



WALMART: THE ROAD AHEAD GROWTH CONSULTANCY

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KEY ISSUE

How does Walmart leverage its core competencies to become the omni-channel leader?

Define

Analyze

Evaluate

Recommend

Implement

Risks & Mitigate

CRITICAL CHALLENGES

Growing

- Build
- Buy

Tradition vs. Native Digital

- Brick and Mortar
- The gap with Amazon

Brand Perception

- Low Cost
- Millennial's Interest

Define

Analyze

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STRATEGIC GOALS

Diversify in
categories and
brands

Reach Millennials
and new
demographics

Narrow the Gap
with Amazon

Define

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Risks & Mitigate

RECOMMENDATION

Offer a seamless brick and click experience by leveraging your core competencies

Merge

Expand

Lead

Define

Analyze

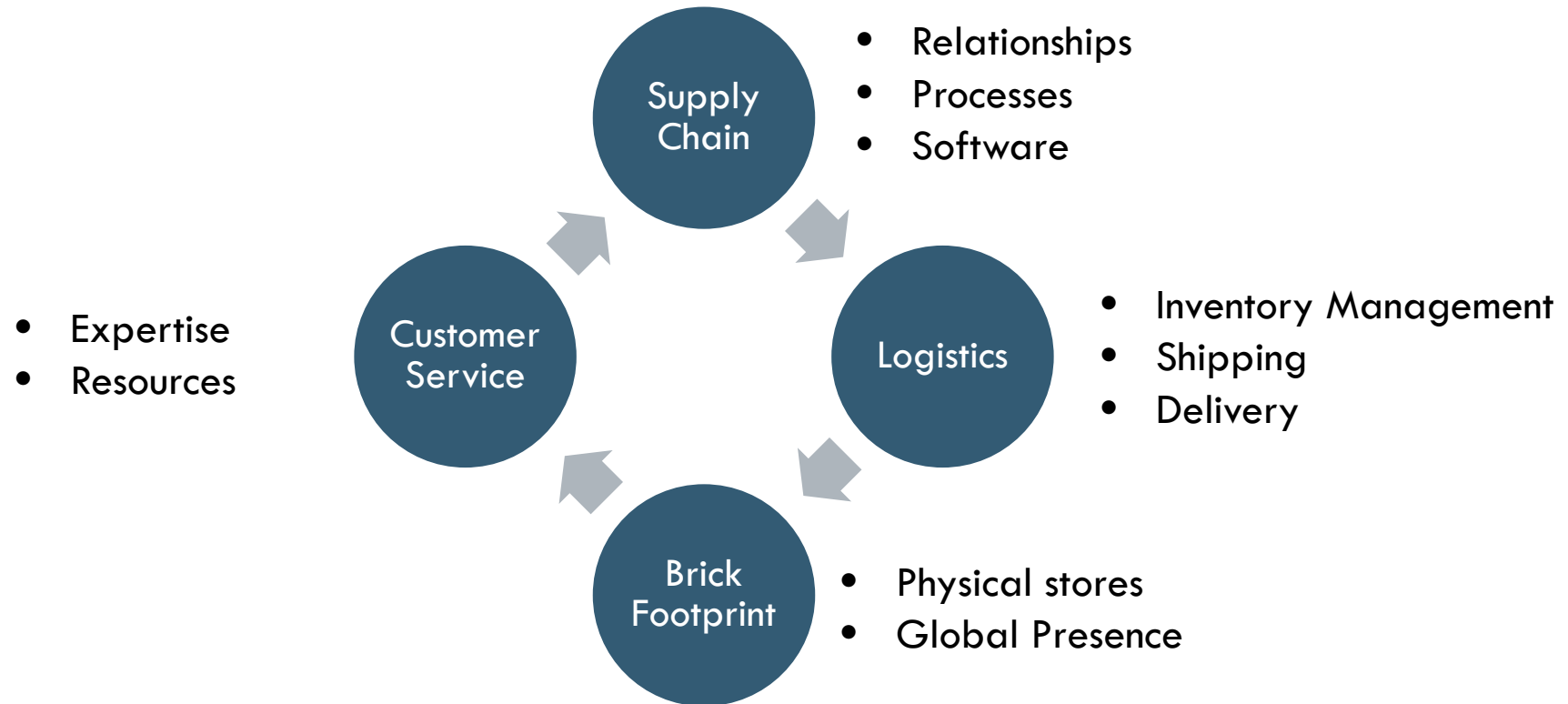
Evaluate

Recommend

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Risks & Mitigate

WALMART CORE COMPETENCIES



Walmart has reinvented the retail industry practices of supply chain and is the leader in that space.

Define

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THE GAP



Both traditional and digital native giants understand the game, staying on one extreme is losing.

Define

Analyze

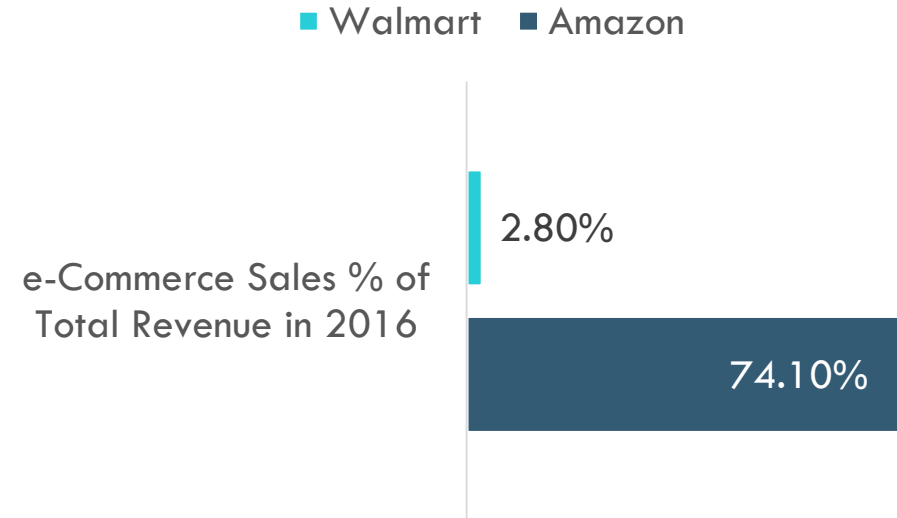
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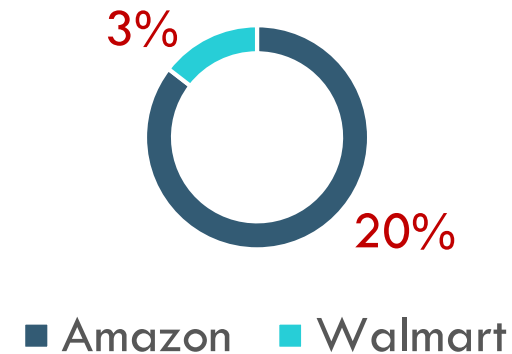
Implement

Risks & Mitigate

WALMART VS. AMAZON



Market share on e-commerce in 2016



Walmart's online sales reflect its traditional retail nature compared to Amazon.

