

Amazon vs. Walmart Benchmark Report



Executive Summary

Historically, Walmart has lagged behind Amazon in performance, scale, and capabilities. Amazon holds strong as the [#1 ecommerce platform](#), but Walmart remains a competitive second to the ecommerce giant. While Walmart's online marketplace is still growing comparatively, it made big moves in 2022 to grow the platform. Sellers and brand owners can expect more similarities and equal opportunities as 2023 continues.

These two marketplaces are more similar than ever since Walmart implemented their second-price business model. This, coupled with Fulfillment by Amazon and Walmart Fulfillment Services, means that sellers might find more similar experiences regardless of where they choose to sell.

However, some major differences remain. As a newer online platform, Walmart has less competition and a lower cost of operation but is limited in sales opportunities with its different audience. Amazon stands as the main platform for ecommerce, making it key for reaching wider audiences faster. However, this all comes at the cost of increased competition and fees.

The average CPC (cost-per-click) for Amazon was **\$0.82**, double that of Walmart at **\$0.41**. While Amazon CPCs continued to increase throughout 2022, Walmart stayed relatively consistent. However, looking into 2023's metrics, Walmart's CPCs notably began increasing, a trend we can expect throughout the year.

Conversion rates were high on both marketplaces, implying that Amazon and Walmart will likely be neck and neck in terms of opportunities and competition in 2023 as both hold viable opportunities for sellers of every size.

Regarding average order value, Walmart appears to offer higher value for sellers at an average of **\$41.56** over Amazon's **\$34.70**. However, it is important to note that Walmart AOV could be inflated due to consumers purchasing multiple items per transaction.

Walmart's ACoS during 2022 averaged out to **9.0%**, while Amazon's was over double at **18.8%**. However, with Walmart's switch to a second-price bidding model, their ACoS notably decreased. As the marketplace continues to grow and competition increases, ACosS will likely increase, bringing Walmart closer to Amazon in 2023.

These benchmarks underscore how focusing on constantly measuring meaningful performance data, with the capability to make changes to your tactics and strategy as that data indicates, is the bottom line for success on both Amazon and Walmart.

Use this data to measure your performance against competitors, against the market as a whole, and as a primary foundation for educating your strategy in the year ahead and expanding into new marketplaces.

Happy selling!



Liz Downing

Sr Manager Partnerships and Events
Teikametrics

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Methodology

The data analyzed in this report is drawn across Teikametrics' client base of thousands of sellers from January 2021 through December 2022.

All metrics are expressed as an average across studied sellers for accurate benchmarking. Significant outliers have been removed.

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Amazon vs. Walmart: Not So Different After All



Back in 2021, Walmart was establishing their spot in ecommerce, trailing behind the powerhouse that is Amazon. The platform lagged behind with fewer sellers, high CPCs, and an outdated bidding model. However, times have changed, and many industry experts recommend selling on the

#2 ecommerce marketplace even if you already have a robust Amazon presence. This is because Walmart has made great strides throughout 2022 in improving their marketplace with seller benefits in mind.

Walmart Switches to Second-Price Model

Getting in line with Amazon's precedent, [Walmart adopted a second-price bidding model](#). Their former approach was a first-price model. This means that the amount you bid is the amount you pay, regardless of the difference between it and the second-highest bid. However, now, Walmart will automatically

reduce that same winning bid to just above the second-place position, like Amazon. Additionally, Walmart's second-price model prioritizes relevance over price. That means you can improve the likelihood of your winning bids by ensuring your listings are optimized to the keywords for which you are vying.

Fulfillment Services for Every Marketplace

Both Amazon and Walmart are great options for sellers who want to list their products and let the platform do the rest. Fulfillment by Amazon and Walmart Fulfillment Services both allow sellers to send their products to their warehouses, which will then manage stock and fulfill orders as they

come in. In addition to saving time and money, sellers find benefits with these services like increased sales due to faster delivery times and access to audiences in locations they would not be able to reach otherwise.

