Over the past decade, Amazon.com has risen to become the mecca for online retail. By offering a large breadth of merchandise and cut-throat pricing strategy, Amazon.com is now an e-commerce staple for many households but serves as an arch-rival for many other retailers. However, a new competitor is entering the scene - jet.com.

Early March 2015, jet.com will pre-launch to 100,000 insiders, granting them access to the site’s low prices, as well as free shipping and returns. For a $49.95 annual fee, the jet.com experience will provide subscribers access to a wide assortment of products and at a 10-15% discount compared to other sites. The wholesale club-like business model leaves little room for a price war with Amazon when margins are barely above cost on many items.

The equation behind the deep savings is driven from multiple incentives and strategies, including the optimization of shipping and packaging cost via consolidation of multiple items, leveraging more regional vendors to fulfill orders, and the use debit vs. credit cards during check out. The public launch date has yet to be announced; however, the industry is buzzing with the impact that this may have on online shopping and consumer behaviors.

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