

What marketers need to know about Walmart in 5 charts

Article

Last week, Walmart's head of sales, Ryan Mayward, shared his plan to convince advertisers to **divert their social and TV budgets to retail media** using the retailer's extensive ad capabilities.

To give marketers a scope of Walmart's capabilities, these five charts show the retail giant's positioning in ecommerce sales, retail media, search, subscriptions, and AI.

1. Walmart ranks high in ecommerce sales, but plays second fiddle to Amazon

US Walmart Ecommerce Sales, 2019-2024

billions, % change, and % of total retail ecommerce sales



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, Feb 2023

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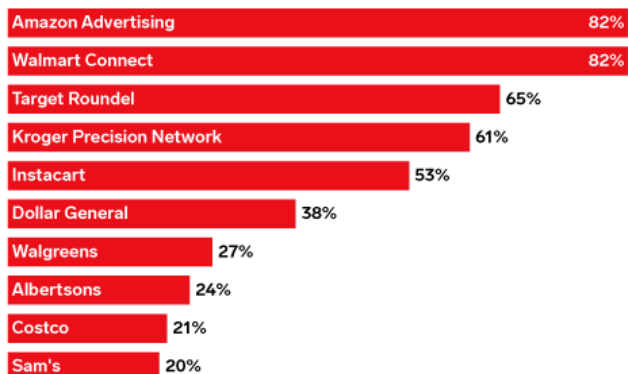
This year, Walmart ranks second on our list of **top 15 US retail ecommerce companies** by retail ecommerce sales share, making up 6.4% of total retail ecommerce sales, way behind Amazon's 37.6%.

In terms of sales growth, Walmart sits third (behind Carvana and Chewy), with sales growing 10.9% this year and 11.3% next year to reach \$81.75 billion, according to our forecast.

2. Its physical footprint presents massive opportunities for in-store retail media

Leading Retail Media Networks Used by US Marketers, Summer 2022

% of respondents



Note: in the past year

Source: Association of National Advertisers, "Retail Media Networks: A Forced Marriage or Perfect Partnership?" Jan 30, 2023

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Walmart will grow its ad revenues by 39.1% this year in the US, faster than Amazon, Etsy, and eBay, according to our forecast. However, its \$3.16 billion in ad revenues are only a fraction of Amazon's \$33.96 billion.

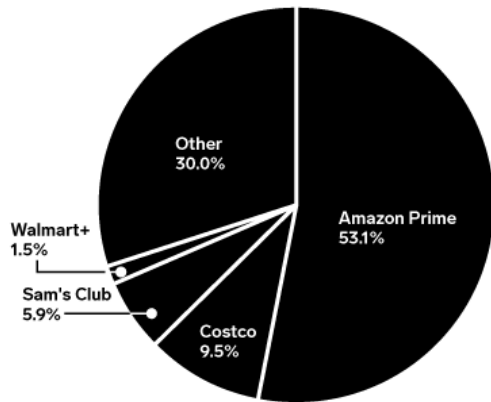
The next phase of retail media will be marked by a move to in-store media formats, according to our analyst Andrew Lipsman. To capitalize on its massive physical footprint, Walmart is building new in-store retail media experiences like demos, events, and in-store screens, Rich Lehrfeld, senior vice president and general manager at Walmart Connect, said during our virtual summit in March.

"The majority of our sales are happening in-store," said Lehrfeld. "And we want to make sure we have value propositions that can reach customers in that mode."

3. Walmart+ lags behind Amazon Prime

US Paid Retail Membership Fee Revenues, by Company, 2023

% of total



Note: includes membership programs where a retail store offers access to exclusive benefits or discounts in exchange for a recurring monthly or annual fee; excludes delivery services
Source: eMarketer, March 2023

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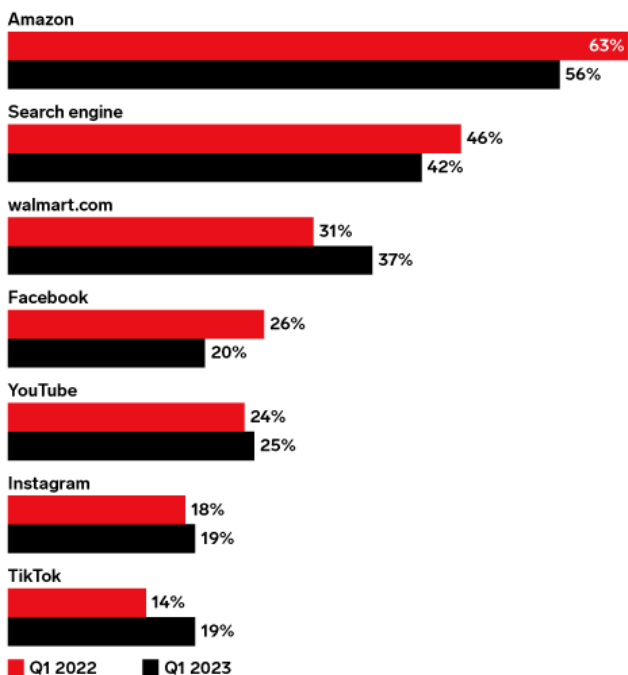
Three years after its launch, we forecast that **Walmart+ will reach 29.2 million users in 2023**. To encourage adoption, Walmart has added a range of discounts and perks to the service, including a **cash-back rewards program**, a free subscription to Paramount+, and even its own answer to Amazon Prime Day.

Despite its efforts to compete with Amazon, it still makes up only 1.5% of total US paid retail membership fee revenues, trailing behind Sam's Club and Costco.

4. Search is one area where Walmart is overtaking Amazon

Where US Consumers Start Their Search When Online Shopping, Q1 2022 & Q1 2023

% of respondents



Note: ages 18+; respondents could select multiple options; responses for "none of these" and "other" were excluded

Source: Jungle Scout, "Consumer Trends Report: Q1 2023," March 21, 2023

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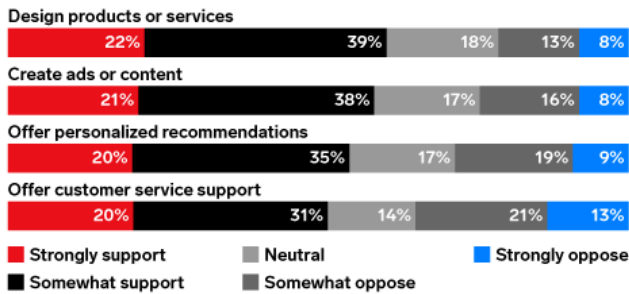
US consumers are increasingly turning to Walmart.com to start their online shopping searches, while Amazon, search engines, and Facebook are losing share, according to Jungle Scout.

To make it easier for consumers to discover products via online search, **Walmart recently revamped its website and app**, implementing a homepage that encourages shoppers to scroll through products as they would on social media platforms. The redesign also provides a more curated experience to better showcase its product offerings.

5. Walmart is all-in on AI

Attitudes Towards Brand Uses of Generative AI Among US Adults, Mar 2023

% of respondents



Note: n=1,000

Source: Dentsu, "Dentsu Consumer Navigator: Generative AI 2023," March 31, 2023

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Walmart is using OpenAI's GPT-4 and other language models to help it advance its conversational AI capabilities, which include its Text to Shop feature (allowing customers to add items to their cart by texting or speaking) and an internal chatbot employees use for customer care purposes.

Generative AI will become table stakes for retailers in the years ahead, Desirée Gosby, vice president of emerging technology at Walmart Global Tech, told [VentureBeat](#). AI will "be as big a shift as mobile, in terms of how our customers are going to expect to interact with us," she said.

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