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BUSINESS BEAT; Amazon will let shoppers try on clothes before buying

Los Angeles Times Alexa D'Angelo 21 June 2017

Amazon can't provide a fitting room for trying on that new pair of jeans before purchasing them, but a new feature for Amazon Prime members is taking a crack at being the next best thing.

The company Tuesday announced Amazon Prime Wardrobe, which will allow users who pay for the e-commerce giant's subscription service to pick out clothing items they like, try them on and send back whatever doesn't fit at no charge.

The feature -- which is currently in a test run but is accepting sign-ups for notification when it launches -- lets customers choose a minimum of three clothing items or accessories such as shoes or watches (and a maximum of 15) from more than a million products available on Amazon Fashion. That includes labels beyond Amazon's house brands, such as Calvin Klein, <u>Hugo Boss</u>, Levi's, Adidas, <u>Timex</u>, Theory and J Brand jeans.

Customers only pay for what they choose to keep -- an arrangement similar to fashion start-ups Trunk Club and Stitch Fix. Orders come with a resealable box and prepaid labels for returns that can be dropped off at a UPS store.

The service encourages shoppers to hang onto multiple items, offering discounts of up to 20% if a customer keeps five or more items.

With its risk-free model, Amazon could be courting customers who remain wary about buying clothing online. It could also entice shoppers to take a chance on Amazon's house fashion brands -- labels in which the company has invested heavily.

"Amazon is the gorilla in the marketplace," said Ron Friedman, a retail expert at accounting and advisory firm Marcum. "They want to own the world, or at least the United States."

Craig Johnson, president of Customer Growth Partners, suspects that Amazon Prime Wardrobe will drive shoppers to the e-commerce platform, but the question will be whether these new customers are profitable.

"With apparel returns already running into the 30% to 40% range for apparel and footwear, the ability to wear something and then return it in a week is sure to drive the return rates even higher," Johnson said. "And with UPS about to raise shipping rates, I'm not convinced the extra sales will be worth it, especially with free-to-the-customer two-way shipping."