

February, 2024

Q4 2023 Quarterly Index

Find out how the Fitness, Beauty & Self Care, Discount & Dollar Stores, Superstores, Grocery Stores, and Dining categories fared during last year's all-important holiday shopping season.



Table of Contents

- Overview of Categories: Q4 2023 and Yearly Review 3
- Fitness: Not Just for New Year’s Resolutions Anymore 4
 - Budget and High-End Fitness Both on the Rise 5
- Beauty & Self Care: Wellness-Driven Success 5
 - Ulta Beauty Stays Ahead of the Pack 6
- Discount & Dollar Stores: Entering the Mainstream 7
 - Five Below Above the Rest 8
- Superstores: Capturing the Crowds 9
 - Members Only, Please 10
- Grocery Stores: Holding Their Own 11
 - Value Grocers Lead the Way 12
- Dining: Staying the Course 13
 - Success Across Dining Sub-Categories 14
- Key Takeaways 16

Overview of Categories: Q4 2023 and Yearly Review

Last year ended on a high note for many retailers, with cooling [inflation](#) and rebounding [consumer confidence](#) contributing to a [robust](#) holiday season. Still, 2023 was a year of headwinds for the sector, as consumers traded down and cut back on unnecessary indulgences.

In the midst of these challenges, some segments thrived. Continued prioritization of health and wellness by consumers drove strong visit growth for the Fitness and Beauty & Self Care segments – which emerged as 2023 winners and enjoyed positive foot traffic growth in Q4. At the same time, price consciousness drove foot traffic to Discount & Dollar Stores and Superstores, both of which made [inroads](#) into the affordable grocery space during the year.

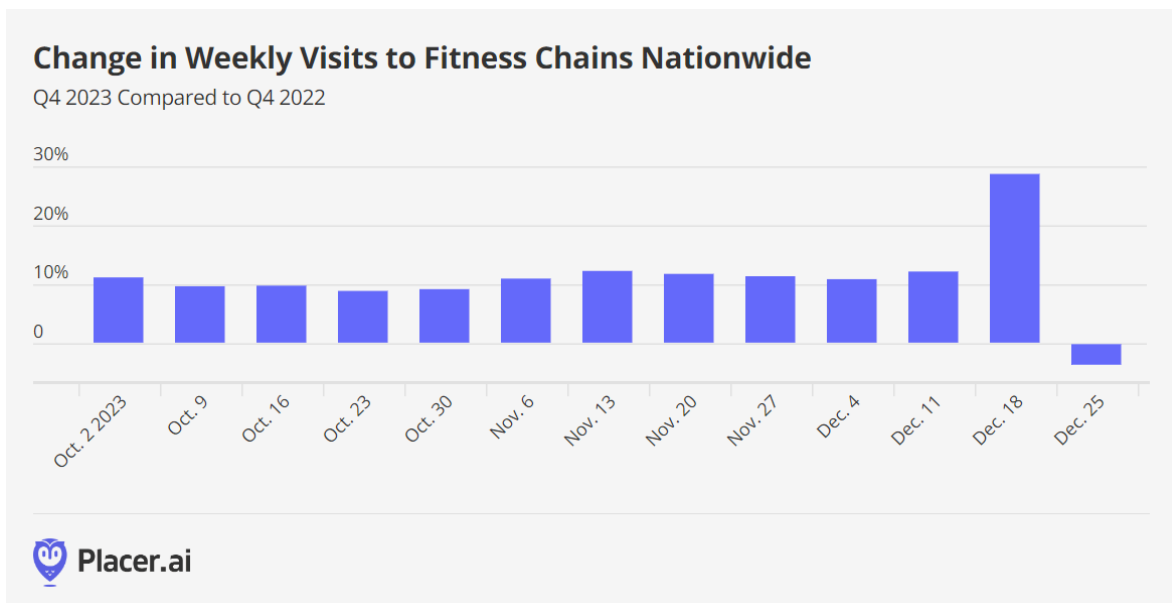
The Grocery category, too, saw a 4.3% jump in visits last year compared to 2022, as well as a slight uptick in Q4 visits. And even the discretionary Dining sector held its own, with a 2.1% year-over-year (YoY) annual increase in foot traffic, and a Q4 quarterly visit gap of just 1.8%.



