

COMPANY SPOTLIGHT

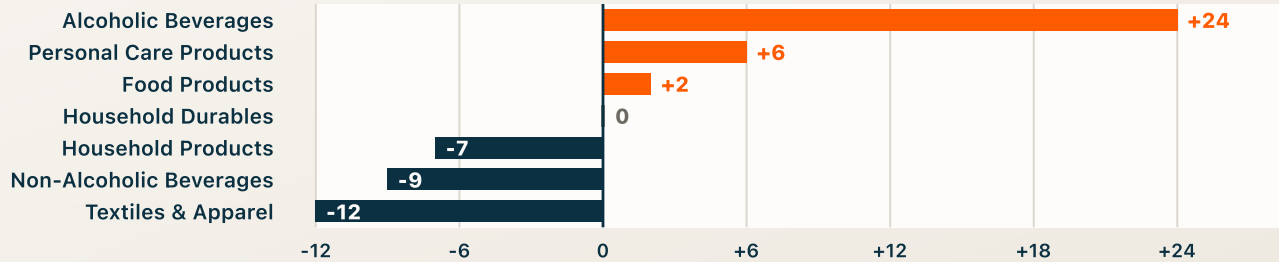
One Walmart, Two Baskets

Walmart's highest- and lowest-income shoppers walk into the same store and fill different carts. Affluent households buy alcohol, personal care products, and protein products they can find at premium grocers. Lower-income households buy canned and frozen food, coffee, and infant formula.

■ \$150K+ household cohort ■ Under \$50K household cohort

Where each cohort's Walmart dollars go

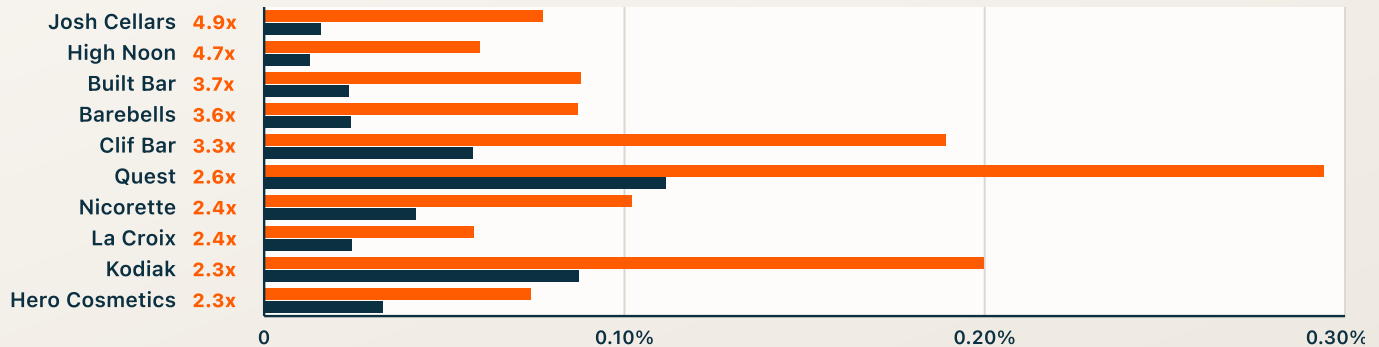
\$150K+ share of category vs. under \$50K, index (0 = parity)



Affluent households spend 24% more of their basket (2.9% vs. 2.3%) on alcohol than lower-income customers. The value basket tilts towards non-alcoholic beverages, household products, and clothing.

Brands that skew affluent

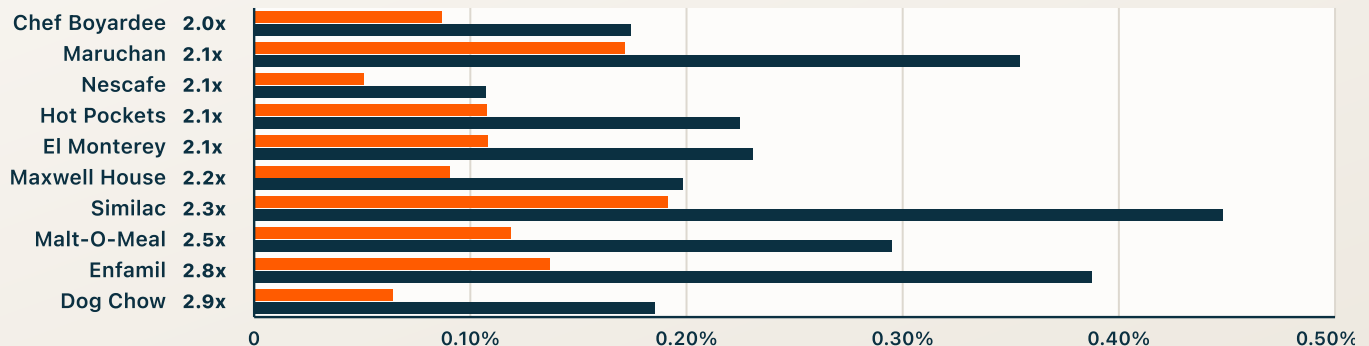
Share of the cohort's total Walmart spend



Alcohol brands like Josh and High Noon are heavily-reliant on high-income purchasers. Protein products cluster just behind.

Brands that skew value

Share of the cohort's total Walmart spend



Dog Chow, Enfamil and Malt-O-Meal pull roughly three times more of the value basket. Similac alone takes 0.45% of every dollar the under-\$50K cohort spends at Walmart.

Walmart doesn't have a uniform customer, and its gradual winning of high-income customers (as reported last week) isn't from those customers making trade-downs. Walmart is competing with traditional and premium grocery brands by offering its customers the same options.

Note: Cohorts are households with income above \$150K and below \$50K. Shares are each cohort's spend on the brand or category as a percent of that cohort's total Walmart spend. Index is the ratio of the two shares, expressed as a percentage difference from parity. Multiples shown at left are the ratio of the larger share to the smaller. Brand comparisons cover national branded goods only; Walmart private label (Great Value, Equate, Parent's Choice) is excluded.

Source: Carbon Arc – POS Instore and Online – CA0034