



## The Strengths and Weaknesses of Amazon.com and Macy's as Fashion Retailers

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*Introduction and purpose of the study:* Amazon, the online retailer, is moving toward becoming one of the top global fashion retailers. Since 2016 when Amazon launched seven private brands, the company has extended and enhanced its fashion business. As a result, Amazon's clothing and accessory sales have surged and were expected to grow nearly 30% in 2017 to \$25 billion. Comparatively, the apparel and accessory sales of a traditional fashion retailer, Macy's, were expected to drop by 4% to \$22 billion in the same year (Business Insider, 2017). This phenomenon, the online retailer's emergence as a fashion retailer and the traditional brick and mortar fashion retailer's decline in sales, calls for research into the advantages and disadvantages of both entities as fashion retailers.

It is important to understand consumer behavior so that retailers can cater to the target market properly and thus increase profitability (Perner, 2017). Hence, this research aimed to understand the retailers' advantages and disadvantages from the perspectives of their target consumers. Then, we conducted a series of research projects in the consumer behavior course in Fall 2017.

The concept of brand association that Aaker (1991) provided as a dimension of brand equity and a determinant of consumers' attitudes toward a brand was used to explore reasons of consumers' evaluations as brand associations that encompass the meanings evoked by the brand name to consumers. We also used a multi-attribute model to more specifically understand attributes, beliefs, and weights consumers have for the retailers (Solomon, 2008).

*Methods:* This research data was twofold: qualitative and quantitative. Interviews for qualitative data and a one-page questionnaire for quantitative data were utilized. Each individual in the course conducted interviews and surveys with a minimum of five consumers and coded the data using an Excel file. For analysis, we used data compiled from all students' investigations. The instruments were developed through three steps. First, we, all students in the course, participated in a focus group interview moderated by the instructor to discuss our thoughts on the two retailers and our shopping behaviors. Second, based on the focus group interview and literature review, we, as a team, determined baby boomers and millennials as the target consumer groups of our research and developed interview questions for brand association and follow-up questions. Third, each student provided possible attributes and questions to use the multi-attribute model, and the questionnaire finalized by the course instructor was used. Brand, comfort, price, fit, durability, trendiness, and quality were selected as fashion attributes and included in the multi-attribute model. Convenience sampling was used, and a total of 109 respondents' data was used for analysis: 63.3% females and 36.7% males, and 60.6% millennials and 39.4% baby boomers. Qualitative data were mainly analyzed using world cloud maps available on the Internet, and quantitative data were analyzed using Excel.

*Results:* Based on the data analysis, we found similarities and differences across genders and



Macy's also needs to use social media and to do more active advertisements for millennials for its future comparative advantages.

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