Fitness: Not Just for New Year's Resolutions Anymore

Fitness had a particularly strong 2023, buoyed by consumers' sustained interest in self-care and wellness. Since the pandemic, gym memberships have graduated from a discretionary expense to something of a necessity – an important investment in health and wellbeing. The category has also likely continued to benefit from the post-COVID craving for [experiences](#).

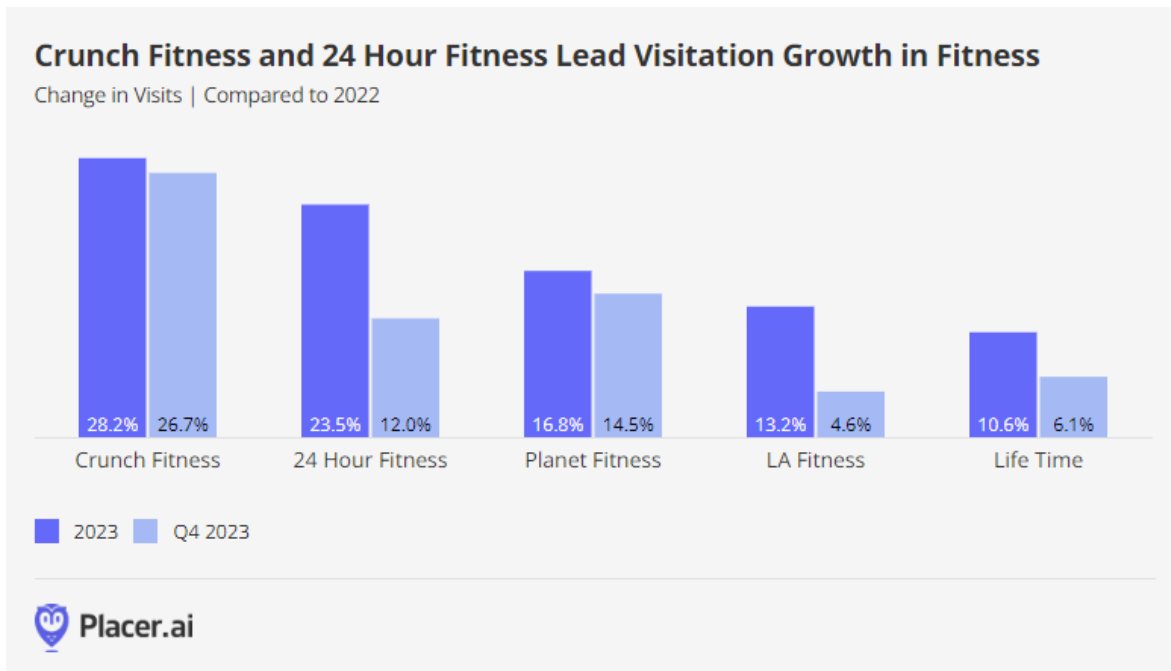
And quarterly data shows that the Fitness segment is positively flourishing. Throughout most of Q4 2023, Fitness venues experienced YoY weekly visit growth ranging from 8.8% to 12.2%. (The unusual visit spike and dip during the last two weeks of the quarter are due to calendar discrepancies: The week of December 18th, 2023 is being compared to the week of December 19th, 2022, which included Christmas Day – while the week of December 25th, 2023 is being compared to the week of December 26th, 2022, which did not).



