

Mass Merchandisers - US - March 2015

Report Price: £2466.89 | \$3995.00 | €3133.71

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.



“Mass merchandisers are well-positioned to continue being a primary part of customers’ shopping journeys because of consumers’ continued emphasis on wanting value and convenient shopping solutions.”

– Diana Smith, Senior Retail & Apparel Analyst

This report looks at the following areas:

- What role do Hispanics and Blacks play for mass merchandisers?
- How can mass merchandisers enrich their customers’ shopping experiences?
- How is online and mobile shopping changing the landscape?

Total US retail sales at mass merchandisers exceeded \$600 billion in 2014, an increase of almost 1/3 from 2013. Sales are expected to grow steadily through 2019 to become almost 20% higher versus 2014. This growth is being influenced by the growing US population, namely Hispanics and Blacks, who are important to the market. Consumers’ continued emphasis on convenience and obtaining low prices in spite of signs of economic recovery will keep them coming to mass merchandisers.

BUY THIS
REPORT NOW

VISIT:
store.mintel.com

CALL:
EMEA
+44 (0) 20 7606 4533

Brazil
0800 095 9094

Americas
+1 (312) 943 5250

APAC
+61 (0) 2 8284 8100

EMAIL:
reports@mintel.com

DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market

Mass Merchandisers - US - March 2015

Report Price: £2466.89 | \$3995.00 | €3133.71

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Table of Contents

Scope and Themes

- What you need to know
- Definition
- Data sources
- Sales data
- Consumer survey data
- Direct marketing creative
- Abbreviations and terms
- Abbreviations
- Terms

Executive Summary

Overview

The market

Figure 1: Total US sales and fan chart forecast for mass merchandisers, at current prices, 2009-19

Market drivers

US population growth will benefit mass merchandisers

Figure 2: Population by age, 2010-20

Growth among Blacks and Hispanics also a positive factor

Figure 3: Population aged 18 or older, by race and Hispanic origin, 2010-20

Disposable personal income trending up

Figure 4: Real Disposable Personal Income: Percent Change from Preceding Periods, 2007-14

Consumers increasingly want better prices and more convenience

Figure 5: Budget minded actions taken, September 2014

Consumers shifting to online and mobile shopping

The consumer

Nearly everyone shops at mass merchandisers

Figure 6: Mass merchandisers shopped in last six months, December 2014

Walmart is preferred among mass merchandiser shoppers

Figure 7: Primary mass merchandiser shopped (online or in-store) in last six months, December 2014

At least half of all races/ethnicities are heavy shoppers

Figure 8: Frequency of mass merchandiser shopping in-store, by race/Hispanic origin, December 2014

Food and beverages top the list of items purchased

Figure 9: Any item purchased in last six months, December 2014

Women are more price-conscious than men

Figure 10: Attitudes toward mass merchandiser shopping, by gender, December 2014

Target and Meijer seen as fun and high quality; Walmart and Kmart can improve their quality perceptions

Figure 11: Correspondence Analysis, December 2014

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com
CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094
Americas +1 (312) 943 5250 | APAC +61 (0) 2 8284 8100
EMAIL: reports@mintel.com

Mass Merchandisers - US - March 2015

Report Price: £2466.89 | \$3995.00 | €3133.71

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

What we think

Issues and Insights

What role do Hispanics and Blacks play for mass merchandisers?

The issues

The implications

How can mass merchandisers enrich their customers' shopping experiences?

The issues

The implications

How is online and mobile shopping changing the landscape?

The issues

The implications

Trend Applications

Trend: The Nouveau Poor

Trend: Return to the Experts

Trend: Let's Make a Deal

Market Size and Forecast

Key points

Mass merchandiser sales continue to climb

Figure 12: Total US revenues and forecast for mass merchandisers, at current prices, 2009-19

Figure 13: Total US revenues and forecast for mass merchandisers, at inflation-adjusted prices, 2009-19

Supercenters and warehouse clubs command market share

Figure 14: Total US revenues and forecast for mass merchandisers, by type, at current prices, 2012 and 2014

Walmart enjoys steady growth while Kmart struggles; Target sales dip one point in most recent year

Figure 15: US revenues of leading national mass merchandisers, at current prices, 2009-13

Grocery makes up the majority of Walmart's sales

Figure 16: Walmart's US revenues, by merchandise category, at current prices, 2009-13

All Target categories rather evenly contribute to its bottom line

Figure 17: Target's US revenues, by merchandise category, at current prices, 2009-13

Kmart experiencing declines in all departments, namely food and drug

Figure 18: Kmart's US revenues, by merchandise category, at current prices, 2009-13

Fan chart forecast

Figure 19: Total US sales and fan chart forecast for mass merchandisers, at current prices, 2009-19

