

# Here are the top 10 US ecommerce companies for 2021—plus 6 key takeaways from our latest forecast

Article

Our **latest forecast** shows that **Amazon, Walmart, and eBay** will remain the top three largest ecommerce companies in the US by total sales volume, while **Best Buy** and **Target** will usurp **The Home Depot** and **Wayfair** for the No. 5 and No. 6 spots on the 2021 list, respectively.

- Compared with our pre-pandemic February 2020 forecast, we expect that **Best Buy** will move from No. 7 to No. 5 in 2021, while **Target** will move from No. 8 to No. 6.
- **The Home Depot** will fall from No. 5 to No. 7, while **Wayfair** will fall from No. 6 to No. 10.
- **Kroger** will rise to No. 8 by the end of 2021, after first **breaking into our top 10** at No. 9 when we updated our estimates in September 2020.
- **Macy's**, which occupied the No. 10 spot in our pre-pandemic forecast, will no longer be in the top 10 ecommerce companies in 2021.
- **Apple** and **Costco** will hold steady at No. 4 and No. 9, respectively.

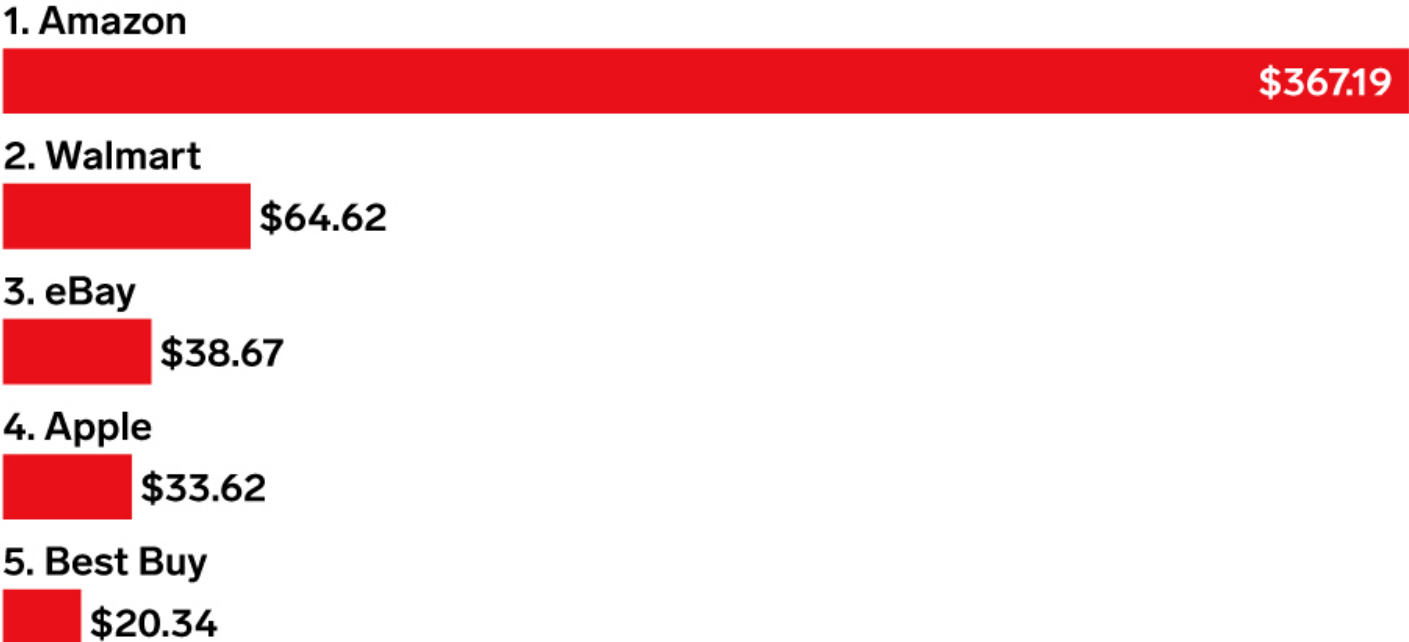
*Note that our list of the top 10 US retail ecommerce companies is updated biannually and was most recently updated in February 2020, September 2020, and February 2021.*

