

Retail Media Landscape: Walmart Connect



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An Overview of Walmart's Presence in the Retail Landscape



Founded in 1962 in the small town of Rogers, Arkansas, Walmart is a staple of the American retail landscape. With **global revenues of \$650 billion**, Walmart is the largest retailer in the world, despite what many may assume. This beats out other retailing goliaths like Amazon and Costco. Walmart has crafted a unique shopping experience for its customers and it's evolving – Walmart has conquered brick-and-mortar, and now they've turned to ecommerce.

Walmart's recent growth comes from unexpected places: global advertising and memberships to Walmart Plus (their subscription service similar to Amazon Prime). Walmart advertising has proven to be a game changer for brands worldwide. Partnerships with advertising companies such as Roku, Teikametrics, and their **recent acquisition of Vizio** prove their commitment to advertising as a central point of their business model.

And with its commitment to ecommerce, Walmart is now the second largest ecommerce platform, second only to Amazon, and the largest online grocer in the United States.

Walmart is competing for market share within the online retail space, and it's succeeding. Sellers are finding their customers, and Walmart is showing growth despite the fact that many thought no one could compete with Amazon online.

A Top-Line Statistical Overview

As stated, Walmart's **\$650 billion** in annual revenue crowns them as the top global retailer. But what does Walmart's audience look like? Finding a market within each retailer is critical to each channel that sellers work with.

While Walmart has mastered the brick-and-mortar landscape with more than **10,600 locations worldwide**, its e-commerce platform is where it's

been finding significant growth as a business. As of May 2024, Walmart.com had **120 million** unique monthly visitors, making it the **#2** U.S. e-commerce website, second only to Amazon.

There are many distinguishing qualities that make Walmart's audience unique. Consider these data points that come from Walmart:

- Many of Walmart's customers are young; in fact, **65%** of Walmart's audience is between the ages of **18 and 44**.
- In 2024, **\$100K+** households accounted for **1/3** of online orders on Walmart.com
- **67%** of Walmart shoppers are making at least one weekly purchase on Walmart.com

**65%**

Walmart's audience is between the ages of 18 and 44

**\$100K+**

Households accounted for 1/3 of online orders on Walmart.com in 2024

**67%**

Walmart shoppers are making at least one weekly purchase on Walmart.com

Walmart has also carved out a niche demographic for the Walmart.com audience. For example, [Walmart has leveraged their brick-and-mortar empire](#) to support its retail growth. With over **4,600 stores** in the United States as of 2024, Walmart leveraged its established grocery supply chain by offering grocery pickup and delivery through online orders. As a result, **53%** of Walmart.com shoppers buy groceries, making Walmart the **#1** U.S. online grocery retailer. This established loyalty to Walmart.com and helped bolster their other online offerings by capturing an otherwise untapped ecommerce market.

Other categories that tend to perform well on Walmart.com include clothing, beauty and personal care, cleaning supplies, and vitamin and dietary supplements. Along with grocery, these five categories represent the top five categories among Walmart.com shoppers, with **44%** of Walmart.com shoppers making a clothing purchase, beauty and personal care (**40%**), cleaning supplies (**39%**), vitamins and dietary supplements (**32%**).

In our recent report benchmarking beauty and personal care product advertising on Walmart, some tips we've found for these categories are:

- **Beauty and Personal Care:**

We found there's an increase in ad sales in January, likely due to New Year's Resolutions where consumers prioritize self-care. Be sure to promote your products in January to capture this increased demand.



- **Sports and Outdoors:**

October saw a **7%** increase in advertising spend, likely gearing up for Black Friday / Cyber Monday deals. During this period, strategize your spend to ensure peak performance during these large retail events.



- **Home and Kitchen:**

ACOS has decreased from **20.2%** in January of 2023 to **17.9%** in July. While fluctuations in ACOS line up with primary retail events during the year, the overall decreasing trend showcases an easier path to profitability for this industry.



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How Does This Differ From Other Retailers?



Many might be asking, “okay but if I want to sell my products online, no one compares to Amazon when it comes to sheer volume, right?” That’s true, Amazon’s **2.3 billion** unique monthly visitors easily places Amazon at the top of the ecommerce platforms list.

However, building an omnichannel strategy is needed in today’s commerce landscape. Sellers need to meet their customers everywhere they are

and Walmart has crafted their audience uniquely from any other retailer. In fact, **13%** of Walmart shoppers did not visit Amazon in the same month, equal to **16 million** people. This number increases when compared to other retailers, in which **61%** of Walmart.com shoppers did not visit Target.com in the same month, **84%** didn’t visit Instacart, and **92%** didn’t visit Kroger. Walmart has carved a niche audience with great loyalty – an audience sellers give up on without selling there.