Listing Optimization

While the specifics differ (we'll get into those in a moment), maximizing your listing potential is similar on both Amazon and Walmart. Photos are critical for improving your performance, meaning you should have professional-quality product photos, infographics, size photos, and more.

Keywords are still as important as ever. Whether you're on Amazon or Walmart, they are how customers are going to be able to find your listings. Be sure to follow the platform's guidelines and best practices to ensure you get a bump in searches without penalties from keyword stuffing or missing key fields.

Reputable Brands

One of the biggest advantages to selling on Amazon or Walmart is their branding. Amazon is the largest ecommerce retailer while Walmart has built up years of trust with their brick-and-mortar customers, which has translated to their online marketplace. By setting up an account, you gain instant access to their audiences, who will inherently react more positively to your brand. Additionally, their importance on customer experience will make sure you create

lasting impressions and relationships with your customers.

Another benefit for Walmart sellers is their brick-and-mortar presence. [Forty-one percent of their online audience](#) comes from their familiarity with Walmart's retail stores. This is another testament to Walmart's commitment to consumer experience and the benefits that come from their efforts.

Conversion Matters

Conversions are key. In fact, how well your products convert affects where they appear on search rankings. So if you're selling well on either platform, you're likely to continue to see results. If you're not converting, then it's imperative on Amazon and Walmart to pivot and find a new approach that works.

Why are conversions so important to both Amazon and Walmart? Because they are indicative of positive shopper experiences. Ease, education, and solutions are vital for customers looking for any type of product, and high conversion rates show that these items solve whatever problem the customer has.

02

Where Amazon and Walmart Differ



Varying Fees

Unfortunately for sellers, [Amazon can take up 50% of their revenue](#) through varying fees:

- Transaction (referral) fee: **15%**
- Fulfillment by Amazon fee: **20-35%**
- Advertising and promotions: **15%**
- Amazon pro seller fee: **\$39.99/mo**

Walmart, on the other hand, charges referral and fulfillment fees only when you successfully make a sale. [Depending on the industry, referral fees range from 8% to 15%.](#)

Where's Your Competition

As the #1 ecommerce marketplace, Amazon has attracted many sellers of every size — [1.9 million, in fact](#). Walmart, on the other hand, is currently sitting around [100,000 and growing](#).

Unsurprisingly, competition is drastically lower on Walmart, but their audience is smaller, so weigh your options accordingly.

Listing Prices

When it comes to pricing, both Amazon and Walmart crack down on inflated costs. In fact, both marketplaces will remove listings that can be found cheaper elsewhere. However, to earn the Buy Box on Amazon, you need to focus on more than price alone. While low cost is an incentive, the position will frequently be awarded to sellers using Amazon's fulfillment services as it can consistently provide a better customer experience.

In addition to the requirements stated above, Walmart has further negative penalties for overcharging. If Walmart finds you've listed an item for cheaper on your personal website, you will be delisted on Walmart. Similarly, if you sell the same product as other sellers, the algorithm will boost whoever is selling it for the lowest cost.

Listing Requirements

Walmart's listing requirements are slightly stricter than Amazon. Walmart prefers listings that prioritize customers over algorithms. That means avoiding keyword stuffing, using at minimum four images, using descriptions to detail your products, keeping the language simple, and encouraging sales.

Additionally, Walmart allows for fewer characters and prioritizes shorter descriptions overall. Be sure to avoid copy/pasting between platforms and prioritizing your language to your products and the marketplace.

Amazon also wants a positive customer experience, encouraging sellers to avoid keyword stuffing and prioritizing education. However, the character counts and requirements differ. **Here is what you can expect for both platforms:**

Walmart

Category

- The category fields contain structured information on how products are organized. The more you define your product, the easier it is to search for.

