

Amazon ditches Just Walk Out as part of broader grocery revamp

Article

The news: Amazon's grocery stores will no longer feature its contactless Just Walk Out technology as the retailer focuses on delivering a more familiar experience for shoppers.

- The company's newest batch of **Amazon Fresh** stores—the first to debut after the retailer's 18-month pause on grocery expansion—will open without Just Walk Out installed, SVP of

grocery stores **Tony Hoggett** [told](#) The Information.

- Amazon will also remove the technology from the majority of its existing grocery footprint this year as part of a wider store refresh.

How we got here: Under former CEO **Jeff Bezos**, Just Walk Out was Amazon's way of putting its unique stamp on the brick-and-mortar experience—one that was meant to revolutionize the way people shop in-store.

- The reality has been more nuanced. **While Just Walk Out works well for convenience stores and stadiums, it's ill-suited to handle the complexities of grocery shopping**, especially when it comes to larger baskets involving produce and other loose items.
- The technology relies on an extensive network of cameras and sensors to track what people put in their carts. It's expensive to install and requires significant manpower behind the scenes to review transactions.
- It can take hours for Amazon to email receipts to shoppers after their visits, adding unnecessary stress to a routine experience, particularly for budget-conscious shoppers counting every penny.
- **That's why the retailer is pivoting its focus to Dash Carts**, which allow shoppers to scan items as they move through the store and check their spending in real time.

The strategic shift: Amazon's [revamped strategy](#) under Hoggett, a grocery veteran, is more squarely focused on delivering what shoppers want in the grocery experience.

- **The retailer is adding bright colors and [redesigning Amazon Fresh](#) stores to be more inviting** after complaints that its previous layout was "soulless."
- The stores will also have a much larger selection of products, including items from Amazon's private labels, and feature **Krispy Kreme** doughnut and coffee stands to draw shoppers in.
- Amazon's enhancements will extend to the ecommerce experience. The retailer is in the process of overhauling its grocery delivery capabilities to make it possible for shoppers to order from any of its grocery banners—including Fresh, **Amazon.com**, and **Whole Foods**—and have everything delivered in a single shipment.

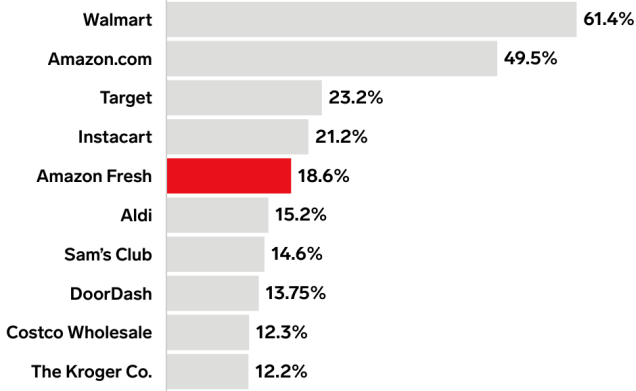
The big takeaway: Amazon's shift away from Just Walk Out is representative of the broader strategic realignment under CEO **Andy Jassy**. Rather than pouring money into moonshot

projects, the retailer is focusing on the fundamentals—in this case, a simplified and improved grocery experience that meets shoppers’ needs and expectations.

Whether that will be enough to gain ground against **Walmart** will depend on how quickly Amazon can scale its new Fresh format and how effectively it can win over value-focused consumers.

Less Than 20% of Digital Grocery Buyers Have Placed an Order From Amazon Fresh

% US digital grocery buyers, May 2023



Note: Respondents were asked, "In the past 12 months, which of the following grocery-ordering websites or apps have you used to place an order?; this is the website or app that you initially accessed to place the order."

Source: Insider Intelligence | eMarketer, July 2023

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