

Amazon begins offering grocery delivery for customers who are not Prime members

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An Amazon Fresh grocery store in Warrington, Pa., April 28, 2022. Amazon has begun offering its Fresh grocery delivery service to customers who aren't Prime members. The initial rollout will only be available in a dozen cities, including Boston, Phoenix, Dallas and San Francisco, the company told customers Wednesday, Aug. 2, 2023, in an emailed announcement. Credit: AP Photo/Matt Rourke, File

Amazon has begun offering its Fresh grocery delivery service to customers who aren't Prime members.

The initial rollout will only be available in a dozen cities, including Boston, Phoenix, Dallas and San Francisco, the company told customers Wednesday in an emailed announcement.

Previously, Amazon had only offered [grocery](#) deliveries for Prime members, who pay \$139 a year for faster shipping and other perks.

Non-Prime members who're interested in trying out the service will pay \$13.95 for deliveries under \$50. That's \$4 more than Prime members have to pay for the same order size.

Deliveries for orders between \$50 and \$100 will cost \$10.95, and orders over \$100 will incur a \$7.95 fee. The company said pick-up orders are free from select metro areas.

Amazon operates 44 Fresh grocery stores across the country, most of which are located in California, Illinois, Virginia and Washington state. It also operates more than 20 cashier-free convenience stores in the U.S. under the Amazon Go brand and owns Whole Foods, which it purchased in 2017 for \$13.7 billion.

But despite its growing ambitions to be a major player in the sector, the company has encountered challenges finding the right formula for its business and gaining significant market share away from competitors like Walmart and Kroger.

Neil Saunders, managing director of GlobalData Retail, said that in theory, Amazon's decision to open up grocery deliveries for non-Prime members makes sense since it enlarges its customer base, which is critical to drive growth.

"However, given that Prime membership penetration is extremely high, the scale of the upside remains to be seen and it is likely that further changes will be needed to help move the business forward," Saunders said in an emailed statement.

Meanwhile, the company has also been trimming costs by closing some Amazon Fresh and Go stores and cutting hundreds of jobs as part of a restricting plan across its Whole Foods and Fresh grocery stores. It has also paused expansion on Fresh supermarkets as it aims to find the right formula that will allow it to scale its business.

In a blog post on Wednesday, the [company](#) also provided a look into two redesigned Fresh stores in Schaumburg and Oak Lawn, Illinois. It says the new format provides more product selections, low prices on more items and greater convenience during checkout. They also feature Krispy Kreme Doughnut shops.

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