

Walmart and Amazon look to boost shipping speeds

Article

The trend: Amazon and Walmart are pushing to decrease the amount of time that passes from online shoppers clicking the buy button to the item arriving at their doors.

- Amazon is [expanding](#) its same-day delivery network and pivoting from a national operations model to a regional model that features eight zones operating largely independently. The

strategy has enabled it to deliver over half of Prime member orders the same or next day.

- Walmart aims to decrease the number of people it needs to process goods by [automating or partly automating](#) many of its hundreds of US warehouses in the next few years, per The Wall Street Journal.

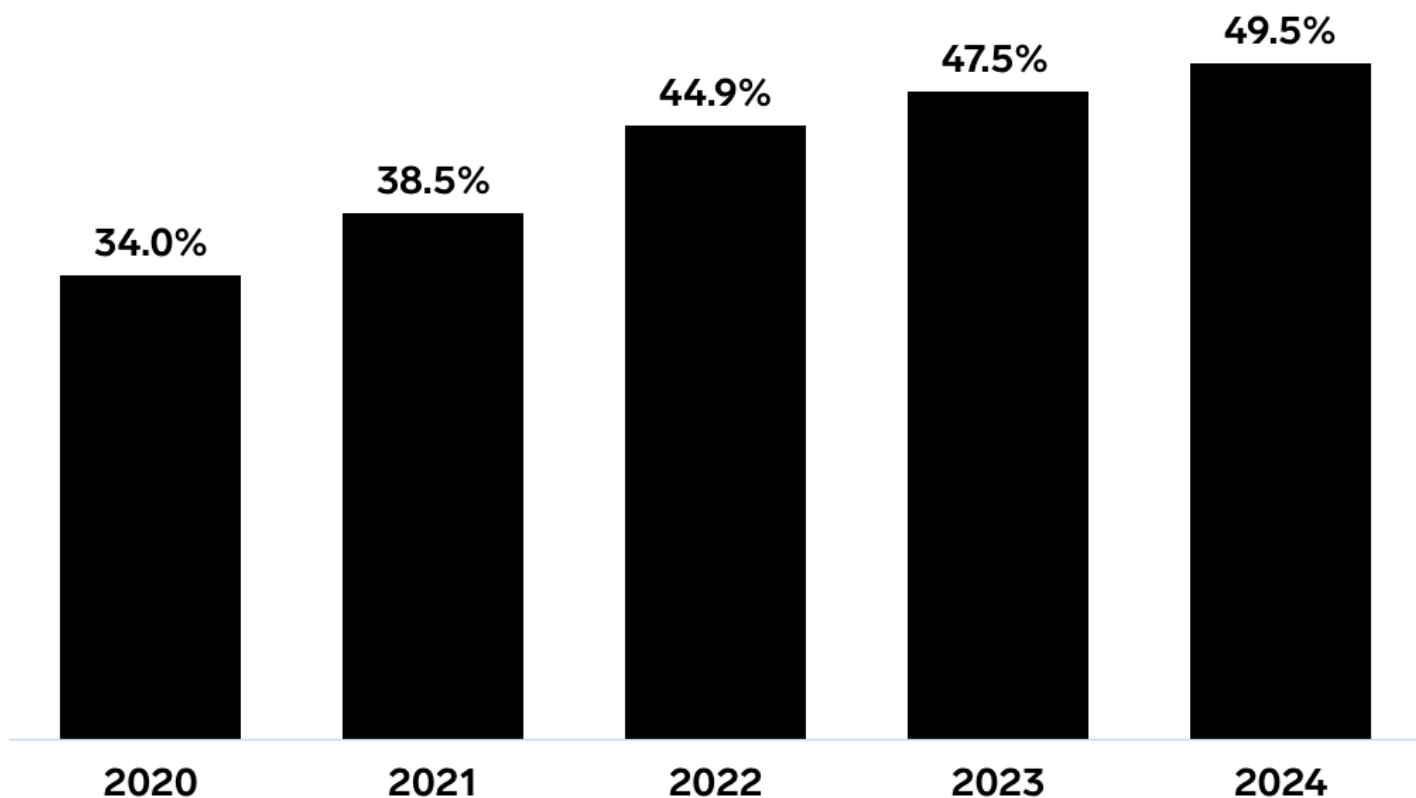
Why it matters: “With faster delivery, we’ve seen a corresponding increase in demand, higher conversion, and more items from more categories brought into a shopper’s consideration set for purchase,” an Amazon spokesperson told Insider Intelligence.

- Walmart is looking to drive similar results by speeding up deliveries by rolling out more automation in its warehouses. By shifting away from workers tasked with manual labor, Walmart is increasing the accuracy of its loads, increasing the speed of the supply chain, and lowering its costs, **David Guggina**, executive vice president of supply chain for Walmart, told the Journal.

The big takeaway: There’s a twofold benefit to Amazon and Walmart’s push to decrease delivery speeds. At the same time that they’re decreasing their own costs, they’re putting pressure on their competitors to catch up (or partner with them via programs such as [Buy with Prime](#)).

Warehouse and Fulfillment Center Robots

US, 2020-2024



■ % of warehouse and fulfillment center operators

Note: autonomous units and systems operating in locations where companies' goods are stored, including warehouses, distribution centers, and fulfillment centers, by an operator with more than \$10 million in annual revenues

Source: Insider Intelligence | eMarketer, August 2022

Insider Intelligence | eMarketer