Budget and Premium Fitness on the Rise

Drilling down into the data for several leading fitness chains shows that there's plenty of success to go around. Crunch Fitness – [ranked](#) by Entrepreneur as 2024's top

fitness franchise – led the pack with a remarkable 28.2% YoY annual increase in visits, partly fueled by the steady [expansion](#) of its fleet. And while other value gyms like Planet Fitness also saw robust visit growth, the boost wasn't limited to budget options. Given the Fitness sector's already-impressive 2022 performance, the category's strong YoY showing is especially noteworthy.

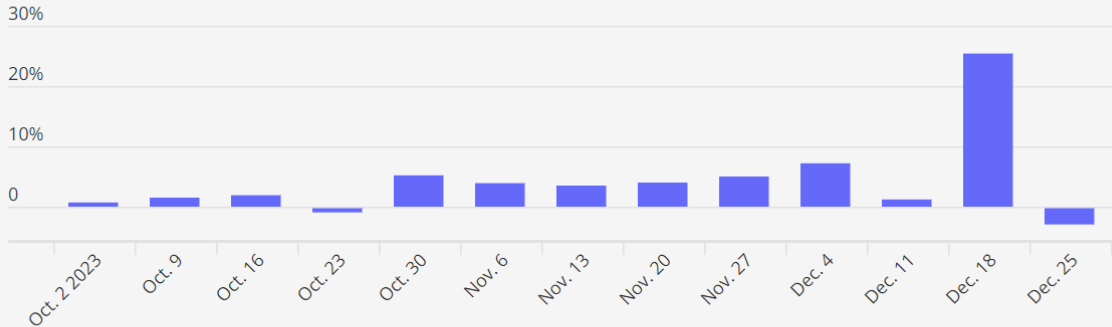


Beauty & Self Care: Wellness-Driven Success

Beauty & Self Care was another category to benefit from 2023's obsession with wellness – as well as the [“lipstick effect”](#), which sees consumers treating themselves to fun, affordable luxuries when money's tight. Driven in part by the evolving preferences of [Gen Z consumers](#), cosmetics leaders have embraced [wellness-focused](#) approaches to cosmetics that prioritize self-care and self-expression. This strategy continues to prove successful: Throughout Q4 2023, Beauty & Self Care chains saw steady YoY weekly visit growth, especially in November and early December – perhaps highlighting Beauty's growing role in the holiday shopping frenzy.

