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WAL-MART STORES' EFFORTS to expand its supercenters in the U.S. might be reaching their limits, but observers say there are plenty of available locations for smaller-format stores.

“There's a whole laundry list of medium-sized boxes that are sitting there vacant,” said Matt Casey of Clark, N.J.-based site-selection and consulting firm Matthew P. Casey & Associates. “There's a lot of real estate out there — a lot of recycled property.”

Although Casey said he has not heard of Wal-Mart seeking smaller sites in the Northeast, reports have indicated that the company has been scouting such locations in Northern California, where Tesco's Fresh & Easy Neighborhood Market is also set to expand its small-format food stores.

Many other small-format concepts are still growing and having no problems finding available locations, observers pointed out.

Goodlettsville, Tenn.-based Dollar General, for example, opened 315 new stores in the first half of the year, and expects to open 600 new locations this year. Its Matthews, N.C.-based rival, Family Dollar, is opening 300 stores this year, and Dollar Tree plans 230 stores this year and envisions having 7,000 locations — up from 4,800 currently — in the long term.

Meanwhile, the nation's two leading limited-assortment operators, Aldi and Save-A-Lot, also have aggressive expansion plans.

St. Louis-based Save-A-Lot, a division of Minneapolis-based Supervalu, opened 38 new locations in the first half and has 100 planned for the full year. Craig Herkert, Supervalu's president and chief executive officer, said in a recent conference call that he was “pleased” with the progress being made on the expansion of the Save-A-Lot banner. He previously said he'd like to double the size of the 1,200-store chain by the end of fiscal 2015.

Bill Stinneford, an executive vice president at Buxton Co., a site-selection and consumer analytics firm based in Fort Worth, Texas, said small-format food retailers seem to be selecting sites across a wide array of locations and demographics.

The key is to tailor the merchandise mix to the demographics of the trade area, he said.

“Those operators that take that kind of strategic approach are going to be the most successful,” he said.

He agreed that sites are generally plentiful and available on reasonable terms.

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“It's certainly a better environment to make a deal than it was two or three years ago, but it's tough in some of the more desirable places — some places are holding their value incredibly well.”

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