

January 2023

Placer.ai Quarterly Index - Q4 2022

Dive into Placer.ai's Q4 2022 Quarterly Index to find out how the current economic headwinds impacted key categories during the critical holiday shopping season.



Placer.ai's Q4 Quarterly Index

After two years of pandemic restrictions, 2022 was slated to mark the great brick-and-mortar retail comeback – until [inflation and high gas prices](#) started to negatively affect retail foot traffic in the spring, with the impact continuing through much of the year. But although the current economic headwinds are undoubtedly [impacting consumers](#), the ongoing inflation and shifts in consumer shopping habits are also creating new opportunities and setting up certain [brands](#) and categories for success.

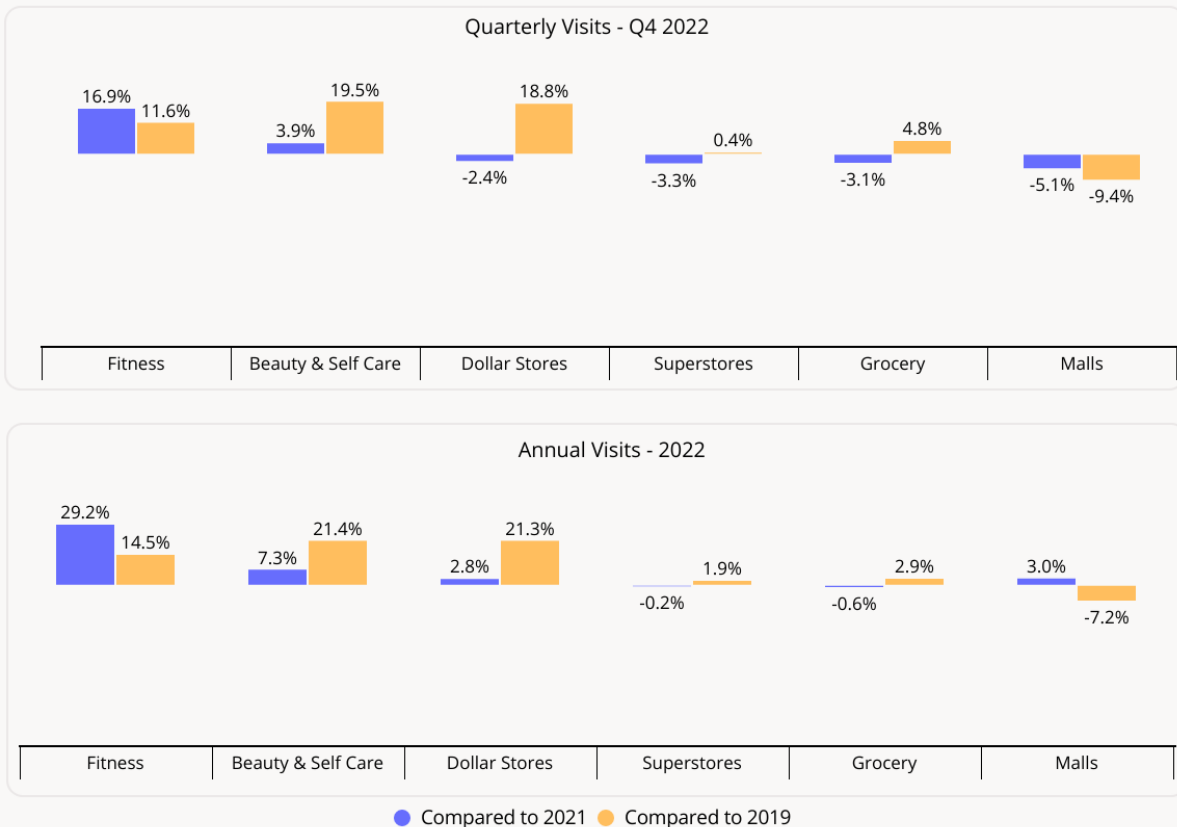
Placer.ai's Q4 Quarterly Index Report presents location intelligence data for beauty & self care brands, discount & dollar stores, superstores, grocery brands, malls, fitness chains, and offices. Using yearly, quarterly, and weekly visit patterns, the report reveals how these key categories fared in 2022 and what their performance tells us about consumer behavior and brick-and-mortar retail in the new normal.

Q4 and 2022 Yearly Overview

Several key retail categories including discount & dollar stores, grocery chains, and superstores saw visits dip year-over-year (YoY: 2022 compared to 2021). But focusing exclusively on YoY metrics makes the retail landscape appear worse-off than it really is. Late 2021 was [particularly strong](#) for retail, as the combination of pent-up demand, accumulated savings, and months of store closures drove an unusually high number of consumers to brick-and-mortar retailers, especially in October 2021. This means that YoY dips in Q4 foot traffic could be attributed more to 2021's strength and less to any real drop in consumer demand.

As a result, adopting a wider lens and comparing foot traffic not just to the unusually strong 2021 but also to pre-pandemic 2019 paints a significantly more optimistic picture. Year-over-three-years (Yo3Y:2022 compared to 2019) visits for the fitness, beauty & self care, discount & dollar stores, superstores, and grocery categories were up in Q4 and in 2022 overall – indicating that demand for these categories remains strong, even in the face of tighter consumer budgets. Malls did see a drop in visits, but visit duration – especially during the [second half of the year](#) – has been increasing relative to both [2021 and 2019](#), which may indicate that while foot traffic is dropping, the quality of those visits has increased.

