

Walmart.com

Walmart+ grows with Walmart.com

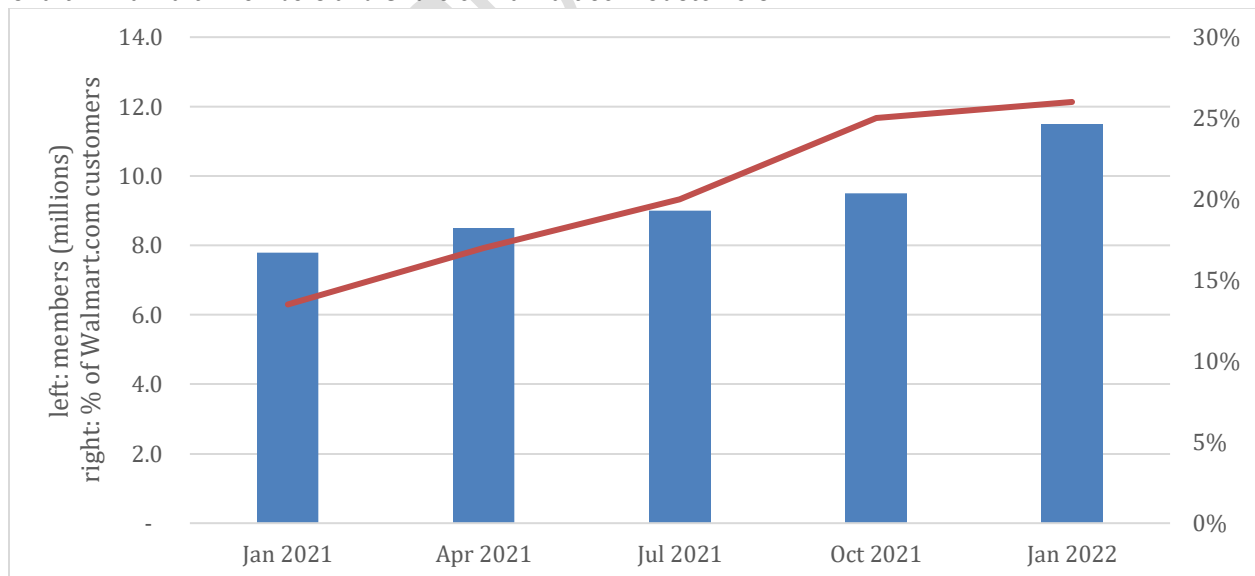
Walmart launched Walmart+, its latest effort to compete with Amazon Prime, on September 15, 2020. With the end of the January 2022 quarter, we now have more five full quarter's experience with Walmart+ and can begin to compare year-over-year performance.

Walmart+ grew quickly in its first months, reaching almost eight million US members by the end of its first full quarter in January 2021. Growth slowed considerably since then but picked up somewhat in the most recent quarter.

As with Walmart physical retailing, Walmart.com and especially Walmart+ has emphasized grocery as the leading shopping category. For this reason, Walmart+ members have a higher average transaction size and average number of visits to Walmart.com, reflecting the increased frequency and size of grocery purchases relative to purchases from other departments.

As of January 2022, CIRP estimates that in the US, Walmart+ represents a little more than one-quarter of Walmart.com customers, amounting to 11.5 million members (Chart 1).

Chart 1: Walmart+ Members and Share of Walmart.com Customers



Walmart succeeded in recruiting members to Walmart+ in the past year, increasing the penetration rate into the Walmart.com customer base from 17% as of the January 2021 quarter to 26% as of the January 2022 quarter.

The total number of members did not grow as rapidly, as Walmart.com customer growth slowed down throughout 2021 as COVID-19 shutdowns relaxed and Walmart.com customers returned to in-person shopping. We did see meaningful growth in the most recent quarter, as Walmart+ added over 1 million members, most likely due to holiday shopping. This represents a meaningful share of the total growth of approximately 3.5 million members in the past twelve months.

We analyzed two specific attributes of Walmart.com customers and Walmart+ members: spending per visit and number of visits per year. On average Walmart+ members spend more per visit (Chart 2) and visit Walmart.com more frequently (Chart 3) compared to all Walmart.com customers. Average spending per visit increased steadily during the past year, while visit frequency peaked in mid-2021 and decreased somewhat in the quarters since then.

