

# Physical Retail in 2026: How the Giants Are Winning

Read the report to find out how Walmart, Target, Costco Wholesale, and Dollar General are performing in 2026 – and what their trajectories reveal about broader retail trends.



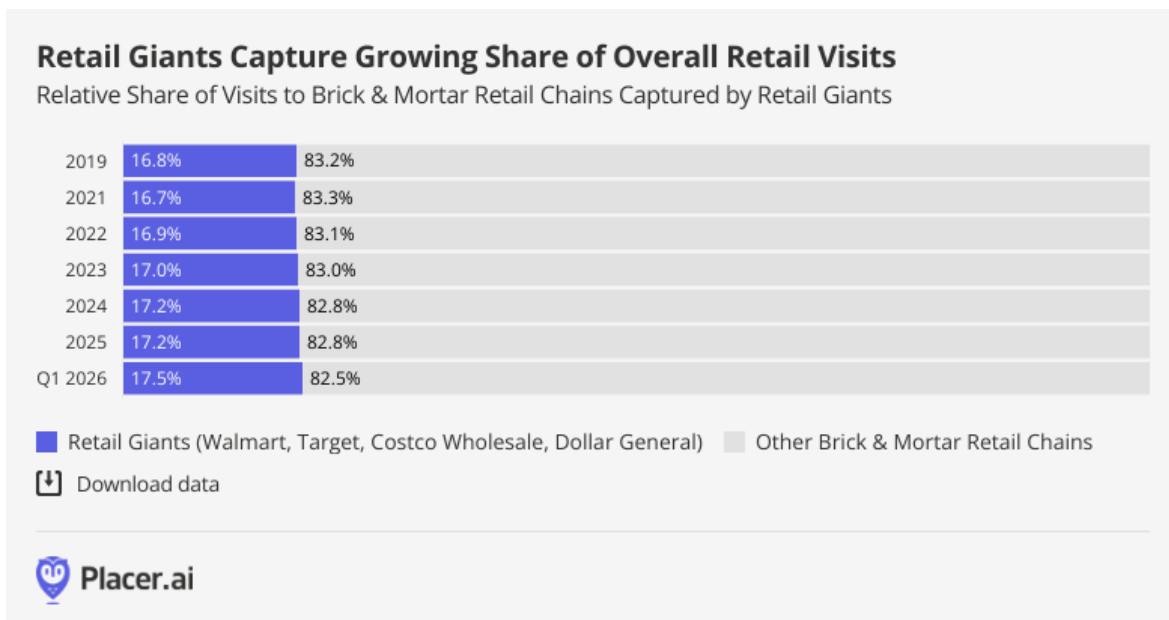
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Physical retail is increasingly defined by a small group of dominant players – Walmart, Target, Costco Wholesale, and Dollar General – that span grocery, essentials, and discretionary categories at a scale no other retailers can match. These chains serve as bellwethers of consumer behavior, revealing where Americans are spending, how often they shop, and what drives their decisions. And understanding their visitation patterns sheds light on the key dynamics shaping both their performance and the broader blueprint for retail success in 2026.

## 1. Physical Retail is Consolidating

Retail giants Walmart, Target, Costco Wholesale, and Dollar General continue to capture a growing share of brick-and-mortar visits nationwide.



### Major Insights:

- The share of physical retail traffic captured by these giants rose from 16.8% in 2019 to 17.5% in Q1 2026, signaling continued sector consolidation.

- The scale advantage enjoyed by retail giants is increasingly self-reinforcing: Larger players benefit from superior data, stronger vendor leverage, and operational efficiencies that in turn further widen the gap.

