

RETAIL

What does Amazon's physical fashion store mean for retail?

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Having dominated the ecommerce industry over the last two decades, Amazon pushes further into physical retail. Image credit: Amazon

By NORA HOWE

Ecommerce pioneer Amazon is making another push in the physical retail space, a strategy shift that may have wide-ranging implications.

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However, despite accelerating tremendously due to the COVID-19 pandemic, ecommerce only makes up about **12 percent** of total retail sales in the United States, meaning Amazon was still missing a large piece of the market. Its latest venture into the physical retail fashion space, Amazon Style, solidifies its push into the brick-and-mortar space as it joins the company's small but growing portfolio of physical stores.

"In-person shopping is not going away, which is why ecommerce and direct-to-consumer brands continue to find ways to connect the online and in-person shopper purchase pathways to elevate the customer experience," said Jaime Bettencourt, senior vice president of account management at **Mood Media**, Charlotte, North Carolina.

"Taking the online customer experience and complementing it with in-store reinforces the undeniable unique power of the physical store, while bringing digital shopping advantages to meet today's customer expectations."

Ms. Bettencourt is not affiliated with Amazon and agreed to comment as an industry expert.

Retail powerhouse

Consumers have steadily returned to brick-and-mortar stores because of their unique value propositions, according to a 2022 retail trends forecast from analytics platform Placer.ai. The retailers most likely to find success are those with a unified approach to online and offline channels ([see story](#)).

Over the past several years, Amazon has opened physical bookstores, convenience stores and, with its acquisition of Whole Foods, large-scale grocery stores. Its successes within the physical retail landscape have not nearly amounted to its successes online, especially amid the COVID-19 pandemic.

But now it moves into fashion, where things could change.

Last week, the company announced plans for Amazon Style a reimagined in-store shopping experience founded on

providing customers a seamless way to discover new styles and products in person ([see story](#)).

From personalized shopping to innovative fitting room experiences, Amazon wants to integrate the benefits of shopping on its online platform into the physical environment.

"When it comes to clothing and accessories, especially, shoppers want the touch and feel experience of trying on and comparing options to one another," Ms. Bettencourt said.



Amazon Style is hoping to provide customers with a new technology-equipped fitting room experience. Image credit: Amazon

Using the Amazon Shopping app, Amazon Style customers will be able to scan an item's QR code to view sizes, colors, ratings and product details. They can then choose to either add it to a fitting room or send it directly to the pickup counter.

Based primarily on algorithmic data, Amazon Style has been designed to offer customers a tailored shopping experience, providing real-time recommendations based on items they scan throughout the store.

Increasingly, consumers are seeking retailers that provide a mix of physical and digital, where they have the variety, convenience and immediacy from ecommerce as well as the experience from in-store shopping.

"That's exactly what Amazon is doing," Ms. Bettencourt said. "Being able to first view a product online, compare it to others in terms of pricing, style, etc., and then go in-person to make the final decision on that specific item is an unmatched sales funnel, particularly in fashion.

"Leveraging tech in the store allows a more personalized and frictionless experience for the customer while also enabling Amazon to gain insights, validate data and potentially create more profitability long-term."

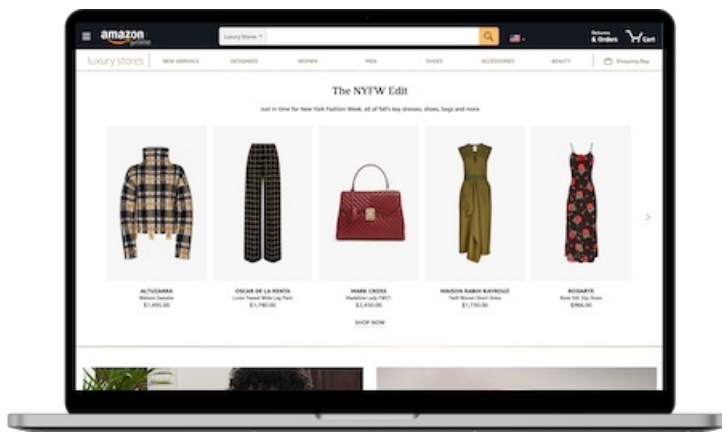
With increased automation comes concerns over where human beings fit in the equation.

Despite relying heavily on machine learning and digital technology, Amazon Style will have actual employees on the floor to provide customer service, manage back-of-house operations and facilitate checkouts.

Further, they will be responsible for delivering items to and fitting room closets when customers request them through their Amazon Shopping apps.

The company has not yet disclosed whether its Luxury Stores will be available in the physical environment, but that may depend on the new concept's initial success.

Amazon launched its luxury outpost in September 2020 in partnership with Oscar de la Renta ([see story](#)), offering customers access to a number of luxury and premium labels. Now, Amazon Luxury Stores features 52 brands.



Amazon Luxury Brands features more than 50 designer labels, available to all U.S. Amazon shoppers. Image credit: Amazon

While this new "phygital" fashion store concept may be unique to Amazon and certainly incorporates unique elements, it is not new to the industry.

Incorporating digital before it was cool

From mass-market brands to luxury retailers, technology has quickly become a core part of the physical shopping experience, and Amazon may be taking a page out of their books.

Sneaker and athleticwear company Nike introduced the Nike App to enhance its customers' shopping experiences both online and in store. While browsing the store, Nike shoppers can scan the barcodes of items to see sizes, colors and additional product information.

In certain locations, customers may request to try the items on and a store associate will deliver them to a designated fitting area. Nike App users can also find and reserve items to try on at their nearest Nike Store.

Similarly, tech-savvy British fashion house Burberry enabled QR scanning in 2020 through the launch of its first social retail store in China, binding the physical and social worlds in a digitally immersive retail embrace.

The store was designed as a venue for exploration, inspiration and entertainment, letting shoppers experience Burberry and its products in person and on social media ([see story](#)).

In August 2021, U.S. department store chain Bloomingdale's opened a smaller, highly-curated store concept, Bloomie's, empowered by technology.

Each Bloomie's stylist is equipped with digital selling capabilities, allowing them to access special finds for customers outside of Bloomie's and enable them to work with Bloomingdales.com customers digitally.

This tech-enabled experience continues in the fitting rooms, where customers can request assistance with the push of a button ([see story](#)).

Amazon may not have been the first to do this, but there is something to be said when one of the most successful companies in the world makes a move. What may have been experimental for many retailers is now, more than likely, going to stay.

"The tangibility of bricks-and-mortar with in-person interactions plus the immediacy of taking an item home is what customers are yearning for, and remains missing with an online-only transaction," Mood Media's Ms. Bettencourt said.