



Numerator

NEW FRONTIERS

Keeping up with Walmart Grocery Pickup

Online grocery continues to grow at Walmart...

Four Takeaways From Walmart's Q4 Earnings



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Retail

I cover retail, from fashion to grocery, and its dance with technology



Walmart's key weapon against Amazon will continue to be groceries. Expanded grocery pickup and delivery, on top of a broader assortment, played a key part in the 43% jump in Walmart's U.S. e-commerce sales, the company said, adding that it's gained grocery market share. Walmart plans to increase grocery pickup by 1,000 locations this year, to 3,100, and double grocery delivery to 1,600 locations.

Grocery pickup will be in **3,100** locations by the end of 2019

eComm sales jumped **43%** in **Q4** with Grocery Pickup playing a key role

...and these Walmart OGP shoppers are valuable

WALMART GROCERY PICK UP SHOPPERS ARE YOUNG, AFFLUENT HOUSEHOLDS WITH KIDS: CASH RICH, TIME POOR



SHOPPERS SPEND MORE WITH GROCERY PICK UP, AND ARE MORE LOYAL TO WALMART

WALMART IS BACKING ONLINE GROCERY PICK UP WITH 40% ADVERTISING SPEND



SHOPPERS BUY FEWER BRANDS ONLINE: WEBSITE RANKING AND PLACEMENT CRITICAL FOR BRANDS TO WIN

Who is the Walmart Grocery Pickup shopper?

Younger HHs with higher income and kids are likely to be Walmart Grocery Pickup shoppers

Shopper Demographics

Walmart Grocery Pickup Shoppers vs All Walmart Shoppers



AGE

25 - 44

HHs: 47%, Index: 135



INCOME

> \$80k

HHs: 36%, Index: 111



ETHNICITY

White/Caucasian

HHs: 78%, Index: 115



GENDER

Female

HHs: 88%, Index: 110



MARITAL STATUS

Married

HHs: 63%, Index: 116



HOUSEHOLD SIZE

3+ People

HHs: 49%, Index: 125



CHILDREN

Yes

HHs: 46%, Index: 136



EDUCATION

4 Year Degree+

HHs: 46%, Index: 116



URBANICITY

Suburban

HHs: 52%, Index: 128

Convenience is king! These shoppers are busy and tech savvy, Walmart Grocery Pickup makes life easier

Health & Wellness



32% Walmart Grocery Pickup shoppers say they have no time to take care of themselves.

Computer & Mobile Use



82% of Walmart Grocery Pickup shoppers use their smartphone to **shop online**.

Only **59%** use their computer to **shop online**.

Shopping



40% are **price** driven.

64% find shopping online **enjoyable**.

76% **save time** shopping online

52% **save money** shopping online

Walmart Grocery Pickup can compete with Prime on convenience AND budget

65%

% of Walmart Grocery Pickup shoppers that use Amazon Prime
Index to Total Walmart Shoppers: 133

45%

% of Walmart Grocery Pickup shoppers think grocery shopping is a chore
Index to Total Walmart Shoppers: 128

39%

% of Walmart Grocery Pickup shoppers want a quick in and out trip
Index to Total Walmart Shoppers: 117

