

Walmart speeds up delivery in race with Amazon

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Walmart will be offering free one-day deliveries for some merchandise, matching rival Amazon in the race for speedy electronic commerce

Retail colossus Walmart on Tuesday began offering free next-day deliveries of online purchases, aiming to counter rival Amazon in the race to get orders to consumer doorsteps.



One-day delivery option became available for an array of merchandise for sale at Walmart.com to customers in Phoenix and Las Vegas, and will extend to Southern California in the next few days, according to <u>e-</u> <u>commerce</u> chief Marc Lore.

The move ramps up Walmart's efforts to keep pace in <u>electronic</u> <u>commerce</u> with Amazon, which offers speedy deliveries to its Prime subscription members.

Walmart planned to roll the feature out gradually, making it available to about 75 percent of the people in the US this year. Unlike Amazon, Walmart won't require a membership fee.

"Contrary to what you might think, it will cost us less—not more—to deliver orders the next day," Lore said in an online post.

"That's because eligible items come from a single fulfillment center located closest to the customer."

Such orders are consolidated in boxes and travel short distances by ground, making them less costly than delivering items from multiple locations, according to Lore.

Walmart said eligible items will include some 200,000 of the items most frequently purchased, ranging from diapers and <u>laundry detergent</u> to toys and electronics, and will be shipped free on orders of \$35 or more.

A free two-day shipping benefit offered to Amazon Prime subscribers is evolving into a one-day shipping perk that the company expects to boost shopping and membership, executives at the e-commerce titan said on an earnings call last month.

Amazon figured to spend \$800 million this quarter on shortening



delivery times to a single day for Prime buyers, with shoppers in North America expected to be the first to benefit.

Amazon Prime subscriptions cost \$119 annually and include benefits such as streaming television and music.

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