

Walmart unveils Lord & Taylor site as it tries to go upscale

May 16 2018, by Anne D'innocenzio

Walmart, long known for its "everyday low prices" mantra and as a place for basics, wants shoppers to think of it as a source for style and upscale fashion as it tries to reach more affluent customers.

The company is launching the Lord & Taylor store on its website in the coming weeks with more than 125 brands like Lucky Brand, Vince Camuto and Tommy Bahama, reflecting its effort to broaden its customer base, drive growth and compete with Amazon.

It's imperative for Walmart to expand beyond its low-income shoppers who are limited in how much they can spend. But the strategy is not without risks. The company needs to court higher-income shoppers while holding true to its core strategy.

Walmart store customers have a median household income of about \$48,000, below the \$56,000 of its website customers and the \$85,000 median income of Amazon shoppers, says Craig Johnson, president of the retail group Customer Growth Partners.

Over the past several months, Walmart has been overhauling its website with an emphasis on fashion and home furnishings. The home goods section, for example, features collections for style categories like modern or bohemian, with layouts that echo the feel of a decorating magazine.

Walmart has also been on an acquisition spree, buying online retailer

Jet.com, which appeals to a higher-income shopper, two years ago. And under Jet's founder, Marc Lore, who is now heading up Walmart's U.S. e-commerce business, it has also bought several upscale online clothing brands including Bonobos and ModCloth.

Meanwhile, Walmart says it has been able to attract higher-income shoppers through its personal shopping service that lets online shoppers at about 1,200 stores so far pick up their orders curbside.

But Walmart's partnership with Lord & Taylor, announced last November, marks a new model for the Bentonville, Arkansas-based discounter.

With the launch of the L&T page, Walmart will have its own everyday brands and the premium Lord & Taylor brands. In addition to the items offered by L&T, Walmart.com's broader fashion offerings will highlight watches, luggage and travel, seasonal shops and premium beauty.

Lord & Taylor officials said late last year the arrangement with Walmart allows the chain to attract new customers who are already buying higher-end products on Walmart.com.

"Lord & Taylor is thinking differently about the business, and this is an example of how we are innovating," said a company spokesperson in a statement emailed to The Associated Press.

The companies declined to reveal financial details of the partnership.

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