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Amazon Looks to Develop an Uber-Like App for Booking Truck Freight

E-commerce giant trying to compete in the $150 billion business of booking transportation

By
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Amazon.com Inc. may be developing mobile technology so it can schedule and track truck shipments of its products with a few taps or clicks—the next step in the e-commerce giant's bid to become its own global freight broker and compete with companies in the $150 billion business of booking transportation.

Sources familiar with Amazon's business said the company may be looking to acquire or build an application capable of matching available trucks to shipments, for instance, from a seaport hub to a distribution center or from a warehouse to a parcel-delivery facility. The news was first reported by Business Insider.

Analysts said if the service works for Amazon, the company's next step could be to make it available for a fee to non-Amazon shippers as an easy-to-use option for business-to-business freight shipping. "This is the next piece in the jigsaw puzzle," said Cathy Roberson, a shipping industry analyst. "It's all falling into place for Amazon as a logistics provider."

Late last year, Amazon announced a plan to roll out thousands of branded semi-trucks to help shuttle inventory between its facilities. The announcement caused a stir in the trucking industry, which ships millions of packages a day between Amazon distribution centers and the warehouses belonging to home-delivery carriers, such as FedEx Corp. and United Parcel Service Inc.

This year, Amazon said it would lease a fleet of 40 new cargo jets and registered to arrange ocean-cargo shipments. In May, The Wall Street Journal reported that Amazon had reached out to several freight-services technology companies requesting information about their offerings. Amazon has also been building out its last-mile parcel delivery ambitions.

Major freight carriers, brokers and startup technology firms have developed software and mobile apps to try to make freight transportation as easy as booking a vacation online and provide real-time tracking while the goods are en-route.

Companies like XPO Logistics Inc. are spending millions of dollars to develop in-house booking and tracking platforms for freight shipments. Others have pursued acquisitions, including UPS, which last year bought Coyote Logistics, a freight broker with proprietary technology, for $1.8 billion. On Friday, Danish shipping giant Maersk Line, a unit of A.P. Møller-Mærsk A/S, announced a new cargo-tracking mobile app.

And the recent entrance of Uber Technologies Inc. into the freight sector is driving swift change in the technology matching trucks to available loads.

For Amazon, bringing freight-brokerage in-house and giving it the company's signature tech-friendly functionality would allow the company to drive more volume toward its own cargo-handling arm and offer excess space to other shippers—a potential new revenue stream that would trim the cost of the operation.

A spokeswoman for Amazon declined to comment.

Amazon Web Services, the firm's cloud-computing division, powers its website and provides services to a variety of startups, government agencies and other corporations—including ocean-shipping company Matson Inc. That business could serve as a model as Amazon builds out its logistics network, potentially offering those services to other shippers.

In a note Friday, analysts with Stephens Inc. said Amazon "has the in-house infrastructure and capital to deploy a highly sophisticated, user-friendly product," and it's one of the few shippers with the scale to launch it on their own.

Other tech companies that have attempted to build something similar haven't been able to scale it, Stephens analysts wrote, adding that some trucking companies, including C.H Robinson Worldwide Inc. have launched smartphone apps but, "generally speaking, there has been some reluctance to use it as some carriers feel it reduces their independence."

—Laura Stevens contributed to this article.