

GROCERY STORE FORMATS

Limited Assortment



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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.

LIMITED ASSORTMENT FORMAT

The Limited Assortment format is a compact store format that offers limited offerings of products and labels, often with a majority of private-label products. There are no service departments. Retailstat usually doesn't use the combined "Limited Assortment" nomenclature in its analysis. Instead, we employ the following two banner-specific formats:

- **Aldi:** A unique, no frills limited assortment discount grocery store banner specializing in staple items and offering almost universal private labeled products. Another banner in this category is Lidl.
- **Save-A-Lot:** A unique discount store banner with a limited assortment format that targets lower-income customers.

Both banner-formats operate in a similar sphere to the Discount format, with a focus on value pricing. However, while the Aldi format performs well with value-oriented customers who patronize Discount grocers, it also attracts customers outside the traditional Discount demographic. You'll also note that the Aldi format, despite being named for the dominant banner in this category, actually includes two banners, with fellow German grocer Lidl joining its traditional competitor.



PERFORMANCE

Despite generating less than half the average weekly sales of grocery stores overall, Limited Assortment stores achieve strong sales efficiency, outperforming both Supercenters and Discount grocers on a per-square-foot basis, thanks to their small store footprints and a focused operational ethos.

THE ALDI EFFECT

Complete our brief [Contact Us form](#) to receive the full, unredacted report with charts and sales volumes.

REGIONAL PERFORMANCE

Regional performance varies significantly, with the West and East posting the strongest sales and productivity, while the Mountain West lags due to weaker banner presence, larger store sizes, and poor sales efficiency

GROWTH TRENDS

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MAJOR BANNERS

This grocery category, like the stores within it, is quite compact. There are only three primary operators in this highly specific category.

Aldi dominates this category. Aldi, a portmanteau of “Albrecht Discount,” has operated in the U.S. since a short-lived experiment in Iowa City in 1976. Success did not come quickly, and it wasn’t until about 2003 that Aldi began opening stores in the Midwest and beyond. Today, Aldi has more than 2,600 stores in 38 states and Washington, DC, with aggressive plans to expand through 2028. It focuses on private label, which comprises approximately 90% of its SKUs. Aldi stores are about 19,000 sf in total area.

In 2017, Lidl opened its first stores in Virginia. Lidl is Aldi’s primary competitor overseas, although it has yet to find stable success in the U.S. to threaten Aldi here. We classify Lidl as an “Aldi format” grocer for site location analysis. They are a little larger than the Aldi store footprint, with the average Lidl currently being about 30,000 sf in total area.

Company	Notable Banners	Stores*
Aldi Süd	Aldi	2600
Save A Lot Food Stores Ltd. (Moran Foods LLC)	Save A Lot	700
Lidl Stiftung & Co. KG	Lidl	200

*Note that store count is an approximate count of the Limited Assortment format stores for each banner.

Save A Lot is a somewhat unique organizational concept for the grocery world. Moran Foods, LLC (dba Save A Lot) is the licensor of the Save A Lot brand and acts as the wholesaler for their private label Save A Lot goods as well as other goods. Save A Lot currently operates about 700 stores, most of which are operated by independent, licensed individuals or companies, rather than flailing licensees that were not meeting standards. Stores are the smallest of the three banners in this category, with an average store size of about 17,000 sf. Save A Lot targets the value-minded discount customer. The banner has faced significant struggles over the years and undergone many changes in executive management, ownership, and corporate structure.

Many retail periodicals have described Trader Joe’s as Limited Assortment, given that it certainly has a small, limited selection of products in its compact stores, and sells almost entirely private-label products. However, we classify Trader Joe’s as a Specialty format (often using its own banner name as the format name to capture its unique nature), which we discuss in a separate report. We reserve the Limited Assortment nomenclature for the three banners listed here, which operate in parallel to the Discount format.

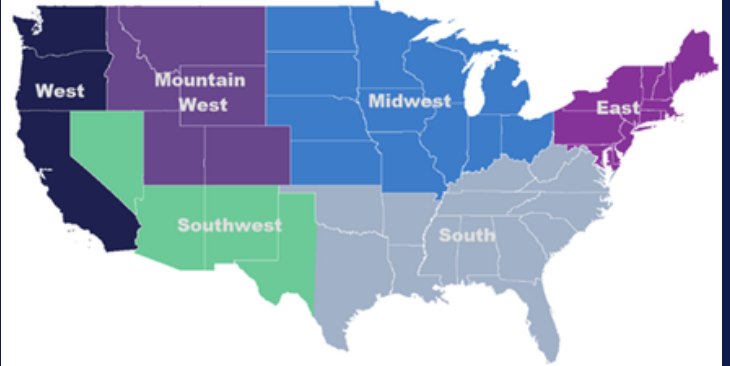
FORMAT FACTS

The average sales for a Limited Assortment store are substantially lower than those for grocers overall. Limited Assortment stores have a weekly sales volume of about \$205,000, less than half that of grocery stores overall, which is about \$555,000. This is lower than the \$329,000 average for Discount grocers as well.

Given their small store sizes, their sales efficiency is a bit higher at \$16.17 per square foot, above the \$15.37 per square foot of Supercenters and the \$13.93 per square foot of Discount, but below the \$18.66 for all grocery stores.

