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Exploratory Questions Report
Marketing Strategy for Walmart

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Executive Summary

Walmart's e-commerce platform has experienced significant growth, with revenue increasing by **22.5% in FY 2025** to reach **$65.4 billion**. However, despite this success, Walmart.com's **monthly traffic of 474 million visitors** still lags behind Amazon's **2.7 billion visitors**, highlighting untapped market potential. To sustain this momentum and drive further growth, a strategic approach to marketing and customer engagement is essential.

The analysis of customer demographics reveals that **39.9% of Walmart's e-commerce shoppers fall within the 26-35 age group**, making them the most engaged segment, followed by **36-45 (20%) and 18-25 (18.1%)**. Additionally, the majority of Walmart.com shoppers (**75.3%**) are male, while **unmarried individuals (59%)** exhibit higher purchase frequency. Older, married customers, however, represent a growing segment with increasing spending potential. These insights suggest an opportunity to **expand marketing efforts towards female and older married shoppers** to capture a broader audience and drive additional revenue growth.

Product category analysis highlights clear patterns in customer preferences. The highest-rated categories include **Collectibles, Electronics, Subscriptions, Seasonal Sales, and Household Essentials**, with ratings between **4.6 and 5.0**, indicating strong customer satisfaction. In contrast, **Personal Care, Beauty, Arts & Crafts, and Auto & Tires** received lower ratings, ranging from **3.8 to 4.2**, signaling areas where improvements can drive higher engagement. A dual-pronged strategy is recommended: **amplify promotions and visibility for top-performing categories** while implementing **targeted improvements, pricing adjustments, and promotional efforts** to enhance the appeal of lower-rated categories. Further data should be collected to provide tailor-fit recommendations in these findings.

Since Walmart's e-commerce business now accounts for **15% of total sales ($441.8 billion)**, there is a substantial opportunity for **further digital expansion**. Enhancing **personalization strategies, customer retention programs, and competitive pricing models** will be critical in securing a larger market share. Walmart should also leverage customer feedback from high-rated products to refine underperforming categories, ensuring a more optimized and customer-centric shopping experience.

To remain competitive in the rapidly evolving e-commerce landscape, Walmart must **prioritize customer-driven enhancements, expand its demographic reach, and reinforce strategic marketing initiatives**. By implementing these data-driven strategies, Walmart is well-positioned to **close the competitive gap with Amazon, improve market penetration, and achieve long-term e-commerce growth**.

Context

Over the past several years, Walmart's online presence has experienced a remarkable surge, with revenue growing by 22.5% in the fiscal year ending January 31, 2025. Notably, our e-commerce revenue increased from $7,986 million in 2017 to $65,400 million in 2024 (Walmart, 2024; 2021; 2018)—a testament to our robust growth trajectory. As we now consider how best to allocate our marketing budget, it is crucial that our strategy not only continues to fuel revenue growth but also reinforces customer loyalty. Given the evolving trends in e-commerce—ranging from heightened expectations for personalized shopping experiences to the growing importance of seamless digital engagement—this report is timely. It seeks to align our marketing efforts with these market dynamics, ensuring that our investments are both strategic and impactful.

This report investigates key questions to deepen our understanding of our customer base and their behavior. We examine who our current customers are, the categories of products they frequently purchase, and their purchasing patterns to identify the most valuable segments. In addition, we delve into customer feedback to ascertain what they appreciate about our service, what aspects they feel could be improved, and what new initiatives they might welcome. Despite averaging 474 million visitors over the past three months - a figure that, while impressive, still lags behind Amazon's 2,700 million (Similarweb.com, 2025) - it is clear that there is significant untapped potential. By integrating these insights into our strategic planning, we aim to capture additional market share, optimize our marketing spend, and ultimately enhance both our revenue and customer retention.

In the following sections, this report explores the current landscape of Walmart.com revenue, customer base, and customer rating across different sources of data to answer questions relevant to the 2025 Marketing Strategy. The exploratory analysis indicates that attention to the older age group, female population, and good-performing products would be appropriate to increase revenue through higher market penetration. Also, increasing customer retention by promoting customer service on low-evaluated products is another option. This first report should further be refined by additonal data sources, which will enable further analysis of the underlying trends for Walmart.com.