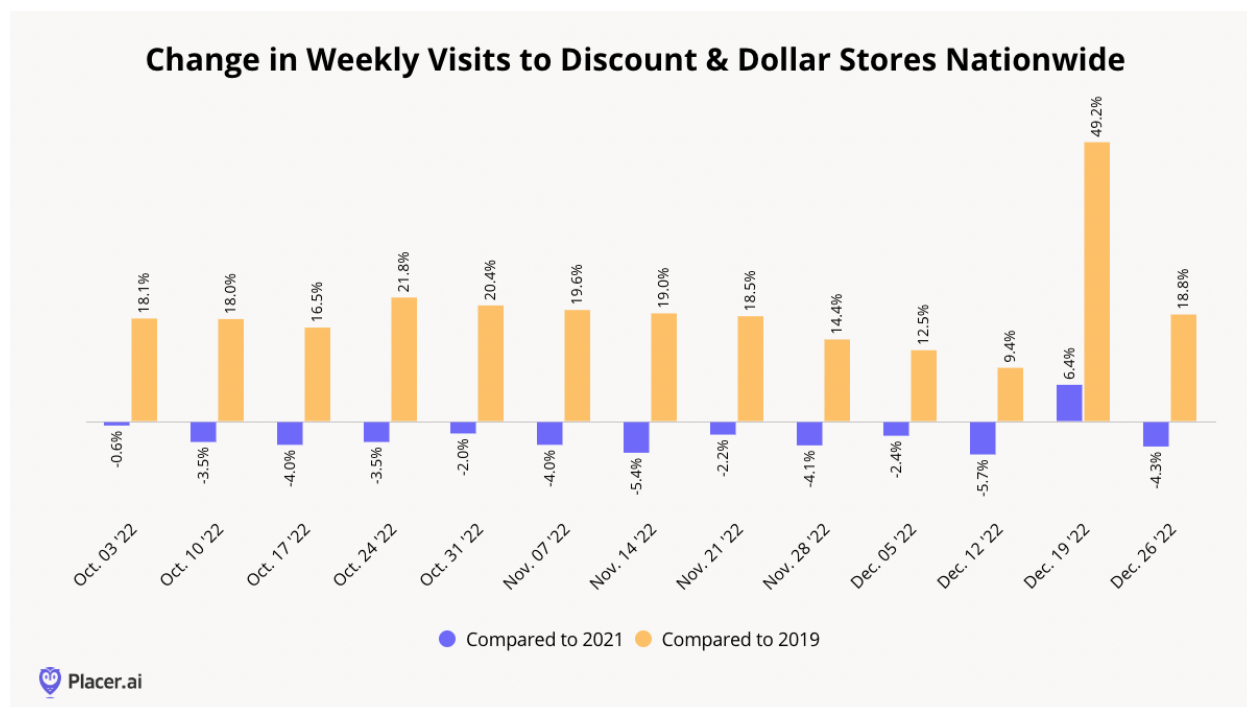
Change in Visits Across Select Industry Sectors



Discount & Dollar Stores

Q4 2022 Weekly Discount & Dollar Store Visit Trends

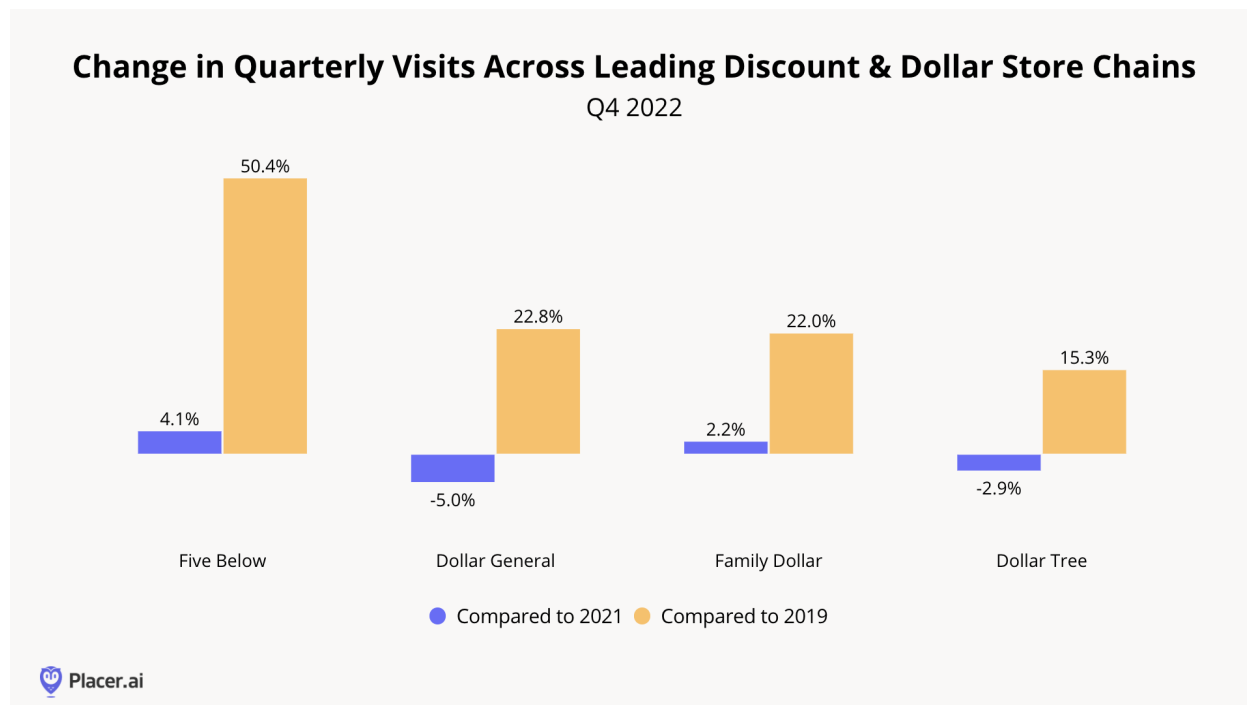
While a [particularly impressive 2021](#) made the year-over-year (YoY, 2022 compared to 2021) comparison difficult, the discount & dollar store sector did see its Q4 2022 [continue](#) overperforming its 2019 baseline. Year-over-three-years (Yo3Y, 2022 compared to 2019) weekly visits were up by double digits almost every week of the quarter, in part thanks to significant expansions by some of the [category leaders](#). As consumers continue looking for ways to adjust their shopping habits to the ongoing inflation, the discount & dollar store sector appears well positioned to maintain their visit gains going into 2023.



