

Amazon vs. Walmart: Similarities and Differences in Advertising

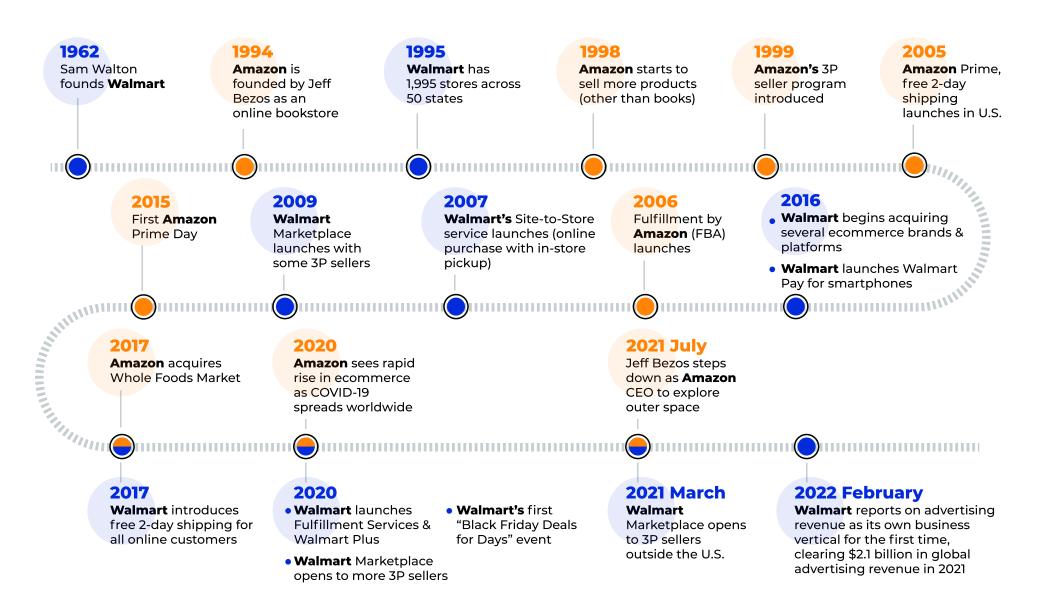
Table of Contents

- Ch. 1 Why advertise on Walmart.com? / 3
- Ch. 2 Similarities Between Advertising on Walmart and Amazon / 6
- Ch. 3 Differences Between Advertising on Walmart and Amazon / 15
- Ch. 4 Explore Leading Solutions for Advertising on Walmart and Amazon / 19

Why advertise on Walmart.com?

Ecommerce advertising is a booming industry. Walmart reported **\$2.1 billion** in ad revenue in 2021, while Amazon generated approximately \$6.91B in ad revenue in Q1 2021. By advertising on both platforms, you can obtain maximum visibility for your brand (or your client's brand). A sizable share of ecommerce brands are already executing an omnichannel presence by tapping into both Walmart's and Amazon's online platforms — or are considering doing so.

A Brief History of Walmart Marketplace



Twelve percent of brands selling on Amazon are also selling on Walmart.com, according to Jungle Scout's 2022 State of the Amazon Seller Report, which notes that 31 percent of Amazon brands that plan to expand to other ecommerce platforms in 2022 will choose to sell on Walmart.com. The report also reveals that nearly half of Amazon brands think that Walmart.com will compete strongly with Amazon in 2022.



If your brand is just beginning to sell on Walmart.com, or considering doing so, this guide will help you understand the similarities and differences between advertising on Walmart.com and Amazon.

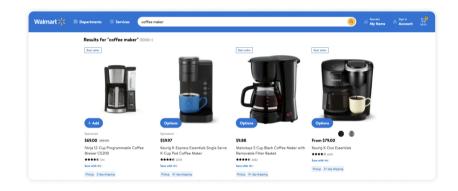
Walmart and Amazon both provide portals for brands and agencies to manage PPC campaigns. Walmart offers Walmart Ad Center, while Amazon provides the **Amazon Advertising Console**. Tools such as **Downstream by Jungle Scout** can streamline reporting and help optimize spend on both platforms.



