Inquiring Minds topic – April 21, 2017
CHANGING RETAIL MARKETING

Moderator.. Al Kaplan

In days gone by, a retail business consisted of a store front of bricks and mortar, and a buyer who sought and bought the item or items desired.

With the advent of the digitalization age and the Internet, times have changed. Even the big stores and chain stores, the likes of Sears and Kmart, have changed and are constantly undergoing change.

The articles enclosed about AMAZON perhaps typify and point the way to changes which have occurred, are occurring, and are yet to occur.

These changes are occurring not only in the Amazon world. Walmart and Publix grocery stores will now take phone orders, and deliver to your door, or have available for pickup at their door.

Malls are closing and losing their prime stores. Manhattan in New York City, is losing its prime stores for lack of business, and high rental costs.

Some questions to ponder, and to discuss....

Have these changes affected your "shopping," and what changes do you anticipate in your future shopping and that of

your next generation??

Do you still shop in brick and mortar stores??

Do you shop by phone and/or internet?

Do you pickup, or are items delivered by mail, or drone?

Do you feel that sales people will no longer be in brick and mortar stores to service you?? A good thing, or no?

Will there be brick and mortar stores tomorrow ???? yes or no and why??

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Amazon to Launch Grocery Pickup Stores in Seattle
[WSJ](WSJ) · by Laura Stevens

The service will let customers choose grocery items online and then reserve a time to pick them up. Photo: Elaine Thompson/Associated Press

Amazon.com Inc. AMZN +2.23% on Tuesday said it is launching a new grocery-store pickup service, pushing deeper into brick-and-mortar retail as it moves to capture more of what people spend on food.

The service, called AmazonFresh Pickup, will be available to customers who are part of Amazon's membership program Prime. For now, the service's two locations in Seattle are open only to employees.

AmazonFresh Pickup will allow customers to choose from thousands of items online and reserve a time for pickup, according to the company. Orders will be ready in as little as 15

minutes, and there is no minimum-order limit. Amazon will select the food, bag it and deliver it to customers' vehicles.

The new stores are part of Amazon's broader push into brick-and-mortar retail and the grocery business, opening the door to a key driver of consumer spending that would broaden the online giant's increasing dominance in the retail market.

It will also help Amazon better compete against rivals such as Wal-Mart Stores Inc., which is also bidding to conquer online grocery shopping. Wal-Mart is expanding a service that lets shoppers order online and pickup curbside to 1,000 stores by the end of next year. Supermarket chain Kroger Co. is also offering a click-and-collect service in more stores.

Consulting firm Kantar Retail estimates that online grocery spending is around 1% of the $674 billion U.S. market for edible groceries.

Amazon's lack of physical stores has been a competitive disadvantage when it comes to groceries. Until now, its strategy has centered around AmazonFresh, a subscription service that promises quick food delivery for online orders. But delivering groceries can be expensive and logistically complex, as drivers race to deliver cold items on less profitable routes. And many shoppers still prefer to smell and touch items like fruits or vegetables before making a purchase.

The new service is Amazon's latest foray into physical stores. The company opened a convenience-style store in Seattle called Go, but it has faced technological problems as the company develops a location without lines or cashiers. Amazon also has five bookstores, with five more announced, and about 30 mall pop-up stores.

Amazon is also considering additional grocery store formats.

The new pickup locations will be free and unlimited to Prime members, who pay $99 a year for membership. AmazonFresh members, who pay an extra $14.99 a month, can get their orders turned around in a shorter time, according to Amazon's website.

The Wall Street Journal [previously reported](#) Amazon was planning pickup grocery locations.

Write to Laura Stevens at laura.stevens@wsj.com

Appeared in the Mar. 29, 2017, print edition as 'Amazon Takes Food Orders.'

[WSJ](#) · by Laura Stevens

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Amazon Tests Grocery Pickup Service in Seattle

[The New York Times](#) · by THE ASSOCIATED PRESS

NEW YORK — Amazon is testing a grocery pickup service in Seattle.

The AmazonFresh Pickup service is currently open only to Amazon employees. Eventually, members of Amazon's $99-a-year Prime loyalty program will be able to order groceries online and drive to a pickup location, where crews will deliver items to the car.

Amazon says orders will be ready in as little as 15 minutes after being placed. The service is being tested in two locations in Seattle, where Amazon is headquartered.

