

Numerator FinSights: Dollar Tree's Price Increase – Where are lapsed trips shifting to and why?

January 2022

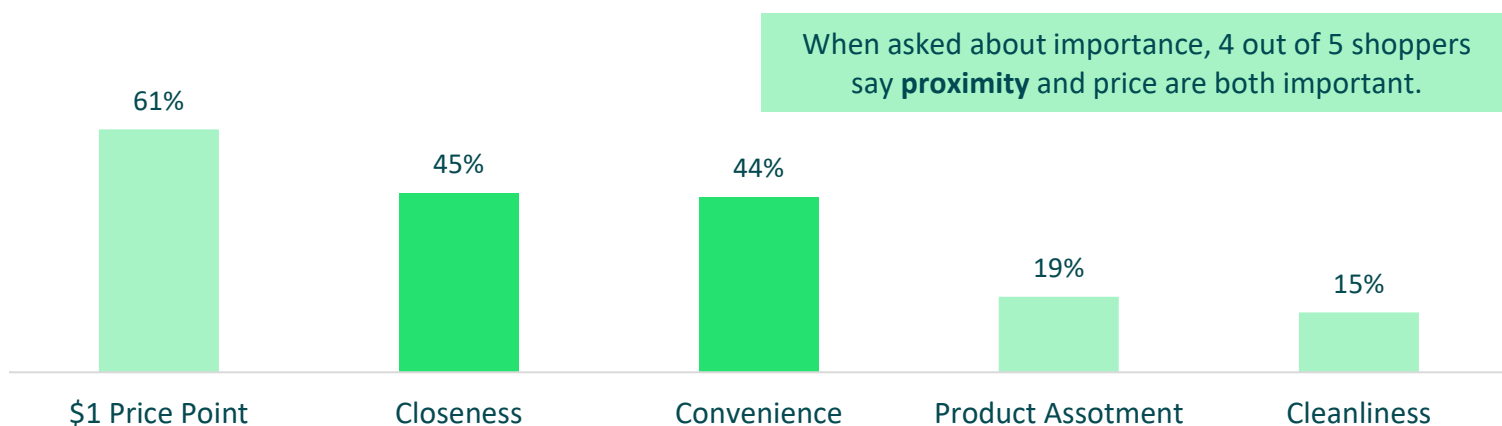
Numerator fielded an Instant Survey to 208 Dollar Tree shoppers in Virginia where the \$1.25 price increase has already rolled out.

Our main takeaways:

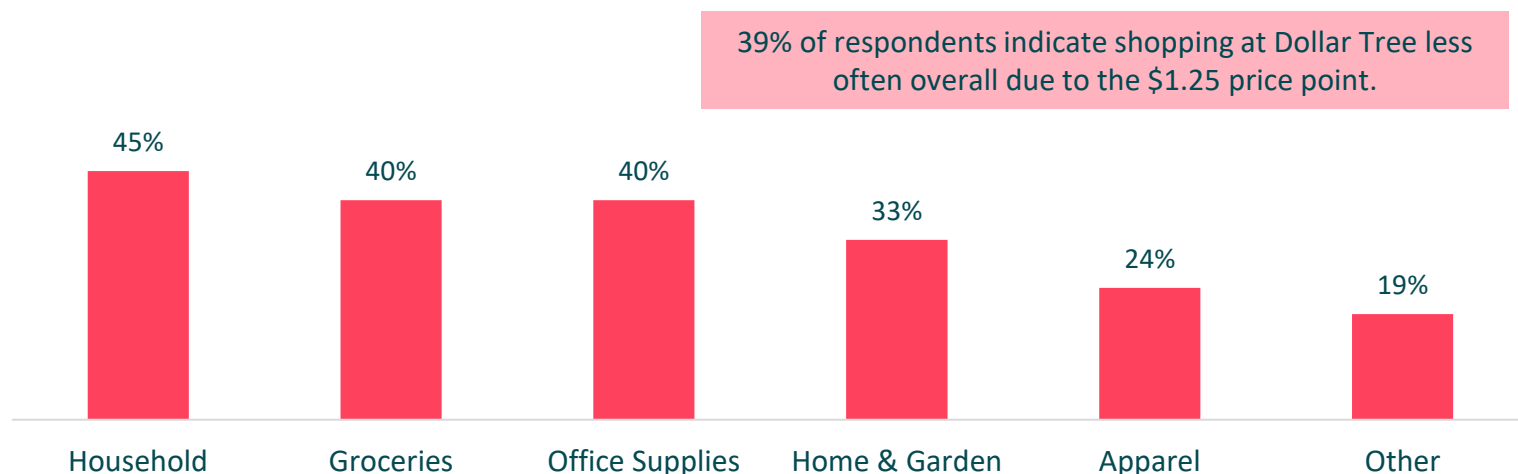
- Dollar Tree is at risk of losing trips to other retailers as its **price increase reduces the perception of convenience over time.**
- Groceries, Household Products, and Office/School Supplies are the most at risk categories as shoppers switch to buying elsewhere.
- Big box retailers such as **Walmart and Target will benefit** as they capture lapsed Dollar Tree trips.

