



HOW FASHION RETAIL IS SO FAR  
RESISTING THE AMAZON LURE



## Across the European and North American consumer markets, one question above all others seems to occupy the minds of retailers – how on Earth can we compete with Amazon?

After the online giant posted record profits in the second quarter of 2018, its potential to keep on growing and growing seems limitless. From setting the agenda on sub-24 hour deliveries to its ruthless pursuit of interface imperialism – controlling the entire online shopping journey, from search to fulfillment – there just seems no stopping Amazon.

And yet in one critical retail category, repeated reports suggest that Amazon is struggling to break through at pace. Despite its seemingly invincible march to complete retail channel domination, Amazon is not exerting the influence it does in other areas over fashion and footwear.

Salmon's latest report into consumer trends in digital commerce, *The Future Shopper: 2018 and Beyond*, confirms as much. Based on a survey of the buying habits and preferences of more than 3,500 regular online shoppers in the UK and USA, the report does indeed confirm the overall dominance Amazon has over digital retail in general.

But when we focused in on buying trends by category, we noted that consumers continued to show a strong preference for using traditional retailer outlets and their websites for fashion shopping, while brands' own direct-to-consumer (D2C) channels were also more popular than in other categories.

### The role of the fashion retailer

As an indication of its considerable position of strength in the digital retail ecosystem, more than half of respondents (54%) to The Future Shopper survey told us that they were more likely to make an online purchase through Amazon

than anywhere else. Moreover, 51% told us they were most likely to start their shopping journeys on Amazon as well by using it to search for products, while 80% said they used Amazon to check reviews and pricing even as they browsed on other websites or shopped in store.

### Are you supporting fashion shoppers with a balanced channel mix?



\*Source: "The Future Shopper" survey, April 2018, based on 3,516 online shoppers.

But when it came to their preferences for buying clothing and footwear, a different picture emerged. We asked which of three online channels they were most likely to use to buy fashion items – marketplaces (including Amazon), retailer sites and brands' own D2C channels – or whether they did not shop online for fashion goods full stop.

Our survey results revealed there was little to choose between marketplaces and retailer sites. A third (33%) of respondents said they preferred to buy clothes and footwear from marketplaces, compared to 32% who said retailer sites. Amongst UK shoppers, retailer sites came out narrowly on top with 32%, compared to 30% who said marketplaces. This result from the UK is particularly interesting. While Amazon does not enjoy the same level of dominance there as it does in the US – 43% of online shoppers ranked it as their purchasing destination of choice, compared to an enormous 70% in the US – the second most popular shopping site amongst UK respondents was another marketplace, auction site eBay.

Overall, Amazon and eBay combined were named as preferred online shopping destinations by nearly two thirds (62%) of UK digital consumers, but this figure was more than halved when it came to fashion purchases.

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Our Future Shopper survey revealed some interesting differences in the online shopping habits of men and women when it comes to fashion retail. Amongst female shoppers, retailer sites are significantly more popular, used by 38% of our survey respondents compared to 30% who prefer marketplaces. Amongst male shoppers, this trend is reversed, with 35% opting for marketplaces first, compared to 27% who said retailer sites.

*Amongst female shoppers, retailer sites are significantly more popular. For male shoppers, this trend is reversed; opting for marketplaces first*

This can perhaps be explained by the fact that some of the most popular 'pure play' fashion eCommerce outlets, such as ASOS and Net-a-Porter, are geared specifically towards a female audience. There could also be an argument to suggest that female shoppers are more likely to shop for clothes and footwear for the pleasure of it, and therefore gravitate to the immersive fashion experiences of dedicated channels. Wunderman Commerce consultant Shalina Ganatra adds: ***"This insight indicates that retailers and brands understand their shoppers needs by creating an engaging experience that encourages exploratory browsing and product discovery."***

Men, on the other hand, who might be more inclined to

shop for clothes purely out of need, are quite happy to go for the convenience of a marketplace. What confuses this picture slightly is that our survey found men were more likely than women, not to shop for clothes and footwear online at all – 19% compared to 13% of women – with in-store retail most closely associated with the immersive shopping experience.

What is clear, however, is that the specialist fashion retailer maintains a strong role in clothes and footwear eCommerce, clearly meeting needs that marketplaces cannot for many customers.

## Going direct

In our Future Shopper survey results, it was notable that D2C channels performed strongly in the fashion category, with 19% of respondents saying they preferred to buy direct from brands. Interestingly in the US, where as we have seen Amazon has the tighter grip on online retail, this figure was slightly higher, with 21% saying they preferred to buy clothes and footwear direct from brands.

These results suggest the importance that brand provenance retains in fashion compared to other categories, and this draw of buying straight from the brand seems to be stronger amongst younger shoppers. Indeed, in the 16 to 24 year old group, D2C came out as the most popular channel for fashion purchases with 30% of the vote. Amongst millennials, it scored a very respectable 27%, although still behind retailer sites (30%) and marketplaces (38%).

It will be interesting to see how these trends pan out in future years. Although overall fewer 16 to 24 year olds ranked brand as 'very important' in how they made their purchasing decisions across all categories than any other age group, the figures suggest fashion might be the exception.

There is also an argument to say that fashion brands have learnt faster than those in other categories how to make the most of multichannel options in eCommerce in a way that means the convenience of marketplaces is used to their advantage, rather than as a source of competition.

If you look at footwear brands like Nike and Adidas, Amazon and other marketplaces are flooded with their products. But the listings tend to be older, end-of-line stock which are available at discount prices. The main seasonal stock lines are made available through big name sports and footwear retailers, which have the expertise and capacity to sell large ranges by size and colour, while brands keep limited editions and exclusive new line releases for their own D2C platforms on their websites.

What this suggests is strong control of product lines to maximise value to the brand through the retail ecosystem. Keeping limited editions and exclusives for their own D2C channels builds brand provenance and loyalty, especially amongst young, fashion-conscious consumers. Using marketplaces to sell off discounted stock is a clever way to make use of the convenience and expectations around

value that are part of the Amazon experience, but in a way that keeps specialist retail the main focus.

It is the kind of balanced approach to multichannel retailing that many brands in many categories could learn a lot from.

Wunderman Commerce consultant Shalina Ganatra posits

a final thought: ***"It will be interesting to see whether Amazon look to create a differentiated experience for the fashion category, that will enable them to grow their share of the fashion sector, particularly as they launch more of their own-label fashion brands"***.

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Salmon, a Wunderman Commerce company, has a team of eCommerce multichannel experts who are working with leading brands to address both the opportunities and challenges addressed within this article. These are explored amongst other key themes in its ground-breaking, new report "The Future Shopper". [Download your full copy here](#).

In this report, we asked over 3,500 consumers from the US and UK aged between 18-64, and who shop online at least once a month, about everything from automated purchasing and the dominance of Amazon, to the rise of voice-activated devices and the shifting shopper priorities.

[Read the full report](#) "The Future Shopper – 2018 and beyond"

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