The service is the latest way Amazon is testing new ways to shop. At an Amazon Go convenience store in Seattle, items selected are automatically monitored and added to a virtual cart so shoppers can skip the checkout. That store is also open only to Amazon employees so far.

Amazon already has a grocery delivery service in some cities.

[The New York Times](#) · by THE ASSOCIATED PRESS

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How Amazon Plans to Totally Reinvent Grocery Shopping

[TIME](#)

The Jeff Bezos playbook works something like this: sketch out a big, audacious goal in a fledgling market, launch with a modest yet fine-tuned project and build incrementally over many years until you're the 500-lb. gorilla of a thriving industry.

This is playing out right now with Amazon's cloud services. An experiment that began a decade ago to offer startups access to its tech infrastructure has turned into the dominant player in the cloud sector, with $13 billion in revenue. Amazon Web Services will have added 1,000 new features this year, including artificial intelligence technology like speech and image recognition.

More famously, it happened with Amazon.com, which launched in 1995 as an online bookseller with 1 million titles and a spartan home page. Today, Amazon.com and its Marketplace sellers offer more than 350 million products in an array of categories, accounting for 60% of online sales growth. A TIME profile of Bezos in 1999 foresaw it all:

If all goes according to his daring — some might say outlandish — plan, this warehouse will be at capacity within the next few years and will handle everything: washing machines, cars, rubber gaskets, Prozac, exercise machines, marmalade, model airplanes, everything but firearms and certain live animals. You name it, Amazon will sell it. "Anything," says Bezos, "with a capital *A*." And that's the point: Jeffrey Preston Bezos is trying to assemble nothing less than Earth's biggest selection of goods, then put them on his website for people to find and buy.

Today, Amazon made a modest announcement that looks straight out of the Bezos playbook: Amazon Go, "a new kind of store with no checkout required." The company calls it "Just Walk Out" shopping. But it's really an attempt to eradicate one of the more frustrating aspects of shopping in stores: the checkout line. It's pure Bezos: start with 1,800 ft. of grocery retail space in downtown Seattle and see if you can remake retail all over again.

The basic idea behind Go isn't completely original. Years ago, companies like IBM foresaw a checkout-line-free future, using RFID chips embedded in packages. But Amazon is using the kind of modern deep-learning technology it's rolling out to its cloud clients, along with computer vision and sensor fusion. For shoppers, the tech will be invisible. They just fire up a Go app, grab what they want, and be on their way.

Go looks to be an experiment for now. The service is available to Amazon employees in a beta program, with plans to open things up to the public next year. Amazon has been offering grocery delivery through its Amazon Fresh service. It's [opening](#) brick-and-mortar bookstores in Seattle and New York City as well as dozens of [pop-up shops](#) in malls that demo Amazon gadgets. Reports [surfaced](#) this fall that Amazon would open physical grocery stores, but the "Just Walk Out" shopping idea is new.

It also may be the most radical e-commerce idea Amazon has had in a while. With enough time and enough resonance with consumers, Go could reshape how we shop in stores. In the same way Amazon's online store forced retailers to move more of their sales to online sites, Go could force them once again to chase Amazon or suffer with an outdated business model.

Amazon Go could also obviate the cashier in the way self-driving vehicles threaten jobs in the taxi and [trucking industries](#). It could make digital payments more common than cash or plastic, while turning the retail store into as much a data-driven environment as Amazon's checkout card is today. If any of this comes to pass, it will happen only gradually. Amazon prefers to scale its innovations slowly, reiteration by reiteration.

The big question for Go is how popular it will ultimately prove. Amazon has steadily rolled out retail innovations aimed at removing friction from shopping process. In many cases, these were greeted with skepticism but later embraced. The original online bookstore defied predictions of its early demise. One-click shopping became a standard feature despite predictions it would lead to mistaken purchases. Prime Now struck many as foolhardy back in 2005. It has 50 million subscribers today.

If nothing else, Amazon Go shows that 22 years into its history, Amazon isn't slowing down. Whether it's adding machine-learning capabilities to its cloud services, taking on [Netflix](#) by [partnering](#) with HBO and possibly adding [live sports](#) to its Prime video offerings, or building stores without long checkout lines, Amazon right now looks as bold as its ever been.

[TIME](#)