

October 2023

Q3 2023 Quarterly Index

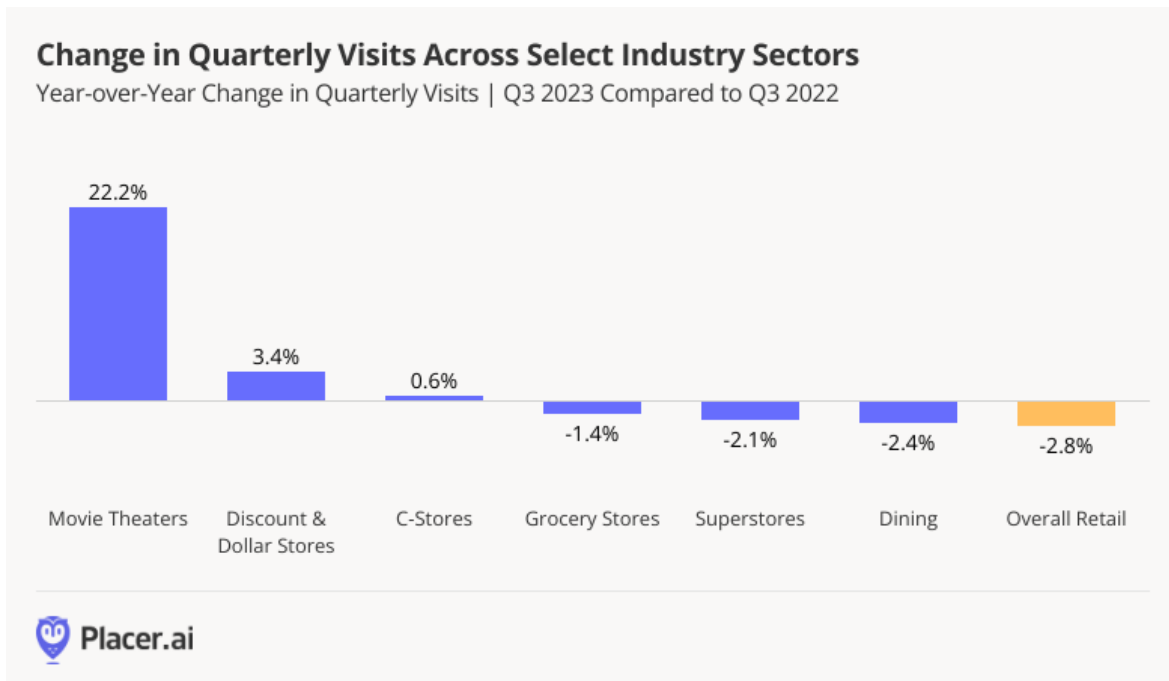
Read Placer.ai's latest Quarterly Index to see how the Grocery, Superstores, Discount & Dollar Stores, C-Stores, Dining, Movie Theaters performed in Q3 2023.



Q3 2023 Overview

Inflation and high interest rates continued to weigh on consumer foot traffic in Q3 2023, with Overall Retail foot traffic (including Apparel, Department stores, Malls, and Specialty Stores) falling 2.8% year over year (YoY). And as consumers cut down on [discretionary spending](#), Dining visits fell 2.4% YoY. Superstores and Grocery Stores also experienced visit dips of 2.1% and 1.4%, respectively, and C-Store foot traffic remained stable, with shoppers likely minimizing non-essential purchases that could have driven visit growth.

Meanwhile, Discount & Dollar Stores visits increased 3.4% YoY as shoppers [traded down](#) and looked for discounts. And with some consumers preferring spending their limited budgets on experiences rather than on products – and helped by the impressive success of Barbie and Oppenheimer – Movie Theaters foot traffic also skyrocketed.



