

Walmart's ecommerce business is still growing a year into the pandemic

Article

The retail giant saw US comparable sales rise 6% year-over-year (YoY) in its last fiscal quarter (ending May 1, 2021). This growth was partly attributed to a continued surge in ecommerce sales, which rose 37% YoY and has more than doubled over the last two years. While its US comparable and ecommerce sales rose, both experienced a slowdown from the year prior, when the metrics jumped 10% YoY and 74% YoY, respectively. But last year's spike was fueled

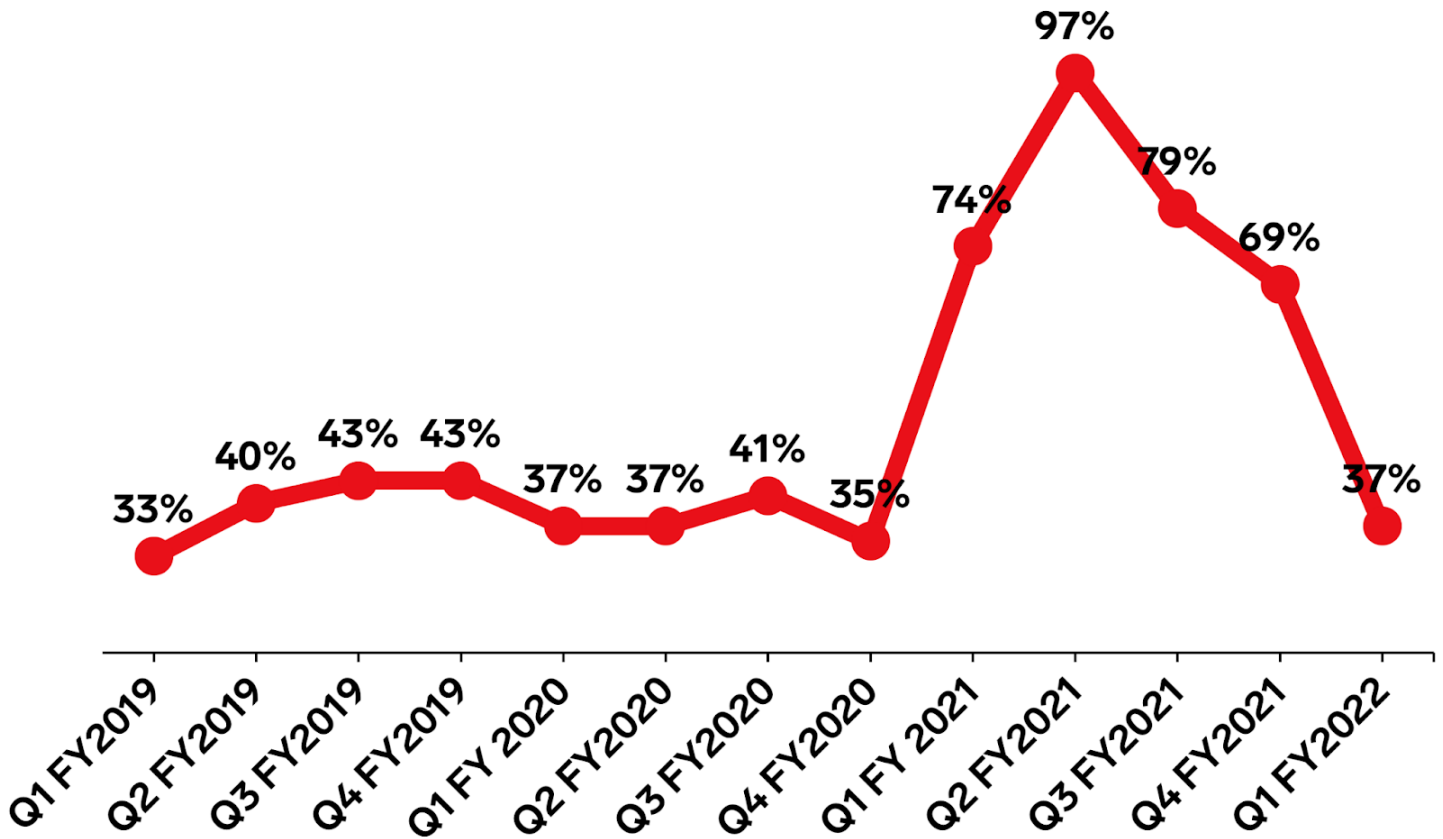
by the start of the pandemic—when consumers focused on buying essentials and quickly shifted online.

Walmart also gained market share in groceries despite rumors the retail giant faced serious challenges in the industry:

- **Walmart saw a low single-digit decline against last year’s grocery boom, but the retail giant gained market share in the category.** Grocery sales fell [compared](#) with the same quarter last year, when consumers began hoarding food and other essentials. However, the retail giant said it gained share in the US grocery market compared with the same period last year, though without disclosing any numbers, which may mean its grocery business is trending positively.
- **The retailer’s improved market share is surely welcome news considering a leaked memo revealed Walmart is worried about losing its leadership position in the online grocery market.** The internal [memo](#) from February viewed by [Recode](#) called attention to Walmart’s competitive struggles in 2020. It said Walmart’s share of the online grocery market dropped from 40% before the pandemic to 31% in February, while Instacart’s share jumped from roughly 20% to 30%. The pandemic put a spotlight on online grocery services, Instacart’s specialty, but Walmart’s market share growth could mean its online offerings are helping fend off competition.

While Walmart benefitted from the surge in ecommerce, the potential in-store retail rebound could strengthen its position against competitors that have also taken advantage of rising ecommerce. Walmart has seen heightened competition from Amazon, Instacart, and other digital-focused firms, with each beefing up their ecommerce offerings during the pandemic and turning in impressive online sales. But as people begin to [shop](#) in stores regularly again, Walmart can try to build consumer loyalty by offering convenient grocery and general shopping options with both its existing digital experiences and its massive store network, possibly making it more appealing than ecommerce-focused firms and helping it build up its grocery and overall ecommerce market share.

Walmart US Ecommerce Annual Sales Growth



Source: Walmart, 2021

Methodology: Walmart released these figures as part of its fiscal Q4 2021 (ended January 29, 2021) earnings report on February 18, 2021 and its fiscal Q1 2022 (ended May 1, 2021) earnings report on May 18, 2021.

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