

Why Walmart is tracking the omnichannel behavior of beauty buyers

Article

“Shopping [for beauty] online certainly is gaining share from stores,” our analyst Sky Canaves said on an episode of the [“Behind the Numbers: Reimagining Retail” podcast](#). Sales growth for cosmetics and beauty will increase at more than twice the rate online than in-store this year, according to our February 2024 forecast.

However, sales are only a snapshot of the wider beauty buying journey. “There's still no ideal online equivalent for the discovery part of buying beauty,” Canaves said.

Beauty’s top-of-funnel: With beauty, there’s an abundance of new products and innovations that people want to discover, compare, and sample in-store, Canaves said.

- 45.8% of online beauty buyers discovered and purchased a new beauty brand or product over the last year by browsing in-store, per our December 2023 US Beauty Consumer survey.
- More than half (54.2%) of online beauty buyers say that trying on a product helps them discover new brands and products when browsing in-store.

Retailer to watch: Walmart is doing what it can in its battle against Amazon, which is set to overtake Walmart’s market share as the top beauty retailer in the US by 2025, according to Morgan Stanley.

“Walmart is trying to make a move into more premium beauty categories,” especially after Target’s successful partnership with Ulta Beauty, Canaves said. Ulta Beauty products are sold in 800 Target stores.

A higher-end beauty selection may appeal to wealthier consumers shopping at Walmart. Two-thirds of the retailer’s market share gains in the general merchandise category came from households earning more than \$100,000 a year.

In March, Walmart made several beauty-related announcements, including the second round of its beauty accelerator program, which mentors emerging businesses, as well as enhancements to its Beauty Virtual Try-On tool, which helps users experiment with beauty shades.

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