Product Title

- A good Title will make it a lot easier for customers to find your listing when they search using specific keywords. However, don't attempt to "stuff" titles with non-pertinent keywords.
- The Title should be clean and concise, between **50 and 75** characters.
- Recommended formula for a Fashion listing's Title is: Brand + Style Name (if applicable) + Descriptive Feature (if applicable), Material, Clothing Size + Pack Count

Descriptions

- As customers search, they'll gravitate towards results with listings that have more descriptive information and specific key phrases.
- Format your listings to include **3-10** Key Features and a detailed Description paragraph - minimum **150** words is a general guidance, word count requirement varies by product category.

Attributes

- Attributes are values that are used to organize products in site navigation and on shelves, and they also help make listings more visible when customers conduct searches.
- Specify all relevant Attributes to ensure your products show when customers search and browse products using filters on the left-hand navigation.

Amazon

Product Title

- Amazon allows you a product title length of **250** characters. Interestingly, most sellers are staying below **200** characters. While Amazon says you can use up to **250**, they also still have a suppression rule in place that suppresses listings with titles that go over **200** characters.

Key Product Features

- Amazon gives you **1,000** characters to describe your key product features.
- The length of Amazon bullet points varies from category to category. Unless otherwise restricted by Amazon, around **200** characters will give you enough room to define features and incorporate keyphrases into the bullets.

Descriptions

- Amazon gives you **2,000** characters to describe your products and convince customers why you are the best choice.
- Sellers are recommended to keep sentences short and straightforward, highlight uses, add features, and expand on previous details.

Keywords

- Do not keyword stuff, keep language relevant, and be sure to use different backend keywords than in your titles and descriptions.



The 2023 Definitive Guide to Amazon Advertising



The 2023 Definitive Guide to Amazon Advertising

For sellers and brands on Amazon, advertising is a critical element of success. So it's important to understand the opportunities and pitfalls of advertising on the marketplace. We updated our new free Amazon ads ebook for 2023. You'll see it's got all the information and insights you need to launch and optimize your Amazon ad strategy.

Performance Expectations

When it comes to maintaining your status on either platform, sellers must meet certain standards of performance. **On Amazon, sellers are expected to:**

1. Maintain an Order Defect Rate (ODR) under **1%**, tracked over **60** days. ODR is defined by negative feedback, claims under the company's A-to-Z Guarantee, and credit card chargebacks.
2. Keep your Cancellation Rate (seller-canceled orders) at or below **2.5%** over a **7-day** period.
3. Keep your Late Shipment Rate at or below **4%** over both **10-day** and **30-day** periods, for seller-fulfilled orders only.

Walmart provides slightly more leeway than Amazon for its expectations. However, sellers still must:

1. Keep **90-day** ODR at less than **2%**. ODR accounts for orders canceled by sellers, product returns, late deliveries, and customer complaints.
2. Keep your On-Time Shipment rate above **99%**, which you can meet by confirming shipment and entering tracking information before the Expected Ship Data that is created when a product is sold.
3. Maintain a Valid Tracking Rate above **99%**, which you can meet by providing valid tracking data when you confirm shipment.

Want an easy way to stay compliant with these rules? On both Amazon and Walmart, using their fulfillment services ensures that you meet shipment and tracking rates accordingly.



Amazon Updates: Delivery Window & European Expansion Accelerator

With their commitment to making selling easier and more profitable for sellers, Amazon has recently implemented...