Current Customers, Current Sales and Current Frequency

An analysis done by Statista about customer spending reveals distinct demographic trends that can inform our marketing strategies. Approximately 73.8% of the expenditure is carried out by white customers, while African American and Hispanic consumers account for 10.6% and 10.9% of the spending, respectively, with the remaining 1.6% attributed to other groups (Annex 1). This distribution not only defines our current customer base but also provides a clear indication of where targeted efforts might enhance inclusivity and engagement within our diverse market segments.

In 2024, Walmart US demonstrated a broad product offering across its key sales categories. The company achieved revenue of $262,210 million in groceries, $113,985 million in general merchandise, $54,898 million in health and wellness, and $8,724 million in other categories, culminating in total sales of $441,817 million. Notably, $65,400 million of these sales were generated through our e-commerce channel, a 22% increase compared to 2023 (Walmart, 2024). Highlighting the growing importance and potential of online shopping as a significant contributor to our overall revenue. Figure 1 displays the patterns of revenues across categories by each year, showing low variety across product dynamics and a steadily increasing share of the online channel over total sales[1].

Share of Yearly Revenue by line of product an E-commerce channel on Walmart US
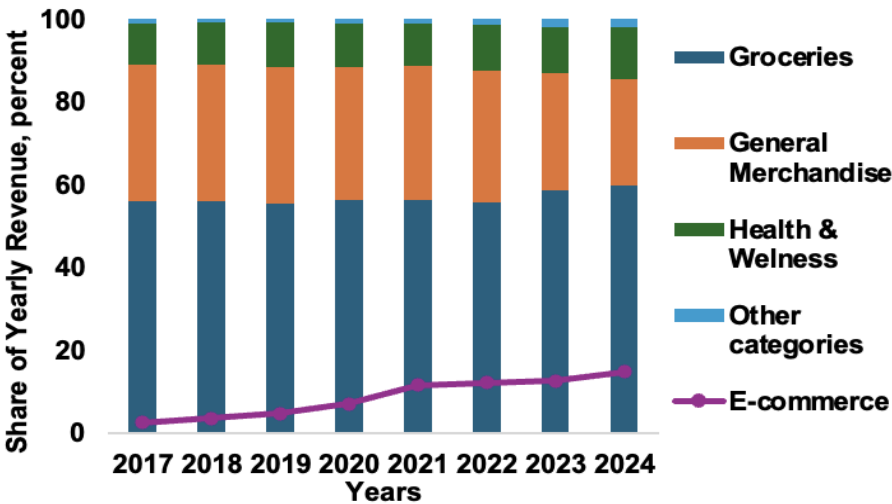

Figure 1. Displays the share of Yearly Revenues on Dollar terms by product category and E-commerce channel.

Regarding online traffic, online engagement remains robust, with Walmart.com receiving an average of 451.4 million visits per month[2]. This consolidates Walmart as the second largest online retailer by traffic, only behind Amazon, which holds over 2,6 billion visits a month.

Given the continued growth in e-commerce and the large gap with the top market participants, It is essential to keep an active marketing strategy to increase market penetration and secure a diverse channel of revenue for the company.

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[1]Table summarizing the revenue by source in US dollar terms available in Annex 1.
[2]Online traffic is captured by similarweb.com for the last three month ending on january, 2025.

Customer Purchase Distribution

The analysis[3] of our e-commerce sales data reveals that the majority of our customers fall within the 26-35 age group (39.9%), double the next groups of 36-45 (20%) and 18-25 (18.1%). These three groups drive the highest engagement and purchases, making them our core customer base. In contrast, younger (under 17) and older (55+) customers represent a much smaller share of our total shoppers, suggesting lower online shopping activity among these age groups.

