



Expansion Insights: How Aldi is Narrowing the Sales Gulf in the South

MARCH 2022



EXECUTIVE SUMMARY

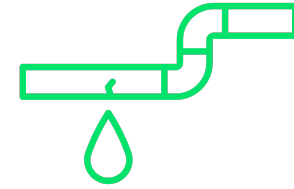


Aldi's expansion strategy is right on the money— the discount chain has **room to grow** with Southern shoppers.



Aldi **overperforms** with key Southern shopper segments, including Black shoppers, retirees, and senior couples.

Expect Aldi to capture **more** of their spend.



Walmart, Kroger, and Publix are **most at risk** of losing share to Aldi if they don't act quickly.

Extrapolating from the Midwest and Northeast, many Southern retailers may soon leak double the dollars to Aldi as Aldi expands in the South

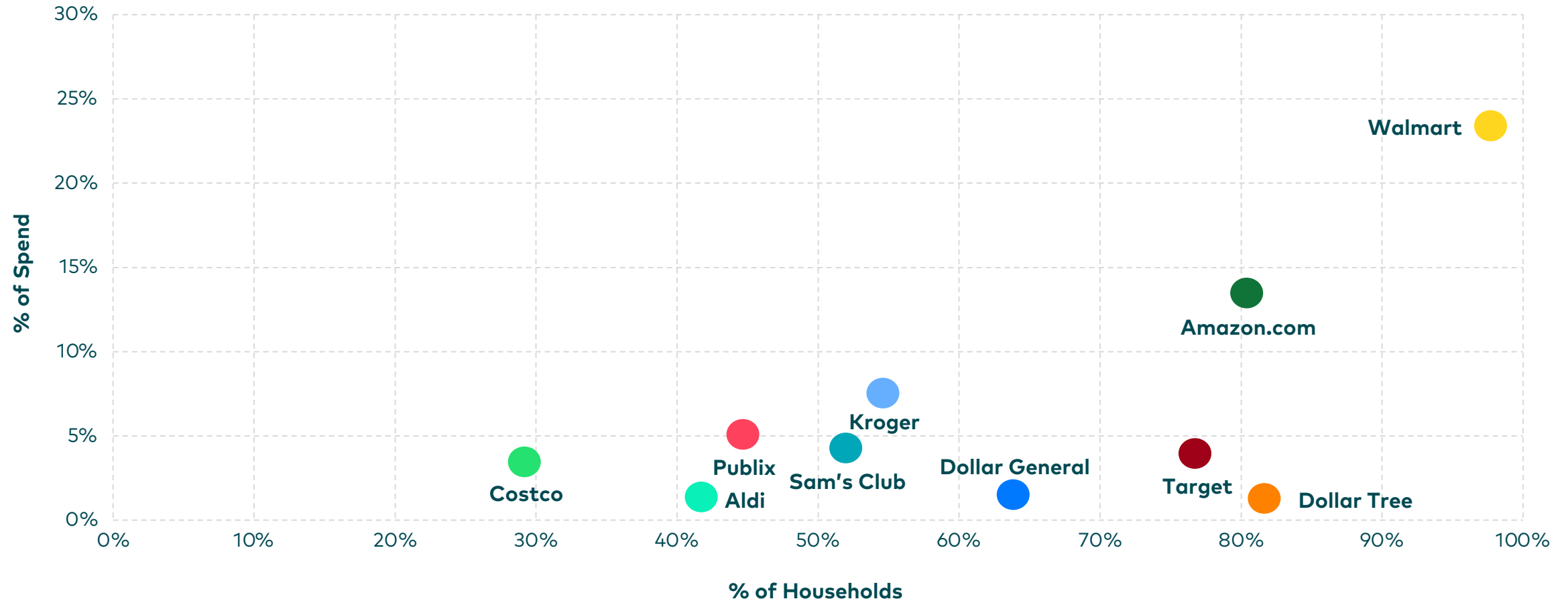
Leakage to Aldi by Census Region (\$ Billions)



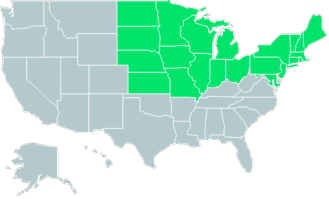
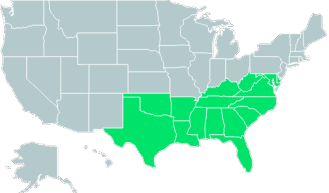
Source: Numerator Insights: 02/01/2021 – 01/30/2022; Indexes against Light Aldi Shoppers (GO against All Aldi Shoppers)

