## Walmart gives its digital storefronts a facelift

## Article

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**The news: Walmart** on Monday launched a revamped website and app experience that cuts back on clutter by simplifying its design and functionality.

 The new homepage features larger images, videos, and a social media-inspired scroll format that aims to push shoppers to discover (and buy) items that they may not have been shopping for.

The launch of the redesigned website and app comes several weeks after **Walmart executives noted that** <u>sales of non-food items fell during Q4</u> as shoppers focused their spending on



essentials.

 That trend has not been limited to Walmart, and it has continued throughout the first few months of this year. Discretionary US general merchandise sales declined throughout the first two months of 2023, <u>per</u> Circana (formerly IRI and The NPD Group), and **in February** discretionary retail sales revenues fell 4% while unit sales were down 5%.

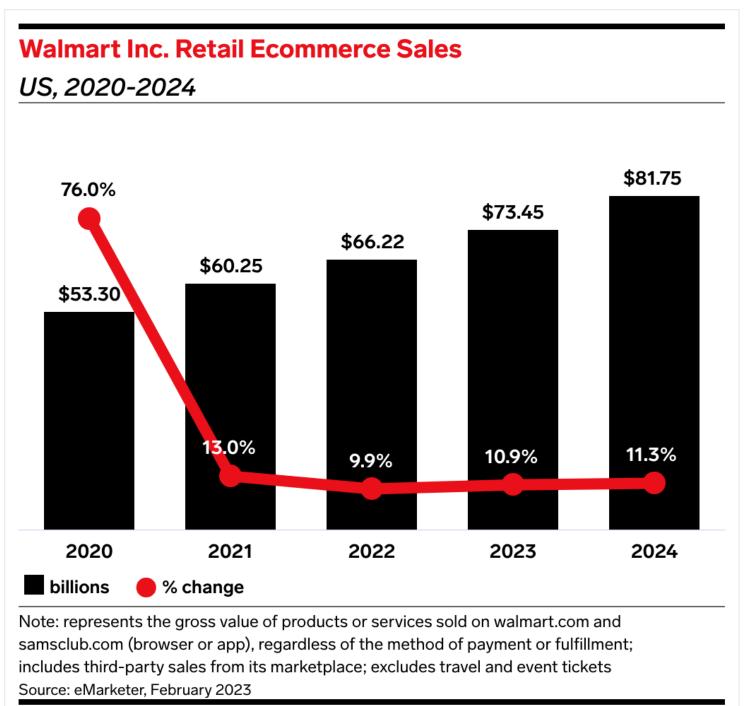
**Remaking Walmart:** The digital makeovers are the latest in a long string of enhancements the company has made over the past year.

- It added digital technologies, including the TrendGetter visual search tool and an augmented reality tool that enables consumers to virtually try on clothes and to see how furniture, home décor, and TVs will look inside their homes.
- It broadened its pickup, delivery, and returns options to make online shopping more <u>convenient</u>.
- It expanded its online selection by <u>luring sellers</u> to its marketplace. It had 400 million SKUs available on its website as of the end of Q4, a 30 million SKU increase from the previous quarter.
- It sought to remake its reputation as a destination for <u>affordable, elevated design</u> via its private label brands. Last year it launched collections from fashion designer **Brandon Maxwell's Free Assembly** and **Scoop** lines, casual clothing line Fielder, and activewear and swim brand Love & Sports.
- It enhanced its Walmart+ membership program, which has helped it make inroads among affluent shoppers.

**Building momentum:** Walmart's low grocery prices enabled it to <u>grow market share</u> over the past year, particularly among higher-income consumers.

- The retailer reported that December was its largest sales-volume month in the company's history as it gained share with higher-income consumers.
- Walmart's US comparable sales grew 8.3% and ecommerce sales rose 17.0%. Even so, it has modest expectations for this year with US comparable sales expected to grow between 2% and 2.5%.

 The company's US retail ecommerce sales are expected to grow 10.9% this year, per our forecast.



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**The big takeaway:** The current economic landscape presents a unique opportunity for Walmart to expand its customer base, particularly among online shoppers.

Its ability to deliver a clutter-free, intuitive experience could provide a contrast with **Amazon**, where the experience is rife with ads that can make it difficult for shoppers to find what they're looking for.

*Go further:* For a deep dive into more of Walmart's divisions, read our <u>The Power of Walmart</u> report.

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