

H1 2024

Amazon Vs. Walmart Benchmark Report



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Executive Summary

While Amazon remains the leading e-commerce marketplace, Walmart has significantly increased its competitiveness year-over-year. Since 2022, Walmart has focused on enhancing the user experience for both shoppers and sellers, and these efforts are yielding impressive results.

Walmart has bolstered its position as a central e-commerce marketplace with updates to Walmart+ and significant advancements in its Search and Display capabilities. With Walmart's strong in-store reputation, these improvements ensure consistent customer experiences across all platforms.

This shift has resulted in noteworthy benefits for sellers and compelling market statistics. Historically, Walmart has offered less competition and lower operating costs than Amazon. However, in H1 2024, Walmart experienced increased competition and higher sales costs, while Amazon saw a year-over-year decrease in these metrics. This trend suggests that Walmart is beginning to capture market share from Amazon, proving itself to be a formidable competitor.

Amazon's highest CPC (cost-per-click) was **\$0.98**, increasing by **9.41%** YoY, while Walmart climbed to **\$0.59**, a significant **25%** increase YoY compared to H1 2023. With Walmart's growth, CPCs steadily increased monthly, whereas Amazon fluctuated.

The highest conversion rate for Amazon in H1 2024 was **14.4%**, increasing by **4.6%** YoY, while Walmart climbed to **33.3%**, a **19.4%** decrease YoY compared to H1 2023. Walmart's conversion rates fluctuated from **27%** to **33%** during H1 2024, whereas Amazon slightly improved from **12%** to **14%** over the same period.

Looking at Average Order Values (AOV), both platforms offer high value for sellers. Amazon kept consistent around **\$34**, while Walmart fluctuated, reaching a high of **\$19** in June 2024.

Amazon's Actual Cost of Sales (ACOS) increased by **3.7%** over H1 2023, with a high of **20.3%** in January 2024. Walmart saw a significant spike YoY, increasing by **12.7%** to a high of **11.7%** in January 2024. This uptick can be attributed to increased competition in Walmart's marketplace. As more sellers use the marketplace, securing your sales will be more challenging.

Methodology

The data analyzed in this report is drawn across Teikametrics' client base of thousands of US marketplace sellers from January 2024 through June 2024. All metrics are expressed as an average across studied sellers for accurate benchmarking. Significant outliers have been removed.



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Ecommerce Evolution Continues



In 2024, Walmart's e-commerce platform has continued to evolve, closing the gap between itself and Amazon. As of this year, Walmart's efforts to enhance its marketplace have started yielding significant results, with increasing numbers of shoppers and sellers choosing to engage with the platform. Walmart's growth in e-commerce presence can be attributed to its competitive CPC rates, improved bidding models, and ongoing investments in technology and logistics. Industry experts increasingly recommend that sellers diversify by establishing a presence on Walmart, even if they are already active on Amazon, as Walmart's marketplace now offers more opportunities for growth and customer engagement.

Fulfillment Services: A Game-Changer for Sellers

Amazon and Walmart have developed robust fulfillment services that have become essential for sellers aiming to streamline their operations. Walmart Fulfillment Services (WFS) has gained traction as a viable alternative to Fulfillment by Amazon (FBA), offering competitive rates and increasingly reliable service. Sellers who utilize

these services benefit from faster delivery times, improved customer satisfaction, and the ability to reach a broader audience. These fulfillment services are particularly advantageous for sellers looking to scale their businesses without the complexities of managing their logistics.

Amazon Prime vs. Walmart+: The Subscription War

2024 has seen continued growth in shoppers' loyalty to their preferred platforms. Amazon Prime remains a dominant force, boasting over **170 million** subscribers, making it a critical driver of Amazon's e-commerce success. In contrast, Walmart+ has grown substantially, reaching **63 million** subscribers. This increase highlights Walmart's growing appeal, particularly with consumers who value grocery and everyday essentials as part of their online shopping experience. The rise in Walmart+ subscribers reflects the platform's enhanced service offerings, competitive pricing, and growing brand loyalty.