Discount & Dollar Stores Brand Breakdown

The four major discount & dollar store leaders exhibited similar foot traffic patterns in Q4, with visits up significantly compared to 2022 and relatively on par with 2021. But diving into the differences between the brands reveals some variations. Five Below – the smallest of the four chains, with around [1,300 locations in over 40 states](#) – saw the biggest quarterly visit gains relative to both 2021 and 2019. Foot traffic to Family Dollar – which recently began [lowering prices](#) to stay competitive with other discount chains – also grew both YoY and Yo3Y.

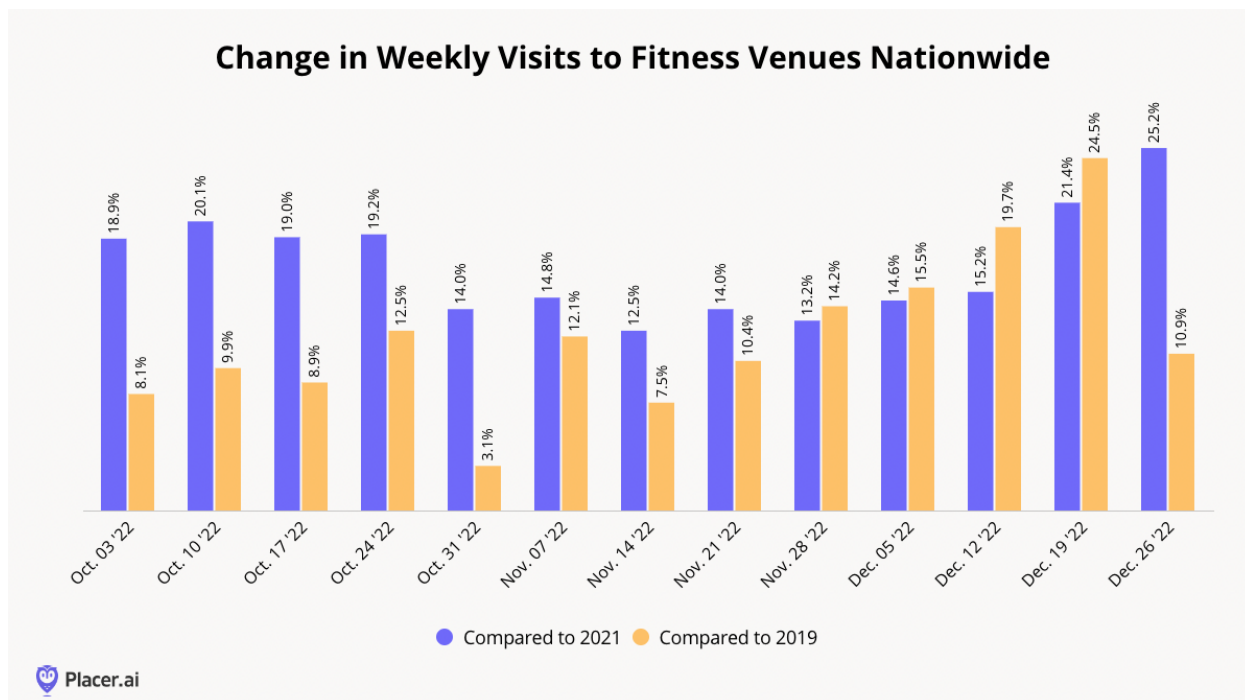
Dollar General's YoY visits fell slightly – likely a result of its [particularly strong 2021](#) performance – but Yo3Y foot traffic was up considerably, a testament to the brand's successful [product diversification efforts](#). Dollar Tree saw the smallest Yo3Y visit growth – 15.3% – but the banner's investments in [grocery and consumables](#) may well drive a visit boost in 2023 as budget-conscious shoppers continue to look for value-priced alternatives.