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# Top 10 US Companies, Ranked by Retail Ecommerce Sales, 2021

*billions*

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## 6. Target

\$20.23

## 7. The Home Depot

\$20.02

## 8. Kroger

\$15.04

## 9. Costco Wholesale

\$14.58

## 10. Wayfair

\$13.88

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*Note: represents the gross value of products or services sold on the website of each company listed (via browser or app), regardless of the method of payment or fulfillment*

*Source: eMarketer, Feb 2021*

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## Here are six key takeaways from our new top 10 ecommerce companies forecast:

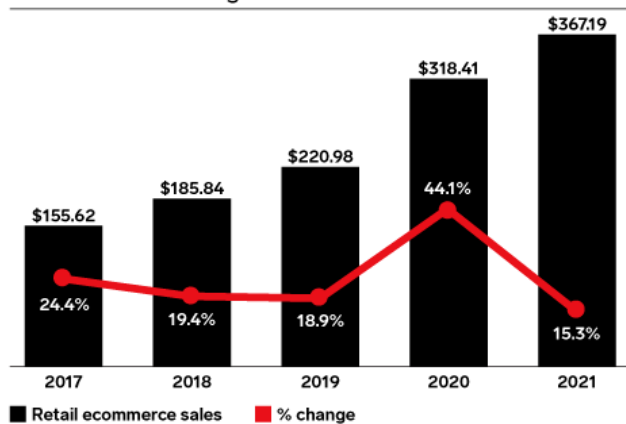
### Amazon

Amazon will remain the No. 1 US ecommerce retailer by a significant margin in 2021:

- Before the pandemic, we estimated that Amazon's US sales would reach \$260.86 billion in 2020, accounting for 38.7% of all ecommerce sales in the US.
- However, the pandemic caused us to revise our 2020 estimates, and we now expect that Amazon's US sales reached \$318.41 billion in 2020, amounting to 39.8% of total ecommerce sales.
- This year, we expect Amazon will increase its market share once again as its US ecommerce sales reach \$367.19 billion, or 40.4% of total US ecommerce sales.

## Amazon US Retail Ecommerce Sales, 2017-2021

billions and % change



Note: represents the gross value of products or services sold on Amazon.com (browser or app), regardless of the method of payment or fulfillment; includes direct and marketplace sales; excludes travel and event tickets, Amazon Web Services (AWS) sales, advertising services, and credit card agreements  
Source: eMarketer, Feb 2021

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**Amazon's forward-thinking investments in delivery speed, fulfillment services, and digital grocery set the company up for success during the pandemic.** It is in the best position of any company to reap the benefits of the long-term ecommerce trends accelerated by the pandemic. For example, Amazon is poised to capture a large chunk of the **growing digital grocery market** with its offerings through Amazon Fresh and Whole Foods. In addition, small and medium-sized businesses (SMBs) are leaning more heavily on ecommerce sales, which means Amazon's bustling marketplace of third-party vendors will fuel further sales growth. We expect Amazon's US marketplace sales will grow by 16.5% to \$220.39 billion in 2021, which amounts to 60.0% of Amazon's total US ecommerce sales.

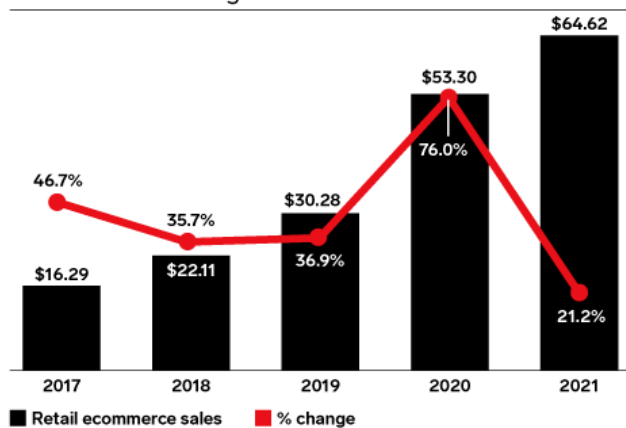
## Walmart

The big-box retailer will emerge as the clear No. 2 ecommerce seller this year:

- Even before the pandemic, we expected Walmart's US ecommerce sales would grow by 27.0% in 2020, reaching \$35.86 billion.
- However, the pandemic caused Walmart's US ecommerce business to grow by 76.0%, generating \$53.30 billion in sales and capturing 6.7% of total ecommerce sales.
- This year, Walmart will make up 7.1% of total US ecommerce sales, putting even more distance between the company and its closest competitor, eBay, but still generating less than one-fifth of Amazon's US sales.

## Walmart US Retail Ecommerce Sales, 2017-2021

billions and % change



Note: represents the gross value of products or services sold on Walmart.com (browser or app), regardless of the method of payment or fulfillment; includes retail ecommerce sales from Sam's Club and third-party sales from its marketplace; excludes travel and event tickets

Source: eMarketer, Feb 2021

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**Walmart has been leveraging its massive brick-and-mortar footprint to drive ecommerce sales via click and collect, and in 2020, the company launched new initiatives that will help it compete more directly with Amazon.** There's Walmart Express Delivery, a 2-hour delivery service for groceries and other items, and Walmart+, a Prime-like subscription service that offers members unlimited free delivery and other perks. In its Q4 2020 earnings report, Walmart said its ecommerce business had its highest quarterly growth rate of the year, mentioning grocery and delivery services in the US specifically. According to the company's president and CEO Doug McMillon, Walmart will use this momentum to accelerate its investments in digital. "As our fulfillment capacity grows, we'll use it to improve the customer experience, expand our first-party assortment, grow our marketplace, and build our fulfillment services business," McMillon said.

## Target

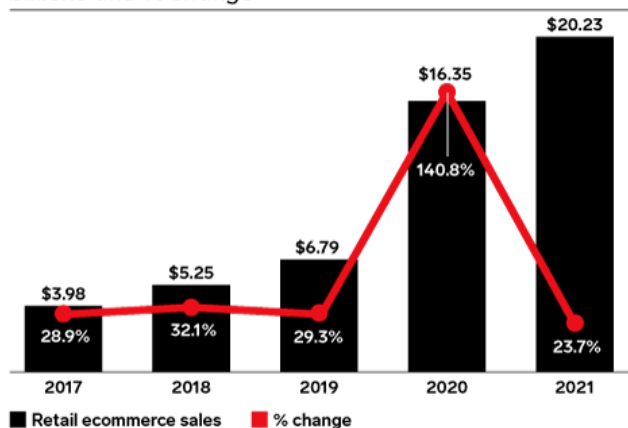
The retailer's ecommerce sales will grow faster than any other ecommerce company this year:

- Similar to Walmart, Target was poised to grow its ecommerce business even prior to the pandemic. We expected the retailer's ecommerce gains in 2020 would be 24.0%, reaching \$8.34 billion in US sales.
- But the pandemic caused growth to skyrocket. We now estimate that Target grew by 140.8% in 2020, reaching \$16.35 billion.

- In the past year, our ecommerce forecasts showed Target growing from No. 8 on our list (February 2020 forecast) to No. 7 (September 2020 update). In 2021, we expect Target will grow by 23.7% to \$20.23 billion, moving to the No. 6 spot.

### Target US Retail Ecommerce Sales, 2017-2021

billions and % change



Note: represents the gross value of products or services sold on Target.com (browser or app), regardless of the method of payment or fulfillment; excludes travel and event tickets  
Source: eMarketer, Feb 2021

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The company has essentially taken a page from Walmart’s playbook, using its physical locations to drive click-and-collect offerings. Target is also investing in the digital grocery sector with Shipt, which delivers products from Target and other retail partners. At a virtual investor day in March 2021, Target announced that it will invest billions of dollars over several years to more efficiently fulfill online orders, and it also plans to open five new warehouses in major urban hubs in 2021.