Define

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GROWTH STRATEGIES TRENDS

Google

- eSports in China

Facebook

- WhatsApp

Amazon

- Whole Foods

Giants looking for growth follow the acquisition model.

Define

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Evaluate

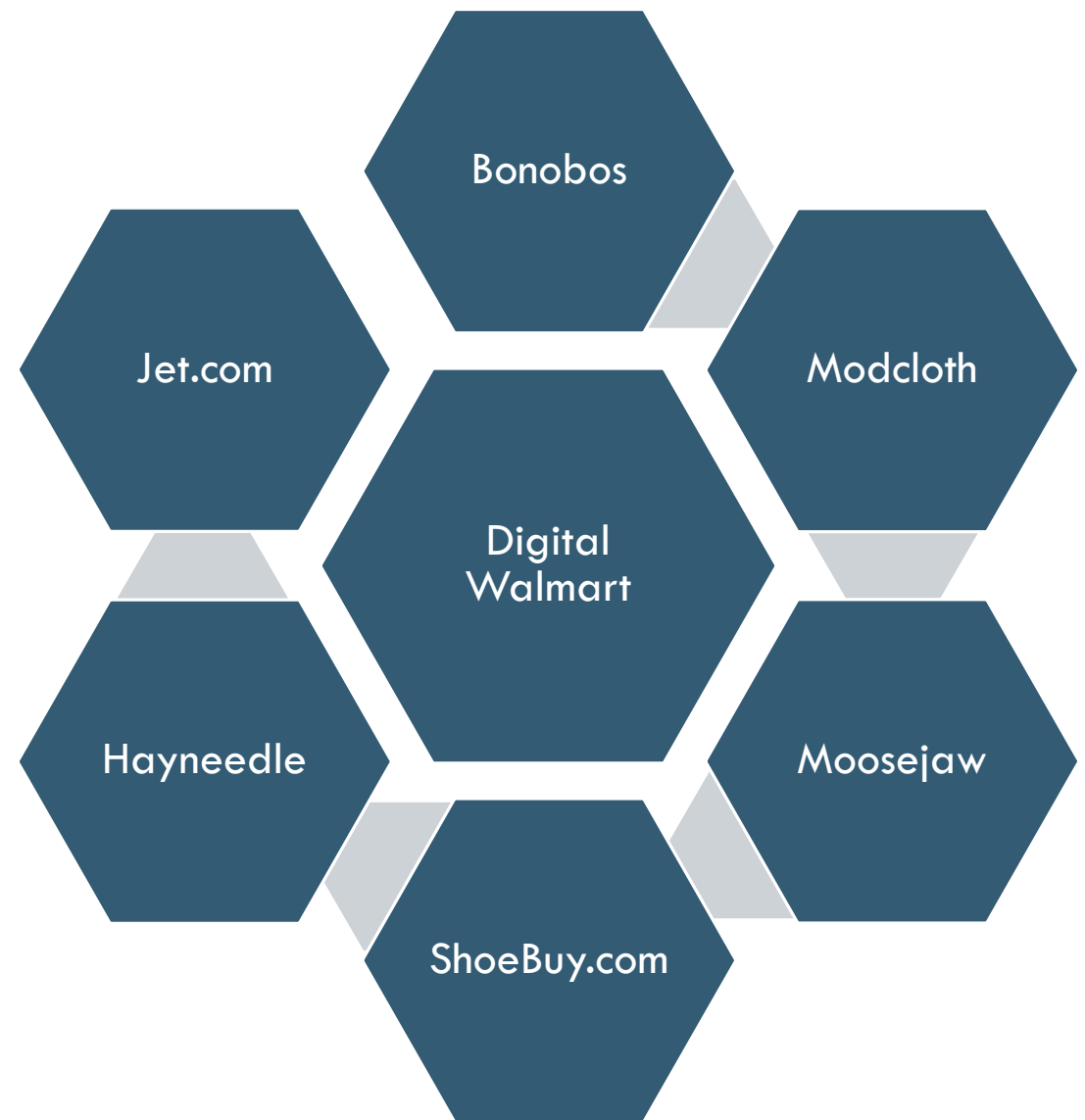
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WALMART ACQUISITIONS BENEFITS

- Customer outreach
- New demographics
- Multibrands
- Wider offerings
- Online presence
- Digital skills
- Skilled resources



The benefits of acquiring the knowledge of tech savvy companies out ways the risks.

