

The Future of Checkout Lies with AI, Scan and Go

Forget scanning SKUs. Walk in, grab items and leave—that's it

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The checkout process has remained unchanged for decades and continues to be a pain point for physical retailers due to long lines and lackluster interactions.

But new technology, like artificial intelligence (AI), as well as scan and go, is changing that.

In fact, such advances in self-checkout services are preparing consumers for a do-it-yourself-type approach when it comes to finalizing transactions at a store, according to Jamie Iannone, CEO of Sam's Club's ecommerce site and executive vice president of membership and technology.

"When you look at shopping and retail, one of the top issues people have is with checkout," Iannone said. "[Consumers] are walking around with a computer in their pocket, so let them use that computer to complete the transaction."

It's something that the Walmart-owned store has been doing for a while. Sam's Club members can use the Scan & Go app to scan items in-store and pay for them using their device without having to wait in line.

Meanwhile, Macy's—which hasn't been doing it for that long—**recently said** it would roll out its own scan-and-go checkout solution at all full-line stores by the end of the year, as well as its Bloomingdale's division later this month at its Soho location in New York. The company first **announced plans** to launch its scan-and-go technology last year during an earnings call, and first tested the technology at its location in Woodbridge, NJ.

"We think of the Macy's app as a key we hand to our customers, a key that allows them to unlock an enhanced shopping experience," said Jeff Gennette, chairman and CEO of Macy's, in a statement. "With this powerful tool in hand, we give them the opportunity to engage with us on their terms."

AI, seen as the final frontier of checkout solutions by some at the recent Shoptalk conference in Las Vegas, is taking the scan-and-go concept a step further by removing the scanning of SKUs from the equation.

AI platform **Standard Cognition** does just that. Through the use of a camera with machine vision that can track product movement, consumers are able to walk in a store, select an item and leave. A push notification acts as a receipt. According to the firm, the experience should just be about shopping, not waiting in line or scanning items.

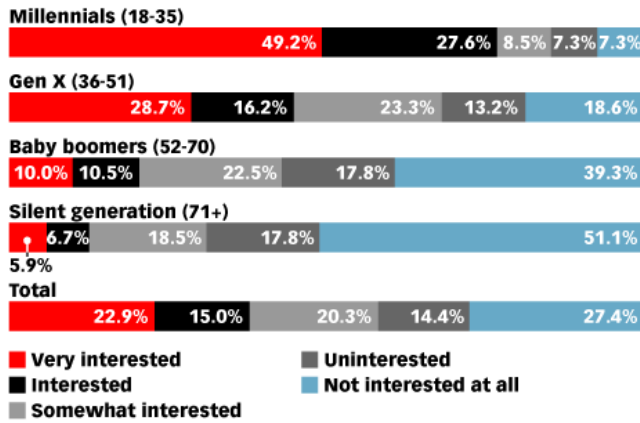
"Amazon Go opened up the flood gates, and they've proven that [a cashierless format is] worth it," said Jordan Fisher, co-founder and CEO of Standard Cognition, during a fireside chat at Shoptalk.

"[Amazon] proved it necessary, and I think they've made it an essential.

"If you're not thinking about this now, then you're too far behind," he added. "You need to have a solution in mind today to deploy tomorrow."

US Internet Users' Level of Interest in Scan-and-Go* Technology, by Generation, March 2017

% of respondents



Note: numbers may not add up to 100% due to rounding; *where shoppers scan their own products in-store and pay via an app
 Source: Acosta, "Bricks & Clicks: Understanding the Omni Channel Landscape," July 5, 2017

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And this type of technology is certainly something consumers are interested in. A March 2017 survey of US internet users by Acosta found that more than eight in 10 millennials, and 58.2% of respondents overall, express an interest in scan-and-go technology.