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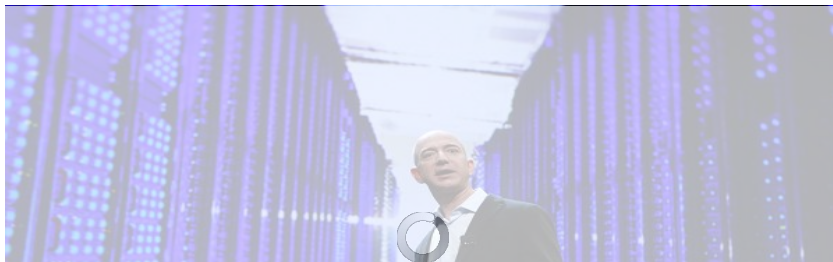
Whole Foods purchase should scare any retailer not named Amazon



- Amazon, "the most disruptive, best managed company in the world," will now take a serious foray into groceries, Scott Galloway says.
- "You just gave Amazon entree into the wealthiest households in the wealthiest urban centers in the world," he says.
- Integrating Whole Foods' business will be a logistical challenge, he says.

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Amazon-Whole Foods deal marks beginning of the end of traditional retail: Analyst

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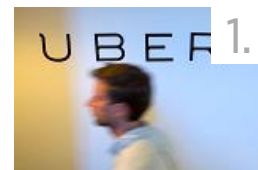
Amazon's \$13.7 billion bid for **Whole Foods** signals a dramatic shift in the largest consumer market in the world: groceries.

"You just gave Amazon entree into the wealthiest households in the wealthiest urban centers in the world. This is a frightening day for every retailer that is not Amazon," Scott Galloway, professor at NYU Stern School of Business, told CNBC's "[Squawk Alley](#)."

Galloway has seen a brick-and-mortar purchase coming for Amazon but still warns that it will not be easy. Integrating Whole Foods' business "is a logistical challenge," he said, but "no one meets those challenges better than Amazon."

Calling Amazon "the most disruptive, best managed company in the world," Galloway said the deal will be seen in hindsight as the

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beginning of the end for traditional retail.

The competitors for the e-commerce giant are also on notice. Galloway pointed out that Amazon customers are more akin to **Macy's** consumers than to **Wal-Mart's**, despite the common comparison between the discount retailer and Amazon. Even though Amazon's customers are generally more affluent than Wal-Mart's, the online retailer's prices are still competitive.



"On average, the price on Amazon is cheaper, if not the same, than on Wal-Mart," GGV Capital managing partner Hans Tung told CNBC.

One of the lingering issues for Whole Foods is its inability to market en masse due to its higher pricing. The hope for Whole Foods' shareholders, according to Tung, is that Amazon's investment will push the grocer to become more mass market.

"It will be interesting to see which way Amazon gets Whole Foods to move: more high end, more 'techy' or more mass market? That's the \$13 billion question," Tung said.



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WFM	42.68 ▲	9.62	29.10%
AMZN	987.71 ▲	23.54	2.44%
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M	22.93 ▲	0.20	0.88%