Similarities Between Advertising on Walmart and Amazon

1. Walmart and Amazon offer sponsored product placement

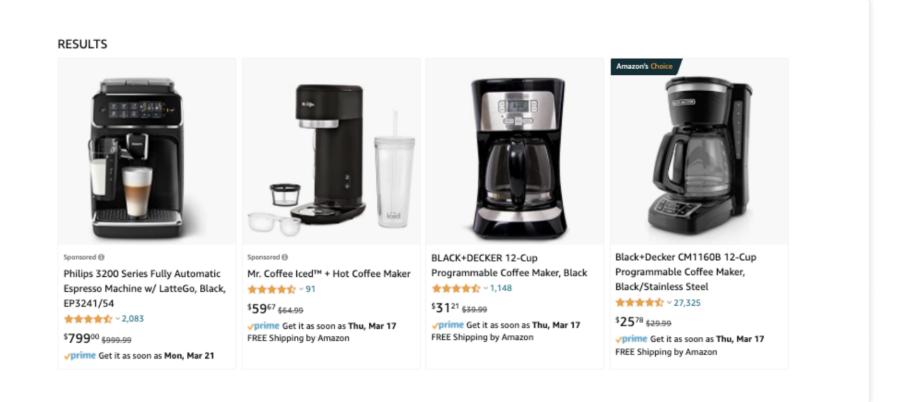
Paid listings can help your brand's products, or your clients' products, appear on the first page of search results. After all, having products listed at the top of search is key for driving sales and building market share. Walmart.com and Amazon both allow brands to advertise through sponsored product listings.



Placements for Walmart Sponsored Products include Search Ingrid, Product Carousels, and under the Buy Box on product detail pages. The placement of Sponsored Product ads is determined by Walmart's algorithm, which considers qualities like product category, click frequency, and product title and description.

On Amazon, Sponsored Products can appear at the top of the search results, alongside organic listings down the page, and on competitors' product detail pages. Amazon allows advertisers to bid on Sponsored Products the day that they launch their products, which is key for brands looking to make those initial sales.

Out of all the advertising placements on Amazon, consumers find Sponsored Products at the top of the search results the most appealing, according to Jungle Scout's Consumer Trends Q1 2022 **Report**. The report also shows that 44% of shoppers have viewed sponsored product ads on Walmart.com.



2. Walmart and Amazon offer sponsored brand placement

Sponsored product listings can provide brands with better visibility for a particular product, but, if you are a Walmart 1P supplier, sponsored brand advertisements can showcase multiple products within your catalog. Walmart allows 1P suppliers to use Search Brand Amplifier, although the placement is not available to 3P sellers. Amazon offers a similar feature to sellers and suppliers, which is known as Sponsored Brands. Both offerings have a similar appearance.

Search Brand Amplifier appears at the top of the search results, as Amazon's Sponsored Brands typically do, and lets you feature your brand if you are a 1P supplier, or your client's brand if they are a 1P supplier, and a collection of items. The offering allows you to display a logo, a tailored headline, and up to three automatically populated products.



Amazon Sponsored Brands ads appear as banner ads that, like Walmart, enable advertisers to display a brand logo, a tailored tagline, and multiple items. The platform provides a few different formats for Sponsored Brand ads that include Video, store spotlight, and product collection.



3. Walmart and Amazon offer auto and manual keyword targeting

Walmart and Amazon provide two options for keyword targeting. For starters, you can use manual keyword targeting to select the keywords and products you wish to target. If you have a good handle on the keywords that your customers use and you have been on Walmart.com for a while, manual targeting might be a good option. Note that Search In-Grid, Search Carousel, Item Carousel, and Buy Box are the only **potential ad** placements available if you choose manual keyword targeting.

If you are newer to advertising, rolling out new products, or interested in expanding your reach beyond your current customers, you might want to consider automatic targeting. To use this method of targeting, enter your product information into Walmart's portal. Walmart's algorithm then handles the targeting for you. By using automatic instead of manual targeting, you have a few more ad placement options available to you. Those additional placement choices include Browse Ingrid, Browse Carousel, Home Page, and Stock Up.

Advertising Types Offered by Walmart

| | Automatic | Manual |
|-----------------|-----------|-----------------|
| Search In-grid | ~ | ~ |
| Browse In-grid | ~ | |
| Search Carousel | ~ | ✓ If enabled |
| Browse Carousel | ~ | |
| Item Carousel | ~ | ✓ If enabled |
| Buy Box | ✓ | ✓ If enabled |
| Home Page | ~ | |
| Stock Up | ~ | |

Similarly, Amazon allows you to choose which keywords you want to bid on through manual targeting. The platform allows you to use automatic targeting and harness one of four different match types, including close match, loose match, substitutes, and complements.

