

US

Amazon plots drive-through store

BY LUKE TUGBY

Amazon plans to open its first drive-through grocery store in the US as the eetail giant continues to ramp up its food proposition.

Amazon is seeking a store in Silicon Valley, which would allow customers to order items online and collect them from a designated pick-up point during a pre-arranged timeframe.

The scheme comes amid speculation that the online retailer is poised to launch its Amazon Fresh proposition in the UK. The grocery delivery service already operates in the US.

Developers have already submitted plans for a 11,600 sq ft building and grocery pick-up area in Sunnyvale, California, a source close to the situation said.

Amazon is not named in the documents but was identified by the source as the likely tenant.



Etail giant Amazon is working to improve fulfilment through new initiatives

The planning application said customers would be able to pre-order “grocery and other retail items” before selecting a 15-minute to two-hour pick-up window.

Shoppers will also be able to “arrive on foot or bicycle” to pick

up their orders, according to the documentation.

The initiative is the latest bid by Amazon to drive innovation in fulfilment. Last month it piloted a ‘Treasure Truck’ service in Seattle. The truck travelled around

the city and was filled with in-demand, limited-quantity products that are on sale for one day only.

Amazon last week reported a surprise second-quarter profit after sales jumped 20%, boosted by a strong US performance.

The eetailer revealed net profits in the three months to the end of June of \$92m (£59m), compared with a loss of \$126m (£81m) in the same period last year. Sales jumped 20% to \$23.2bn (£15bn), higher than Wall Street expectations.

Sales in North America rose 25.5% to \$13.8bn (£9bn), while international sales were more sluggish, increasing 3% to \$7.6bn (£5bn).

At its North American retail business operating profits soared 114%. Amazon’s share price surged to 19% following the results. Amazon’s \$267bn (£172bn) market value rose above Walmart’s.