retailstat LOCATION

GROCERY STORE FORMATS

Supercenter

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OVERVIEW
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GROWTH TRENDS

This is part of RetailStat's extended series on grocery formats. We began with a report that provides an overview of grocery formats and how they're used by grocery analysts. Here, we provide a deep dive into a specific format. Look for our separate reports on the other grocery formats as well.

SUPERCENTER FORMAT

Supercenters, also known as superstores or hypermarkets, are big box retail stores that combine a supermarket with a department store, and may also offer services such as auto repair, medical clinics, and quick-service restaurants. Designed for one-stop shopping, they are typically located in suburban areas with easy access to highways and major arterials.

The modern Supercenter originated with Meijer, which opened its first "Thrifty Acres" store in 1962 in Grand Rapids, MI, offering groceries, general merchandise, and a café under one roof. Fred Meyer pioneered a similar "one-stop shopping" model in 1931 in Portland, OR, which had separate checkout for the grocery department. Later, this evolved into the unified Supercenter format. Kroger acquired Fred Meyer in 1999 and launched its Marketplace stores based on that model, first in Arizona with the Fry's banner, later in Texas, Kentucky, and Ohio as Kroger Marketplace.

While these innovators approached the Supercenter format from grocery backgrounds, Walmart entered the category from the general merchandise side. It opened its first Hypermart USA in 1987 in Texas, and its first true Walmart Supercenter in 1988 in Missouri, setting the standard for the format. Target followed in 1995, adding full grocery departments to their stores.

Today, Walmart has become synonymous with the format, catering primarily to value-oriented shoppers. Yet, as a staple of the contemporary grocery landscape, Supercenters often attract customers across multiple income levels.

KEY TAKEAWAYS

Supercenters are large-format stores combining a full supermarket with extensive general merchandise and services, providing one-stop shopping convenience. The format originated with Meijer's "Thrifty Acres" and Fred Meyer's early one-stop centers, and today is associated closely with Walmart, which has perfected the format that now serves as the backbone of its success.

MARKET LEADERSHIP

Complete our brief Contact Us form to receive the full, unredacted report with charts and sales volumes.

PERFORMANCE METRICS

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REGIONAL DYNAMICS

The Mountain West, Southwest, and South regions generate the strongest Supercenter sales, supported by car-friendly, spacious geographies. The East region underperforms due to congestion, space constraints, and general retail dynamics.

OPERATOR TRENDS

Meijer remains a strong regional player but faces flat sales growth. Kroger is expanding its Marketplace concept in select regions. HEB has discontinued its less-profitable "HEB Plus!" Supercenter experiment.

GROWTH OUTLOOK

Future Supercenter development is moderate, with only 7% of new grocery stores expected to be Supercenters, reflecting an annual growth rate of 1.8%. The South is projected to see the largest share of upcoming openings.

MAJOR BANNERS

The originators of the Supercenter format are the ones who dominate the category today. RetailStat tracks about 6,300 Supercenter stores, which comprise about 15% of all grocery stores. This format is a distant second to the Conventional format in terms of store count, with about a third of the stores.

Company	Notable Banners*	Supercenter Stores*
Walmart INC	Walmart, Walmart Supercenter	3000+
Target Corp	Target (and formerly Super Target)	1000-2000
Meijer INC	Meijer	200-500
Kroger	Fred Meyer, Kroger Marketplace, Smith's Marketplace, Fry's Marketplace, King Soopers Marketplace	100-500

*Note that banners and store count reflect only those typically classified as the Supercenter format. Banners may have a larger store count if all format types are considered.

Walmart is the market leader in this format by far. It has found such success with its grocery offerings that it started the Neighborhood Market banner to provide grocery service in areas that won't support a full Supercenter. (See our Discount format piece for more on Walmart Neighborhood Market.) Target hasn't found as much success with grocery, but it has come to be known for having general merchandise that appeals due to its design and quality more so than due to its value, and the retailer continues to search for ways to leverage that to bolster its grocery enterprise.