Amazon

Shared audience

16MM

13% of the people who visited Walmart.com did not visit Amazon.com in the same month

Target

74MM

61% of the people who visited Walmart.com did not visit Target.com in the same month

Instacart

103MM

84% of the people who visited Walmart.com did not visit Instacart in the same month

Kroger

112MM

92% of the people who visited Walmart.com did not visit Kroger.com in the same month

Shared audience

Unique to Walmart.com

Data comes directly from Comscore Media-Metrix Multi-Platform Cross-Visiting, Total Audience, Feb 2022 – Jan 2023, US

Challenges Amazon Sellers Are Facing

But, why now? What's different about Walmart compared to other channels? At Teikametrics, we believe that Walmart presents a unique opportunity; a primed path to profitability that finds a perfect balance between volume of shoppers, healthy competition levels, and an optimal seller offering.

Increased Fees: Online retailers have been plaguing sellers with increased fees. In 2024, Amazon raised a number of fees for sellers, averaging in about **\$0.15** in fees per unit sold. These fees are chipping away into sellers' profitability.

Increased Competition: Did you know that about **2,000 sellers** are joining Amazon every day. In fact, Amazon has added **5 million sellers** since 2018. That's a lot of competition. Discovery, conversion, the buy box—it's all more difficult with more competition.

Price Wars: There's always someone selling it cheaper. Amazon's competition has reached a critical point in which profitability is nearly impossible for US-based brands. For so many products, sellers from other geographies can beat out US prices.

Retailers are Fickle: Remaining in good standing with your retail partners is critical and even more so for Amazon. Retailers change their listing requirements hundreds of times per year. If you put all your eggs in one retailer's basket, your revenue gets completely shut off until you're back up and running.

Why Walmart

Walmart presents a unique situation for sellers. Firstly, there are no monthly fees tied to being a seller on Walmart. The Walmart referral fee (average of **15%**) is also far lower than Amazon's (average of **45%**). Yes, we technically listed that above, but we want to make sure – are you hearing this right?! With a fee structure like this, the path to profitability is far more direct.

Additionally, there are far fewer sellers on Walmart. Walmart currently has about **150,000 sellers** on Walmart Marketplace. Seems like a lot? Compare that to Amazon's **9 million sellers**. That's fewer competitors to compete against for the buy box, for search market share, and for conversions.

With Walmart having far fewer sellers, you have more control over your price. While Amazon may have thousands of sellers selling your products, you may be only one of a handful (or possibly the only one!). With less competitors competing on price, sellers don't find themselves getting undercut as often as with other retailers.

And finally, this is not to say that you should leave other retailers. Amazon, Target, Costco, and the like are all valuable revenue streams for your business. But with diversification, sellers can protect themselves and their business's revenue streams by selling on multiple channels. If products fall out of favor or get taken down on one, they're still selling on another.

How to Sell on Walmart.com

With Walmart Marketplace, you do not need to be a supplier to Walmart's retail locations to sell on Walmart.com. Instead, third party sellers sell alongside Walmart suppliers all on Walmart.com. Walmart has created an attractive marketplace for sellers, as there are no sign up or get started fees nor are there any monthly fees. Walmart charges sellers a small referral fee averaging **15%** (ranges between **8% - 15%** depending on the category). Amazon charges a much heftier fee, with an average referral fee of **45%**.

This is not to say sellers should abandon higher cost channels – in fact, many are still necessary. But with such an attractive landscape, Walmart sellers find an easier path to profitability than with other channels.

There are two methods for selling on Walmart.com: 1st-party (Walmart suppliers) and 3rd-party (Marketplace sellers). Both sell on Walmart.com, but as a 3rd-party, sellers sell directly to the end customer whereas suppliers sell wholesale to Walmart and Walmart resells it to the consumer. You can review the differences below:

How Brands Can Sell on Walmart Marketplace

1st-Party (Suppliers)

- Sell wholesale or as a DropShip Vendor (DSV)
- B2B relationship
- “Shipped & sold by Walmart” tag
- Walmart dictates price
- Fixed logistical options
- Often will have in-store options
- Walmart typically wins the buy box
- You can activate ads through Managed Serve (WMC), Self-Serve (SS), or an API Partner (API)
- Need an invitation from Walmart to sign up

3rd-Party (Marketplace Sellers)

- Sell directly to the customer
- B2C Relationship
- “Sold by (Your Store Name)” tag
- Seller dictates price
- Flexible logistical options (by Merchant or via WFS)
- You will compete for the Buy Box
- You can activate ads through Self-Serve (SS), or an API Partner (API)
- “Anyone” can sign up

Walmart and Beyond: Walmart Connect

To succeed on Walmart.com starts by getting discovered by your target audience. With Walmart Connect, Walmart’s advertising offering, sellers can promote their brand and products across the Walmart ecosystem (and beyond!).