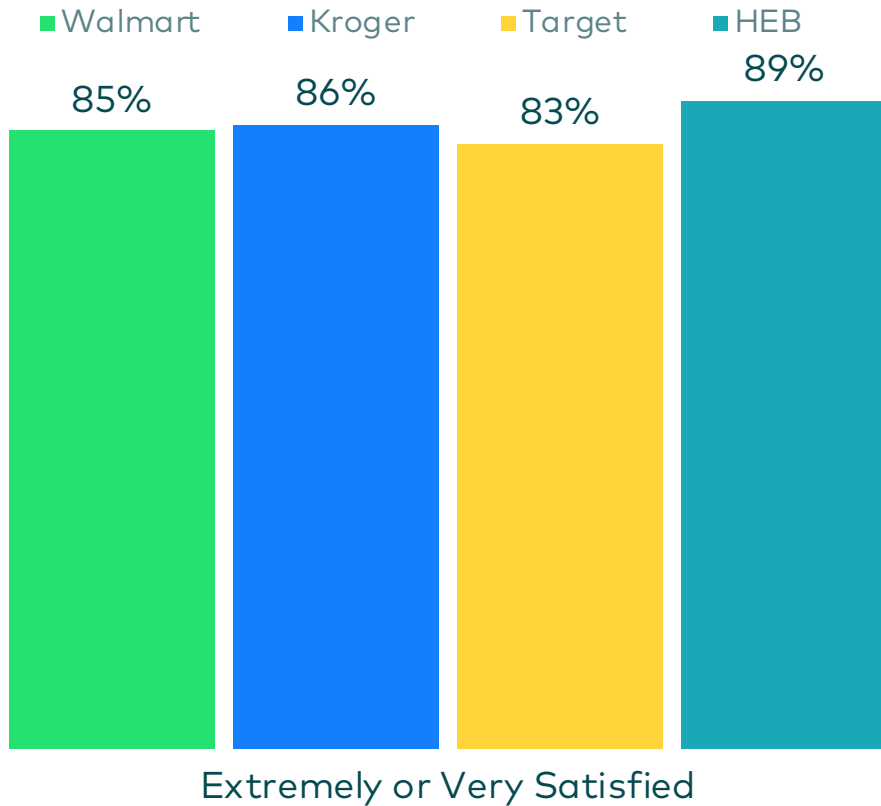
40%

% of Walmart Grocery Pickup shoppers are budget driven when shopping
Index to Total Walmart Shoppers: 120

Across retailers, Grocery Pickup delivers. Shoppers are satisfied and will recommend.