In summary, Walmart's strategic advancements in 2024 have strengthened its position in the e-commerce market. While Amazon continues to lead in subscriber numbers and technological innovation, Walmart's focus on affordability, fulfillment services, and grocery dominance is a powerful formula for long-term success. Sellers increasingly see the value in maintaining a presence on both platforms to maximize their reach and revenue potential.

Conversion Matters

Conversions are key. How well your products convert affects where they appear on search rankings. So, if you're selling well on either platform, you will likely continue to see results. If you're not converting, then Amazon and Walmart must pivot and find a new approach that works. Why are conversions so crucial 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.

Comparing Amazon and Walmart in 2024



Competitive Landscape

Amazon continues to dominate as the leading eCommerce platform, hosting approximately **2.1 million** sellers in 2024. Walmart, while growing, still maintains a smaller seller base at around **120,000**. This disparity means that while Amazon

offers a larger pool of potential customers, it also comes with stiffer competition. With its smaller seller base, Walmart might offer more niche opportunities but requires careful consideration due to its more limited audience.

Pricing Strategies

Both Amazon and Walmart maintain strict policies against inflated pricing. Listings priced higher than similar items found elsewhere are subject to removal on both platforms. However, achieving the coveted Buy Box on Amazon involves more than competitive pricing. Sellers who utilize Amazon's Fulfillment by Amazon (FBA) services are often favored due to the enhanced customer experience and reliable shipping that FBA provides.

Walmart, on the other hand, has stringent penalties for price discrepancies. If a product is found at a lower price on your website, Walmart

may delist your item. Additionally, Walmart's algorithm favors sellers who offer the lowest price for a product, meaning that competitive pricing is crucial to maintaining visibility and sales on their platform.

In summary, while Amazon offers a vast market with high competition, Walmart provides a less crowded space with strict pricing policies and a smaller audience. Each platform has its own set of rules and advantages, so consider these factors carefully when deciding where to list your products.

Benchmark Data

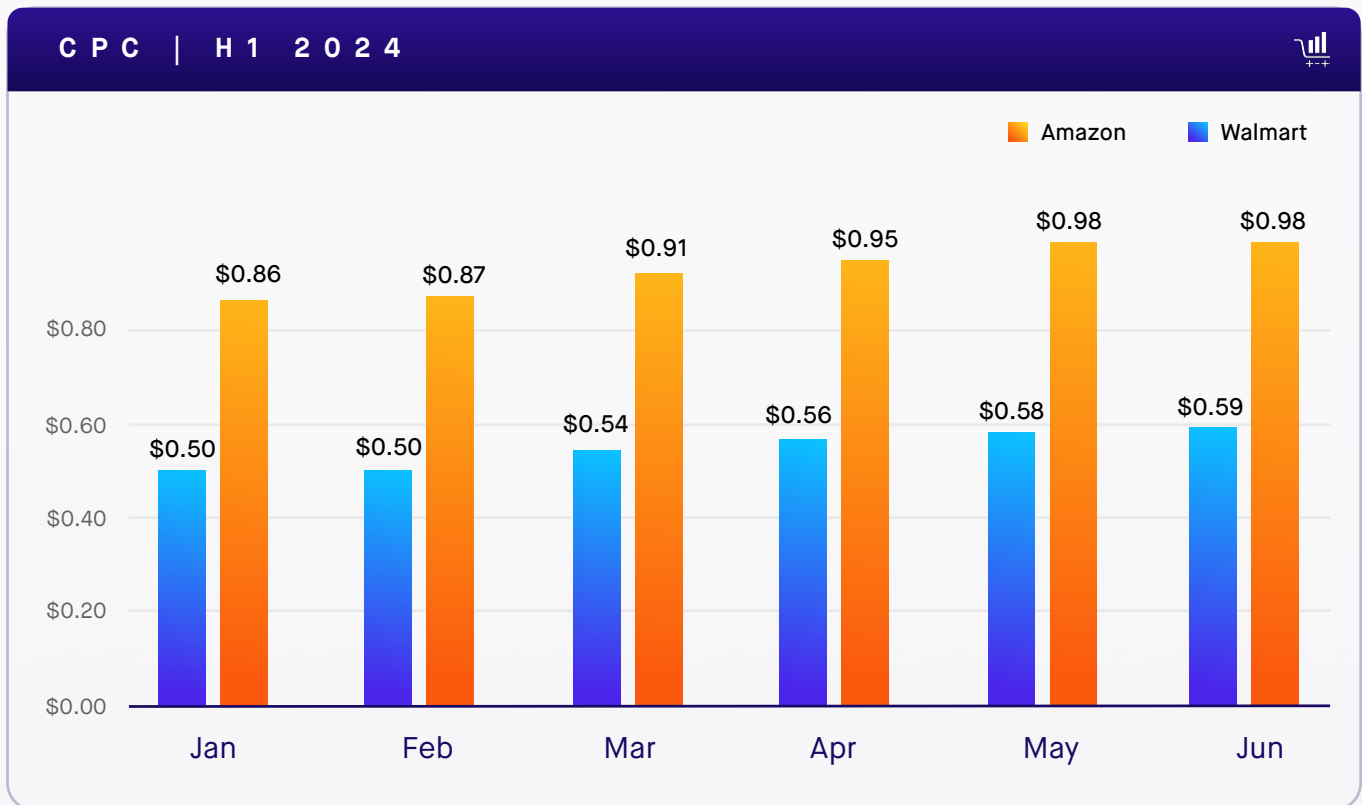
Now that you understand the differences between Amazon and Walmart regarding how the marketplaces work let's look at the data we've collected for both marketplaces from January through June 2024 (H1). This overview will provide the most critical details to maximize your efforts throughout 2024 and 2025, including Cost per Click, Conversion Rate, Order Value, and Ad Cost of Sales.



