From tomatoes to tools – how will Walmart change the home improvement category?

October 23, 2023

From tomatoes to tools, 43% of people are willing to purchase virtually any product category at Walmart

At-A-Glance:

- 35% of respondents spend most of their grocery dollars at Walmart, while just 4% spend most of their grocery dollars at Target.

- 39% have purchased from Walmart.com in the past year.

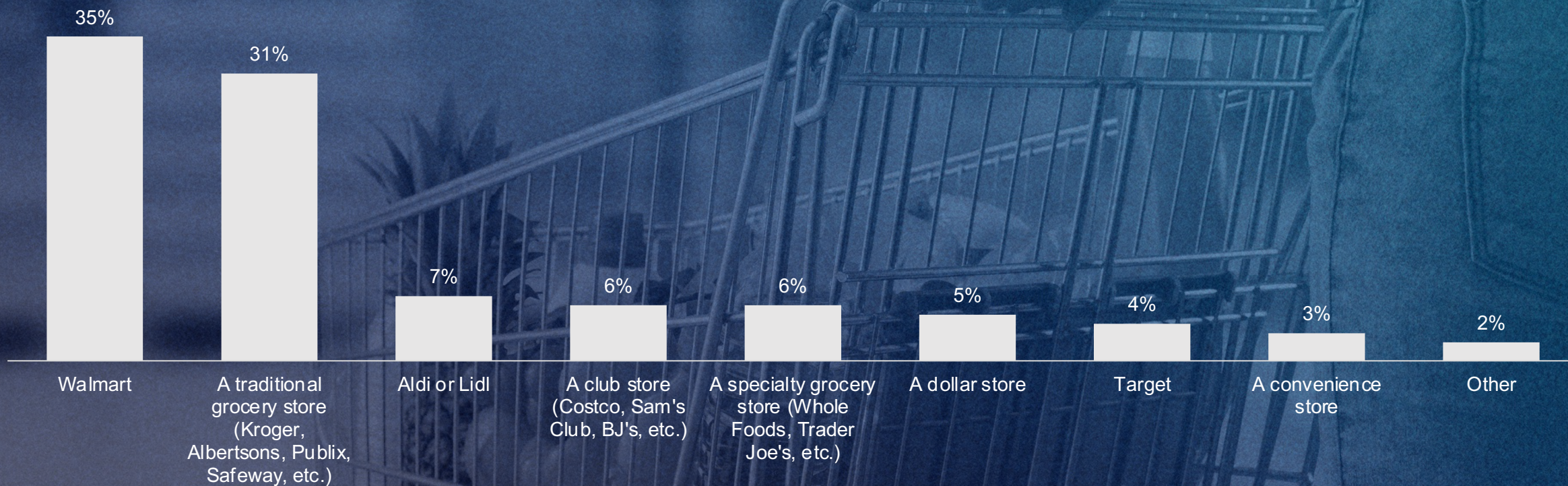- 48% wish Walmart had a better product selection.

The Outlook:

Walmart CEO Douglas McMillon recently told analysts that Walmart continues to gain market share in the grocery category, including among higher-income and younger shoppers. The big question for brands and retailers is whether Walmart can steal share from traditional home improvement stores by convincing these shoppers to fill their carts with home improvement supplies while they are in the store for milk, bread, and eggs.

When it comes to where respondents make the majority of their grocery purchases, Walmart surpasses traditional grocery stores as the most popular grocery destination.

Store where most groceries are purchased

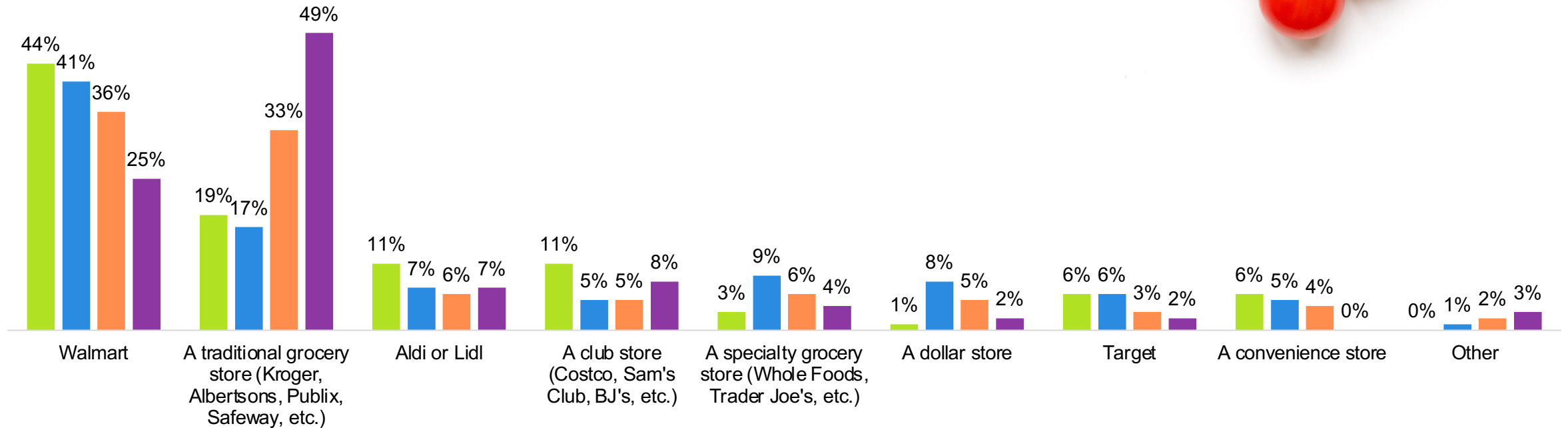| Walmart	A traditional grocery store (Kroger, Albertsons, Publix, Safeway, etc.)	Aldi or Lidl	A club store (Costco, Sam's Club, BJ's, etc.)	A specialty grocery store (Whole Foods, Trader Joe's, etc.)	A dollar store	Target	A convenience store	Other
35%	31%	7%	6%	6%	5%	4%	3%	2%

