

Amazon is set to overtake Walmart as the U.S.'s largest retailer by 2022, according to a new report.

Market research firm Packaged Facts based the prediction on the expectation that Amazon sales will continue to grow at a much faster rate.

Packaged Facts analyzed the e-commerce giant's activities in grocery, pet products, and financial services.

"Amazon's already has an enormous impact on e-commerce sales, benefitting from its creation of an endless online aisle with products at competitive prices," says David Sprinkle, research director for Packaged Facts.

"Packaged Facts estimates that Amazon's U.S. gross merchandise sales will comprise 43% of U.S. e-commerce sales in 2019, up from 28% in 2015. By 2022, we forecast that Amazon will contribute almost half of U.S. e-commerce sales."

Despite Amazon's continued growth, Walmart does have advantages Amazon presently cannot match, according to the report. This is even when accounting for Amazon's incorporation of Whole Foods or its partnership with retail chain Kohl's.

Most notably, Walmart's in-store services strongly differentiate it from online competitors such as Amazon, which naturally cannot provide services, as well as from its brick-and-mortar competitors. Many of them do not offer the same breadth of offerings or cannot match Walmart's pricing.

These services therefore not only produce revenue but also significantly drive traffic, which is even more vital at a time when brick-and-mortar retailers of all shapes and sizes seek to revitalize in-store traffic.

Packaged Facts survey data reveals that more than 20% of Walmart purchasers use in-store services (including purchasing/using a range of financial services, on-site pharmacy, and optical and photo processing).

In addition, Walmart is the click-and-collect king. Among survey respondent click-and-collectors, 43% identified Walmart as the pick-up location for their last click-and-collect order, three times the percentage of those who cited runner-up Target