



Amazon Opens Its First "Just Walk Out" Store in Seattle

On Monday morning <u>regular customers</u> started shopping at Amazon's no-lines walkaway store in Seattle. Some have said it feels like they're shoplifting, until the bill shows up on their iPhone. Others feel like they're just raiding the pantry, not worrying about price but just grabbing what they need.

Before Monday only Amazon employees could shop at the 1,800 square foot store on 7th Avenue — about the size of a 7-11 — using their experience to refine the software and hardware behind it. To get the technology right, which depends upon hundreds of hidden cameras in the ceiling trained on shoppers' iPhones and the items on the shelves, it took four years before the store opened to the general public. For the moment, at least, those items are ordinary: groceries, sodas, ready-to-eat meals, potato chips, ketchup, toilet paper, toothpaste, and the like. But each item sports a dot similar to a barcode. When the item is moved into the customer's bag, it moves it into his online shopping cart. When the customer leaves the store the software adds everything up, bills his account, and sends a receipt to his iPhone.



There are at least two things those new customers will notice: There are turnstiles on the way, which open when the customer taps his iPhone walkaway app. That software connects to a payment processer which completes the purchase within minutes of the customer's exit. There are no checkout lines (who needs them now?) — only employees tasked with making sure that each customer's experience is efficient and pleasant. There are stockers, of course, and people in the back making up the sandwiches. And that's it.

What is likely to be frightening to big box retailers and grocery chains is that once customers get used to the convenience, they're likely to expect the same thing when shopping with them. It's one thing to develop software and hardware for a 7-11-type store; it's another thing altogether to develop the ability to track the 38,000-plus items typically carried in grocery stores.

Amazon is not saying whether this is just an experiment or a precursor to its opening more, and larger, similar stores around the country. It's closed-mouthed about whether it will eventually license its



Written by **Bob Adelmann** on January 22, 2018



software/hardware technology to retailers who could become its competitors.

The "Just Walk Out" experience solves the last remaining complaint shoppers have: waiting in checkout lines to complete their purchase. In tests with Amazon employees, the average time from turnstile to exit is — ready? — less than one minute!

The technology also is likely to greatly reduce the chances of real shoplifting, as Nick Wingfield found out. A journalist with the *New York Times*, Wingfield asked permission to see if he could escape with a four-pack of vanilla soda:

I tried to trick the store's camera system by wrapping a shopping bag around a \$4.35 four-pack of vanilla soda while it was still on the shelf, tucking it under my arm, and walking out of the store.

Amazon charged me for it.

Gianna Puerini, vice president for Amazon Go, said the whole point of the massive effort is to make their customers' experience "effortless and magical." What's more likely to happen is that, once the magic has worn off, customers will expect the same experience everywhere else they shop.

This means that "Just Walk Away" technology would not only become disruptive but revolutionary. Rule one in the free market is that the customer is king. Everything is built around the "customer experience," and if shoppers in Seattle on Monday like the experience, management at every big box and grocery store in the country will know it.

Image: Screenshot from Amazon Go YouTube video

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