Change in Weekly Visits to Beauty & Self Care Chains Nationwide

Q4 2023 Compared to Q4 2022

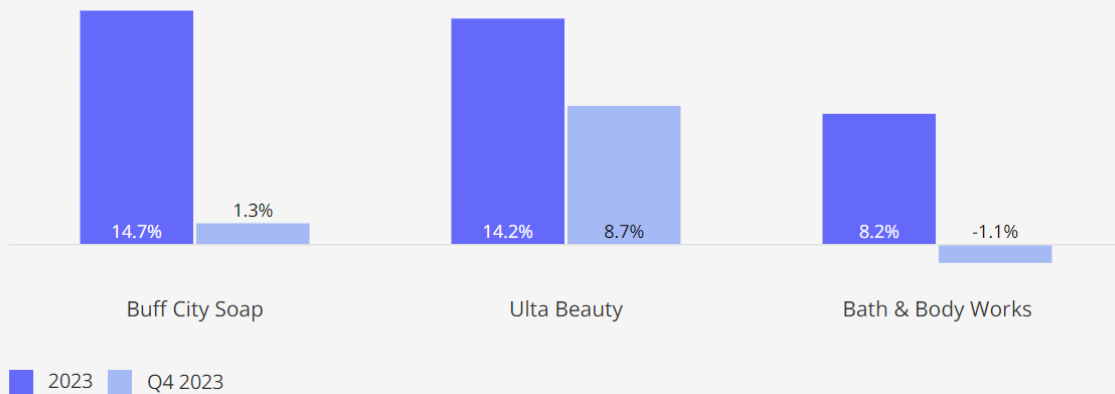


Ulta Beauty Stays Ahead of the Pack

One brand leading the cosmetics pack in 2023 was Ulta Beauty – which drew growing crowds with its [diverse](#) product selection. Everybody loves makeup, and Ulta makes sure to have something for everyone – from discount fare to more upscale products. Buff City Soap, which now pairs its signature offerings with experiential vibes at some [270 locations](#) across 33 states, also experienced YoY annual visit growth of 14.7%. And Bath & Body Works, which [made](#) the Wall Street Journal’s list of best-managed companies for 2023, also saw visit strength, with an overall increase in annual foot traffic, even as Q4 visits saw a slight decline.

Despite a Slower Q4, Beauty Chains Had a Strong Overall Visit Growth in 2023

Change in Visits | Compared to 2022



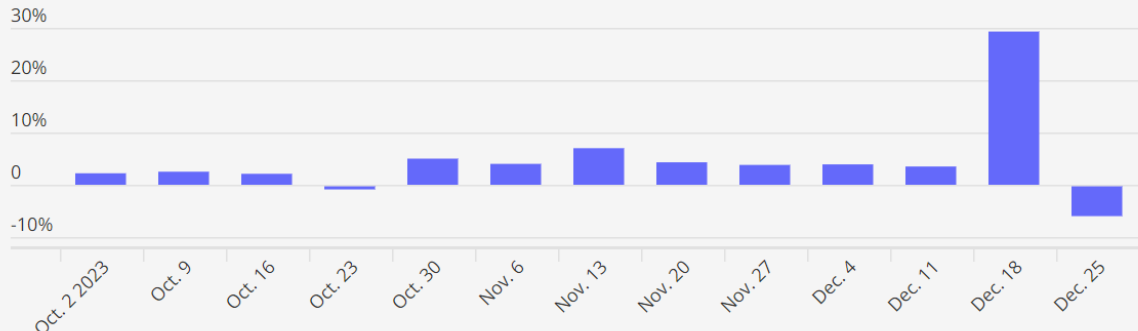
Discount & Dollar Stores: Entering the Mainstream

If wellness was a key retail buzzword in 2023, value was an equally discussed topic. And Discount & Dollar Stores – ideal destinations for cash-strapped consumers seeking bargain merchandise – made the most of this opportunity. Shoppers frequented these chains year-round for [everything](#) from groceries to home goods, propelling the category firmly into the [mainstream](#).

And in Q4 2023, shoppers flocked to discount chains in droves to snag food items, stocking stuffers, and other holiday fare – fueling near-uniform positive YoY foot traffic growth throughout the quarter. The week of October 30th seems to have kicked off the Discount & Dollar holiday shopping season, perhaps showcasing the segment's growing role as a Halloween candy and costume hotspot.

