

# The top 6 ways to compete with Amazon

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When Amazon got started back in the '90s as an online bookstore, few retailers outside of the bookselling market even took notice. Over the past couple of decades, however, Amazon has saturated the market to the point that every retailer must consider their strategy and figure out how to compete with the merchandising behemoth. Amazon's vision is to be "Earth's most customer-centric company," and they have been bringing that vision to fruition by making shopping more convenient, more consumer-focused, and more data-driven than ever before. Because of Amazon, customers have come to expect personalization, quick and affordable (if not free) delivery, competitive prices, and a fast and easy shopping experience. So how do you compete with that? Here are six ways you can keep stride with the retail giant.

## 1. Get your products to your customers quickly.

One of Amazon's biggest draws is their fast, often free shipping. As a member of Amazon Prime, for a fee of about \$100 a year, you are eligible for free two-day shipping on any product being sold and shipped by Amazon. And non-Prime members receive free shipping for eligible orders over \$25 (again, for items fulfilled and shipped by Amazon). Many retailers compete by offering free shipping for orders over a certain value, but it is particularly hard to compete with Prime's two-day free shipping. This is where retailers have started to get creative and where you want to continue to innovate and make it as convenient and quick as possible for your shoppers to get their products home.

Retailers are now offering buy online, pick-up in store (BOPIS), buy in store for home delivery, curbside pickup, ship-from-store, and other alternative ways to get their goods into the consumers' hands in the shortest length of time. These newer options still allow customers to avoid long lines or leave the heavy-lifting to someone else, and in some cases (such as BOPIS), they can be even more efficient than Amazon Prime's free two-day shipping!

## 2. Provide a shopping experience, not just a buying experience.

While there are times that consumers are just looking to buy an item and get it as easily as possible, many customers still enjoy the shopping experience. If you're a brick and mortar retailer, there is a built-in shopping experience: your customers browse around the store, they can touch the material of an item, they can compare things side-by-side, get a sense of how something really looks, what the quality is like, and so on. Of course, even physical stores are interested in creating more experiential shopping to hold their ground against Amazon. Sephora, for example, provides makeover and stylist appointments, and hosts classes where shoppers can learn about skin care basics and the latest beauty trends.<sup>1</sup> So even if you can buy that Urban Decay eyeshadow palette on Amazon for less, Sephora will likely win because you can test it out first, and get tips on how to apply it to complement your features.

The real challenge then, is emulating a shopping experience online. Obviously there are limitations here, but some retailers are finding ways to make the online experience feel as close to in-store shopping as possible. The Home Depot's Ecommerce site, for example, is set up to easily let customers navigate the website by browsing through categories, which are divided in the way you might expect in the store—appliances, bath, building materials, etc.—or you can shop by room. Once you've narrowed your search, you can compare up to four items side-by-side to consider look, price, description, product details, and see the overall rating based on reviews. It also provides you a quick glance at available shipping/pickup options, such as BOPIS, buy online, ship to store, or free shipping to home. By comparing options with a more detailed view, Home Depot allows site visitors to shop, not just buy.

### 3. You don't have to be the best at everything to be the best at what you do.

We've all heard the saying, "jack of all trades, master of none." And while Amazon is certainly the best at certain aspects of retail, the company is so large that it isn't truly a master in any single category. With such a diverse offering, including Amazon subscription TV and video services, its recent purchase of Whole Foods, Amazon Web Services, to the seemingly endless array of goods available for purchase on the marketplace, Amazon is definitely the best out there at doing a little bit of everything. So far, the retail giant has managed to grow and diversify without getting too big for its britches and having the diversity backfire. Just because they're good at doing a lot of things, it doesn't mean that Amazon is the best at everything they do. You can beat Amazon by being the best at what you do!

If you're a niche retailer, it's easy to be better at what you do than Amazon ever could be. So maybe you can find all your kitchenware needs on Amazon, but they will never do it quite like Williams-Sonoma does. The multi-channel specialty retailer focuses on kitchenware and other home goods. Williams-Sonoma provides a more high-end shopping experience, not only from the ambience of their stores and their branded line of food

items, but also through special experiences. From in-store events (like cooking classes and book signings), to free in-home consultations with experts (to help customers create a welcoming home and excellent food), to their cookbook club led by culinary experts, to their gift registry: Williams-Sonoma has gone above and beyond to provide a range of unique experiences that Amazon never could.