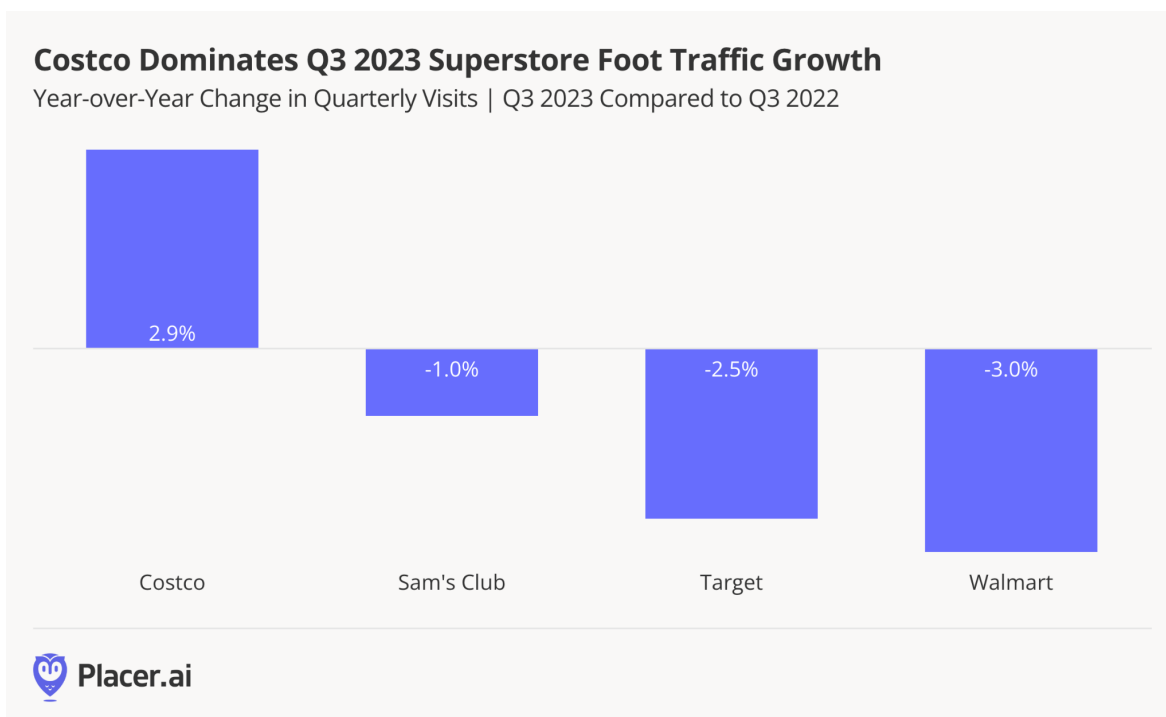
Superstores

After spiking during the week of July 4th, YoY visits to Superstores remained more or less stable during most of July and August as [Back-to-School](#) season kept consumers visiting Walmart, Target, and other sector leaders. But foot traffic slowed down when the season wound down, and visits between the weeks of August 28th and September 25th fell between 4.6% and 7.2% relative to the equivalent period in 2022. With the holiday seasons giving consumers a reason to hit the stores once again, visits may well pick up towards mid-October once retailers roll out early holiday discounts once again.



Costco Comes Out Ahead

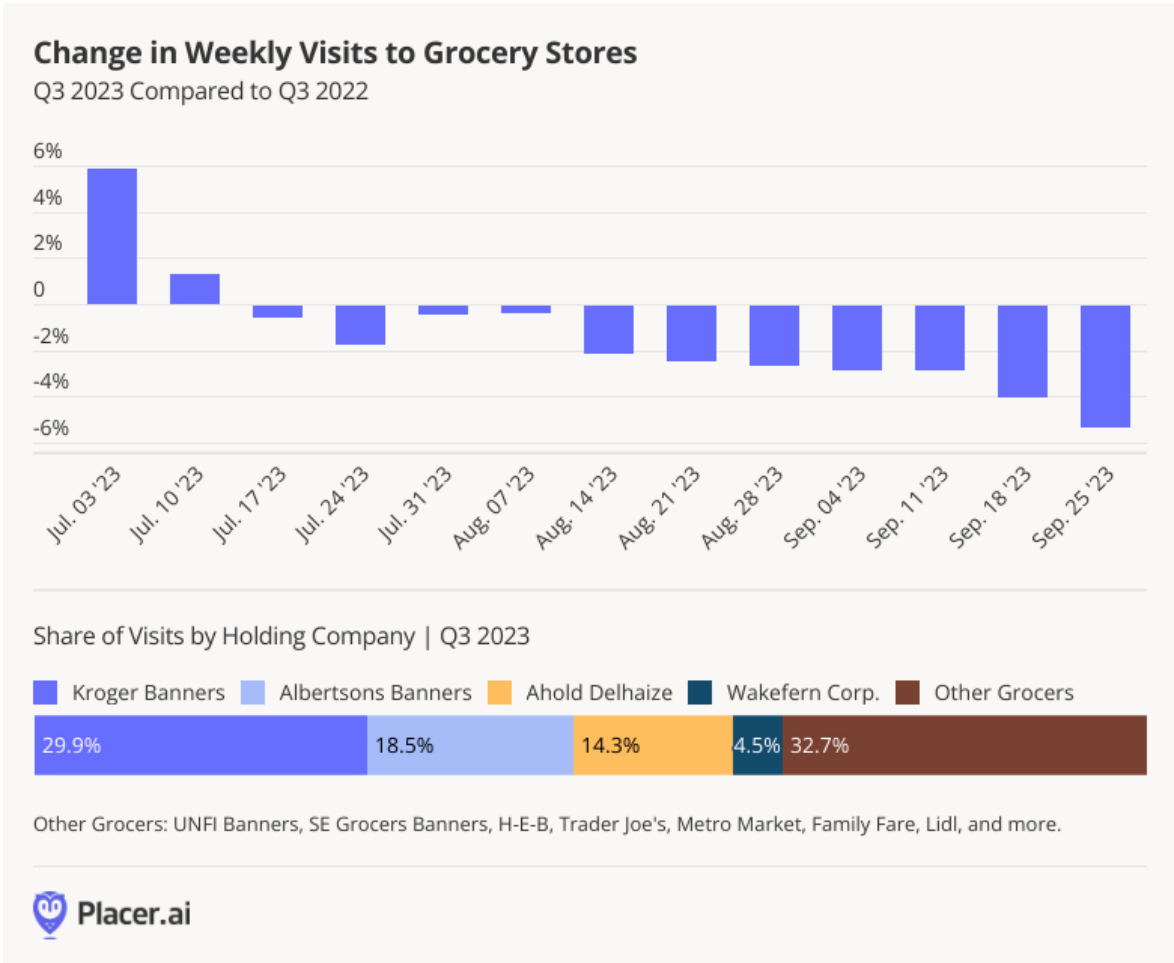
Sam's Club, Target, and Walmart all saw their YoY visits drop in Q3, but [median visit duration](#) was generally up – so even though consumers are shopping at these stores less frequently, they're staying longer and likely filling larger carts during each trip. Meanwhile, [Costco Wholesale's](#) foot traffic increased 2.9%, perhaps because households in Costco's trade area tend to be [wealthier](#) and may be less impacted by the economic headwinds than the average shopper at the other analyzed chains. As the holiday season approaches and shoppers look for lower-price options for their gift shopping, all superstores could see an uptick in traffic.



