

Amazon's fashion ambitions extend beyond being the top US apparel retailer

Article

The news: Amazon's push to establish itself as the destination of choice for fashionable shoppers continued this week as it announced the **European launch of its "Luxury Stores"**

shopping marketplace.

- The company also debuted a **virtual try-on feature for shoes** that allows customers to use their phones to see what a pair will look like from multiple angles.
- The launches come two weeks after the ecommerce retailer opened **Amazon Style**, its first brick-and-mortar store dedicated solely to apparel.

Amazon's fashion ambitions: Amazon has tried for years to establish itself as a player in the high-end fashion space.

- The company acquired online women's fashion retailer **Shopbop** in 2006, and launched a menswear-focused version, **East Dane**, in 2013.
- Amazon has attempted to build its fashion prestige by sponsoring the Met Gala, as well as New York and Tokyo Fashion Weeks. The ecommerce giant will also be an official partner for this year's CFDA Awards, an event considered to be the "Oscars of fashion."

The perception problem: Amazon doesn't have a problem selling clothes: It surpassed **Walmart** last year to become the top US apparel retailer, per Wells Fargo. But Amazon's no-frills user interface is very much at odds with the luxury shopping experience that customers expect.

- The ecommerce giant's reputation for low prices and convenience have made it shoppers' platform of choice for everyday essentials and cheap merchandise, but that emphasis on value makes a \$20,335 gown a hard sell.
- Given people's perceptions of Amazon's brand, the company might be better off spinning its luxury operations into a separate arm—one that shoppers won't associate with the place where they purchase toilet paper.

Redefining the in-store experience: Another prong of Amazon's fashion expansion is Amazon Style, its [brick-and-mortar clothing initiative](#) that features apparel from brands like **Levi's** and **Theory**, as well as private label products.

- Instead of having stock available on the store floor, shoppers scan QR codes to send their product and size of choice to their fitting rooms, or directly to the checkout counter.
- That allows store employees to focus on customers' needs instead of restocking shelves.

- Despite having mixed success with other physical retail initiatives, Amazon Style’s use of technology to simplify the shopping experience could encourage shoppers to turn to the retailer more often, both in-store and online, for clothing purchases.

What the future holds: The sheer proliferation of luxury ecommerce sites (many of which [are struggling](#)) coupled with competition from brick-and-mortar stores—where most people prefer to purchase high-end goods—could make it difficult for Amazon to gain a foothold in the category.

At the same time, even if Amazon Style gets shoppers to consider the retailer seriously as a style destination, it’s much more expensive to scale than the company’s other fashion projects.

- In addition to the costs associated with constructing a large department store and outfitting it with tech, Amazon also has to purchase inventory—something it avoids with its Luxury Stores marketplace, where brands sell directly to the consumer.
- While apparel and accessories will [make up 16.1% of Amazon’s total ecommerce sales](#) this year, the category is not a major profit engine for the company, which could make it less of a priority as the retailer looks for ways to cut costs after overexpansion.

Go further: For more on what US shoppers look for in apparel retailers, read our report [here](#).

Amazon US Ecommerce Sales, by Product Category, 2022

billions, % change, and % of total Amazon retail ecommerce sales

	Ecommerce sales	% change	% total Amazon retail ecommerce sales
Computer and consumer electronics	\$96.97	12.2%	24.4%
Apparel and accessories	\$63.99	12.5%	16.1%
Books/music/video	\$45.70	4.5%	11.5%
Furniture and home furnishings	\$43.32	3.3%	10.9%
Toys and hobby	\$33.38	7.7%	8.4%
Health and personal care and beauty	\$32.59	20.0%	8.2%
Food and beverages	\$13.91	15.6%	3.5%
Pet products	\$8.35	13.3%	2.1%
Auto and parts	\$8.47	1.0%	2.1%
Office equipment	\$6.76	9.0%	1.7%
Other	\$52.34	2.9%	13.2%
Total	\$397.43	9.0%	100.0%

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