

# Target buys same-day delivery service for \$550 mn

December 13 2017

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Target said Wednesday it was acquiring same-day grocery delivery service Shipt for \$550 million, helping the US retail titan step up its challenge to Amazon and its recently acquired Whole Foods supermarket chain.

The retailer said it planned to combine its network of stores with Shipt technology to quickly delivery its array of products.

"With Shipt's network of local shoppers and their current market penetration, we will move from days to hours, dramatically accelerating our ability to bring affordable same-day delivery to guests across the country," said Target chief operating officer John Mulligan.

"By the 2018 holiday season, we will be servicing every major market across the country."

Founded three years ago in Alabama, Shipt is a membership-based grocery marketplace that uses "personal shoppers" to fill online orders from shops.

Shipt will become a Target subsidiary and continue to operate an independent business, according to a release.

"Partnering with Target and the national scale they provide allows Shipt to further accelerate our growth, bringing our [service](#) to more people, in more markets across the country," said Shipt founder and chief

executive Bill Smith.

"We'll continue growing our marketplace and membership base, working with a variety of retailers to drive scale and efficiencies."

Target's move comes as shoppers increasing turn to the internet, where Amazon offers speedy free [delivery](#) of many items with subscriptions to its Prime service.

Amazon has become a fearsome competitor in several sectors, having grown from its online retail roots to cloud computing, streaming video, artificial intelligence and more.

Target has 1,834 stores selling items ranging from apparel to electronics to groceries, and is a rival of Wal-Mart, which recently acquired Amazon competitor Jet.com to boost its online shopping services.

Shipt is a rival of Instacart and similar "on demand" services which rely on personalized shoppers.

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