

Aldi and other value-oriented grocers embark on aggressive expansion plans

Article

The trend: Several value-oriented retailers that sell groceries are rapidly expanding their footprints.

- **Aldi** plans to open 800 new stores nationwide by the end of 2028. According to a press release, its expansion [aims to](#) “bring even more communities great products at the lowest possible prices during a time when consumers are more focused than ever on saving money.”
- **Dollar General** is embarking on roughly 2,385 projects this fiscal year, including [800 new stores](#), 1,500 remodels, and 85 relocations. More than 90% of the new stores and relocations will incorporate one of the retailer’s larger-store formats, which features more frozen and refrigerated foods and fresh produce.
- **Grocery Outlet** expects to open up to 60 stores in 2024, partly thanks to a deal to buy extreme discount grocer **United Grocery Outlet**’s 40 locations in the Southeastern US and a distribution center in Tennessee.
- **Walmart**, which had added just 11 net-new stores between 2018 and 2023, plans to build or convert over [150 stores in the next five years](#). The retailer also will remodel 650 locations over the next 12 months, a move that follows its two-year \$9 billion investment to upgrade about 1,400 stores.

Why is this happening? While grocery price inflation has abated, value remains top of mind for many consumers who have grown accustomed to hunting for deals and seeking out value-oriented merchants.

- **A third of shoppers (33%) have switched up where they shop for groceries to save money**, [per](#) the Advantage 2024 Shopper Outlook consumer survey.
- **Consumers are willing to venture to multiple stores to get a deal.** The share of consumers who typically shop just one store for groceries nearly all the time has fallen from 37% in 2021 to 27% last year.

Value-oriented retailers see a unique opportunity to make inroads with consumers who may not have been as cost-conscious before grocery prices began to spike in 2021.

Making adjustments: Some retailers can adjust better than others to consumers’ shifting grocery shopping patterns.

- On one hand, a retailer like **Kroger** can use its [first-party data](#) to offer shoppers more personalized offers and lean into private labels. Last year, it introduced a Hispanic-inspired private label, [Kroger Mercado](#), and this year it expects to launch more than 800 new products.

- On the other hand, some pandemic-era winners such as **HelloFresh** are struggling. The meal-kit maker said on Friday that it expects its earnings to fall this year as consumers tighten their belts.

The big takeaway: Convenience is a major factor in where consumers shop for groceries. Moving into new markets gives value-oriented grocers a significant opportunity to attract a broad swath of new customers.