Change in Weekly Visits to Discount & Dollar Stores Nationwide

Q4 2023 Compared to Q4 2022



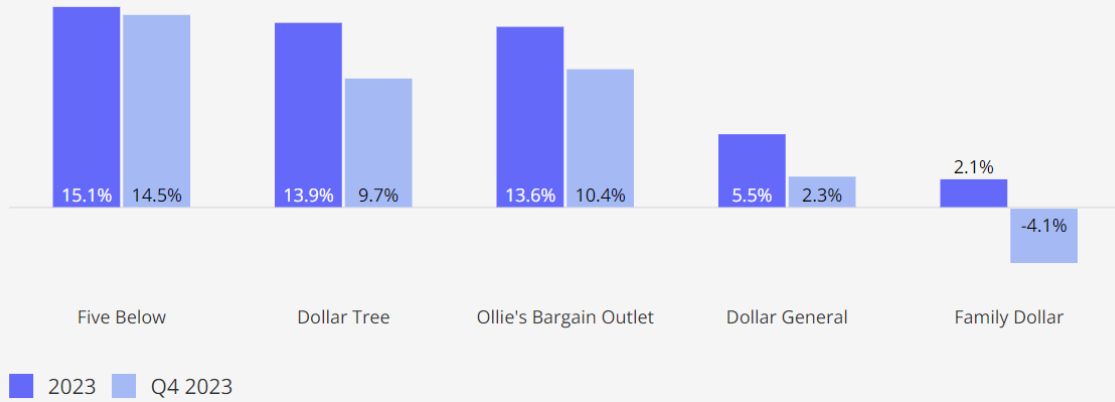
Five Below Above the Rest

Every discount chain is somewhat different – and the success of the various Discount & Dollar chains can be attributed to a range of factors. Dollar Tree and Dollar General likely benefited from the [broadening](#) and diversification of their grocery selections – while Ollie’s (“Get Good Stuff Cheap!”) solidified its position as a place to find relatively upscale items at a bargain. All three [chains](#) – and particularly [Dollar General](#) and [Ollie’s](#) – also grew their footprints over the past year. Family Dollar (also owned by Dollar Tree) also came out ahead on an annual basis – despite the comparison to a strong 2022.

Of all the Discount & Dollar chains, Five Below saw the biggest surge in foot traffic, partly as a result of its [increasing](#) store count. But the retailer’s offerings – affordable toys, party supplies, and other fun splurges – also appear to have been tailor-made for 2023’s retail vibe.

Five Below Leads Visitation Growth for the Discount & Dollar Store Industry

Change in Visits | Compared to 2022

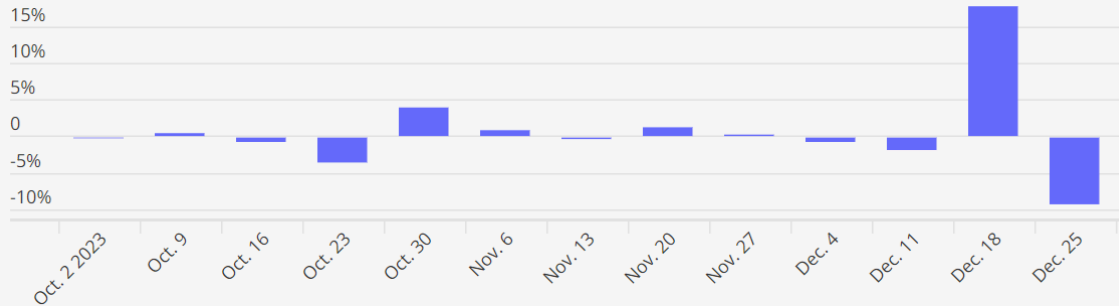


Superstores: Capturing the Crowds

During the fourth quarter of the year, Superstores saw a slight YoY increase in visits – including during the all-important week of Black Friday, beginning on November 20th. (This week was compared with the week of November 21st, 2022, which also included Black Friday). Like Discount & Dollar chains, Superstores saw an appreciable YoY visit uptick during the week of Halloween.