Market Drivers

Key points

US population growth will benefit mass merchandisers

Figure 20: Population by age, 2010-20

Growth of multi-cultural segments will drive mass merchandisers' businesses

Figure 21: Population aged 18 or older, by race and Hispanic origin, 2010-20

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | APAC +61 (0) 2 8284 8100

EMAIL: reports@mintel.com

Mass Merchandisers - US - March 2015

Report Price: £2466.89 | \$3995.00 | €3133.71

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Consumer confidence climbs while unemployment rates continue to dip

Figure 22: Consumer confidence and unemployment, 2000-January 2015

Gross domestic product drops in most recent quarter; disposable personal income rises

Figure 23: Real Gross Domestic Product and related measures: Percent change from preceding period, 2007-2014

Figure 24: Real Disposable Personal Income: Percent Change from Preceding Periods, 2007-2014

Consumers remain very value-conscious

Figure 25: US Median household income, in inflation-adjusted dollars, 2003-13

Mass merchandisers offer the convenience consumers desire

Online and mobile shopping will become a larger part of mass merchandiser shoppers' repertoire

Recent security breaches at retailers have had relatively short-term effects

Retailer Overview

Walmart quick facts

Company overview

Key initiatives

Small format growth

Figure 26: Walmart, Direct Mail, January 2015

Enhanced grocery services

Prioritizing e-commerce

Figure 27: Walmart, Landing Page, February 2015

Investment in employees

Recent news and innovations

Target quick facts

Company overview

Key initiatives

Figure 28: Target, Mobile ad for Cartwheel app, October 2014

Other services

Figure 29: Target, Direct Mail, December 2014

Recent news and innovations

Figure 30: Target, Mobile ad featuring holiday campaign, November 2014

Kmart quick facts

Company overview

Key initiatives

Shop Your Way loyalty program

Philanthropic efforts

Recent campaigns

Service offerings

Figure 31: Kmart, Landing Page, December 2014

Recent news and innovations

Meijer quick facts

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | APAC +61 (0) 2 8284 8100

EMAIL: reports@mintel.com

Mass Merchandisers - US - March 2015

Report Price: £2466.89 | \$3995.00 | €3133.71

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Company overview

Key initiatives

Community involvement

Rewards program

Figure 32: Meijer, Email, November 2014

Recent news and innovations

Fred Meyer company overview

Key initiatives

Community involvement

Other offerings

Figure 33: Fred Meyer, Direct Mail, September 2014

Figure 34: Fred Meyer, Email, September 2014

Competitive Context

Other retail store types

Amazon.com

Mass Merchandisers Shopped in Last Six Months: Overall and Primary

Key points

Nearly everyone shops at mass merchandisers

Figure 35: Mass merchandisers shopped in last six months, December 2014

Walmart is preferred among mass merchandiser shoppers

Figure 36: Primary mass merchandiser shopped (online or in-store) in last six months, December 2014

Shopping fairly even by gender

Figure 37: Mass merchandisers shopped in-store in last six months, by gender, December 2014

Mass merchandiser shoppers tend to skew younger; Walmart maintains most evenly balanced customer base

Figure 38: Mass merchandisers shopped in-store in last six months, by age, December 2014

One third of females 18-34 prefer Target

Figure 39: Primary mass merchandiser shopped (online or in-store) in last six months, December 2014

Target draws an upscale audience

Figure 40: Mass merchandisers shopped in-store in last six months, by household income, December 2014

Figure 41: Primary mass merchandiser shopped (online or in-store) in last six months, by household income, December 2014

Consumers living in rural areas gravitate towards Walmart

Figure 42: Mass merchandisers shopped in-store in last six months, by area, December 2014

Past four-week shopping incidences are down across the board

Figure 43: Purchase incidence at mass merchandisers in last 4 weeks, July 2009-September 2014

Frequency of Mass Merchandising Shopping

Key points

Majority of mass merchandiser shoppers shop at least once a week

Figure 44: Frequency of mass merchandising shopping, December 2014

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | APAC +61 (0) 2 8284 8100

EMAIL: reports@mintel.com

Mass Merchandisers - US - March 2015

Report Price: £2466.89 | \$3995.00 | €3133.71

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Walmart visited most frequently

Figure 45: Frequency of mass merchandiser shopping in last four weeks – August 2013-September 2014

Men are more frequent shoppers

Figure 46: Frequency of mass merchandiser shopping in-store, by gender, December 2014

Two thirds of adults 25-34 are heavy shoppers

Figure 47: Frequency of mass merchandiser shopping in-store, by age, December 2014

Shopping frequency increases with household size

Figure 48: Frequency of mass merchandiser shopping in-store, by presence of children under 18 in the household and by household size, December 2014

