

AOTW: The Future Grocery Store, and Not Working Your Way Out of a Job?

September 3, 2021

Good morning readers,

Another strong week in marketland takes us into the long weekend. I am sure many of you are looking forward to back to school next week!

I had an interesting chat at the golf club this week with a friend of mine who owns numerous fast food franchises. Although he has children who are heading back to school, he is actually dreading this fact. I believe most are well aware that minimum wage labour has been very hard to come by over the past 18 months, as social assistance cheques have increased the opportunity cost of working (some would make as much by not working as they would from working part time, and they wouldn't have to, you know, work!). He was telling me horror stories of someone cancelling a shift in the morning, and having no one else available so having to shut the store down. Other locations just did not have the staff to be open every day, and in one instance, he caught an employee stealing, but had no choice but to have the employee work the following day anyways. He had to resort to younger and younger employees, which was helpful until school started again. Don't be surprised if your favourite spot to grab a quick lunch isn't open every day of the work week!

I share this story because it describes an interesting paradox with this week's article that looks at a couple of high-tech Amazon grocery stores. The gist of these stores is to limit human employee needs, with automated checkouts, or no checkout required at all. The technology is pretty cool, and futuristic (worth the read!), but just another example of robots taking the jobs of humans and, less talked about, further limiting social interaction. With the supply and demand for minimum wage jobs seemingly decreasing, there could be a rude awakening to this segment of the job market once social assistance programs end (and demand for jobs increase). Or we could be caught in a situation where these social assistance programs are required into perpetuity. Will the current lack of labour lead to companies investing more heavily in automation, thus decreasing the need for employees down the road? An interesting paradox to ponder!

Here is the article which likely describes the grocery store of the future:

<https://fullstackeconomics.com/amazon-fresh-groceries-just-walk-out/>

As an aside, the scary (scary good for AMZN shareholders) thought is that Amazon can seemingly enter any industry they choose, and with their resources and expertise, disrupt that industry and take over. Through their innovation, they are singlehandedly changing how our world operates, and players in industries they target most certainly should be wary!

Enjoy the long weekend,

Penned by Kale Wild

Sincerely,

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