There is a definite generational bias in store preference. While older generations favor traditional outlets, it's the younger generations that are driving the popularity of Walmart.

Store where most groceries are purchased

■ Gen Z ■ Millennial ■ Gen X ■ Boomer

Store	Gen Z	Millennial	Gen X	Boomer
Walmart	44%	41%	36%	25%
A traditional grocery store (Kroger, Albertsons, Publix, Safeway, etc.)	19%	17%	33%	49%
Aldi or Lidl	11%	7%	6%	7%
A club store (Costco, Sam's Club, BJ's, etc.)	11%	5%	5%	8%
A specialty grocery store (Whole Foods, Trader Joe's, etc.)	3%	9%	6%	4%
A dollar store	1%	8%	5%	2%
Target	6%	6%	3%	2%
A convenience store	6%	5%	4%	0%
Other	0%	1%	2%	3%

Two-thirds of respondents have made in-store purchases in categories other than food and home essentials at Walmart in the past year. Interestingly, slightly fewer people have purchased these items from Target (40%) than from dollar stores (43%).

Locations purchased in-store in last year (not for groceries/essentials)

67%	43%	40%	26%
Walmart	A dollar store	Target	A club store
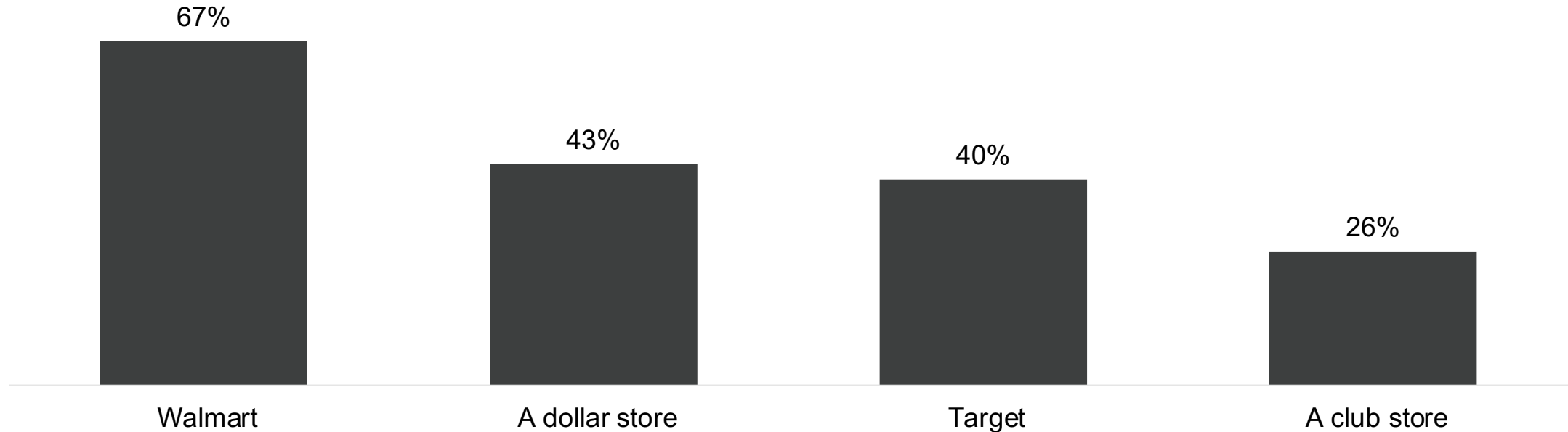
Younger generations are more likely to be shopping in-store at Target than their older counterparts. Conversely, Walmart has a stronger relationship with Millennials (72%) and Gen X (71%).