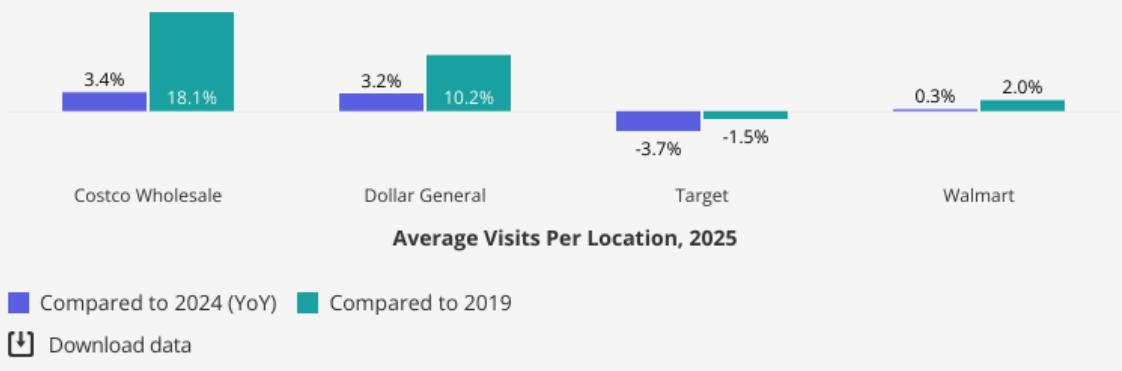
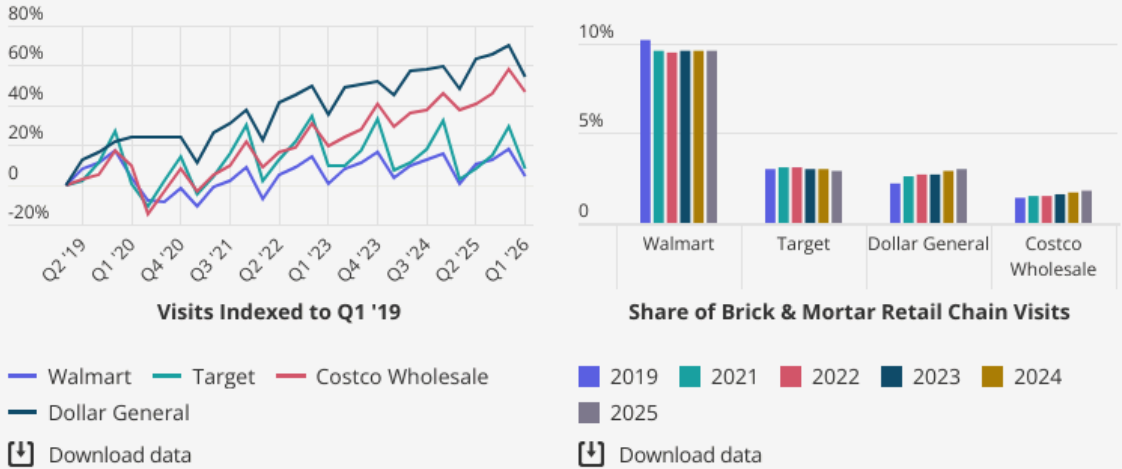
### **Strategic Takeaways:**

- As these advantages compound, direct competition becomes less viable. Instead, smaller retailers should focus on owning specific trip missions – such as convenience, fill-in, or discovery – where format, assortment curation, and in-store experience can more directly shape consumer choice.
- For CRE operators, the growing dominance of these retail giants increases reliance on top-tier anchors, potentially driving performance gaps between centers with strong national tenants and those without.
- For CPG companies, the consolidation in the offline retail space heightens channel concentration, making success with a handful of large retailers critical while increasing those retailers' negotiating leverage.

## **2. Costco Wholesale and Dollar General Charge Ahead**

Traffic trends across the four giants reveal meaningful divergence in performance.

## Costco and Dollar General Gain Visit Share and See Faster Visit Growth Than Walmart or Target



### Major Insights:

- Costco and Dollar General are driving the strongest visit growth, supported by both substantial [fleet expansions](#) and rising visits per location. In 2025, visits per store exceeded pre-pandemic levels by 18.1% for Costco and 10.2% for Dollar General, with both brands also seeing steady increases in their share of total brick-and-mortar retail chain visits.

