

Dollar General, off-price retailers continue breakneck expansion pace into 2024

Article

The trend: Dollar stores, off-price retailers, and auto parts sellers will dominate store openings this year, [according to](#) a report by Northmarq.

- **Dollar General** will lead the charge with 800 new stores, over 80% of which will be located in rural communities where the retailer believes it can have “the most significant and positive impact for our customers,” CEO **Todd Vasos** said in December.
- Fellow discounter **Five Below** is expected to open around 255 stores this year, with the aim of reaching 3,500 (up from its current 1,300) by the end of fiscal 2030.
- **O’Reilly Auto Parts** plans to accelerate its expansion with as many as 200 new stores in 2024, up from the 180-190 it opened last year.
- Off-price retailers **Burlington** and **Ross Dress for Less** are also looking to dramatically grow their footprints, with the former set to open at least 32 stores in 2023 and the latter seeing an opportunity to grow to 2,900 locations, up from roughly 1,700 today.

Zoom in: As in 2023, the retailers looking to grow their footprints most aggressively this year are also among those benefiting the most from consumers’ price sensitivity.

- High grocery prices are driving more consumers to purchase food and other household necessities at Dollar General; for that reason, 90% of the retailer’s new stores will be in a larger format with additional cooler space and more room for health and beauty products, as well as fresh produce.
- The same financial pressures that are boosting Dollar General’s grocery share are fueling off-price’s expansion, as shoppers search for deals on name-brand merchandise.
- Likewise, O’Reilly Auto Parts and similar retailers are set to benefit as [high auto prices](#) and interest rates force households to spend more effort maintaining their existing vehicles.

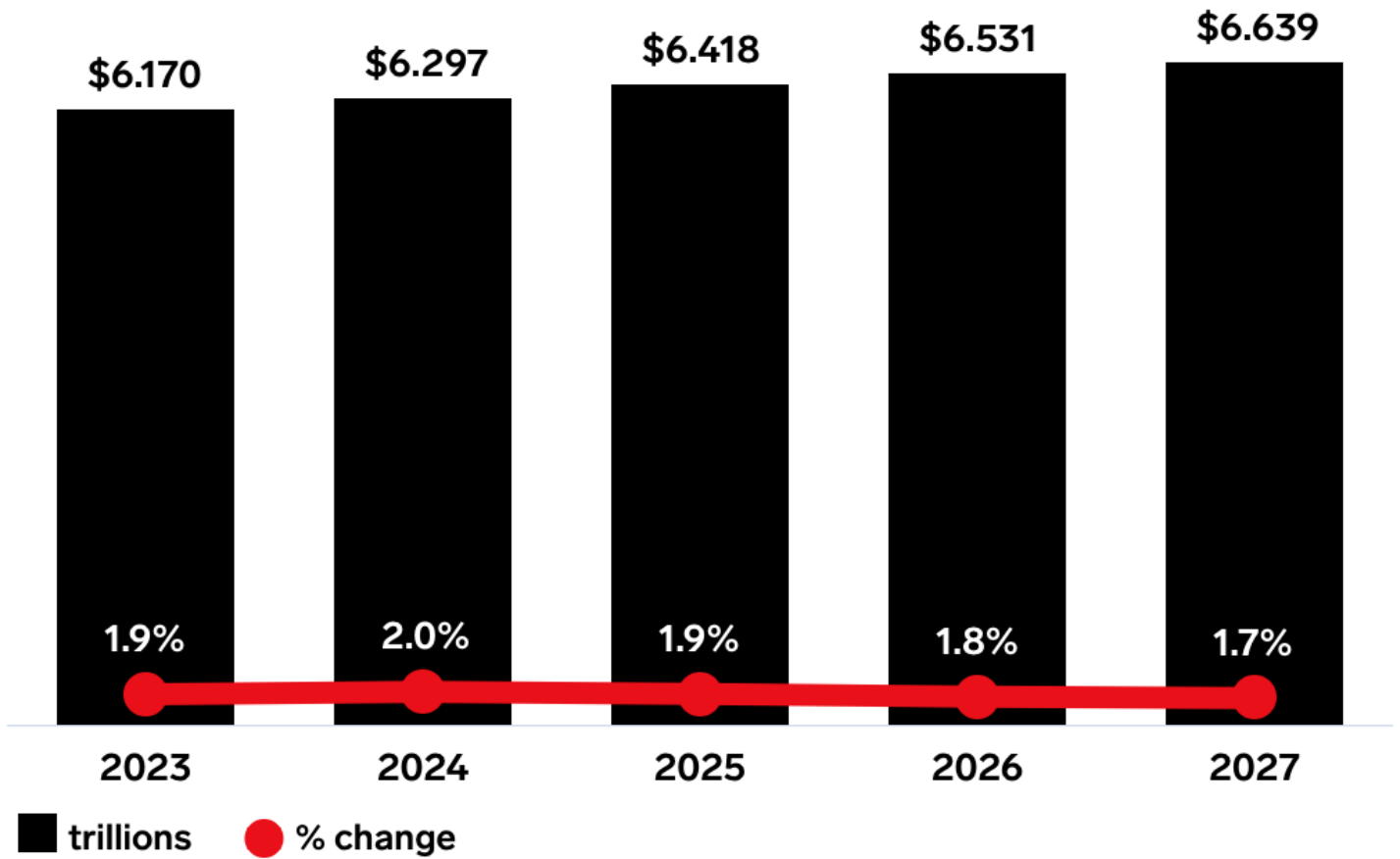
The big picture: While not every retailer is expanding at the same breakneck pace as Dollar General, brick-and-mortar retail continues to be an area of serious investment as companies try to work out how best to adapt to consumers’ changing habits.

- Some, like direct-to-consumer shoe brand **Rothy’s** and menswear brand **Todd Snyder**, are using stores to provide high-touch customer service and build deeper relationships with shoppers.
- Others, like **Walmart**, **Walgreens**, and **Target**, are focused on revamping stores to offer more convenience, both in-store and online.
- As financial pressures drive consumers to be pickier about how they spend their money, retailers will have to invest in one or both of those strategies—either by remaking stores into

places where people want to linger, or by making it easier for customers to get their shopping done in as little time as possible.

Non-Ecommerce Retail Sales

US, 2023-2027



Note: excludes products or services ordered using the internet; excludes travel and event tickets, payments such as bill pay, taxes, or money transfers, restaurant sales, food services and drinking place sales, gambling and other vice goods sales

Source: Insider Intelligence | eMarketer, November 2023

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