

## Instantly Yours, for a Fee



Arianna Simpson of Shoptiques.com, a retail Web site, making a same-day delivery to a Manhattan office building.

By Stéphanie Clifford and Claire Cain Miller

This holiday season, same-day shipping has replaced free shipping as the new must-have promotion. It's logistically complicated and money-losing — and may not even be a service that consumers want or need, analysts say.

But retailers from Walmart to small shops like Shoptiques are willing to take the risk. Even the Postal Service has introduced a same-day option for retailers. And the reason is simple: fear of Amazon.com.

Amazon, the world's biggest online retailer, has said that it will expand its same-day shipping service, giving customers the immediate gratification that has been the biggest advantage of brick-and-mortar stores.

For small outfits like Shoptiques, it is not an easy proposition. Bigger retailers, like Toys "R" Us, Macy's and Target, have worked with eBay to deliver items the same day.

The same-day delivery idea was a spectacular failure during the dot.com boom. Companies like Kozmo.com and Webvan went under because the services simply cost too much to be profitable. Amazon has offered same-day shipping since 2009, but with limits — only in big cities near Amazon warehouses on certain items ordered in the morning.

"It's the old idiom, 'time is money,'" said Lina Shustarovich, an eBay spokeswoman. "How much time are you saving by not going to the store? People want it now, they want it fast."

Walmart, which is the nation's biggest retailer is testing same-day shipping during the holiday season in five markets. Generally, it gives shoppers a four-hour delivery window and charges \$10 for same- or next-day delivery. But, Ms. Lester said, the test is showing that consumers often pick next-day delivery rather than same day.

With the eBay Now iPhone app, introduced this year in San Francisco and New York, customers choose items from physical stores and eBay sends a courier to the store to pick it up and drop it off — at an apartment, office, coffee shop or bar — for a \$5 fee. EBay declined to say whether it loses money on the orders, but analysts who study logistics say it is not profitable.