Regional variations are notable: stores tend to do best in the West and the East.

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

\$250,000

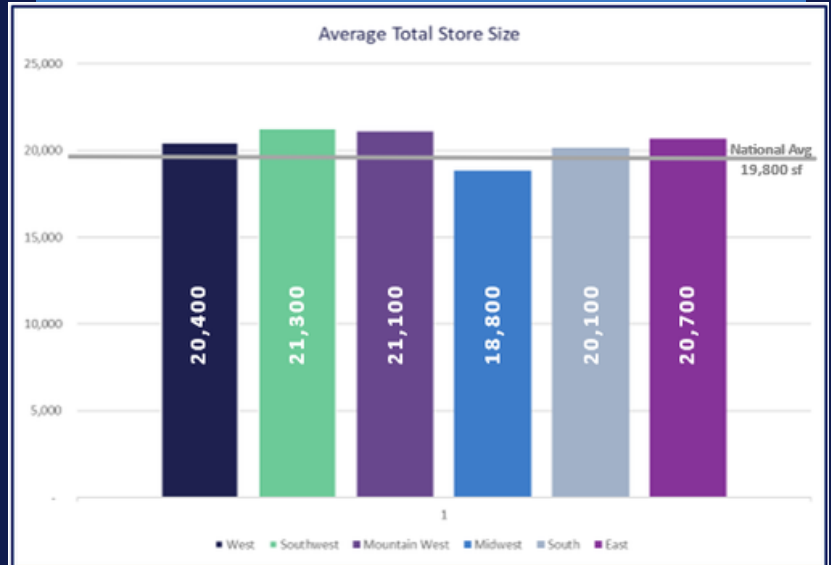
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Average Weekly Sales Per Square Foot

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FORMAT FACTS

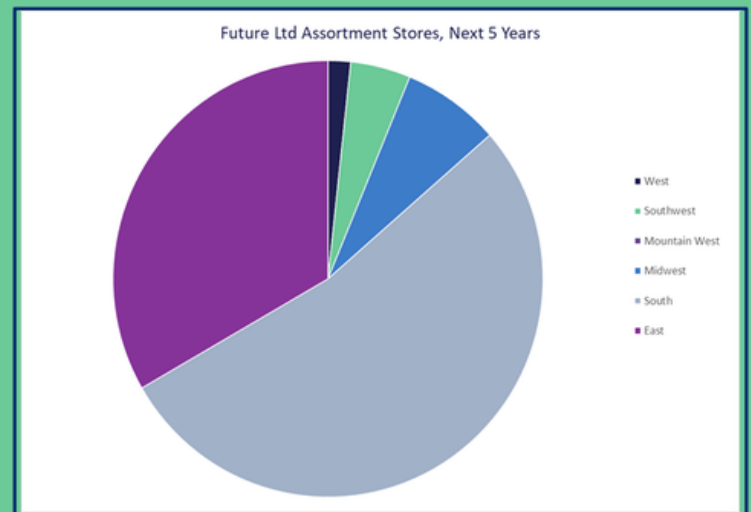
In terms of store size, the average Limited Assortment store is about 19,800 square feet, with about 13,000 square feet dedicated to grocery sales, or about a 66% ratio of grocery area to total area. The Southwest has the largest stores on average, followed closely by the Mountain West, though both remain compact at 21,000 sf. This further explains why the Mountain West has such poor sales efficiency. Meanwhile, the Midwest has smaller stores on average, which is why it leapfrogged the Southwest in terms of efficiency despite lower overall sales.



GROWTH TRENDS

RetailStat tracks that about 22% of new grocery stores are likely to be Limited Assortment stores. That number places this category second, behind only Conventional (38%). Limited Assortment has the largest growth rate, with a projected 10% rate, just ahead of Specialty grocers at 9.8%.

Regionally, more than half of the growth in this category is expected in the South, with about a third in the East. Mountain West, the weakest region in terms of sales, is also at the bottom for growth in this category, with no future Limited Assortment stores currently being tracked.



The main drivers behind the robust growth in this format are Aldi's (and to a lesser extent, Lidl's) aggressive growth plans. Aldi, in particular has a bold strategy to open more than 180 stores in 2026, expanding into Colorado and Maine and taking steps toward its goal of 3,200 stores by the end of 2028. In 2024 it finalized its deal of acquiring Southeastern Grocers, eventually settling on 220 of those stores and intending to convert them to the Aldi format. The next few years will certainly be interesting for Limited Assortment format stores.

The Limited Assortment grocery format occupies a clearly defined and increasingly important position within the U.S. grocery landscape. Built around small-store footprints, high private-label penetration, and operational simplicity, the format delivers strong sales efficiency despite generating substantially lower total volume than most other grocery formats. This efficiency-driven model has proven especially effective with value-oriented consumers and, in the case of Aldi in particular, has expanded its appeal well beyond traditional Discount demographics.

Looking ahead, the Limited Assortment format is positioned for sustained growth and increasing relevance. While performance will remain uneven across regions, the overall trajectory suggests that Limited Assortment stores will continue to gain share and influence as consumers prioritize value, efficiency, and simplified shopping experiences.

SEE FOR YOURSELF

Limited Assortment Store Format