Define

Analyze

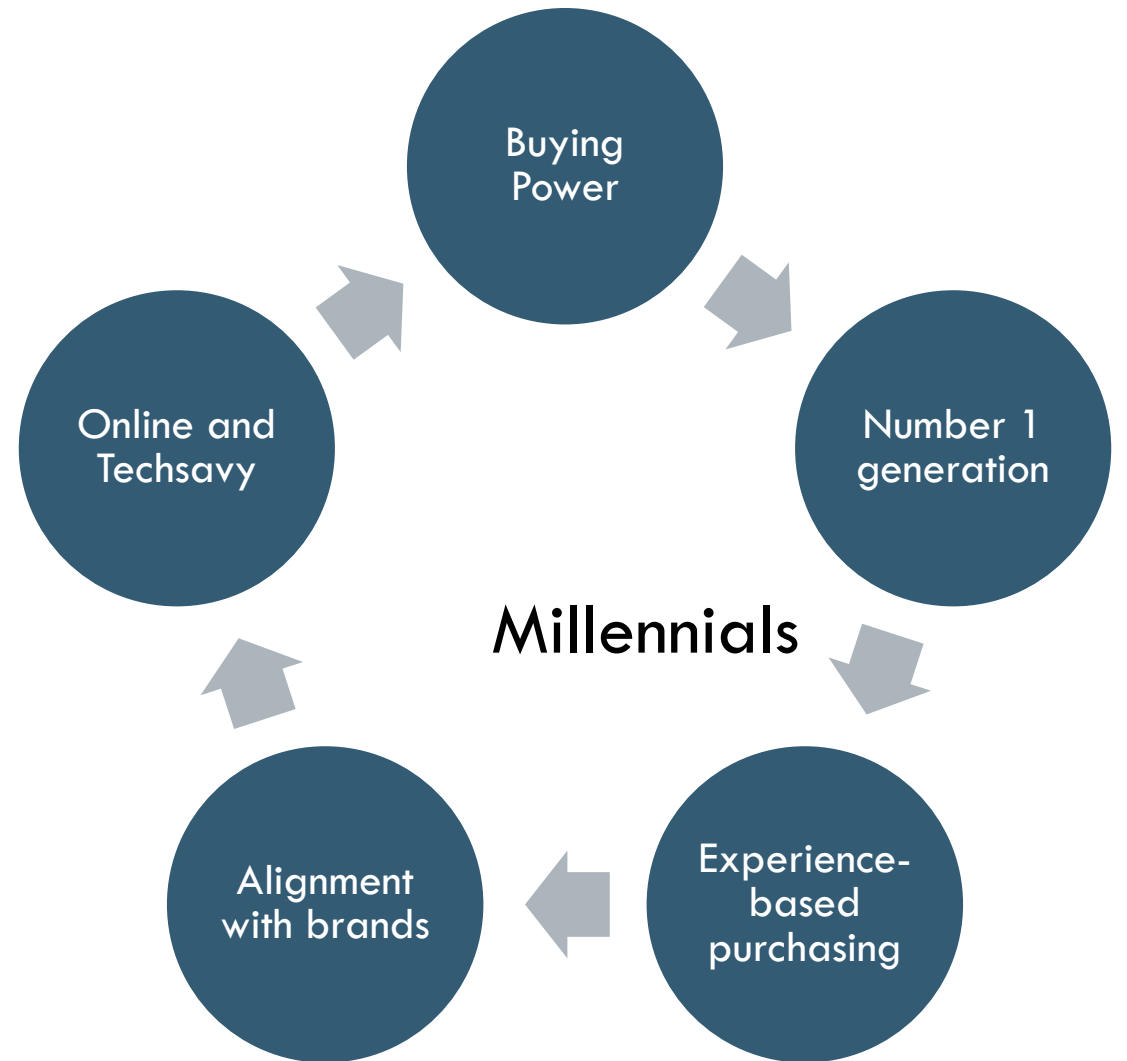
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WALMART CUSTOMERS & THE MILLENNIALS



Millennials are the shoppers of the future, so how can you get them onboard.

Define

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ANALYSIS SUMMARY

- Retail Industry Leader
- Logistics
- Supply Chain Optimization
- Recent Acquisition

- Changing marketplace
- Customer trends
- Rising e-Commerce market in NA



- Brand perception
- Low e-commerce sales
- Late to enter online retailing

- Competition
- Price War
- Imitation

Define

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GROWTH STRATEGIES

Acquire 3rd Party Seller Platform

Create a Premium Brand

Brick and Click Experience

Define

Analyze

Evaluate

Recommend

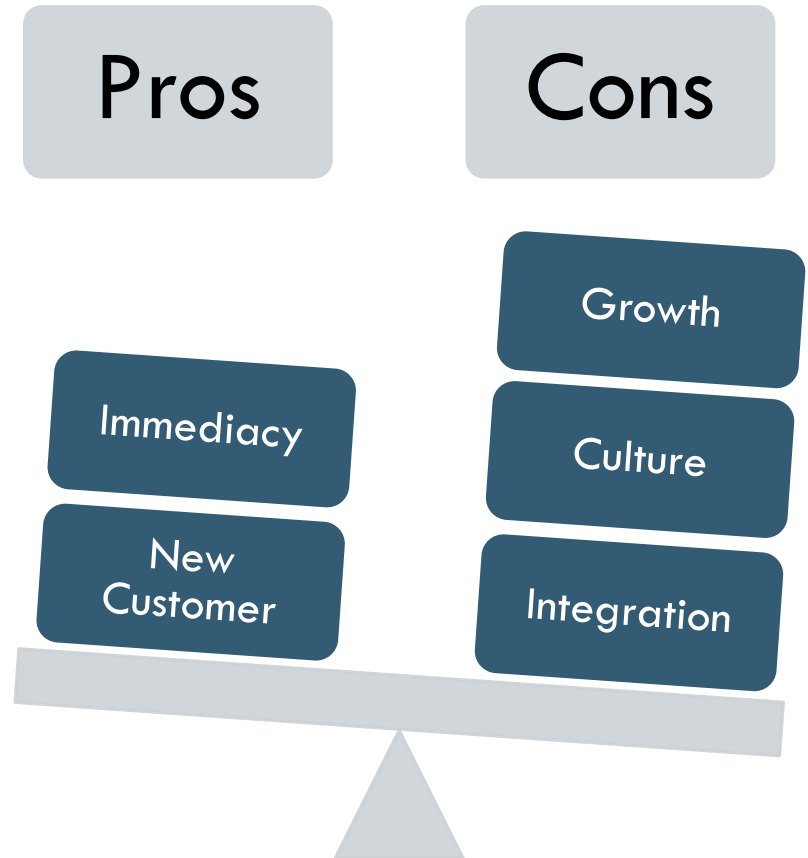
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ALTERNATIVE 1: ACQUIRE 3RD PARTY SELLER PLATFORM

Walmart will acquire a 3rd party seller platform to capture millennial buyers and sellers.

Example: Shopify



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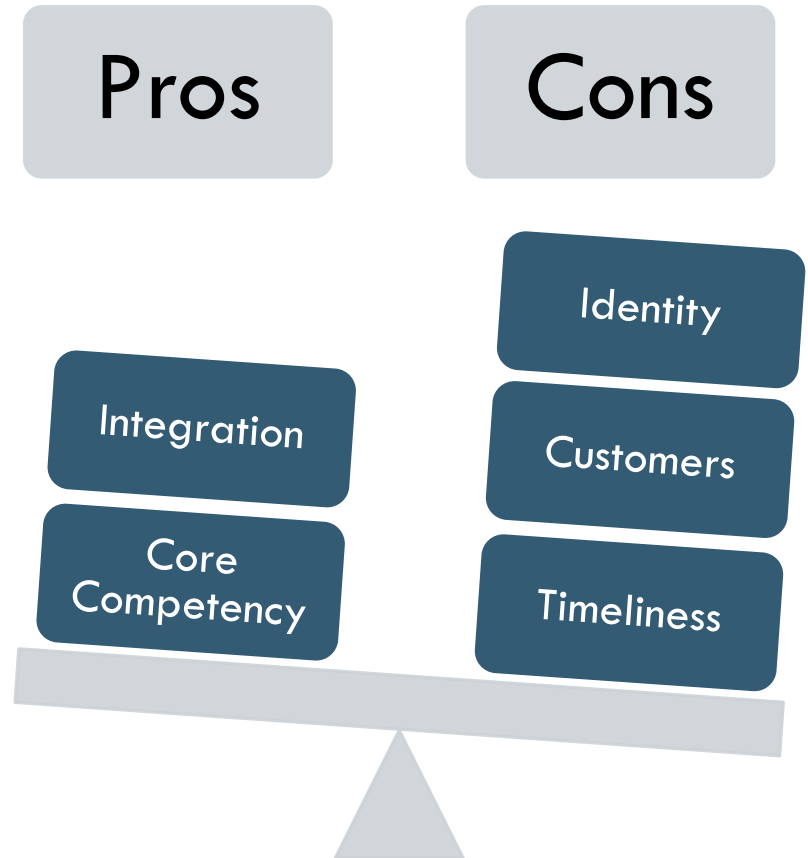
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ALTERNATIVE 2: CREATE A PREMIUM BRAND

Walmart will create a premium brand in-house which caters directly to millennials.

