

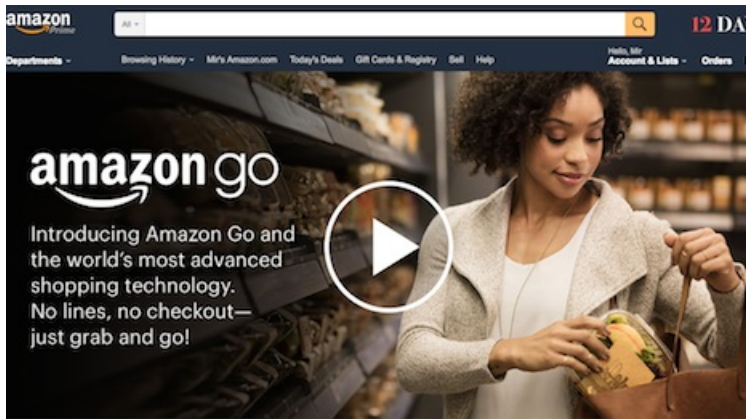
AMERICAN MARKETER

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FOOD AND BEVERAGE

What marketers should know about Amazon Go

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Go cart

By [Diana Gordon](#)

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No lines? No checking out? No way. Actually, "Yes way!" says online retail giant Amazon, which announced last week that it plans to launch a new bricks-and-mortar store concept that eliminates the traditional checkout process entirely.

Called Amazon Go, the store will feature new technology called Just Walk Out to deliver a register-less shopping experience where payment is facilitated through an application on your phone.

The 1,800-square-foot concept store is currently in beta for Amazon employees, but the company hopes to open its doors to the public in early 2017.

Grocery unchained

This is not the first attempt by Amazon to open traditional bricks-and-mortar stores. It has already seen success with bookstores in locations including Seattle, San Diego and Portland. There are also plans for additional stores in Chicago and Boston in the works.

The recent move by the online giant should not come as a surprise.

Despite being the largest online United States-based retailer, there are some categories that Amazon just has not been able to crack open, including grocery.

According to Kantar Retail, online sales still only make up less than 2 percent of the total grocery market in the U.S., presenting an epic opportunity for innovation in the food-shopping category.

In another report by the Trade Survey, 85 percent of people reported wanting to touch and feel a product before they buy. That gives Amazon another great reason to believe that its new store concept will work, especially in busy urban markets.

And what of the Just Walk Out technology?

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According to Amazon, it is powered by a combination of machine learning, computer visualization and artificial intelligence. Industry experts liken it to the same technology used to power self-driving cars.

Amazon has been working on the technology for four years and, as reported in USA Today, may have found a more cost-efficient method for handling the complex computing than others in the space.

As Forrester analyst Brendan Witcher puts it, "The challenge is whether you can make it cost-effective. Has Amazon come up with the secret sauce?"

Go cart

It should be noted that there is some skepticism that this announcement is just hype, conveniently timed during the peak of holiday shopping when shoppers are likely to be more sensitive to the frustration of the current checkout models, including long lines.

But, ultimately, with Amazon Go, the retailer that has fundamentally changed the way hundreds of millions of people shop for products is now aiming to further its dominance within the grocery category.

AS OUR TIME becomes an ever-increasing currency, the convenience factor, coupled with the superior experience Amazon is known for, makes for a compelling argument that we will be seeing more Amazon Gos in the not-too-distant future.



Diana Gordon is senior partner and director for Shop+ at Mindshare North America

Diana Gordon is senior partner and director for Shop+ at [Mindshare North America](#), Chicago. Reach her at diana.gordon@mindshareworld.com.

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