Fitness

Q4 2022 Weekly Fitness Visit Trends

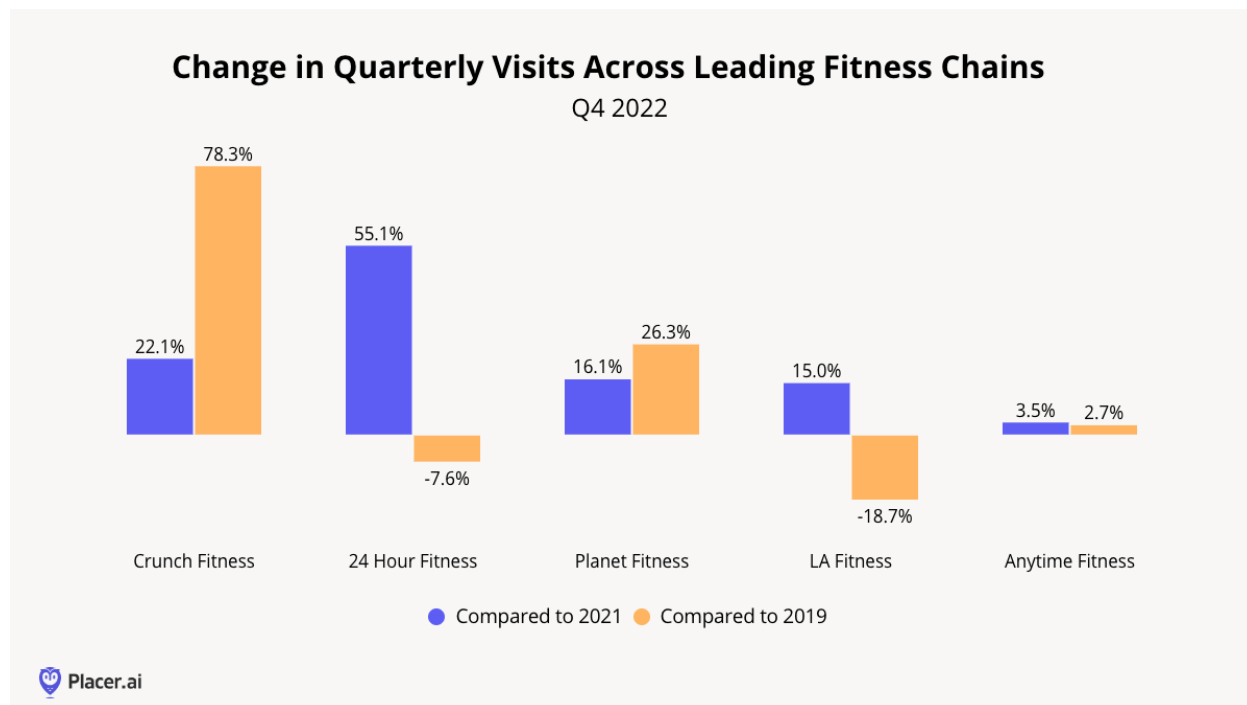
Fitness was one of the [major winners of 2022](#), and the data suggests that the sector is likely to continue overperforming other consumer categories in 2023 as well. Weekly Q4 foot traffic was up substantially not just relative to Delta and Omicron plagued Q4 2021, but also compared to pre-pandemic 2019 – indicating that Americans’ COVID-induced [interest in health and wellness](#) remains strong. The positive visit patterns between mid-November and late December are especially promising, as the end of the year is traditionally a weaker period for the category ahead of its annual January surge.



Q4 2022 Fitness Chain Break Down

Diving into the foot traffic patterns of five fitness leaders highlights the category's success in Q4 2022. Value-priced gyms [continued](#) to see the largest visit growth, with Crunch Fitness and Planet Fitness seeing their foot traffic rise significantly relative to both 2021 and 2019. Anytime Fitness made both YoY and Yo3Y foot traffic gains as well.

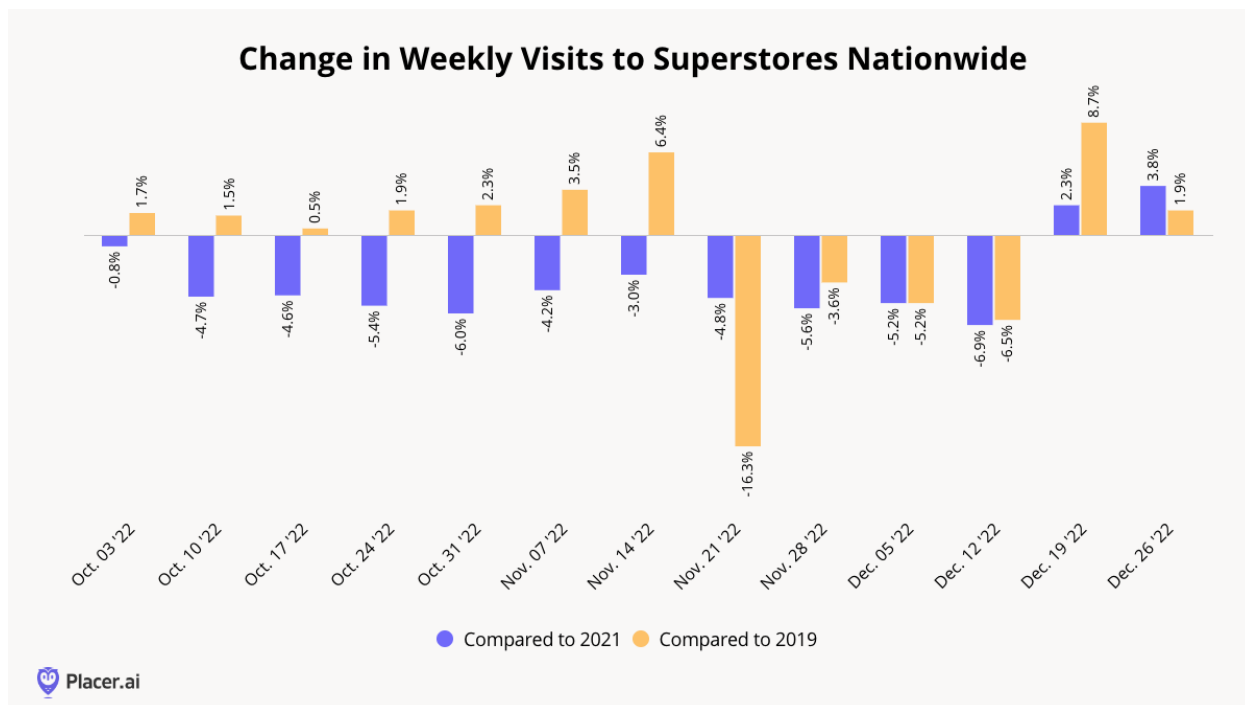
The fitness boom also boosted traffic to LA Fitness and 24 Hour Fitness, which both saw double-digit YoY visit growth in Q4. So while visits to both brands fell compared to 2019 – likely the result of their smaller store fleet due to 24 Hour Fitness' 2020 [fleet consolidation](#) and LA Fitness' [rebranding](#) many of its locations as Esporta – the increase in YoY visits for both companies suggests that these brands are well-positioned for a strong 2023.



