

Walmart's New Campaign Spotlights Digital Grocery Business

Article

Walmart is doubling down on its digital grocery efforts with a splashy new campaign promoting Walmart Grocery Pickup, its click-and-collect service.

The campaign, which debuted during the Golden Globes award show, uses famous vehicles from film and television—including the Batmobile, the DeLorean from "Back to the Future"

and Scooby Doo's Mystery Machine—to highlight the convenience and ease of buying online and picking up in-store (BOPUS).

But the marketing effort isn't limited to traditional linear TV. In a blog post, Walmart's CMO Barbara Messing wrote that it's cross-platform, with creative being spread across social media, online video, radio and in-store platforms.

The campaign comes as Walmart and Amazon continue to fight for supremacy in the US digital grocery space. A **Deutsche Bank Securities report** published in October predicted that, by the time 2018's sales were counted, Walmart would likely overtake Amazon as the largest digital grocery player in the US.

Similarly, data from The Retail Feedback Group shows that Walmart might hold a slight advantage over Amazon among consumers. The November 2018 survey of US digital grocery shoppers found that 33% had bought groceries from Walmart online within the past month, compared with 31% for Amazon.



Competition between Walmart and Amazon will only heat up in the near future, largely because digital grocery shopping is one of the few sectors where there is still significant room for growth.

We estimate that food and beverage will account for only 2.9% of retail ecommerce sales in 2019. However, the sector's annual online sales growth will hit 17.9% this year, a higher rate

than any other product category we measure.

Click-and-collect models like Walmart Grocery Pickup offer benefits to both consumers and merchants that may make online grocery sales more viable in the coming years.

On the customer side, click-and-collect allows shoppers to see, touch and smell fresh foods themselves, eliminating worries that they might get saddled with goods that have wandered past their expiration date.

Meanwhile, for retailers, click-and-collect eliminates the need to manage last-mile logistics, which becomes even trickier when perishable goods are thrown into the mix. That's no small feat, given that last-mile delivery can account for a substantial portion of overall delivery costs.