Cost Per Click

With the number of Amazon sellers being ten times higher than that of Walmart, it's no surprise that Amazon's competition is fiercer. This increased competition has driven up Amazon's Cost Per Click (CPC), steadily rising from **\$0.86** in January 2024 to **\$0.98** in June 2024. In contrast, Walmart's CPC has remained comparatively lower, increasing from **\$0.50** in

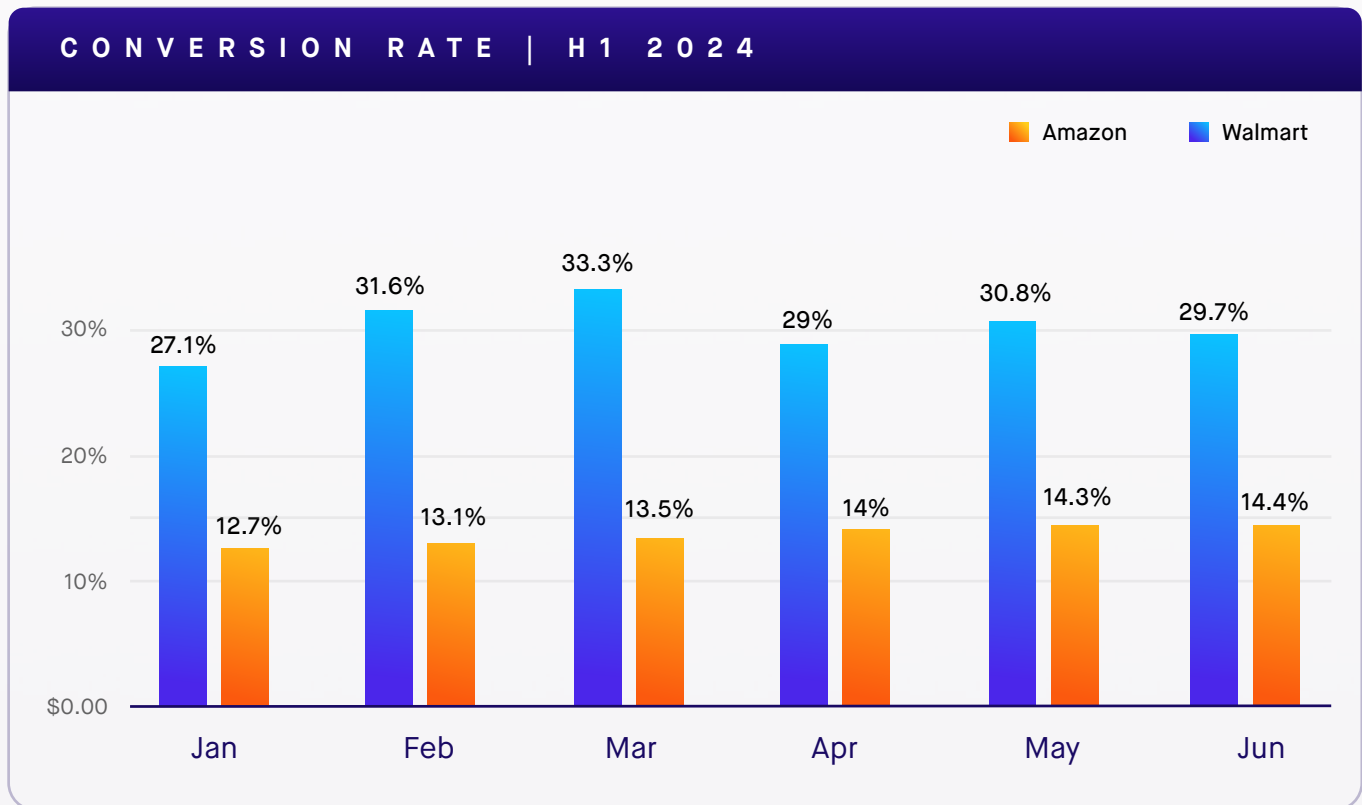
January 2024 to **\$0.59** in June 2024. Despite the recent rise in Walmart's CPC, it remains approximately **60%** of Amazon's CPC, making Walmart a more cost-effective option for sellers at present. However, it's important to anticipate that Walmart's costs will continue to rise in line with growing competition.