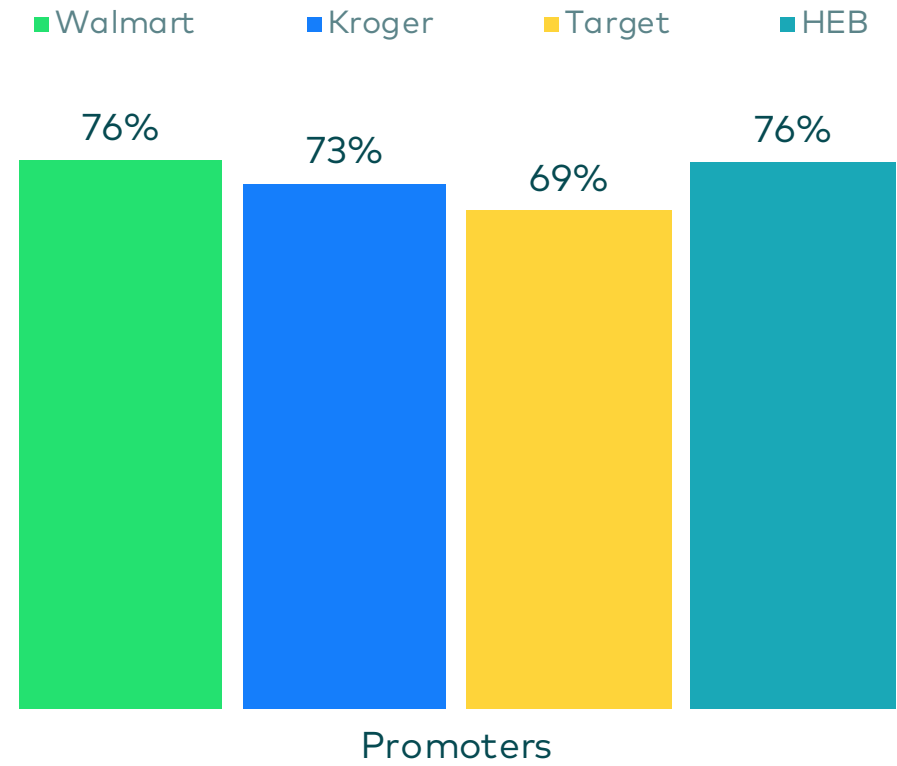
Grocery Pickup Satisfaction by Retailer

Shoppers Using Pick Up at Each Retailer



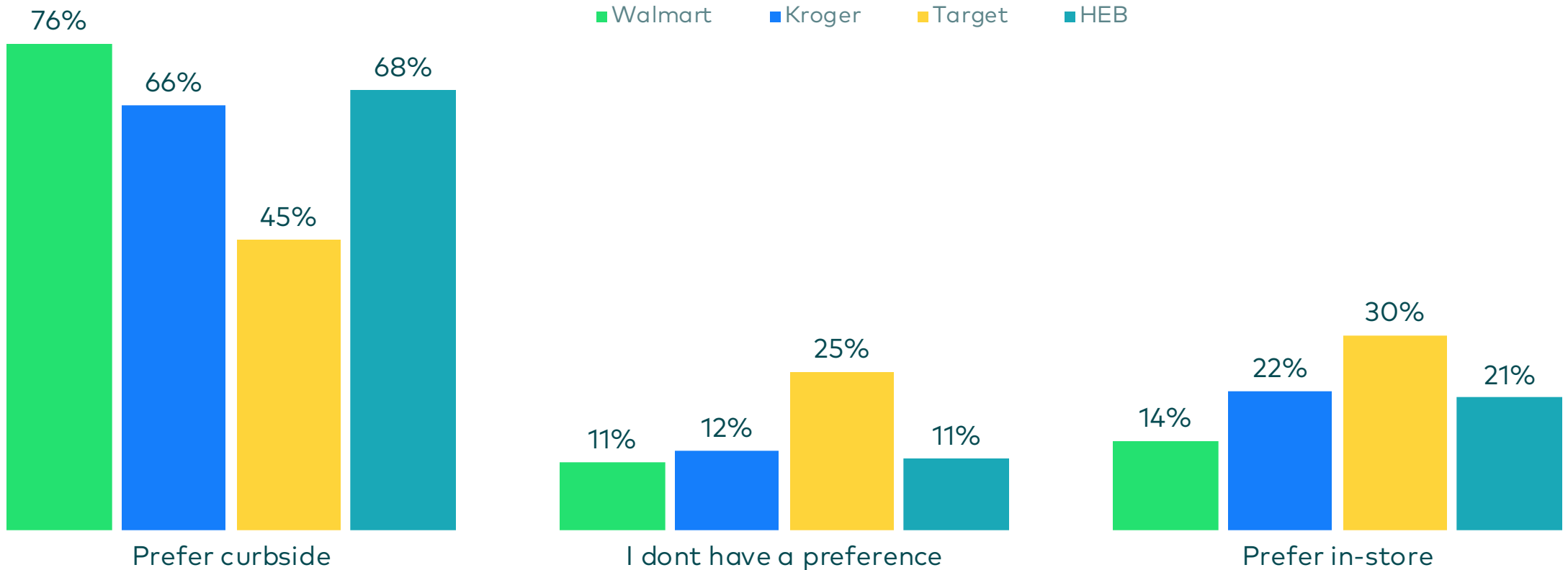
Likelihood to Recommend Grocery Pickup by Retailer

Shoppers Using Pick Up at Each Retailer



Walmart has the most to gain from Grocery Pickup, as users prefer it more and the In-Store experience less

Which do you prefer when shopping? By Retailer



How does the shopper shop Grocery Pickup?

Walmart Grocery Pickup baskets are much larger than In-store baskets

Walmart Grocery Pickup
For Walmart Grocery Pickup Shoppers

\$124.86

Spend per Trip

30.7

Units per Trip

Walmart In-Store
For Walmart Grocery Pickup Shoppers

\$49.70

Spend per Trip

13.2

Units per Trip

Grocery Pickup baskets get larger with use

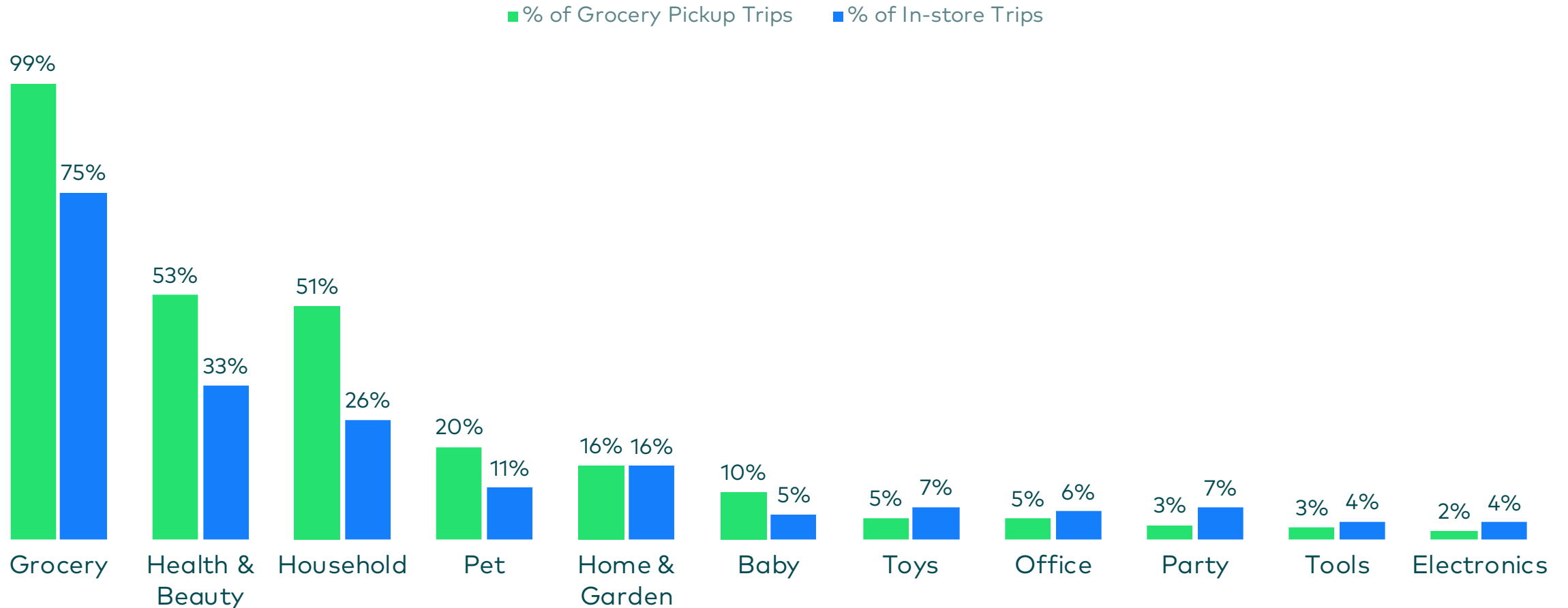
Average Basket Spend, Walmart Grocery Pickup vs Walmart In-store



