

Rumored Walmart partnership could reboot Synchrony's growth after underwhelming Q1

Article

The news: Synchrony's purchase volume inched up 3% year over year (YoY) to hit a **first-quarter** record of \$41.56 billion. Growth was marginally higher than last quarter and a year

ago.

- The number of average active accounts fell 1% to 69.5 million, and **new account volume fell 7% to \$5.2 million.**
- Purchase volume per account grew 4% to \$598.
- **Profit before tax narrowed 36% YoY to \$790 million.**

Breaking it down: CEO Brian Doubles highlighted product diversification and 15 new or renewed partnerships—including with the two largest US dental associations—during Synchrony’s [earnings call](#).

- He praised **health and wellness** as a bright spot, noting that the category’s **purchase volume grew 19% YoY.**
- **Digital purchase volume was up 10%**, driven by an active account increase and strong customer engagement.

But Doubles cautioned that “customers are actively managing their budgets as the macro backdrop evolves,” signaling that conditions could get tougher.

What next? Synchrony could diversify its product offerings— it [teased its own digital wallet](#) last month. But it’s also eyeing a big co-brand opportunity: **Walmart.**

- Doubles said Synchrony was “always in the market for large portfolio acquisitions” when asked about whether it would vie for the retailer’s co-brand. [Walmart sued its current issuer, Capital One](#), this month to terminate their partnership.
- But Synchrony may be reluctant to reopen old wounds and make a firm offer after its last venture with Walmart. It was Walmart’s co-brand issuer for 19 years before the retailer [sued](#) it in 2018 to pursue Capital One.
- Those wounds have yet to even fully heal—Synchrony is still [working](#) on a **\$34 million class action settlement** with investors who sued after it lost the Walmart portfolio.
- But reviving their partnership would open up a huge market opportunity: In its fiscal 2023, Walmart generated **\$611.3 in revenues** and it counts about **240 million weekly customers in more than 10,500 stores.**

The Walmart partnership would also play to Synchrony's traditional strength, which lies in card payments. This would position the issuer strongly as more consumers seek out store credit cards: Interest in applying for a store credit card reached the second-highest level in five years at the end of 2022, [per](#) LendingTree.

Synchrony's Total Purchase Volume, Q1 2022-Q1 2023 billions



Note: purchase volume, or net credit sales, represents the aggregate amount of charges incurred on credit cards or other credit product accounts less returns during the period
Source: Synchrony earnings report, Q1 2023

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