Gender and marital status further shape purchasing behavior. Males make up 75.3% of our customers, significantly outpacing females, indicating that men are more active buyers on the platform. Additionally, unmarried individuals (59%) shop more frequently than married ones, particularly in younger age groups. However, in older age segments (46+), married customers begin to outspend their unmarried counterparts, suggesting a shift in purchasing habits over time.

For e-commerce marketing strategy, our insights highlight a substantial opportunity to optimize marketing efforts toward young, unmarried males, who are the most likely the highest-spending segment. Additionally, as purchasing behavior shifts with age and marital status, we could explore strategies to better engage female shoppers and older, married customers to expand our sales potential. It is essential to consider that this information was retrieved from external sources, with unclear documentation on its origin. Comparison with traffic, which is not necessarily the same in nature, shows some discrepancy, which points to further comparison with internal sources for validation of this hypothesis.
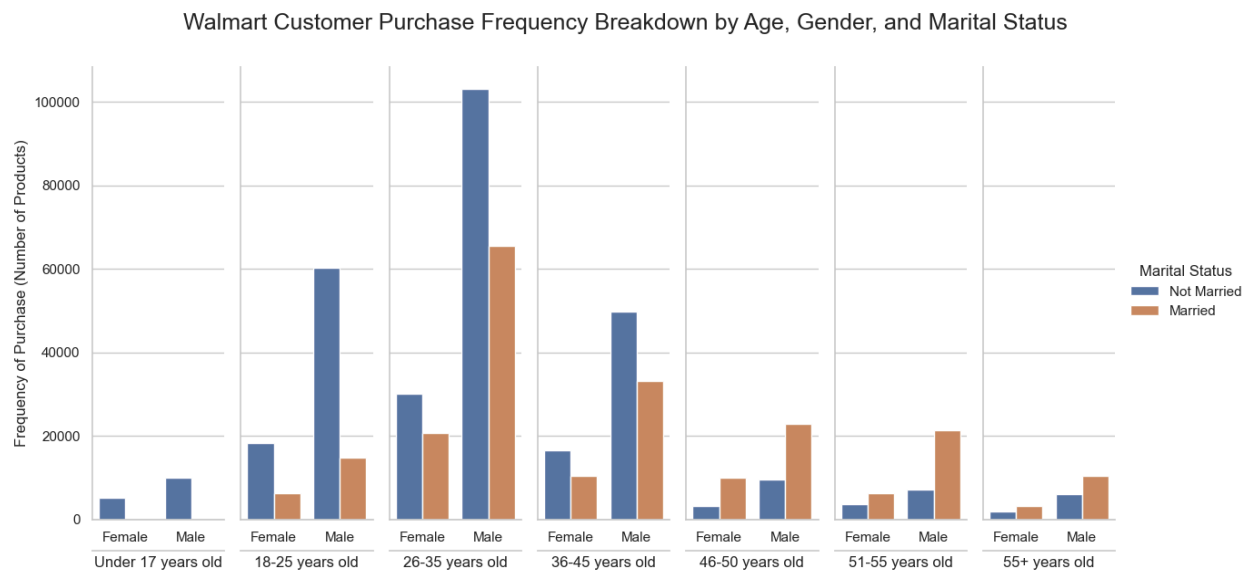

Figure 2. Breakdown of Walmart customer frequency[4] by age, gender, and marital status

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[3]Please look at Annex 2 for further details on the limitations of the analysis,
[4]Frequency was calculated based on the total count of product. For example, if someone buys multiple products with one trip, it counts each transaction separately and multiple times.