Numerator Insights, 52W Ending 2/24/19, All Grocery Pickup Buyers n = 1,973; 1-time buyers n = 716; 2-time buyers n = 290; 3 to 11 time buyers n = 664; 12+ time buyers n = 302

Grocery Pickup is already more than just grocery

% of Trips that include the Sector

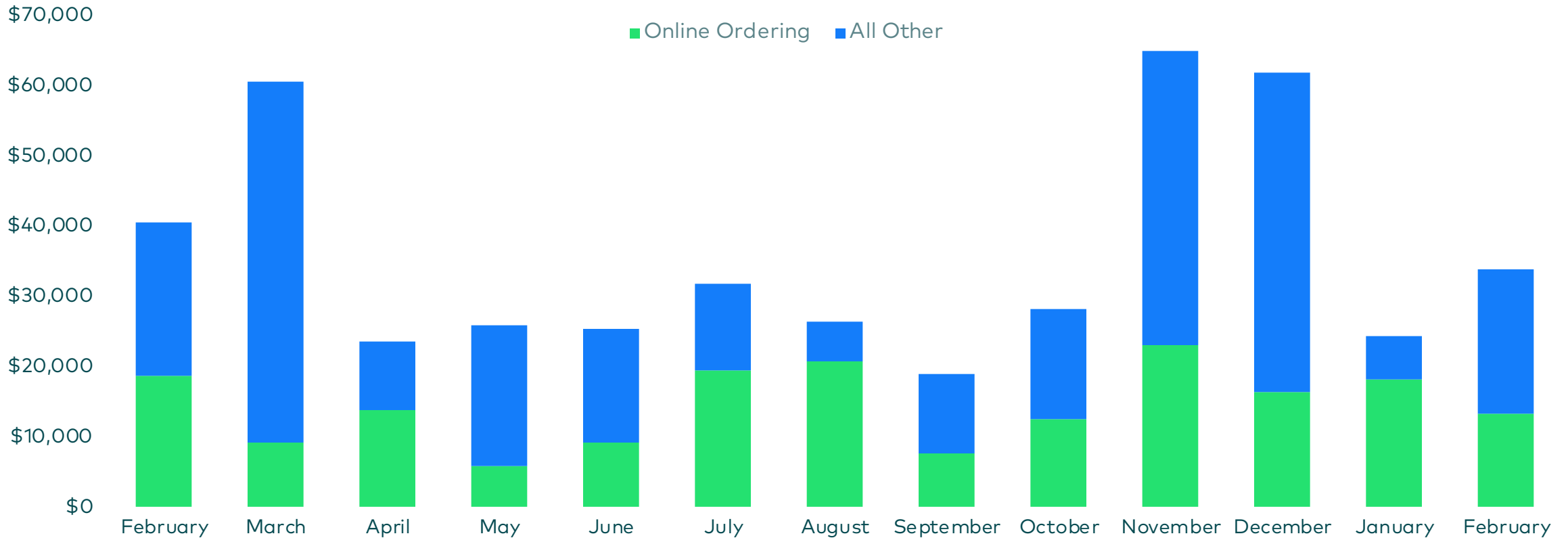


How important is Grocery Pickup to Walmart?

Walmart has dedicated around 40% of all ad spending to promoting Online Ordering over the past 13 months

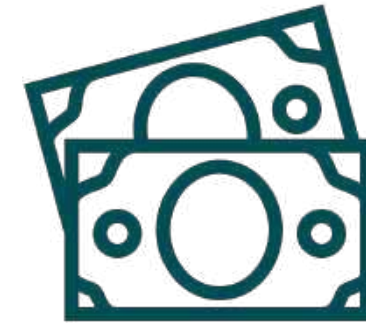
Walmart Online Ordering vs. All Other Ads

Spend in \$000s



Included in these online ordering ads was the Super Bowl Grocery Pickup ad

- This ad also appeared on the Golden Globes and has been repurposed to 15 and 30 second versions to air on many other shows
- \$31m+ estimated total spend on this ad



