

Foot Traffic Insights for the Retail Industry

December 2024

Agenda



01 Introduction to Placer.ai

02 Non-Discretionary Retail Trends

03 Drugstore Industry Trends

04 Migration's Impact on Retail

05 Key Takeaways

01

Introduction to Placer.ai

How Placer.ai Works

Observe. Analyze. Present.

For any location in the U.S., Placer.ai observes a portion of the visiting customers. Akin to a statistical survey, this observed data is aggregated and used to generate insights into any venue. Placer.ai then extrapolates a range of metrics that provide visibility into consumer behavior.

01 - **Observe**

Anonymized location data from tens of millions of mobile devices used as a core panel.

- Visitation Trends
- Trade Area Analysis
- Customer Demographics

02 - **Analyze**

Accurate and reliable estimations on activity across the entire U.S. population.

- Extrapolated Panel Data
- Normalized & Debiased
- “Ground Truth” Validated

03 - **Present**

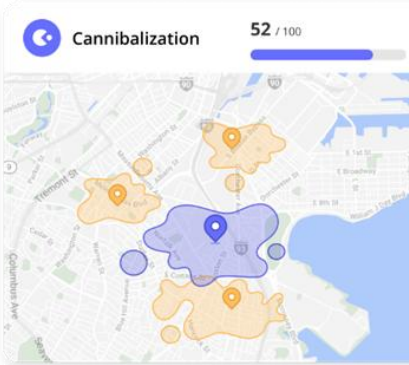
A wealth of detailed reports containing critical insights into what is truly happening offline.

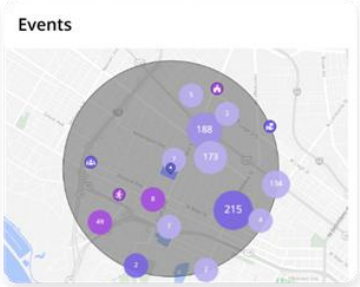
- 30M Active Devices
- 1.5B Monthly Retail Visits
- 500 Mobile Apps w/ SDK

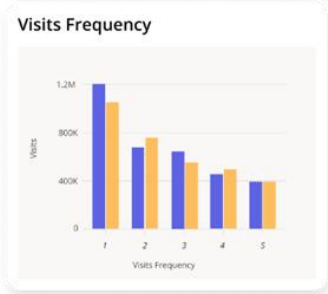
Telling The Full Story of Any Location

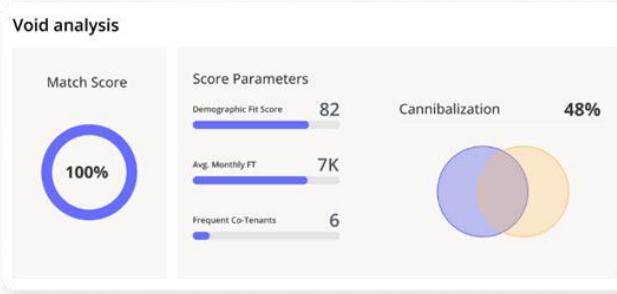
Observe. Analyze. Present.

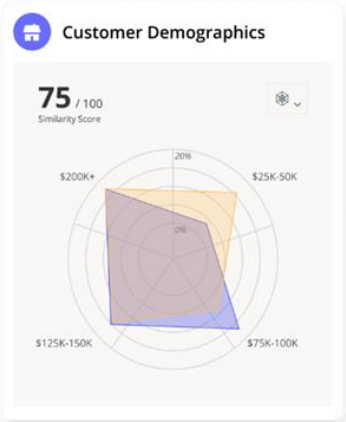


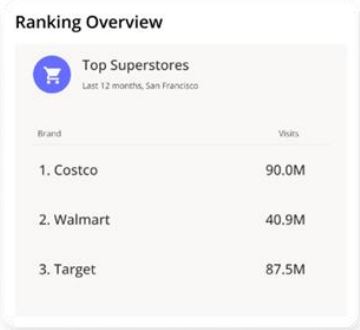




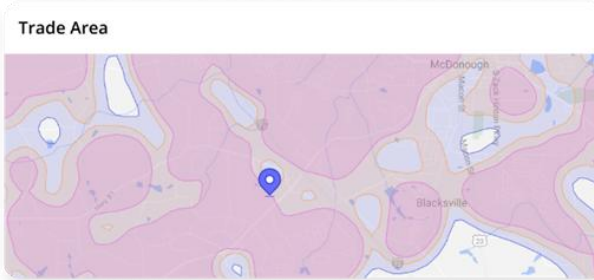








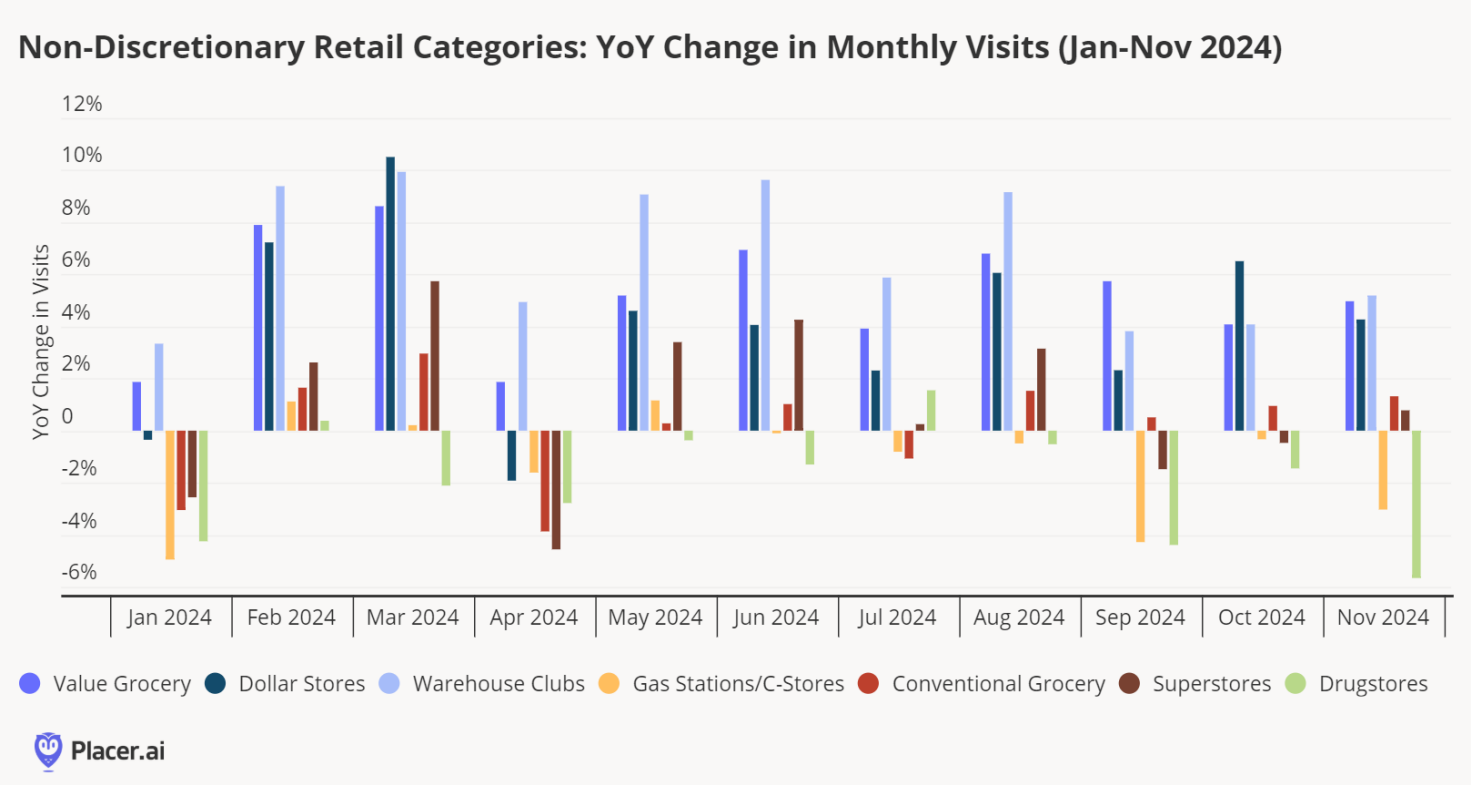




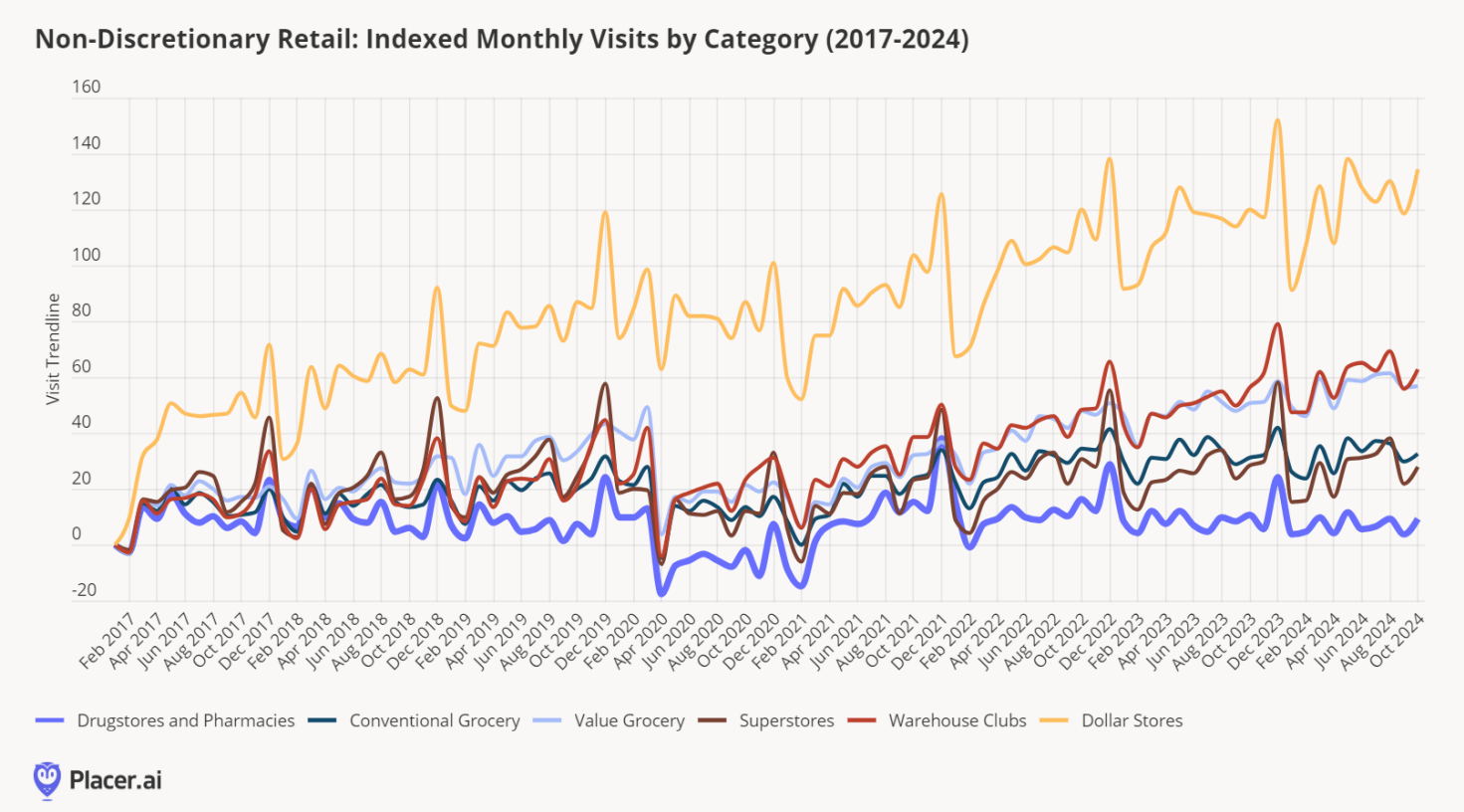
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Non-Discretionary Retail Trends

