

# Pets, membership perks, and smaller-format stores: Three predictions for how Walmart can continue to expand

Article

Walmart may be playing catch-up to [Amazon](#) when it comes to ecommerce and [retail media](#), but recent moves like its \$2.3 billion acquisition of Vizio are giving the retailer momentum.

But what are some other big moves that Walmart can make to grab more attention, [loyalty](#), and customers?

### **Prediction #1: A plus-sized Walmart Plus**

“So this is not the hottest or spiciest prediction,” our analyst Zak Stambor said on a recent episode of [“Behind the Numbers: Reimagining Retail”](#), “but I think Walmart is going to broaden the suite of services it offers under Walmart Plus.” That’s partly because it’s getting pressure from competitors.

“So [Target next month plans to launch a new membership service](#), Target Circle 360, which for Target Circle credit card holders will be about half the price of Walmart Plus,” he said. Walmart Plus also competes with Amazon Prime, which includes everything from fast, free shipping to video and music streaming services to photo storage, to discounts at Whole Foods.

“And so while Walmart Plus offers some bells and whistles in addition to free delivery, I think there's a lot of room for it to expand the breadth of perks to entice people to sign up and to stay enrolled,” he said.

**Verdict?** “I am curious about what those perks might look like,” said our analyst Sara Lebow. “Amazon has a full media channel, a full streaming platform. Walmart, I don't think, is going to start making content any time soon.”

### **Prediction #2: Pet path**

“Walmart is going to lean even more into the pet industry and forge a partnership with Chewy,” said our analyst Becky Schilling. “Walmart opened their veterinary and grooming space in a store outside of Atlanta last September. And when it comes to market share, we know that people spend a lot on their pets.”

Our forecast expects pet product sales to grow 6.1% to \$83.28 billion. But growth is sliding since peaking at 26.7% in 2021 during the pandemic pet boom.

**Verdict?** “I think it's a great idea,” said Stambor. “As Walmart expands its store count, it's leaning into larger stores. There's plenty of space for this sort of offering, and it's just another way to get people into the stores.”

### **Prediction #3: Small stores in the big city**

“My pitch is that Walmart will open up a smaller-format store for grocery targeted at higher-income people,” said Lebow. “This is the Whole Foods of Walmart.”

**Verdict?** “I just don't think Walmart really gets the urban consumer in a way that would make it work,” said Stambor.

Walmart has struggled in urban markets, and last year closed half of its stores in Chicago.

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