Cobalt's Keyword Scout can provide insight into your competitors' keyword strategies on Amazon. You can apply this information to your Walmart.com ad campaigns, as your brand's competitors on Amazon, or your client's competitors on Amazon, are likely also competitors on Walmart.com. While the highest searched keywords won't always be the same, it is very likely that the top five search terms for your product will be very similar between Amazon and Walmart.



Expert Advice

You can always begin advertising on Walmart Connect with automatic campaigns and change over to manual campaigns once you have more advertising data and experience with the platform. By running automatic campaigns, you can see which high-converting keywords Walmart finds for you and then add those keywords to your manual campaigns.

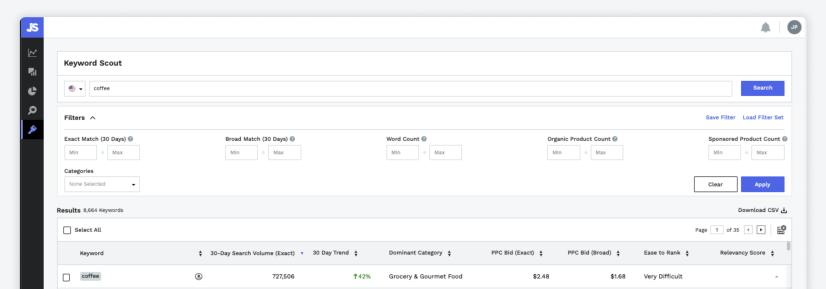


David Wennberg

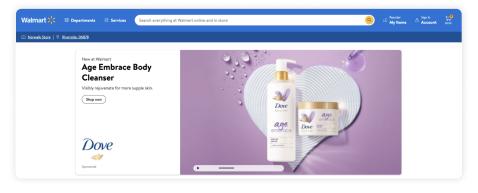
Brand Owner, Walmart Expert & Customer Success
Manager for Downstream by Jungle Scout

4. Walmart and Amazon offer display ad placement

Beyond ad placement for products and brands, Walmart and Amazon both allow you to place display ads. Walmart display ads **appear** online through Walmart's digital properties and on other websites, in addition to social media platforms. You can use Walmart's proprietary search, browse, and purchase data to find the best Walmart customer segments to target.



Amazon also offers display ad placement through Sponsored Display. Similar to Walmart, Amazon's Sponsored Display ads target customers based on audience interests and shopping behaviors, in addition to whether they have seen your product's detail page. Amazon offers three targeting options:







Audiences: Interests

Enables you to put your items in front of new customers whose shopping behaviors suggest they might be interested in buying them.



(Audiences: Views remarketing

Allows you to re-engage audiences that have seen the detail page of your product or detail pages of like items/categories.



Product targeting

Empowers you to market your item to customers who have actively browsed your item or similar items/categories.

5. Walmart and Amazon offer Demand-Side Platform (DSP) options

Demand-Side Platforms (DSPs) enable you to buy and control ads from different sources. These platforms allow you to manage your online advertisements on multiple networks in one place. Both Walmart and Amazon have their own DSPs that you can use to purchase ads that can appear beyond these platforms.

Walmart's DSP was created in conjunction with The Trade Desk, which Walmart describes as "the world's leading independent DSP." It enables you to engage with customers wherever they may be and bring them to Walmart.com to buy your products.

Similarly, Amazon DSP enables you to get in front of new and existing customers on and off Amazon by programmatically purchasing ads. You can buy display ads, in addition to video ads and audio ads, through Amazon DSP. Amazon provides selfservice and managed-service options for this offering.

6. Walmart and Amazon offer many similar ad performance reports

Understanding your ad performance is key to optimizing your ads, or your client's ads. Walmart and Amazon offer similar reports to help you monitor performance. On Walmart Connect, you can access campaign reports, which are created 24 hours following the start of a campaign, and on-demand reports. You can create custom reports on Walmart.com and access an item health report to gain additional insights.