Convenience is key for nearly half of shoppers when shopping Dollar Tree, with price increases set to erode this factor

Reasons for Shopping at Dollar Tree Top 5 Reasons Shown



Departments Respondents Anticipate Buying Less Often at DT due to Price Increase

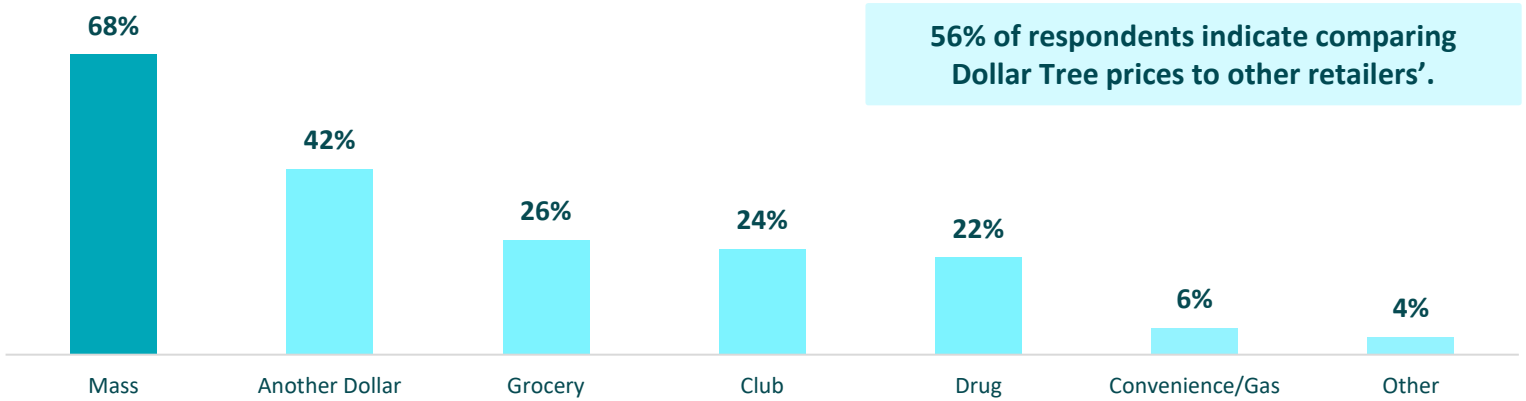


“ Some items are *not worth the increase* and can be bought elsewhere cheaper.

“ I haven't shopped at Dollar Tree since the price increased. It also *takes away the fun in shopping* because everything isn't a Dollar anymore.

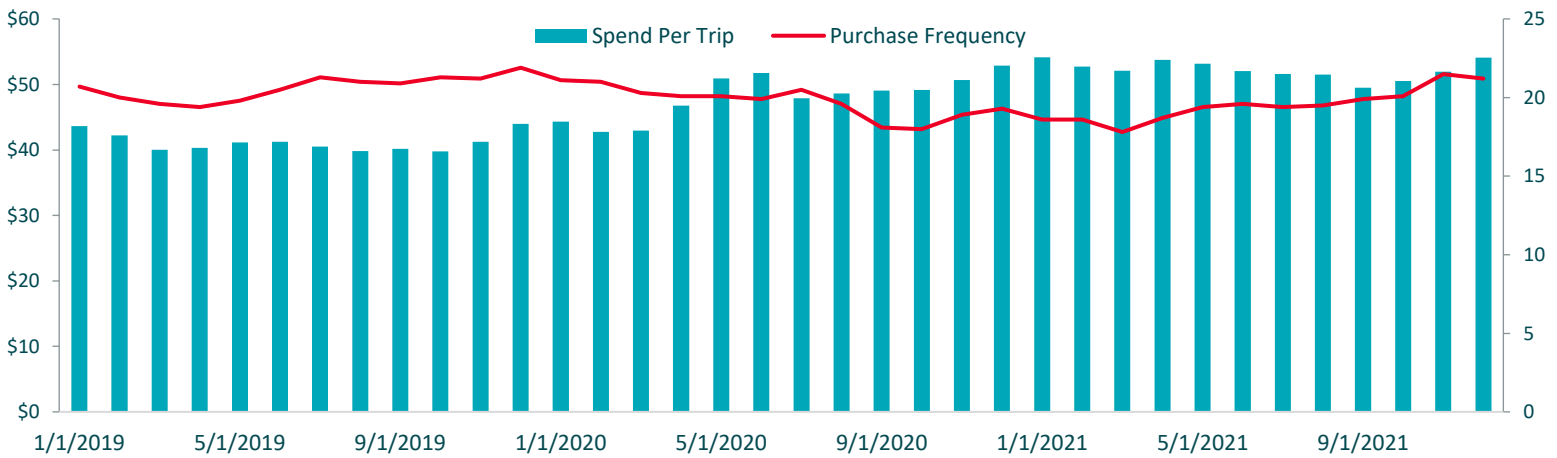
Mass stores, especially Walmart, are positioned to win as the convenience aspect fades

Stores Respondents Anticipate Switching to due to Price Increase



Walmart Purchase Frequency has begun to *uptick in recent months*, coinciding with price increases.

Purchase Frequency & Spend Per Trip Dollar Tree Virginia Shoppers at Walmart - 13W Ending Each Month



“ I probably won't be shopping there much as the items I purchase will now be comparable to Walmart and I will just purchase them there when I get groceries ”



Want more?

Numerator data allows you to dig deeper into drivers of household, traffic, or spend changes to help answer the following questions:

- ✓ Track basket spend and composition changes for Dollar Tree as the retailer implements its new price points.
- ✓ What is the dollar value of shoppers who switch from Dollar Tree to other retailers? And which retailers are winning those lapsed trips?
- ✓ Which brands are most at risk when shoppers decrease trips at Dollar Tree?
- ✓ Which demographics (i.e. income, ethnicity) are shifting their spend from Dollar Tree to Walmart, Target, and other Dollar stores?
- ✓ Read more open-ended responses from Dollar Tree shoppers to learn about their attitudes towards the price increase.

And more....