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Walmart begins to scale local fulfillment centers

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Walmart has seen that its customers love the speed and convenience of pickup and delivery, and it said it's committed to finding faster ways to serve them, which is why it's scaling the number of stores that will also serve as local fulfillment centers. The company is already planning dozens of locations, with many more to come.

A local fulfillment center is a compact, modular warehouse built within, or added to, a store. In addition to fresh and frozen items, LFCs can store thousands of the items we know customers want most, from consumables to electronics.

Instead of an associate walking the store to fulfill an order from our shelves, automated bots retrieve

the items from within the fulfillment center. The items are then brought to a picking workstation, where the order can be assembled with speed.

"We've always said personal shoppers are the secret to our pickup and delivery success, and that remains true," said Tom Ward, senior vice president of customer product for Walmart U.S. "So, while the system retrieves the order for assembly, a personal shopper handpicks fresh items like produce, meat and seafood, and large general merchandise from the sales floor."

Once the order is collected, the system stores it until it's ready for pickup. This whole process can take just a few minutes from the time the order is placed to the time it's ready for a customer or delivery driver to collect.

"We began piloting our first local fulfillment center in Salem, NH, in late 2019," said Ward. "The technology is impressive. Equally impressive are the results: More availability: We are able to pick more orders and do it quicker, creating more availability for customers; Faster fulfillment: The system's speed can allow orders to be picked up or delivered within the hour; and Greater efficiency: One local fulfillment center can fulfill orders for many stores, which means its benefits can be felt by customers in stores nearby."

Walmart is building local fulfillment centers with various technology partners, including Alert Innovation, Dematic and Fabric. With these partners, the company will be testing different orientations and add-on innovations to understand what works best in different environments. For example, in some locations, it will be adding on to stores. In others, the fulfillment centers will sit inside the existing store footprint. Finally, in some stores, the company will be adding automated pickup points.

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