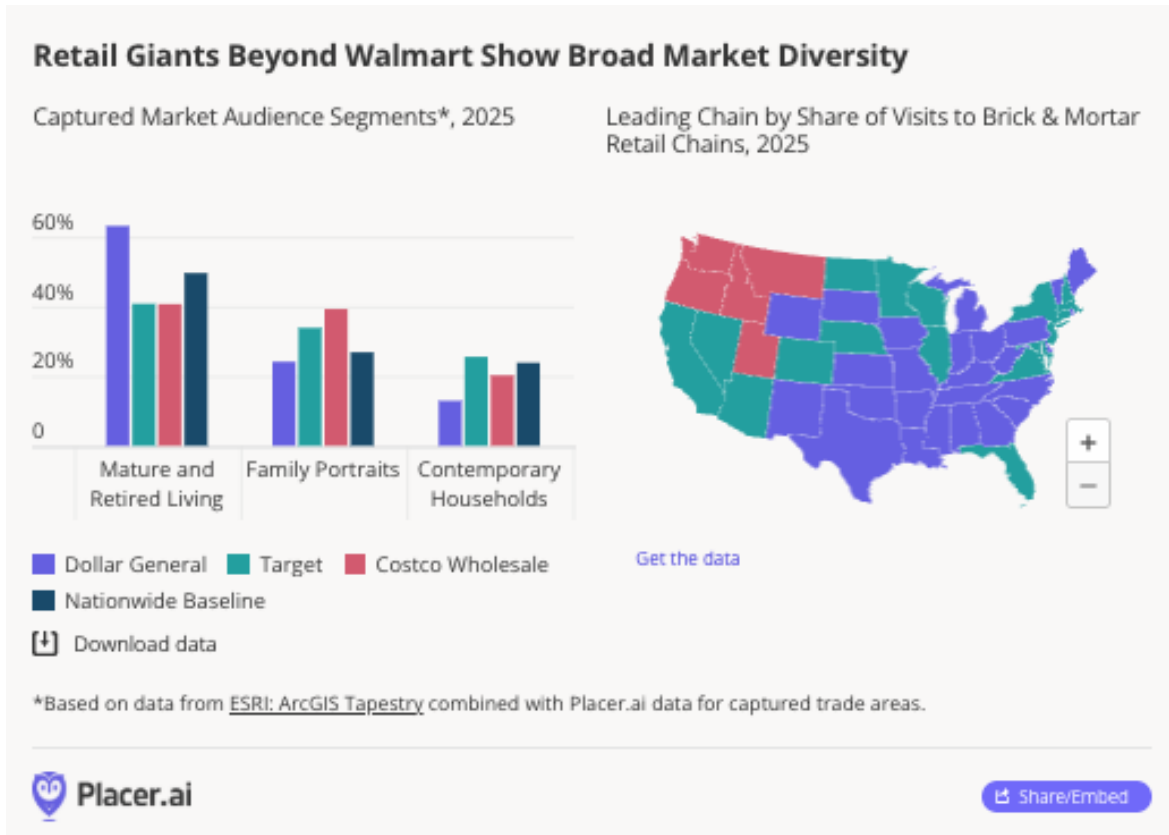
- Walmart remains the largest player by far, accounting for 9.7% of traffic to major brick-and-mortar chains in 2025. And though the behemoth's share of visits declined slightly in the immediate aftermath of the pandemic, it has held steady over the past three years.
- Target's visit share has remained relatively flat over the past three years, reflecting stalled momentum. Still, early 2026 trends point to emerging signs of recovery – with Q1 visits up 8.3% compared to Q1 2019.

### Strategic Takeaways:

- Value retail is winning, but in more specialized forms: Dollar General (extreme value + convenience) and Costco (bulk value + loyalty) are driving the strongest traffic growth and rising visits per store, while Walmart's broad "everyday value" remains steady with slower growth. Target, for its part, is lagging – likely a reflection of the broader bifurcation in retail which has left middle-market players caught between consumers trading down to value and those trading up to quality.
- For retailers and CPG companies, the broader lesson is that value perception is becoming more nuanced. It's no longer just about offering low prices at scale, but about *how* value is delivered – whether through small packs vs. bulk, or quick trips vs. stock-up missions. Success increasingly depends on prioritizing these distinct value formats and investing in channels where store-level productivity is improving.
- For CRE operators, the outperformance of retailers with clearly defined value propositions underscores the importance of mission-driven tenant mix. As shoppers visit with increasingly specific missions in mind, retailers that cater to those missions are outperforming. Tenant strategies should reflect this shift, ensuring complementary offerings that reinforce a cohesive shopping mission.