Example: New website & brick and click



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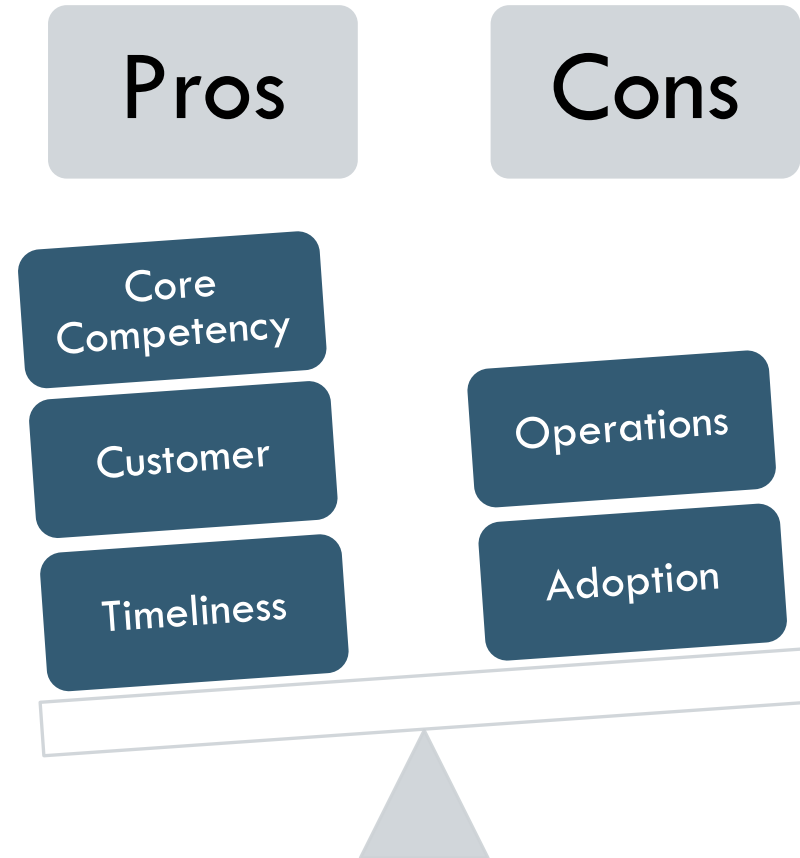
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ALTERNATIVE 3: BRICK AND CLICK EXPERIENCE

Expand on Jet.com acquisitions
and create brick and click
experience for buyers

Example: JetGuide



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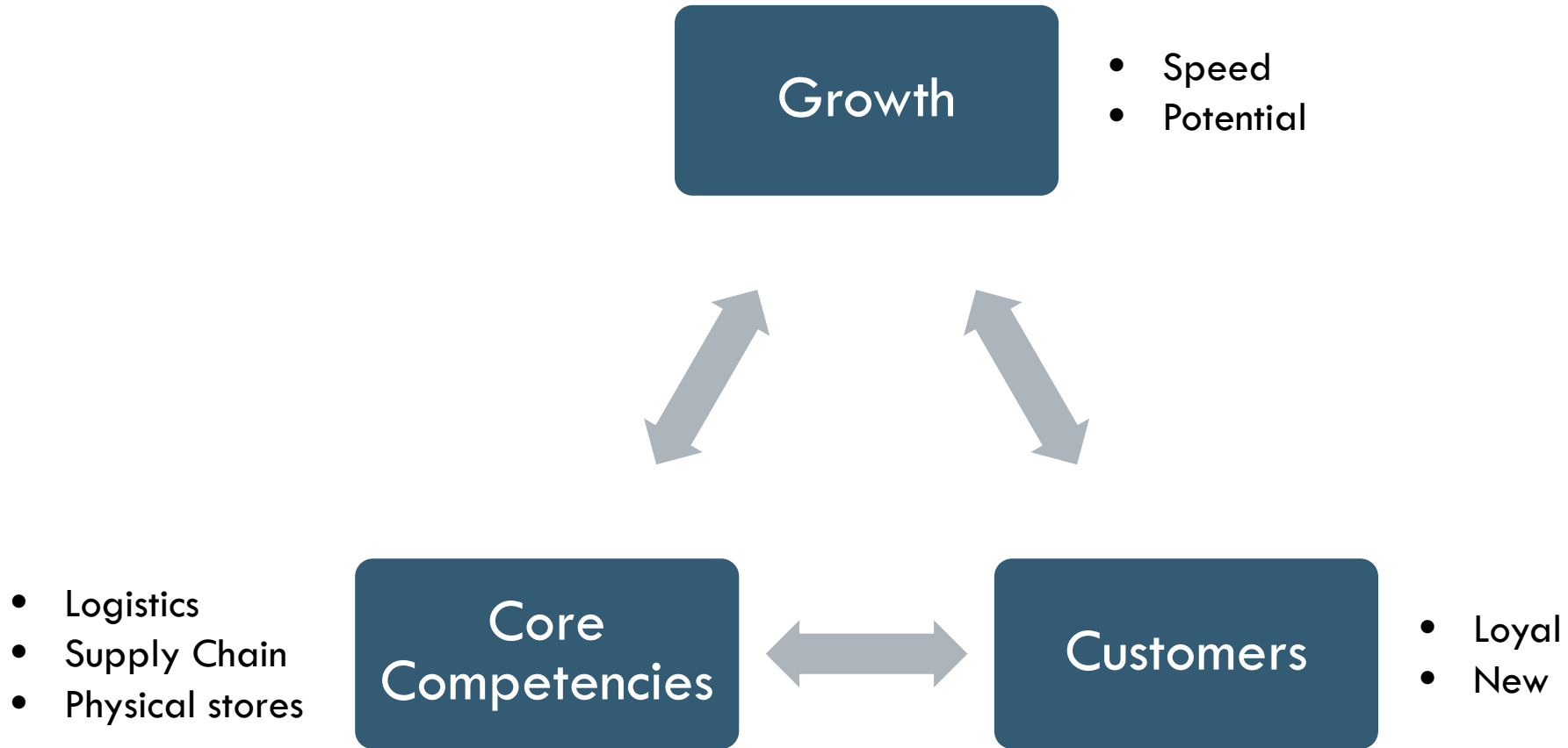
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DECISION CRITERIA