67%

of Walmart's TV ad spend in January and February of 2019 has been focused on Grocery Pickup

Walmart has also used digital coupons to promote Grocery Pickup from as early as May 2018

- Walmart has featured a \$10 off digital coupon code on the front page of 60% of their circulars since late May 2018
- During late June and mid-July, the offer was upped to \$10 off of the shopper's first 3 orders



5/25/2018



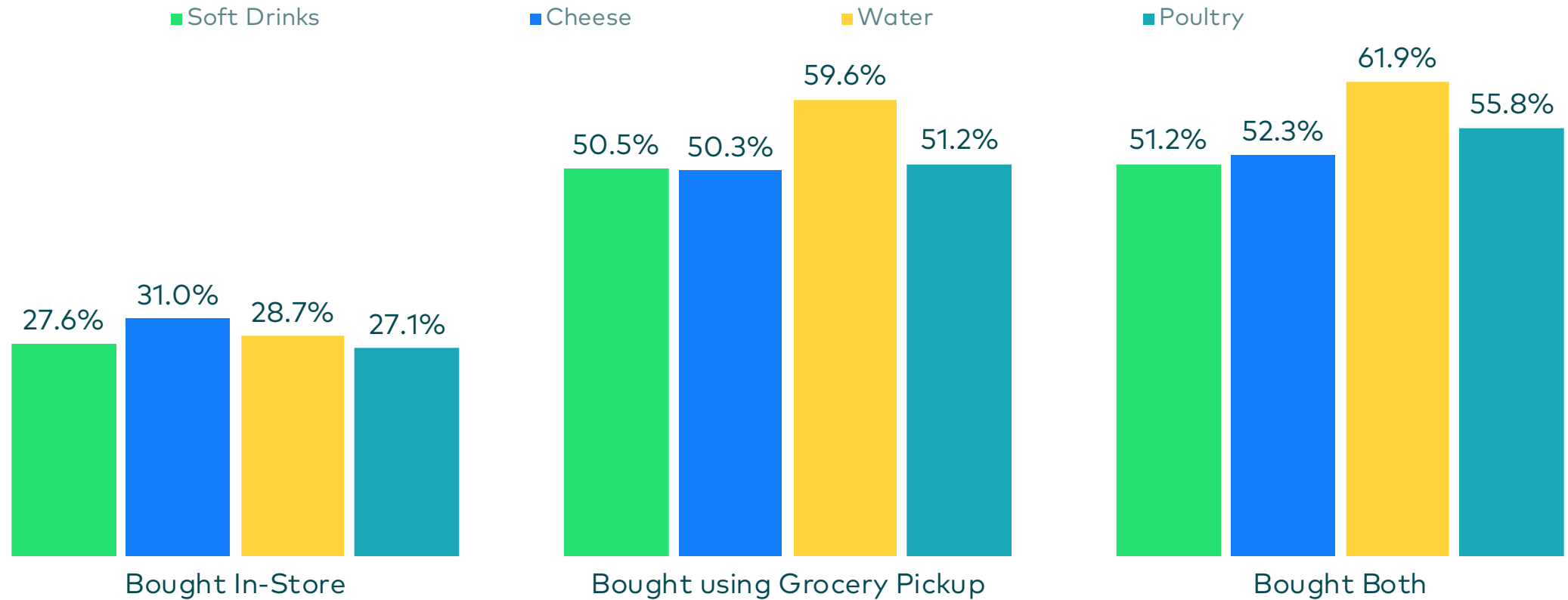
6/29/2018



How does Walmart Grocery Pickup change behavior?

When converted to Grocery Pick Up shoppers are more loyal to Walmart

Walmart's Share of Wallet



What do these trends mean for online placement?

With more shopping happening with Grocery Pickup, your position on the digital shelf really matters