Locations purchased in-store in last year (not for groceries/essentials)

■ Gen Z   ■ Millennial   ■ Gen X   ■ Boomer

Walmart
- 59%
- 72%
- 71%
- 60%

Target
- 43%
- 51%
- 34%
- 34%
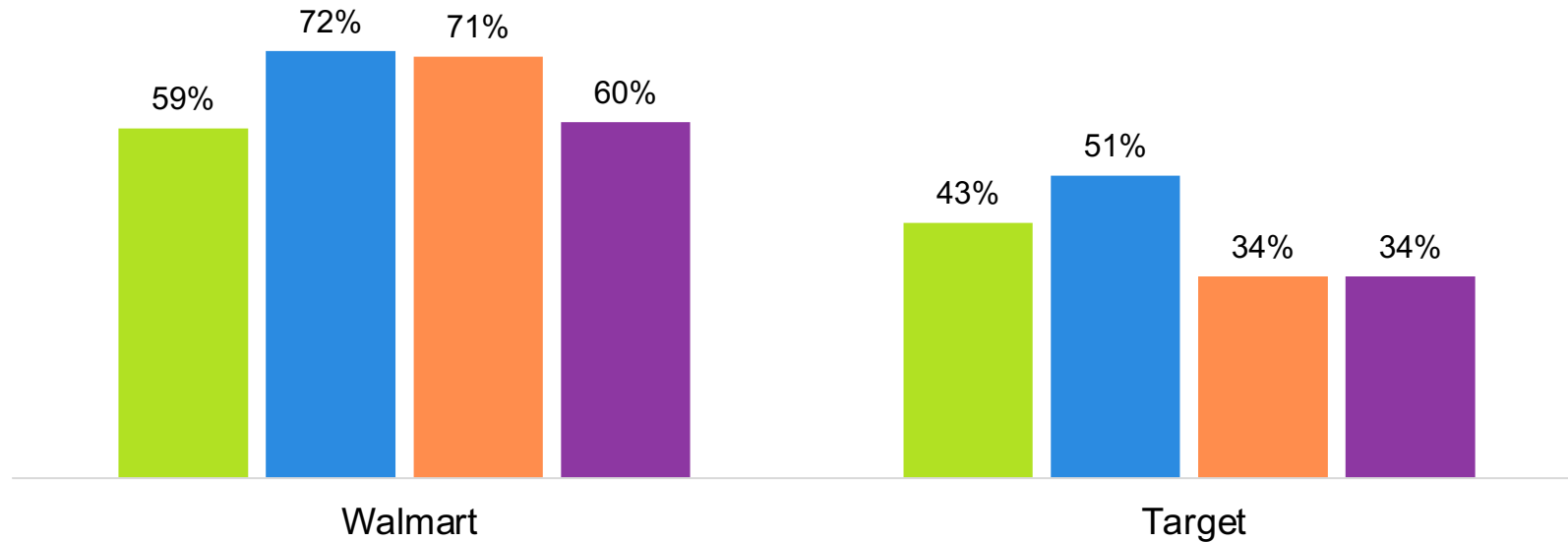
Online ordering for either pickup or delivery at Walmart is popular with 40% or more of each generation except for Boomers (29%).

Walmart

Purchased from Walmart.com for pick-up/delivery in the past year
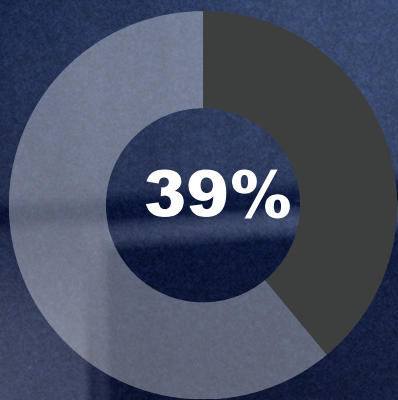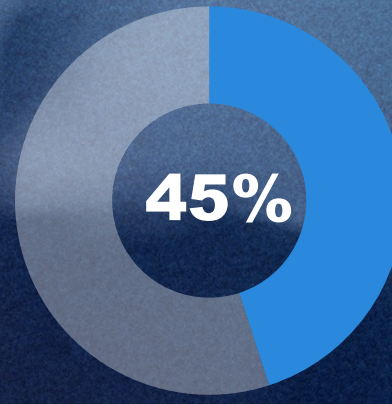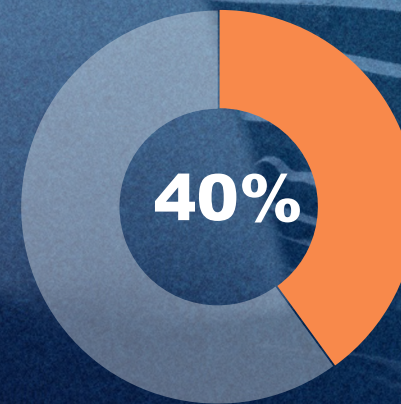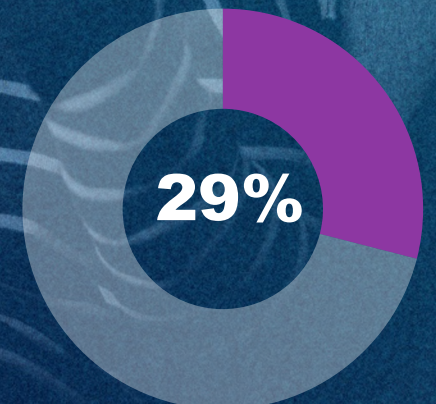
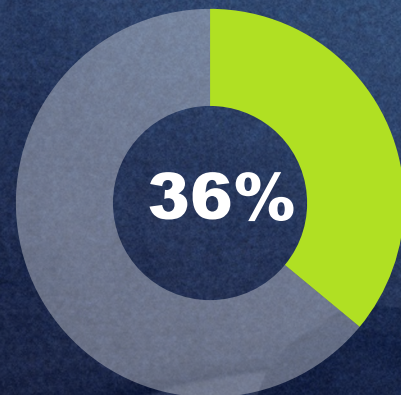| 39%	52%	45%	40%	29%
All	Gen Z	Millennial	Gen X	Boomer