Conversion Rate

Amazon and Walmart benefit from high conversion rates due to their popularity and consumer trust. Notably, Walmart consistently outperformed Amazon in terms of conversion rate. For example, Walmart's conversion rate was **27.1%** in January 2024, and it peaked at **33.3%** in March 2024 before slightly declining to **29.7%** in June 2024. In contrast, Amazon's conversion rate started at **12.7%** in January 2024 and rose

to **14.4%** by June 2024. This indicates that while Walmart attracts customers who are more ready to purchase, both platforms are seeing robust conversion rates. The trends suggest that Amazon and Walmart will be closely matched in terms of opportunities and competition throughout 2024, offering valuable prospects for sellers of all sizes.

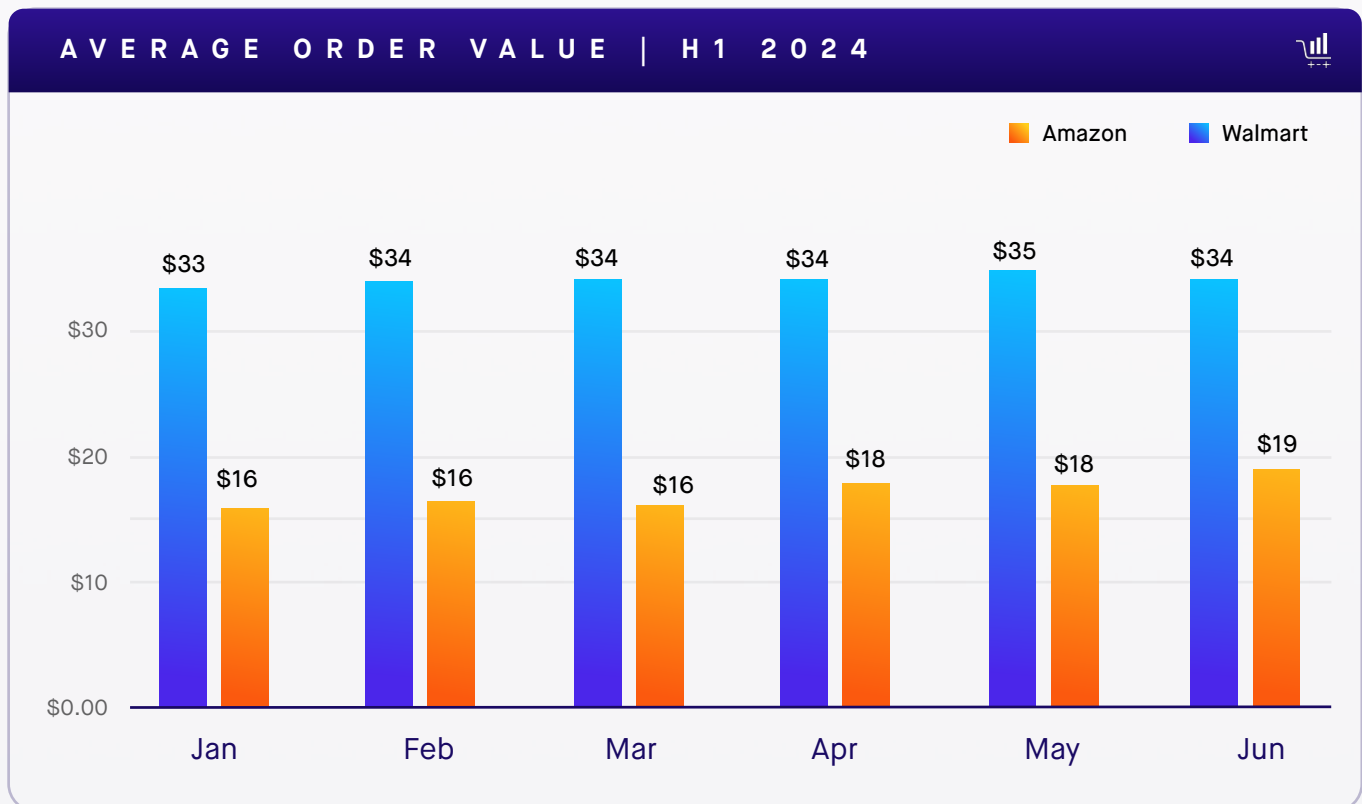


AOV (Average Order Value)

In 2024, Amazon's Average Order Value (AOV) has shown remarkable stability, fluctuating between **\$33** and **\$35** throughout the year's first half. This consistency reflects a steady purchasing behavior among Amazon shoppers. In contrast, Walmart's AOV has varied from **\$16** to **\$19** in H1 2024, indicating some variability in customer spending on the platform.

When looking at the data in the context of the previous year, it is evident that Walmart's AOV has experienced a noticeable increase. This

improvement can be attributed to more accurate data reporting in 2024, which now exclusively focuses on online transactions. In the past, the AOV figures might have included in-store purchases that involved multiple items per order, potentially skewing the averages. By refining the data to reflect only online orders, Walmart's AOV figures now provide a clearer picture of consumer spending trends, highlighting the platform's enhanced performance in driving higher-value transactions.

