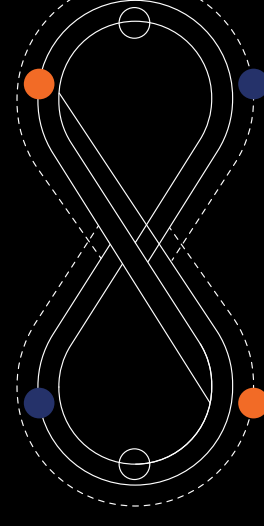


Brands to Watch IN 2023

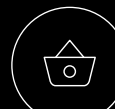
By **Cameron Williams**, Director of Research, SVN | International

In 2022, brick-and-mortar retailers faced challenges such as a looming recession and record inflation, which affected consumer confidence. Despite these challenges, a particular type of retailer will be set up to thrive and there are still plenty of opportunities for success in the retail industry. As the economy improves and consumers become more optimistic, these brands are well-positioned for success in 2023.



WAWA

Wawa, an East Coast convenience store chain with locations in seven states, has seen its popularity soar in recent years, **with average visits per venue increasing significantly in several states**. In New Jersey, Delaware, and D.C., Wawa venues saw YoY average visit per venue increases of 48.0%, 42.2%, and 50.1%, respectively, while the remaining states saw increases between 34.3% and 41.4%. Wawa plans on expanding to four more states in 2023.



ALDI

Aldi, a discount grocery store chain with over 2,000 US stores, has been expanding its presence in the US and focusing on high-quality private label products. **In 2020, Aldi announced plans to open an additional 1,800 stores in the US by the end of 2023.**



GROCERY OUTLET BARGAIN MARKET (GOBM)

Grocery Outlet Bargain Market (GOBM) saw a YoY increase of 11.8% from 2021 to 2022. GOBM obtains most of its products through "opportunistic buying," working with brands with excess inventory or whose packaging changes force them to sell items at discounted prices. **The chain has also been expanding, going from 316 stores nationwide in 2019 to 425 in 2022.**



O'REILLY AUTO PARTS

O'Reilly Auto Parts saw YoY visits increase by 3.7% this year outperforming other players in the auto parts industry. The company's targeted expansion into services such as oil changes and tire installation are seen as growth factors.



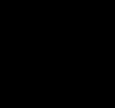
DOLLAR TREE AND DOLLAR GENERAL

Dollar Tree and **Dollar General** have both been expanding their physical footprints aggressively for years and are offering more name-brand products than ever before. Dollar Tree has over 15,000 stores in the US and plans to open approximately 400 new stores in 2023. Dollar General has over 17,000 stores in the US and plans to open approximately 1,050 new stores in 2023.



TARGET

Target has been expanding its same-day delivery options and adding more private label brands. **In 2020, Target announced plans to open approximately 300 small-format stores by the end of 2023**, and it has also been expanding its same-day delivery options through its partnership with Shipt. Target has also been expanding its private label brands, with a focus on home and apparel. **In 2020, Target's private label sales grew by 25%, and the company plans to double its number of exclusive and owned brands by 2025.**



BOB'S DISCOUNT FURNITURE

Bob's Discount Furniture has seen YoY monthly foot traffic grow 27.6% and 13.4% in October and November 2022, respectively, while overall home decor and furnishings visits fell 16.1% and 22.2% in the same period. This suggests that the retailer is holding onto pandemic gains. The company has also seen a shift in its demographic, suggesting as home costs continue to increase, people in lower home-value areas may be opting to redecorate their homes rather than move.



ROSS

Ross Stores saw YoY visits increase by 5.3% in 2022, outperforming the off-price retail industry. The company's bare bones philosophy allows for aggressive discounting resulting in more than \$4Billion worth of sales last year, a 16.1% increase YoY.



WHATABURGER

Whataburger has been expanding their footprint aggressively. Between 2019 and 2022, the number of Whataburger locations increased from 828 to 923, and foot traffic grew accordingly. **In 2022, the company significantly outperformed pre pandemic numbers** set in 2019, with Year over Three Year (Yo3Y) visit increases of up to 16.5%. Whataburger's YoY visits nationwide outperformed QSR traffic trends. Known for staying open 24 hours a day, between 2019 and 2022, the share of visits from 9 PM - 12 AM grew from 18.1% to 21.3%.



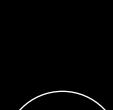
TRACTOR SUPPLY

Tractor Supply saw YoY visits increase by 3.2% in the 2022, outperforming both the DIY and home improvement industries. The company's focus on catering to rural and suburban markets, as well as its expansion into the pet category are seen as contributing factors to the brand's growth.



LIDL

Lidl, another discount grocery chain saw YoY visits increase by 5.4% in 2022, outperforming the grocery industry on average. Lidl has put a recent emphasis on offering private label product, as well as its expansion into fresh and perishable items.



DAVE & BUSTERS

Dave & Busters is benefiting from the trend of "eatertainment," which combines dining and activity. In June 2022, Dave & Busters acquired rival Main Event Entertainment, which tends to cater to families, complementing Dave & Buster's young adult focus.



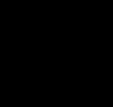
TOTAL WINE & MORE

Total Wine & More, the largest independently owned wine, beer, and spirits retailer in the US, **has seen significant foot traffic growth nationwide in recent years**, with YoY foot traffic up by double digits in 2022 and average visits per venue on par with 2019 levels. This growth is particularly evident in the Midwest, where visits to Total Wine & More stores have increased by 41.9%.



FIVE BELOW

Five Below has been on a major growth streak recently, with monthly YoY foot traffic up by double-digits throughout 2022. The chain has gone from 900 stores at the end of 2021 to 1,190 at the end of 2022 with plans to triple its footprint by 2030 by opening another 1,000 stores by 2025. **Five Below is also expanding westward, with plans to open stores in 48 states by 2025.**



COSTCO

Costco, the warehouse club operator, **has been named 2022 Company of the Year by Yahoo Finance** for its ability to keep prices competitive and increase sales in a year of high inflation. In the fiscal year ending August 2022, Costco reported \$222.7 billion in sales, an increase of 16%. The company also reported a record 92.6% membership renewal rate in the US and Canada. Costco's growth has continued into fiscal 2023 and already has eight new locations slated to open by April.



BOOT BARN

Boot Barn is a Western-focused shoe and apparel retailer that has been successful by expanding to underserved markets. It opened 10 new stores in Q3 2022, expanding to 321 total, and surpassed the \$1Billion mark in sales for the first time last year.

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