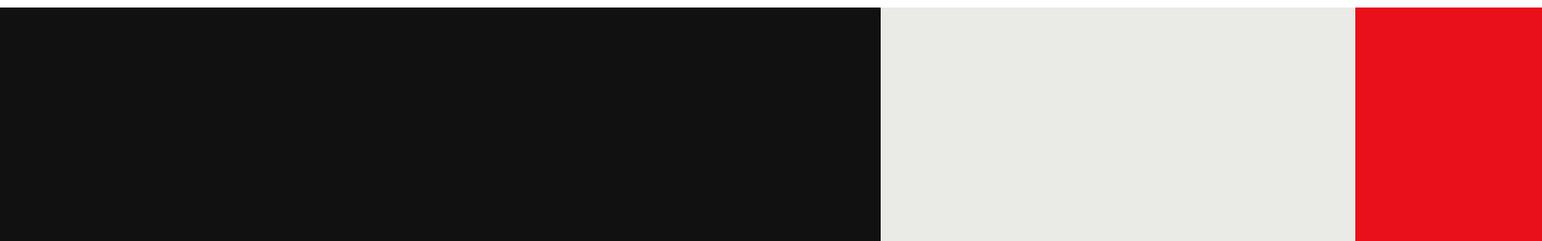


Q&A: How Amazon is empowering local retailers

Article



We spoke with Pat Bigatel, general manager of Amazon ShopLocal, which helps third-party sellers reach more customers by listing products in Amazon's store and offering local customers the opportunity for same-day order pickup. Amazon Local Selling launched in October 2021 as a way to extend support to local retailers.

Bigatel has worked at Amazon for more than 15 years helping grow the business within various categories, such as the consumable space, pet product offerings, sporting goods equipment, and more.

Insider Intelligence: What was the idea behind the Amazon Local Selling program?

Pat Bigatel: There's been a lot of focus at Amazon on empowering small and medium businesses (SMBs). Many SMBs told us that they focus on expanding omnichannel retail. So by understanding the needs of local sellers, we introduced local selling on our platform. There are many benefits to the customer with the Local Selling program—speed of delivery, lower product damages to the end customer, and the expertise of local retailers.

II: What have you found the most fulfilling in working on the Local Selling program?

PB: I feel lucky to be in a position where I can help build the technology to help our local sellers drive foot traffic into their stores with more omnichannel retail options.

I grew up in a small town in Pennsylvania and worked at an outdoor shop called Appalachian Ski and Outdoors. The owner of that company has worked tirelessly to be successful both online and inside his store—and these are the types of businesses that we can help grow.

II: What were some challenges with launching the program?

PB: One of the biggest challenges was localizing things and giving sellers the ability to say, “I only want to sell in these zip codes,” and then having all the tools for sellers to work within their respective areas. There was a lot of work in the background to take Amazon from a nationwide technology platform to a regional and localized one.

The other big challenge was customer awareness, making sure that relevant items were showing up for customers and making them aware that they can buy locally.

II: How has consumer behavior around online ordering changed during the pandemic?

PB: Online ordering saw a big spike, as a result of social distancing and health concerns. In addition, a lot of new customers tried in-store pickup for the first time and they liked it, stating that they are planning to use it after the pandemic, too.

People often think that consumables in the grocery space are the key category that customers seek out with in-store pickup, but our study suggests that customers want this across many categories. Most of the innovation started in the consumable space, but customers have an expectation of seeing in-store pickup across a broad swath of products.

II: How will omnichannel retail evolve in the coming years?

PB: Brands are innovating. It used to be that you were a brick-and-mortar retailer and then you'd sell online to increase convenience. But we're seeing a lot of retailers start online and then move into brick and mortar. Brick and mortar will always be an important part of the psychology of buying, and it's important to customers.

You can't talk about future innovation without talking about what's been in the news around augmented reality [AR] and the metaverse. These concepts are not super ubiquitous right now with consumers, but this tech will grow. At the core, customers still enjoy the in-person experience, but we're going to see more retailers adopt AR within stores.

The lines have blurred with retail experiences between what is online and offline—it will all come together into one singular experience.