Inside Marc Lore’s Walmart Legacy



Marc Lore, the ecommerce pioneer who figured out how to ship cat litter without a loss and lured customers with discounts even Amazon doesn’t offer, is leaving Walmart at the end the month.

According to an 8-K filing with the SEC, Lore’s last day as president and CEO of Walmart U.S. ecommerce is January 31, although he will remain in a consulting role through September 2021. In so doing, he will fulfill his obligation to stay with Walmart for five years following the 2016 acquisition of his ecommerce startup Jet.com.

In a LinkedIn post detailing the change, Lore said the work he has done with Walmart “will keep changing the lives of customers for years to come.”

Inadvertently planning for the new normal

Indeed, although the Jet brand ceased to exist in May 2020, both Lore and Jet helped prepare Walmart for the pandemic—however, at the time they joined forces, their focus was on competing with Amazon.

In the end, they did both: Walmart's ecommerce sales were up 79% in Q3, proving the retailer has the ecommerce chops to fulfill pandemic-era needs.

In his LinkedIn post, Lore said he's most proud of growth in online grocery, the new app experience and next-day delivery.

A new pricing structure—plus, tech and talent

But Lore's biggest contribution is arguably in logistics.

When Jet launched in 2015, financial news site Money.com described it as "a mix of Costco and Amazon Prime" because the site was laser-focused on offering the lowest prices for consumer goods online. Shoppers initially paid a $49.99 annual fee, but Jet dropped the membership model after just three months. Lore did, however, implement an arguably never-before-seen pricing structure in which customers were rewarded with discounts when they waived the right to return products, paid with debit cards and/or ordered goods that could be shipped from the same warehouse.

The platform also provided Walmart.com with the talent and technology it need to get to where it is today.

Bumps in the road

It hasn't always been smooth sailing. In his goodbye note, Lore reminisced about the "Midwestern brick-and-mortar giant and a coastal digital upstart," which were nevertheless compatible. And while this mostly true, we have seen signs of incompatibility, such as Jet's September 2018 pivot to urban consumers with grocery delivery and a partnership with Nike.

Its sister service, Jetblack, debuted a few months earlier, offering text-to-shop functionality to affluent city-dwelling moms, but was discontinued in February 2020.

And it remains to be seen how efforts to reach Millennial shoppers through acquisitions like DTC clothing brands Bonobos

and Modcloth will pan out—although it is worth noting Walmart shed the latter at a loss in October 2020.

Diapers and pets

Nevertheless, Lore's legacy in ecommerce is undisputed.

He founded baby products site Diapers.com in 2005 and followed that success with pet site Wag.com 2011. The latter was somewhat risky—Pets.com was a notable dot.com bust in part because dog food and cat litter are expensive to ship. But Lore told The New York Times his site only offered free shipping above a certain threshold and could therefore avoid a similar fate. He was right, and Amazon came calling in 2010 (and then shut it down in 2017, following Lore's blockbuster Walmart deal).

A few years later, Jet was born.

Now, after some time off, Lore said he will "continue working with several startups."

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