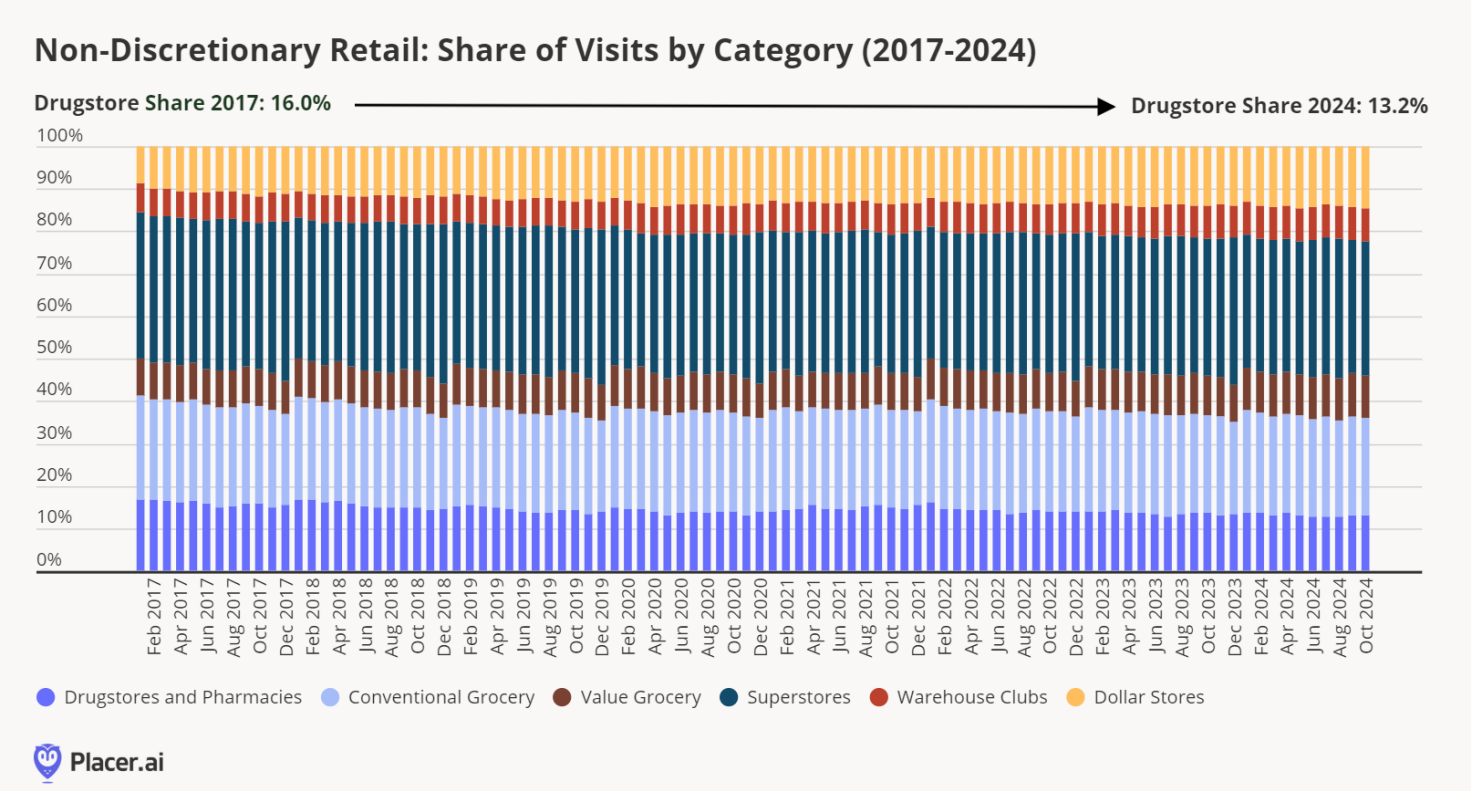
Value-Oriented Categories Continue to Lead Non-Discretionary Retail



Retailers Focused on Creating Value for Consumers Such as Dollar Stores, Value Grocers, and Warehouse Clubs Have Fared Better Post-Pandemic

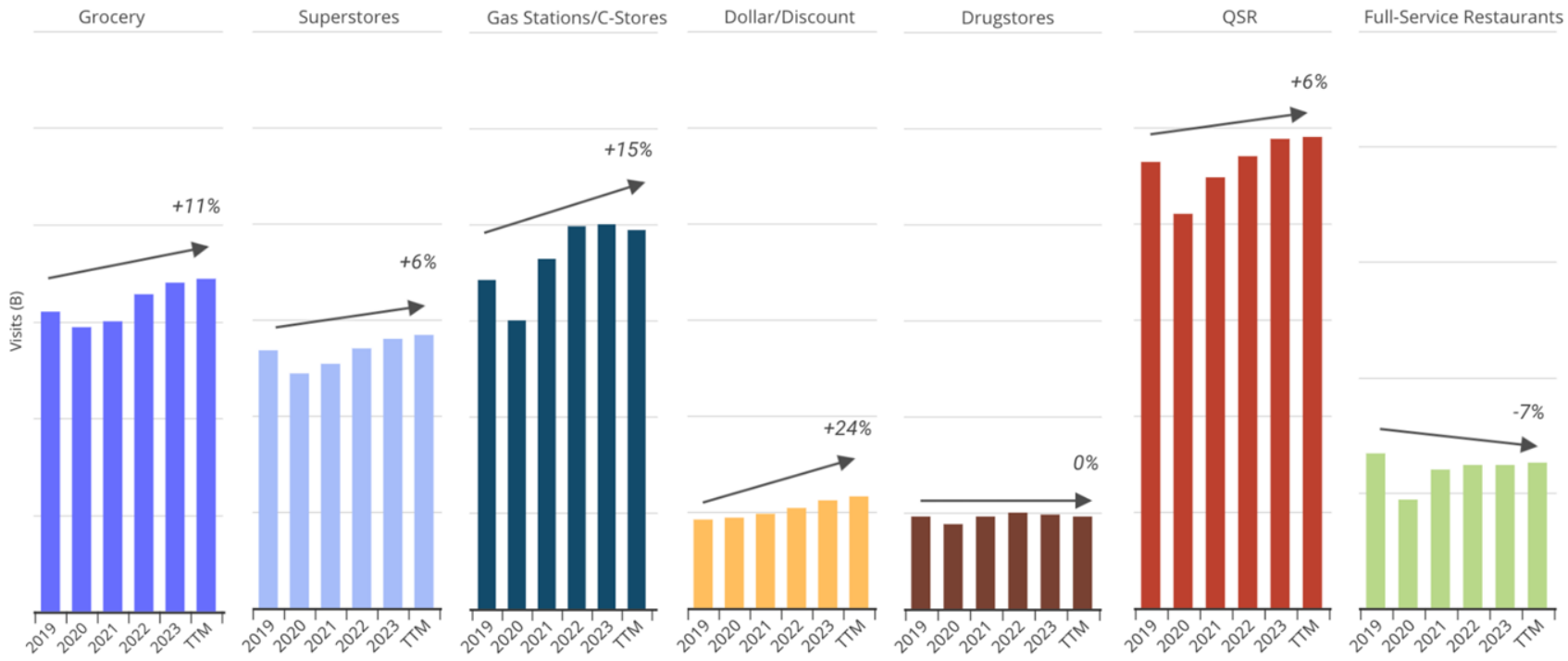


Drugstores Have Ceded Visit Share to Other Non-Discretionary Retail Categories the Past Several Years