Kroger has adapted the Fred Meyer concept to its various regional brands, with varying degrees of success. They are investing more in this format in North Texas, as well as in Ohio and Kentucky. Some of this expansion is new growth, while others involve the replacement of existing, smaller stores.

Meijer is the only regional operator among the top Supercenter players, with more than 270 stores in six states, from Wisconsin and Illinois, to Ohio and Kentucky. Their success has emboldened them to expand, with eight newly opened stores; however, their sales have remained essentially flat this fiscal year. They are currently dropping prices on their private label goods in an effort to bolster their branded offerings. Private label accounts for about 20% of Meijer's sales, which trails the other operators in this category, Target (23%), Kroger (27%), and Walmart (30%)

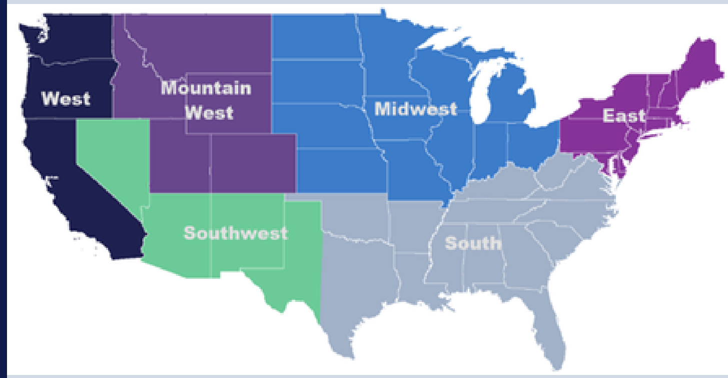
In Texas, another regional operator, HEB, had experimented with the Supercenter format in its HEB Plus! banner. This experiment for HEB performed well in terms of sales, but proved to be less profitable and is no longer being pursued.

FORMAT FACTS

The average sales for a Supercenter are substantially higher than those for grocers overall. Supercenters have a weekly sales volume of about $747,000 for groceries alone. This is significantly higher than the average for grocery stores overall, which is approximately $555,000, and is more in line with the volumes seen by Quality/Service operators at $775,000. Because of their size, Supercenters have a significantly lower sales efficiency, at about $15.37 per square foot (vs. $18.66 for all grocery stores), but still higher than the $13.93 per square foot of the Discount grocery stores they compete with.

Regional variations are tied to the spaciousness of regional geography. Supercenters perform best in the expansive regions of the Mountain West, Southwest, and South.

National Grocery Regions



Grocery analysts divide the Continental US into six major grocery regions. Note that, in practice, the NY MSA is its own region, separate from the East region, as is the Miami MSA, separate from the South region. For simplicity's sake, we have combined these metro areas with their respective surrounding regions. Also, in practice, the DC Metro is fully combined with the East region; for our purposes here, the Virginia and West Virginia portions of the DC Metro are included with the South region.

Average Weekly Store Volume

Complete our brief Contact Us form to receive the full, unredacted report with charts and sales volumes.

