

Your Web product, in a locker near you

April 5 2013, by Joan Verdon

Online retailers Walmart.com and Amazon.com are looking to extend their reach by putting delivery lockers in drugstores and convenience stores, and in chain stores like Staples, to meet customers' demands for faster access to online orders.

E-commerce giant Amazon has quietly been testing delivery lockers for about two years, primarily in Manhattan, Los Angeles, Washington, D.C., and Seattle. In March, Wal-Mart announced it was getting into the locker game for its online customers, and will start placing lockers in its own stores, and in other retail stores, beginning this summer.

For Amazon, the lockers are intended to make it more convenient for online customers to pick up packages at multiple locations, and to provide locations that are more secure than a stoop or the entranceway of an apartment building. Wal-Mart is testing lockers both to create more pickup locations, and to give customers a more convenient way to collect online orders at [Walmart](#) stores.

"This is all part of the race to be able to offer same-day delivery to customers," said Neil Stern, senior partner at the retail consulting firm McMillanDoolittle. Lockers in multiple locations can shorten delivery times by allowing a truck to deliver a dozen or more packages to a single location in the same time it would take to deliver one package to an individual address.

Wal-Mart has an edge over Amazon, Stern said, because it already has more than 4,000 stores in the United States where it can install lockers.

Amazon is renting space in 7-Elevens, and other neighborhood businesses, for its lockers. In New York City, it has placed lockers in a parking garage and several supermarkets in addition to 7-Eleven [convenience stores](#) and Rite Aid drugstores.

"They need to be places that are convenient to people," Stern said. "In the right neighborhoods."

Fresh Direct, the online grocery service, has used a similar strategy, placing cold storage lockers in [apartment buildings](#), where orders can be delivered when the customer isn't home to accept them.

Wal-Mart said its lockers will give customers the option of picking up a package at a store without having to wait on line, or ask an employee for assistance.

A Wal-Mart spokesman said that the company is not ready to reveal where the first lockers will be located. The company disclosed the locker plan at a media event last week where it discussed plans to grow its e-commerce business.

Amazon has kept quiet about its locker expansion, in part because of controversies over whether the e-commerce powerhouse should be required to collect sales taxes. Online retailers are required to pay state taxes if they have a physical presence in the state. Amazon is scheduled to begin collecting state tax in New Jersey in July, as part of a deal worked out with the state that included tax incentives to build a distribution warehouse in New Jersey.

Amazon is seeking to open many more distribution centers as part of its efforts to speed up delivery times. It has opened 35 distribution sites in the past two years.

Amazon has not responded to media inquiries about its lockers, not when the first lockers were spotted in Seattle two years ago, and not when the Wall Street Journal reported on the first New York City lockers in August. Amazon also did not respond to requests from The Record.

A spokeswoman for 7-Eleven said any information about lockers in 7-Eleven stores would have to come from Amazon.

At one 7-Eleven store in Hoboken, N.J., a 6-foot-wide bank of Amazon lockers, with about 40 drawers for holding packages, shares space with soda displays and racks of chips. Customers who ask for their packages to be delivered to the store receive an email with a password when the package is ready to be picked up. The password is entered in an ATM-like screen in the bank of lockers, causing the drawer holding the package to swing open.

Henry Patel, owner of the 7-Eleven, said about 20 boxes a day are usually delivered to the lockers. He said having the lockers has been good for business because customers picking up packages usually buy something as well. He said customers use the lockers because they work nearby, and don't want to wait until they get home to get a delivery, or because they want packages delivered to a secure location. The lockers also are convenient, he said, because the 7-Eleven store is open 24 hours.

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