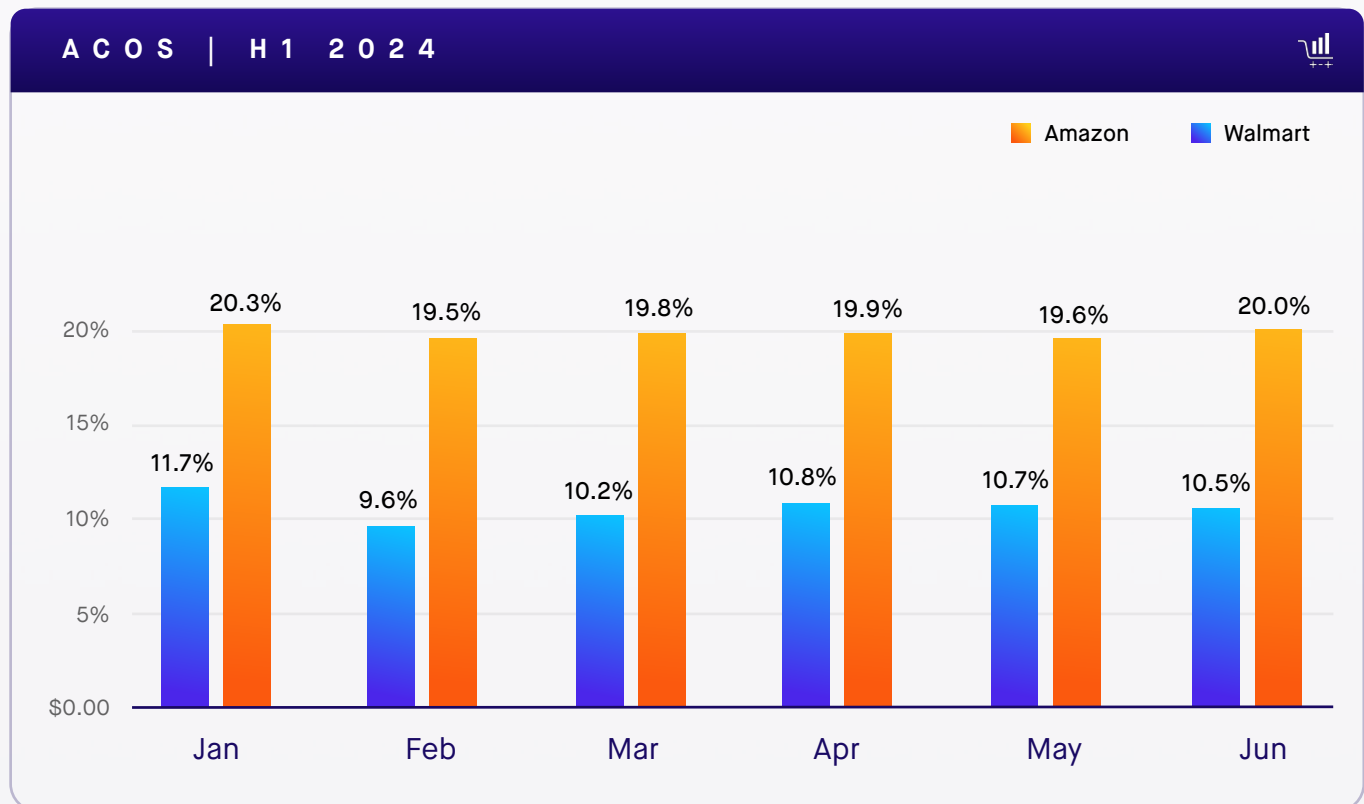


ACOS (Advertising Cost of Sales)

During H1 2024, Amazon’s Advertising Cost of Sales (ACoS) has remained consistently high, ranging between **19.5%** and **20.3%**. This steady performance reflects a stable advertising environment on the platform, with ACoS figures hovering around these levels throughout the first six months.

Walmart’s ACoS has fluctuated, starting at **11.7%** in January and ranging from **9.6%** to **11.7%**

over the same period. Despite this variability, Walmart’s ACoS remains lower than Amazon’s. However, this lower ACoS may not remain as advantageous for sellers as competition with Walmart intensifies. With an increasing number of sellers anticipated for 2024, Walmart’s ACoS is expected to rise, potentially narrowing the gap with Amazon’s figures and making the advertising landscape more competitive across both platforms.



Conclusion

With Walmart's marketplace expanding and evolving, now is an excellent time to capitalize on its current advantages before the anticipated rise in competition brings its performance and costs closer to Amazon's.

For sellers, this means there are significant opportunities to be seized on Walmart in the short term. Walmart's growth and increasing value present a chance to establish a strong presence before the competitive landscape shifts. Consider optimizing your advertising strategies and leveraging Walmart's current cost efficiencies to maximize your advantage.

Looking to transform these insights into actionable strategies for your business? We're here to assist with a free consultation. Our expert analysts thoroughly evaluate your ad performance, providing comparative insights against leading competitors and industry benchmarks. This analysis will help you understand where you stand, identify areas for improvement, and develop strategies that align with the latest market trends. Don't miss this opportunity to gain essential performance insights and drive your business forward in 2024.

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

Cheers,

The Teikametrics Team