

Walmart Connect is making significant strides in retail media

Article

The news: Walmart is gaining significant ground in retail media against major competitor Amazon. Nearly half (46%) of marketers have used **Walmart Connect** this year, up from just 24% in 2023, per Digiday.

Walmart's path: The retailer has fleshed out its retail media business this year, scoring key partnerships and acquisitions that are bolstering its capabilities and helping it claim a larger

share of digital advertising's [fastest-growing sector](#).

- Walmart and **NBCUniversal** [began a partnership](#) last year to bring shoppable advertising to sports livestreams on **Peacock**, allowing advertisers to tap into connected TV's (CTV) hyperspecific targeting capabilities. Walmart and NBCU teamed up again for shoppable ads during Thanksgiving Day **NFL** games, and other partnerships are likely to follow.
- The company's pending [\\$2.3 billion Vizio acquisition](#) could help it make further inroads into the CTV and retail media markets, reducing its reliance on third parties.
- Walmart also has a unique edge that retail media leader Amazon doesn't: In-store inventory. With about 5,200 Walmart and **Sam's Club** locations in the US, Walmart can offer in-store ad inventory that meets shoppers where they make purchases. We expect US in-store retail media ad spending to reach \$360 million this year and \$1 billion by 2028.

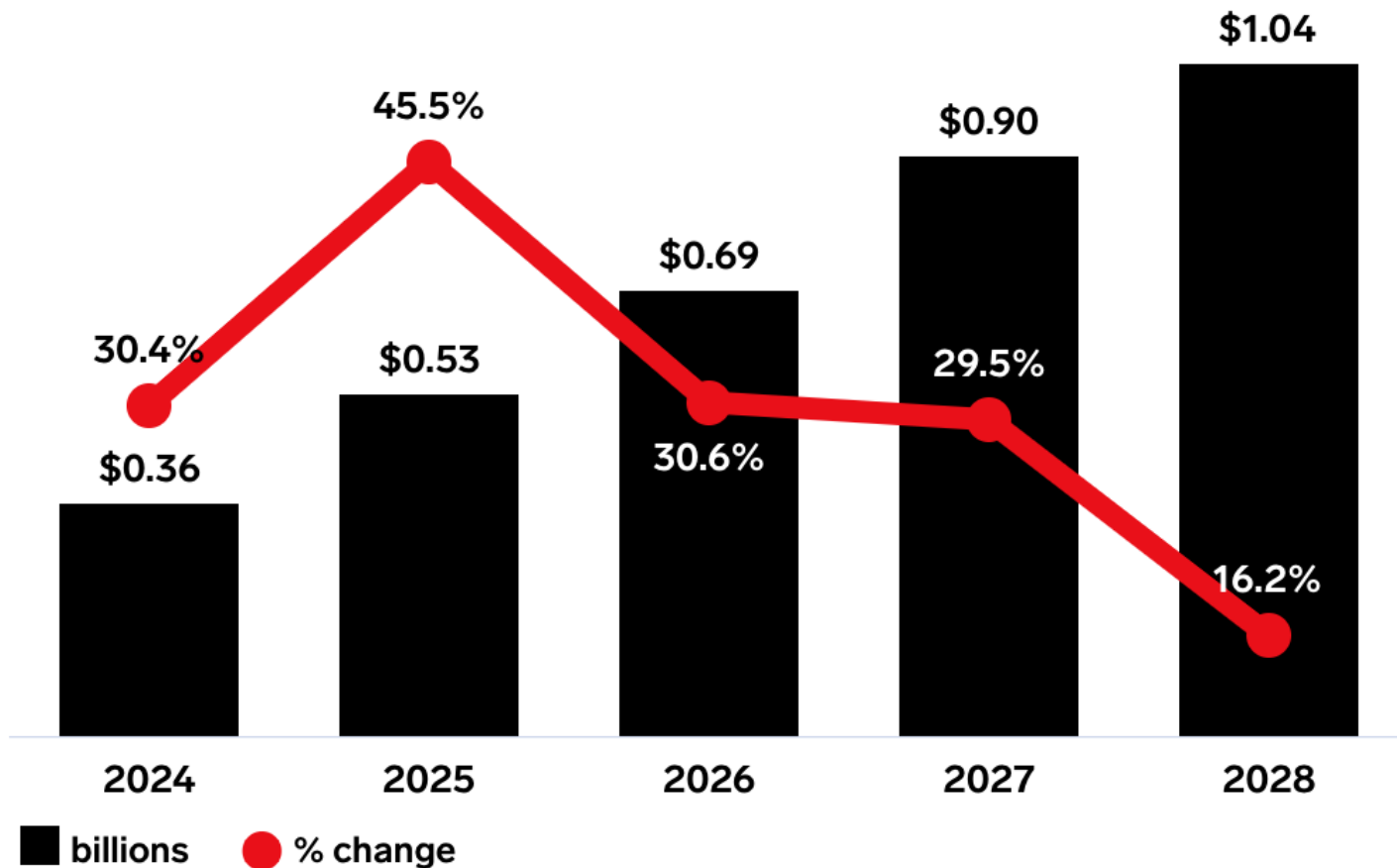
Walmart's retail media success is evident in its [quarterly results](#). Advertising now accounts for approximately one-third of Walmart's overall income. Its ad business grew 28% in Q3 and 26% in Q2, [outpacing Amazon's growth](#).

Our take: Walmart still has a long way to go to overtake Amazon's lead, but its key partnerships and unique offerings have helped it make significant strides in just one year. As demand for its ad space rises, the company is reportedly setting prices more rigidly and moving away from negotiating individual deals to standardize its offerings.

Walmart and Amazon both benefit from a lack of standardization in retail media, which makes it difficult to measure the success of campaigns across different platforms. Advertisers who become reliant on one retail media platform may be hesitant to test other waters.

In-Store Retail Media Ad Spending

US, 2024-2028



Note: digital advertising that appears on a retailer's on-premise signage, either in-store or in the immediately adjacent exterior (e.g., parking lot); includes place-based advertising at grocery stores, gas stations, restaurants, etc.; excludes common area signage not directly affiliated with a retailer (e.g., inside of malls)

Source: EMARKETER Forecast, November 2024