

Percentage of Retail Area to GLA Square Footage

Group	2023 Perishables % Range	2023 Average GLA SF	2023 Average Retail Area SF	% Retail Area To GLA SF	% Backroom Support Area
1	≥40%	6,818	5,052	74.10%	25.90%
2	15% - 39%	2,879	2,223	77.22%	22.78%
3	6% - 14%	2,115	1,685	79.64%	20.36%
4	1% - 5%	1,963	1,601	81.59%	18.41%
5	0% - <1%	1,394	1,148	82.36%	17.64%
All	Average	2,860	2,214	77.42%	22.58%

As stores carry more perishables, their back room support areas increase in size, and take up a higher percentage of GLA. Stores in Group 1 devoted a quarter of their space (25.9%) to back room support areas, likely for walk-in coolers, freezers, and produce preparation areas. Stores in Group 5, which sold less than 1% perishables, needed far less backroom support area; just over one-sixth of total GLA (17.64%).

2023 Rent Per Square Foot & Percent of Total Sales

Group	2023 Perishables % Range	2023 Average Annual Rent	2023 Average Annual Rent Per SF	Rent % of Total Sales
1	≥40%	\$111,996	\$16.43	2.47%
2	15% - 39%	\$63,000	\$21.89	3.95%
3	6% - 14%	\$38,994	\$18.43	5.74%
4	1% - 5%	\$33,000	\$16.82	4.13%
5	0% - <1%	\$24,500	\$17.58	3.56%
ALL	Average	\$54,298	\$18.98	3.46%

Rent as a percentage of total sales averaged 3.46% for all stores, and ranged from 2.47% for stores in Group 1 to 5.74% for stores in Group 3. Keep in mind, with an average age of 34 years in business, stores in the survey will tend to have lower rent as a percentage of total sales than would be the case for a young store or start-up. Stores in this year's survey paid an average \$18.98 per square foot in annual rents. Stores in Group 2 appeared to pay a premium of \$21.89 per square foot annually for their nearly 3,000 (2,879) average square feet. Stores in Group 1 may be enjoying an "anchor tenant" discount for their average 6,818 square feet, paying \$16.43 per square foot annually. Stores in Groups 3, 4 and 5 perhaps reflect the market price for small-store square footage of about 1,400 to 2,100 square feet, averaging \$17.61 per square foot annually.

2023 Marketing Spending Monthly

Group	2023 Perishables % Range	Radio	TV	Direct Mail	Yellow Pages	Website(S)	Online	Social Media	In-Store	Other	Total	% of Total Sales
1	≥40%	\$165	\$0	\$377	\$10	\$25	\$343	\$60	\$93	\$0	\$1,073	0.28%
2	15% - 39%	\$0	\$400	\$0	\$0	\$183	\$833	\$195	\$50	\$0	\$1,662	1.25%
3	6% - 14%	\$100	\$0	\$100	\$73	\$250	\$200	\$100	\$25	\$20	\$868	1.53%
4	1% - 5%	\$0	\$0	\$0	\$0	\$1,000	\$0	\$10	\$150	\$0	\$1,160	1.74%
5	0% - <1%	\$0	\$0	\$200	\$50	\$34	\$0	\$21	\$57	\$0	\$362	0.63%
All	Total	\$265	\$400	\$677	\$133	\$1,492	\$1,377	\$386	\$375	\$20	\$1,025	1.09%
All	% of Marketing	5.17%	7.81%	13.20%	2.60%	29.11%	26.86%	7.53%	7.33%	0.39%	100.00%	

Overall, respondents to this year's survey spent just over one-percent (1.09%) of their total sales on marketing and advertising. Websites, at 29.11% of total marketing spending, took the number one slot, followed by online advertising at 26.86% of total marketing costs. Direct mail took in 13.2% of total marketing spending, with tv, social media, and in-store marketing clocking in at 7.81%, 7.53%, and 7.33%, respectively. Yellow Pages drew only 2.6% of all marketing dollars, while other marketing expenses were less than one-percent (0.39%). Websites, social media, and in-store were the only marketing categories all five Groups participated in.

Private Label

Number of Private Label Skus	% Private Label
"Fewer than 25"	23%
"25 - 49"	5%
"50 - 99"	5%
"100 - 199"	5%
"200 or more"	16%
"Do not carry private label supplements"	46%
All	100%

The number of natural products retailers that carry private label nutritional supplements has been growing over the last decade, from about 25% to more than half (54%) today. About one-quarter (23%) of those that carry private label carried fewer than 25 private label SKUs. One in six (16%) of those that carried private label supplements offered 200 or more SKUs.

Store Expansions

Just over one in ten (11%) in this year's survey expanded their stores between July of 2021 and June of 2022; 89% did not expand. Retailers that expanded their stores between July of 2021 and June of 2022 increased by an average of 900 square feet. Each expanded square foot cost an average \$30, making total expansion cost an average of \$27,000.

Department Expansions

Department Expansion	% of Expansions
Dry Grocery	22%
Dry Bulk Foods, Bulk Herbs	22%
Vitamins, Herbs & Supplements	22%
Personal, Body Care, Cosmetics	22%
Non-Food, Household, Pet	12%
Total	100%

Retailers steered clear of fresh perishables departments, with none opting to deal with refrigeration and freezers. Shelf-stable departments got 100% of the expansion attention this year. Dry grocery, dry bulk foods and bulk herbs; vitamins, herbs and supplements; and personal, body care and cosmetics each accounted for 22% of all expansions. Non-food, household and pet products featured in 12% of all department expansions.

Planned Expansion

A nearly identical percentage of stores will expand next year as did last year, with 12% planning to expand and 88% standing pat. The average number of square feet retailers intend to add next year, 700, falls slightly below this year's actual expanded 900 square feet. In what appears to be wishful thinking, respondents told us they expect to spend \$9 per square foot (as opposed to \$30 this year). This would bring the total expansion cost to a modest \$6,300.

Planned Department Expansion

Planned Department Expansion	% Included in Expansion Plans
Juice Bar/Café/Deli/Bakery/Prepared Foods/Grab & Go	17%
Fresh Produce	17%
Vitamins, Herbs, Supplements	17%
Service/Practitioner Area	17%
Frozen Foods	8%
Dry Grocery	8%
Dry Bulk Foods, Bulk Herbs	8%
Personal, Body Care, Cosmetics	8%
Total	100.00%