Grocery

Q3 Grocery visit patterns look similar to those of Superstores in Q3, with an initial spike during the week of the Fourth of July followed by a couple of weeks of YoY stability and a more significant drop towards the end of the quarter. And like in the Superstore sector, [longer visits](#) in the Grocery category could also be compensating

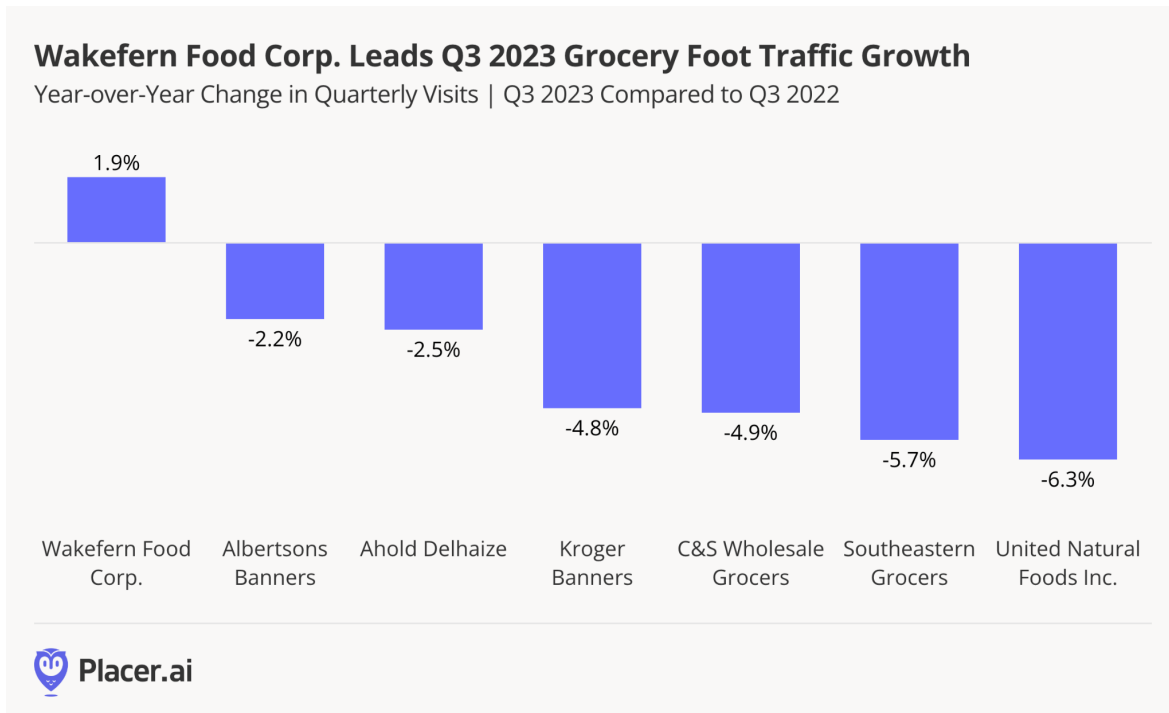
for the dip in visit numbers. At the same time, there were some significant differences between the two segments. The YoY gaps are generally smaller for the Grocery category when compared to the Superstore sector, as Superstores tend to carry a wider variety of discretionary items while Grocery’s merchandise mix leans more “essential”. And Superstores’ period of YoY stability lasted deeper into August, as its varied offerings likely attracted parents and students looking for Back-to-School supplies.