Chart 2: Spending per visit

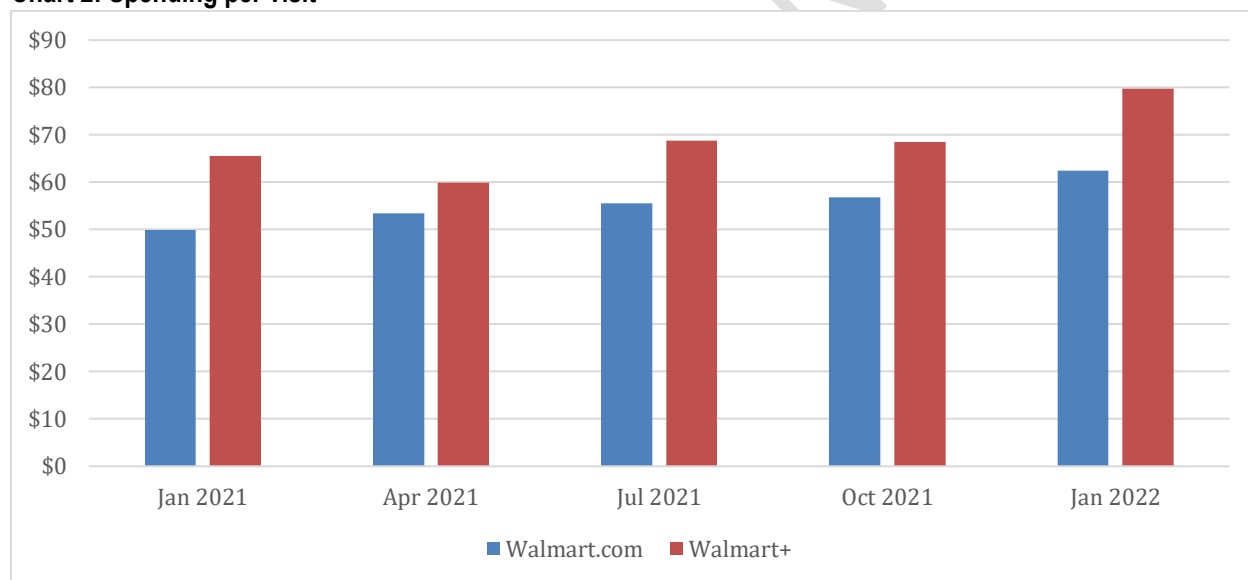
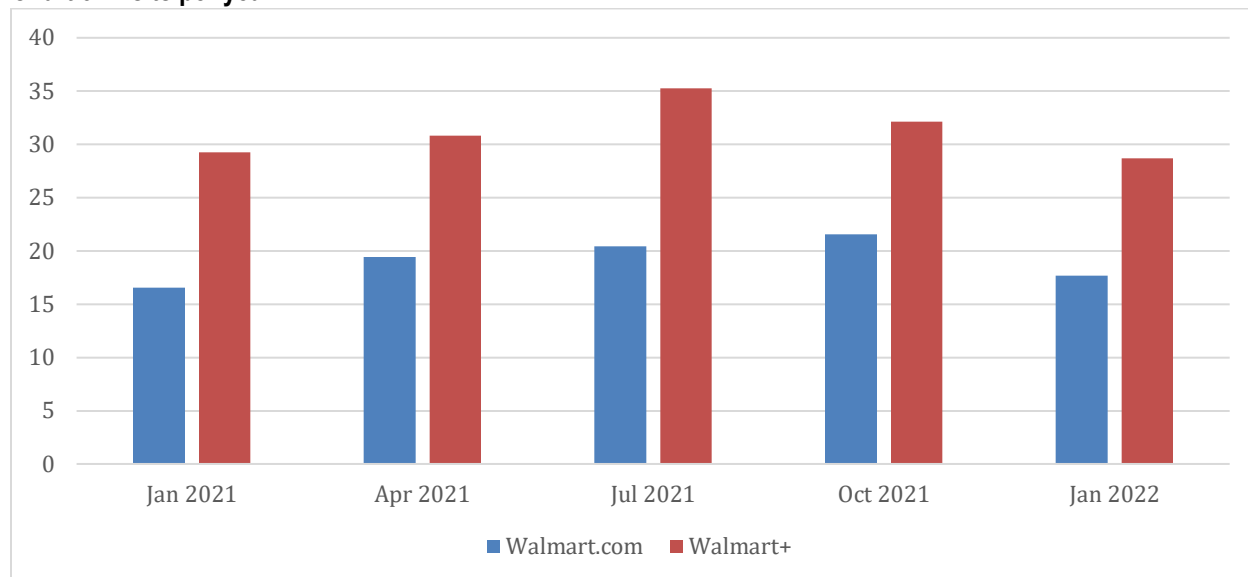


Chart 3: Visits per year



In the January 2022 quarter, the average Walmart.com customer spent about \$62 per visit, while Walmart+ members spent \$79 per visit. Both represent increases relative to past quarter, mostly likely because of holiday shopping demand in the quarter.

Also in the January 2022 quarter, Walmart.com customers reported shopping an average of 18 times per year at Walmart.com (not including in-person shopping visits to Walmart physical stores). Customers with a Walmart+ membership shopped considerably more often, an average of 29 times per year. These figures have decreased slightly relative to earlier quarters, reflecting a return of Walmart customers to in-person shopping as COVID-19 restrictions loosened in many of its markets.

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