Walmart looks to carve out a share of the \$1.857 trillion B2B ecommerce market

Article



The news: Walmart's fledgling B2B division Walmart Business is adding several tools and services to help it attract and retain small and medium-sized business (SMB) customers.





- The retailer launched a Walmart Business App, which offers multiple fulfillment options, including curbside pickup and direct-to-office delivery scheduling. The app also enables users to access their accounts that can be shared by up to five team members.
- It revamped the ordering process to make it easier to order large quantities, partnered with professional services platform **Angi** to help Walmart Business customers connect with professionals in their area, and added a tool that enables customers who pay for its Walmart Business+ membership to track their organizational spend across several variables such as spend by user and top categories. It is also leaning on marketplace sellers to broaden its merchandise offerings.

The changes, which come about six months after the retailer launched Walmart Business, represent the company's attempt to streamline SMBs' everyday administrative or operational tasks so that they can focus on growing their organizations, wrote Ashley Hubka, Walmart Business senior vice president and general manager, in a blog post.

A massive opportunity: While it is early days for Walmart Business, the retail giant (wisely) sees B2B ecommerce as a massive market that has not (yet) been conquered by any one company.

- US B2B ecommerce site sales will be \$1.857 trillion this year, per our forecast, a 10.8% increase over last year. We expect double-digit growth will continue through 2025, before it slows slightly to 9.7% in 2026.
- If Walmart can carve out a tiny share of that market, it could harness a significant revenue stream.
- That's a lesson that Amazon learned. While our forecast projects the retailer's US Amazon Business division will account for just 2.3% of US B2B ecommerce site sales this year, that's still a \$43.05 billion business, which is why it is looking to expand into more international markets in Europe and elsewhere.
- B2B ecommerce is particularly enticing to Walmart given that it offers high margins that could help offset its growing low-margin grocery business.

The big takeaway: There's plenty of opportunity for Walmart to find a niche within the B2B ecommerce market.

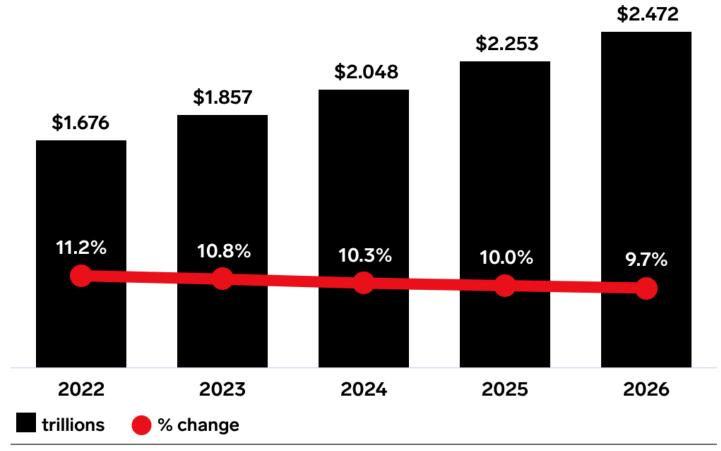




While B2B customers have different needs from B2C, Walmart is well-versed in delivering value and service. The new app and services suggest it is moving quickly to adapt that approach to the B2B market.

B2B Ecommerce Site Sales

US, 2022-2026



Note: the sale of physical products from one business to another that occurs over the internet via an ecommerce site; includes sales directly from a supplier website or indirectly through third-party online stores like marketplaces; includes online orders placed via any device, regardless of the method of payment or fulfillment Source: Insider Intelligence | eMarketer, August 2022

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