

Is Scan-and-Go the Future of Retail?

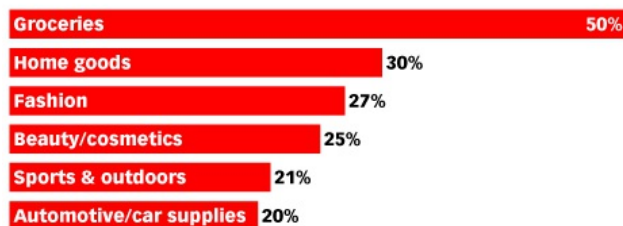
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Rimma Kats

Stores without cashiers, like Amazon Go, have great potential to shake up the brick-and-mortar landscape. According to GPShopper, 48% of US internet users believe scan-and-go technology would make shopping easier. And 43% would rather try scan-and-go than wait in a checkout line. The products they'd be most interested in scanning included groceries, home goods and fashion items.

Product Categories for Which US Internet Users Would Like to Use Scan-and-Go* Technology When Shopping, March 2018

% of respondents



*Note: ages 18+; *a checkout system that allows users to scan items they wish to buy throughout the store and check out via payment through the store's mobile app, effectively letting shoppers avoid checkout lines altogether*

Source: GPShopper, "Reality of Retail Personalization Report" conducted by YouGov, May 22, 2018

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Similar findings were reported by RIS News, which asked US digital buyers which new shopping options—ranging from drone delivery to augmented reality in-store—they would most like to use. Grab-and-go stores with self-checkout was the leading response, with 59% of

respondents saying they'd use it.

But a world without cash, credit cards or even a mobile wallet isn't here yet. Here's what retailers need to know about how to get there.

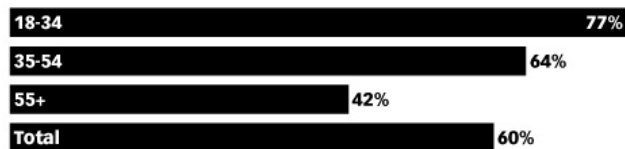
Amazon Go Is Setting the Standard

A "just walk out" experience is why lots of consumers are gravitating toward Amazon Go—and why many other retailers, including Macy's and Kroger, have come up with similar solutions.

Research from MuleSoft found that 60% of internet users worldwide would prefer to shop at other retailers if they offered an Amazon Go-like experience. Not surprisingly, this method resonated most with the 18-to-34 group. But close to half of the 55-and-older cohort also claimed it as a preference.

Internet Users Worldwide Who Would Prefer to Shop by Having an Amazon Go Experience* if Offered by Other Retailers, by Age, April 2018

% of respondents in each group



Note: *defined as "just walk-out shopping" whereby consumers can purchase goods in-store without using a cashier or checkout
Source: MuleSoft, "Consumer Connectivity Insights 2018," June 19, 2018

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One Big Roadblock: Consumer Theft

In May 2018, Walmart shelved Scan & Go—its cashierless checkout technology. The reason **it gave back then**? Low adoption rates. But a recent report from Business Insider paints a very different picture.

"You think that the theft is bad on self-checkouts? Wait until you try Scan & Go, where nobody is watching the customers out in the aisles," former Walmart employee Joel Larson, who spearheaded that initiative, **told Business Insider**.

The Future of Checkout

The future of frictionless checkout probably looks like Amazon Go, and it will rely heavily on computer vision to identify the buyer and what

they're grabbing from the shelves.

"But even Amazon hasn't perfected the technology for large store formats," said eMarketer principal analyst Andrew Lipsman. "Until then, it looks like self-scan at checkout will be the winning technology over scan-and-go on your smartphone."