

Retailers speeding up deliveries in time for holidays

By Anne D'Innocenzio, AP

Christmas won't come early this year, but the gifts might.

Just in time for the winter holiday shopping season, Amazon, Walmart, Macy's and other retailers are working behind the scenes to make sure they can deliver online orders to shoppers faster.

Retailers are building bigger warehouses – some the size of 20 football fields – to handle shipments. They're also sending orders to shoppers directly from their stores and using sophisticated software that tells them the quickest, cheapest way to get orders shipped.

And Amazon is cutting the time it takes to process an order from hours to minutes by using robots to pull items for shipment in its warehouses.

It's a race for time by retailers as more people shop online. U.S. online sales are expected to increase 12 percent to \$371 billion this year, accounting for 10 percent of overall retail sales, says Forrester Research. As online shopping grows, so does the impatience of shoppers who want their orders fast.

Traditional brick-and-mortar stores are trying to catch up to Amazon.com, which set the standard for speed with its two-day delivery for members of its Prime loyalty program who pay \$99 a year. Even Amazon feels pressure to please customers who have little tolerance for lengthy delivery waits.

For many retailers, the goal to meet the demands of shoppers for speedy service is to make two-day delivery standard.

That's half the average for standard delivery for the top 40 online retailers, according to data company StellaService. But most are stopping short of guaranteeing customers faster deliveries.

Walmart says it aims to get packages to shoppers who get standard shipping within two days for a majority of the U.S. this holiday season. The retailer now uses 83 of its more than 4,500 U.S. stores to ship to customers.