

Walmart's delivery service GoLocal kicks off with Home Depot partnership

Article

The news: Walmart is kicking off its new same- and next-day delivery service **GoLocal** with a partnership with **The Home Depot**, per a company announcement.

What this means: For now, the partnership is a win-win.

- The Home Depot can offer same-day delivery before competitors like **Lowe's**, and Walmart gets a big-name client to help launch the service.
- The two have little overlap in product offerings, so there's no worry of competition there.

How we got here: As the demand for home delivery skyrocketed during lockdowns, retailers needed to rapidly expand their delivery offerings to stay ahead of competitors—even Walmart had to lean on intermediaries like **Instacart**.

- But now that Walmart has had a year and a half to build out its own delivery logistics system, it's opening it up to other businesses in the form of GoLocal.
- In the process, Walmart is becoming a competitor to Instacart.

What's next: In the longer term, however, GoLocal's usefulness for The Home Depot will likely wane—just as Instacart's did for Walmart.

- After all, the biggest benefit for The Home Depot is the speed at which it can debut the offering versus those of competitors.
- But given a year or so, it's hard to imagine that a massive retailer like The Home Depot—which will be the fifth-largest business in terms of retail ecommerce sales this year, **per** our estimates—wouldn't also opt to build its own in-house delivery service.
- For Walmart, picking up retail giants as clientele will soon become unsustainable. It will likely start to focus on a base of smaller businesses to grow GoLocal in the future.

Top 5 Retail Ecommerce Sales, by Company

US, 2021, billions

Amazon

\$386.40

Walmart

\$67.39

eBay

\$40.47

Apple

\$35.30

The Home Depot

\$21.42

Source: eMarketer, May 2021

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