Superstores

Q4 2022 Weekly Superstore Visit Trends

Although superstore visits were down YoY – partially due to difficult comparisons to a [strong 2021](#) – foot traffic was up relative to 2019 almost every week this quarter, showcasing the continued pull of this sector. Still, Yo3Y foot traffic did fall over Black Friday week and for several weeks after, which could suggest that the economic uncertainty led consumers to purchase fewer gifts this year. But the data also reveals that visits spiked up the week before Christmas – perhaps due to some of these budget-conscious shoppers stocking up on last-minute gifts after tightening their belts all season.



Superstore Brand Breakdown

Of the six superstore brands analyzed, Target saw the smallest YoY visit gap and largest Yo3Y visit growth, maintaining its position in Q4 as one of the most popular retailers around. Sam's Club (owned by Walmart), which has been [outperforming](#) its wholesale clubs counterparts for much of the year, also posted impressive foot traffic numbers, with visits up 5.6% relative to 2019 and down just 2.6% relative to 2021. BJ's Wholesale Club and Costco Wholesale followed the trend of positive Yo3Y visits coupled with relatively small Yo3Y decreases – perhaps due to visits normalizing somewhat after an unusually strong 2021.

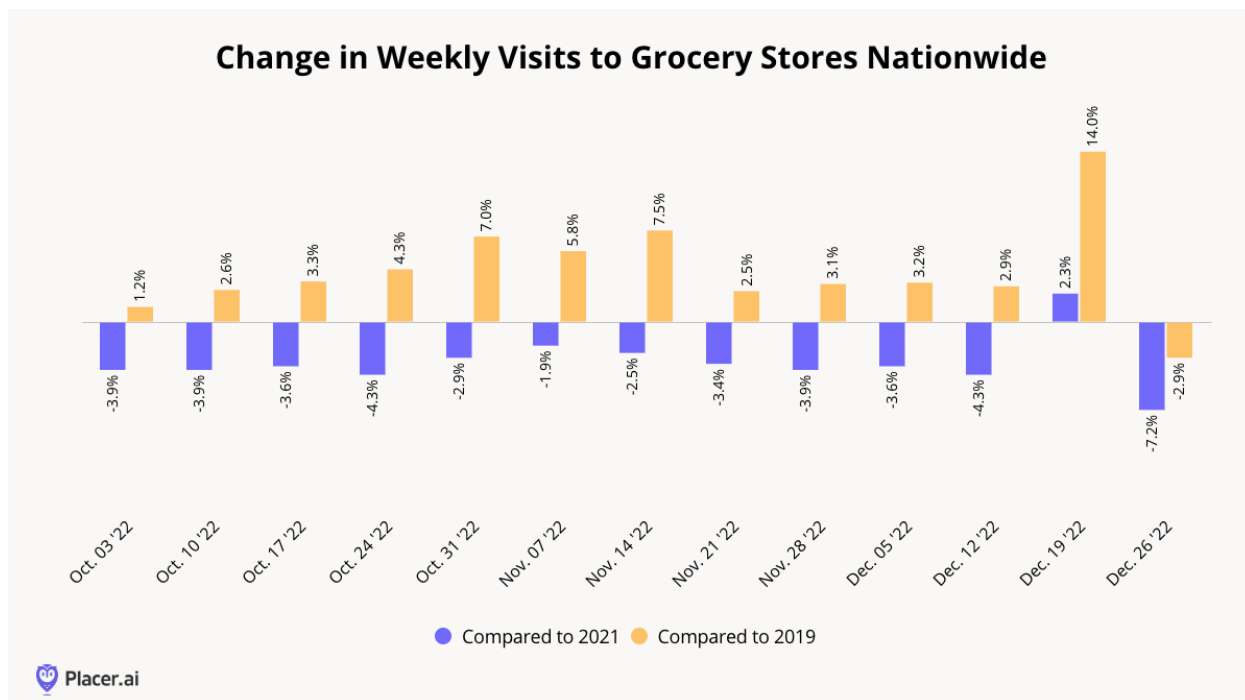
Meanwhile, Walmart saw its foot traffic dip both YoY and Yo3Y – but it's important to note that the retail giant has also seen its median duration visit [increase](#) in recent months. The longer visits could mean larger baskets, which may attenuate some of the effect of the foot traffic drop.



