Walmart is ending DroneUp deliveries in three states

Walmart is ending drone deliveries made with partner DroneUp in Phoenix, Arizona, Salt Lake City, Utah, and Tampa, Florida, because the services in those cities weren't sustainable, according to *Axios*. This is after Walmart and DroneUp announced in 2022 that they would be bringing drone delivery to those states as part of a broader expansion.

Right now, it costs about $30 to use a drone to deliver a package, but DroneUp wants to bring the cost down so that it's less than $7, DroneUp CEO Tom Walker told *Axios*.

DroneUp will be closing 18 Walmart delivery hubs in the cities, and 17 percent of DroneUp's workforce (70 staffers) will lose their jobs, *Axios* reports. Following the cuts, there will only be 15 Walmart locations – "11 in Dallas, 3 near Walmart's Bentonville, Ark., headquarters and one in Virginia Beach," according to *Axios* – where you can take advantage of DroneUp's delivery program.

"We are excited about the momentum and positive customer response we've experienced around drone delivery," Walmart spokesperson Lindsey Coulter said in a statement to *The Verge*. "This service will continue to evolve as we learn more about customer preferences and drone capabilities. Our drone delivery program is still a pilot and by focusing our efforts in Dallas-Fort Worth, we can learn more about the potential to scale this innovative delivery option for Walmart's customers."

In a statement to *The Verge,* Walker said DroneUp is "entering a new, strategic phase" so that it can focus on "streamlining

operations in core geographies” and build a “scalable model” that incorporates its autonomous DBX Ecosystem platform, which it announced earlier this year. Walker says the first ecosystem will roll out in “the Dallas metropolitan area.”

***Updates, August 16th**: Added statements from Walmart and DroneUp.*

https://www.theverge.com/2024/8/16/24221964/walmart-ends-droneup-deliveries-three-states