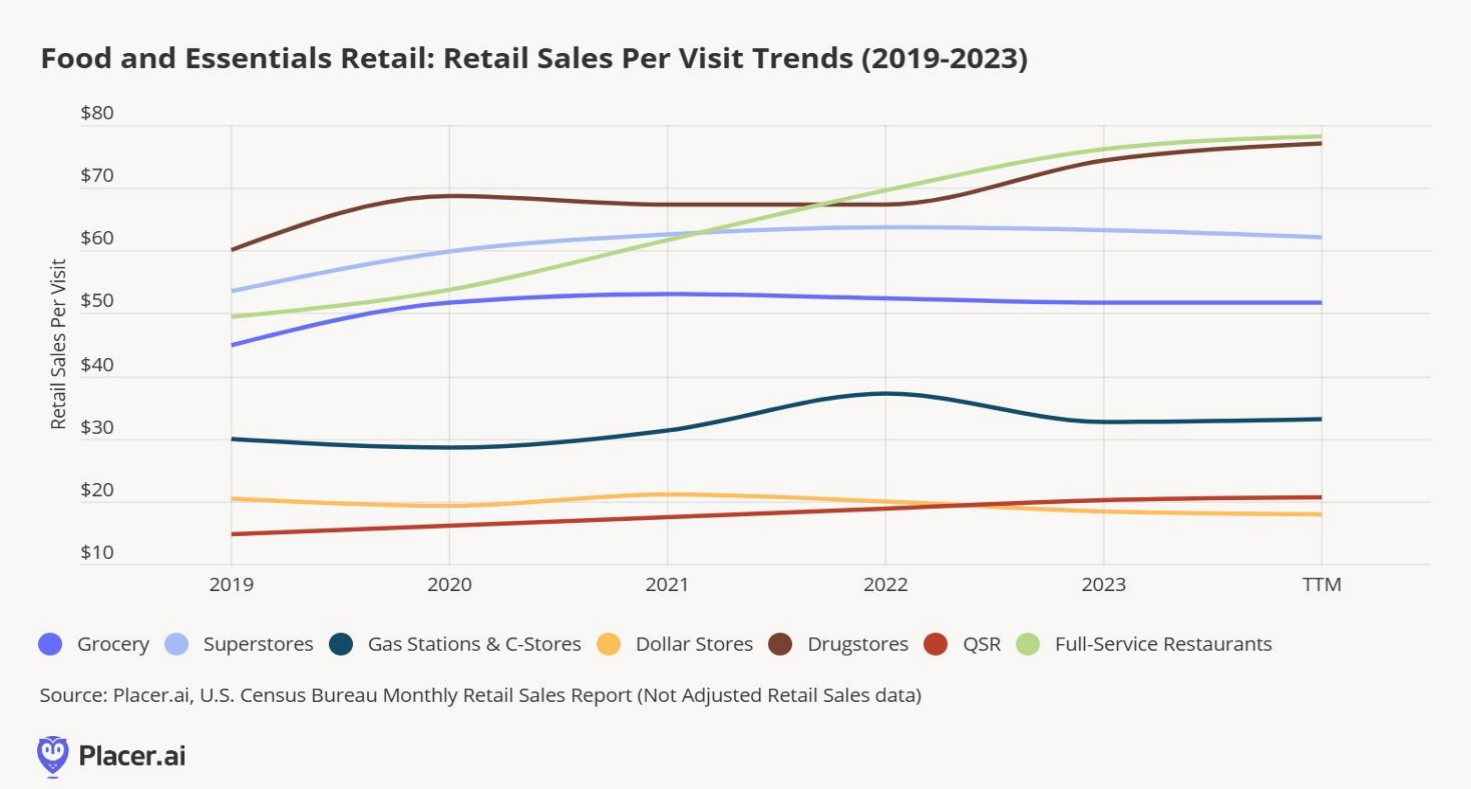


Consumers Looking Across Multiple Retail Channels for Deals…

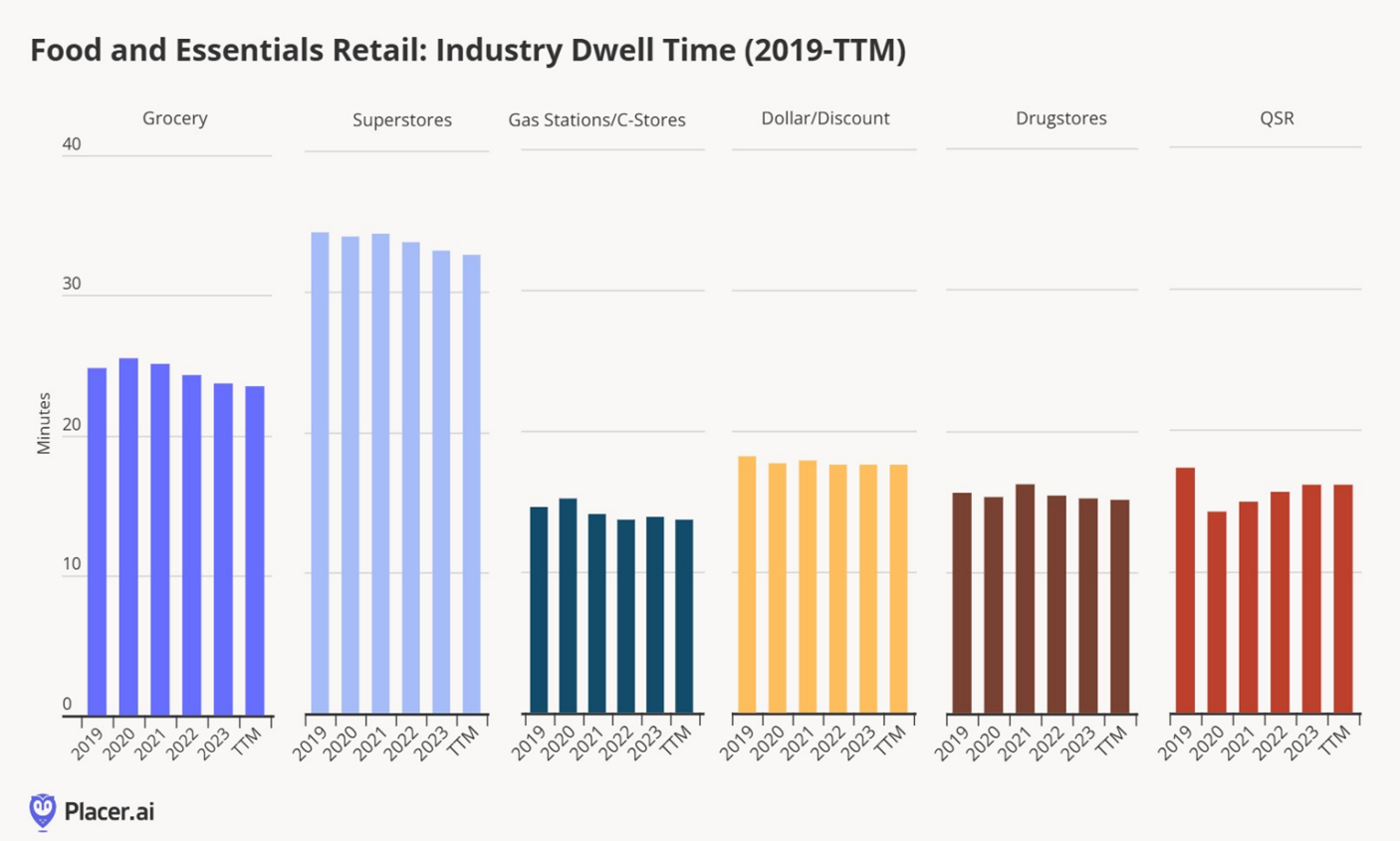
Food and Essentials Retail: Industry Visits (2019-TTM)



…Resulting in Less Spend Per Visit for Most Food Retail Categories Except Drugstores and Restaurants…



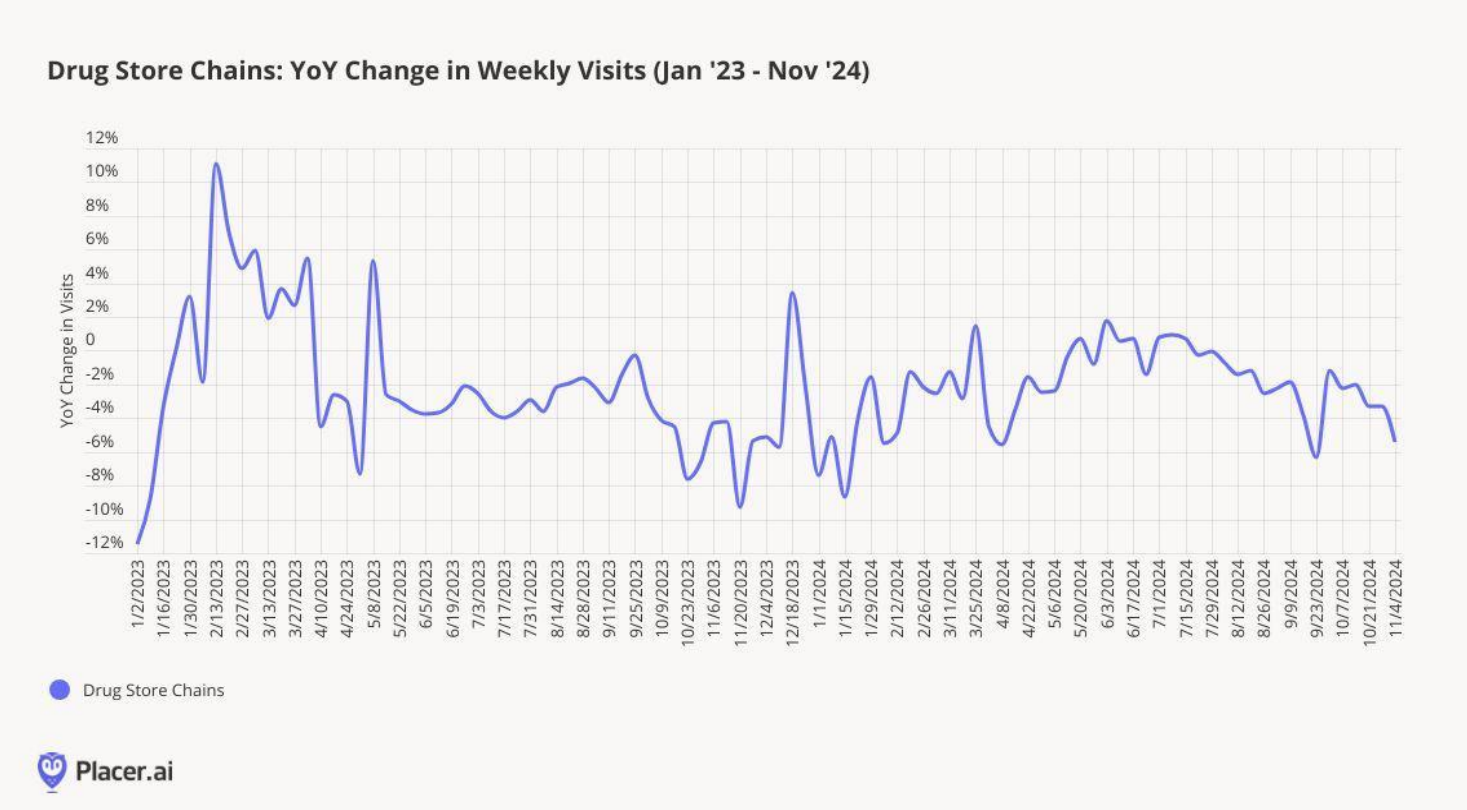
...And Shorter Dwell Times for Most Non-Discretionary Retail Categories