### 4. Keep your best customers coming back.

There is something to be said about rewarding your best customers and making them feel appreciated. Loyalty programs are a win-win: your customers have an added incentive to shop at your store and they feel like they've gotten a deal, while you pull in more revenue. Take, for example, Kohl's. Not only does Kohl's offer the typical points-driven incentive through their Kohl's Cash program—where shoppers earn points for every dollar they spend—but they also have the Yes2You Rewards Program that allows members to enjoy free shipping, easy returns, special offers, and saving.

The Yes2You program, which launched in 2014 provides promotions, but also "experiences and surprises that are meaningful to them" according to Chief Merchandising and Customer Officer Michelle Gass.<sup>2</sup> Through this experiential loyalty program, Kohl's has gone above and beyond to provide their loyal customers with memorable experiences, such as a VIP trip to the American Music Awards or the chance to star in a Kohl's photo shoot. Kohl's has taken the opportunity to learn more about their customers and what they want, and then has delivered with unique experiential rewards. These are, of course, over-the-top examples of how you can provide loyalty rewards. You don't have to be able to send your customers to a national music awards show to provide them with something unforgettable that will keep them coming back to your store time and again.

#### 5. Use your data.

One of the biggest ways that Amazon has changed the face of retail is through their highly-personalized suggestions. Thanks to sophisticated algorithms that use shoppers' previous purchase and browsing history, they're able to suggest new items that are likely to appeal to an individual. Even without Amazon's algorithm, however, you can put your customer data to use and provide more personalized customer experiences. When you collect and maintain accurate data, you can use it to inform your marketing, refine suggestions on your Ecommerce site, enhance customer prioritization and efficiency in your call center, or to improve the in-store experience.

As personalization gets increasingly more advanced, customers expect that their retail experience will be tailored to their specific wants and needs regardless of which channel they use to shop. To address this need in-store, many retailers are equipping their sales associates with technology, such as tablets, to enable clienteling. Clienteling allows employees to gain real-time access to data on customers' preferences, purchases, and behavior, which enhances the shopping experience. The more you're able to link information across multiple channels, the closer you are to achieving a single customer view.

Many companies struggle to maximize personalization for their customers. Read our white paper to learn how to get the most from your data.

[Check it out](#)

#### 6. Get emotional.

The women's fitness apparel market continues to expand. Amazon offers a wide selection of workout wear for women, all competitively priced, so how are other brands competing? Retailer Athleta is accomplishing success partially by connecting with their shoppers on an emotional level. Throughout the site, there are inspirational brand images and copy, such as "Athletes come in all shapes & sizes: that's why our bottoms come in petite, tall and plus sizes to give every athlete the same support from the ground up," which then allows customers to choose *shop petite*, *shop tall*, and *shop plus*. In these ways, Athleta is making an emotional connection with their shoppers, and developing a distinctive brand personality.

In addition to the content and imagery of the site, Athleta declares their values, mission, commitment to sustainability, and even refers to their community. When a customer makes the choice to shop at Athleta, it's not just for the athletic clothing. That shopper is making the choice to buy into the vision. The brand declares its goals for sustainability, including that 80% of their materials will be made with sustainable fibers by 2020. And if all that isn't enough to make Athleta's shoppers feel like they're a part of something bigger, there's a community aspect as well, including brand ambassadors, fitness classes, and even a "Chi blog."<sup>3</sup> Athleta makes its customers feel like they're truly part of a community when they shop with the brand.

Amazon continues to set the pace in retail, but these six tips can help you keep up. While Amazon is set up to be the best at some things due to the sheer size of the company and the diversity of its offerings, you are also uniquely poised to excel in ways that the retail giant cannot or will not. Focusing on your competitive strengths and differentiators, while also addressing the areas of your strategy that might leave some room for improvement in an Amazon world can help you succeed. So think about what you're doing well, what makes you unique, and what you have to offer your customers that they cannot expect from Amazon. Just because customers expect the same convenience and efficiency that they might get from Amazon doesn't mean that they have lost appreciation for brands that stand for something or that provide them with a positive shopping experience.



As a retailer trying to stand out and hold your ground against Amazon, you have to know what you're up against. Learn more in our white paper "How to compete and win against Amazon."

[Download](#)

#### Sources

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