### 3. Beyond Walmart, Multiple Winners Emerge Across Markets and Segments

Walmart remains the dominant brick-and-mortar retailer nationwide and across all fifty states. Still, the data suggests there is room for multiple runners-up to succeed across geographies and customer segments.



#### Major Insights:

- Dollar General, Target, and Costco each attract distinct audience segments. Dollar General attracts a disproportionately high share of the “Mature and Retired Living” segment, while Costco leads among family households, with Target also over-indexing with this group. Among younger “Contemporary Households,” meanwhile – a segment encompassing singles, married couples

without children, and non-family households – Target commands the highest share, slightly over-indexing compared to the nationwide baseline.

- Regional strengths vary significantly, with Dollar General concentrated in the South, Costco dominant in the Northwest, and Target showing more dispersed areas of strength.
- Despite similar overall visit share, Dollar General leads in more states (26 vs. 17 for Target), reflecting broader geographic dominance.

### **Strategic Takeaways:**

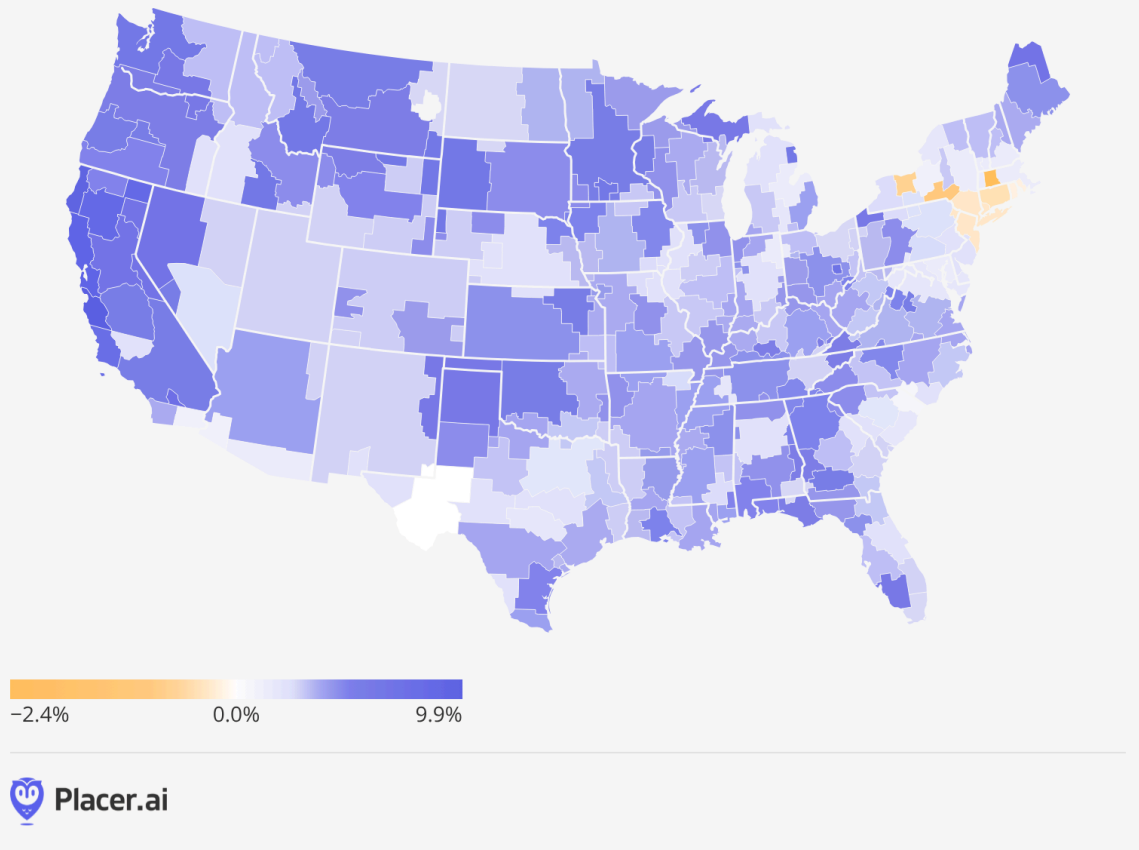
- For retailers, the data suggests that growth opportunities are increasingly shaped by localized demographic and geographic dynamics – meaning that targeted, market-specific strategies may be more effective than uniform national approaches.
- Younger “Contemporary Households” remain less locked-in than older demographics, representing a key battleground for future growth.
- For CPG companies, this data highlights that channel strategy is really about building the right mix of retailers, since even large national players reach different types of consumers.
- CRE operators should ask "which anchor is right for this trade area" rather than "which anchor is strongest," as mismatched tenants can underperform even if they're nationally dominant.

