



WALMART 2010 GLOBAL E-COMMERCE STRATEGY

57TH ST VENTURES

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WALMART CURRENTLY HAS 282 PHYSICAL STORES IN CHINA



WMT Industry Expertise: Ecommerce Trends

Industry Trends

- In Q1 of 2008, US apparel imports from China declined by nearly 10% compared with the corresponding period of 2007. China's drop in competitiveness stems from:

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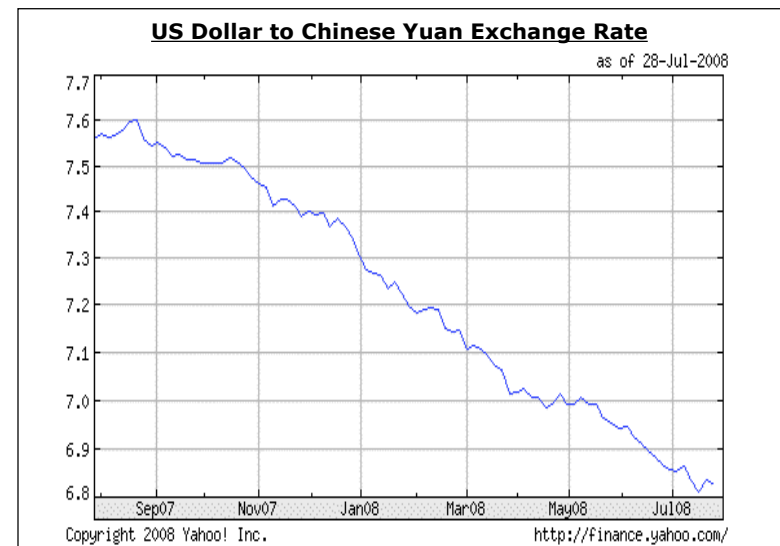
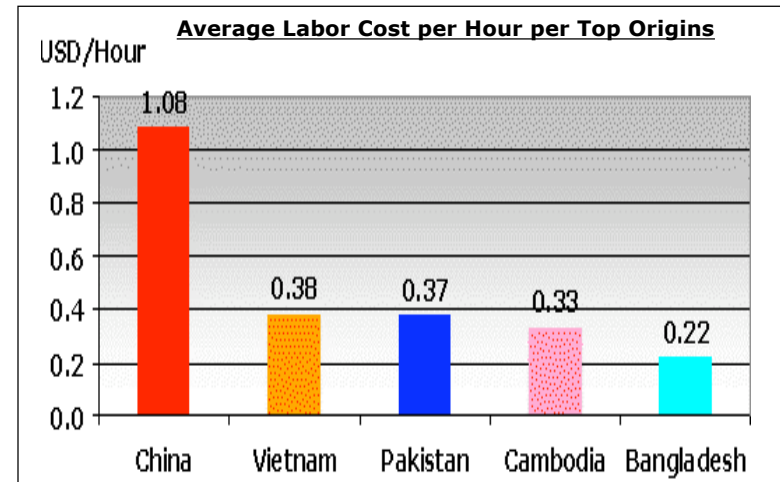
- Walmart recently announced aggressive e-commerce plans to drive sales in China and Japan where it has ***no direct online sales***

- Currently WMT has

282 Stores in China

371 Seiyu Stores (Japan)

The retailer currently has store operations in 14 countries.