Walmart

| Campaign Reports | On-demand Reports |
|--------------------------------------|--------------------------|
| Daily Performance | Keyword Performance |
| Ad Group Performance | (for manual campaigns) |
| Page Type Performance | Placement Performance |
| Brand Performance | Item Keyword Performance |
| Category Performance (for suppliers) | Item Performance |
| | Campaign Snapshot |
| Bidded Category | |
| (for Search Brand Amplifier) | |
| Platform Performance | |
| | |

Amazon

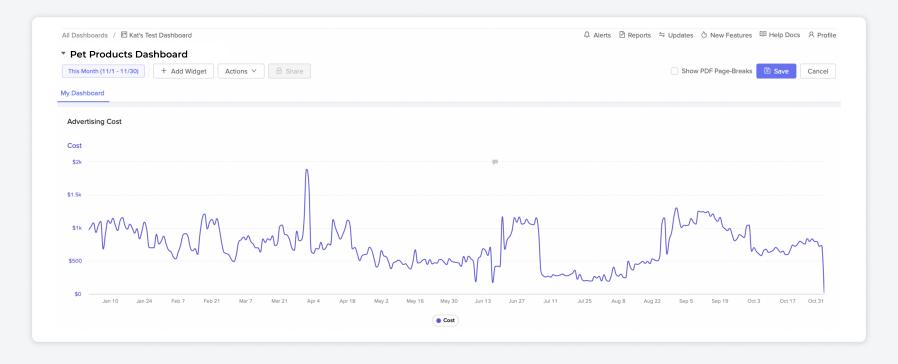
Reports **Targeting** Search Term Impression Share Advertised Product **Placement** Campaign Performance Overtime Search Term **Purchased Product** (for sellers)

Amazon and Walmart both provide data on mobile traffic and conversions. It's critical to monitor this channel, as more consumers shop on their smartphones than on their personal computers.

Note that Amazon recently released mobile app session data in reports, so check your Unit Session Percentage to ensure that this data factors in mobile sessions.

(Unit session percentage = Units sold / # of sessions.)

Downloading multiple reports from Amazon's and Walmart's advertising portals, and analyzing the data, can be tedious work. However, there is an easier way to view and analyze your ad spend data. Downstream's Dashboards enable you to view detailed data on demand for both platforms – without the hassle of manually retrieving reports from Walmart Connect or Amazon. You can see a holistic view of what's working on each platform and glean insights that you can apply to both platforms.



7. Walmart and Amazon allow in-store returns of products bought on their marketplaces

Taking away the hassle of returns is a major selling point for enterprise ecommerce brands. Walmart and Amazon both allow customers to return products purchased on their online marketplaces to brick-andmortar stores. As a result, customers can easily make their returns on their shopping trips.

Consumers can return most Walmart marketplace items to brick-andmortar Walmart locations. This option is a major convenience for Walmart shoppers, as 90% of Americans are located within 10 miles of a Walmart store. Conversely, consumers can bring their unwanted Amazon purchases to Kohl's or Whole Foods Market to make a return.



5 Differences Between Advertising on Walmart and Amazon

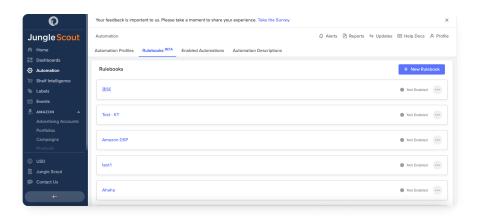
1. Walmart and Amazon have different minimum budgets

Walmart and Amazon require different minimum CPC bids, which is the amount that you are willing to pay for placements. While the minimum CPC bid on Amazon is \$0.02, the minimum CPC bid on Walmart is \$0.20 for all items and is \$0.30 for all keywords. If you bid the minimum, however, you might not win many ad auctions.

| Platform | Minimum CPC Bid | Minimum Daily Budget | Minimum Overall Budget |
|----------|--|-------------------------|---------------------------|
| Walmart | \$0.20 for items (automatic campaigns), \$0.30 for keywords (manual campaigns) | \$10* | \$50* |
| Amazon | \$0.02 | \$1 | \$100 |

* For Walmart sellers. Walmart suppliers have a different minimum daily and overall budget.

Manually managing each of your PPC bids can be a challenge, but advertising software can help simplify the process. Downstream's Rulebooks feature enables you to automatically adjust your PPC bids to meet your goals. For example, you can use Rulebooks to lower your keyword bid for any keyword that has an Advertising Cost of Sales (ACoS) of 65% over a 14-day period.