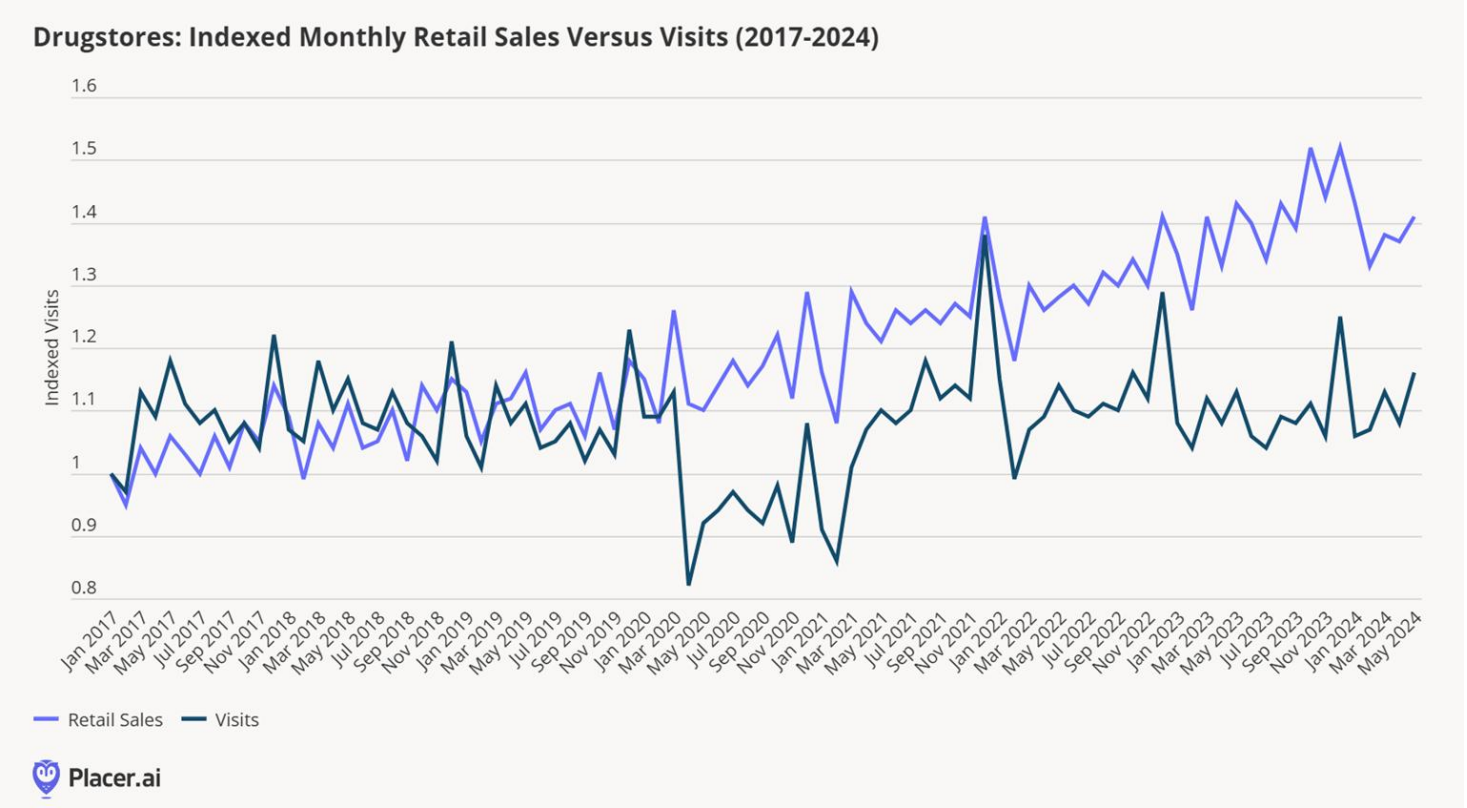
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Drugstore Industry Trends

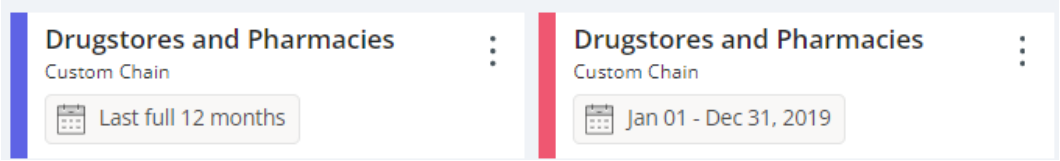
Drugstore Industry: Year-Over-Year Change in Visits



Drugstore Chains: Retail Sales Increased as Traffic Waned, Especially After COVID Vaccination Period



Despite Retail Store Closures, Drugstore Visit Per Location Have Improved from 2019 to 2024

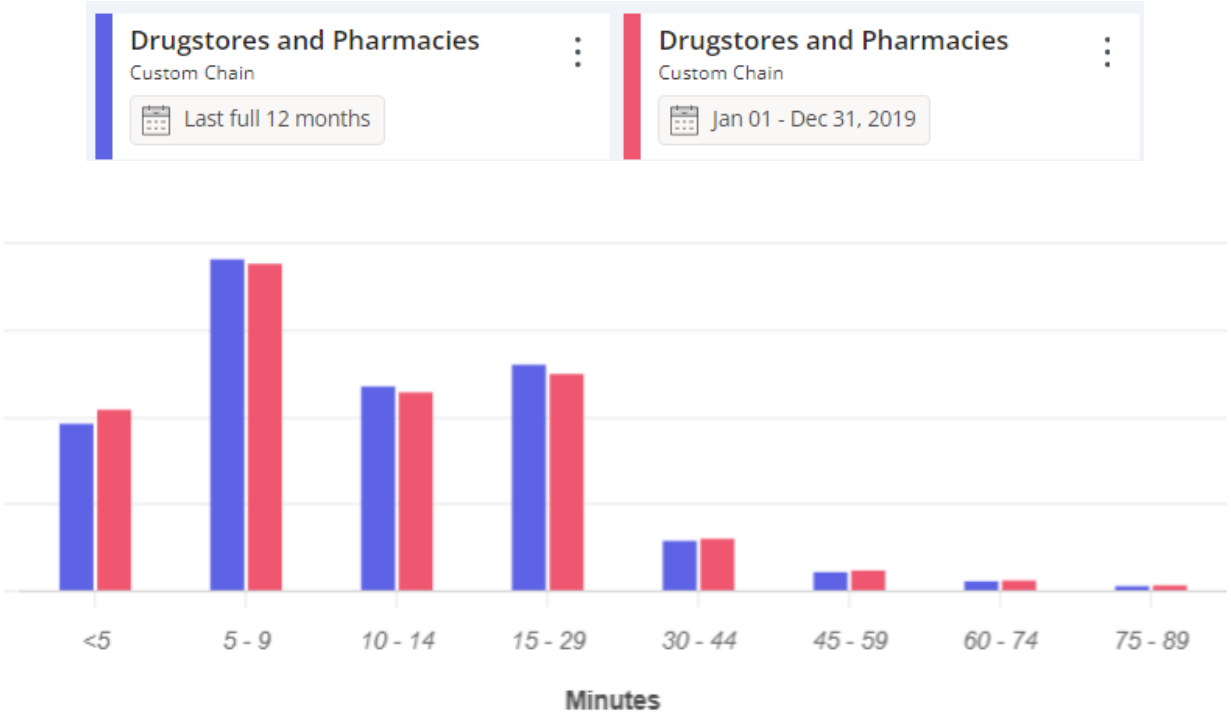


Metric Name	Drugstores and Pha... Custom Chain	Drugstores and Pha... Custom Chain
Visits	4.7B	4.7B
Avg. Visits / Location	259K	234.2K
Locations Showing Visits	18,463	20,827
Locations Coverage	N/A	N/A
Avg. Dwell Time	14.9 min	15.4 min
Avg. Weekly Visits	89.4M	90M

Our Data Indicates an Increase in Drugstore Daytime Visits (9:00 AM-5:00 PM) but a Decrease in Evening Visits (After 5:00 PM)



Drugstore Average Dwell Time Remains Consistent Compared to Pre-Pandemic Levels, but There Has Been an Increase in 5-29 Min Visits



Prior/Post Visit Journey Data Suggests That Drugstore Chains Remain a Destination Visit for Consumers…

Drugstore Channel Visitor Journey

	Last 12 Full Months		2023		2019	
	Prior Visit %	Post Visit %	Prior Visit %	Post Visit %	Prior Visit %	Post Visit %
Home	37.6	49.8	34.2	46.8	32.6	45.6
Work	9.9	5.2	9.5	5.8	11.4	6.7
Community Shopping Centers	6.6	6.0	6.8	5.9	7.5	5.9
Gas Stations & Convenience Stores	4.7	4.4	4.2	4.5	3.5	3.8
Groceries	3.7	4.9	3.5	4.6	3.1	4.3
Superstores	2.1	1.8	2.7	2.1	2.7	2.3
Restaurants	2.2	1.7	2.5	1.7	2.8	1.9
Discount & Dollar Stores	1.1	0.9	1.2	1.5	1.2	1.1

...But Grocery and Superstores Also Remain Destination Visits as Consumers Behavior Evolves

Visitor Journey - Last 12 Months

	Drugstores		Large Grocery Chain		Large Superstore Chain	
	Prior Visit %	Post Visit %	Prior Visit %	Post Visit %	Prior Visit %	Post Visit %
Home	37.6	49.8	40.3	61.9	36.2	48.7
Work	9.9	5.2	10.5	5.3	7.5	4.0
Community Shopping Centers	6.6	6.0	7.8	4.5	9.2	5.8
Gas Stations & Convenience Stores	4.7	4.4	5.5	5.3	5.5	6.1
Groceries	3.7	4.9	3.1	1.2	2.5	4.1
Superstores	2.1	1.8	2.4	1.0	3.4	1.4
Restaurants	2.2	1.7	3.0	2.8	3.1	1.7
Discount & Dollar Stores	1.1	0.9	1.2	1.4	1.8	1.9

Drugstores Have Increased Competition from Superstores, Clubs, Value Grocery, and Dollar Stores