Items Purchased at Mass Merchandisers

Key points

Online purchase levels high for many items; some higher than in-store

Figure 49: Any item purchased in last six months, December 2014

Items purchased can vary by retailer

Figure 50: Items purchased at mass merchandisers in last three months, August 2013-September 2014

Men are more likely than women to purchase higher-ticket items

Figure 51: Any item purchased in last six months, by gender, December 2014

Groceries appeal to consumers of all ages

Figure 52: Any item purchased in last six months, by age, December 2014

Figure 53: Types of coupons used, July 2009-September 2014

Attitudes toward Mass Merchandiser Shopping

Key points

Consumers like the convenience and value mass merchandisers offer

Figure 54: Attitudes toward mass merchandiser shopping, December 2014

Women are more price-conscious than men

Figure 55: Attitudes toward mass merchandiser shopping, by gender, December 2014

Older generations are the least likely to be loyal to any one mass merchandiser

Figure 56: Attitudes toward mass merchandiser shopping, by generations, December 2014

Influencers to Encourage More Mass Merchandiser Shopping

Key points

More promotions and faster check-out processes could encourage more shopping at mass merchandisers

Figure 57: Factors that would influence more frequent shopping at mass merchandisers, by gender, December 2014

A positive experience overall can influence repeat visitation

Figure 58: Factors that would influence more frequent shopping at mass merchandisers, by age, December 2014

Most used incentive offers: rebates on product purchases and free products and coupons

Figure 59: Coupon use, July 2009-September 2014

Figure 60: Incentive offer usage, July 2009-September 2014

Figure 61: Types of incentive offers used, July 2009-September 2014

Figure 62: Types of incentive offers used, by age, August 2013-September 2014

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | APAC +61 (0) 2 8284 8100

EMAIL: reports@mintel.com

Mass Merchandisers - US - March 2015

Report Price: £2466.89 | \$3995.00 | €3133.71

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Figure 63: Types of incentive offers used, by household income, August 2013-September 2014

Race and Hispanic Origin

Key points

Hispanics and Blacks are key to the market

Figure 64: Mass merchandisers shopped in-store in last six months, by race/Hispanic origin, December 2014

Figure 65: Primary mass merchandiser shopped (online or in-store) in last six months, by race/Hispanic origin, December 2014

At least half of all races/ethnicities are heavy shoppers

Figure 66: Frequency of mass merchandiser shopping in-store, by race/Hispanic origin, December 2014

Figure 67: Frequency of mass merchandiser shopping in last four weeks – by race/Hispanic origin, August 2013-September 2014

Electronics, toys and games, and music popular among minorities

Figure 68: Any item purchased in last six months, by race/Hispanic origin, December 2014

Blacks may not realize full savings potential mass merchandisers offer

Figure 69: Attitudes toward mass merchandiser shopping, by race/Hispanic origin, December 2014

Consumers want to order online and be able to pick up in-store

Figure 70: Factors that would influence more frequent shopping at mass merchandisers, by race/Hispanic origin, December 2014

Blacks very engaged with incentive offers

Figure 71: Types of incentive offers used, by race/Hispanic origin, August 2013-September 2014

Correspondence Analysis

Methodology

Target and Meijer most high quality and cool; Walmart and Kmart seen as cheap

Figure 72: Correspondence Analysis, December 2014

Figure 73: Characteristics associated with mass merchandisers, December 2014

Appendix – Other Useful Consumer Tables

Mass merchandisers shopped in-store

Figure 74: Mass merchandisers shopped in-store in last six months, by presence of children in household, December 2014

Figure 75: Mass merchandisers shopped in-store in last six months, by household size, December 2014

Mass merchandisers shopped online

Figure 76: Mass merchandisers shopped online in last six months, by gender, December 2014

Figure 77: Mass merchandisers shopped online in last six months, by age, December 2014

Figure 78: Mass merchandisers shopped online in last six months, by race/Hispanic origin, December 2014

Figure 79: Mass merchandisers shopped online in last six months, by household income, December 2014

Figure 80: Mass merchandisers shopped online in last six months, by presence of children in household, December 2014

Figure 81: Mass merchandisers shopped online in last six months, by household size, December 2014

Primary mass merchandisers shopped (online or in-store)

Figure 82: Primary mass merchandiser shopped (online or in-store) in last six months, by presence of children in household, December 2014

Figure 83: Primary mass merchandiser shopped (online or in-store) in last six months, by household size, December 2014

Frequency of mass merchandisers shopped – in-store

Figure 84: Frequency of mass merchandiser shopping in-store, by household income, December 2014

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | APAC +61 (0) 2 8284 8100

EMAIL: reports@mintel.com

Mass Merchandisers - US - March 2015

Report Price: £2466.89 | \$3995.00 | €3133.71

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Frequency of mass merchandisers shopped - online