Grocery

Q4 2022 Weekly Grocery Visit Trends

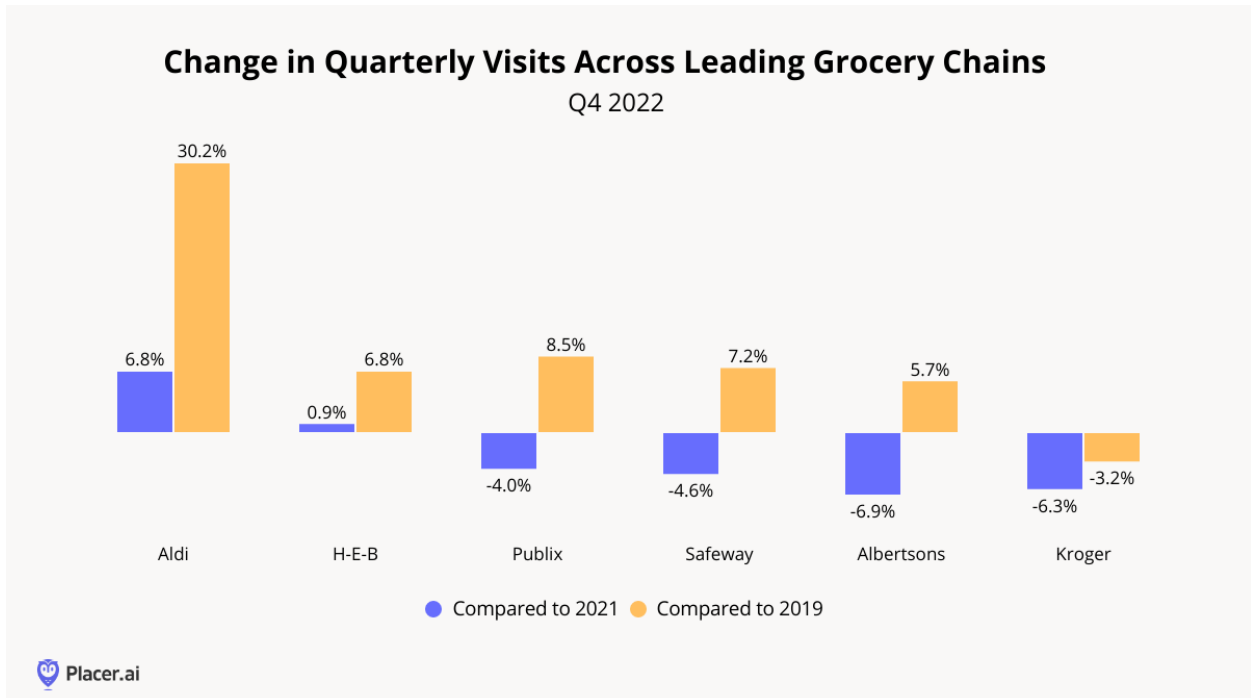
Q3 2022 was challenging for the grocery sector as Yo3Y weekly visits [dropped into the negative](#) in the second half of the quarter. But the tide turned in Q4 and grocery finished the year strong, with Yo3Y up almost every week of October, November, and December. The weeks before Thanksgiving saw particularly strong Yo3Y gains – perhaps thanks to home cooks looking to get a head start on food shopping and recipe testing – but the real peak of the season came on the week of Christmas. While some of the gains could be attributed to [calendar differences](#), the double-digit growth in Yo3Y along with the positive YoY numbers could also indicate a [renewed interest](#) in Christmas dinners and holiday parties after two years of pandemic restrictions.



Grocery Brand Breakdown

Discount grocer Aldi maintained its [growth streak](#) in Q4, with visits up 6.8% YoY and 30.2% Yo3Y – in large part thanks to the brand's [ongoing U.S. expansion](#). Texas-based H-E-B also experienced YoY and Yo3Y foot traffic gains, perhaps aided in part by Texas' recent [population growth](#). Foot traffic to Publix, Safeway, and Albertsons followed a pattern similar to that of the wider grocery category, with visits up compared to 2019 and down compared to 2021.

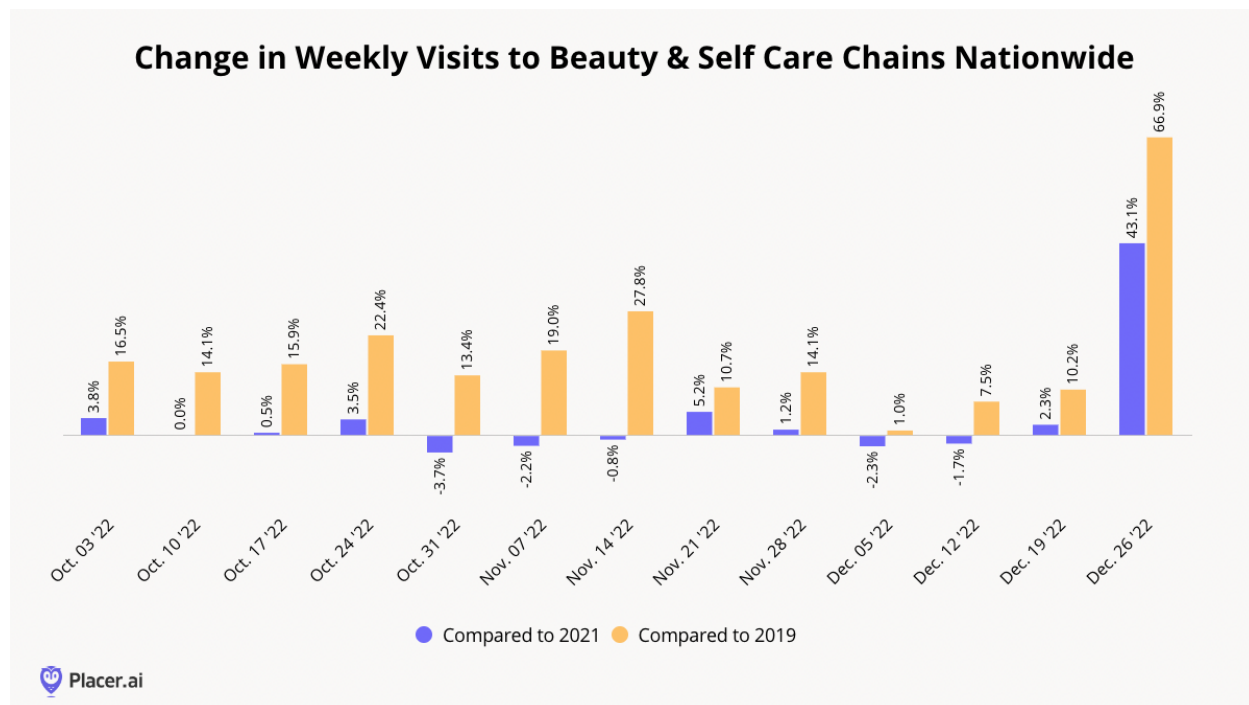
Meanwhile, Kroger visits fell slightly Yo3Y – but the brand's success in maintaining visits relatively close to 2019 levels while [growing its digital orders and fulfillments](#) indicates that the company is still one of the [strongest players](#) in the grocery space.



