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The future of retail will be a combination of both online e-commerce and a brick-and-mortar retail presence – as recent moves from both Walmart and Amazon have shown, including today's back-to-back announcements from the two rivals, which sees Amazon buying a chain of popular grocery stores with a [Whole Foods](#)

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Bonobos —

FOUNDED
2007

OVERVIEW

Bonobos is a clothing brand focused on delivering great fit, excellent customer experience, and a fun approach to menswear. Launched online in 2007 with its signature line of better-fitting men's pants, Bonobos is now the largest apparel brand ever built on the web in the United States. In 2011 Bonobos extended offline, launching Bonobos Guideshops, e-commerce stores that deliver personalized, one-to-one ...

LOCATION

New York, NY

CATEGORIES

E-Commerce, Shoes, Retail, Fashion

FOUNDERS

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deal for \$13.7 billion, and Walmart picking up yet another online apparel vendor with Bonobos for \$310 million.

Walmart is the only retailer with the size, scale and funds to take on Amazon, and it's been making aggressive moves to compete with Amazon's online business for years. Amazon, on the other hand, has been trying to figure out how to merge brick-and-mortar stores into its world of online shopping.

The question is, which retailer will figure out the perfect mix of online and offline, and get there the quickest?

As of late, Walmart been targeting Amazon's Prime business – launching free, two-day shipping on millions of items, without requiring an annual membership, for example. The move hasn't been lost on Amazon, which in turn has gone directly after the

<http://www.bonobos.com>

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Walmart



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Walmart

Walmart shopper, by making it easier for lower-income consumers to **pay with cash** on its site. It even **discounted Prime for those on government assistance**, arguing that a Prime membership is not a luxury, but a need.

The truth is, Amazon needs to capture the Walmart shopper as it has saturated the middle to high-end of the market with Prime memberships; approximately 60% of U.S. households now have Prime, with lower-income households the only place **it can still grow** Prime stateside.

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Beyond its Prime cash cow, Amazon has also made moves to better tackle the grocery business – a tough area to compete as an online-only retailer, given the need to keep fresh items cold, and others frozen. Amazon has slowly ramped up in this area over the years via its delivery service **AmazonFresh**, but it has

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not been able to widely scale grocery deliveries due to the logistics and economics (or “enormous money pit,” more colloquially) involved with delivering perishable items.



Here, however, Walmart has an advantage. It has stores within 10 miles of 90% of American shoppers, and has quickly



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Walmart

place orders online to pick up curbside at their nearest store. It's even trialing drive-up grocery pickup kiosks, to make the process easier.

Amazon, on the other hand, is still a relative newcomer to brick-and-mortar retail, compared with Walmart. Though it just opened its own drive-up grocery pickup service

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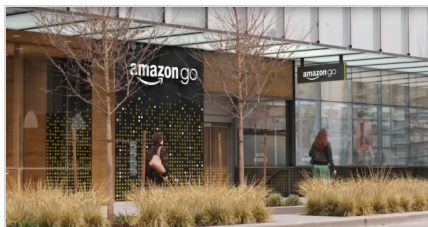
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in Seattle, many of its effort in brick-and-mortar feel more experimental.

For example, it's trying out **physical bookstores** in major markets around the U.S., which also double as a gadgets showcase as well as a test of using online purchase data to inform store inventory selections. It's also testing a new smart convenience store format with **its cashier-free "Go" convenience stores**, which could give it another angle into the grocery business.



But Amazon doesn't have the wealth of institutional knowledge about physical retail, much less real-world grocery stores, like Walmart does. That's why it makes sense that it's today making a huge grab for a grocery retailer like Whole Foods – not only does that give Amazon the

- 10.



edge when competing against the likes of delivery startups like Instacart and Shipt in home grocery delivery (in fact it now owns a part of Instacart, **thanks to Whole Foods**), but it also gives Amazon a nationwide retail footprint to take on Walmart in grocery pickup.

As Amazon tries to figure out retail stores, Walmart is learning how to leverage its existing brick-and-mortar retail stores as a means of pulling customers away from Amazon. Walmart today is **incentivizing online shoppers to drop by a store to pick up their items** in order to lower the ticket price, and it's now **turning its store staff into delivery drivers** who can drop off online orders as soon as the next day.

What both retailers understand is that shopping will not fully transition online – at least not in the foreseeable future; nor will it operate

entirely offline, either. It needs to be a mix. There are times when people still want to shop out in the real world – whether that’s because they like the experience of seeing products in their hand, because it can be more convenient or even just quicker to just shop in a store at times, rather than searching a website and waiting for delivery.