Wakefern Food Corp. Leads the Pack

Foot traffic to Wakefern Food Corp. – which is affiliated with [ShopRite](#), [Price Rite](#), and other grocers in the Northeast and mid-Atlantic region – increased by 1.9% YoY in Q3

2023. Visits to other leading grocery holding companies dipped, although the declines were relatively limited in comparison to the drops in the wider retail sector. But [some brands](#) shone even within the portfolios of corporations with overall quarterly foot traffic declines. In particular, value-priced banners – including The Kroger Co.’s Foods Co. and Food 4 Less – along with popular regional chains such as Ahold Delhaize’s Food Lion continued to grow in Q3 despite the wider headwinds.

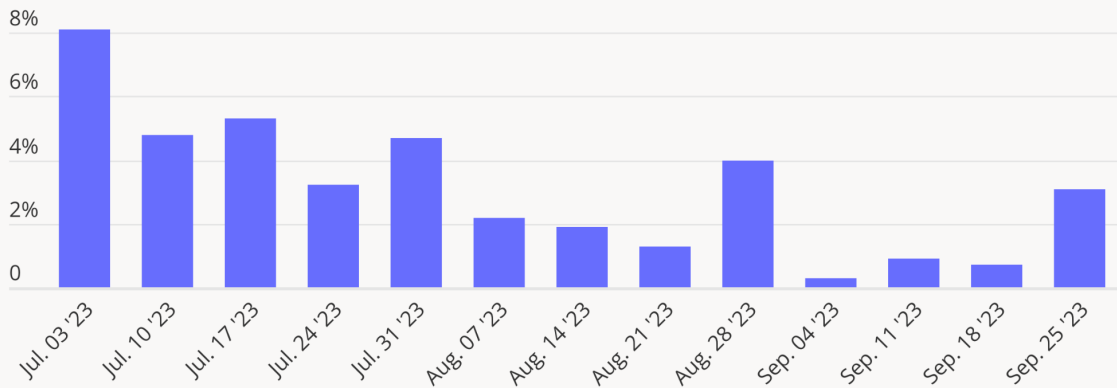


Discount & Dollar Stores

Discount & Dollar Stores were a bright spot amidst the Q3 retail challenges, with weekly visits throughout the quarter consistently higher than in 2022. Trading down behavior and the search for affordable treats during this period of general belt-tightening may have contributed to the surge. The category is likely to continue outperforming the wider retail space as consumers look for affordable gifts during the upcoming holiday season.

Change in Weekly Visits to Discount & Dollar Stores

Q3 2023 Compared to Q3 2022



Share of Visits by Chain | Q3 2023



Other Discount & Dollar Stores: 99 Cents Only Stores, Ollie's Bargain Outlet, Ocean State Job Lot, and Bargain Hunt.



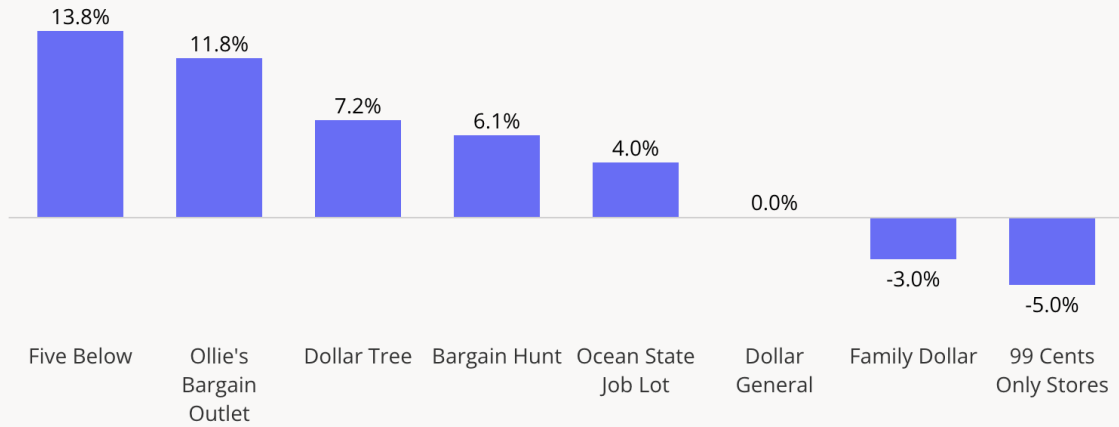
Smaller Chains Growing Fast

The Discount & Dollar Store category is dominated by Dollar General and Dollar Tree (which also owns the Family Dollar Banner). The Dollar Tree banner did quite well visit-wise in Q3, with foot traffic up 7.2% YoY. But many of the smaller chains also saw significant visit growth, including Five Below (13.8%) and Ollie's Bargain Outlet (11.8%). Foot traffic to bargain Hunt and Ocean State Job Lot also increased YoY. Some of the strength in this category was due to expansions – [Dollar Tree](#), [Five Below](#), and [Ollie's](#) are all undergoing significant expansions, while [Bargain Hunt](#) and [Ocean State Job Lots](#) also opened new stores recently. Still, the store-fleet growth also points to the strong consumer demand for value-priced merchandise in 2023 and positions the sector to continue maintaining its visit gains in 2024.