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DECISION MATRIX

	ALTERNATIVE 1: Acquire a 3 rd Party Seller <i>Shopify</i>	ALTERNATIVE 2: Create a Premium Brand <i>New Website</i>	ALTERNATIVE 3: Brick and Click Experience <i>Jet Guide</i>
GROWTH <i>Speed of Growth & Growth Potential</i>			
CUSTOMERS <i>Loyal Current & New Customers</i>			
CORE COMPETENCY <i>Logistics, Supply Chain, Physical Stores</i>			

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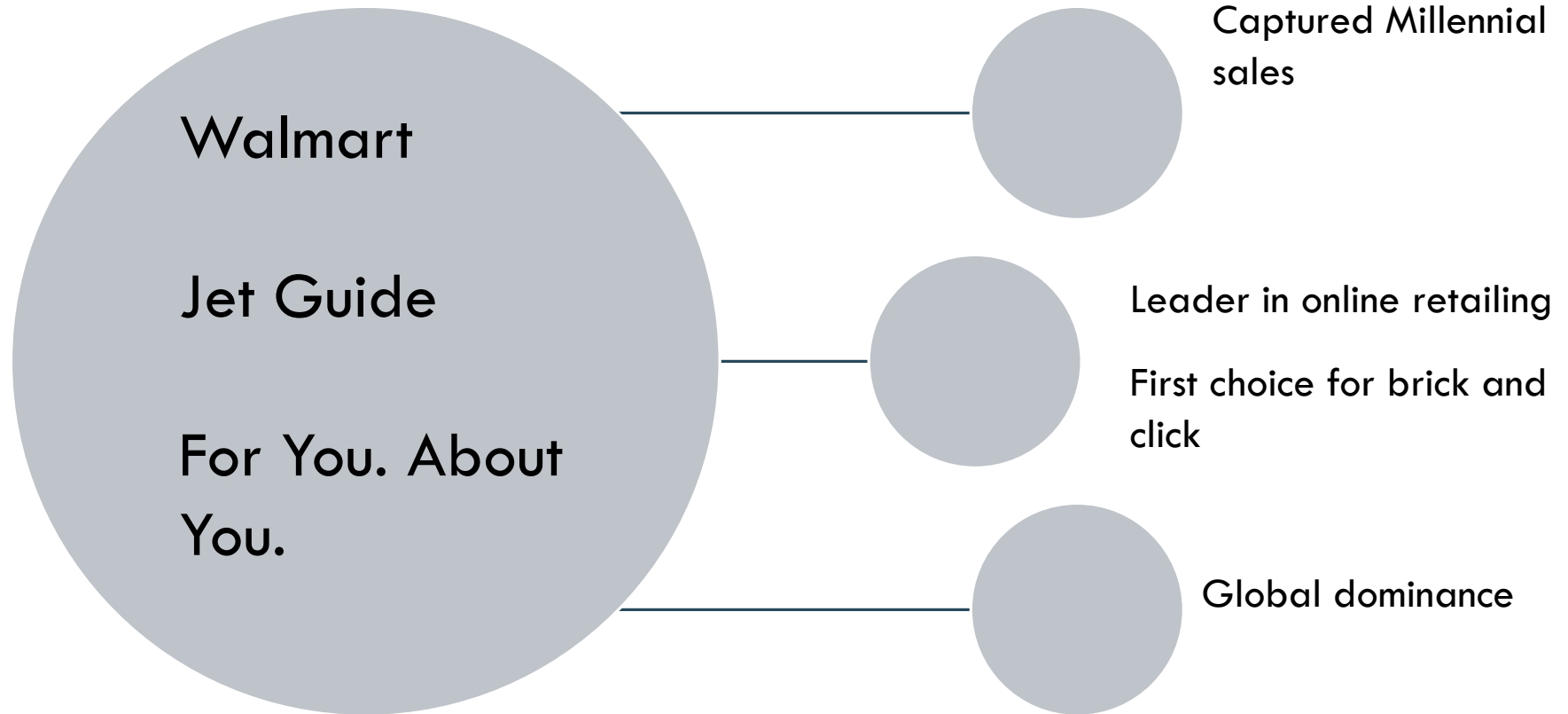
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FUTURE FORWARD



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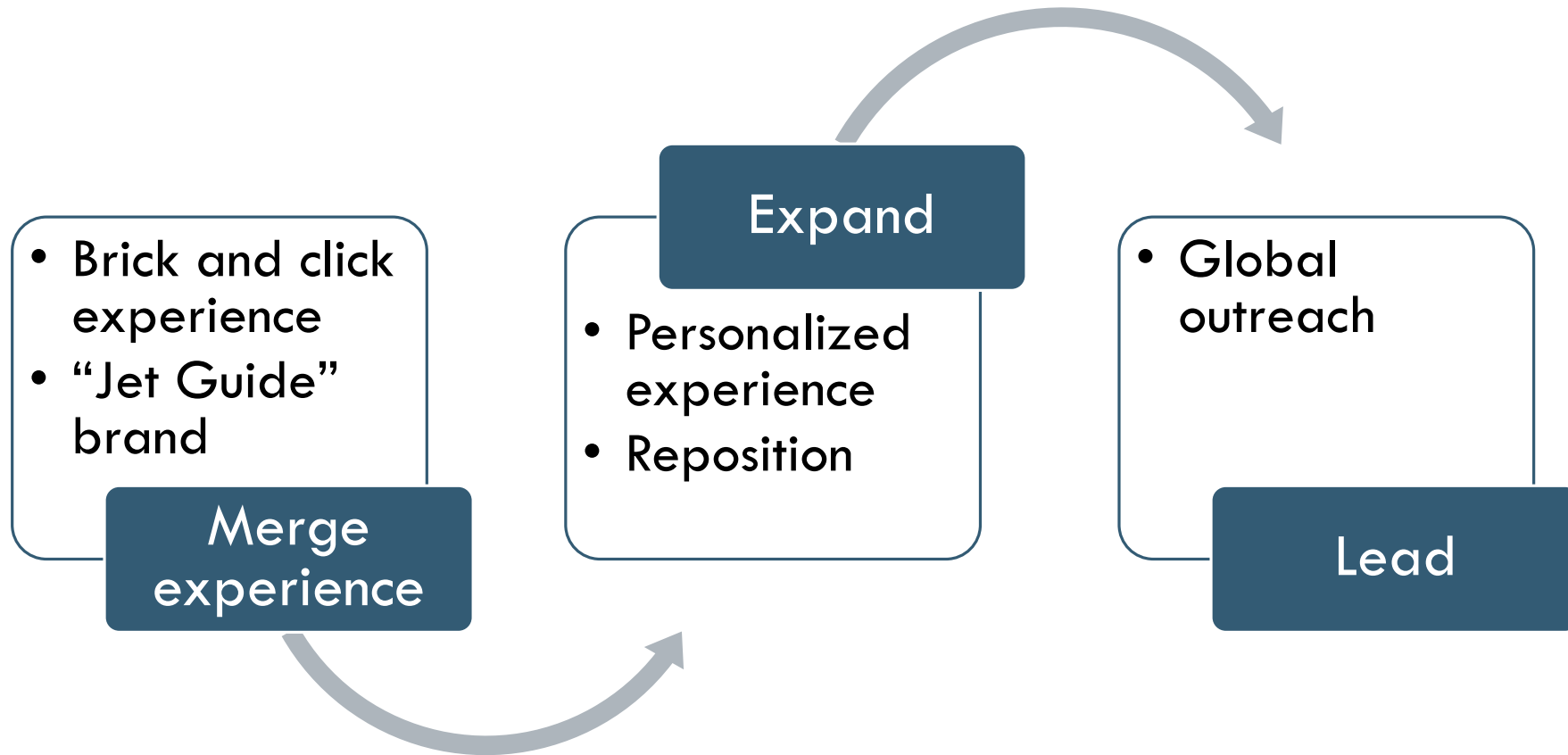
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STRATEGIC IMPLEMENTATION



