

Walmart acquires outdoor retailer Moosejaw for \$51 million

by Sarah Perez (@sarahintampa)



Walmart this morning announced it's acquiring a leading outdoor retailer [Moosejaw](#) for approximately \$51 million in an all-cash deal. Headquartered in Madison Heights, Michigan, the retailer has both a large online presence as well as 10 physical stores across Michigan and the midwest U.S. Walmart says it will allow Moosejaw to continue to operate its website and stores as a standalone and complementary brand going forward, much as it has with other recent acquisitions.

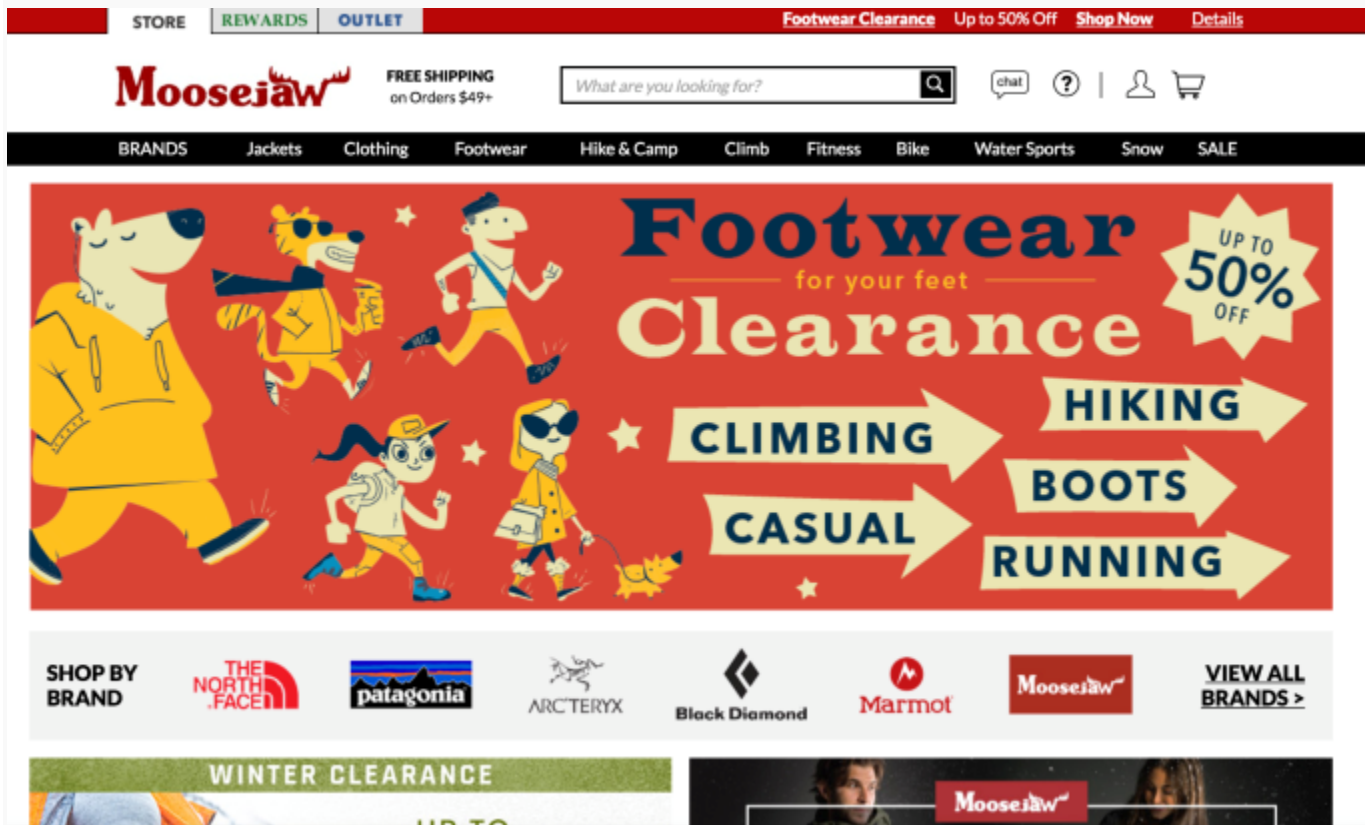
The news follows Walmart's acquisition of online footwear retailer ShoeBuy last month, which took place by way of Jet.com, a company Walmart itself [purchased](#) last summer for \$3 billion. With the addition of Moosejaw, Walmart now operates a number of standalone brands, [including also Hayneedle Inc.](#), another Jet.com purchase, as well as Sam's Club.

Moosejaw recently made [Internet Retailer's 2017 "Hot 100" list](#), but Walmart's interest in the retailer has a lot to do with the category it operates in and the industry relationships it brings to the table, in addition to its [expertise in social media marketing](#) which allowed it to attract a younger audience.

The Moosejaw deal will give Walmart another entry point into apparel, a popular online retail category, as the retailer offers over 120,000 SKUs from more than 400 apparel brands, including Patagonia, The North Face, Marmot, Arc'Teryx and others. Beyond clothing and accessories, the store carries related gear for climbing, hiking, camping, snow sports, yoga, swimming and biking.

Clothing and accessories became the largest online retail category for the first time in 2015, [according to comScore](#), and is now an area of increased competition in the e-commerce industry.

Amazon, for example, has been rapidly expanding into clothing with the addition of its own vertical, Amazon Fashion, where it now sells items from over a half dozen private label brands. It's reportedly [working on its own workout clothing](#) and [its own bras](#), too. Yesterday, it was also [reported](#) to be launching its own-label fashion in the U.K.



Founded in 1992 by Robert Wolfe and David Jaffe, Moosejaw today has over 350 employees. The deal closed late in the day on February 13th, and will see Moosejaw CEO Eoin Comerford, his executive team, and all Moosejaw employees joining Walmart's new U.S. e-commerce retail organization. The employees will continue to be based in Michigan, but Comerford will now oversee the outdoor category for Walmart e-commerce, the retail organization [now headed by Scott Hilton](#).

Moosejaw's physical stores will remain open, as well. However, the majority of its business is done online – [as much as 85 percent](#).

"We're thrilled to join Walmart's eCommerce team and look forward to the opportunity to lead the outdoor vertical across their online presence," said Comerford, in a statement. "Our new relationship puts us in a unique position to manage these marketplaces for our brand partners, but inclusion on Jet.com or any of Walmart's e-commerce sites is 100% at each brand's discretion."

As with Jet.com, Moosejaw will continue to be consumer-facing standalone brand, but integrations behind the scenes could help Walmart. Jet and Walmart merged their warehousing and supply chain operations, allowing [Walmart to roll out free, 2-day shipping without a membership](#) in January.

In Moosejaw's case, Walmart will gain access to the industry relationships the retailer has with top apparel brands, which will allow Walmart to discuss carrying select items from those brands on other storefronts, like Walmart.com, Jet or ShoeBuy, if it chose.

"There's going to be a lot of integration on the backend," explains Walmart spokesperson Ravi Jariwala, about the deal's impact at Walmart. "[This will include] things like taking advantage of the bigger scale and leveraging those costs for things like shipping rates, credit card fees, and transaction processing fees," he said.

Jariwala also noted that operating Hayneedle independently worked out well for Jet.com, and this is how Walmart will proceed with Moosejaw as well.

"That's a model we're looking to replicate," he said.

Image credit: Getty Images; Ascent Xmedia/taxi