Change in Weekly Visits to Superstores Nationwide

Q4 2023 Compared to Q4 2022

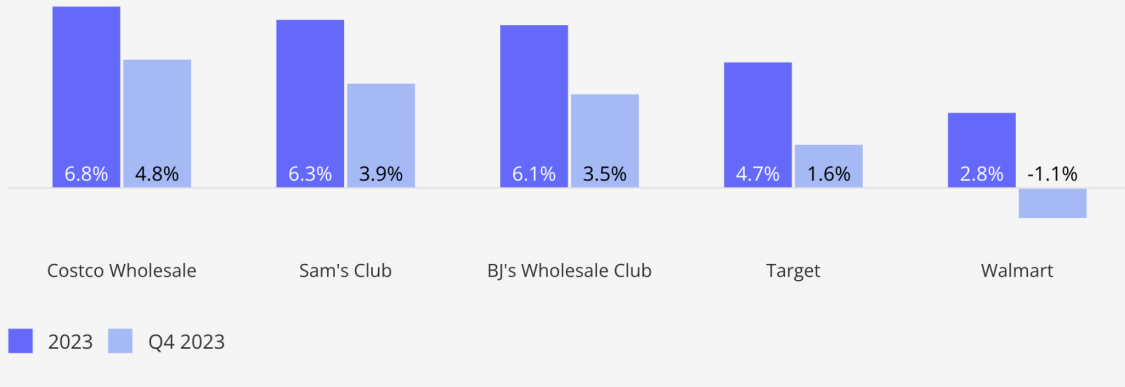


Members Only, Please

On an annual basis, Superstore mainstays Walmart and Target experienced visit increases of 2.8% and 4.7%, respectively. But while all the major category players enjoyed a successful year, membership warehouse chains' YoY visit numbers were especially strong. As perfect venues for mission-driven shopping expeditions, Costco, Sam's Club, and BJ's likely drew shoppers eager to load up on both inexpensive gifts and essentials.

Membership Warehouse Chains Outperform Traditional Superstores in 2023

Change in Visits | Compared to 2022

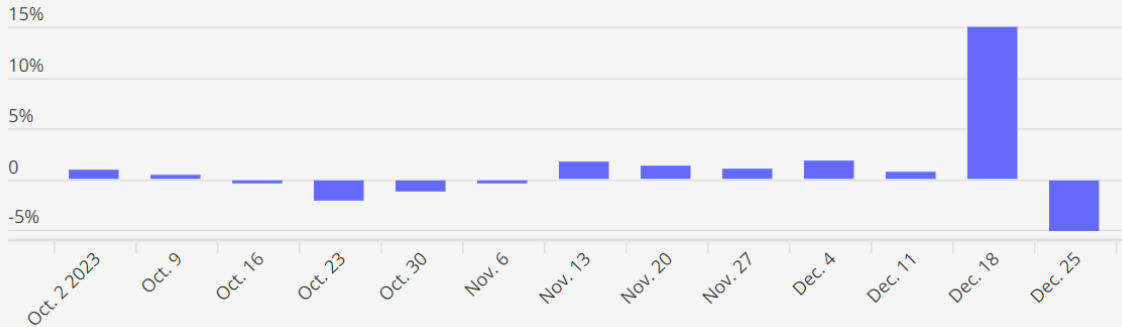


Grocery Stores: Holding Onto Gains

The traditional Grocery sector also held its own during Q4 2023. Notably, grocery stores saw positive visit growth for most weeks of November and December, a period encompassing the critical Turkey Wednesday milestone – no small feat given the [disruptions](#) experienced by the category.