Customer Preferences

We also analyzed the data on reviews received from customers on the products they purchased over the month of August 2024. The dataset considered the rating they gave the products in a range of 1 to 5 and how many reviews they got for the products[5]. On the one hand, the five categories that got the highest ratings on average were Collectibles, Electronics, Subscriptions, Seasonal Sales, and Household Essentials. Their ratings ranged from 5 to 4.6, respectively. Indicating very high customer favorability for these categories of items when acquired online.
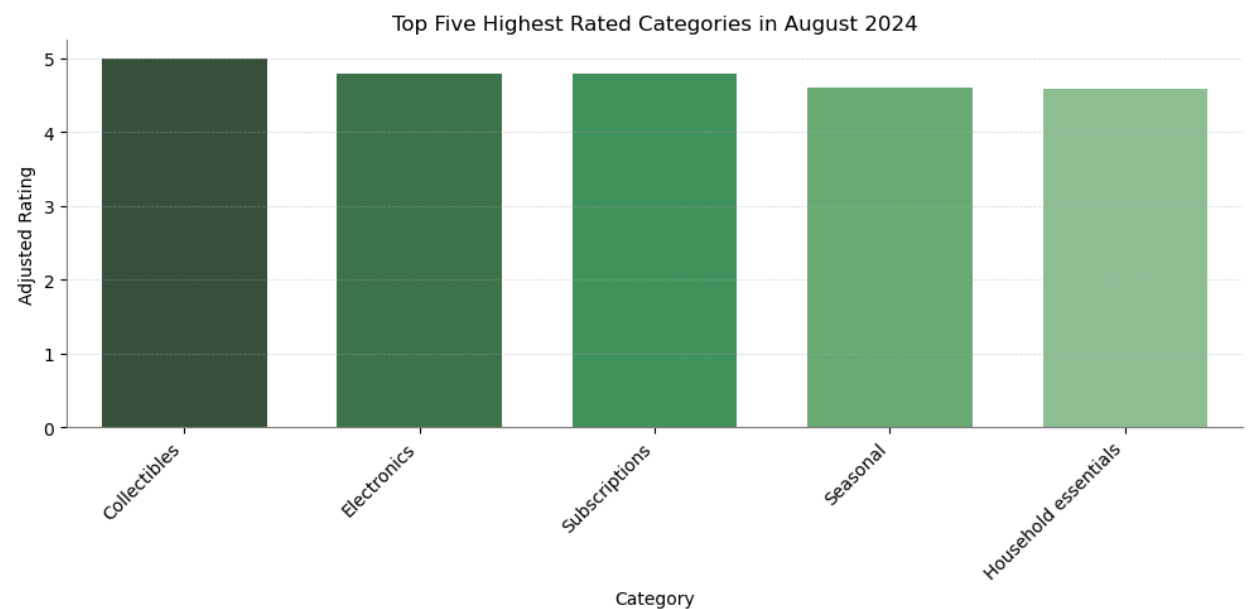

Figure 3. Walmart's highest-rated categories as given by customers in product reviews.

On the other hand, the categories that got the least ratings from customers on average were Personal Care items, Shop with Purpose, Beauty, Arts Crafts & Sewing, and Auto & Tires products. The ratings ranged from 4.2 to 3.8 respectively.