2. Walmart and Amazon generate different volumes of traffic

Walmart and Amazon are both ecommerce powerhouses; however, they generate different volumes of site traffic. While Walmart sees 457 million average monthly site visitors, Amazon sees 2.65 billion average monthly site visitors. As a result, your PPC ad has the potential to receive more impressions on Amazon than on Walmart.

Walmart.com's marketplace provides a largely untapped opportunity: There are just under 115,000 third-party sellers worldwide on Walmart.com, while there are 6.3 million third-party sellers worldwide on Amazon. Your brand has a better chance of standing out from Walmart.com's platform than Amazon's.



Amazon's average monthly site visitors

2.65B

Walmart's average monthly site visitors

457M

Amazon Prime subscribers

112M

Walmart+ subscribers

8.2M

Amazon Number of Third-Party Sellers Worldwide

6.3M

Walmart Number of Third-Party Sellers Worldwide

3. Walmart and Amazon offer different attribution window options

Attribution windows are key for helping you track when a conversion occurs. Advertising platforms like Walmart and Amazon attribute a sale to your advertising campaign when customers interact with one of your ads and buy the advertised item. Walmart and Amazon set different attribution windows. which is the time following an ad click in which a sale can occur and be attributed to your campaign.

Walmart's standard attribution window is 14 days and offers three types of click attribution: direct, related, and brand. The platform also allows for 3-day and 30-day attribution windows. By contrast, Amazon's standard attribution window for Sponsored Products is 7 days, while its standard attribution window for Sponsored Brands is 14 days.

If you download a Campaign Performance report from Amazon, you can see attribution windows ranging from 1 to 30 days.

4. Walmart doesn't allow negative keyword targeting at the sponsored product level

You might want to exclude keywords from your PPC campaigns. If certain keywords are irrelevant, you might not wish to spend valuable ad dollars on them. For example, one keyword might be receiving many clicks but zero sales. In that case, using negative keywords can exclude your product or brand ad from related searches.

Walmart and Amazon allow negative keyword targeting in different instances:

| | Product Ads | Brands Ads |
|-----------------|-------------|------------|
| >¦< Walmart | × | ~ |
| → Amazon | ~ | ~ |

5. Walmart allows brands to advertise in brick-and-mortar stores

Digital advertising is not limited to websites and apps. Walmart enables brands to reach consumers through instore screens. The retailer provides ad space on 170,000 digital screens throughout 4,700+ Walmart stores. Walmart also offers placement at the point of sale through ads on self-checkout kiosks.

Moreover, Walmart's **closed-loop measurement** offers a wealth of information to brands and advertisers. It provides insight into whether ads influence a future purchase online or in-store. If a customer views an ad online and makes a related purchase at Walmart, closed-loop measurement recognizes the purchase and records it.

By contrast, Amazon is looking to sell digital advertising on screens inside of brick-and-mortar locations. Ads on check-out kiosks are reportedly under consideration.

Explore Leading Solutions for Advertising on Walmart and Amazon

In this guide, we've covered a number of **Downstream** and **Cobalt** tools available for optimizing your advertising campaigns on Walmart and Amazon.





Custom Dashboards

Build custom ad performance dashboards with brand-, keyword-, and product-level detail, including data visualizations.



Automation

Save time and ad spend with tools that automatically adjust advertising campaigns to optimize ROI, reach, and conversions.



Rulebooks

Set specific rules for updating your bids and make bid adjustments in bulk.



Campaign Creation

Create, "clone" and "duplicate" your legacy Walmart and Amazon campaigns on the Downstream platform.

Jungle Scout Cobalt



Keyword Scout

View the keywords your competitors are using to drive discoverability and conversions.

About Downstream by Jungle Scout

Downstream is the leading automated advertising and analytics solution and is part of Jungle Scout's suite of ecommerce solutions. Jungle Scout is the leading all-in-one platform for selling on Amazon and beyond. Founded in 2015 as the first Amazon product research tool, Jungle Scout today features a full suite of best- in-class business management solutions and powerful market intelligence resources to help brands, agencies and investors manage their ecommerce businesses.



Supports \$40 billion in Amazon revenue



Serves more than 600,000 customers worldwide



Raised \$110 million in growth equity in 2021



Monitors over 1.8 billion data points daily



Supports up to 17 global marketplaces

Recognized as the most trusted platform for selling on Amazon









Learn more about how Downstream can help your brand or agency win on Walmart. Speak with a Jungle Scout expert today!

REQUEST A DEMO