inmarket insights

Report Card

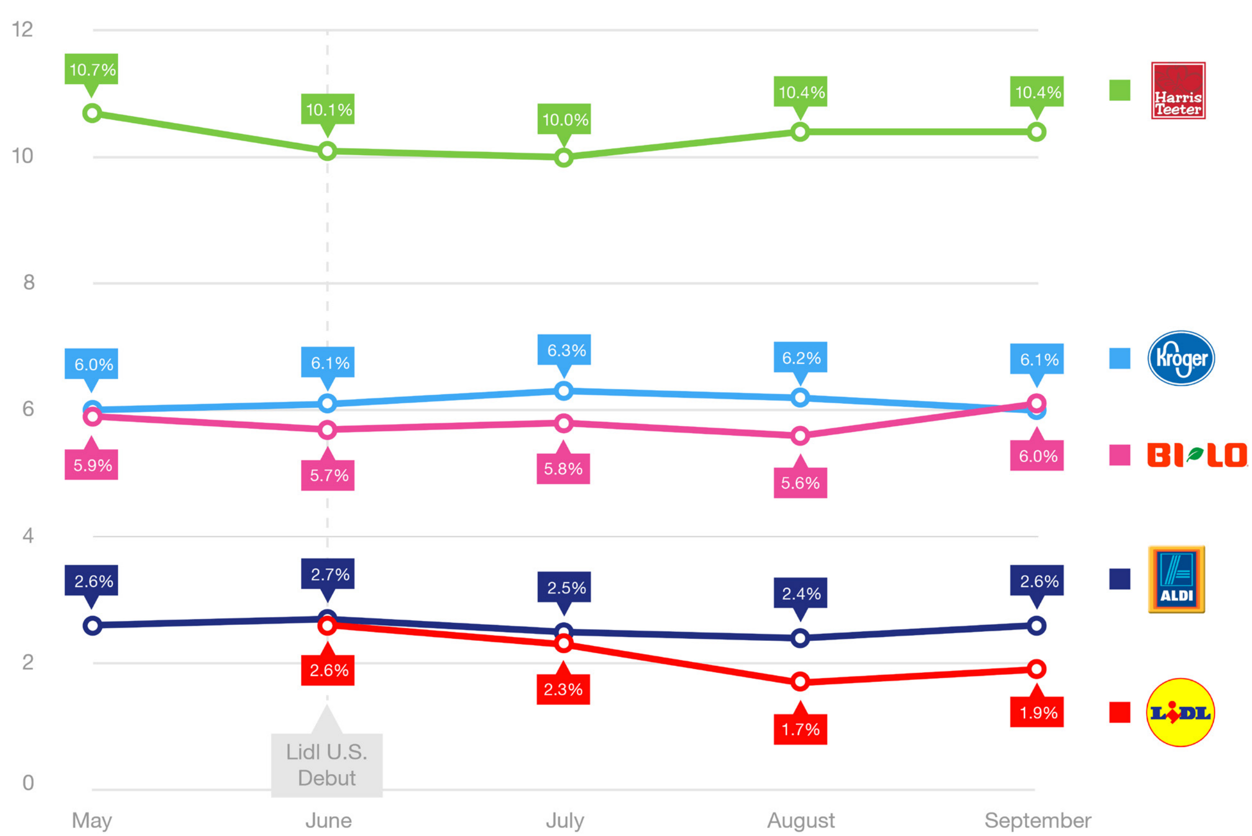
Is Lidl Succeeding in its U.S. Expansion?

Lidl -- the low-cost grocer that operates over 10,000 stores in 28 countries, opened its first U.S. stores on June 15, 2017. Beginning in nine southeast markets, Lidl is expanding its footprint across North Carolina, South Carolina and Virginia with plans to scale up to 100 locations by the end of 2018. Consumers vote with their feet, and inMarket's location engine is able to precisely track if Lidl's competitive offering is resonating and driving consistent foot traffic.

How is Lidl doing so far, and what impact are they having on established chains like Kroger, BI-LO and Harris Teeter? Our proprietary inMarket Location Data provides a glimpse:

Grocery Share of Visits (SOV) in Lidl Markets, Q2-Q3 2017

Based on inMarket Location Data from 50 million unique customers, verified by comScore



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- Lidl launched with a bang, attracting 2.6% SOV across its launch markets in June. This is even more impressive considering the chain launched on June 15.
- The Lidl launch impact was felt by fellow low-cost retailer BI-LO, which saw a decrease in SOV from May to June. Carolina-based Harris Teeter also lost SOV in June -- perhaps as consumers went to check out Lidl.
- While the chart on the previous page focuses on the grocery channel, Walmart makes up for ~30% SOV in these markets. Many of those visits are likely to involve grocery purchases. It's interesting to note that Walmart dropped from 30% SOV in May to 29% SOV in June -- perhaps as its cost-conscious shoppers went to check out Lidl. Fellow mass merch chain Target remained flat from May to June at 9.3% SOV in these markets.
- Lidl's June success doesn't appear to have maintained itself. BI-LO, Walmart and Harris Teeter have all recovered SOV as of September, while Lidl decreased in July and August before a slight recovery in September.

Fresh on the heels of Amazon's Whole Foods acquisition, Lidl is doing its part to shake up the grocery landscape. While the low-cost grocer has seen some initial success, they'll need to inspire customer loyalty through great in-store experiences if they want to truly gain SOV from the established players in the space.

Methodology

At inMarket, we analyze location data from a comScore-verified 50 million shoppers per month to understand real world trends and retail, and to power real time marketing. We are the only location intelligence company with 3rd party verified reach, and our one-to-one relationships with customers at scale allow us to speak directly to the right audience in the moments that matter.

Granular and fresh first party data allows brands to engage shoppers at moments that matter most in their journey. It also provides precise information about where and when customers shop. Our inSights reports demonstrate the power of location data in understanding the real world, predicting business trends and driving customer experiences.

To view additional reports, please visit [inMarket inSights](). To learn about how inMarket's advanced segmenting and one-to-one in-store and out-of-store advertising programs can help you drive foot traffic and sales, please [contact us today]().

*inMarket analyzes mobile location data from over 50 million anonymous U.S. consumers per month, verified by comScore. This first-party data powers a suite of location-based ad products that segment, retarget and recover patrons for our partners -- while shedding light on real world foot traffic patterns and retail trends. To learn more, visit www.inmarket.com.