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[5] A further detail of the analysis can be found in the annex 3 of this document. Including further limitation on the data used for this section.
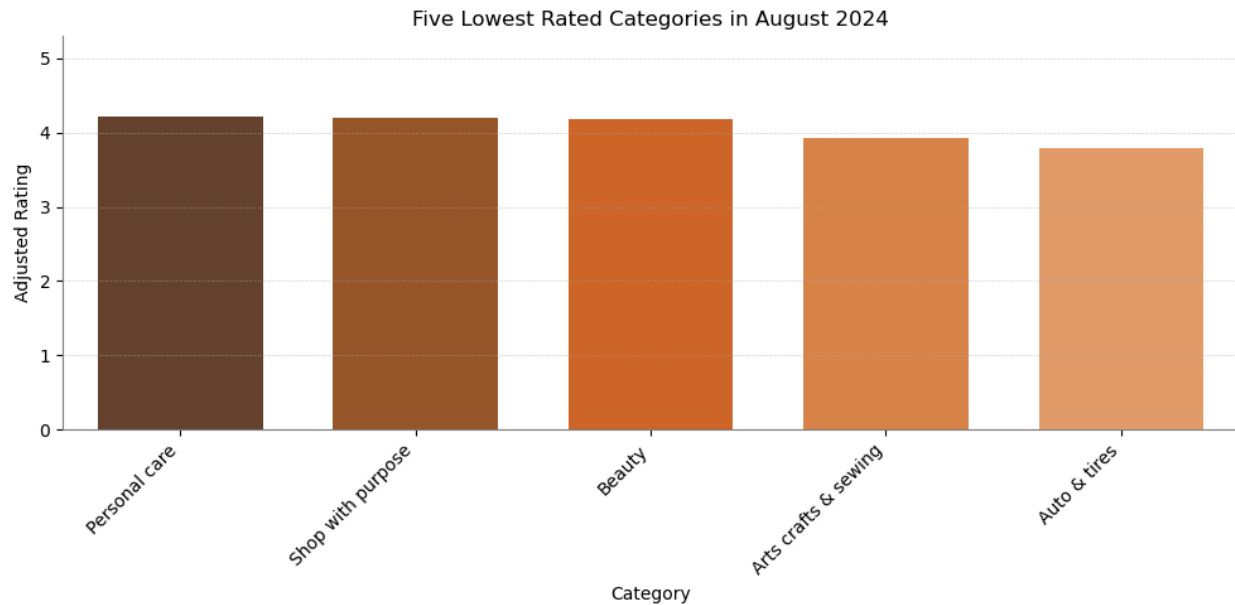
Figure 4. Walmart's lowest-rated categories as given by customers in product reviews.

For our e-commerce marketing strategy, we would benefit from making the top five favored categories more visible to our clients to increase sales. The least-rated categories do not have outrageously bad average ratings, indicating that we generally do well. However, paying more attention to these items will increase our appeal to our customers and increase our revenue. We could run promotions for them to drive traffic and promote advertisements on our e-commerce websites and external websites. It will also be beneficial to evaluate what exactly customers do not like about the least rated categories and address the concerns where possible. For instance, where the price is deemed to be too high, we could investigate ways of reducing the price. Analyzing the review comments for the top-rated categories will also help understand what customers like about these categories and see how to use them to increase the appeal of the low-rated categories. It is essential to consider that these conclusions were reached with data for a particular month (August), meaning that the conclusion should be sustained mainly for the summer season.

Conclusions

Our analysis highlights that Walmart's e-commerce platform is not only a robust revenue driver—contributing $65,400 million in 2024—but also a dynamic ecosystem characterized by distinct customer demographics and nuanced product review trends. The core of our online customer base is predominantly young and unmarried, particularly within the 26-35 age group, although older, married customers are emerging as increasingly valuable spenders. Concurrently, customer feedback reveals a strong favorability for categories such as Collectibles, Electronics, Subscriptions, Seasonal Sales, and Household Essentials. At the same time, areas like Personal Care, Beauty, and related segments lag slightly in ratings. These

dual insights into customer demographics and review dynamics provide a comprehensive view of our market, indicating targeted opportunities to further enhance both customer satisfaction and revenue growth.

Moving forward, our strategy should focus on a two-pronged approach: leveraging high-performing product categories and refining those with lower customer ratings while also tailoring marketing initiatives to our key demographic segments. This will involve a deeper analysis of review comments to identify actionable improvements in underperforming categories by reinforcing findings in top-performing products and the design of targeted campaigns aimed at both our core young, unmarried customers and the emerging segment of older, married shoppers. In parallel, integrating additional internal data will allow us to further refine our segmentation and measure the impact of these strategic initiatives, ensuring that our marketing budget is allocated effectively to drive sustainable growth and enhanced customer loyalty.

Bibliography

[1] Numerator. (December, 2020) Distribution of consumer spending at Walmart in the United States in 2020 by race and ethnicity [Graph] In Statista. Retrieved February 07, 2025, from https://www.statista.com/statistics/1201699/consuper-spending-share-walmart-united-states-by-race/

[2] Walmart (2024) Annual Report.
https://stock.walmart.com/financials/annual-reports/default.aspx

[3]Walmart (2021) Annual Report.
https://stock.walmart.com/financials/annual-reports/default.aspx

[4]Walmart (2018) Annual Report.
https://stock.walmart.com/financials/annual-reports/default.aspx

[5] Devaraj V. (2024, May). e-Commerce (Walmart) Sales Dataset. Retrieved February 8, 2025 from https://www.kaggle.com/datasets/devarajv88/walmart-sales-dataset.

