



CHARLOTTE COUNTY
Economic Development

WEEKEND WAVE

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Friday Economic Roundup

Amazon rolls out free same-day delivery for Tampa Bay area

By Justine Griffin, Tampa Bay Times Staff Writer

Many Tampa Bay residents who are Amazon Prime members can now get orders delivered to their door the same day for free.

Seattle-based Amazon.com launched the free same-day service in Tampa Bay and 13 other metropolitan areas Thursday. That means Prime members who make a purchase of \$35 or more by noon any day of the week will receive their order by 9 p.m. the same day. More than 1 million items sold on Amazon.com, such as books, smartphone chargers, electronics and kitchen supplies, are eligible for this initial round of free same-day delivery.

Non-Prime buyers can also get same-day delivery, for a fee.

The service delivers to Tampa Bay consumers based on the ZIP code of their shipping address. Not all ZIP codes appeared to be eligible on Amazon.com as of Thursday evening. Tampa Bay is the only region in Florida where the same-day service is available. The other markets are San Diego, Los Angeles, San Francisco, Seattle, Phoenix, Dallas, Indianapolis, Atlanta, Washington, Baltimore, New York, Philadelphia and Boston.

"Tampa Bay is likely an experimental market for Amazon," said Steven Kirn, executive

director for the David F. Miller Center for Retailing Education and Research at the University of Florida. "If they want to be successful with this model in all markets, they need to start experimenting with moderately sized cities and can't just focus on the top tier, most densely populated ones.

"Amazon has been expanding in Florida and putting distribution centers closer to more populated areas like Tampa and Orlando," Kirn said. "So it makes sense for Tampa to be among the first to offer this service."

A 1-million-square-foot distribution warehouse in Ruskin began shipping Amazon orders in September. The facility ships toys, books, CDs and other small items. Another fulfillment center in Lakeland ships larger orders, such as televisions or kayaks.

In the past four years, Amazon has added 50 fulfillment centers around the world.

The online giant has grown in popularity over the years thanks to its competitive prices and free shipping methods for Prime members. Prime costs \$99 a year and comes with additional benefits, including instant streaming of movies and television shows.

The addition of a free same-day delivery service is seen by some as yet another blow to brick-and-mortar retailers.

"The challenge with the online shopping experience is that consumers don't get the same kind of immediate fulfillment from ordering on a website like they do when they go to a store and can feel and see the product they want, then leave with it," Kirn said. "But same-day shipping is coming pretty close to that. The closer they get to that real-time satisfaction, the more competitive they will be."

But Crystal Lake, the Florida Retail Federation's regional director for Tampa Bay, doesn't think conventional shops should be worried.

"Mom-and-pop stores provide an in-store experience you're just not going to get online," Laake said. "It's only been a year since Amazon was forced to charge sales tax on orders made in Florida, but that's also really leveled the playing field."

Amazon isn't the only retailer that has tried out same-day delivery. Walmart has tested same-day delivery in a handful of markets. Best Buy and Target have offered online ordering with in-store merchandise pickup. But few have the infrastructure in place to handle same-day delivery or the sales volume to make it worth it.

Amazon launched a one-hour delivery service, called Prime Now, in larger markets like New York and Miami earlier this year. The service is only available in select cities and is not offered for free.

Chris Rupp, Amazon's vice president of Prime, called Thursday's same-day delivery move "a real life-changer," particularly for shoppers who find themselves strapped for time and in need of a product quickly - baby supplies or a birthday gift, for instance.

"These things just pop up in life, and this is meant to simplify our customers' lives," she said in an interview. "Some of the feedback we've gotten from customers is it already feels like we're living in the future."

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