

INTERNET

Is Amazon a threat to luxury brands' own ecommerce efforts?

May 28, 2013



Halston Heritage on Amazon.com

By TRICIA CARR

As Amazon grows its high-end product range, luxury brands that rely on ecommerce for sales must be sure to offer a shopping experience far beyond that on the digital retail giant's site.

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

The company's Amazon Fashion division has been stepping it up recently to provide affluent consumers with high-end products, especially in the contemporary clothing and accessories categories. Luxury goods makers should keep an eye on the site, but it will be a while before Amazon develops a reputation as a luxury marketplace.

"Luxury brands do not need to fear Amazon," said Michael Goldberg, senior director of marketing and communications at [Martini Media](#), New York.

"Selling luxury is not just about selling a product it's about selling an idea and a lifestyle," he said.

Fashion focus

Amazon describes its fashion channel as "a one-stop destination for head-to-toe style."

On the site, consumers can find clothing, shoes, handbags, accessories, luggage, jewelry and watches that are sold by Amazon and other affiliated retailers from brands that range from Levi's to Kering's Gucci.

In fact, Gucci is using Amazon as one of the exclusive online outlets to sell its new unisex Sync timepiece collection. The Amazon page features a video and albums from artists who inspired the watches ([see story](#)).

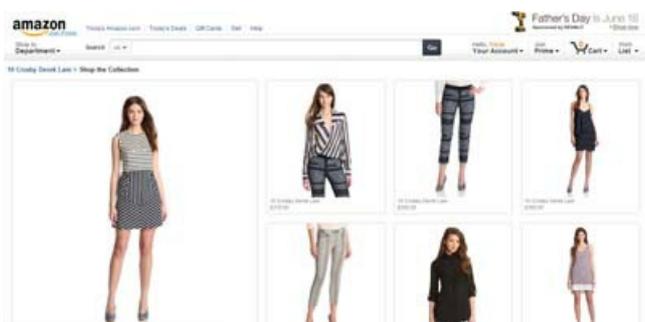


Gucci Amazon store

Other luxury watch brands that consumers can browse on Amazon include TAG Heuer, Raymond Weil, Salvatore

Ferragamo, Versace and Longines.

Earlier this year, Amazon launched an on-site boutique for U.S. fashion label Derek Lam's 10 Crosby contemporary line, [Women's Wear Daily](#) reported. These items are at the top of the site's price range, reaching as high as \$1,195 for a women's leather jacket.



10 Crosby items

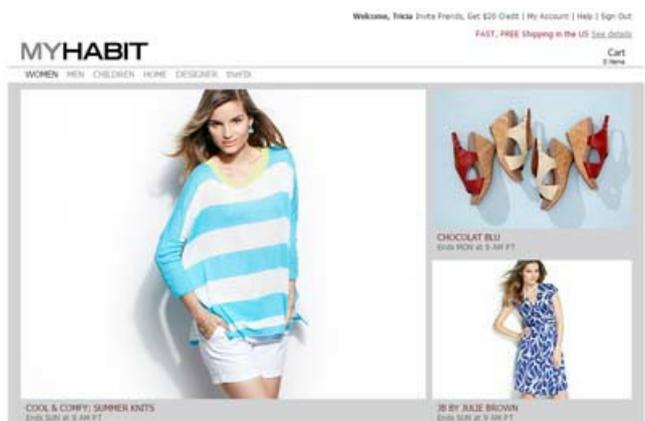
Fashion product pages of items offered directly through Amazon show the price and details as well as a moving image of the item on a model.



Halston Heritage product page

Amazon's site-wide Free Super-Saver Shipping on orders of \$25 or more is standard for its fashion products as is free returns on eligible items.

Also under Amazon's belt is high-end flash sale site MyHabit and online fashion retailer Shopbop.



MyHabit

As the online superstore continues to grow its high-end inventory, there is a chance that it could become a competitor to luxury brand ecommerce sites.

"If Amazon does become a competitor, then [luxury brands] are necessarily falling short in terms of providing an inimitable purchasing experience," said Manfredi Ricca, managing director at [Interbrand](#), Milan.

"To that extent, Amazon is a healthy competitor known for operational and service excellence, and it should encourage creators of luxury to grant more than just that," he said.

Fashion for the masses

A recent Shullman Research Center report found that 73 percent of affluent adults with a household income of \$250,000 or more shopped on Amazon in the past year ([see story](#)).

Amazon came in at No. 14 on the BrandZ Top 100 Most Valuable Global Brands by Millward Brown Optimor,

compared to Louis Vuitton at No. 29, Facebook at No. 31, Herms at No. 40, Gucci at No. 68 and Prada at No. 95 ([see story](#)).

The online retail group's supremacy can be contributed to its mass appeal.

Amazon has developed a reputation as a mass-market shopping community with bargains and copious customer reviews, which does not match up with luxury brands' ecommerce strategy, per Martini Media's Mr. Goldberg.

"Luxury brands and its customers are all about exclusivity," Mr. Goldberg said. "They want to feel part of the elite and buy something that feels like not just anyone can purchase.

"What's more, Amazon does nothing to add to the lifestyle story," he said. "A product image and description does not carry the same appeal that a big, beautiful luxury site can do to help sell the story behind the product."

Luxury brand ecommerce sites can counter competition from Amazon by providing something more than a product and a transaction, per Interbrand's Mr. Ricca.

Shoppers should be able to find an exclusive, lavish experience on luxury brand ecommerce sites that is unique to the channel.

"If we understand luxury as excellence, the entire supply chain should be under the watertight control of the brand in order to ensure consistently high standards," Mr. Ricca said. "If the moment of purchase isn't, then this is an area of risk."

© 2021 Napean LLC. All rights reserved.

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