Appendix 1

Distribution of Consumer spending at Walmart in the United States in 2020, by race and ethnicity - Statista, Research.
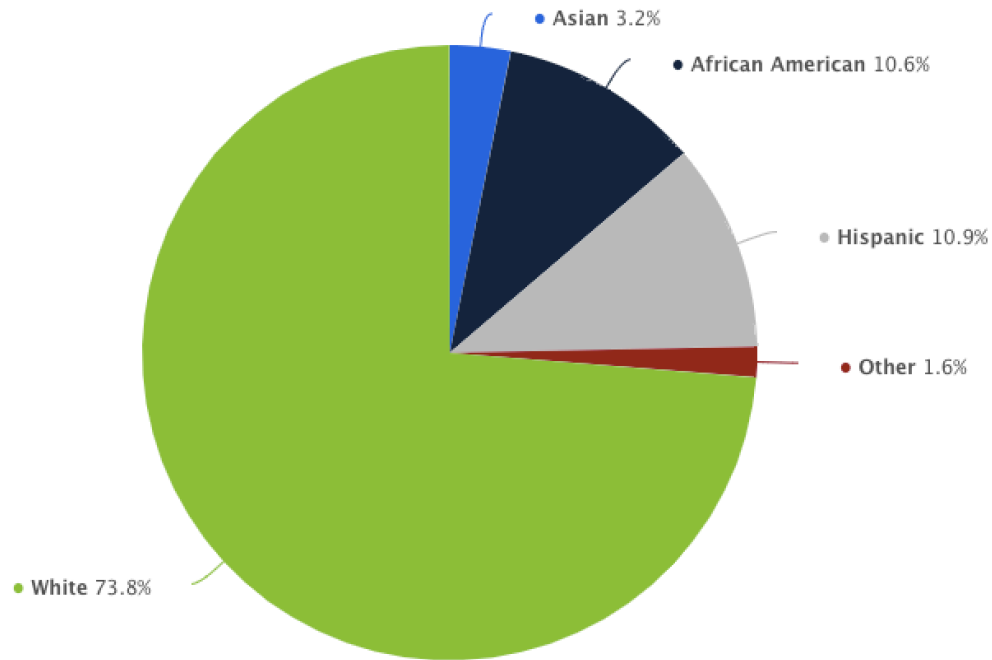

Figure 1.1: On 2020, 73.8% of the spending of clients are White, 10.9% are Hispanic, 10.6% are African American, and 3,2% are Asian.

Walmart US net sales by merchandise category (US mill)

	2024	2023	2022	2021	2020	2019	2018	2017	2016
Groceries	264210	247299	218944	208413	192428	184202	178360	172368	167104
General merchandise	113985	118597	125876	119406	108687	108739	105105	101574	98472
Health and welness	54898	46591	42838	38522	36558	35788	32160	30831	29601
Other categories	8724	8066	5588	3622	3331	2937	2875	3027	3223
total	441817	420553	393246	369963	341004	331666	318500	307800	298400
e-commerce	65400	53400	47800	43000	24100	15700	11500	7986.1	--
e-commerce (y/y)	22.5	11.7	11.2	78.4	53.5	36.5	44.0	--	--

Walmart US net sales by merchandise category (%)									
	2024	2023	2022	2021	2020	2019	2018	2017	2016
Groceries	59.8	58.8	55.7	56.3	56.4	55.5	56.0	56	56
General merchandise	25.8	28.2	32.0	32.3	31.9	32.8	33.0	33	33
Health and welness	12.4	11.1	10.9	10.4	10.7	10.8	10.1	10	10
other categories	2.0	1.9	1.4	1.0	1.0	0.9	0.9	1	1
total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100	100
e-commerce	14.8	12.7	12.2	11.6	7.1	4.7	3.6	2.6	--

Table 1.1: Walmart net sale by category (Extracted from Walmart Annual Report 2024, 2021, 2018)

The table represents the sales by category; e-commerce grew 22.5% in 2024 alone, keeping over 2-digit increases since the start of the investment in the area. As of 2024, 59% of the sales of Walmart are groceries, 25% is general merchandise, 12.4% is health and wellness, and 2% are other categories.