Liz Downing

Marketing Manager, Seller Events & Partnerships,
Teikametrics

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Benchmark Data

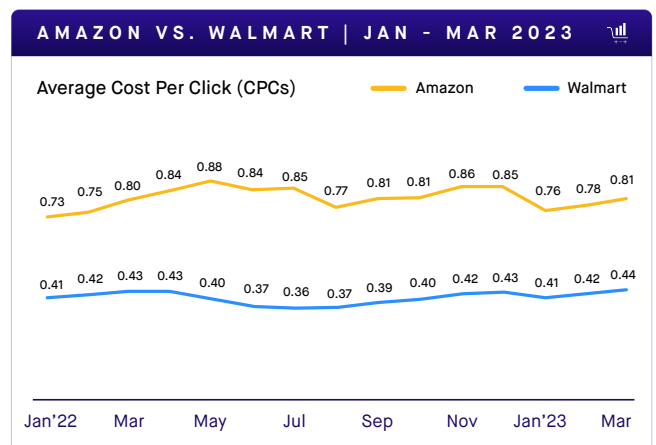
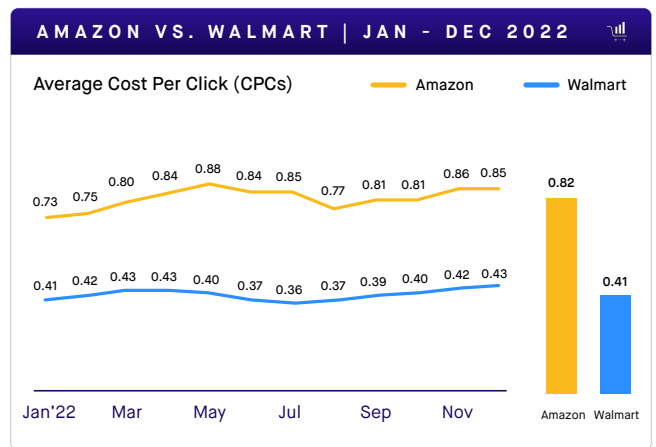


Now that you understand the differences between Amazon and Walmart in terms of how the marketplaces work, let's look at the data we've collected for both marketplaces from January through December 2022. This overview will

provide you with the most important details to maximize your efforts throughout 2023, including Cost per Click, Conversion Rate, Order Value, and Ad Cost of Sales.

Cost Per Click

With **10x** the sellers on the platform, competition is expectedly higher on Amazon than Walmart. However, overall trends remained consistent between the years for both marketplaces. Another notable consistency is Walmart's CPC being half that of Amazon. For now, Walmart seems to be a good choice for sellers looking to save money on costs, however, looking at the data we have from 2023, we expect to see competition increase further, therefore having CPCs become closer on both marketplaces.

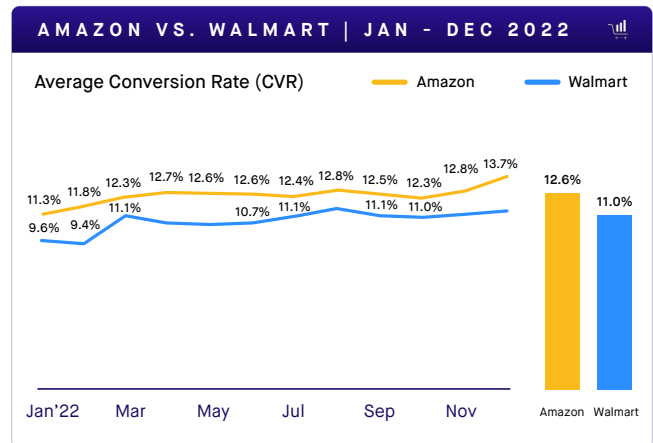


Average Conversion Rate

It's critical to note that Walmart did not offer Ad Orders in 2022 for our reporting. We calculated the average conversion rate by dividing the number of ad units sold by the number of ad clicks.

Due to the popularity of and consumer trust in both marketplaces, conversion rate is consistently high. In fact, Walmart is only slightly behind Amazon in regard to conversion. This shows that customers are coming to Walmart with the intention to make purchases and compelling ads are key in capturing sales. This also portends that Amazon and Walmart will likely be neck and neck

in terms of opportunities and competition in 2023 as both hold viable opportunities for sellers of every size.