All major grocery retailers will see increased competition from Aldi's expansion in the South

Southern Retailers, % of Households and Spend



When benchmarked against established regions, Aldi has room to grow with Southern shoppers

	Households	Trips Per Year	Spend Per Trip	Annual Spend
Northeast and Midwest				
	21.7%	14.3	\$42.07	\$600
South				
	16.3%	11.6	\$38.58	\$447

Aldi overperforms with retirees, senior couples, and Black shoppers in the South, and those shoppers are most likely to shift more spend to Aldi

Aldi's Demographic Strengths

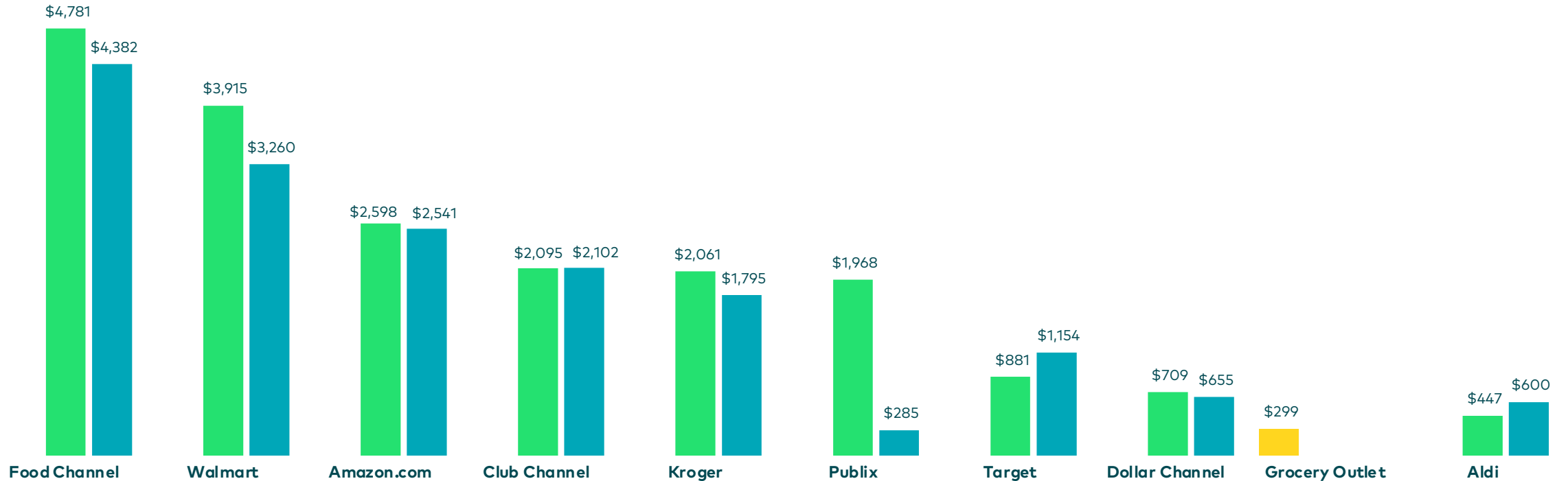
Index vs. All shoppers in channel or retailer

	Dollar Channel	Club Channel	Food Channel	Walmart	Kroger	Publix	Target	Amazon.com	Grocery Outlet
Retired	121	120	125	125	124	106	142	131	122
Senior Couples	122	116	125	125	124	110	143	131	141
Boomers+ [< 1965]	120	118	121	121	121	109	136	129	129
Black or African American	115	115	120	119	107	115	121	117	103
High Income (Over \$80k)	113	99	108	109	98	102	98	107	98
Graduate Degree	114	102	108	109	102	101	100	107	111

Walmart, Kroger, and Publix are most likely to lose shopper spend to Aldi if they don't defend their share

Aldi Shopper's Buy Rate (Average Annual HH Spend) at Channels / Retailers by Census Region

■ CA + PA ■ Southern ■ Northeastern + Midwestern





There's more to know.

For custom insights, reach out to us at hello@numerator.com

