



Amazon vs. Walmart Swot Analysis

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Summary of Both Brands



Walmart

- First store opened in 1962 by Sam Walton
- More price focused (Everyday Low Price, Anytime, Anywhere)
- 2.1 million employees Nationwide
- Many product lines from fresh produce and bakery items to electronics, furniture, and everyday essentials
- One of the largest distribution operations (9,000 tractors, 80,000 trailers and more than 11,000 drivers)
- Stores Internationally
- Newly started focusing on E-Commerce

Amazon

- Created in 1994 by Jeff Bezos
- Customer-focused (Based on convenience)
- About 1.5 million employees and about 1,300 distribution centers
- Initially started with the sale of books
- Internet-based, vast list of product lines including web services
- World's largest online retailer



SWOT Analysis of Walmart

<u>Strengths-</u>	<u>Weaknesses-</u>	<u>Opportunities-</u>	<u>Threats-</u>
Large Brand Recognition	Labor Practices	International expansion	Competition
Strong Finances	Minimum E-commerce presence	Sustainability initiative	Online retail shift
Low-Cost Leadership	Negative public perception	Health and weakness market	Regulations
Key Locations	Dependence on China	E- commerce growth	Economic downturn



SWOT Analysis of Amazon

<u>Strengths-</u>	<u>Weaknesses-</u>	<u>Opportunities-</u>	<u>Threats-</u>
Brand recognition	Dependence on third-parties	Physical stores	Controversy
Diverse products	Labor practices	Acquisitions	Competition
Distribution network	Retail presence	Backward integration	Regulations
Customer base	Data security concerns	Technological innovation	Recessions



Walmart's vs. Amazon's Strengths

Walmart:

<u>Strengths-</u>
Large Brand Recognition
Strong Finances
Low-Cost Leadership
Key Locations

Amazon:

<u>Strengths-</u>
Brand recognition
Diverse products
Distribution network
Customer base

Both Amazon and Walmart have unique strengths that have led to the success of their companies individually. In particular, each company has a strong brand recognition Worldwide. Yet Amazon is recognized internationally and has a loyal customer base derived from the satisfaction of their brand. Amazon also has a diverse range of products that they sell along with a large distribution network to effectively deliver these products. Walmart has effectively placed physical stores and takes pride in their focus on low-cost products. This brings in an abundance of loyal customers which allows them to flourish in the shopping industry with a strong financial performance in comparison other retail stores.



Walmart's vs. Amazon's Weaknesses

Walmart:

Labor practices
Minimum E-commerce presence
Negative public perception
Dependence on China

Amazon:

Labor practices
Retail presence
Data security concerns
Dependence on third-parties

Amazon and Walmart have similar weaknesses. They both suffer from poor labor practices which can lead to a negative public perception, which we can see is one of Walmart's weaknesses. Walmart is better in retail than e-commerce, while Amazon is better in e-commerce than retail. Walmart and Amazon can look to each other for ways to improve in e-commerce and retail, respectively. With Amazon's online presence, there are concerns regarding their use of consumer data. They have a lot of information on their customers. Finally, both companies are dependent on others. Walmart is dependent on China while Amazon is dependent on third-parties.



Walmart's vs. Amazon's Opportunities

Walmart:

International expansion
Sustainability initiative
Health and weakness market
E-commerce growth

Amazon:

Physical stores
Acquisitions
Backward integration
Technological innovation

Walmart is given the chance to grow internationally by utilizing its vast resources and experience to enter new markets across the world. Their sustainability activities, which are a growing global concern, can boost brand recognition and draw in environmentally sensitive customers. As the emphasis on wellbeing and healthy lifestyles grows, the health and wellness markets represent another potential growth sector. Walmart may also benefit from the growing e-commerce market by enhancing their online visibility and digital skills. On the other side, by increasing its investment in physical stores, Amazon has the chance to strengthen its retail footprint and close the gap between online and offline retail experiences. Backward integration into supply chains can streamline operations and increase efficiency, while strategic acquisitions can expand their customer base and service offerings. Innovation in technology enables improvements in customer experience, delivery logistics, and AI-driven solutions to maintain a competitive edge in the shifting retail sector, and this represents a significant potential for Amazon.



Walmart's vs. Amazon's Threats

Walmart:

Competition
Online retail shift
Regulations
Economic downturn

Amazon:

Controversy
Competition
Regulations
Recessions

Walmart struggles to maintain its position as a leader in traditional retail in the face of fierce competition and the difficulty of moving towards internet sales. Concerns about regulatory compliance and economic changes never go away. Contrarily, Amazon faces issues and severe rivalry in the online retail sector, as well as strategic considerations for regulatory compliance and economic downturns. Both companies manage comparable issues despite having different business structures, highlighting the necessity of flexibility, regulatory adherence, and resilience in a dynamic retail environment.

Conclusion: Which is a Stronger Brand?

Based on the research found, we believe Amazon is the stronger brand. Although a newer company, they have a strong brand recognition internationally. With their diverse product lines and expansive E-commerce operations, Amazon has become a highly acknowledged company. Along with their adaptability to technology and the modern world, they have endless opportunities to expand. If their expansion results in physical stores, they will succeed Walmart in multiple ways. In the book “Winner Sells All”, author Jason Del Rey states “If Amazon wasn’t innovating in physical retail, especially in a retail sector as important to consumers as grocery, was the tech giant really living up to its promise to be the world's most customer-centric company?” (Del Rey, 2023, p. 132). Being customer-focused, Amazon has the strongest potential to use their strengths to their advantage and dominate the shopping industry.





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