Beauty & Self Care

Q4 2022 Weekly Beauty & Self Care Visit Trends

Beauty is one of the few [recession-proof](#) industries, and the category's [resilience and draw](#) was once again apparent this past quarter. Foot traffic to the beauty & self care sector was particularly high in [Q4 2021](#), as consumers shedding their masks and returning to non-virtual socializing replenished their cosmetic stocks. So while last year's success made for less impressive YoY gains, the sector's Yo3Y growth showcases the continued strength of the sector.



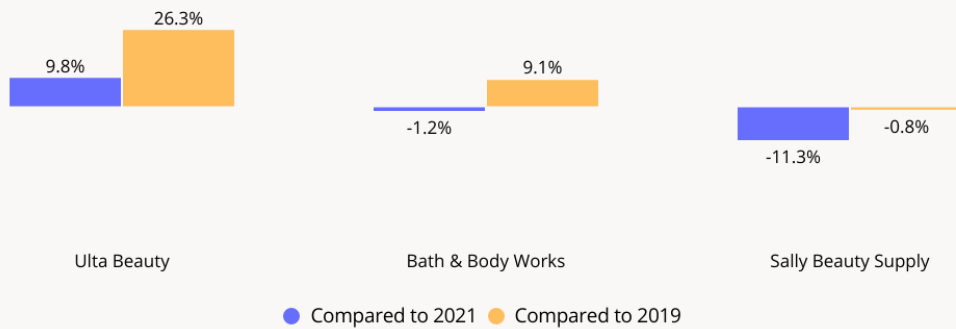
Beauty & Self Care Q4 2022 Winners

Ulta Beauty has posted [consistent visit growth](#) throughout 2022, and the brand's growth continued in Q4, with YoY and Yo3Y visits up 9.8% and 26.3%, respectively. Some of Ulta's success can be attributed to the company's strategy of housing higher-end and value-priced items together under one roof, which means that Ulta's stores cater to consumers [across the income spectrum](#).

Bath & Body Works also had a strong Q4, with visits on par with 2021 levels and up significantly relative to 2019 – perhaps thanks to the company's collection of [budget-friendly giftable products](#). And Sally Beauty, which [permanently shuttered](#) select locations in recent years, saw its foot traffic down on par with 2019 levels – an indication that companies that [rightsized right](#) can reach the same audience with a more condensed store fleet.

