

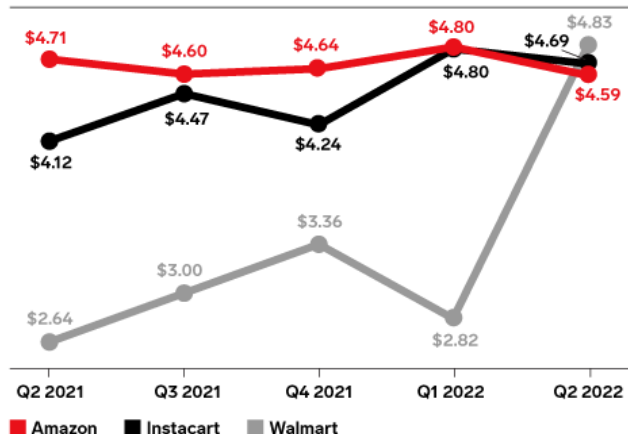
Walmart's retail media network enhancements gave it an edge over Amazon in Q2

Article

The insight: Sponsored product ads on Walmart.com delivered higher return on ad spend (ROAS) than similar placements on Amazon in Q2, per an analysis by Pacvue and Helium 10.

US Amazon, Walmart, and Instacart Return on Ad Spending (ROAS) for Sponsored Product Ads, Q2 2021-Q2 2022

dollars



Note: based on campaigns analyzed by Pacvue and Helium 10, broader industry metrics may vary
Source: Pacvue and Helium 10, "Q2 2022 CPC Report" powered by Assembly, July 15, 2022

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A closer look: Walmart's vastly improved performance can be attributed to two key updates to its retail media network: enhanced search relevancy and a switch to the second-price auction model.

- The retailer improved the reach and relevance of sponsored ad listings by taking into account factors such as customer intent, contextual relevancy, and historical performance when determining placement.
- As part of this update, Walmart expanded the amount of inventory available, giving brands more opportunities to reach shoppers.
- Walmart's advanced second price auction model takes into account both ad relevance and bid price to determine who wins the placement. The winner pays the minimum needed to clear the second-highest bid, which helps lower costs per click (CPCs).

As a result of the changes, **Walmart's ROAS rose 82.95% year-over-year (YoY) in Q2**. CPCs fell 23.08% compared with the previous quarter, while the clickthrough rate rose 43.33%.

Looking ahead: Amazon continues to be the dominant retail media player—[our latest forecast](#) puts the company's share of retail media ad spend at 77%, compared with Walmart's 6.2%. But it's clear that **while Amazon remains as important a channel as ever, other retail media networks can provide just as much—or more—value to advertisers.**

That's especially true this holiday season as sales events drive even more traffic to Amazon and Walmart's sites, giving advertisers the opportunity to get in front of an even larger, highly engaged audience.

Go further: [For more on retail media trends, check out our Retail Media Ad Spending Forecast.](#)

*This article originally appeared in Insider Intelligence's **Retail & Ecommerce Briefing**—a daily recap of top stories reshaping the retail industry. Subscribe to have more hard-hitting takeaways delivered to your inbox daily.*

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