

Amazon shutters last Fresh Pickup grocery store

January 4 2024, by Lauren Rosenblatt, The Seattle Times



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Amazon has shuttered the last of its two Fresh Pickup facilities, marking the end of its experiment with a drive-in and drop-off grocery service.

At the Fresh Pickup sites, customers would place a grocery order online,



then schedule a time to pick up their items. Shoppers would drive up to the store and wait in their car while a grocery worker loaded their bags into the vehicle—seemingly foreshadowing the no-contact shopping that became so normalized at the start of the COVID-19 pandemic.

Amazon launched Fresh Pickup in 2017 and opened two facilities in Seattle. At the time, the Fresh Pickup concept was considered yet another signal that Amazon was serious about entering the grocery business and one of many brick-and-mortar shopping experiences the company was testing.

Seven years later, Amazon never expanded its Fresh Pickup stores outside Seattle and closed the two existing locations.

Amazon shuttered the store in Seattle's Ballard neighborhood January 2023 and the facility in the Sodo neighborhood in December, the company confirmed Wednesday. In Ballard, the lot that was formerly Louie's Cuisine of China before it bore the Amazon logo still sits empty nearly a year later.

"Like any retailer, we periodically assess our portfolio and make optimization decisions around how we operate," spokesperson Jessica Martin said.

In the grocery sphere, Amazon still operates more than 40 Fresh grocery stores around the country, including five in Seattle. It runs Go convenience stores in Seattle, Chicago, San Francisco and New York. Amazon also owns Whole Foods, which it purchased in 2017 for \$13.7 billion.

In the <u>second quarter</u> of 2023, Amazon's physical stores sales grew 7% compared to the same quarter a year earlier, the company said.



But in the years since it launched Fresh Pickup, Amazon has significantly scaled back its brick-and-mortar presence. It shuttered all of its bookstores, 4-star shops and pop-ups, and Amazon Style stores, the company's first experiment in in-person fashion.

Amazon also paused the expansion of its grocery stores last year as it worked to find the right store format that resonated with customers and "where we like the economics," according to CEO Andy Jassy. As part of that reevaluation, Amazon closed some stores and backed out of other leases.

Since then, Amazon has refreshed and redesigned some Fresh grocery stores in Chicago and Los Angeles.

In Seattle, the Fresh Pickup store format offered customers the option to shop without ever leaving their car. The system matched what customers today are now used to seeing in many store parking lots but Amazon didn't rely on shoppers sending a text or checking in a <u>store</u>'s app or website when they arrived.

Instead, Amazon's Fresh Pickup parking lots had <u>license-plate</u> reading technology that would automatically identify the <u>customer</u> and alert grocery workers it was time to make the drop-off.

Customers could opt out of the service on Amazon's website.

To train the tech, a human worker would take down the customer's name and license plate on the shopper's first visit and manually enter it into Amazon's system for the next <u>grocery</u> run.

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Citation: Amazon shutters last Fresh Pickup grocery store (2024, January 4) retrieved 17 May 2024 from <u>https://techxplore.com/news/2024-01-amazon-shutters-fresh-pickup-grocery.html</u>

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