Target, as a big-box retailer, will have an advantage as more consumers shop for essential items online. Target sells products that fall within the **three fastest-growing verticals** in ecommerce this year: apparel, food and beverage, and health and personal care products. This gives it a competitive edge over the likes of Best Buy and The Home Depot, which mostly sell products within a single vertical. On the flip side, it also means that Target has to compete with Amazon and Walmart for sales of digital grocery and other everyday products. In addition, not only is Target's digital footprint much smaller than those of both Amazon and Walmart, but it also has a much smaller brick-and-mortar footprint than Walmart does. (Walmart has about 4,743 stores in the US, versus Target’s 1,904.) This will make it harder for Target to carve out a larger share of click-and-collect sales.

## Best Buy and The Home Depot

Both retailers generated greater sales numbers in 2020 than expected prior to the pandemic, but Best Buy was the clear winner.

- Demand for consumer electronics soared in 2020 as many people worked and learned from home. As a result, we estimate that **Best Buy's** ecommerce business grew by 135.6% last year—generating \$18.00 billion in US sales and landing it in the No. 5 slot this year.
- **The Home Depot** also saw promising gains in 2020, as the pandemic sparked interest in DIY and home improvement for many housebound consumers. Despite growing by 81.2% and generating \$17.69 billion in US ecommerce sales last year, Best Buy ultimately grew faster, edging The Home Depot out of the top five.

**Best Buy and The Home Depot will see sales cool off in 2021, as demand for consumer electronics and home improvement won't be as great when the pandemic subsides.**

However, Best Buy's pandemic momentum will help it maintain its place in the top five, growing by 13.0% to reach \$20.34 billion in US ecommerce sales. We expect The Home Depot will grow by 13.2% to \$20.02 billion, but it won't reach the same levels as Target, resulting in its No. 7 placement.

## Kroger and Costco

Digital grocery will fuel growth for Kroger and Costco. These two businesses make up a small percentage of total ecommerce sales, but the influx in digital grocery shopping will make Costco and Kroger the No. 3 and No. 4 fastest-growing ecommerce companies in 2021, respectively.

- Prior to the pandemic, we anticipated Costco's US ecommerce business would grow by 19.0% in 2020—reaching \$8.33 billion in sales—while Kroger wasn't even expected to reach the top 10.
- However, soaring demand for digital grocery in 2020 caused Costco's US sales to grow by 75.4%, reaching \$12.23 billion, and Kroger's ecommerce sales to grow by 103.1%, reaching \$12.76 billion.
- Costco's US ecommerce sales will grow by 19.2% this year, reaching \$14.58 billion, remaining steady at No. 9 on our list, where it was prior to the pandemic.



- Kroger's US ecommerce sales will grow by 17.8% this year, reaching \$15.04 billion and placing it at No. 8.

Leveraging brick-and-mortar and partnering with tech companies are key digital strategies for both companies.

- **Kroger** started investing in online grocery several years ago, partnering with UK-based tech company Ocado in 2018, using automation and artificial intelligence (AI) to more efficiently fulfill online grocery orders. Kroger claims its pickup and delivery options are now available to 98% of its customers, and it is expanding its partnership with Ocado to build additional fulfillment centers and roll out in-store fulfillment technology.
- **Costco** has maintained a partnership with Instacart for several years, which it has recently expanded to include click and collect on top of its same-day delivery offering.

## Macy's

The clothing retailer fell out of the top 10 in our September 2020 update, as it became clear that demand for clothing and accessories would not be as high in 2020 compared with the increased demand for products like groceries, personal care, and consumer electronics.

- Macy's did perform better than we expected prior to the pandemic, growing by 31.0% in 2020, reaching \$8.14 billion in US ecommerce sales.
- However, every other company in the top 10 outside of eBay grew faster than Macy's did last year.

**Demand for apparel and accessories will return in 2021 as consumers emerge from the pandemic.** However, Macy's won't receive enough wallet share of the clothing rebound to place it back in the top 10. We expect Macy's US ecommerce sales will grow by 9.0%, reaching \$8.87 billion. For context, we expect Amazon's apparel and accessories business alone will grow by **21.4%, reaching \$58.75 billion** in US ecommerce sales.