Walmart offers free one-day delivery in attempt to catch up with Amazon

Walmart will offer free one-day delivery on up to 220,000 items on its online store with orders over $35. Walmart is currently offering the new service in Phoenix and Las Vegas, and will come to Southern California in the coming days. The retailer expects the service to be available to 75 percent of the US by the end of 2019, including 40 of the 50 biggest metropolitan areas.

The retailer's announcement comes hot on the heels of Amazon's decision to speed up its free delivery option for Prime members from two-day to one-day delivery. As of last week, Amazon's new service is already available for select Prime items. While Walmart requires you to spend a minimum of $35 in order to quality for free delivery, Amazon has no minimum spend. Instead, Amazon requires you to pay a $119 annual fee for Prime.

Walmart is estimated to be investing $215 million to make it possible

In addition to its one-day delivery plans, Walmart is also expanding its click and collect grocery service to 3,100 of its 4,700 stores by the end of the year. It also plans to offer same day click and collect at 1,600 stores. The retailer's free two-day delivery service – first introduced in 2017 – will continue to be available on "millions" of items, compared to the 220,000 covered by the new one-day service.

While Walmart is now offering one-day deliveries, Amazon already offers free same-day delivery on many of its items,

albeit with a minimum spend of $35 and a required Prime membership. Without a Prime membership, Amazon charges for same-day delivery.

These faster delivery options are not cheap for Amazon and Walmart to implement. Amazon is spending $800 million to make its one-day delivery plans possible, while *CNBC* reports that Walmart is estimated to be spending as much as $215 million in an attempt to catch up. Walmart says it will keeps costs down by sourcing items from a single fulfillment center close to the customer.

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