Appendix 2

Age group	0-17	18-25	26-35	36-45	46-50	51-55	55+
% of total customer	2.7	18.1	39.9	20	8.3	7	3.9

Table 2.1. Gender group distribution of Walmart customers

Gender	Female	Male
% of total customer	24.7	75.3

Table 2.2. Gender group distribution of Walmart customers

Marital status	Unmarried	Married
% of total customer	59	41

Table 2.3. Marital status distribution of Walmart customers

Limitations of the Analysis

While this dataset provides valuable insights, several limitations impact its reliability. The accuracy and integrity of the data are uncertain, as its original source and validation methods are not clearly documented. Additionally, the dataset was last updated eight months ago, and it is unclear when the data was collected, raising concerns about its relevance to current shopping behavior and the external validity of the analysis.

There are also potential biases in representation. With men accounting for 75% of the dataset, the analysis may not fully capture broader consumer trends. Additionally, external website traffic data[6] suggests a more balanced gender distribution among visitors (54% female vs. 46% male).

Furthermore, while the dataset shows the 26-35 age group as a significantly bigger purchasing group, external traffic data presents a more even distribution[7], with significant engagement from older age groups. If browsing behavior aligns with purchasing trends, the current dataset may not fully represent all customer segments, suggesting potential gaps in the analysis.
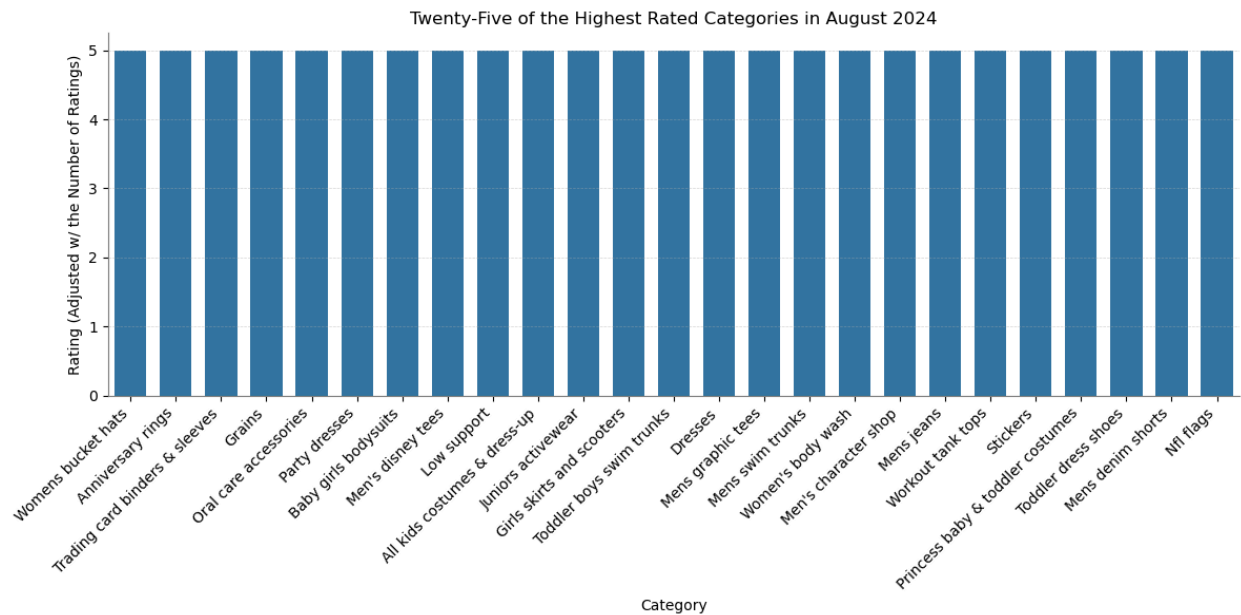
Appendix 3

Twenty-Five of the Highest Rated Categories in August 2024

Figure 3.1. Twenty-Five of Walmart's highest rated sub-categories as given by customers in product reviews

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[6] Online traffic is captured by similarweb.com for the last three month ending on january, 2025.

