

# Can wellness be the cure for Target?

## Article

Target is aiming for a bigger piece of the US health and personal care market, which we forecast to grow 3.2% to reach \$732.19 billion this year. Last week, Target announced it was adding **1,000 new wellness-related products**, some priced at just \$1.99. The retailer also launched an “online wellness destination” that consumers can visit for product recommendations, deals, meal inspirations, and wellness tips and tricks.

An online hub is an especially smart move, as ecommerce sales of health and personal care products will grow even faster (17.5%) than the category as a whole and make up 21% of total category retail sales, per our forecast.

**Why it matters:** Target's US ecommerce growth (4.2% in 2024) is behind competitors Walmart (13.5%) and Amazon (11.5%), which use their unique value propositions to win over consumers.

- Walmart's low prices and massive footprint give it an advantage in grocery. This year, Walmart Inc. will rake in \$58.92 billion in US grocery ecommerce sales versus Target's \$8.10 billion, per our forecast.
- Meanwhile, Amazon's massive array of products and speedy delivery time make it hard to compete with across multiple categories. Amazon's click-to-door speed was 1.5 days as of June 2023, much faster than other retailers' 5.2 days, per a September 2023 NielsenIQ analysis.

But if Target can offer the right combo of products at the right prices, it could become a go-to for wellness shoppers, who, once in-store or online, can explore the rest Target has to offer.

**The potential next move:** Over half (56%) of US mobile shoppers most often browse and purchase health, personal care, and beauty products via mobile app, per a June 2023 survey by Integral Ad Science. For a more omnichannel experience, Target can extend its online wellness hub to its mobile app, appealing to shoppers who prefer to browse on mobile or via **mobile apps while shopping** in-store.

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