

Amazon to bring 1-day delivery to Prime members

April 26 2019, by Joseph Pisani



In this Oct. 18, 2010, file photo, an Amazon.com package awaits delivery from UPS in Palo Alto, Calif. Amazon, which hooked shoppers on getting just about anything delivered in two days, announced Thursday, April 25, 2019, that it will soon promise one-day delivery for its Prime members on most items. (AP Photo/Paul Sakuma, File)

Two-day delivery is going out of style.

Amazon, which hooked shoppers on getting just about anything shipped in two days, said this week that it will soon promise one-day delivery for its U.S. Prime members on most items.

The company hopes that cutting delivery times in half will make its \$119-a-year Prime membership more attractive, since nearly every other online store offers free deliveries in two days. Amazon also can't compete with Walmart and Target, where ordering online and picking up at a store is becoming more popular with shoppers.

"It is a smart change, but it is also one that is becoming increasingly necessary," said Neil Saunders, managing director at GlobalData Retail. "Other retailers have really upped their game in terms of delivery."

Still, Saunders said the shift is likely to put even more pressure on Amazon's retail rivals, as shoppers become accustomed to even faster shipping times. Shares of Walmart and Target fell Friday, a day after Amazon's announcement.

Walmart and Target offer free two-day shipping for those who spend over \$35 on their website. And both companies have been turning their physical stores into shipping hubs, speeding up deliveries and helping to defray costs.

Walmart Inc. declined to comment Friday. Target Corp. said its shoppers already have ways to receive purchases "within hours."

Amazon didn't say when the change to its U.S. Prime membership will happen, but it said Thursday that in the past month it has been increasing its selection of items eligible for one-day deliveries.

In some other countries, such as the U.K., Prime members are already offered one-day shipping.

Brian Olsavsky, Amazon.com Inc.'s chief financial officer, said the Seattle company is equipped to offer one-day shipping, since it has spent more than 20 years adding warehouses around the country where orders are packed and shipped.

Amazon has also been delivering more packages itself, rather than relying on UPS, the post office and other carriers. It has expanded its fleet of jets, has plans to open package sorting hubs at two airports and launched a program last year that allows contractors around the country to deliver Amazon packages in vans stamped with the Amazon smile logo.

Still, Amazon said that it expects to spend \$800 million in this year's second quarter to speed up deliveries.

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