

Walmart eyes growth in international markets and retail media

Article

The strategy: Even as US inflation causes **Walmart** shoppers to pull back on nonessential spending, the retail giant remains bullish about its ability to identify and invest in high-margin growth areas such as bolstering its international revenues and expanding its retail media offerings.

- The company's guidance suggests its profit growth will outpace sales this year. CFO **John David Rainey** said last week he expects that inflection to grow even larger next year.

Walmart's focus: Walmart has a multipronged strategy to reinforce its flywheel to spur growth. Among the areas it is focusing on are:

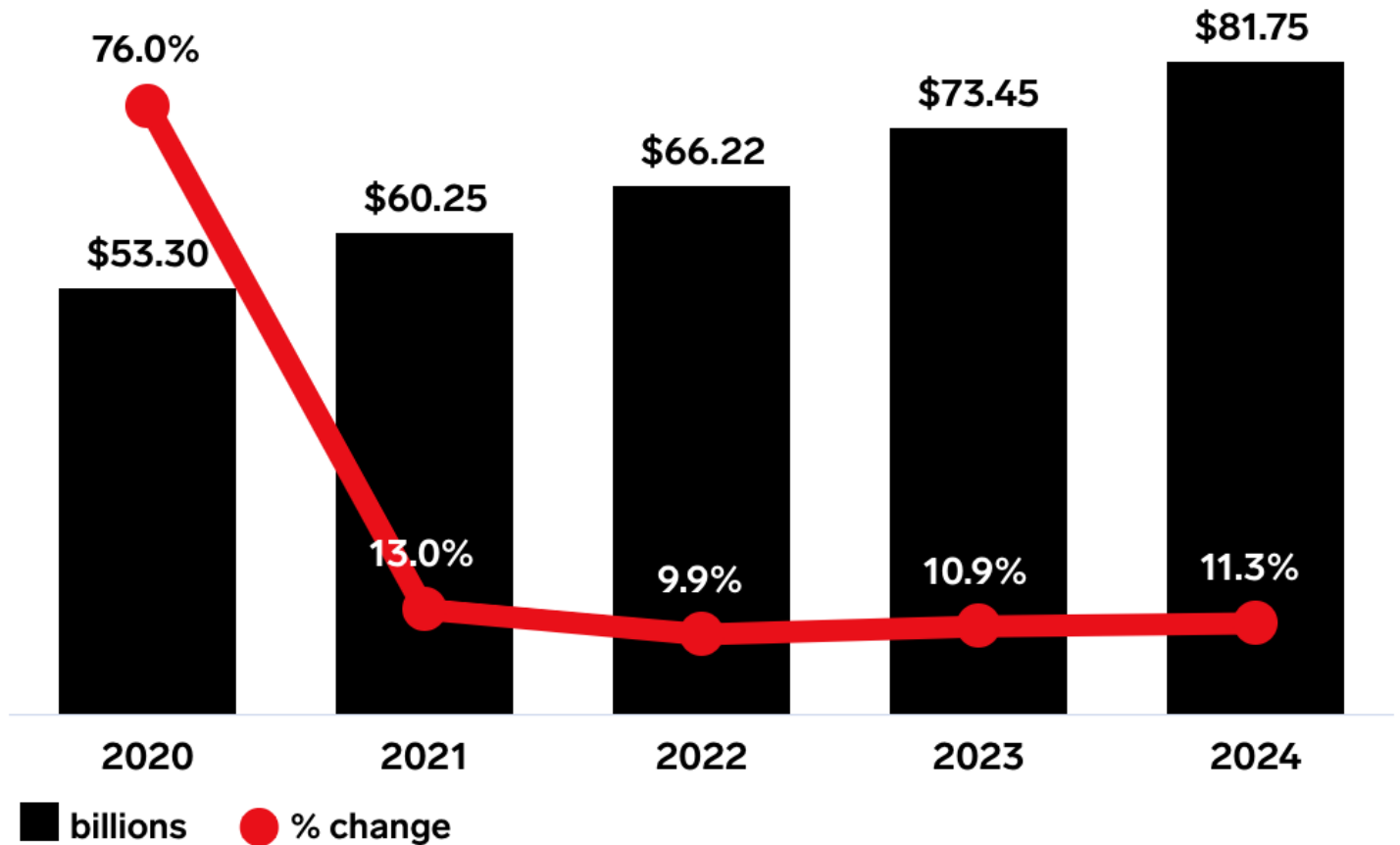
- **Physical stores.** The retailer is remodeling stores to improve their front- and back-facing functionalities, which is key to its omnichannel strategy. Remodeled stores feature a new layout with better sightlines, new merchandizing, and digital shelf tags. The company also recently said it expects around 65% of its stores will be serviced via [automation](#) by 2026 as it looks to make its supply chain more connected, efficient, and responsive to consumer demand.
- **Digital presence.** Walmart in April launched a [digital presence](#) redesign that aims to push shoppers to discover (and buy) items that they may not have been seeking. Our [US Walmart Retail Ecommerce Sales Forecast](#) expects the retailer's online sales will grow 10.9% this year. The company's ability to drive sales on its website is essential to attracting third-party sellers to its online marketplace (and to selling those sellers high-margin services), as well as luring advertisers to its Walmart Connect platform.
- **Retail media.** The retailer is on a relentless push to expand the reach and capability of its advertising business. It recently added new [creative partners](#) to drive more small- and medium-sized businesses to the fast-growing platform by providing them access to resources to build more effective campaigns. It also began testing two new in-store ad formats—in-store demos and in-store audio ad spots—to provide advertisers another way to connect with new and hard-to-reach customers.
- **International sales.** The company plans to reach \$200 billion in gross merchandise volume in foreign markets within five years, which is double its current rate, said **Judith McKenna**, president and CEO, Walmart International. Walmart aims to scale its existing and new marketplaces in the 19 foreign countries in which it operates. It also aims to replicate its model in Mexico where it offers a range of options such as telecom, financial services, and healthcare.

The big takeaway: Walmart is making long-term bets that should pay off whether the economy heads south and consumers look for value, or if conditions improve and shoppers focus on convenience.

Go further: Read our [Retail Media Ad Spending Forecast H1 2023](#) report.

Walmart Inc. Retail Ecommerce Sales

US, 2020-2024



Note: represents the gross value of products or services sold on walmart.com and samsclub.com (browser or app), regardless of the method of payment or fulfillment; includes third-party sales from its marketplace; excludes travel and event tickets

Source: eMarketer, February 2023

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