Five Below and Ollie's Lead Visitation Growth to Discount and Dollar Stores

Year-over-Year Change in Quarterly Visits | Q3 2023 Compared to Q3 2022

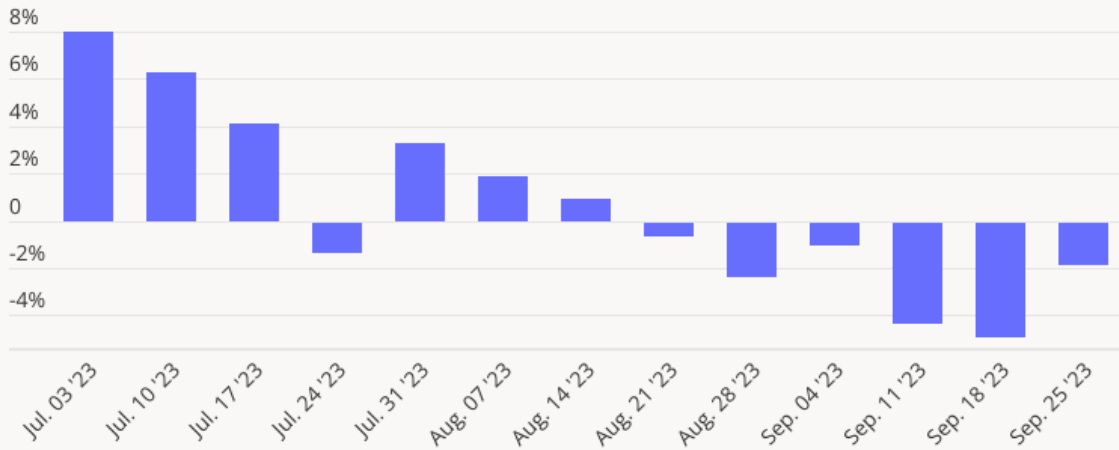


C-Stores

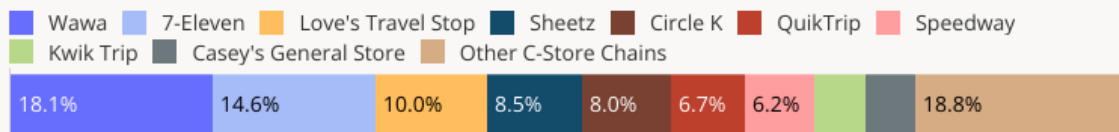
Convenience stores started the quarter off strong with YoY visit growth throughout most of July and August. But foot traffic slowed down in September as consumer confidence [fell](#), gas prices [rose](#), and the office recovery [slowed](#). Still, the September YoY visit gaps remained relatively small compared to other essential categories such as Grocery and Superstores, which suggests that the category can bounce back quickly once the current challenges lift.

Change in Weekly Visits to C-Stores

Q3 2023 Compared to Q3 2022



Share of Visits by Chain | Q3 2023



Other C-Store Chains: Buc-ee's, Maverik Adventures First Stop, Royal Farms, ampm, QuickChek, Thorntons, and more.