The same pattern seen with Walmart is also evident at Target, but on a smaller scale. Two-thirds as many shoppers are using Target's online order services than those using Walmart's.
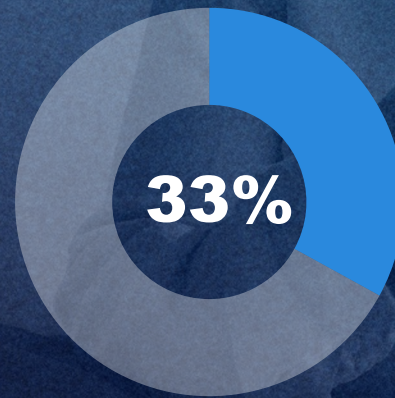
target

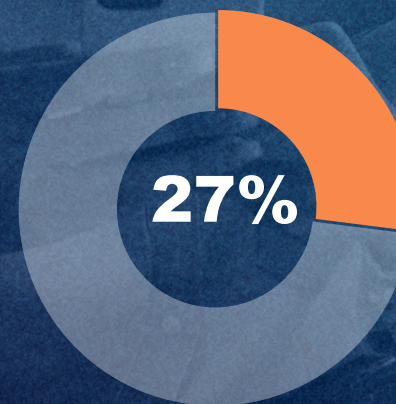Purchased from Target.com for pick-up/delivery in the past year
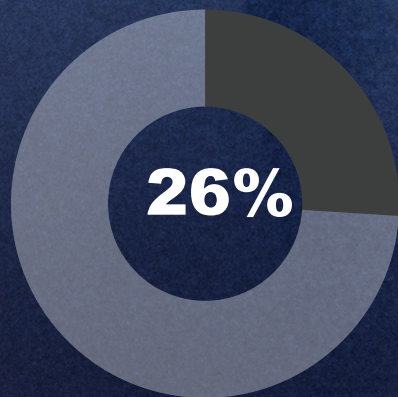
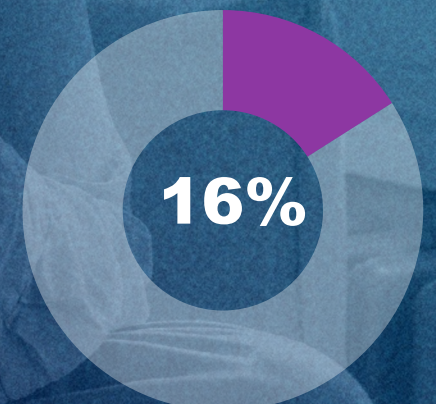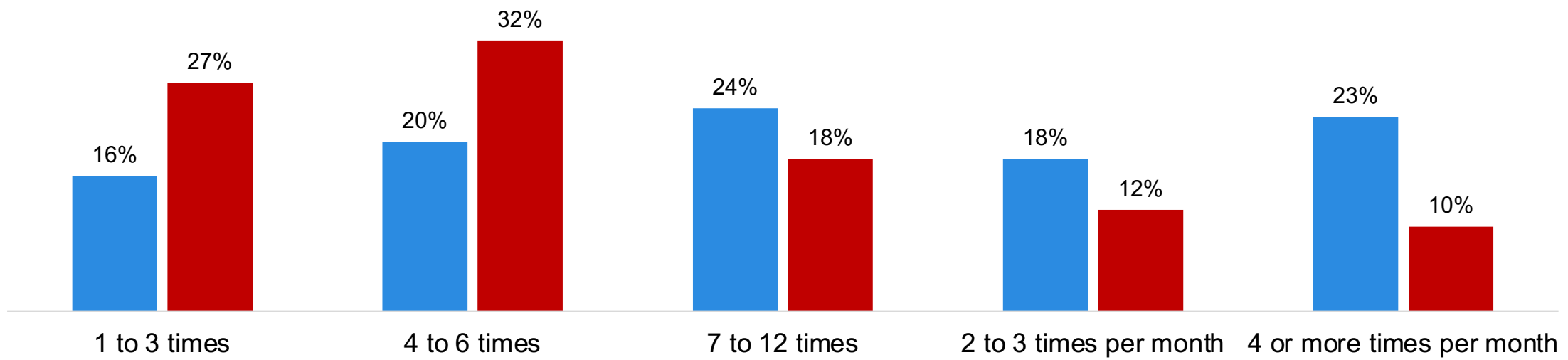| 26%	36%	33%	27%	16%
All	Gen Z	Millennial	Gen X	Boomer

36% of those shopping at Walmart for non-grocery items are doing so 6 or fewer times per year. On the other hand, 59% of those making the same purchases at Target are doing so at the same frequency.

