

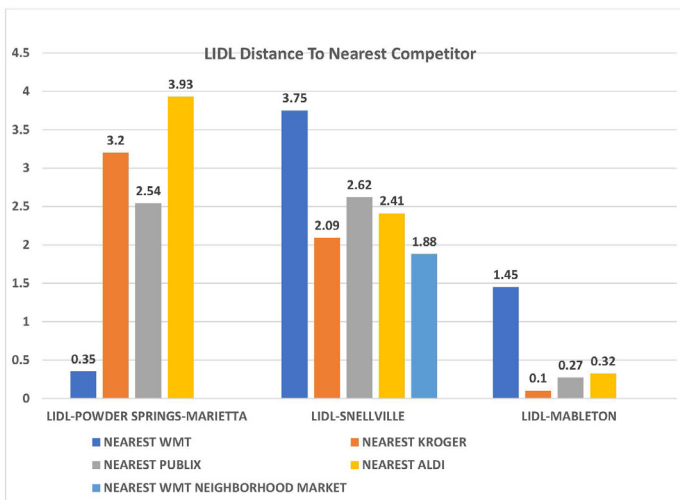
Lidl has finally opened in Atlanta:

How will this affect the Atlanta supermarket landscape?!

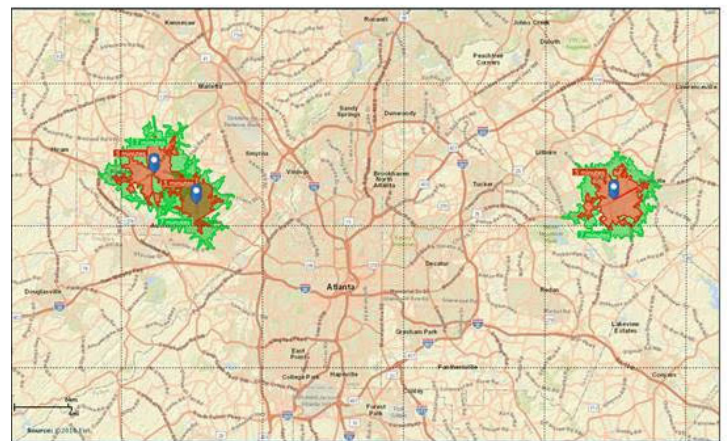
Powder Springs - 1/16

Snellville - 1/30

Mableton - 2/13



LIDL - 5-7 MINUTE DRIVE TIME



Lidl's has three store-openings set for Atlanta this month.

The first is **Powder Springs** on 1/16/19, followed by **Snellville** on 1/30/19 and **Mableton** on 2/13/19.

If you haven't been to a Lidl before, it's a good-looking store and simple to shop. Very similar to an ALDI, but larger and with the same emphasis on house brands at an extreme discount to name brand products.

Lidl (36,000 sf) has created an interesting store model for the US. Its stores are significantly larger than ALDI's (12,000 -15,000 sf) and smaller than the traditional Kroger (45,000-80,000) or Publix store models (42,000-48,000 sf). As heavily reported, LIDLs initial store openings in the US did not bring the traffic or volumes they hoped for. By opening three stores in the same size format, LIDL is taking a risk. Many (including me) feel that they should be opening in more dense markets and with smaller stores.

continued



retail specialists



retail strategies



“My prediction is that these three openings will have minimal impact on the Atlanta supermarket and real estate market.

The Atlanta MSA already has over 340 grocery stores and another three is not going to change the landscape.

First, these are all free-standing locations, so there’s no new supply of small shop space for lease. Second, all three locations are in suburban locations and two of the three are at least 2 miles away from a competitor like Publix or Kroger.

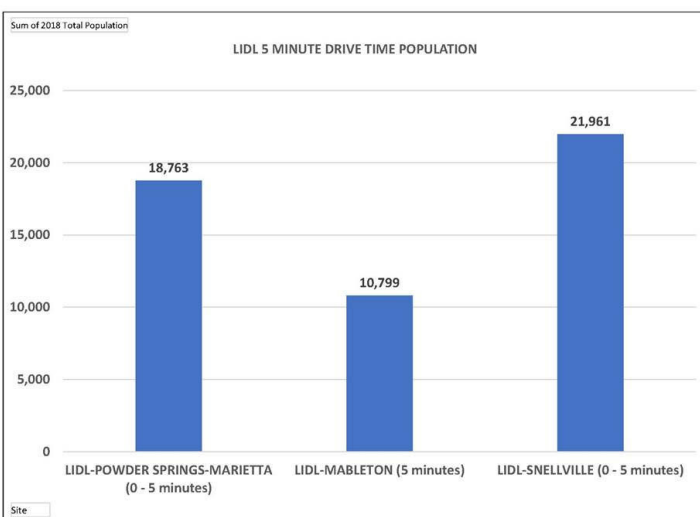
The store to watch is the Mableton store. It has a more interior position in the market (located more on a secondary road than a major one) and has substantial grocery competition located around it. In fact, Kroger, Publix and Aldi are all located at the same intersection. This store will be a test to see how the customer responds to having four grocery options on one intersection. In retail, the customer decides and is the Lidl mousetrap better than the other mousetraps from which the consumer must choose..

The Snellville store (most would call it Stone Mountain area) has the least amount of competition located around it. It’s sort of a food desert. Both Publix and Kroger closed stores in the area. This should help Lidl, because of the reduced grocery options in the area and the fact the area has a mature stable residential component surrounding it. In fact, the five-minute drive time population is the highest of the three new stores it’s opening.

Lidl is also changing their expansion plan. They recently announced the acquisition of 27 Best Markets stores in New York. This illustrates how they are adapting, and learning from their previous store openings. The Best Markets acquisition provides 24 stores on Long Island and provides them with critical mass in established locations in dense urban markets with high barriers of entry.

While I don’t see these openings as earth-shattering to the Atlanta grocery business today, it is important to note that this is another shot across the bow of the established Atlanta grocery stores. The grocery wars in Atlanta have been a battle ground before and with a population base of 5.5 million, it will continue to be a sought-after market. Today’s consumer has numerous options for groceries and with the move towards easy pick-up and delivery, the battle for the consumers’ dollar will not end anytime soon.

~ Bill Read
EVP, Retail Specialists



LIDL ATLANTA LOCATIONS - MEDIAN HH INCOME

2018 Median Household Income (Esri) by Census Tracts