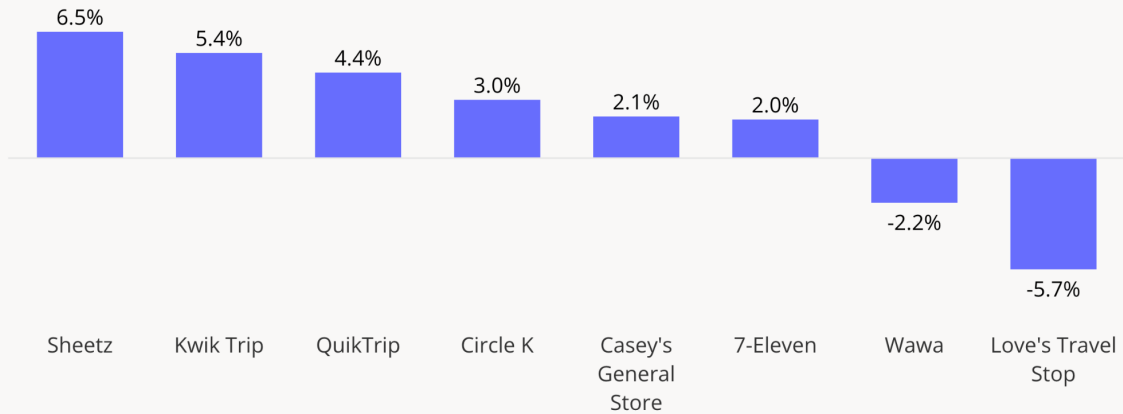


Most Major C-Store Chains Saw Quarterly Visit Growth

On a quarterly basis, foot traffic increased YoY for most major C-Store chains, including Sheetz, Kwik Trip, QuickTrip, Circle K, Casey's General Store, and 7-Eleven. Most of the chains operate only in specific [regions](#), so the visit growth at these diverse banners in various states across the country highlights the general strength of the C-Store segment in 2023.

Sheetz and Kwik Trip Take the Lead in C-Store Visitation Growth

Year-over-Year Change in Quarterly Visits | Q3 2023 Compared to Q3 2022

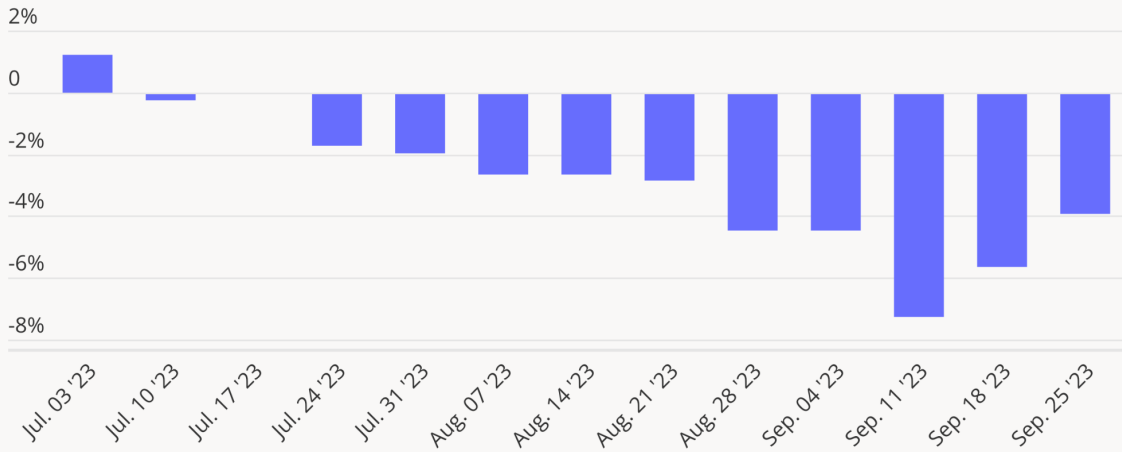


Dining

Hints of a Dining recovery were apparent in late [Q2 2023](#), and the positive trends continued briefly into the first week of Q3. But after several weeks of YoY stability, Dining visits began falling once again as consumers tightened their belts and cut down on eating out. And as food-away-from-home prices continued [rising](#) even as grocery prices stabilized, budget conscious consumers may have felt less inclined to visit restaurants, which could explain the widening visit gaps as the quarter progressed.