Frequency of non-grocery purchases

■ Walmart ■ Target

Category	Walmart	Target
1 to 3 times	16%	27%
4 to 6 times	20%	32%
7 to 12 times	24%	18%
2 to 3 times per month	18%	12%
4 or more times per month	23%	10%

43% of respondents report they would purchase products in virtually any category at Walmart. Among those who would not buy everything from the retailer, the categories people are most likely to avoid are adult clothing (26%), children's clothing (19%), and sporting goods (19%).

*Younger shoppers are much more likely to avoid categories like **adult clothing & and housewares**.*

Categories <u>would not</u> purchase at Walmart	All	Gen Z	Millennial	Gen X	Boomer
None of the above	43%	20%	41%	46%	51%
Adult clothes	26%	41%	33%	24%	15%
Children's clothes	19%	8%	25%	16%	18%
Sporting goods	19%	38%	16%	18%	18%
Toys and games	18%	16%	21%	19%	14%
Electronics	15%	10%	18%	14%	14%
Cookware and bakeware	12%	4%	20%	10%	5%
Housewares	12%	22%	20%	7%	4%
Small appliances	9%	24%	13%	5%	3%

82% of respondents are willing to purchase gifts at Walmart, so there does not seem to be any stigma attached to the outlet when it comes to gift-giving.

Willing to give gifts purchased at Walmart

■ All ■ Gen Z ■ Millennial ■ Gen X ■ Boomer

82%   68%   90%   86%   73%
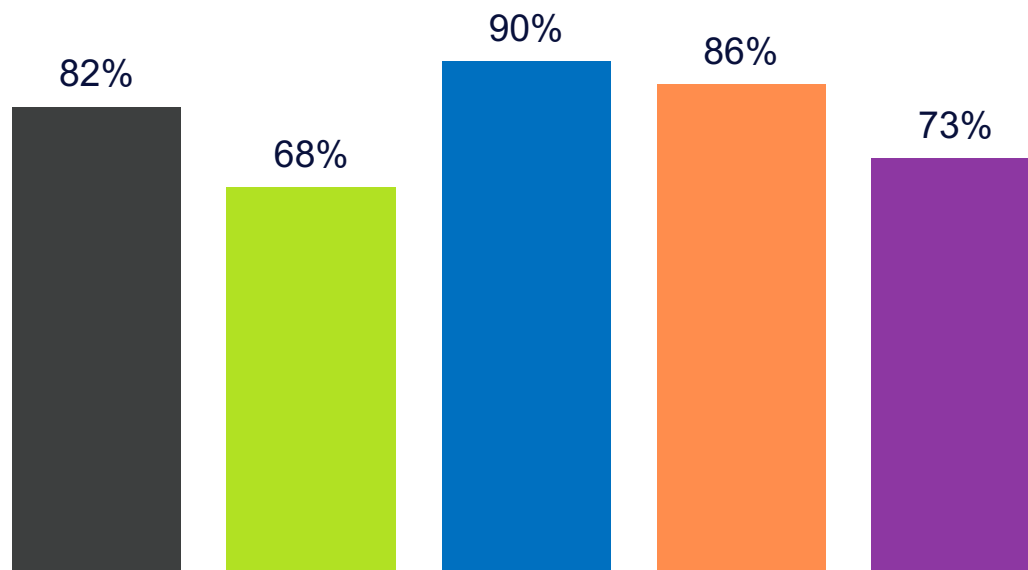
Similar to Walmart, 46% of Target shoppers are willing to make purchases in virtually all categories. The disparity between men (36%) who will buy in nearly any category and women (56%) who will do the same is significant.

Categories would not purchase at Target	All	Female	Male
None of the above	46%	56%	36%
Sporting goods	24%	21%	27%
Electronics	24%	20%	28%
Children's clothes	20%	16%	24%
Adult clothes	17%	14%	19%
Cookware & bakeware	17%	11%	23%
Toys and games	15%	9%	22%
Small appliances	15%	11%	20%
Housewares	13%	12%	14%

12

Like Walmart, 82% of those who shop at Target are willing to give gifts purchased at the retailer.