While Amazon is putting up stores – and now buying a whole host of them through Whole Foods, Walmart is figuring out how to make its online catalog more competitive. Ahead of [today's Bonobos deal](#), it's been making strategic acquisitions in one of the fastest-growing categories of online shopping – apparel – in addition to having beefed up its tech team by

spending **\$3 billion on Jet.com**, led by Marc Lore.

Lore, of course, is the entrepreneur crazy enough to take on Amazon not once, but twice – first with Quidsi (Diapers.com’s parent company), and then Jet. And Jet’s innovation in exposing the underlying logistics of online shopping through its “Smart Cart” technology – which rewarded shoppers with savings for buying from nearby warehouses, or shipping items together, among other things – has since been translated to Walmart through the new “Pickup Discount” program.

Both systems approach the problem of bringing the costs of e-commerce down by allowing the customer to make choices about what they’re willing to do to lower item prices. In Walmart’s case, those choices are more about how to bring its retail stores into that equation.



In addition, through its Jet.com subsidiary, Walmart is snagging online businesses that can help it better compete with Amazon in areas where it may lack inventory. Jet acquired [acquired home goods store Hayneedle](#), a Zappos competitor called [ShoeBuy](#), and clothing retailer [ModCloth](#), while its parent Walmart just last month [bought](#) outdoor retailer Moosejaw, which also has physical stores.

Several of these moves are about Walmart expanding its position in apparel, now the largest category for online retail, according to [comScore](#). Amazon has been approaching this category from another angle – making its own-label fashion items, including [workout](#) clothing, [bras](#), and men’s

shirts, for instance.

However, apparel sales are still challenging online, due to sizing issues, fit, and the high cost of managing returns. As Walmart inches into apparel through its combination of offline/online clothing shops, it can do things like offer try-on, pickup and returns of online apparel at local stores. Amazon, on the other hand, doesn't have a clothing retail presence. But maybe that's next, given how quickly these two are matching each others' moves.

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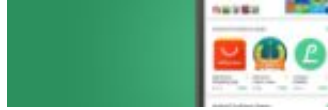
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Vaheantranik Ohanian

I want to inform the readers that Stanley Kubrick and Arthur C. Clarke conducted a secret experiment using quantum entanglement and telepathy and my brain waves. They do indeed exist in another realm now. I am an interface with GOD/ Grand Galactics and aliens. Although, I have not seen the aliens physically, I talk to the ones that have lost their forms in evolution. This experiment was so secret, that even the United States government did not know about it. Stanley insisted on the independence and secrecy of the project. Namely, talking with the dead and or

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Web Developer at Oction Ltd. (Hong Kong)

Android Developer at Oction Ltd. (Hong Kong)

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aliens. It brings me great joy to inform you that the experiment was an extreme success. Thank you.

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Micah Meador ·
San Antonio College

Well.....ok then

[Like](#) · [Reply](#) · 3 ·
20 hrs



Worthing Ian

I mean someone had to do it...

[Like](#) · [Reply](#) · 3 ·
20 hrs



Eduardo Jonathan ·

Ciudad Mazatlán,
Sinaloa, Mexico

You keep telling yourself that...
Weirdo.

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Jeff Sararas ·
Freelancer at Tacit Consulting

"But Amazon doesn't have the wealth of institutional knowledge about physical retail, much less real-world grocery stores, like Walmart does." What knowledge? Customer experience at Walmart is abysmal. Employees - if you can ever find one - have no idea where anything is. It is a retail disaster. Walmart is a very last resort, as there are plenty of other big boxes with similar pricing for whatever low quality,

made-overseas-thing it is
you need in that
moment. Pitting these
two as equal but
opposite is quite a joke.

[Like](#) · [Reply](#) · 2 · 21 hrs



Jeff Sararas ·

Freelancer at Tacit
Consulting

Amazon: "Let's
try drones!"
Walmart: "Let's
get our
employees to
drop the shit off
on their way
home!"..

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21 hrs · Edited



Jonny Lin ·

Developer at Intergen

Wow. That is an
extremely
simplestic way to
look at things. A
company's
success is
defined by how
much revenue it
generates, not
by employee
satisfaction nor
customer
experience.
If employees
aren't satisfied,
they will work
somewhere else,
and if customers
aren't happy they
will shop
somewhere else.
Capitalism 101.
The fact that
they are still the
world's biggest
retailer means

they managed to find a spot where the customers are happy enough to buy from them and employees are not unhappy enough to quit.

Amazon aren't a shining star in employee satisfaction either, their warehouse associate is actually rated lower than sales associate at Walmart on glassdoor.

<https://www.glassdoor.com/.../Amazon-Warehouse-Associate...>

<https://www.glassdoor.com/.../Walmart-Sales-Associate...>

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Rick Jesionowski ·

Works at Cedarwood Development, Inc.