Define

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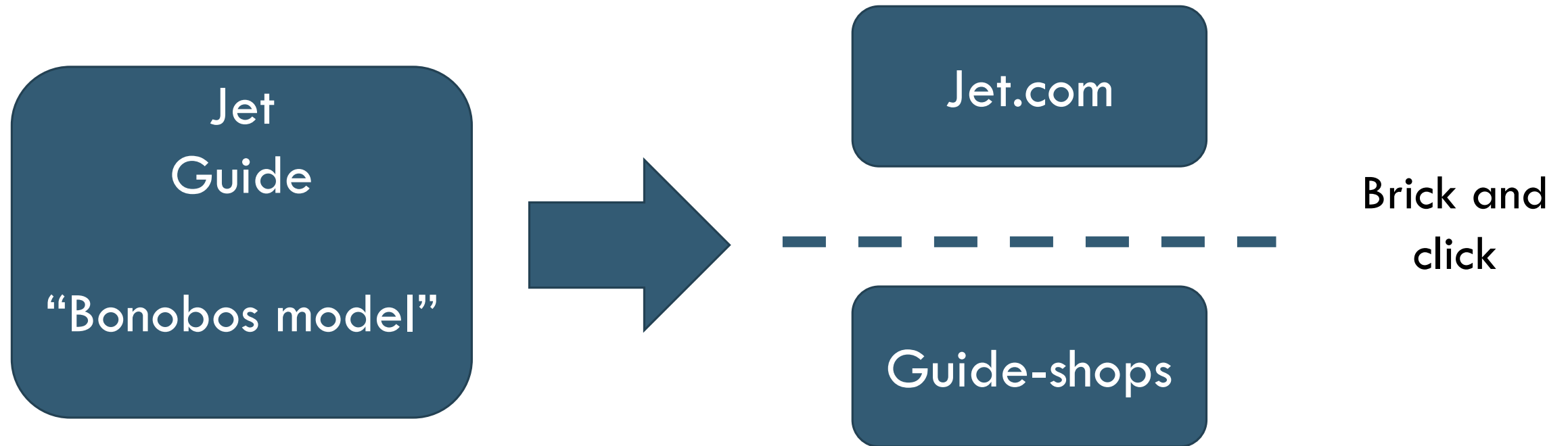
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JET GUIDE- THE ULTIMATE EXPERIENCE



Define

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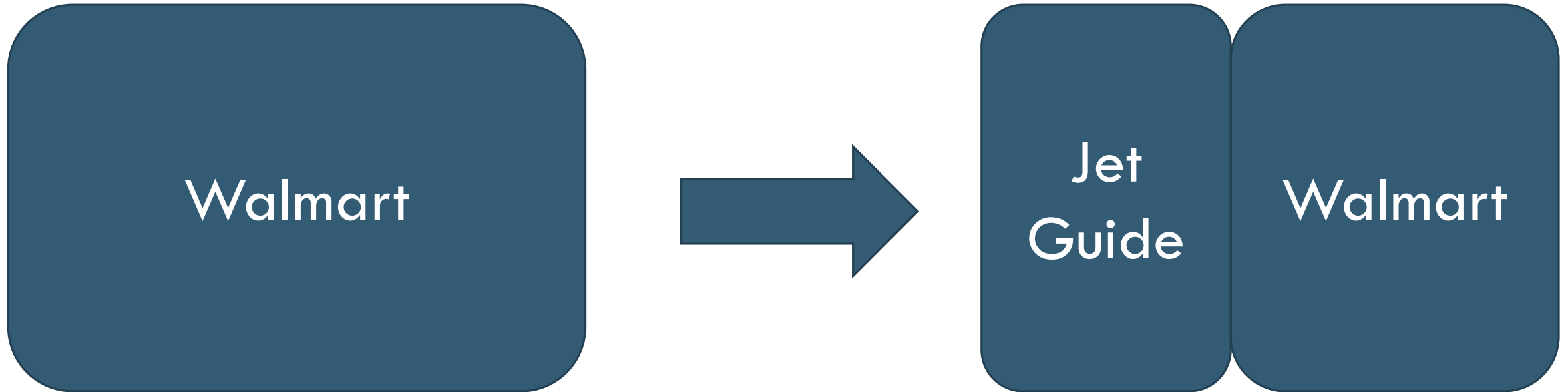
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PHYSICAL SPACE



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JET GUIDE- THE BRAND

Colors: Black and White

Black leather interiors with wall to ceiling glass doors

Products offered: Medium to high end

Perception: Trendy, energetic and experience

“ For you.
About you”