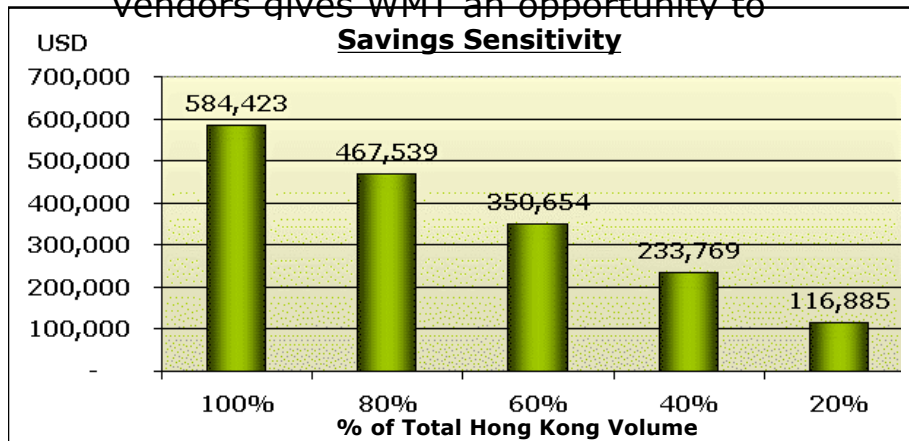
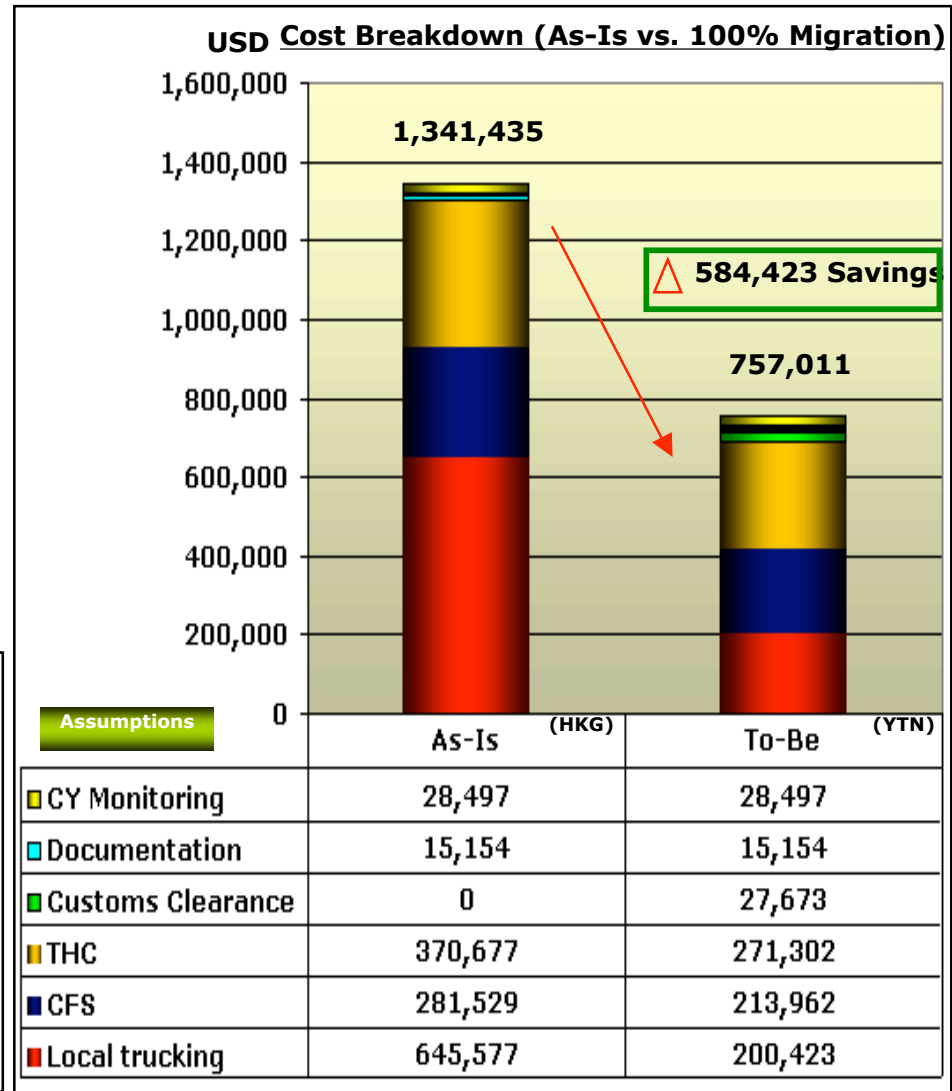


Source: U.S. Census Bureau June 2008
American Apparel & Footwear Association July 2008

ECOMMERCE STRATEGY – REDUCE OPERATING COSTS

Driving sales thru e-commerce channel is part of Walmart strategy of increasing operating efficiencies .

- Global E-commere optimization is a key driver:
 - WMT has strong online presence in the US and the U.K. with it's Asda.com business
 - Strong online presence in Brazil (LATAM)
 - Seiyu sells via Ratkuten; which is Japan's largest online marketplace
- Benefits of WMT e-commerce initiative:
 - Expand international reach
 - Reduce transportation time by having load port closer to distribution centre
 - Negotiation on base price: Reduced trucking and local handling charges for vendors gives WMT an opportunity to



Recent Benchmarking Analysis

| Company Name | Year started: E-Commerce strategy | # of Countries with E- commerce | % of Total Revenue derived from e-commerce |
|--|---|--|---|
| Amazon | 1/07/94 | 6 | 50% |
| Hennes & Mauritz  | 1/12/05 | 3 | N/A |
| Inditex  | 1/02/06 | 3 | N/A |
| GAP  | 1/01/06 | 3 | 8% |
| WALMART  | 1/02/06 | 4 | > Absolute Figures 10% |

Absolute Benchmark – E-Commerce Revenues & Net Profits