Willing to give gifts purchased at Target

■ All ■ Gen Z ■ Millennial ■ Gen X ■ Boomer

82%   84%   87%   77%   78%
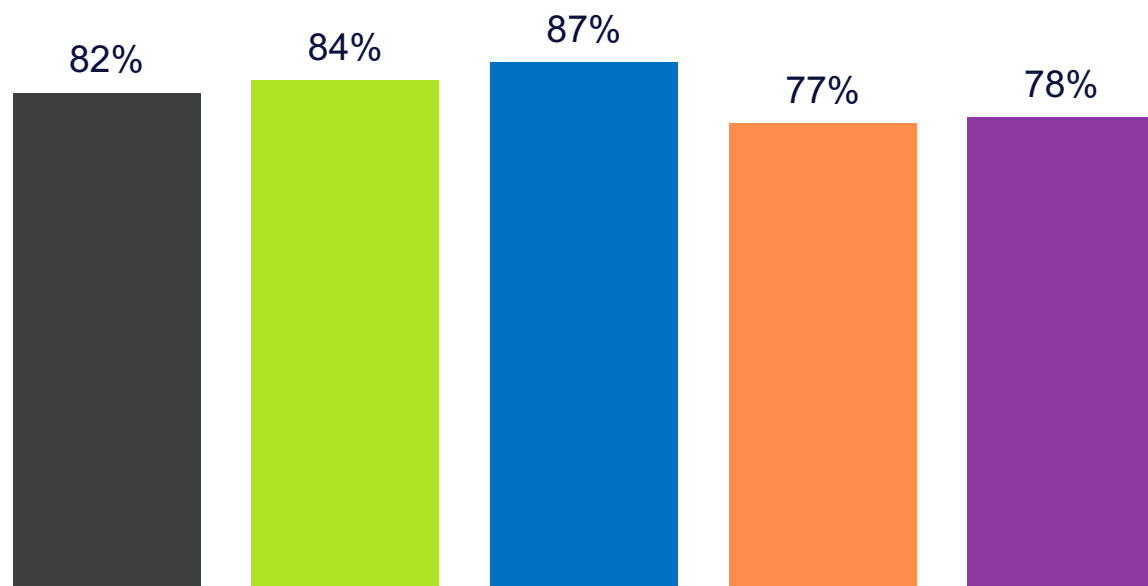
61% of those who shop at Walmart like the experience. The same holds true for Target shoppers, where 60% like doing so. Except for Boomers, there is no generational bias when it comes to Walmart. Target's appeal, however, gets stronger as the audience gets younger.
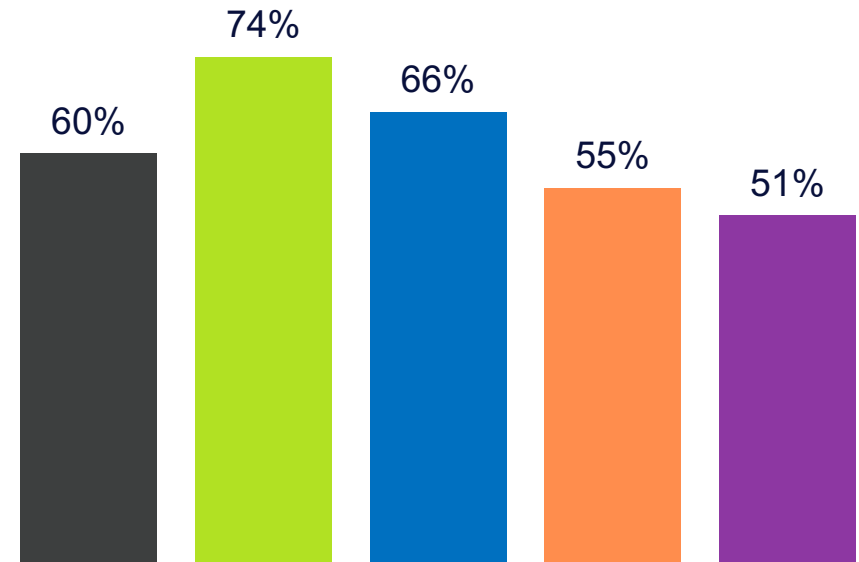
Likes shopping at Walmart
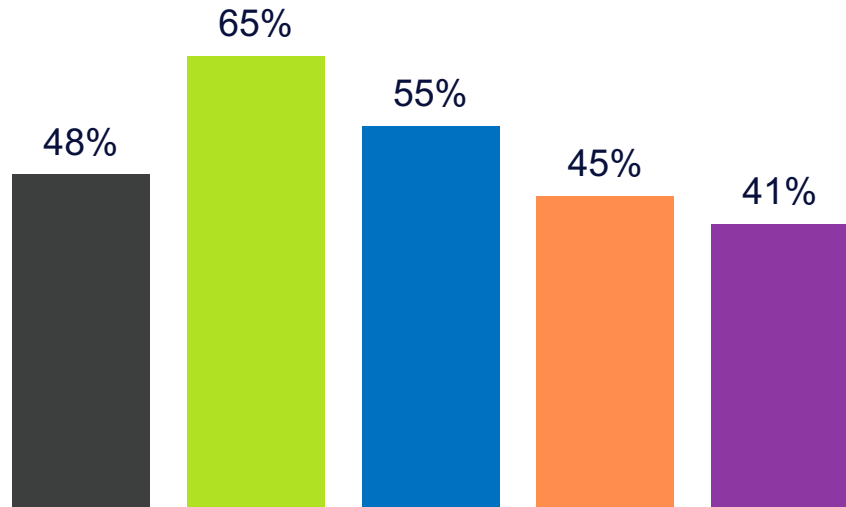
■ All ■ Gen Z ■ Millennial ■ Gen X ■ Boomer

