

FOR THE EXCLUSIVE USE OF RJHARBERT@HARBERT.NET

From the Birmingham Business Journal:

<https://www.bizjournals.com/birmingham/news/2017/03/22/shipts-ceo-on-costco-deal-companys-growth-and-more.html>

Shipt's CEO on Costco deal, company's growth and more

🔑 SUBSCRIBER CONTENT:

Mar 22, 2017, 10:54am CDT

One of Birmingham's fastest growing companies has just landed a partnership with another huge retailer, and it's a deal that could soon have ramifications for customers in Birmingham

The grocery delivery service powered by an technology is now providing customers in Tampa with the ability to have Costco goods delivered to their door. It's a partnership Shipt's CEO and founder, Bill Smith, is excited to move forward with in what will be a year of growth for the company, which last year secured a \$20 million funding deal.

The BBJ asked him four questions about this week's deal with the retail giant.

Why did you target Costco as a client?

We've had a lot of requests from members in the markets where we operate to add Costco to our lineup of partners. It's really mainly driven by demand.

If you think about the typical Costco trip, it's more of a stock-up kind of trip. People go, they purchase a whole lot of items. Maybe they don't shop as frequently. We knew that when we added Costco to the platform, it would allow people to take advantage of Costco prices. One cool thing with our partnership is non-Costco members will be able to order through Shipt. You don't have to be a Costco member, but there are special deals for those who are.

How did you wind up with a partnership in Tampa?

As we worked with Costco to identify markets where they wanted to test, that is an area where they wanted to start. Florida is a major market for us. A lot of it is demographics and a lot of it is population growth. The economy is strong, and it's a growing market in general. We like it, and we cover every major and secondary and some tertiary cities in Florida.

What are the odds of a partnership with Costco in Birmingham?

They're pretty high. We want to bring Costco to Birmingham very soon, and it's something we're working on and looking forward to announcing hopefully sometime this year.



BOB FARLEY/F8PHOTO

Bill Smith's Shipt recently launched delivery service for Costco.

How does this partnership fit in with your growth strategy?

It's a really important part of our growth strategy. We really want to help our members fulfill all of their grocery needs. Shopping from a warehouse store is a really important part of that. We partner with Whole Foods, so we now have a solution for customers who want natural products. We continue to expand our selection, and Costco is a very big part of that. Costco is the largest partner for us to date, so it's significant for us from that perspective as well.

Stephanie Rebman

Managing Editor

Birmingham Business Journal