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Amazon Go's Ultra Mobile Payments Scheme May Work Elsewhere With AVA Retail Plan

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While the walk-out-to-pay system that Amazon Go locations are putting to work has captured imaginations for over a decade now, it's also fairly clear that such a system won't work for every business. The good news is that this super-mobile payments system will likely work in at least some places, and we know this because there are some who have put it, or something like it, to work.

One of the biggest problems involved in putting in an Amazon Go system is that the hardware involved represents a massive investment. It's not that retailers aren't interested, it's that they straight-up can't afford to make the kind of investment a company that can run at a loss for years can afford to. That's actually led other companies to try something similar, like AVA Retail. It's building what's called a "closed-loop invisible payments system" any retailer can put in play.

The AVA Retail system is built around a combination of artificial intelligence and computer vision, a combination which can actually be executed in several different ways. One store could ask shoppers to check in with their mobile devices at tapping points or scanning points, and another could use a different approach depending on the individual store's needs. AVA Retail's system requires registration with an app called SmoothShop, but thankfully, that's just a one-time registration.

This raises interesting questions. How can Amazon respond to this? It's going to be a tough row to hoe, telling retailers "You need this much more expensive system that does the exact same thing this one that costs half as much does because...um...reasons?" Amazon may be able to push its name recognition—why go with some back-alley system when you can have Amazon—but name recognition can only go so far when the choice is between "unaffordable" and "affordable." It only gets worse when you consider the AVA Retail system can be custom-tailored to each individual shop.

This isn't good news for Amazon, but it may be great news for its competitors. Since neither system is in wide use yet, there's a lot of time for things to change. If Amazon can make its system more affordable, it might well win out. If not, competition is waiting to do what Amazon can't or won't.