Change in Weekly Visits to Grocery Stores Nationwide

Q4 2023 Compared to Q4 2022

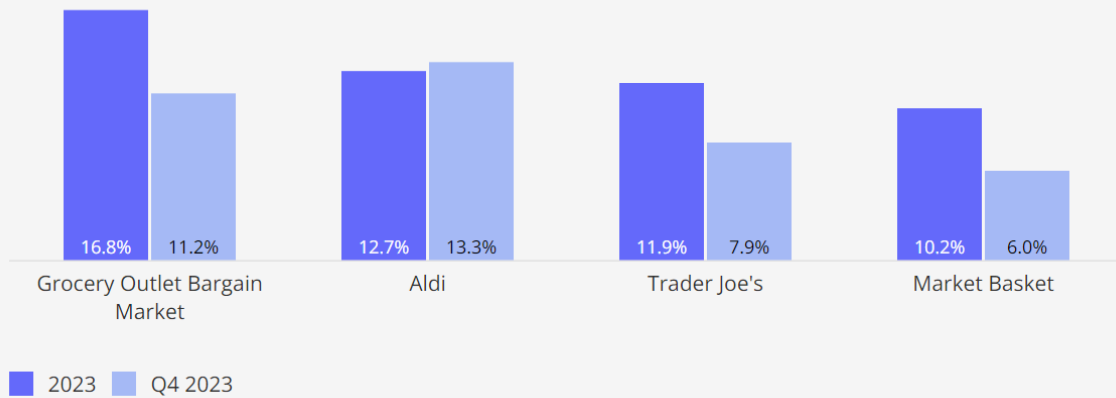


Value Grocers Lead the Way

Unsurprisingly, it was discount grocery chains that saw some of the greatest YoY visit growth, as shoppers – [including](#) higher-income segments – sought to counter inflation with lower-priced food-at-home alternatives. Whether through opportunistic buying models, private label merchandising, or no-frills customer experiences, value supermarkets proved once again that even quality specialty items don't have to carry high price tags.

Value-Orientated Grocers Lead Visitation Growth in Grocery

Change in Visits | Compared to 2022

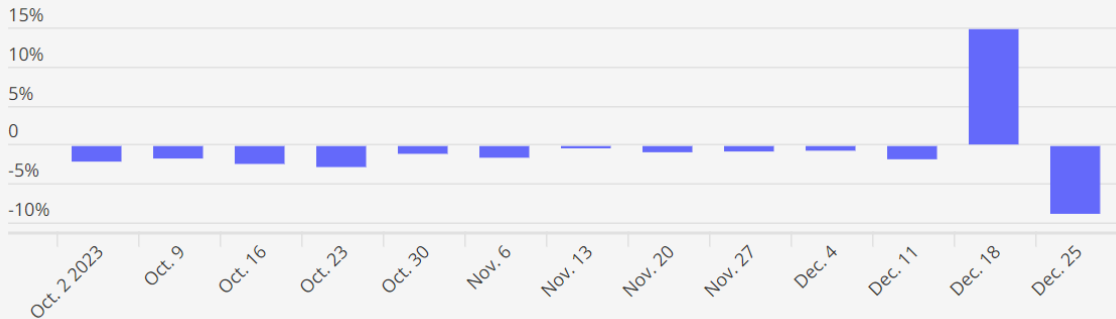


Dining: Staying the Course

Eating out can be expensive – and when money's tight, restaurants and other discretionary categories are often first to feel the crunch. But the Dining category seems to have emerged from 2023 relatively unscathed, with overall yearly visits up 2.1% compared to 2022 despite the modest YoY weekly visit gaps in Q4 2023. And given the myriad challenges out-of-home eateries had to contend with in 2023 – from inflation to [labor shortages](#) – even the minor weekly gaps are quite an attainment. (As noted, the last two weeks of the quarter reflect calendar discrepancies).

Change in Weekly Visits to Dining Chains Nationwide

Q4 2023 Compared to Q4 2022



Success Across Dining Sub-Categories

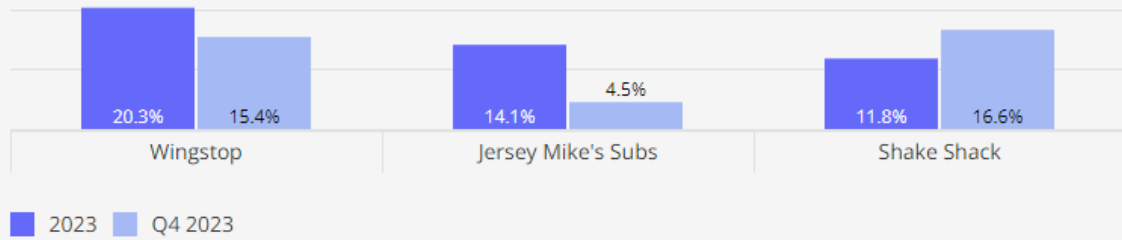
Foot traffic data shows that dining success could be found across sub-categories. Wingstop, Shake Shack, and Jersey Mike's Subs rocked Fast Casual and QSR, with annual YoY visit growth ranging from 11.8% to 20.3%, partly fueled by the [chains' growing footprints](#). Full-Service Restaurants also had their bright spots, including all-you-can-eat buffet star Golden Corral and two steak venues: Texas Roadhouse and LongHorn Steakhouse.

