

## Walmart's Newest Tech-Enabled Store is the Latest Effort to Differentiate the Big Box

February, 2017

As shopper preferences shift towards small stores and quicker shopping trips and sales move online, big boxes are under pressure to provide consumers with a differentiated experience to drive them into stores. Walmart's newest supercenter in Lake Nona, FL, with its heavy focus on digital integration and fresh foods, is the latest example of big box reinvention.

### Scan & Go Technology and In-Store Pickup Add Digital Experience Uncommon to Walmart



While Sam's Club made headlines in 2016 for rolling out scan & go technology across its entire store network, the technology has been slower to roll out in Walmart Supercenters, having only been available in one store in Rogers, AR until now. To speed up their shopping trips with the scan & go technology, shoppers have the option of downloading the scan & go app, available for both iOS and Android users, which allows them to scan item barcodes and pay for their purchases directly on their phones. Otherwise, they can use the provided devices to scan their items and pay at a dedicated scan & go checkout.

The Lake Nona store also features buy-online-pick-up-in-store and curbside pickup options. As customers switch to shopping online, this method of leveraging physical assets and existing infrastructure for flexible fulfillment is becoming more important to big box retailers. The BOPIS kiosks' location at the front of the store before the checkouts enables a speedy pickup process, while giving shoppers the option to pick up in-store encourages impulse and fill-in purchases, especially since the grocery department is nearby the pickup point.

### New "Interactive Product Education Table" Enhances Customer Experience



Walmart has added a new interactive table to its electronics department—the first of its kind in a Walmart store. The table mimics the online shopping experience in a way, as shoppers can swipe their hands over the table to browse and learn about products that the store offers in an easily-digestible way. It showcases technology products like Google Home and the Apple iHome Smart Monitor and provides a unique digital experience that can encourage store visits. Employees are still nearby to answer questions and assist with high-security products, but their roles are limited so that shoppers can own the new high-tech experience.

### Open Produce Layout and Organic QSR Reaffirm Walmart’s Commitment to Health



While the Lake Nona Walmart is primarily meant to offer digital enhancements, the store’s emphasis on food hints at what we expect to see from Walmart supercenters in 2017, especially as Walmart is set to open more supercenters than Neighborhood Markets in 2017. This Walmart store features Walmart’s “Fresh Angle” initiative launched last year. The produce department is set with wider aisles, low free-standing fruit displays, and modern signage. The Lake Nona store will also feature an organic in-store QSR that serves gluten-free options, salads, and cold-pressed juices. The restaurant, called “grown,” is not yet open, but it will feel like something shoppers would find in a Whole Foods, highlighting Walmart’s increased focus on health.

#### RNG Point of View

**Best-in-Class Execution:** As big box stores struggle to maintain their productivity in the US, Walmart has managed to use scan & go and interactive technology to create a digital experience not widely seen in a supercenter.

**Future Impact:** Elements like scan & go and the interactive table can be rolled out to more stores to speed up shopping trips and provide a digital shopping experience, but rising labor costs, store economics, and declining traffic will likely remain core challenges for Walmart.