## **4. Walmart Sees Broad-Based Growth Across Nearly All Markets**

After remaining essentially flat in 2025, average visits per location to Walmart grew 3.5% YoY in Q1 2026. And the retailer’s solid Q1 performance across the U.S. underscores its unique ability to resonate across income levels, geographies, and shopping missions.

## Walmart Saw YoY Visit Growth in Almost All U.S. Markets in Q1 2026

Average Visits Per Location to Walmart by DMA, Q1 2026 Compared to Q1 2025 (YoY)



### Major Insights:

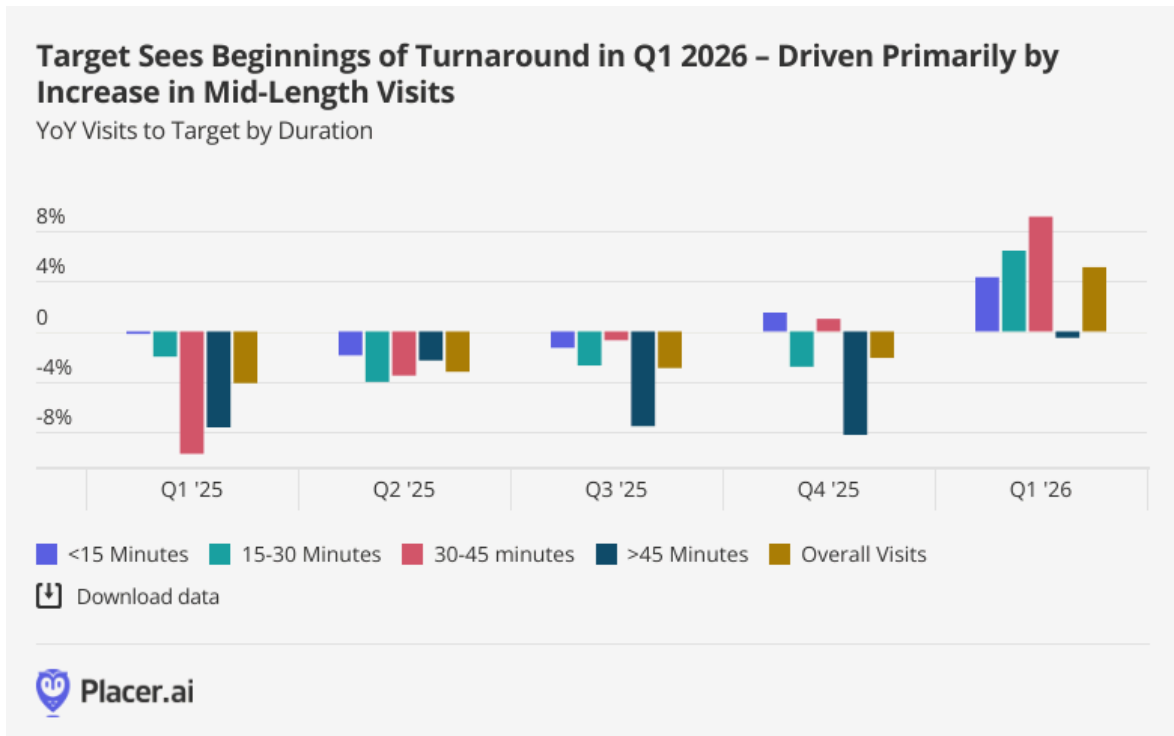
- Walmart posted year-over-year visit growth across nearly all U.S. markets in Q1 2026, reinforcing its role as a universally relevant retailer.
- The giant's comparative softness in small parts of the Northeast suggests an opportunity to double down on region-specific assortments, urban-friendly formats, or partnerships to better match local shopping behaviors.