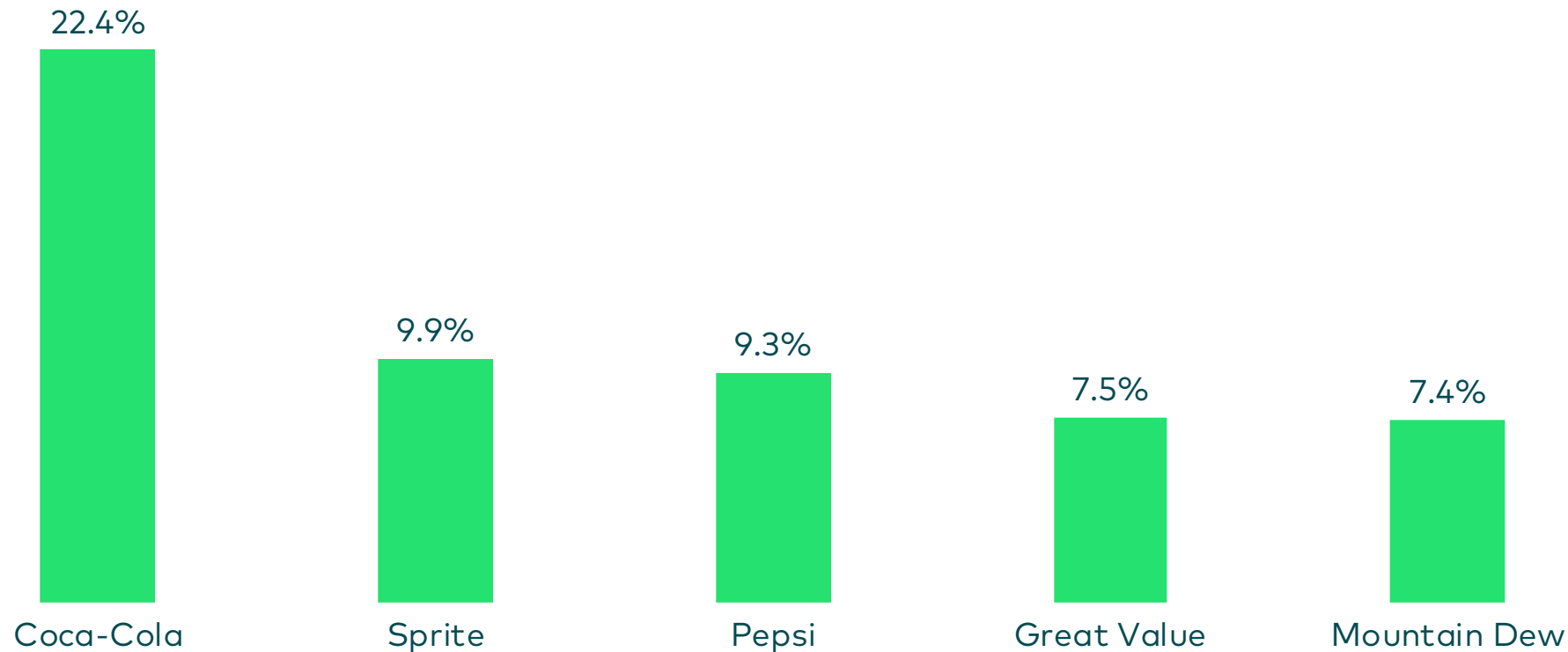
Brand Share of Digital Shelf

Soda Searches, Grocery.Walmart.com, 6M Ending 3/10/2019

Soda search terms:

- Cola
- Diet Cola
- Soda
- Diet Soda
- Soda Drinks
- Soda Soft Drinks
- Soft Drink(s)
- Healthy Soda
- Root Beer
- Orange Soda
- Cherry Cola
- Citrus Soda
- Lemon Lime Soda
- Ginger Ale
- Grape Soda
- Vanilla Cola

