

Walmart battles it out with Amazon for marketplace share

Article

The news: Walmart is rolling out new features for sellers on its marketplace as it looks to challenge Amazon's dominance.

- The retailer will let merchants with physical stores use its technology to enable in-store pickup and same-day delivery.

- Sellers will also be able to use Walmart Fulfillment Services (WFS) to ship big and bulky items.
- More brands will have the opportunity to create their own dedicated online storefronts to differentiate themselves from the competition and highlight specific products.

Walmart's growth opportunity: Walmart considers its marketplace to be a cornerstone of its strategy to grow sales and profits, especially as its expanding grocery business weighs on margins.

- So far, it's seeing results. The number of shoppers who purchased items from Walmart's marketplace rose by 14% year-over-year (YoY) in Q2, helped by a nearly fourfold increase in the number of available SKUs.
- Its marketplace initiatives are helping its bottom line by enabling the retailer to capture more revenues from seller fees, fulfillment services, and advertising. Walmart's global ad revenues grew 35% in Q2, while the number of sellers using its fulfillment services grew by over 50% YoY.
- The retailer is also bringing its marketplace to new regions, including Chile, increasing cross-border opportunities and growing its potential audience.
- **Our forecast** expects Walmart's marketplace ecommerce sales to grow 12.6% this year to \$8.57 billion, slightly faster than Amazon's projected 11.1% growth.

Amazon makes moves: Amazon hasn't stood by idly during Walmart's expansion phase; instead, the company has been busy growing its fulfillment business and looking for ways to drive more shoppers to sign up for Prime.

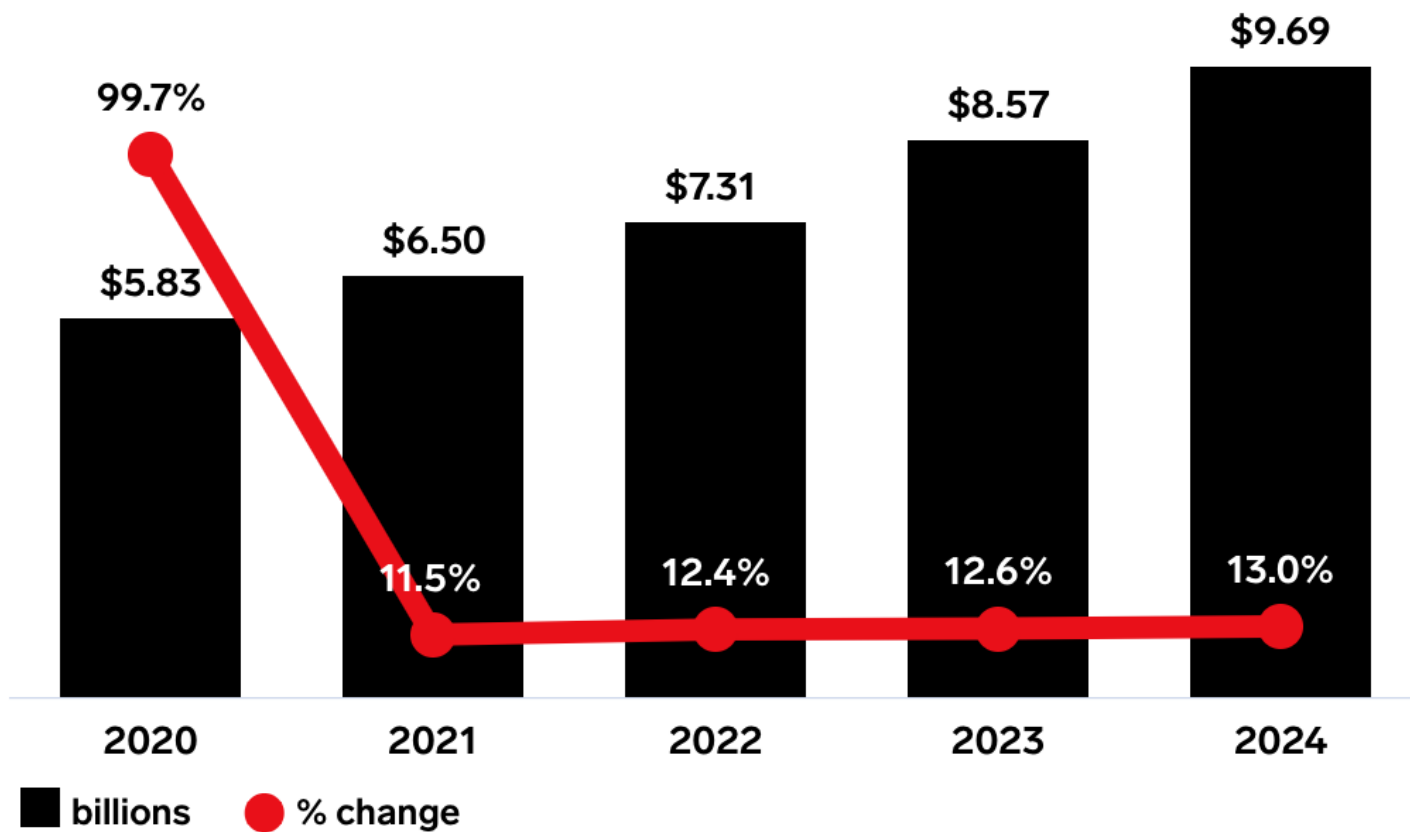
- Amazon relaunched its **Amazon Shipping** service, which lets sellers utilize its ground shipping capabilities for items sold on their own websites as well as on rival marketplaces. While the offering is currently only available for Amazon sellers, the company could eventually open it up to other retailers, which could limit the revenues Walmart sees from its fulfillment business.
- The retailer also recently reopened its **Seller Fulfilled Prime program**, which allows merchants to use logistics services other than Amazon's own to deliver goods—a move that could bolster its seller appeal.
- And Amazon's upcoming **Prime Big Deal Days** sale in October will only cement its marketplace dominance.

The big takeaway: While Walmart is seeing early returns from its marketplace investments, it has a lot of ground to make up: Walmart's share of total US marketplace ecommerce sales will hold steady this year at just 2.2%, while Amazon's share will rise to 72.4%.

Go further: Check out our latest [US Retail Ecommerce Marketplaces forecast](#) for more on what Amazon and other retailers are doing to grow marketplace sales.

Walmart Inc. Marketplace Ecommerce Sales

US, 2020-2024



Note: represents the gross value of products sold on walmart.com (browser or app) by third-party sellers, regardless of the method of payment or fulfillment; excludes first-party sales

Source: Insider Intelligence | eMarketer, June 2023

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