

Why Walmart is growing Walmart+, retail media, and B2B ecommerce

Article

A more accessible and expansive Walmart+ membership will help the retailer to reach 29 million subscribers this year, while in-store retail media formats could boost ad revenues. A push into B2B, logistics, and international markets may also prove lucrative.

Here's what Walmart has been up to.

Hit subscribe: **Walmart+ membership will grow** 10.4% this year to over 29 million users, per our forecast. Driving growth are Walmart's efforts to make its membership more accessible and comprehensive.

- Walmart said it would give away up to 20,000 **free one-year Walmart+ memberships** as part of its Mother's Day campaign.
- With **Walmart+ Assist**, consumers on government assistance can sign up for Walmart+ at half the price.
- Walmart has launched **Walmart+ Travel**, a partnership with Expedia Group that offers travel benefits to members.
- The retailer also hosted Walmart+ Week, its answer to Amazon Prime Day, which may have boosted membership adoption.

While Walmart+ membership lags behind market leader Amazon Prime, it's still in its early days with room to grow. The program may just need to find the right mix of perks to make it an easy choice for customers.

Ad-ding up: As it continues to build out its advertising business, Walmart is **bringing retail media in-store**, focusing on ad formats like audio and product demos.

- Walmart's retail media network, Walmart Connect, began piloting its in-house product demo program in April across 25 stores. Now, demos are offered at more than 120 stores, with the goal of 1,000 by the end of 2023.
- Walmart has also introduced ad spots to Walmart Radio, giving advertisers the ability to purchase ads by region or by store.

Walmart will grow its US retail media ad revenues by 39.1% this year to reach \$3.16 billion, according to our forecast. With these new capabilities, Walmart can use its massive physical footprint to gain a competitive edge over Amazon's limited brick-and-mortar presence.

Side hustle: Outside of its core US retail business, Walmart is investing further in B2B, fulfillment, and international markets.

- The retailer has made recent updates to its **Walmart Business services**, including a new app, a streamlined ordering process, and spend analytics.

- Walmart is working to **partly or fully automate some of its US warehouses** to speed up delivery times and lower its costs.
- Most recently, **Walmart paid \$1.4 billion to buy out Tiger Global's** remaining shares in Indian ecommerce startup Flipkart.

It's unclear when consumers will start to spend more freely on discretionary categories, so Walmart is smart to seek out other revenue sources. **B2B ecommerce** is a particularly wise choice for Walmart: The market will hit \$1.857 trillion this year, and with no established category leader, Walmart could corner a large piece of the pie.

This was originally featured in the Retail Daily newsletter. For more retail insights, statistics, and trends, [subscribe here](#).