

Can Whole Foods keep pace with innovation? Inside the grocery chain's new high-tech '365' store

BY **KURT SCHLOSSER** on September 13, 2016 at 7:30 am

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Everything is designed to be fast at the new 365 by Whole Foods Market in Bellevue, Wash. (Kurt Schlosser / GeekWire)

Wandering aimlessly around the supermarket appears to be a thing of the past. Retailers are increasingly catering to people who either don't want to leave home, barely want to get out of the car or are in a big hurry if they do enter a store.

Faced with increased competition from delivery services, Amazon and other retailers using technology to lighten the load of shopping, Austin, Texas-based natural and organic grocery chain Whole Foods is opening its third "365 by Whole Foods Market" location this week in Bellevue, Wash.

The 30,000-square-foot store opens Wednesday at the ground level of Bellevue Square Mall, on Northeast 4th Street. With it will come innovations in the way shoppers can interact with the store and the items they're looking to purchase. From digital price tags, to customizable tea through teaBOT, to the ability to scan a bottle of wine and learn about pairings, 365 uses technology to make a quick trip to the store even quicker.

"The unique opportunity that we had is to create a brand and create a technology that comes with the brand," said Isabelle Francois, vice president of 365 by

Whole Foods Market. “Oftentimes, technology is an add-on. At Whole Foods, the brand grew first and then technology was brought in. The cool thing with 365 is we were able to build something coherent. What was really important to us was to build a brand with a digital foundation.”

Francois said that digital presence manifests itself in many ways, and it was evident during GeekWire’s sneak preview of the store on Monday, as employees worked to stock shelves and prep for the opening.

“In the store, the thing we’re really proud of is the digital signage,” Francois said. “We’ve almost gone 100 percent digital with signage. Customers love it. It’s reliable. The tags get updated instantaneously as soon as we change pricing. That was a big achievement and it’s everywhere in all the departments.”

It is interesting to look at the tags on the edge of shelving or on the tops of glass display cases throughout the store, and know that the digital readouts can be adjusted by operators who don’t have to be on the floor with paper or sticker print outs.

365 also partnered with a data visualization platform called Sage, which provides nutritional information

on displays in the store. The idea is to offer more information to consumers concerned about nutrition, the environment, and other data. “They’re pretty innovative in their approach to food labeling,” Francois said. Sage’s information is also visible on the 365 website, where many hundreds of products are detailed. Check out this salsa, for instance.

And 365’s technology also extends to larger display signs beyond the tags, where screens promote sales or in-store programs. While grocers have typically relied on hand-lettered posters or chalkboard displays to relay information, it seems like a no-brainer in 2016 to deliver it all via vibrant, ever-changing screens.

The technological advances of the new brand even reach consumers through their personal electronic devices. The My 365 Rewards program is a 100 percent digital loyalty program that offers personalized recommendations, tailored content and special deals based on shopper preferences. Digital punch cards offer deals on favorite items. “Gimme 10” deals, promoted on the end caps of product aisles, provide 10 percent off featured goods.

The store is designed for easy in and easy out ac-



All of the price tags in 365 are digital. (Kurt Schlosser / GeekWire)



365's senior marketing director Natanya Anderson shows off a digital scale in the produce department that will print off price tags for shoppers for speedier checkout. (Kurt Schlosser / GeekWire)

cess, with clear sight lines and an industrial look that is popular across a variety of retail and office locations nowadays. "The vision for the brand is to be accessible, convenient and affordable," Francois said.

Another way 365 is doing that — perhaps for lunch-time shoppers from the mall above or from office build-

ings towering around downtown Bellevue — is to provide ordering kiosks for food made in the store's kitchen. Shoppers will be able to skip the typical lines and type in an order for a fancy hot dog or taco or pizza and pick it up and pay without going through checkout. Francois said remote ordering is the next step.



Natanya Anderson shows off a bottle of Veuve Clicquot she's about to scan at a Delectable kiosk to gain more information on the product in the liquor department. (Kurt Schlosser / GeekWire)



The self-serve teaBOT won't roam around the store, but it will make you a personalized cup of tea. (Kurt Schlosser / GeekWire)

On top of that, there are numerous pre-packaged items in varying portions as 365 targets busy shoppers looking to quickly grab that day's lunch or put together a dinner menu.

"There is salmon that's already rubbed and skewers that are already skewered," Natanya Anderson, 365's senior marketing director said as we toured the seafood and meat departments.

And in the store's alcohol department, 365 partnered with Banquet by Delectable. Displays using the smartphone app can scan a bottle of wine and provide descriptions and ratings so you don't have to hunt down an employee for that special brand of service.

"You can see the reviews, the taste profile, pairings. It's really a great resource," Francois said. And while the app is available on anyone's phone, the in-store version is specially curated for 365's liquor assortment.

Coffee and tea lovers can get their fix near the front of

the store from two different locations. The Allegro Coffee Bus is an in-store bar from the specialty brewers out of Colorado. Bellevue shoppers can get their latte on from the back of a classic 1960s VW bus.

Several feet away is teaBOT, a more futuristic-looking self-serve beverage delivery kiosk that will craft a cup of tea from a selection of 18 teas and herbal ingredients. Users, again, rely on a touch screen to browse through loose leaf tea offerings before paying right on the spot. The concept was started in Toronto in 2013.

On top of all that, 365 in Bellevue will also house a Wild Ginger Kitchen, offering a fast-casual take on the popular fare served up by the minds behind Wild Ginger and Triple Door in Seattle. It's slated to open in October.

365 by Whole Foods Market will open for the first time Wednesday at 9 a.m. Normal hours of business will be 8 a.m. to 10 p.m. daily. The store will employ about 110 people.



Writer and editor Kurt Schlosser covers the Geek Life beat for GeekWire. A longtime journalist, photographer and designer, he has worked previously for NBC News, msnbc.com and the Seattle P-I. Follow Kurt on Twitter or reach him at kurt@geekwire.com.