- All: 61%
- Gen Z: 65%
- Millennial: 67%
- Gen X: 65%
- Boomer: 52%
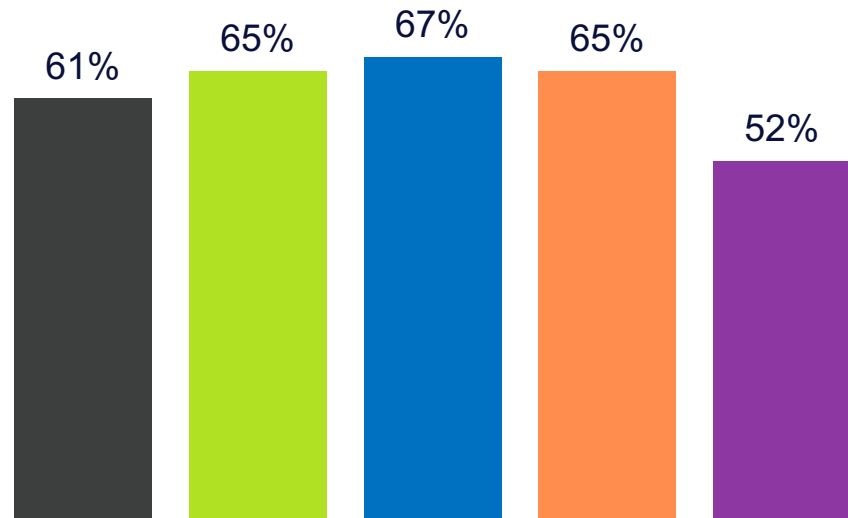
Likes shopping at Target

■ All ■ Gen Z ■ Millennial ■ Gen X ■ Boomer

- All: 60%
- Gen Z: 74%
- Millennial: 66%
- Gen X: 55%
- Boomer: 51%

Nearly half of Walmart shoppers (48%) wish the store had a better product selection. The opinion is more prevalent among Gen Z (65%) and Millennials (55%) than it is in older generations. Target's product selection has a slightly better perception with only 40% wishing to see an improved assortment.
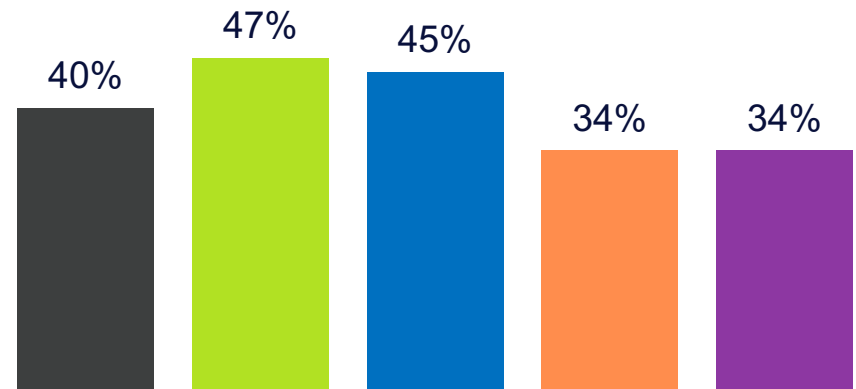
Wishes Walmart had better product selection