Define

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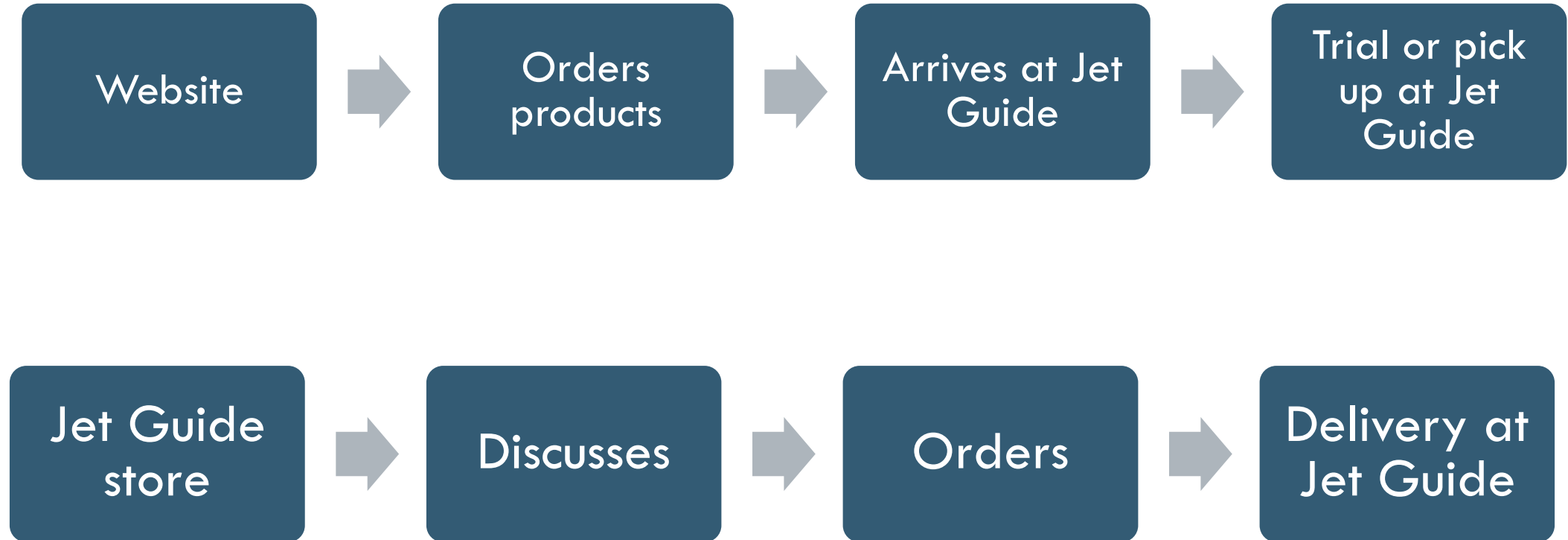
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CUSTOMER JOURNEY



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SPREADING THE WORD

Awareness

- Social media campaigns
- Celebrity endorsement: Juliana Huff

Conversion

- Discounts
- Free returns
- Workshops

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WHAT DOES JET.COM DO NEXT?

Continue acquiring

- Prospect Neiman Marcus

Criteria

- Focus on apparel and skin care

Define

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WALMART

Continues building on third party seller program

Reposition the brand

Leverage data to meet the food needs of online shoppers

Optimize supply chain

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EXPANSION

Open 60 Jet Guides stores in the next year

Focus on Oregon and California

Develop AI and data analytics

Create premium private label apparel

Define

Analyze

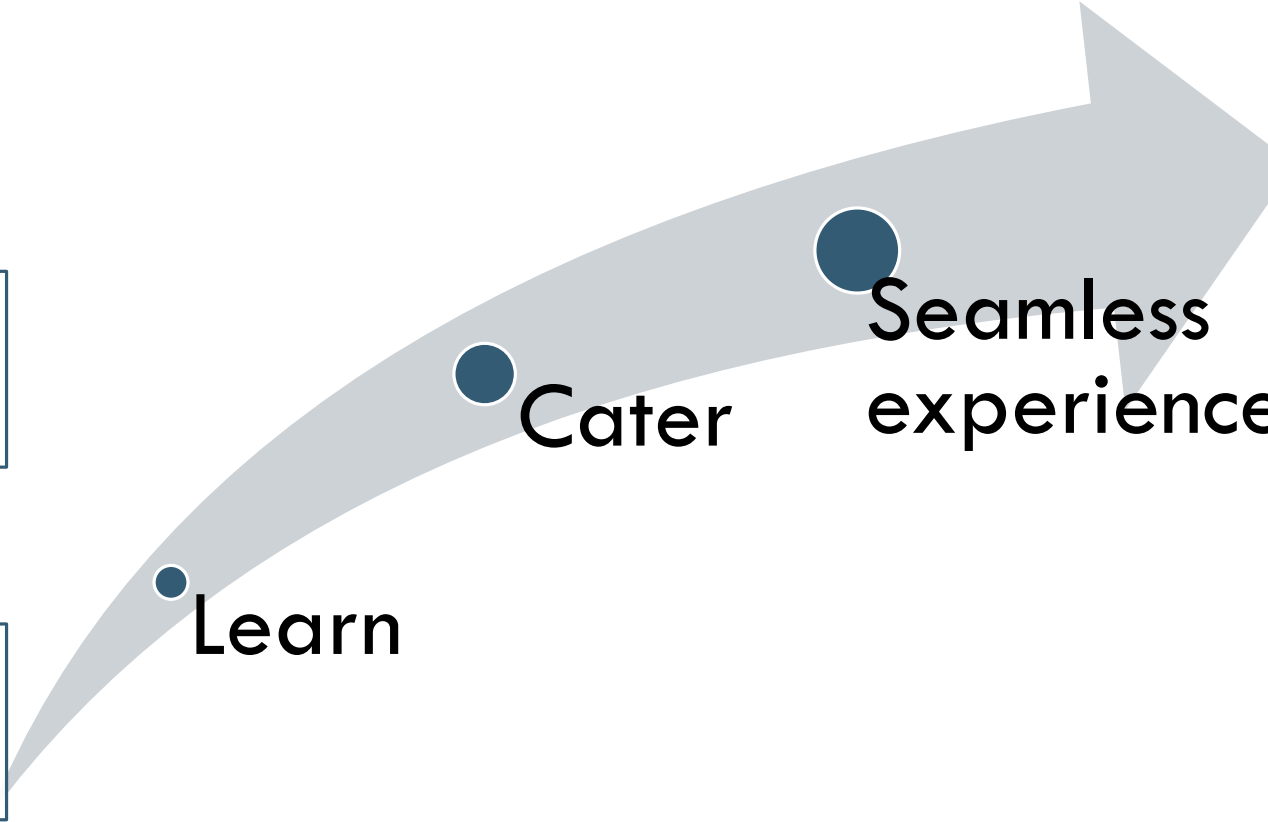
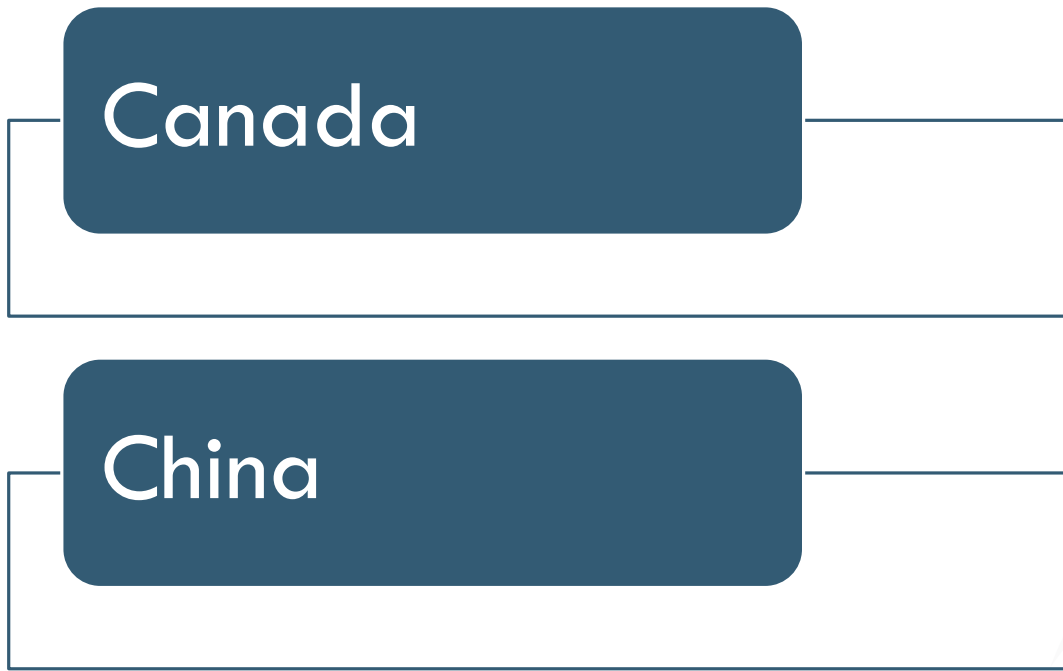
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LEAD