And in the Coffee, Breakfast, and Bakeries space, Playa Bowls led the charge. The superfruit bowl chain's affordable, wellness-oriented treats seem to have been created with 2023 in mind – and during the year Playa Bowls [expanded](#) its fleet while also seeing double-digit increases in comparable store sales. [Steadily expanding](#) Biggby Coffee and Dutch Bros. Coffee also saw significant YoY foot traffic growth.

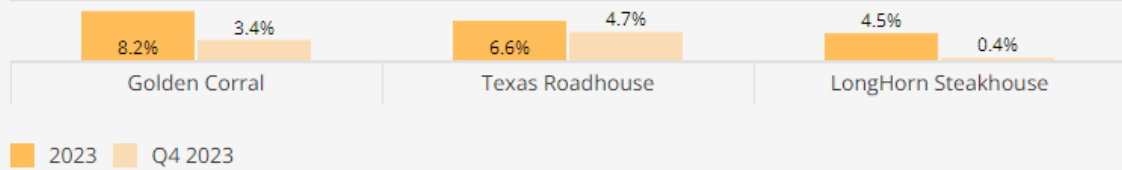
Top Performing Chains Across Dining Categories

Change in Visits | Compared to 2022

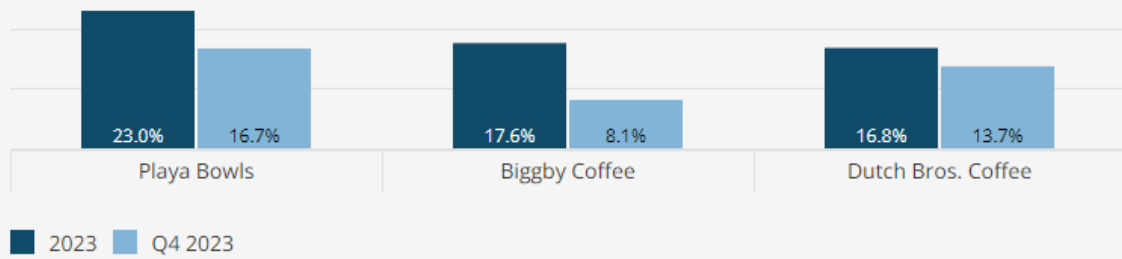
Fast Casual & QSR



Full-Service Restaurants



Coffee, Breakfast, & Bakeries



Key Takeaways

1. The **Fitness** category stood out as a major winner for 2023 overall and for Q4 specifically, buoyed by consumers' continued emphasis on wellness and experience.
2. **Beauty & Self Care**, led by brands like Ulta, also benefited from 2023's wellness-driven culture – as well as from the quest for inexpensive indulgences. The category experienced positive weekly YoY foot traffic growth throughout most of Q4 2023, with November increases likely highlighting Beauty's growing role in the holiday shopping frenzy.
3. **Discount & Dollar Stores** did well in Q4 2023, as consumers flocked to the segment for everything from groceries to home goods, toys, and candy – including for Halloween.
4. Annual visits to **Superstores** outpaced 2022 levels, with membership warehouse clubs enjoying a particularly successful year and Q4 2023 – perhaps fueled by mission-driven shoppers eager to load up on everything from gifts to essentials.
5. Despite disruptions and other challenges, traditional **Grocery Stores** held their own in Q4 2023 – with YoY quarterly visits 0.6% higher than in the equivalent period of 2022. Value grocers stayed ahead of the pack with significant YoY quarterly and annual visit increases.
6. Yearly visits to the **Dining** segment increased YoY, although the category did see a minor drop in foot traffic during the fourth quarter of 2023. But several chains across various sub-categories saw continued growth – indicating that there is still room for success in the space despite the continued headwinds.