■ All   ■ Gen Z   ■ Millennial   ■ Gen X   ■ Boomer

- 48%
- 65%
- 55%
- 45%
- 41%

Wishes Target had better product selection

■ All   ■ Gen Z   ■ Millennial   ■ Gen X   ■ Boomer

- 40%
- 47%
- 45%
- 34%
- 34%

Nearly half the sample would shop more at these stores if they could (47% Walmart, 46% Target). The generational bias is even greater than it was for product selection and shopping enjoyment. For both Walmart (65% vs. 26%) and Target (70% vs. 30%), Gen Z is more than twice as likely than Boomers to be willing to shop more at these stores if they could.
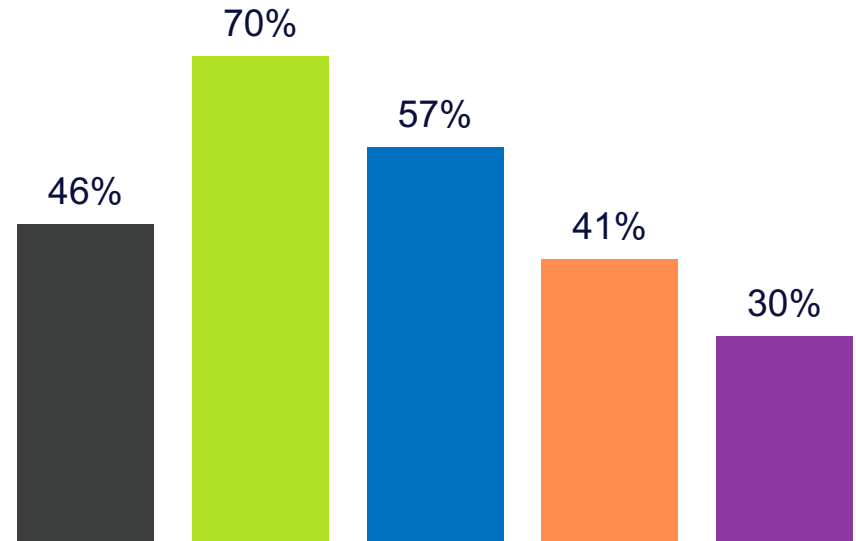
Would shop at Walmart more if they could

■ All   ■ Gen Z   ■ Millennial   ■ Gen X   ■ Boomer

- All: 47%
- Gen Z: 65%
- Millennial: 57%
- Gen X: 50%
- Boomer: 26%
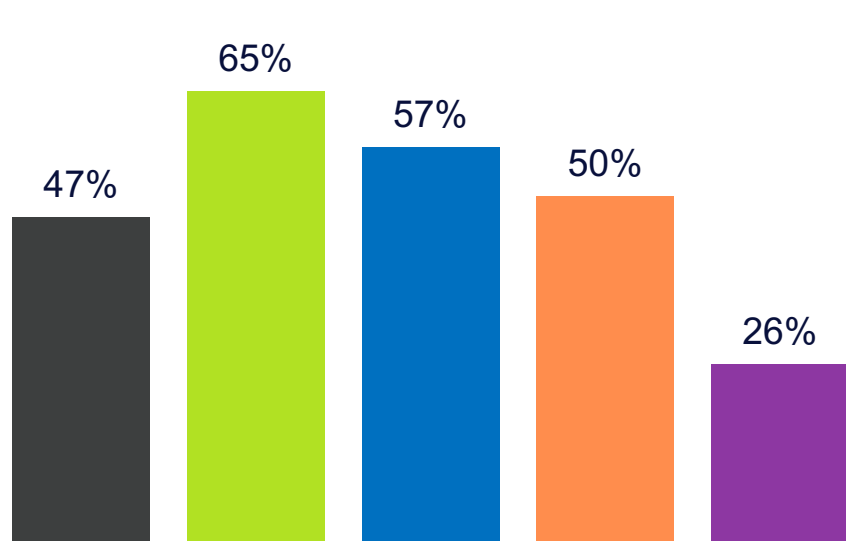
Would shop at Target more if they could

■ All   ■ Gen Z   ■ Millennial   ■ Gen X   ■ Boomer

- All: 46%
- Gen Z: 70%
- Millennial: 57%
- Gen X: 41%
- Boomer: 30%

From tomatoes to tools – how will Walmart change the home improvement category?

N = 722
MOE ± 3.65%
Panel: General Population
Collected: 9/22/23-9/23/23

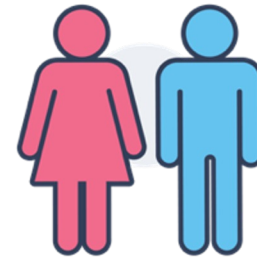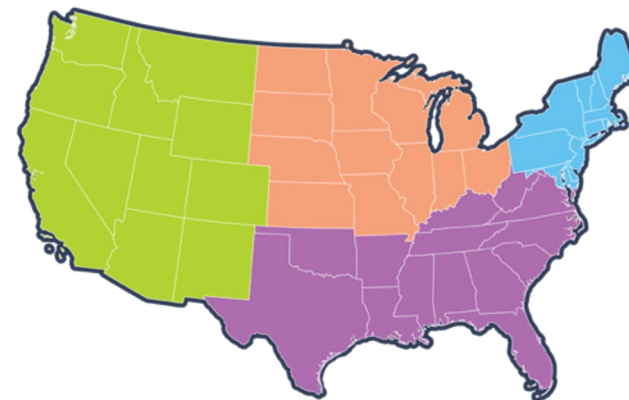**Gen Z** 11% **Millennial** 32% **Gen X** 27% **Baby Boomer** 30%

Female 51%
Male 49%

Urban 36%
Suburban 45%
Rural 19%

Northeast 17%
Midwest 21%
South 38%
West 24%

Do you want to take the Pulse of *your* consumers?

Our insights team will partner with you to design a study that will help you better understand your customers and their problems, and how your brand can win at retail.

To learn more about what our Four-Part Process and custom research studies can do for you, contact:

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