Figure 85: Frequency of mass merchandiser shopping online, by gender, December 2014

Figure 86: Frequency of mass merchandiser shopping online, by age, December 2014

Figure 87: Frequency of mass merchandiser shopping online, by race/Hispanic origin, December 2014

Figure 88: Frequency of mass merchandiser shopping online, by household income, December 2014

Figure 89: Frequency of mass merchandiser shopping online, by presence of children in household, December 2014

Figure 90: Frequency of mass merchandiser shopping online, by household size, December 2014

Attitudes toward mass merchandiser shopping

Figure 91: Attitudes toward mass merchandiser shopping, by age, December 2014

Figure 92: Attitudes toward mass merchandiser shopping, by household income, December 2014

Items purchased at mass merchandisers

Figure 93: Any item purchased in last six months, by household income, December 2014

Figure 94: Any item purchased in last six months, by race/Hispanic origin, December 2014

Figure 95: Any item purchased in last six months, by household size, December 2014

Grocery departments shopped at mass merchandisers

Figure 96: Grocery departments shopped within mass merchandisers, August 2013-September 2014

Figure 97: Number of times grocery department shopped, August 2013-September 2014

Influencers to encourage more mass merchandiser shopping

Figure 98: Factors that would influence more frequent shopping at mass merchandisers, by household income, December 2014

Correspondence Analysis – characteristics associated with Walmart

Figure 99: Characteristics associated with Walmart, by gender, December 2014

Figure 100: Characteristics associated with Walmart, by age, December 2014

Figure 101: Characteristics associated with Walmart, by race/Hispanic origin, December 2014

Figure 102: Characteristics associated with Walmart, by household income, December 2014

Figure 103: Characteristics associated with Walmart, by presence of children in household, December 2014

Figure 104: Characteristics associated with Walmart, by household size, December 2014

Figure 105: Primary mass merchandiser shopped (online or in-store) in last six months, by characteristics associated with mass merchandisers – Walmart, Part 1, December 2014

Figure 106: Primary mass merchandiser shopped (online or in-store) in last six months, by characteristics associated with mass merchandisers – Walmart, Part 2, December 2014

Correspondence Analysis – characteristics associated with Target

Figure 107: Characteristics associated with Target, by gender, December 2014

Figure 108: Characteristics associated with Target, by age, December 2014

Figure 109: Characteristics associated with Target, by race/Hispanic origin, December 2014

Figure 110: Characteristics associated with Target, by household income, December 2014

Figure 111: Characteristics associated with Target, by presence of children in households, December 2014

Figure 112: Characteristics associated with Target, by household size, December 2014

Figure 113: Primary mass merchandiser shopped (online or in-store) in last six months, by characteristics associated with mass merchandisers – Target, part 1, December 2014

Figure 114: Primary mass merchandiser shopped (online or in-store) in last six months, by characteristics associated with mass merchandisers – Target, part 2, December 2014

Correspondence analysis - characteristics associated with Meijer

Figure 115: Characteristics associated with Meijer, by gender, December 2014

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | APAC +61 (0) 2 8284 8100

EMAIL: reports@mintel.com

Mass Merchandisers - US - March 2015

Report Price: £2466.89 | \$3995.00 | €3133.71

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Figure 116: Characteristics associated with Meijer, by age, December 2014

Figure 117: Characteristics associated with Meijer, by race/Hispanic origin, December 2014

Figure 118: Characteristics associated with Meijer, by household income, December 2014

Figure 119: Characteristics associated with Meijer, by presence of children in household, December 2014

Figure 120: Characteristics associated with Meijer, by household size, December 2014

Figure 121: Characteristics associated with Meijer, by marital/relationship status, December 2014

Correspondence analysis - characteristics associated with Kmart

Figure 122: Characteristics associated with Kmart, by gender, December 2014

Figure 123: Characteristics associated with Kmart, by age, December 2014

Figure 124: Characteristics associated with Kmart, by race/Hispanic origin, December 2014

Figure 125: Characteristics associated with Kmart, by household income, December 2014

Figure 126: Characteristics associated with Kmart, by presence of children in household, December 2014

Figure 127: Characteristics associated with Kmart, by household size, December 2014

Figure 128: Primary mass merchandiser shopped (online or in-store) in last six months, by characteristics associated with mass merchandisers – Kmart, part 1, December 2014

Figure 129: Primary mass merchandiser shopped (online or in-store) in last six months, by characteristics associated with mass merchandisers – Kmart, part 2, December 2014

Appendix – Trade Associations

BUY THIS
REPORT NOW

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | APAC +61 (0) 2 8284 8100

EMAIL: reports@mintel.com