Change in Weekly Visits to Dining Chains Nationwide

Q3 2023 Compared to Q3 2022

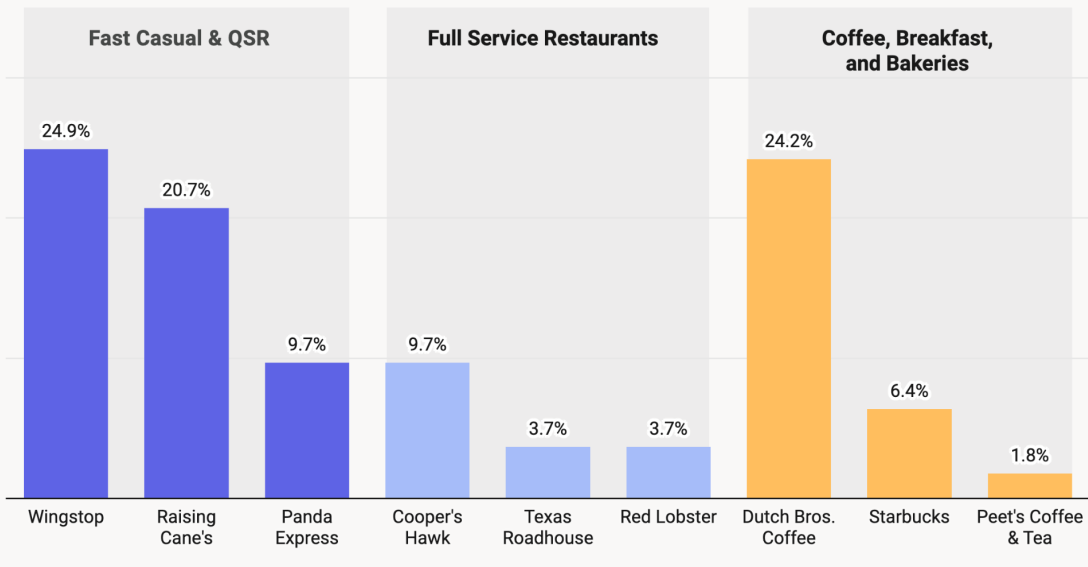


Q3 2023 Dining Winners

Despite the wider Dining downturn, certain chains still managed to grow their visits in Q3. Some of the most impressive visit growth leaders – including [Wingstop](#), [Raising Cane's](#), [Panda Express](#), [Chipotle](#), and [Dutch Bros. Coffee](#) – have expanded their store fleet in the past year, which could explain the dramatic foot traffic gains. But the pockets of success within the Dining category also suggests that strong brands with a clear value proposition – such as Cooper's Hawk [restaurant and wine club combination](#) – can drive growth even during difficult economic times.

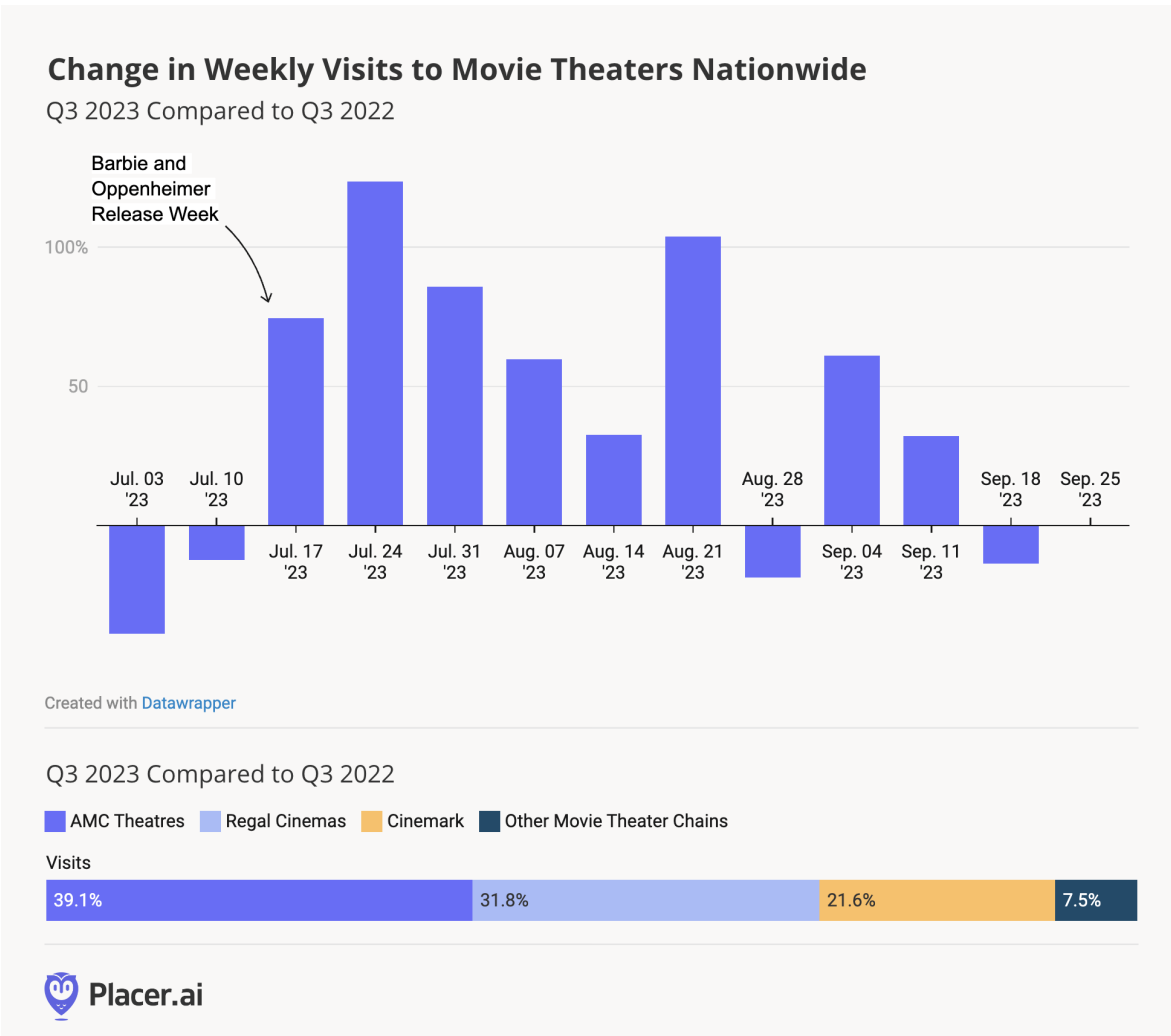
Change in Quarterly Visits Across Leading Dining Chains