Note: Walmart did not offer Ad Orders in 2022
Walmart Avg. Conversion Rate = Ad Units Sold/Ad Clicks

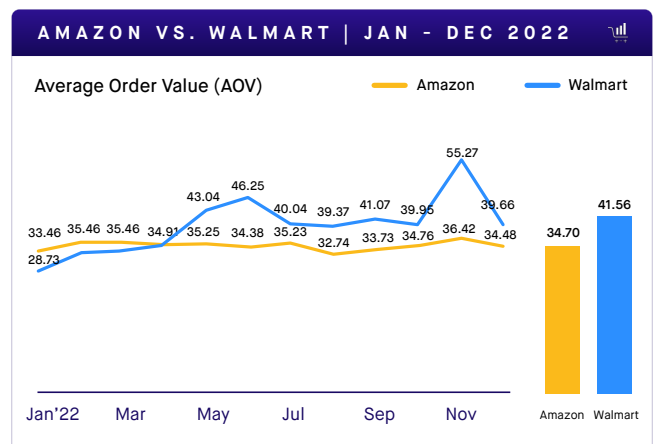
Average Order Value

It's critical to note that Walmart did not offer Ad Orders in 2022 for our reporting. We calculated the average order value by dividing the number of ad sales by the number of ad units sold.

With an average of **41.56** over Amazon's **34.70**, Walmart appears to have offered higher value per order than Amazon. However, sellers may be disappointed if they were to shift all of their efforts to the marketplace.

Since Walmart is one of the largest grocery retailers, many customers will buy multiple items per order, like food for the week or household necessities. While Amazon can provide similar

services, it is not on the same scale as Walmart, which ultimately leads to larger average order values regarding Walmart's average order value.



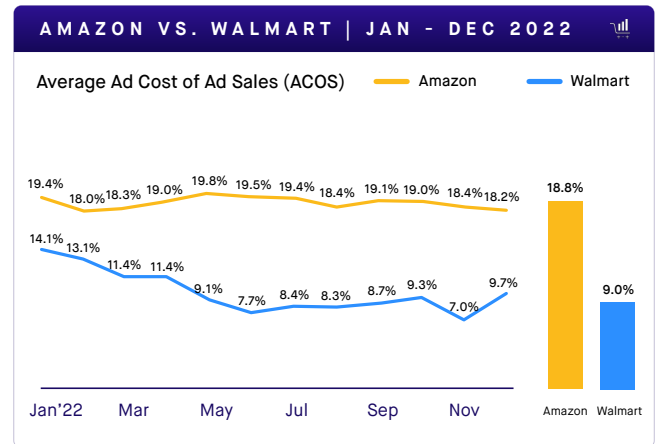
Note: Walmart did not offer Ad Orders in 2022
Walmart Avg. Conversion Rate = Ad Units Sold/Ad Clicks

Ad Cost of Sales

Walmart’s ACoS during 2022 steadily declined from **14.1%** to **7.0%** in November, only to increase to **9.7%** during the holiday season. This averaged out to **9.0%** over the course of the year. Amazon, on the other hand, stayed consistent with its average over double of Walmart at **18.8%**, varying by **1%** higher or lower during the different months.

While Walmart looks tempting for sellers, the uptick at the end of the year is more of a sign of things to come. Walmart switched from a first-price to a second-price bidding model, drastically reducing the costs of ads for sellers, which caused the data to be less indicative of future

performance, momentarily. Additionally, as the marketplace continues to grow and competition increases, ACoS will likely increase, bringing Walmart closer to Amazon in 2023.



Blog

Find Your Potential with the Amazon Sales Estimator

May 4th, 2023 — 4 min read



Evan Ciejka



Conclusion

Going into 2023, the data shows that Amazon will continue to be a powerful marketplace for sellers. Walmart, too, is ripe with opportunities for sellers of all sizes as their marketplace provides increasing value for sellers of all sizes.

The data shows that this is the time to make moves on Walmart, as its growth is slated to continue, bringing the marketplaces closer together in terms of performance and cost.

Looking to take this data and turn it into actionable steps to grow your business? We'll help you get there with a free consultation.

Our expert analysts help you see ad performance like never before — comparing ad strategies and performance to what competitors and leading brands are using to win. This analysis is free and will help unlock essential performance insights to take your business to the next level.

[Click here](#) to get your free analysis and start leading with data.



Liz Downing

Sr Manager Partnerships and Events
Teikametrics