Amazon.com launched trials of Dash, a new wand-like device with a microphone and barcode scanner that is used to add items to an AmazonFresh shopping list. This feature eliminates the need for customers to construct a grocery list or do an online search. Savvy shoppers may also use Dash as a price comparison tool to view items in person, scan barcodes, and find the best deals. In addition, Amazon launched the Flow feature on its mobile app, which enables a user to point the phone at a product, triggering the app to search and display options of that item for sale. Consumers save time and discover the novelty of technology.

Is mass adoption of these types of technologies inevitable for brick and mortar retailers? Could point and click ordering at home encourage brand loyalty? Will major brands promote and spur the use of these technologies?

Dash and Flow have strategic implications for Amazon’s supply chain. Consider the electronic bar codes that were widely adopted by American retailers in the 1980’s. This adoption resulted in new data, which enabled retailers and vendors to manage inventory levels more efficiently and reduce costs. Amazon may use data provided by consumers through Dash and Flow to create compelling and accurate forecasts of what consumers plan to buy. Understanding the unknown supply chain variable of consumer intent and capturing consumers’ input on how much stock to order could result in operational savings.

It will be interesting to see the results of the Dash and Flow trials – will Amazon find value in these innovations and carve another supply chain competitive advantage to continue as the world’s largest online retailer?
About the Author

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