Taking Walk-Out-To-Pay Beyond Amazon Go

By **PYMNTS**

Posted on April 16, 2018

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There could be so much more to a cashier-less checkout experience — and for so much less than what Amazon is spending to do it at its bespoke Amazon Go convenience and grocery stores. That's not to say Amazon Go is a bad system; it just won't work for every merchant.

As Amazon Go has demonstrated, walking out the door to pay may be the ultimate in terms of a seamless checkout experience. Customers at the eCommerce giant's brick-and-mortar mini-mart

simply go around the store adding the items they need to their shopping cart, then leave the store — triggering an invisible payment to initiate using their Amazon account.

One of the main problems with Amazon's technology, however, is that creating the experience requires heavy investments in hardware that not every retailer can afford to make.

That's why other tech companies are cropping up with the means to build a cashier-less checkout experience for the rest of the world. The CEO of one such company, **Atul Hirpara of AVA Retail**, told PYMNTS how it's providing a closed-loop invisible payments system that any retailer can adopt.

SmoothShop Sailing

Hirpara said there are a few iterations of how the technology could be deployed, depending on the needs of the store. The one thing that remains the same is that a combination of computer vision and artificial intelligence must be combined with the mobile app for the solution to work.

Some stores may ask customers to check in when they arrive by tapping their phone or scanning it at a turnstile. After that, said Hirpara, the phone can go back in the pocket or purse, its job complete. The battery could die and the customer could still complete her shopping trip, including the digital payment at the end, because the computer vision hardware at the store is keeping tabs on her activity and will trigger a payment from her registered account when it detects her leaving the store.

The payment happens invisibly, and a digital itemized receipt is sent to the user's phone within 15 seconds of leaving the store.

AVA Retail encrypts all payment data, he added, so the actual information persists only on the user's phone — anything within the company's system is garbled via tokenization so that, even if a malicious actor got a hold of it, he would be unable to pair it with the correct customer's identifying credentials.

One App, Many Stores

Initially, customers must sign up and enter their payment information into the SmoothShop app — but that's just a one-time friction point, said Hirpara. Once they've done so, they can use the app to enter, shop and pay at any store that's implemented it.

While stores can, to an extent, white-label the app so it suits their brand, Hirpara explained that it's important to house all stores within one app rather than requiring users to download and register for multiple apps at each store where they shop. Separating stores into bespoke apps would create friction rather than resolving it.

He said that's even more true for stores that customers may only visit once or twice a year, such as a toy store where a customer buys a Christmas and birthday present for a niece or nephew.

Philosophy

Hirpara said AVA Retail's goal is to bring the checkout-free retail experience to a wide range of merchants including convenience stores, toy stores, and quick-service restaurants (QSRs) that have five to 10 locations.

He added that the tech is ready to scale and grow with merchants, but the reason for focusing on small- to medium-sized businesses (SMBs) is to help them keep up with bigger competitors, especially the ultimate competitor: eCommerce.

It's not easy for SMBs to pay enough cashiers, as the bar keeps rising on minimum wage. Hirpara said that automating checkout can minimize the need for clerks, enabling stores to keep a smaller contingency of employees that are able to focus on helping customers as they need it around the store.

Differentiation

It's too early to say whether any checkout-free technology is better than another, but Hirpara said there are a few things that AVA Retail has been deliberate about approaching differently, which he believes can help the platform gain traction on a wider scale.

First, SmoothShop requires less hardware than Amazon Go, making it more affordable (and less of a headache) for SMBs to deploy.

Second, the speed of receipt delivery creates peace of mind almost as soon as the customer leaves the store. Amazon Go can take longer to deliver a receipt, which Hirpara feels can leave the customer anxious about whether he was charged the right amount.

Third and finally, every retailer is different, so each one will need to tailor its checkout-free experience to suit its brands and what it knows about its customer base. Hirpara said that's why a

DIY approach is beneficial. It enables retailers to pick and choose the parts they need and grow the system with them.

For some retailers, waiting in line may not be the biggest point of friction. Or, perhaps what's needed is more of an in-store enhancement by which customers could tap products with their phone to learn more and share those products with friends.

Any solution that hopes to succeed must fine-tune itself to the nitty gritty of individual businesses, Hirpara said. Retailers must take the time to understand their unique frictions and customer journeys. Only then can they decide which solution is right for them.