

Wal-Mart expands online order pickup program

March 10 2011, By MAE ANDERSON , AP Retail Writer



This screen shot shows the home page of Walmart.com. Walmart announced plans Thursday, March 10, 2011, to further expand its U.S. multichannel platform by launching a full-scale, national rollout of "Pick Up Today" later this month. (AP Photo/Walmart.com) NO SALES

(AP) -- As competition grows from Amazon.com, Wal-Mart is battling back by expanding a program offering the convenience of shopping online along with same-day gratification.

The world's largest retailer said Thursday it is expanding its service that lets shoppers pick up online orders at stores to all of its 3,600-plus locations. It's partly a bid to win back consumers who've gone elsewhere for convenience.

The program appeals to shoppers who want to save time on shopping trips, said Steve Nave, senior vice president and general manager of Walmart.com. Shoppers also don't have to wait several days for shipping - or pay for it - and get to shop in the peace and quiet of home.

Wal-Mart Stores Inc. previously offered the service on about 2,000 items in less than a quarter of its stores. Now it will apply 40,000 items, including baby items, toys, electronics, video games and appliances. Groceries are not part of the program.

The world's largest retailer will start rolling out the program to new stores at the end of the month and expects it to be available in all stores by June and on all 40,000 items by the fourth quarter.

Online orders are usually ready for pickup in about four hours. Orders placed after 6 p.m. are ready for pickup at 10 a.m. the next day. Customers can go to a dedicated counter in stores to pick up items.

Shoppers are increasingly turning online to buy goods. Total U.S. e-commerce spending excluding travel, rose 10 percent to \$142.5 billion in 2010, according to research firm comScore. That outpaces total retail spending, which rose 3.7 percent to \$2.37 trillion, according to the National Retail Federation.

Best Buy and Sears offer a similar service, and more retailers will probably follow as shopping habits evolve, said Morningstar retail analyst Peter Wahlstrom.

"It saves you time as you get to the store," Wahlstrom said. "You can make the beeline directly to checkout, and that creates efficiency on both ends," for shoppers and retailers.

At the same time, competition is growing from dollar stores for Wal-

Mart's central business of groceries, laundry soap and other "consumables." Customers have turned to the smaller stores because they are favoring quicker trips to buy necessities like milk and diapers.

Amazon.com is even muscling into that business, pitching its customers on the idea of "subscribing" to regular shipments of household necessities in exchange for a discount.

While Wal-Mart benefited during the recession as shoppers hunted for bargains, it has missed out on the consumer spending comeback. Customer counts have declined.

Wal-Mart, based in Bentonville, Ark, reported a 1.8 percent decline in revenue at U.S. discount stores open at least a year in its most recent quarter, its seventh straight quarterly drop. That important measurement of a retailer's health excludes stores that open or close during the year.

Wal-Mart does not break out online sales but says its online growth rate outpaces the total e-commerce growth rate by two to three times.

Amazon.com is by far the busiest e-commerce site, with more than double the monthly visitors of Walmart.com in 2010, according to Comscore. Wal-Mart.com is third-busiest behind Apple.

Wal-Mart is also expanding its five-year-old "site-to-store" program, which lets customers order products Wal-Mart doesn't sell in stores and have them shipped to a nearby store or, in some cases, a FedEx location. That process used to take seven to 10 days, but the company has sped up the process to four to seven days.

Finally, Wal-Mart will now let consumers refill prescriptions and order photos via its mobile Web site.

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