Drugstores and Pharmacies
Custom Chain
Last full 12 months

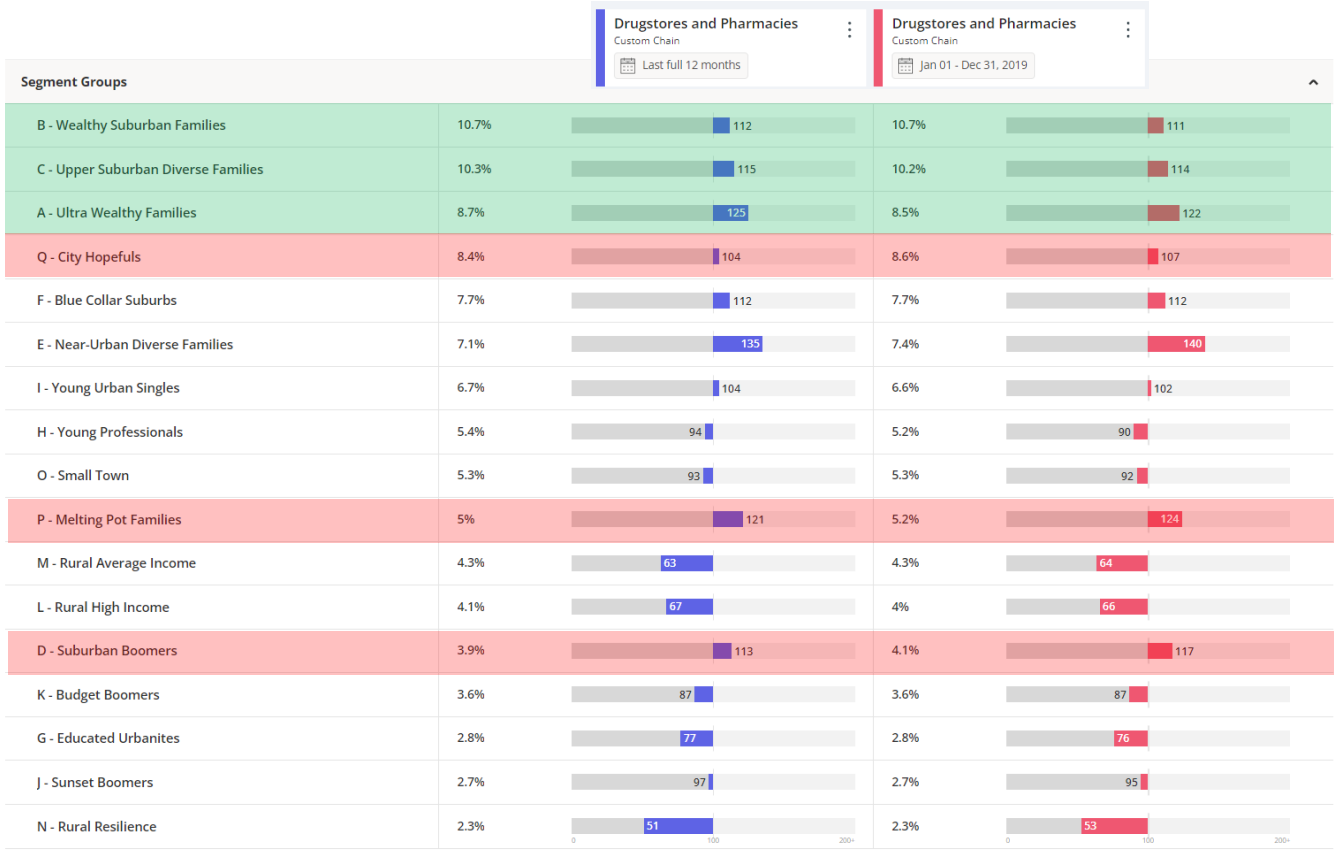
Drugstores and Pharmacies
Custom Chain
Jan 01 - Dec 31, 2019

Rank	Name	Visitors
1	**Walmart** / Nationwide	92%
2	**Target** / Nationwide	77.9%
3	**Dollar Tree** / Nationwide	70.4%
4	**Dollar General** / Nationwide	48.8%
5	**Costco Wholesale** / Nationwide	39.3%
6	**Five Below** / Nationwide	36.8%
7	**Aldi** / Nationwide	34.4%
8	**Sam's Club** / Nationwide	31.9%
9	**Family Dollar** / Nationwide	30.1%
10	**Whole Foods Market** / Nationwide	23.1%

Rank	Name	Visitors
1	**Walmart** / Nationwide	87.9%
2	**Target** / Nationwide	70.1%
3	**Dollar Tree** / Nationwide	59.9%
4	**Dollar General** / Nationwide	37.7%
5	**Costco Wholesale** / Nationwide	31.9%
6	**Publix** / Nationwide	29.1%
7	**Sam's Club** / Nationwide	28.3%
8	**Family Dollar** / Nationwide	27%
9	**Kroger** / Nationwide	25.9%
10	**Walmart Neighborhood Market** / Nationwide	24.5%

Drugstore Chains: Captured Market Visitor Segmentation (TTM Vs 2019)

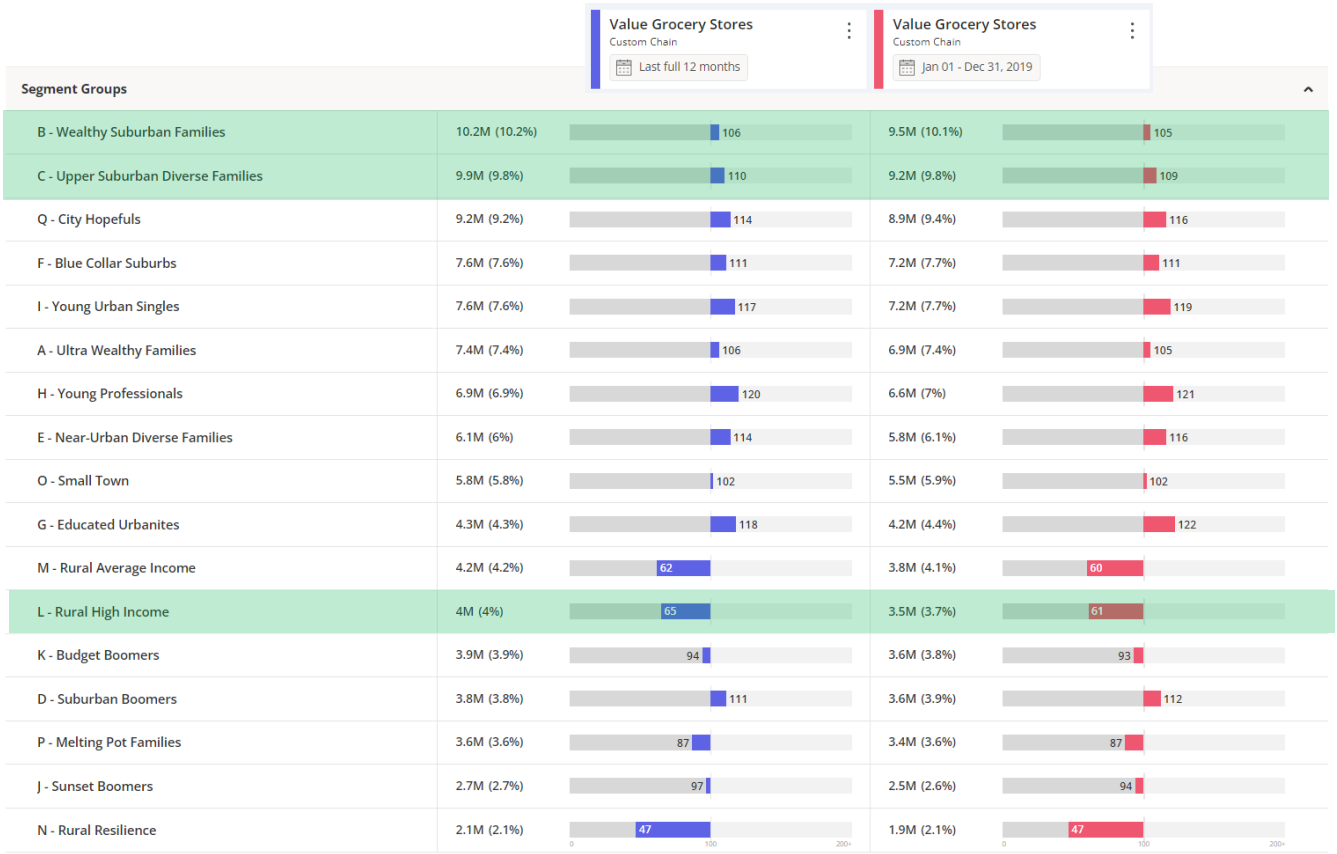
Drugstores Have Captured Higher-Income Consumers, but Lost Lower-Income



Segment Groups				
B - Wealthy Suburban Families	10.7%	112	10.7%	111
C - Upper Suburban Diverse Families	10.3%	115	10.2%	114
A - Ultra Wealthy Families	8.7%	125	8.5%	122
Q - City Hopefuls	8.4%	104	8.6%	107
F - Blue Collar Suburbs	7.7%	112	7.7%	112
E - Near-Urban Diverse Families	7.1%	135	7.4%	140
I - Young Urban Singles	6.7%	104	6.6%	102
H - Young Professionals	5.4%	94	5.2%	90
O - Small Town	5.3%	93	5.3%	92
P - Melting Pot Families	5%	121	5.2%	124
M - Rural Average Income	4.3%	63	4.3%	64
L - Rural High Income	4.1%	67	4%	66
D - Suburban Boomers	3.9%	113	4.1%	117
K - Budget Boomers	3.6%	87	3.6%	87
G - Educated Urbanites	2.8%	77	2.8%	76
J - Sunset Boomers	2.7%	97	2.7%	95
N - Rural Resilience	2.3%	51	2.3%	53