Advertising through Walmart Connect opens up a world of opportunities for Walmart sellers. Sellers can reach their target audience through a variety of activations directly on Walmart.com and the Walmart app. ***Your options to promote your products directly on Walmart include:***

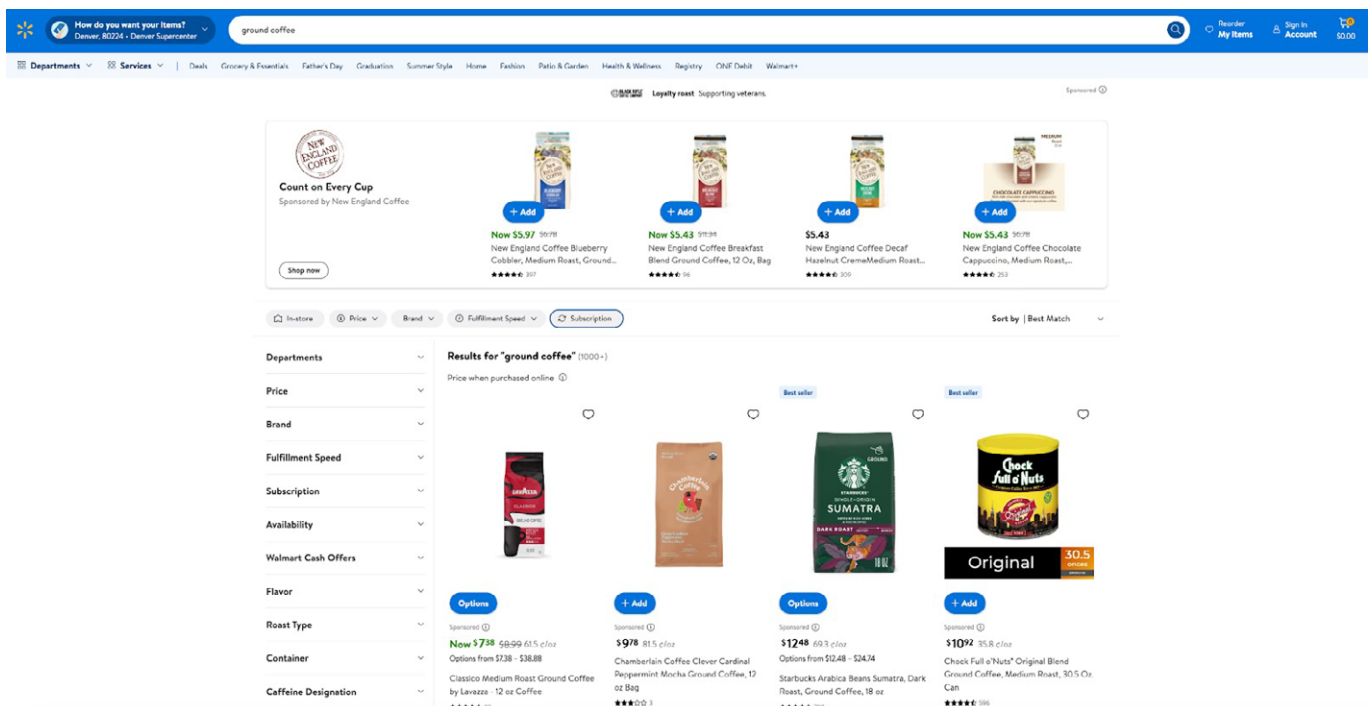
Sponsored Products

Sponsored product ads appear on the homepage, search, and time page results and will direct the shopper to the product detail page (PDP). These ads are native, cost-per-click ads using keyword targeting. Sponsored product adverts can help along the entirety of the funnel when deployed with the proper goals and strategies, including:

- Generic search terms for customer acquisition and positive incrementality
- Branded search terms for protection of your organic searches
- Branded search terms to attack your competitors' market share of their organic search terms

With sponsored products, brands can promote the product listing to a variety of valuable real estates on the search page; this includes the top row, as well as further down the search page. Take this Walmart search below for generic ground coffee. Lavazza, Chamberlain, and Starbucks occupy the top three spots and are marked with a "Sponsored" tag signifying they've promoted their products using this generic keyword.

With their ad dollars, these brands capture a top **3** slot within the generic coffee search on Walmart. Consumers are far more likely to buy one of these options, with some reports claiming **35% of consumers** will buy the first item within search results. And as you can see, to make the top row of products, you need to sponsor.



