

# amazon **VS** Walmart

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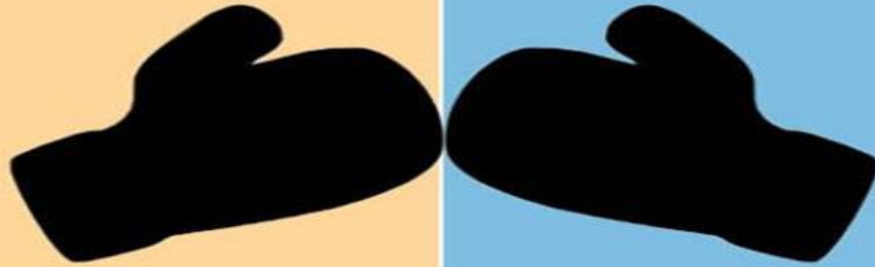
# Which is the Better Investment?

**Let's Compare the two companies pro/cons & strengths/weaknesses ...**

**amazon**

The Amazon logo is displayed in black text on an orange background. It features the word "amazon" in a lowercase, sans-serif font, with a curved orange arrow underneath it pointing from the letter 'a' to the letter 'z'.

**Walmart**

The Walmart logo is displayed in blue text on a light blue background. It features the word "Walmart" in a bold, sans-serif font, followed by a yellow six-pointed starburst icon.

# Financials

## Amazon

**Strengths:** Steady growth in revenues mainly due to e-commerce, cloud services (AWS) and subscription services (Amazon Prime). High market value thanks to innovative projects.

**Weaknesses:** Often operates with lower profit margins due to heavy investments in expansion, technology and logistics. Some concerns about the profitability of some areas of the business.

## Walmart

**Strengths:** High revenue from physical retail sales with a wide network of stores worldwide. Maintains stable profits but faces challenges to compete with Amazon's online presence.

**Weaknesses:** Slower e-commerce growth compared to Amazon. Heavy reliance on physical stores can be limiting in the digital age.

# Innovation

## Amazon:

**Strengths:** Known for its innovative culture, constantly introducing new technologies and services (eg Alexa, Amazon Go stores). Groundbreaking advances in artificial intelligence, drone delivery and robotics.

**Weaknesses:** The speed of innovation can lead to high R&D costs with uncertain returns. Some experimental projects may not achieve full commercial success.

## Walmart:

**Strengths:** Active investment in website innovation, acquisitions (eg Jet.com) and partnerships (eg delivery services). We focus on using technology to improve the customer experience.

**Weaknesses:** The historical roots of traditional retail can present challenges in adapting quickly to rapid technological change.

# Customer Focus

## Amazon:

**Strengths:** Prioritize the customer experience with a wide selection of products, personal recommendations and fast shipping through Prime. Known for customer-centric practices and strong support.

**Weaknesses:** Sometimes criticized for handling employee conditions and third-party vendor relationships, which can affect brand perception.

## Walmart:

**Strengths:** Emphasizes the store's affordability and convenience and enhances its online shopping experience. We focused on expanding services such as door-to-door collection and same-day delivery.

**Weaknesses:** Historically known for a less personal shopping experience compared to Amazon. Balancing in-store and online customer experience can be difficult.

# Digital Growth

## Amazon:

**Strengths:** Dominating the e-commerce space, offering a seamless shopping experience and effectively using data to make personalized recommendations.

**Weaknesses:** Due to the market model, competition increases and fake products are a concern.

## Walmart:

**Strengths:** Expanding online presence, integrating digital and physical stores. Improve the customer experience through a multi-channel approach.

**Weaknesses:** Amazon and e-commerce dominance is still catching up. Requires further development in terms of user interface and customer engagement.

# Retail Growth

## Amazon:

**Strengths:** Growing market share with purchasing Whole Foods and introducing new retail stores such as Amazon Go and Amazon Fresh.

**Weaknesses:** Playing catch-up due to starting as an ecommerce business and creating retail stores.

## Walmart:

**Strengths:** Established retail store with loyal customers that continuously come back. Walmart has about 12.67% of the market share while Amazon has 10.40%.

**Weaknesses:** Retail is not growing as fast as digital and ecommerce, so while they are ahead in this sector for now, they could be behind overall.

# Supply Chain and Logistics

## Amazon:

**Strengths:** Very quick to deliver items, sometimes next day delivery. Over 100 Amazon fulfillment centers across the US. Using automation to help and always looking for ways to innovate in this area.

**Weaknesses:** Demand for a product and unexpected delays can result in late shipments when the customers were promised a quick delivery, decreasing customer satisfaction.

## Walmart:

**Strengths:** Uses technology and automation to enhance logistics by tracking inventory and restocking when necessary. Pioneered distribution practices and manage inventory electronically.

**Weaknesses:** The size of Walmart can leave it weaker in some areas. High inventory levels and last in first out inventory accounting brought down operating and gross margins.



# Sustainability

## Amazon:

**Strengths:** Expanding use of zero-emission transportation (e-bikes, electric delivery vans), focuses on water and waste reduction in their facilities, transitioning buildings to net-zero carbon, invests in Climate pledge Fund

**Weaknesses:** Non-sustainable packaging; A lot of their sustainability efforts are still in progress and won't be completed until 2040 compared to Walmart dominating sustainability right now

## Walmart:

**Strengths:** Charging stations for electric cars in front of retail stores adds for convenience and sustainable practices, buys from local and privately owned shops (coffee producers), puts money into community solar gardens, uses 100% renewable energy lowering their overall carbon footprint, on-site recycling centers

**Weaknesses:** Though contributing to sustainability, they lack on promoting their environmentally friendly activities

## Final Decision?

After extensive research and contemplation, Amazon deems the best company to invest in. Specifically due to their domination of the e-commerce industry and the convenience of their products shipping, it just seems the most likely that they will continue to succeed and hold their number one spot. With an additional investment, they can use it to improve their sustainability and possibly retail stores to further expand their revenue and profits.

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