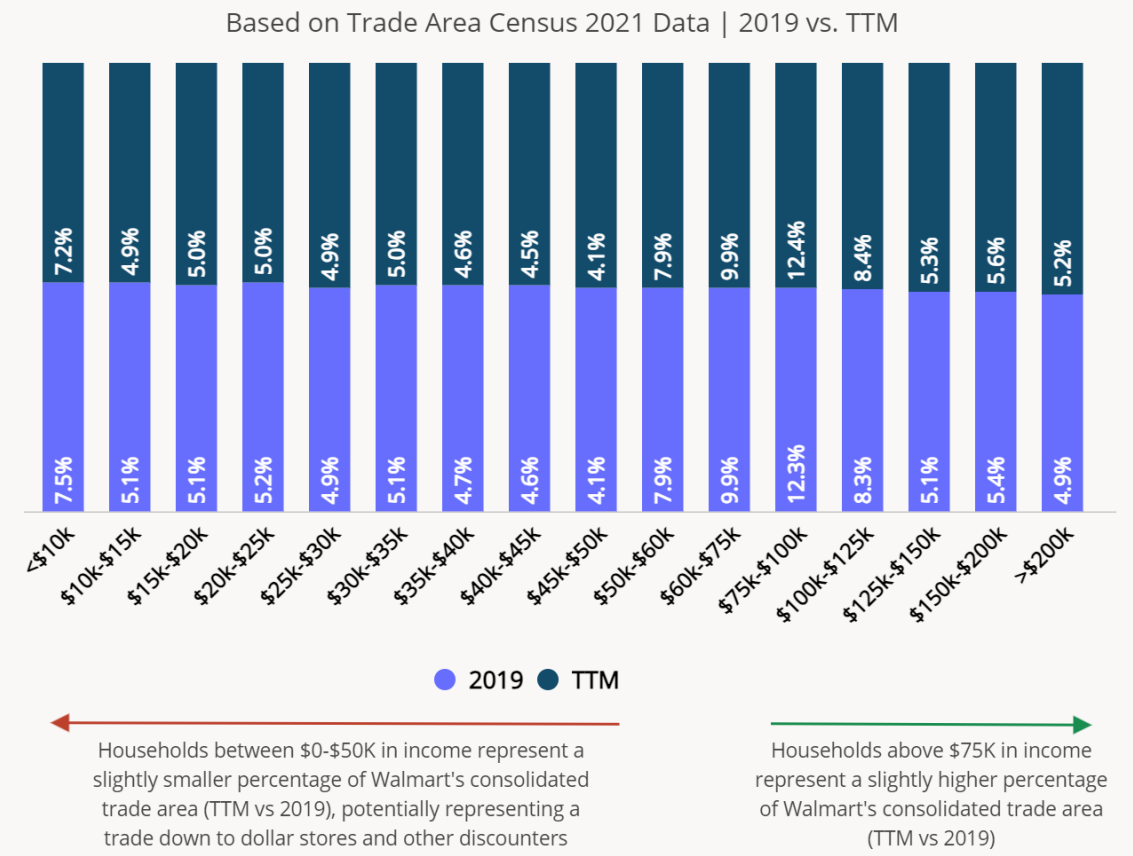
Note: based on data from Spatial.ai: PersonaLive, combined with Placer.ai trade area data.

Value Grocery Chains are Also Capturing More Higher-Income Households



Segment Groups	Value Grocery Stores (Custom Chain, Last full 12 months)		Value Grocery Stores (Custom Chain, Jan 01 - Dec 31, 2019)	
B - Wealthy Suburban Families	10.2M (10.2%)	106	9.5M (10.1%)	105
C - Upper Suburban Diverse Families	9.9M (9.8%)	110	9.2M (9.8%)	109
Q - City Hopefuls	9.2M (9.2%)	114	8.9M (9.4%)	116
F - Blue Collar Suburbs	7.6M (7.6%)	111	7.2M (7.7%)	111
I - Young Urban Singles	7.6M (7.6%)	117	7.2M (7.7%)	119
A - Ultra Wealthy Families	7.4M (7.4%)	106	6.9M (7.4%)	105
H - Young Professionals	6.9M (6.9%)	120	6.6M (7%)	121
E - Near-Urban Diverse Families	6.1M (6%)	114	5.8M (6.1%)	116
O - Small Town	5.8M (5.8%)	102	5.5M (5.9%)	102
G - Educated Urbanites	4.3M (4.3%)	118	4.2M (4.4%)	122
M - Rural Average Income	4.2M (4.2%)	62	3.8M (4.1%)	60
L - Rural High Income	4M (4%)	65	3.5M (3.7%)	61
K - Budget Boomers	3.9M (3.9%)	94	3.6M (3.8%)	93
D - Suburban Boomers	3.8M (3.8%)	111	3.6M (3.9%)	112
P - Melting Pot Families	3.6M (3.6%)	87	3.4M (3.6%)	87
J - Sunset Boomers	2.7M (2.7%)	97	2.5M (2.6%)	94
N - Rural Resilience	2.1M (2.1%)	47	1.9M (2.1%)	47

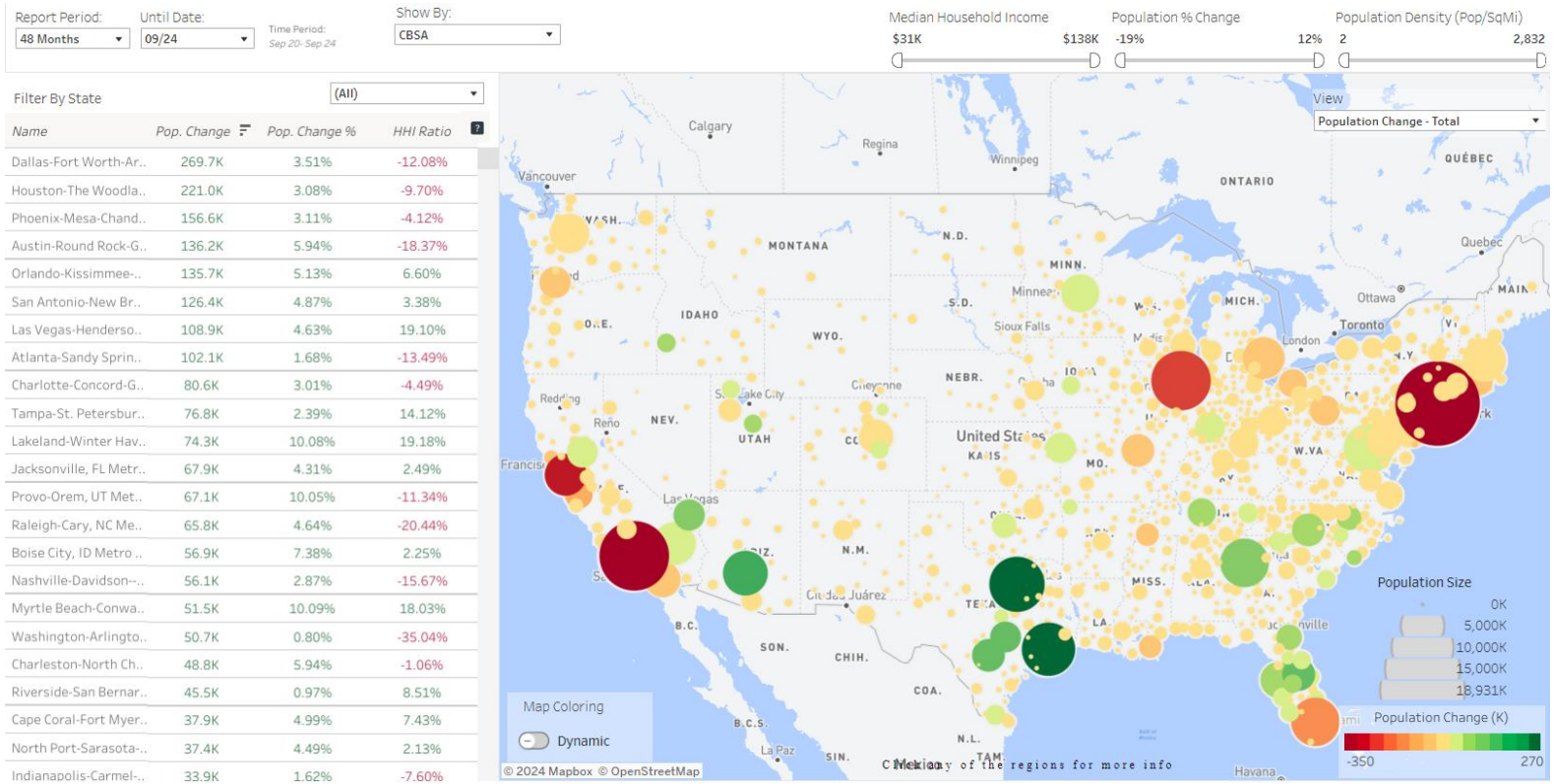
Walmart Consolidated Trade Area Median Household Income



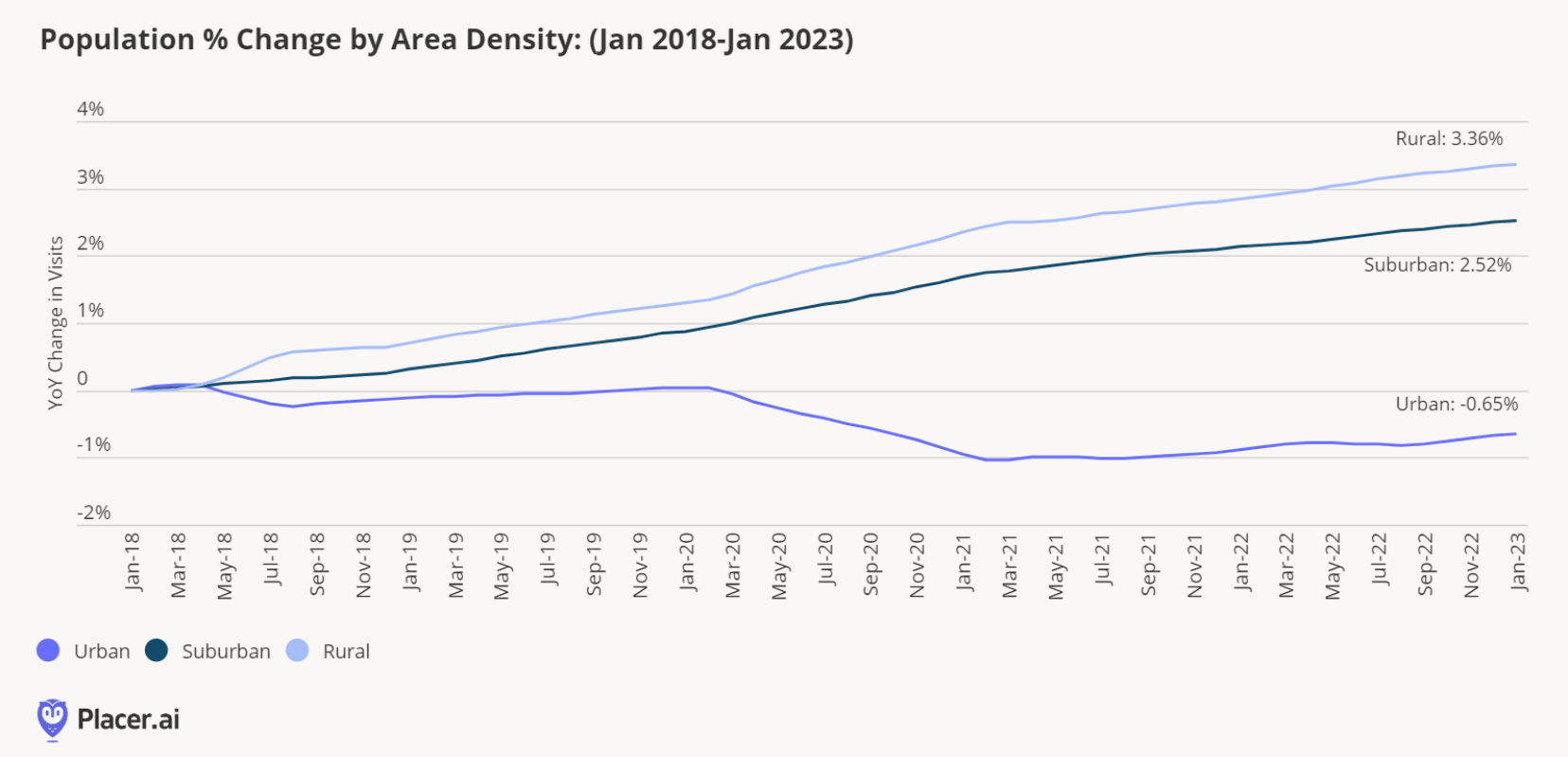
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Migration Has Changed the Playing Field for Retailers