SCHEDULE AND COSTS (\$MM)

Year	2018				2019				2020				2021				Cost
Quarter	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	
Marketing and Branding For Jet Guide	■	■	■														20
Reconfigure Stores		■	■	■													50
Launch New Stores			■	■													1,000
Expand In U.S. and Canada					■	■	■	■	■	■	■	■	■				1,500
Open in China										■	■	■	■				30
Algorithm Development	■	■	■														50
Reposition								■	■	■							500
Launch premium Apparel													■	■	■	■	50
Total																	3,200

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E-COMMERCE SALES GROWTH SCENARIOS

Year	17/18	18/19	19/20	20/21	21/22	22/23
Actual Revenue	489,645.06					
Actual E-Commerce Sales	17,042					
<i>Optimistic (30%)</i>		24,001	31,201	40,561	52,730	68,549
<i>Neutral (20%)</i>		22,155	26,585	31,903	38,283	45,940
<i>Pessimistic (10%)</i>		20,345	22,420	24,707	27,227	30,005
New Revenue		515,601	523,863	533,040	543,311	554,889
% of Business E-Commerce	3%	4%	5%	6%	8%	9%
Cost of Revenue	374,051	378,947	383,592	388,614	394,085	400,088
Gross Profit	115,594	136,654	140,271	144,426	149,227	154,801
Project Costs		640	960	960	960	1,600
Net	115,594	136,014	139,311	143,466	148,267	153,201

In the Neutral Scenario, Walmart will control 8% of the Ecommerce Space by 2028

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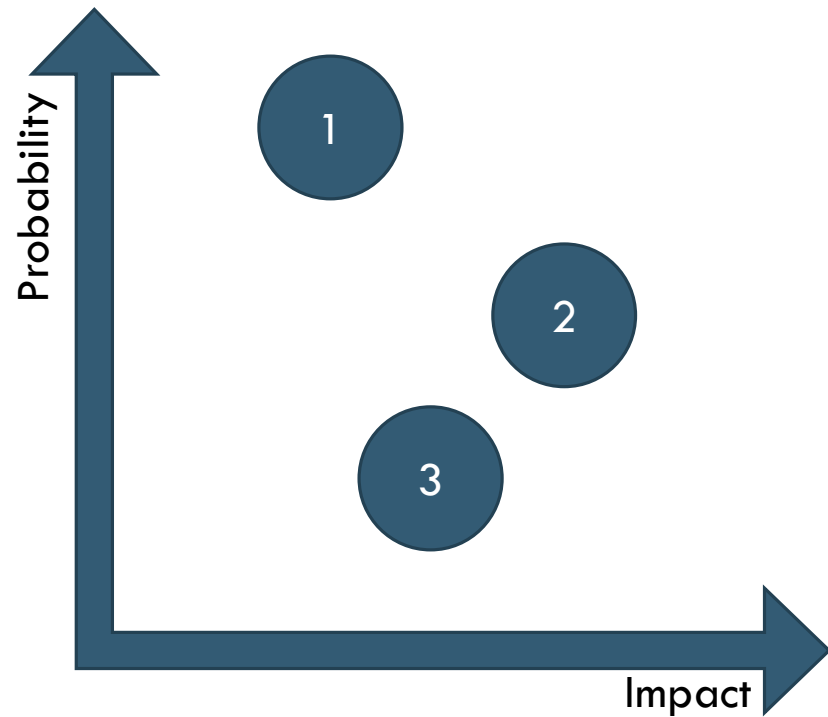
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RISKS AND MITIGATIONS



Customer Adoption

- Access to limited items for top buyers

Operational Changes

- Change Management Strategy

Acquisition Difficulties

- Reposition Purchase Offering through Incentives

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KPIS AND CONTROLS

Concern	Control	Fiscal 2023
Customer Acquisition	# of New Customers	6,000,000
Customer Demographics	Median Age	35
E-Commerce Penetration	Sales	8%
Growth	Year over Year change	10%

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APPENDIX

US E-Commerce Market	441,059	493,986	558,204	636,352	729,578	842,225
Percentage of E-Commerce Market						
	1.117	1.12	1.13	1.14	1.1465	1.1544
Optimistic Market Share	4.2%	4.9%	5.6%	6.4%	7.2%	8.1%
Netural Market Share	3.9%	4.5%	4.8%	5.0%	5.2%	5.5%
Pessimistic	3.5%	4.1%	4.0%	3.9%	3.7%	3.6%