for luxury brands.

For instance, Amazon is looking to become a key source of fashion inspiration and advice through the nationwide roll out of its style-centric Echo Look device.

Originally launched last year on an invite-only basis, the Echo Look uses machine learning and artificial intelligence to help consumers pick between outfits or add to their closets. The Echo Look has the potential to change the way consumers shop for fashion and interact with their wardrobes, opening doors for Amazon and its brand partners ([see story](#)).



Hub by Amazon. Image credit: Amazon

Now, Amazon's Hub is improving the experience of online shopping for customers in high-end properties. Luxury customers expect the best when it comes to customer service and the more that Amazon raises the stakes in terms of what those expectations are, the harder luxury brands will have to work to meet them.

"Apartment and condo delivery has been a challenge for many years," Mr. Dimov said. "This service solves a glaring shopper challenge."

"But, will retailers feel comfortable supporting another Amazon initiative?" he said. "This might this be an even greater opportunity for a new last-mile player to emerge who doesn't directly compete with other retailers."

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