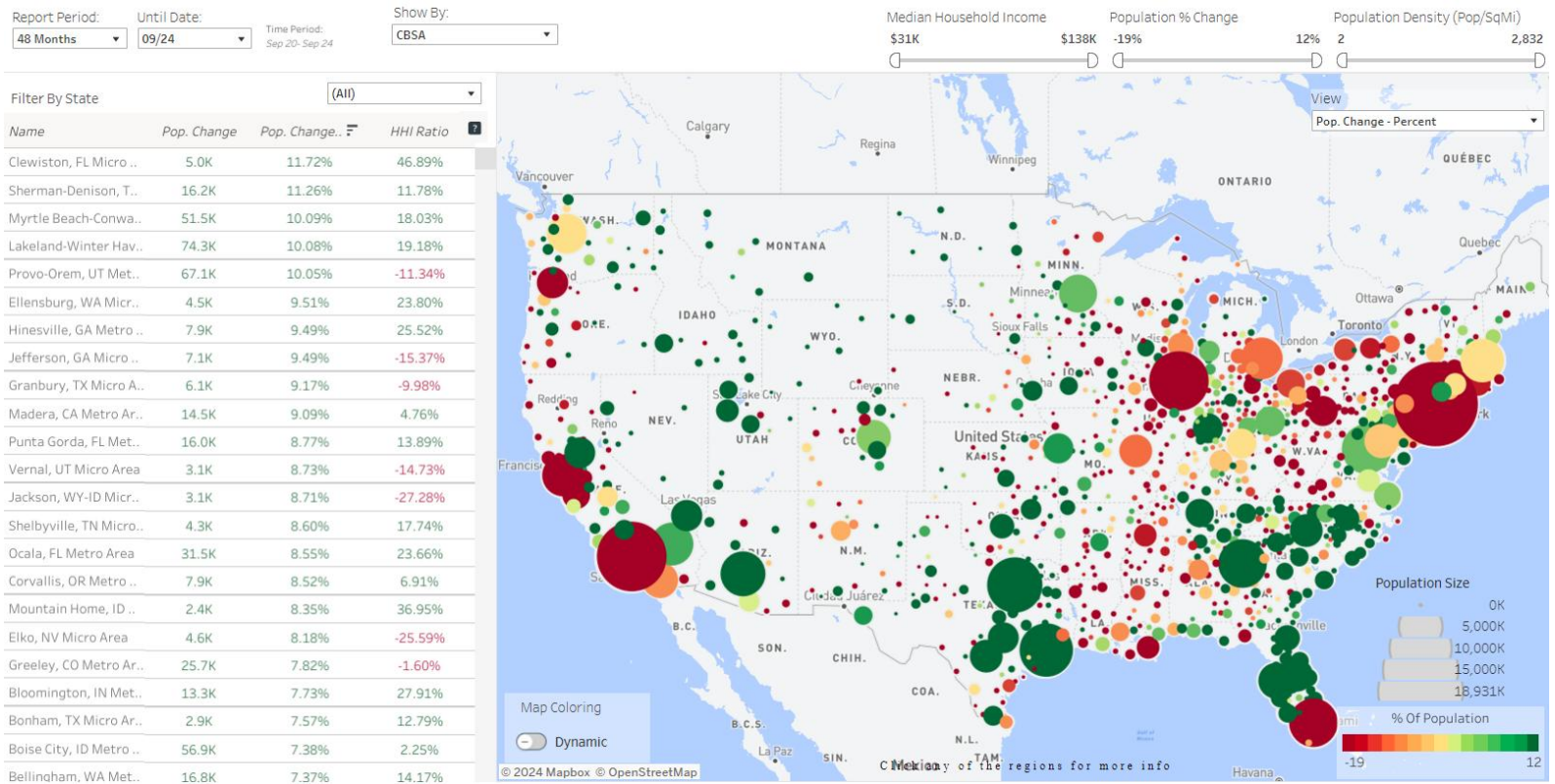
Migration Theme 1:
Early-Pandemic Southern Market Migration



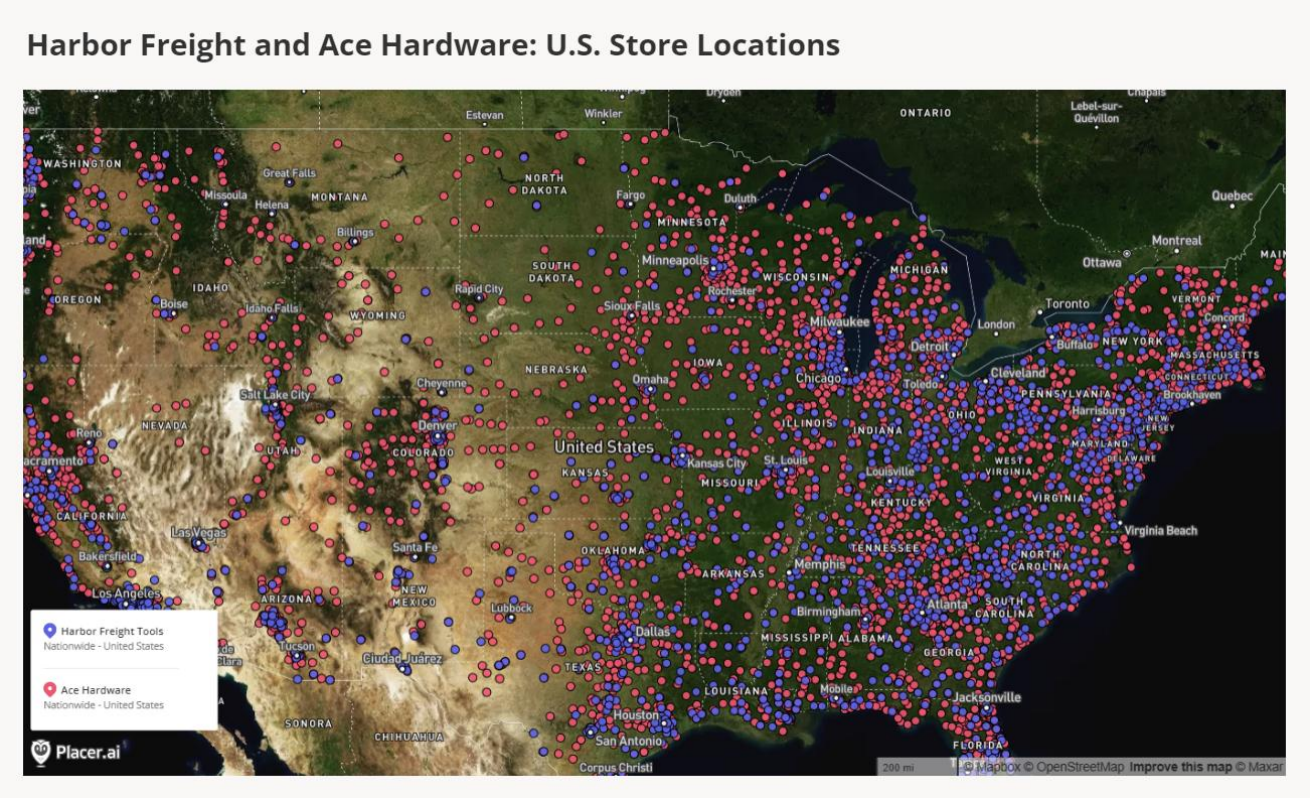
Migration Theme 2:
Urban-to-Suburban/Rural Shift



