

Amazon Go's Convenience Appeals to Customers

Article

Amazon Go has received a lot of attention for a store with only six locations in three cities. It's not hard to see why, since the "walk out without paying" concept is novel, and eliminating friction is the holy grail of omnichannel retailing.

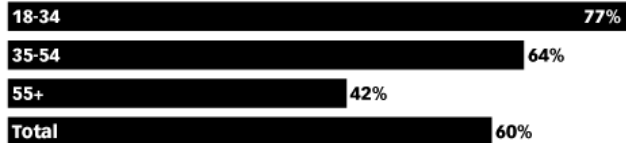
Cashierless checkout isn't the sole domain of Amazon, though. Competitors have popped up offering similar solutions to eliminate lines and self-scanning frustrations. "In our

hypercompetitive retail age, frictionless checkouts allow brick-and-mortar retailers to enhance their customer service and customer engagement levels," said Michael Gabay, CEO of Trigo Vision, a seamless checkout provider. He also sees the concept working in other verticals besides groceries and how the elimination of cashiers could ultimately free up staff to help customers on the sales floor.

It's also an appealing concept to consumers—at least in theory. According to **MuleSoft**, a majority (60%) of internet users worldwide said they would prefer a "just walk out" shopping experience if offered by other retailers. More than three-fourths of those under 35 were into a cashierless store visit.

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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Most retailers aren't going to adopt Amazon's exact format, but there are insights to be gained from how customers shop the store. Two new reports provide a look at consumer behavior and attitudes concerning Amazon Go.

An October report from Field Agent sent mystery shoppers to all of the Amazon Go locations to quantify the shopping experience.

On a scale from 1 to 5, Amazon Go received an overall rating of 4.62. The highest marks went to ease of shopping (4.81) and product selection (4.76), while the lowest score was given to taste or quality of the freshly prepared food (3.76). As is often the case, dazzling tech doesn't necessarily lend itself to enjoyable sensory experiences.

Convenience stores were the leading format that shoppers said Amazon Go could replace (86%), which wasn't surprising. There has been speculation **that Amazon Go could also compete with quick-service restaurants**, which meshed with this survey's respondents citing fast food (48%) and fast-casual (43%) as potentially being replaced. The second-most-cited

response was vending machines (62%), which might be less obvious. Only 29% saw Amazon Go as a grocery store alternative.

This was also a finding from inMarket, which used location-based data to discover that weekday foot traffic to Amazon Go stores is higher than at traditional grocery stores, but it peaks around breakfast and lunchtime. Three of the five stores measured are closed on weekends, a time when supermarkets are busy.

The average dwell time was 27 minutes, which seems high for such a small-format store with limited selection that touts convenience. (Currently, square footage ranges from 1,450 to 2,100.) It's not clear if this is due to its novelty attracting gawkers rather than strategic shoppers, especially since the inMarket data showed that 44% were repeat visitors.

Interest in Amazon Go isn't just hypothetically high, the shoppers who used Amazon Go also had a positive impression of it. According to Field Agent, 57% said they were "completely likely" to use Amazon Go in the future (14% had already used it prior to the survey), and only 5% would've preferred a conventional checkout during their shopping trip.