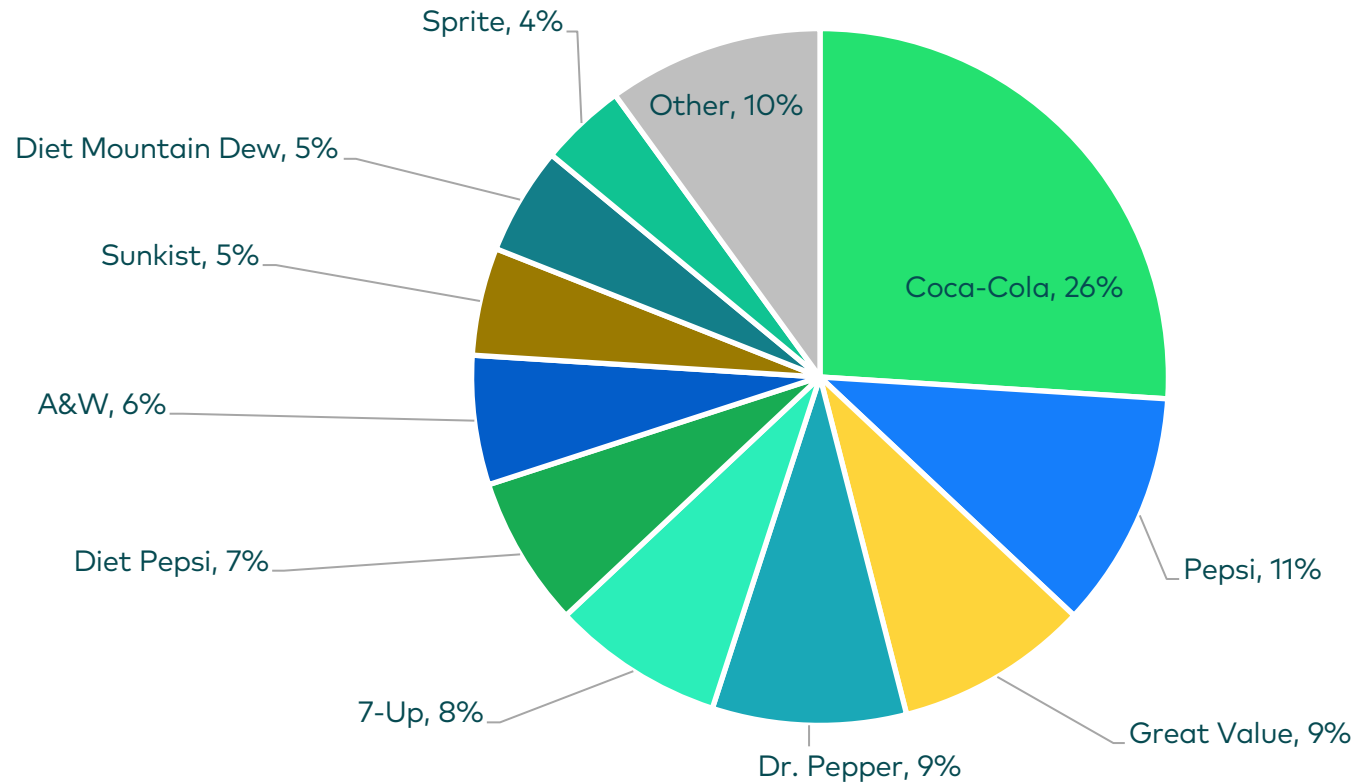
■ Top 10 Positions on Product Page



Understanding what brands are competing for which search terms will help drive your online strategy

Brand Share of Digital Shelf, "diet soda" searches

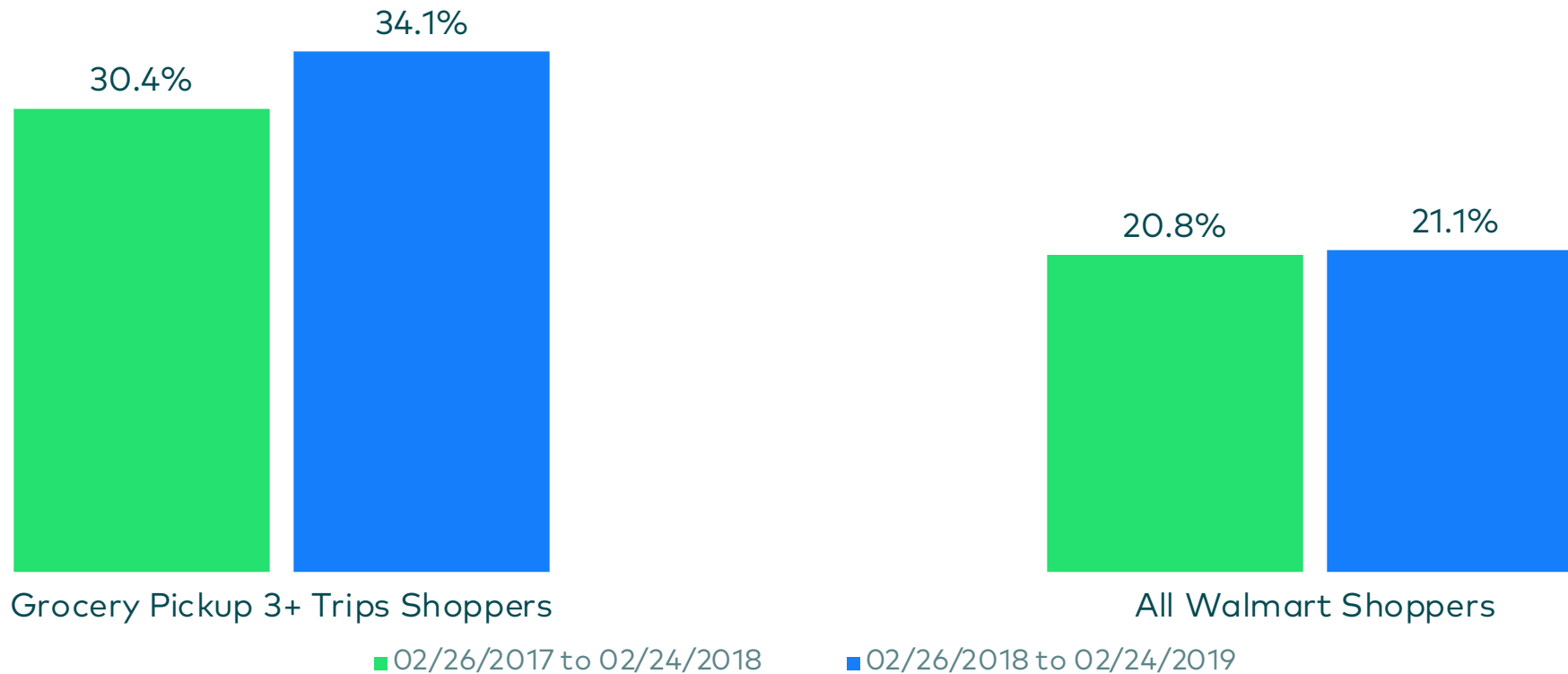
Pages 1 – 2, Grocery.Walmart.com, 6M Ending 3/10/2019