Change in Quarterly Visits Across Select Beauty & Self Care Chains

Q4 2022

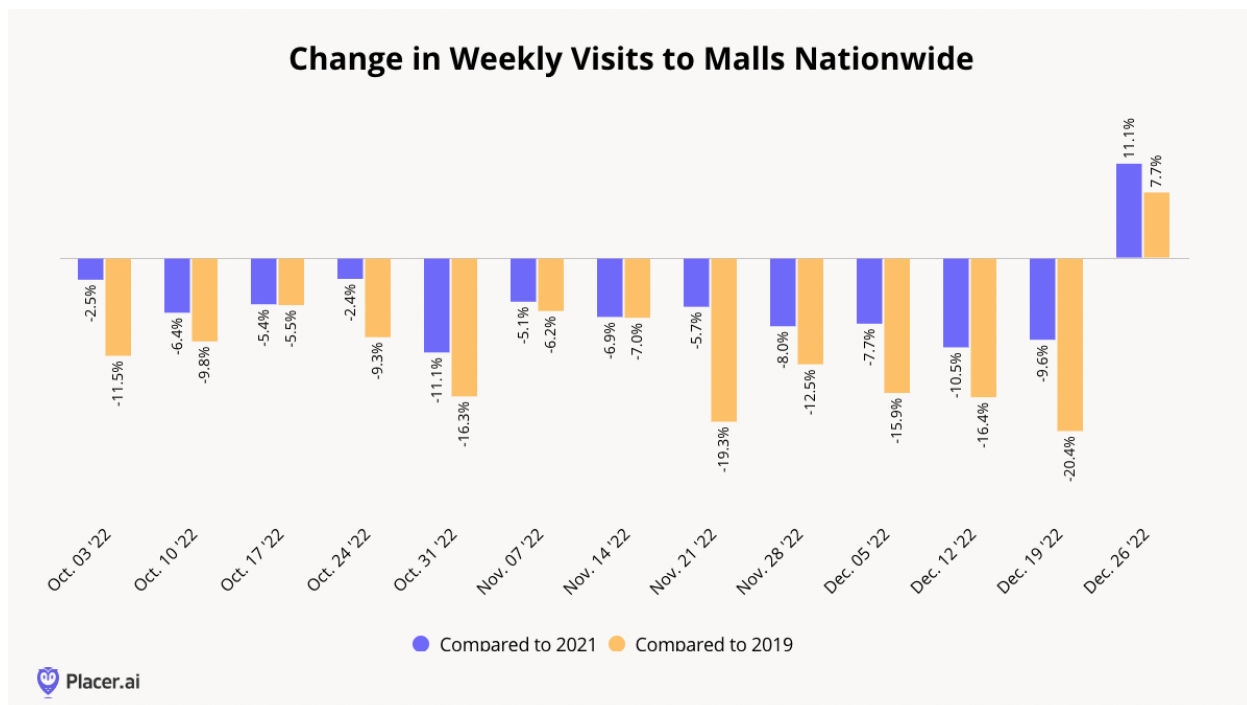


Placer.ai

Malls

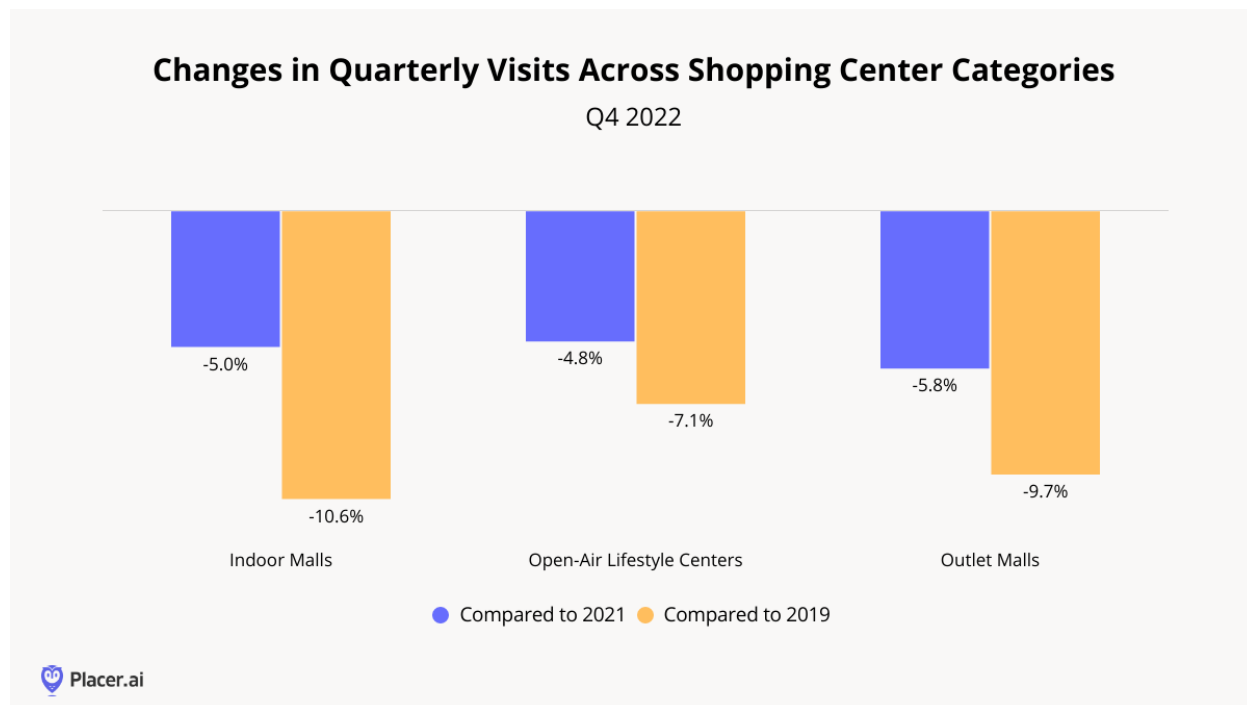
Q4 2022 Weekly Malls Visit Breakdown

Malls – like many other discretionary sectors – had a somewhat difficult fourth quarter, with both YoY and Yo3Y visits down most weeks. So although malls still received a [seasonal visit boost](#) over the past two months along with a December spike in returning visitors, comparisons to strong holiday seasons in years past kept 2022's weekly foot traffic numbers down. While Q4 foot traffic may have underperformed, the category has the potential to pull ahead in Q1 2023, as comparisons to an [Omicron-plagued](#) January and February 2022 and the [expected increase in returns](#) could boost visits in early 2023.



Mall Category Breakdown

All three mall categories saw similar foot traffic trends in Q4, with visits down 4.8% to 5.8% relative to 2021 and down 7.1% to 10.6% relative to 2019. But there were distinctions between the three categories, with open-air lifestyle centers outperforming their peers and posting the smallest visit gaps both YoY and Yo3Y. Still, it's worth noting that open-air lifestyle centers also experienced the smallest holiday spikes of the three categories, with the week of Black Friday and the weeks prior to Christmas seeing the [smallest visit peaks](#) – a reminder that looking at Yo3Y and YoY visit can tell only a partial story.



Key Takeaways

1. **Discount & dollar stores** saw their Yo3Y weekly visits up every week of Q4. The category appears positioned to maintain its visit gains going into 2023 as consumers continue adjusting their shopping habits in the face of the ongoing economic uncertainty.
2. **Fitness** foot traffic continued to impress, with Q4 2022 visits significantly higher than both Q4 2019 and Q4 2022. These positive visit patterns are especially promising, as the end of the year is traditionally a weaker period for the category ahead of its annual January surge.
3. **Superstore** foot traffic trends were mixed in Q4. Weekly visits were up at the beginning and end of the quarter relative to 2019, and down over the key holiday shopping weeks – Black Friday and the following three weeks – perhaps a reflection of the inflation-induced drop in gift shopping this year. But Yo3Y and YoY foot traffic spiked the week before Christmas, which could mean that some of these budget-conscious shoppers decided last-minute to stock up on gifts after all.

4. The **grocery** category made a comeback in Q4, following a short foot traffic slump in Q3 2022. Visits were especially strong as Thanksgiving approached, with Yo3Y foot traffic climbing steadily – suggesting that the grocery category enjoys its own Q4 foot traffic bump.
5. **Beauty & self care** is one of the few relatively recession-proof retail categories, and following a strong Q1-Q3, the sector's success continued in Q4 2022. Yo3Y visits were up every week of the quarter, with some weeks even seeing YoY growth – a testament to the sector's enduring pull.
6. **Malls** usually perform very well in Q4, but this year's challenging holiday season made for difficult YoY and Yo3Y comparisons. So while the category did see visit peaks in Q4 relative to Q1-Q3, mall foot traffic did not quite reach 2019 or 2021 levels. Still, malls may pull ahead in Q1 2023 as comparisons to an Omicron-plagued January and February 2022 and the expected increase in returns boosts YoY visit numbers.