## Strategic Takeaways:

- Walmart’s broad-based growth shows that even as consumers are increasingly willing to visit multiple retailers to get what they want, its Superstore model has solidified its role as a primary stop on the American shopping journey – making it a uniquely reliable anchor for CRE operators.
- For smaller retailers, this underscores the opportunity to win the “second stop” – capturing trips through curated assortments and more tailored in-store experiences that Walmart’s scale is less optimized to deliver.
- For CPG companies, Walmart stands out as a highly attractive partner for broad, efficient reach, given its consistent traffic across markets.

## 5. Target Shows Early Signs of a Turnaround

Target’s recent performance suggests early momentum in reversing prior softness.



## Major Insights:

- Q1 2026 visits to Target rose 5.1% year over year, marking the chain's first positive visit growth in more than a year, and suggesting that the chain's new turnaround [strategy](#) may be bearing fruit.
- Gains were driven primarily by visits lasting 30 to 45 minutes, which accounted for 19.6% of overall visits to Target in Q1 2026 – pointing to stronger in-store engagement rather than quick, mission-driven stops.

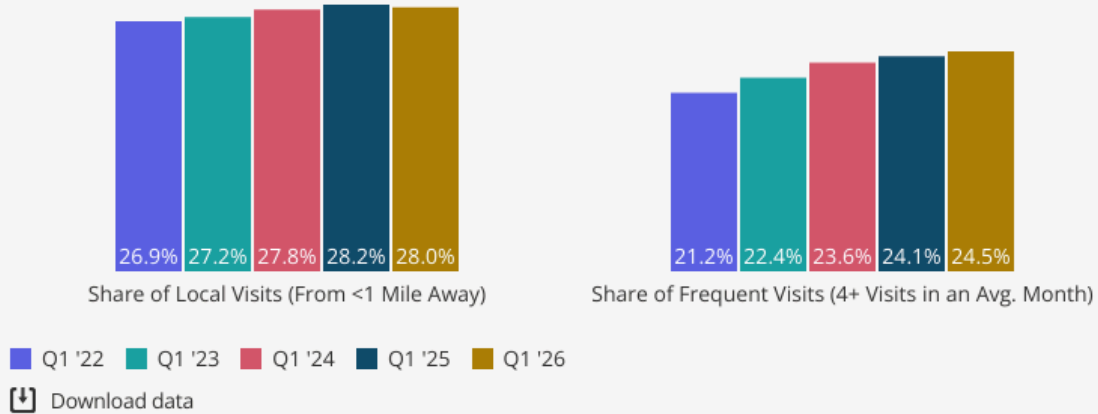
## Strategic Takeaways:

- Target's return to traffic growth – driven by increases in mid-length trips – signals a sustainable recovery on the horizon, strengthening its reliability as a traffic-driving tenant for CRE operators.
- Target's turnaround shows retailers how increasing shopper engagement can generate growth by converting quick trips into higher-value, multi-category experiences.
- For CPG companies, the rise in mid-length visits indicates a more receptive in-store environment for discovery and trade-up, making Target an increasingly attractive channel for innovation, merchandising, and premium offerings.

## 6. Dollar General Strengthens Its Role as a Local, Habitual Destination

Dollar General is becoming embedded in consumers' daily routines.

## Nearly One-Quarter of Dollar General Shoppers Visit 4x Monthly – With a Growing Share Coming From Nearby



### Major Insights:

- Visitor frequency to Dollar General is on the rise. In Q1 2026, nearly a quarter of visitors frequented the chain at least four times in an average month, up from 21.2% in Q1 2022.
- Dollar General is becoming increasingly local in nature: As its footprint expands, more visits originate nearby, with 28.0% coming from within one mile – reinforcing its role as a neighborhood store of choice.

