

Amazon aiming to be the dressing room in your house

20 June 2017, by Anne D'innocenzio



In this Tuesday, May 30, 2017, file photo, the Amazon logo is displayed at the Nasdaq MarketSite, in New York's Times Square. Amazon announced Tuesday, June 20, 2017, that it's testing a new service for its Prime members that lets customers try on the latest styles before they buy at no upfront charge, take seven days to decide and only pay for what they keep. (AP Photo/Richard Drew, File)

Amazon is hoping to claim more territory once held by department stores, essentially placing a dressing room in your house.

The company, which has been making a big push into selling clothes, is testing a new service that lets members of its Prime program try on styles before they put items on their charge card—at no upfront fee. Customers have seven days to decide what they like, and then pay only for what they keep. Shipments arrive in a re-sealable box with a pre-paid label for returns.

More than a million pieces of clothing and accessories are eligible, Amazon said Tuesday, including from brands like Calvin Klein, Hugo Boss, Theory and Levi's that are big names at the department stores.

The program differs from what department stores like Macy's and other fashion sellers offer—and even from the usual way of buying clothes on Amazon. Department store return policies for online orders can be generous, but people don't get to try things on. That's been an obstacle, especially for customers concerned about fit, to get shoppers to buy clothes online. The prepaid label is an attempt to lessen the hassle of generating one, the norm with Amazon returns.

It also offers better terms than some newer businesses. Subscription service Stitch Fix, for instance, charges a styling fee of \$20 and has a three-day limit for shoppers to return items.

Department stores, which have been struggling as customers move online, should have launched a subscription service a long time ago, said internet consultant Sucharita Mulpuru-Kodal.

"This is another attempt for Amazon to win in apparel," she said. "Why haven't the department stores done this? It's one of the reasons why they are in trouble."

And Amazon's vast logistics system that can send packages quickly to shoppers' home will make it easier for the company to offer that kind of service than its rivals could do, Mulpuru-Kodal said. She said, however, it remains to be seen how good the selection will be.

Amazon has made a concerted push into fashion through private labels like Lark & Ro that often sell for less than similar name-brand items. It's poised to surpass Macy's this year as the largest U.S. clothing seller, according to Cowen & Co. analysts. They expect Amazon to increase its share of the U.S. clothing market from 6.6 percent last year to more than 16 percent by 2021.

With Prime Wardrobe, Amazon's bidding for more loyalty from members of the program who are

already getting free shipping as well as free streaming of TV shows and movies. And it may be a way to get Prime shoppers who stuck to buying electronics and books to try buying clothes from Amazon without a lot of hassle.

Prime Wardrobe works this way: Shoppers pick three or more items and have a try-on period. Items they want to discard can be dropped off at a UPS location or picked up for free. Unlike Stitch Fix, it doesn't have a stylist to pick the items for customers.

Shoppers get 10 percent off if they keep three or four items, or 20 percent off for five items or more. Mulpuru-Kodal says the discount should be an incentive for shoppers to keep some of the items.

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