Wal-Mart ruins another internet provider. I used to buy at Shoebuy.com. but since Wal-Mart took them over, their prices have risen over other internet shoe stores, which I now buy from rather than Shoebuy.com, and better service too!

[Like](#) · [Reply](#) · 21 hrs

**Ian Atkinson** ·

Systems Analyst at Ford Motor Company

Amazon has the drive to be innovative heighten their customers experiece. Just like the Amazon Go (which is why I assume they purchsed Whole Foods) is something no one else is doing. Walmart tries to compete with free shipping but that's only providing a service that most already do. I think or at least hope Amazon will provide quality unlike Walmart.

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**Allen W. Ragland**

If Amazon really wants to be the prime seller to the world Bezos will have to get his space company moving. He could start by placing a large array of solar collectors in space and beaming power down to distribution points (or preferably dirctly to consumers). Placing the solar array in space would be expensive and technically challenging, but once there the cost of near unlimited power would be free. Of course he would have to recover his startup and research consts, but once that was done he could beam down power to Earth at a tiny fraction of what it currentlv costs and do so

without any pollution.

[Like](#) · [Reply](#) · 1 · 20 hrs



Sean Pan ·

Culver City, California

How does one physically beam power from space? I thought our wireless chargers all use induction, which would be hard to do from such a large distance. Interested in hearing your response!

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Mark Spiegel

This all from a company that has not shown 1 cent in profit.

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Miles Panuchie

Amazing isn't it?

[Like](#) · [Reply](#) · 18 hrs



Charles Seamen

·

Tarrant County
College

Yes, but once a simblance of monopoly is entrenched, look out! Wall Street's opinion seems to be "Amazon can make a profit any time they want to." So what's keeping them from pulling the trigger, except eliminatinq the

serious
competition, or at
least grabbing
market share to
exploit? This is
similar to how
forereign cars
enter the US
market.

[Like](#) · [Reply](#) · 18 hrs



James Greene ·

Cookeville,
Tennessee

Totally,
completely
wrong, like most
"facts" spouted
by modern
'mericans. A
simple google
search, or even
bothering to
listen to the
news lately
would reveal 8
straight quarters
(2 years) that
Amazon has
shown a large
profit. Yet
everyone agrees
here that old,
outdated data is
somehow current
or relevant. My
God. We are
doomed as a
nation. Ignorant
and uninformed.
This is how
Trump
happened. A
nation of morons
misinformed
about
everything...abor
tion, religion,
immigration

immigration,
evolution,
climate change,
you name it.
Nation of
ignoramuses.

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16 hrs

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Robert Anchondo ·

Austin, Texas

I am kind of happy
Walmart is not giving in
to Amazon and besos
people can hat on
walmart but the truth is it
has always been there
for the poor and for
those trying to save
money and if america
was to loose walmart
they would have to count
on amazon who is good
but is still to prove that it
would keep its word in
keeping prices down like
walmart has continued to
do

[Like](#) · [Reply](#) · 18 hrs



James Greene ·

Cookeville,
Tennessee

People pay more
attention to your
posts if you spell
words correctly
and use
punctuation.
Your post is a
nightmare of
ignorance and
incoherent
thoughts.

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James Greene ·

Cookeville,
Tennessee

Not to mention that Walmart is known for having basement prices on the end caps but having HIGHER prices on mang other items. Walmart is distinguished by selling imported garbage at high pricea to ignorant people. This is their basic business model. Some people believe anything. I suppose you also think Fox News is "Fair and Balanced." I mean, it says it right there on the screen.....

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16 hrs



Craig Eagan ·

Raleigh, North
Carolina

James Greene,
maybe you
should check
your own
spelling before
casting the first
stone.

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Jessica Smith

Everyone keeps hinting
that Amazon will give
them an amazing

them an amazing customer experience. What exactly do they think is going to happen? People who work in grocery stores are treated like shit by 75% of the customers. Amazon isn't going to hire magical unicorn fairies who are ecstatic about getting yelled at by clueless people all day.

[Like](#) · [Reply](#) · 17 hrs



James Greene ·

Cookeville,
Tennessee

75% huh? Data source? I shop. Most customers I see are very polite. Some people are jerks. But you claim, without evidence, that 75% of customers are clueless and yell at cashiers. Someone is clueless....but I don't think it is the customers.

[Like](#) · [Reply](#) · 16 hrs



Dixie Patch Maddox ·

Writer at Author

Well if they can beat the Walmart "no customer service" I'm sold. I hate shopping at Walmart.

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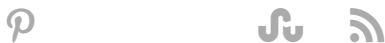
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