

Starbucks and Instacart look to new payments and checkout tech to drive growth

Article

The news: Starbucks and Instacart are foraying into cashierless retail technology.

Starbucks is in talks to bring Amazon's Just Walk Out into its shops, [per](#) a report from Insider.

- The two companies are reportedly looking to create a coffee shop design featuring Amazon Go's food section inside of a cafe that would let customers check out without stopping to pay at a counter.
- Although plans are subject to change, the tie-up would be a major milestone for Amazon, which has been working to bring the checkout-free technology to third-party retailers. Starbucks' quick-service model and strong mobile engagement make it a great candidate for Just Walk Out. And the company's brand recognition could support mass adoption of the technology.
- The rumored tie-up may foreshadow a broader push into quick-service restaurants—a space Amazon doesn't operate in so lacks the competitive concerns that may be holding back some retailers from using Just Walk Out.

Instacart will acquire smart cart provider Caper AI, [per](#) a company blog post.

- Caper AI's smart cart features a touchscreen display and scanner that lets customers scan barcodes as they load up their carts and keeps a running subtotal of purchases. Instacart plans to offer Caper's tech to its retail partners and will integrate some of Caper's shopping software into its app and website for consumer use.
- Instacart has gradually grown beyond grocery delivery into being a grocery retail solutions provider—helping its partners with things like fulfillment and advertising. Acquiring Caper complements this initiative and gives Instacart's partners access to technology that streamlines in-store and online shopping.

What this means for payment providers: The emergence of autonomous checkout offerings, including smart carts, could pose a threat to point-of-sale (POS) hardware providers that depend on in-person checkout. These solutions represent a shift away from the traditional POS—a trend that's only grown during the pandemic.

- **Twenty-six percent of US consumers** have used some form of cashierless checkout technology, and **43%** say they haven't but are interested in using it, [per](#) an August 2021 Bizrate Insights survey.
- To avoid losing volume and market share to these new players, POS hardware providers may decide to develop their own cashierless solutions so they can offer robust checkout offerings

to meet various merchant needs.

- Autonomous checkout technology may be more useful for large retailers with high foot traffic —smaller merchants may not have the capital for this type of investment and may still appreciate the value of in-person interactions as they grow their businesses.

Related content: For a closer look into why checkout-free technology may be the future of brick-and-mortar retail, check out our [Q&A](#) with Andy Radlow, chief revenue officer at autonomous checkout firm Grabango.

How Interested Are US Adults in Using Cashierless Checkout Technologies* at Stores?

% of respondents, by demographic, Aug 2021

Gender

Female



Male



Age

18-34



35-54



55+



Total



- Use it regularly
- Have used before, but don't use regularly
- Have not used, but very interested
- Have not used, but somewhat interested
- Have not used and not interested
- Don't know what this is

Note: numbers may not add up to 100% due to rounding; *using technology to bypass a checkout line such as mobile scan-and-go, "just-walk-out" technologies like the Amazon Go stores, or "smart shopping carts" like the Amazon Dash Cart

Source: "The Insider Intelligence Ecommerce Survey" conducted in August 2021 by Bizrate Insights, Aug 10, 2021

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