What do these Grocery Pickup shoppers mean
for the future of Walmart?

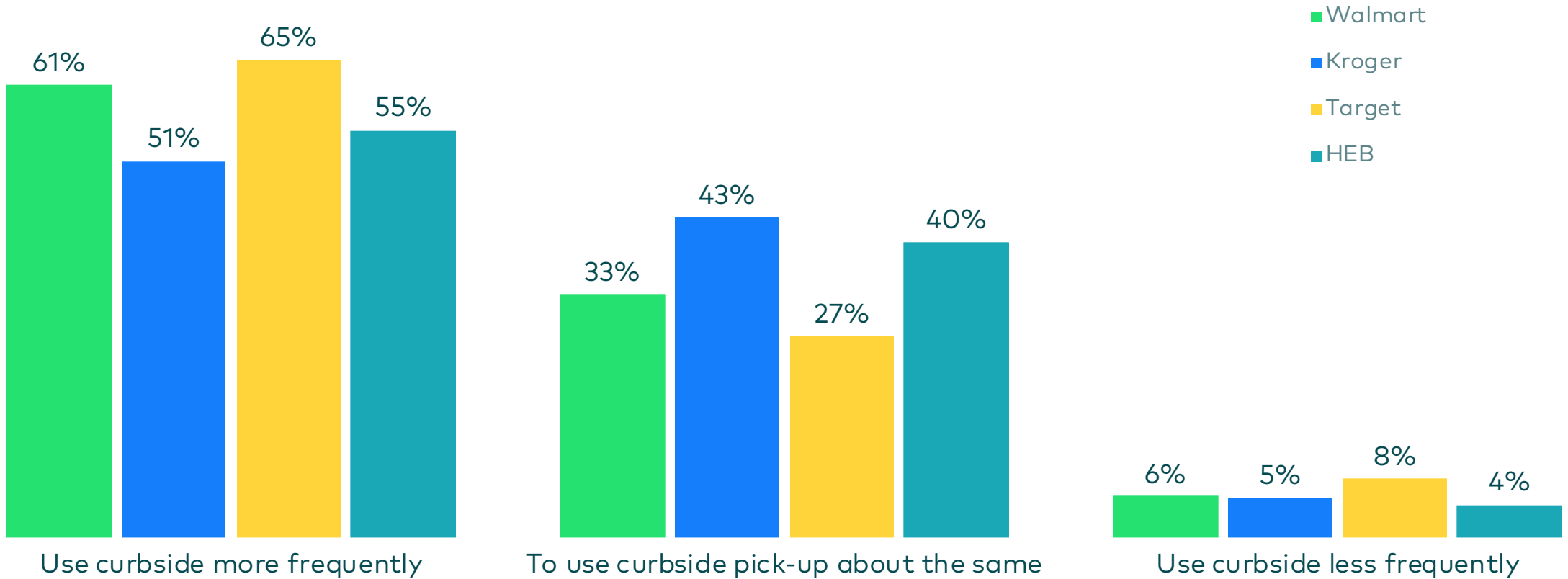
Grocery Pickup shoppers are spending more at Walmart!

% of Shoppers' Total Spend



And most users are going to use Grocery Pickup more in the future

How much do you expect to use grocery pickup in the future?



What we're seeing

Grocery Pickup is growing and will continue to do so.

It's attracting VERY valuable shoppers.

These were traditionally thought of as shoppers Walmart couldn't get.

Shoppers want more Grocery Pickup.

Why it matters to you

It's going to be much harder to get customers to switch over in an online grocery world. Early adoption is key.

Brands have an opportunity to understand how to build out their Grocery Pickup strategy early.

Grocery Pickup's strategy isn't finalized, and there is opportunity to impact it.

How you can take action

Contact your Numerator team to find out things like:

How can I find out how my brand is currently doing with online grocery?

How can I better understand my target audience and get to them first?



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Learn how your shopper's behavior is shifting
hello@numerator.com