[7] The external source states that 11.42% of visitors are between 18-24, 22.82% between 25-34, 20.11% between 35-44, 18.49% between 45-54, 16.34% between 55-64, and 10.82% are 65 and older
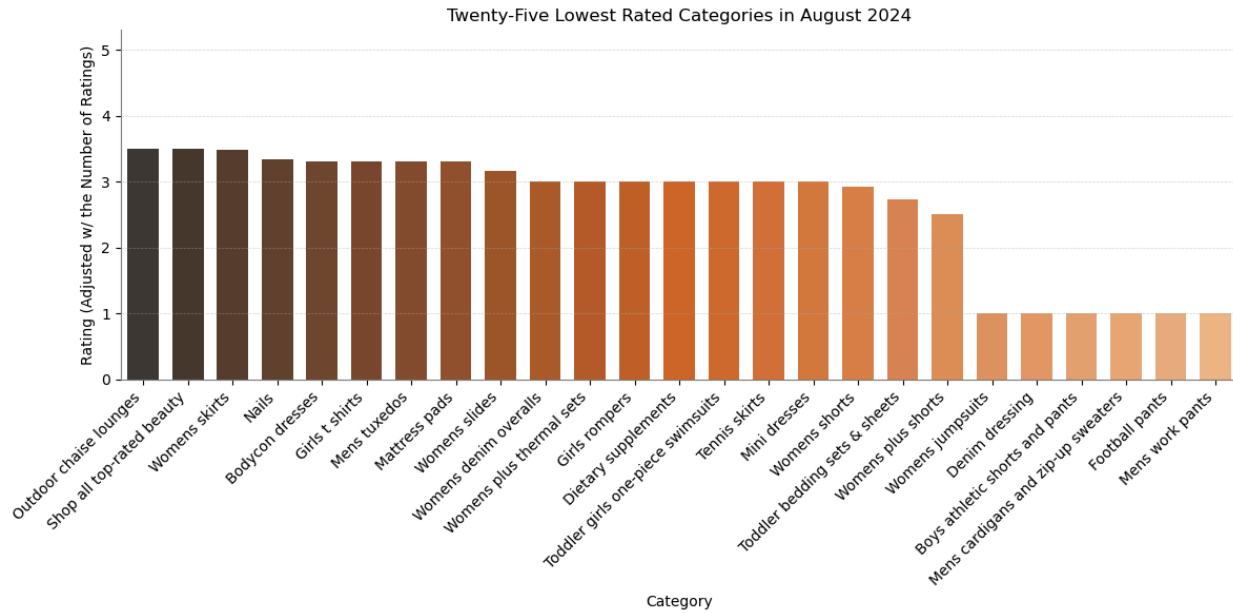
Figure 3.2. Twenty-Five of Walmart's lowest rated sub-categories as given by customers in product reviews

Thirteen other categories had ratings ranging from 4.6 to 4.2. Though these are not bad ratings, there could be room for improvement if we further evaluate the information provided in the reviews.

Calculation of the ratings

The ratings were calculated by adjusting the average ratings with the number of reviews that produced the average ratings. For each category, the following formula was used to get the rating:

$$Category\ rating\ = \frac{\Sigma(product\ rating * number\ of\ reviews)}{\Sigma(\ number\ of\ reviews)}$$

Limitations of the analysis

The observations have a timestamp of 24th and 25th August 2024. This suggests these 1,000 reviews were made in two days in August. The reviews could have been affected by other factors like the weather, which will have a correlation with which items are frequently purchased. The external validity of the report should be considered for the summer period.