

Walmart Connect's enhances network, leverages store footprint, emerging brands

Article

Walmart Connect today announced new in-store and off-site ad inventory, omnichannel measurement tools, and upper-funnel offerings. The **retail media network (RMN)** is providing

advertisers with more opportunities to connect with customers on app, online, and in-store, Rich Lehrfeld, senior vice president and general manager of Walmart Connect, said in an interview with our analyst Sarah Marzano.

Walmart will see \$3.72 billion in US retail media ad revenues this year, per our March 2024 forecast. **Amazon's** US ad business is more than 10 times bigger at \$41.95 billion. But Walmart has one clear advantage over Amazon—store footprint.

Walmart Connect is increasing in-store **retail media** inventory with an enhanced sampling program and self-serve inventory for its TV Wall ads, as noted in a press release. Allowing advertisers to access screen inventory in an automated way and operationalize their campaigns will allow more advertisers to participate, said Lehrfeld.

Walmart is also building out capabilities to measure conversion lift for in-store sales, store lift for in-store demos, and in-store attribution for search ads.

“What we have found is that when people are searching, it leads to a sale in-store and not just online,” said Lehrfeld. Providing this attribution will increase transparency for advertisers and unlock greater ad revenues for Walmart Connect.

Walmart Connect is also encouraging online ad spend from smaller advertisers by providing display advertising to brands of all sizes such that even emerging brands can buy self-service ads. Smaller advertisers need more automation, said Lehrfeld, and Walmart Connect's goal through **programmatic** and auction-based display advertising is to provide that to everyone.

Lehrfeld also emphasized a focus on upper-funnel retail media advertising. The RMN plans to leverage AI and machine learning later this year to build and optimize ad creative. This is another way Walmart Connect will encourage emerging brands to advertise, as these smaller businesses don't always have the resources to draft and iterate on their own ad creative.

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