

RETAIL

Amazon delivers near-instant gratification in speedy service

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Amazon's Instant Pickup is centered on college campuses. Image credit: Amazon

By SARAH JONES

Following its release of complimentary two-day, next-day and same-day delivery for Prime members, online retailer Amazon's latest service makes fulfillment even faster, putting pressure on competitors.

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Instant Pickup, launched Aug. 15, allows shoppers living nearby to select Amazon locker locations to pick up their order in just a handful of minutes. While Amazon and luxury retailers largely do not play in the same space, the ecommerce giant shares a large portion of customers with high-end stores and brands.

"Consumers' expectations are getting more demanding as retailers continue to raise the bar on customer service," said David Naumann, vice president of marketing at [Boston Retail Partners](#).

"Amazon has been the leader in pushing the envelope on fast and convenient delivery," he said. "As soon as other retailers like Walmart and Target catch up with Amazon service levels, Amazon continues to change the game.

"Amazon Instant Pickup is a great way to increase the loyalty of consumers, such college students, that want everything immediately."

Mr. Naumann is not affiliated with Amazon, but agreed to comment as an industry expert. [Amazon](#) was reached for comment.

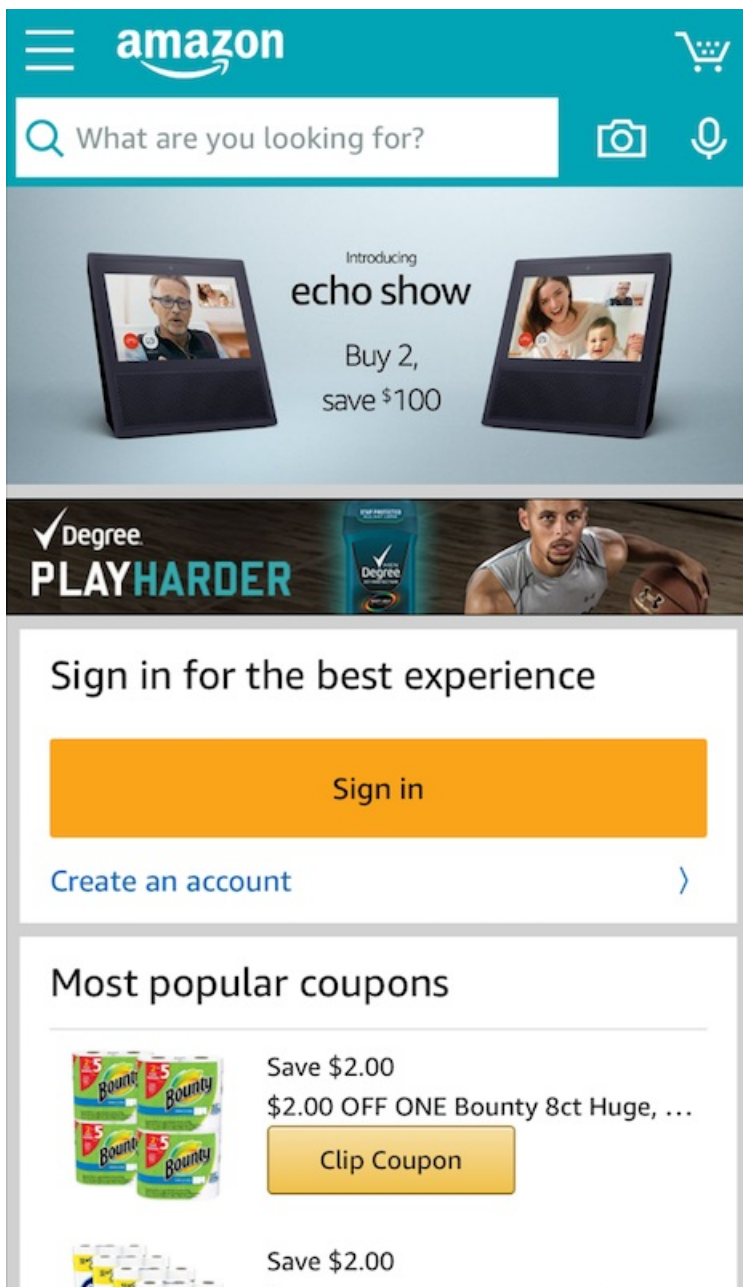
Purchase and pick up

While available for more than just co-eds, Instant Pickup is centered on and around college campuses.

The service will operate at Amazon's staffed pickup locations in Los Angeles; Atlanta; Berkeley, CA; Columbus, OH and College Park, MD. Amazon plans to expand beyond these locations in the months to come.

For this instant gratification service, Amazon is focusing on certain essentials such as food items, drinks and electronics. Among the devices available via Instant Pickup are the Amazon Echo, Fire TV and tablets such as the Kindle.

To take advantage of Instant Pickup, consumers need to place their order within Amazon's app.



Screenshot of Amazon's app. Image credit: Amazon

The retailer promises that the process between browsing and purchasing and pick-up availability will be about two minutes. While making their purchase, the consumer can also add on last-minute items to their order.

Currently, with the product assortment centered on food and electronics, Amazon is taking on competitors outside of the luxury sphere. However, as this service expands and if it grows to other categories of merchandise, it could further alter consumers to expect ecommerce to deliver at a more rapid pace.

"As consumers get accustomed to instant pickup services, it will force other retailers to offer similar fulfillment options," Mr. Naumann said. "The instant pickup services will be most relevant for commodity and frequently purchased merchandise and most customers will not likely expect the same immediate access for luxury products."

Already, retailers such as Net-A-Porter and Barneys New York have rolled out same-day delivery to rival Amazon in key markets.

Farfetch is also powering 90-minute delivery services for certain merchandise from Saint Laurent and Gucci, which leverages the brands' bricks-and-mortar presence for fulfillment.

In addition to providing speedier delivery, Amazon pickup centers also provide customers with a free return method for eligible items, more closely recreating the refund process at a physical store. Whereas consumers would typically need to pay to send most unwanted items back, Amazon Lockers eliminate this charge by removing shipping from the equation.

Rethinking retail

Of the 67 million Americans who consumed luxury in the past 12 months, 60 percent are also Amazon customers. While Amazon is not a major player in the luxury space, it has been called a disruptor in retail, setting expectations for consumers.

According to Shullman Research Center's Bob Shullman, Amazon has successfully listened to consumers, working to remove any friction or obstacles to their shopping experience, including competitive prices and free, speedy shipping. About three-quarters of the 151 million U.S. consumers who have shopped at Amazon rate the marketplace as superior to other retailers, and about two-thirds shop with Amazon at least once a month ([see story](#)).

Aside from challenging ecommerce competitors, Amazon has also recently taken on bricks-and-mortar retail.

The online retailer is continuing to undercut the traditional bricks-and-mortar model with the introduction of a try-before-you-buy service.

Amazon's latest disruption is dubbed Prime Wardrobe and is currently in BETA testing and available only to Prime customers that the retailer has selected to pilot the program. During an era where traditional department stores are facing declining sales and consumer disinterest, Amazon has only upped the ante on its fashion division's happenings and service programs ([see story](#)).

"The best way for luxury retailers to compete against Amazon is to sell private label or exclusive products that are not available on Amazon," Mr. Naumann said.

"Luxury retailers selling commodity' products or brands available at other retailers and on Amazon have greater challenges," he said. "These retailers need to differentiate their brand by offering personalized services that their customers value."