Average Weekly Sales Per Square Foot

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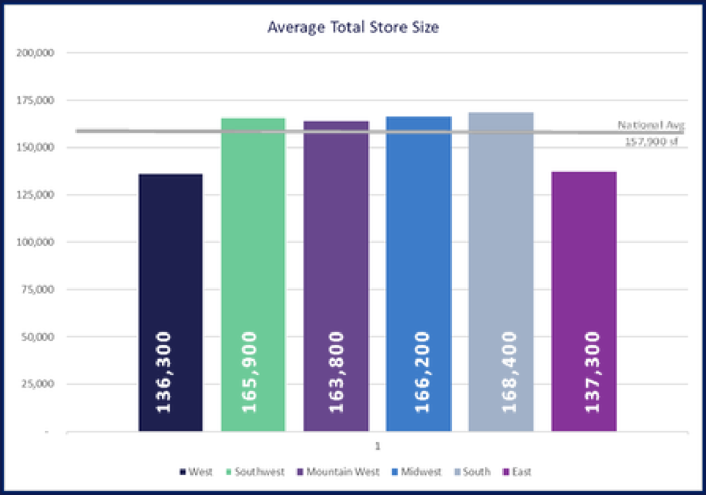
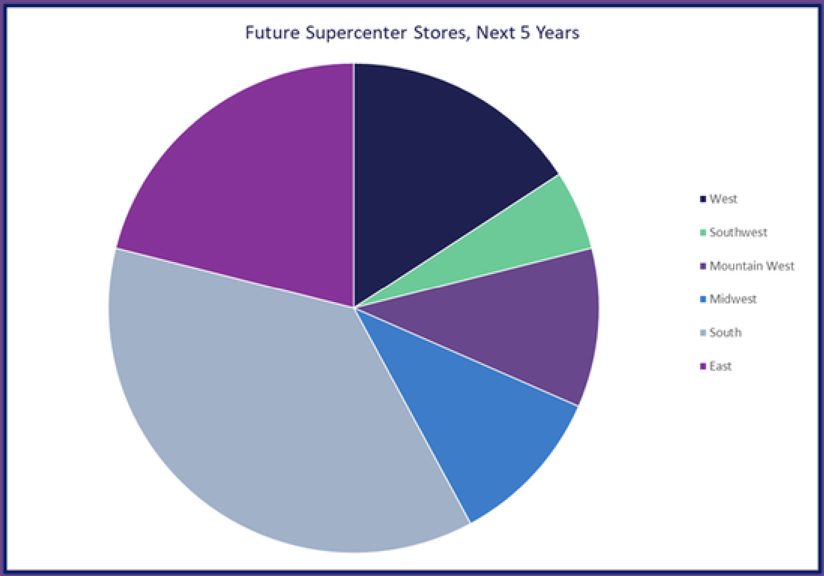
FORMAT FACTS

In terms of store size, the average Supercenter is 157,900 square feet, with about 45,000 square feet dedicated to the grocery sales area. At about 28%, the format has a very low ratio of grocery area to total area compared to the 71% for the standard Conventional store. This is reflective of just how much of a Supercenter's store real estate is dedicated to retail and services other than grocery, not to mention the extensive backroom storage and working areas that are dedicated to the new lines of grocery business, including online order fulfillment and grocery delivery...and even innovations such as drone delivery.



Regionally, there is little variation in the South and mid-continental regions. Supercenter stores here average over 160,000 square feet. On either coast, the West and East regions house Supercenters that average about 30,000 square feet less.

GROWTH TRENDS



RetailStat tracks that more than 7% of new grocery stores are likely to be Supercenter stores. That number places this category in distant third place, behind Conventional (38%) and Limited Assortment (22%). Due to the number of Supercenter stores currently in operation, this growth rate is the lowest of all formats, at 1.8%.

Regionally, we're tracking that more than a third of future Supercenters will potentially be in the South, followed by the East, surprisingly, with about a fifth of the new Supercenters. The Southwest is expected to have the fewest new Supercenters.

Overall, the Supercenter format remains a cornerstone of the U.S. grocery landscape, driven by its unmatched convenience and scale. While growth has moderated as markets mature, Supercenters continue to anchor the value-driven segment through their broad assortments, competitive pricing, and ability to serve diverse customer bases. Walmart's dominance underscores the enduring strength of the model, even as other players like Target, Kroger and Meijer adapt the format to local markets and evolving consumer expectations. Looking ahead, Supercenters are likely to focus on optimizing space, enhancing grocery performance, and integrating digital and fulfillment capabilities to sustain relevance in an increasingly omnichannel retail environment.

SEE FOR YOURSELF

Supercenter Store Format

Supercenters often serve as local distribution and fulfillment centers for a chain's online commerce. This has evolved into other experiments, such as this drone delivery heliport at a Walmart in Frisco, TX.