Year-over-Year Change in Quarterly Visits | Q3 2023 Compared to Q3 2022



Movie Theaters

Movie Theaters had a particularly strong quarter in Q3 thanks to the runaway successes of Barbie and Oppenheimer. Both movies were released during the week of July 17th (on Friday, July 21st) and subsequently kept Movie Theater visits above 2022 levels for most of the quarter. AMC is the Movie Theater visit leader, with 39.1% of visits compared to Regal Cinemas 31.8% and Cinemark's 21.6% – and all three chains seem to have [benefited](#) from summer 2023's blockbusters. The success of 2023's summer movies may even have rekindled an interest in movie theaters that could help upcoming holiday season [releases](#) drive Q4 movie theater traffic as well.



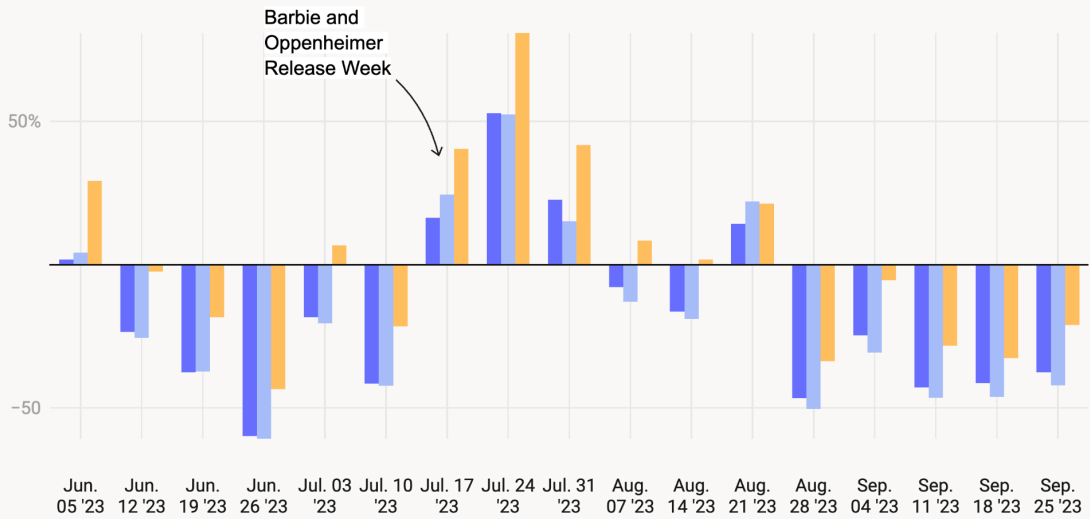
Movie Theater Visits Spike Following Release of Barbie and Oppenheimer

Barbie and Oppenheimer were so popular that they even helped leading movie theater chains exceed pre-pandemic visit levels for several weeks during the quarter. The impact seems to have been particularly strong for Cinemark, which saw its YoY visits consistently exceed those of the other two chains – perhaps thanks to Cinemark’s significant investments in its [theater maintenance](#). Year-over-four-year (Yo4Y) visits did dip back down in September, but the positive Yo4Y visit trends following the release of the two movies highlight how great movies can still create strong demand for in-theater movie viewing.

Barbie & Oppenheimer Drove Strong Summer Visits to Movie Theaters

Weekly Visits Compared to 2019

■ AMC Theatres ■ Regal Cinemas ■ Cinemark



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Key Takeaways

1. YoY visits to **Superstores** remained steady during the Back-to-School season but fell in September as consumers likely budgeted carefully ahead of the holiday season.
2. **Grocery** foot traffic followed a similar pattern to Superstore visits, although the Grocery YoY visit gaps were smaller – perhaps due to Grocery's emphasis on essentials compared to Superstores wider array of discretionary items.
3. **Discount & Dollar Stores** continued to perform well, with visits up relative to 2022 every week of the quarter as consumers continued trading down and favoring value-priced chains over traditional retailers.

4. **C-Stores** started Q3 strong with YoY visit increases throughout most of July and August – but foot traffic fell towards the end of the quarter as gas prices increased and consumer confidence fell.
5. The **Dining** category saw YoY visits dip throughout most of Q3, with the foot traffic gaps widening towards the end of the quarter as budget-conscious consumers may have started saving up for their holiday shopping.
6. **Movie Theaters** received a major visit boost in Q3 2023 as the success of Barbie and Oppenheimer drove traffic, with weekly visits exceeding 2019 levels following those movies' release.