

Amazon Go means more than just job losses, it will restructure the economy

Amazon has launched a real-world shop that allows customers to walk in, take what they want and walk out. No checkouts, no queues. As they explain in the FAQ about Amazon Go.

This new model of shopping not only challenges established retailers, but it raises serious questions about the future of work and the changing nature of the economy more generally. Furthermore, it suggests the role of government will need to change, involving itself less with regulating business and more with redistributing wealth.

At this stage the store is only available to Amazon employees, though public versions are due to be opened in the US early in 2017. An Australian version is likely some time after that. Indeed, Amazon is **currently gearing up** to launch a number of its services in Australia, including AmazonFresh, its grocery delivery service.

All of these are likely to shake up the various cartels (Coles/Woolworths, David Jones/Myer) that dominate certain retail sectors in Australia, but it is Amazon Go that is likely to be the real disruptor.

The ramifications for employment seem obvious. In the US, around five million people are employed in retail, while Australia has 1.3 million and Britain 2.8 million. Stores like Amazon Go could therefore mean many job losses. Retailers could realise savings of something in the order of 15% of running costs, an amount that is likely to make the technology very attractive. And really, it is just the next logical development from the automated checkouts already in use in most supermarkets, or the self-serve kiosks McDonald's is already rolling out..

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