The screenshot shows the Walmart search results for "ground coffee". At the top, there is a banner for "Count on Every Cup" sponsored by New England Coffee. Below this, four sponsored products are displayed in a row, each with a "+ Add" button. These products are:

- New England Coffee Blueberry Cobbler, Medium Roast, Ground... (Now \$5.97, 307 reviews)
- New England Coffee Breakfast Blend Ground Coffee, 12 Oz, Bag (Now \$5.43, 56 reviews)
- New England Coffee Decaf Hazelnut Crema Medium Roast... (Now \$5.43, 300 reviews)
- New England Coffee Chocolate Cappuccino, Medium Roast... (Now \$5.43, 253 reviews)

Below the sponsored products, there is a filter bar with options like "In-store", "Price", "Brand", "Fulfillment Speed", "Subscription", and "Sort by | Best Match". The main results section shows "Results for 'ground coffee' (1000+)" with a "Price when purchased online" filter. The first four results are sponsored products, each with a "+ Add" button:

- Lavazza Classico Medium Roast Ground Coffee by Lavazza - 12 oz Coffee (Now \$7.38, 58,999 reviews)
- Chamberlain Coffee Clover Cardinal Peppermint Mocha Ground Coffee, 12 oz Bag (Now \$9.78, 815 reviews)
- Starbucks Arabica Beans Sumatra, Dark Roast, Ground Coffee, 18 oz (Now \$12.48, 693 reviews)
- Chock Full o' Nuts Original Blend Ground Coffee, Medium Roast, 30.5 Oz, Can (Now \$10.92, 35,800 reviews)

Sponsored Brands

Take the same search for 'ground coffee.' In this situation, New England Coffee has deployed a sponsored brand advert. Sponsored brand advertisements do not show up within the grid of search results but instead bear more resemblance to a banner ad. In this situation, their ad contains their logo linking to their branded search result

page, enabling customers to peruse all their products, as well as **4** product listings relevant to the search, which link to individual PDPs. These ads use a logo, custom headline, and up to four SKUs. This ad also employs a cost-per-click basis and uses keyword targeting.

Sponsored Video

Further down the same search, New England Coffee also employed a sponsored video ad. These ads are phenomenal at getting your product differentiators communicated to the customer before they choose a PDP. In this instance, New England leverages the New England pastime of iced coffee dominance to highlight their brand affinities and differentiators – I mean, who could you trust more with iced coffee than a New England brand? Based in Boston, Teikametrics is, of course, unbiased though.

Sponsored video ads are a great method for brands and sellers to promote their products.

Consider how-to or functional videos to showcase different product use cases, lifestyle video to showcase how the product fits into the consumer's lifestyle, and key differentiators to promote your product's uniqueness. This ad type also operates with a cost-per-click basis and uses keyword targeting.

Interestingly, **89% of consumers** want to see more videos from brands in 2024. We've seen our clients increasingly deploy video ads across channels.



Display

Walmart Display offers both on-site and off-site Walmart options. With display, sellers can expand their reach and drive consideration, purchase intent, and even loyalty with the right audiences. These ad types operate on a cost-per-impression (CPM) basis and use contextual and keyword targeting.

Walmart Display goes beyond Walmart too, enabling brands to reach their customers off Walmart. This ad type is excellent at the top of the funnel, as it's great at creating awareness about your product with an omnichannel scope.

Off Walmart

While Teikametrics specializes in marketplace advertising optimization, we'd be remiss to not mention the other offerings Walmart Connect offers to sellers. Walmart Connect also enables brands and sellers to advertise within Walmart's retail locations. This includes advertising on their TV wall, at self check out, in-store demos, sampling events, in-store audio ads, and more.

Additionally, Walmart Connect has partnered with a number of platforms to extend their reach. Walmart DSP integrations include CTV and

video, audio, native and rich media, and gaming. Partners include Paramount, Max, CBS, Spotify, Zynga, and many more.

Walmart Connect offers a number of social media extensions, including Pinterest, Facebook, and Instagram.

And finally, Walmart Partner Lab connects advertisers to platforms like TikTok, Roku, NBC Sports, and more.

Conclusion

Walmart has developed extensive reach and a marketplace with a loyal audience. And sellers and brands are reaping the benefits. With less fees than other retailers like Amazon, sellers and brands are finding their market with Walmart at a higher profitability. With Walmart Connect, sellers and brands extend that success to the omnichannel landscape.

If you're interested in getting started on Walmart, Teikametrics has been an official partner since 2020 and optimizes over \$15 billion in marketplace advertising annually. For a limited time, Teikametrics is offering free Teikametrics Managed Edition for Walmart for a full year to all new customers and all current customers not currently working with us on Walmart.

[To learn more about our offer, click here](#)