

Amazon Surpasses Walmart As The World's Largest Retailer

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Amazon has beat out Walmart for the title of the world's largest retailer on Forbes' 2019 Global 2000 list. (Helen H. Richardson/MediaNews Group/The Denver Post via Getty Images)
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It was bound to happen sooner than later: Amazon has surpassed Walmart as the biggest retailer on the planet.

The e-commerce juggernaut jumped 25 spots to #28 on *Forbes'* Global 2000 list of the world's biggest public companies, as measured by a composite score of revenues, profits, assets and market value.

That was sufficient enough for it to steal the title of the world's largest retailer away from Walmart, which slipped five spots to #29 on this year's overall list.

Amazon has continued to chart a path to retail domination, with the number of Americans who subscribe to Amazon Prime topping 100 million in 2019. The company has beefed up the benefits attached to its annual membership in an effort to make it a must-have in every household, such as offering special discounts at Whole Foods, investing heavily in television and movies and expanding free shipping. In April, Amazon said it would invest \$800 million to make free one-day shipping the new normal, up from the standard two-day shipping the company offers now.

Thanks to investor enthusiasm in its breakneck growth, Amazon has a high-flying stock that has made its founder Jeff Bezos the world's richest man and given it a market capitalization of over \$900 billion, which is rivaled only by Apple. On this yardstick, it has long trounced Walmart, which lags behind with a market cap of less than \$300 billion.

Amazon has been catching up on other measures, too. Last year, the company made a record-breaking \$10 billion in profits, fueled by its lucrative cloud computing business. That is up sharply from \$3 billion the year before and easily tops the \$6.7 billion that fell to Walmart's bottom line.

Nevertheless, Walmart remains larger on some counts: It still pulls in more than double the revenue and has more assets on its balance sheet due to the significant real estate that it owns. It also has 2.2 million workers, which is nearly four times the number of employees that Amazon has on payroll.

Behind Amazon and Walmart, the third-largest retailer on the planet is Chinese e-commerce giant Alibaba. Its core business is selling goods via the internet, but it has also invested heavily in areas like entertainment, logistics and payments. Sales grew 51% to \$56 billion in fiscal 2019, driven by the spending of its 654 million active retail customers. While Alibaba is still seeing immense

growth, its growth rate has ticked down amid an economic slowdown in China and an escalating trade war with the United States.

Home improvement stores like Home Depot (#126) and Lowe's (#234) continue to do well, as do discount stores like TJ Maxx (#394) and Ross (#671).

Meanwhile, CVS fell out of the top three largest retailers. The drugstore chain lost \$600 million in 2018, as its \$69 billion takeover of Aetna and goodwill impairment charges in its long-term care business, Omnicare, ate into its bottom line. The company is now ranked #410 on the overall list, down sharply from #69 in 2017.

Other retailers are facing more existential problems. Victoria's Secret parent company L Brands fell 230 spots to #1311 on the overall list as it faces mounting competition from upstarts like ThirdLove and True&Co and traditional players like Target and Chico's. Bed Bath & Beyond, which recently dismissed its CEO and shuffled its board in response to pressure from a group of activist investors, slipped 348 spots to #1997. The embattled Sears, recently out of bankruptcy, fell 166 spots to #1913.