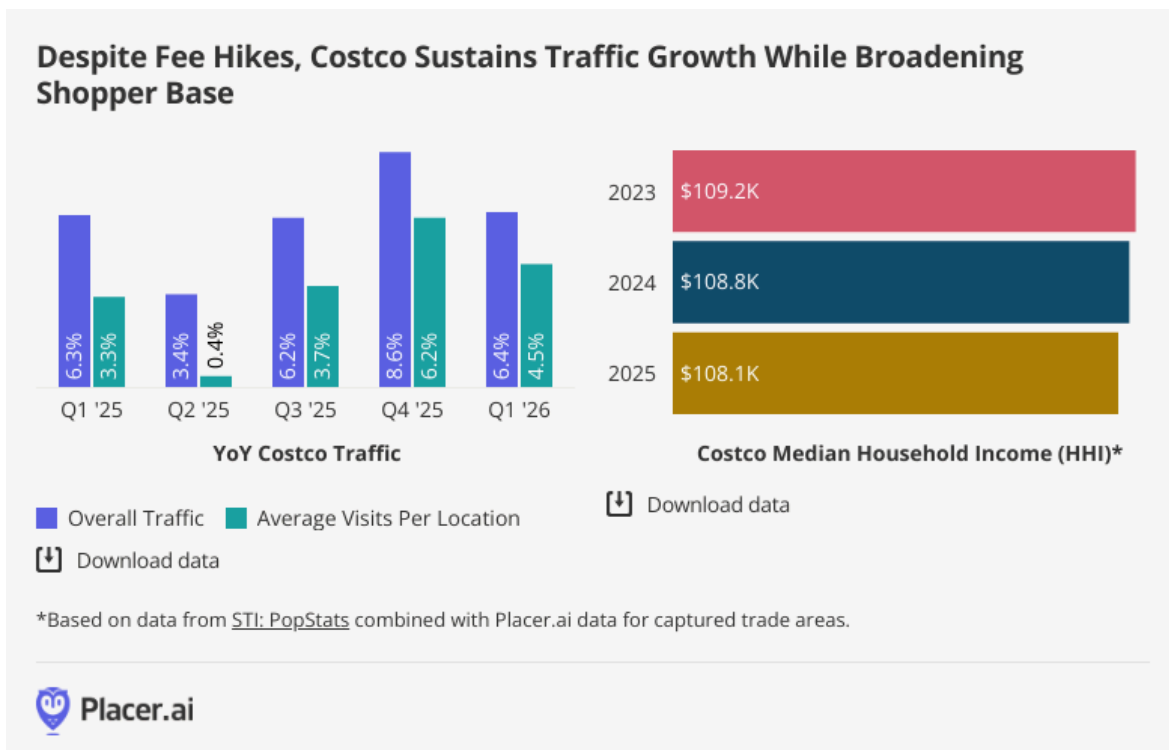
### Strategic Takeaways:

- Dollar General's visitation patterns point to a growing ownership of the convenience mission. Its expanding store density is creating a self-reinforcing network effect, where proximity fuels frequency, and frequency strengthens long-term defensibility.

- For retailers, Dollar General's rising share of nearby and high-frequency visits shows that proximity can drive habit, making convenience a powerful lever for building repeat behavior.
- For CRE operators, the data highlights the strength of hyper-local, necessity-driven traffic, positioning Dollar General as a stable tenant that anchors consistent, repeat visitation.
- For CPG professionals, the increase in frequent trips signals a high-velocity purchase environment, favoring smaller pack sizes and products that align with regular replenishment cycles.

## 7. Costco Sustains Growth Following Fee Hike

Costco continues to grow and diversify its audience despite higher membership fees and stricter food court access policies, highlighting the strength of its value proposition and loyalty model.



## Major Insights:

- In September 2024, Costco [raised](#) its membership fees for the first time in seven years – and more [recently](#) tightened enforcement of member-only access to its food courts. Despite these changes, visitation has remained strong, highlighting the company's pricing power and deep customer loyalty.
- At the same time, Costco's shopper base is broadening, with median household income trending slightly downward while remaining relatively affluent.

## Strategic Takeaways:

- Offering strong value to a relatively affluent consumer base can be a winning formula in 2026. Retailers that combine quality, trust, and perceived savings – rather than competing solely on low prices – are well positioned to drive both loyalty and sustained traffic growth.
- For CRE operators, Costco's sustained traffic growth and broadening shopper base reinforce its value as a standalone, high-demand traffic magnet that can anchor entire trade areas and drive surrounding retail development.
- For CPG companies, the combination of high traffic and declining median HHI signals that Costco is evolving into a scaled channel reaching beyond affluent shoppers, requiring more diversified assortment and pricing strategies.