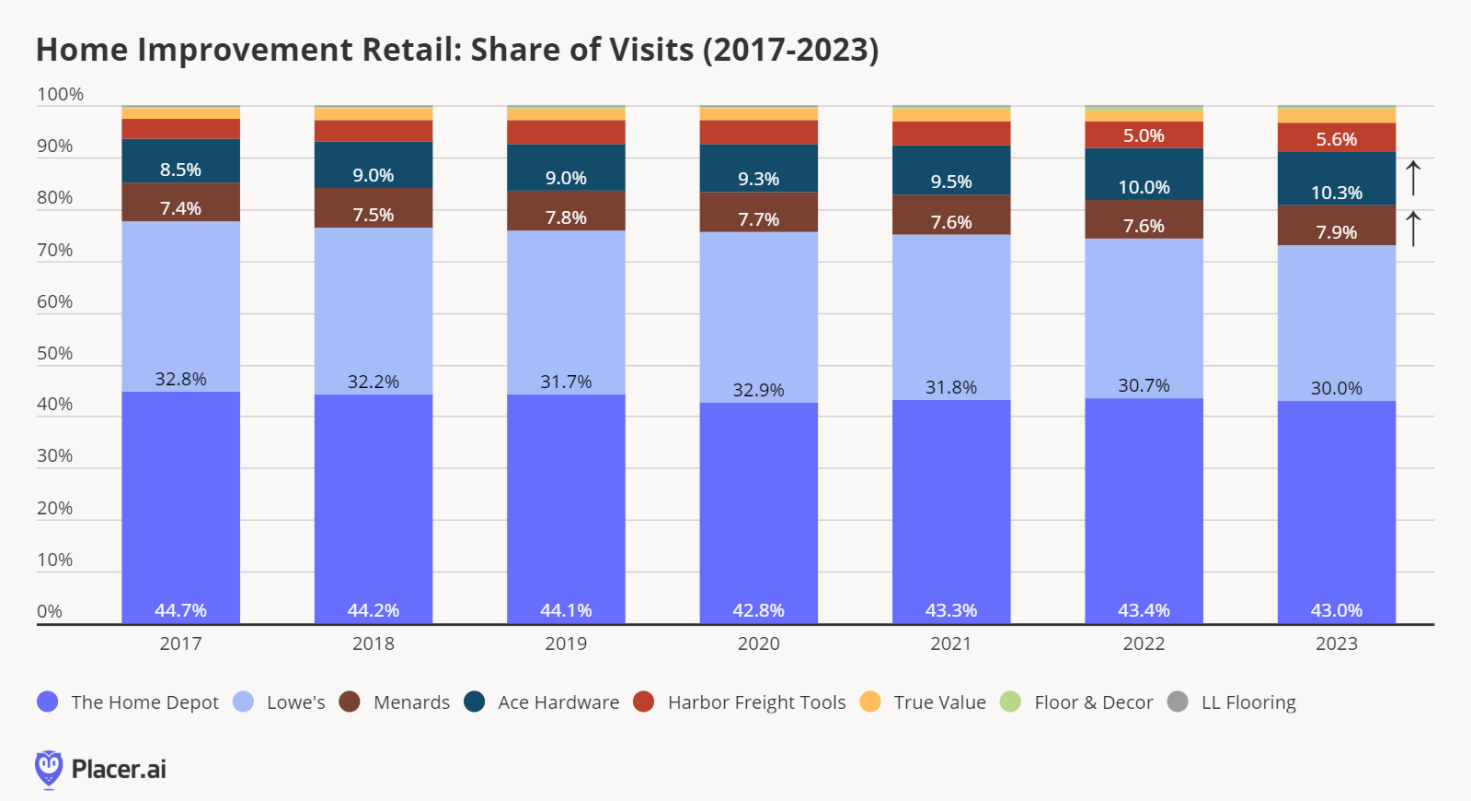
Migration Theme 2:
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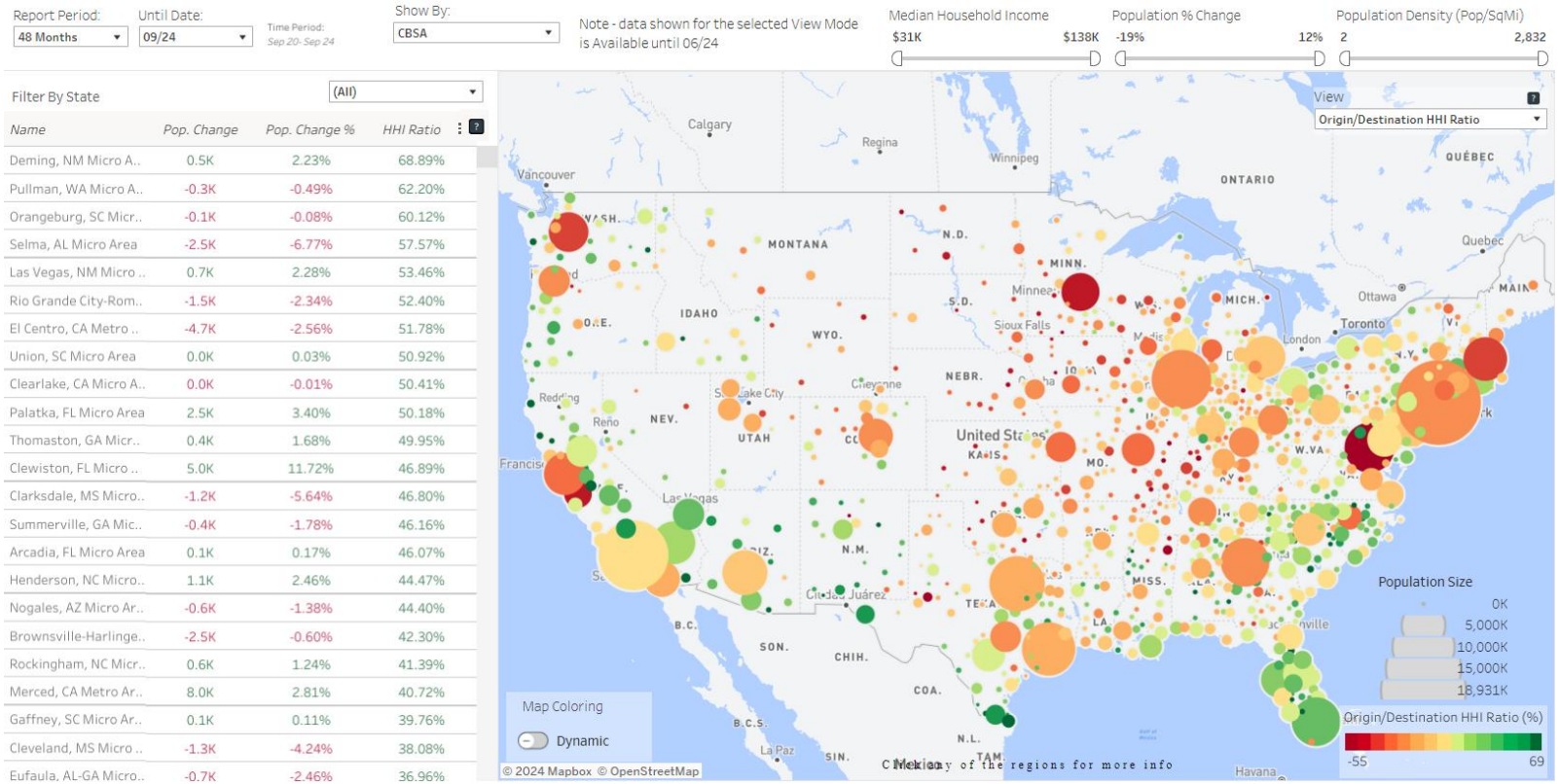
Migration Theme 2:
Suburban/Rural Shift Making Smaller Formats More Attractive…



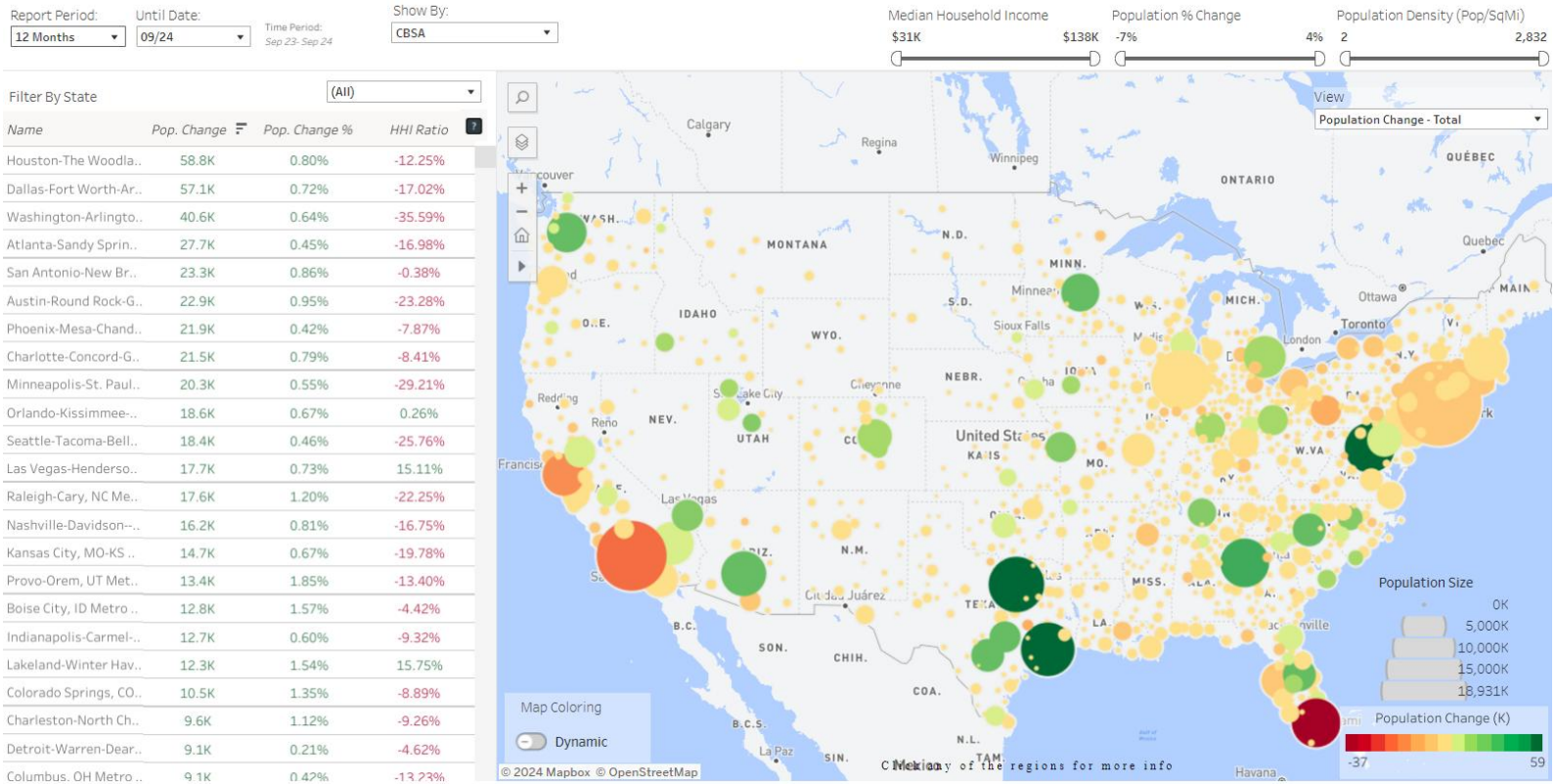
Migration Theme 2:
...And Putting Pressure on Larger-Format Incumbents



Migration Theme 3:
Transfer of Household Income



Post-Pandemic Migration Theme 4:
Urban Renaissance



05

Key Takeaways

Key Takeaways

- Consumers are **increasingly shopping across multiple retail channels in their quest for deals**, making this behavior part of their routine.
- The focus on deal-seeking is **influencing average spend per visit and reducing dwell time**.
- Rising drugstore prices are outpacing visitation trends, **shifting consumer behavior and altering the visitor mix**.
- While drugstores remain "destination" retailers, **cross-visitation data shows growing competition from value grocery, dollar stores, and superstores**.
- Population migration **has significantly impacted the economics** of store expansion, contraction plans, and store format strategies.

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R.J. Hottovy, CFA
Head of Analytical Research
rj.hottovy@placer.ai