One of the main reasons I chose Dollar General several years ago as my favorite tenant was because I felt they would be “Amazon-Proof”. Since then, so many retailers have been challenged by Amazon’s ability to ship products directly to the consumer quickly and affordably. However, I believed that many Americans would not order on line to ship paper towels, eggs, milk, canned goods, toilet paper, pet food and other daily necessities to their home when they ran out. They needed those items “now”. Combined with the fact that people need a credit card to order from Amazon, and over 40% of Dollar General’s customers don’t have a credit card, it made me comfortable to pick Dollar General as a long term winner in the war against Amazon. Here are some recent articles that support my theory:

Peter Colvin, Council Chairperson, The SVN National Single Tenant Group

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Motley Fool’s “Top 5 Most Amazon-Proof Stores”

No. 3: Dollar General

Like off-price clothing, Amazon also struggles to sell cheap products that consumers often need immediately like cigarettes, a single roll of toilet paper, or canned goods, which are all staples of **Dollar General** (NYSE:DG). The discount chain has blanketed rural America with thousands of stores, and has more locations than any other retail chain. In fiscal 2017, the company opened 1,315 stores, bringing its grand total to more than 14,000, and it expects another 900 new stores in 2018. Same-store sales increased 3.3% in the most recent quarter, and were up 2.7% for the year.

It simply isn't cost-effective for Amazon to ship most items that cost $5 or less individually, which is what Dollar General specializes in selling. Combine that with products that customers have a high and immediate need for, and you've got an Amazon-proof business.

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CBS News Moneywatch: “Two Retailers That Are Avoiding Amazon and Thriving”

Not all major retailers are getting clobbered by Amazon, believe it or not. True, the e-commerce giant has crushed many competitors, but at least two large rivals have managed to dodge the Amazon bulldozer. The two dollar-brand stores, Dollar General (DG) and Dollar Tree (DLTR), have so far been Amazon-proof, and they've continued to thrive despite the lurking shadow of Jeff Bezos' behemoth. That's partly because business fundamentals at these two retailers remain strong even though the markets they serve appear to be within Amazon's grasp.   Although Amazon already has its hands full serving its vast territory, it's still possible that it might still decide to start training some attention on the dollar-store communities. But to date, Amazon's attention has focused on other attractive industries, such as pharmaceuticals and health care.

Dollar General is actually the largest discount retailer in the US based on total store count, and its third-quarter same-store sales growth (sales at stores open a year of more) was the best since the fourth quarter of 2014. "Its 4.3 percent growth exceeded our forecast of 3 percent and the consensus of 2.7 percent," noted Michael Lasser, equity analyst at UBS. He recommends the stock, currently trading at $93 a share, as a "buy." He has a price target of $105 for the stock.

"Market sentiment has improved for Dollar General as its price-earnings ratio of 19 times is above it three-year average of 17 times," he said. And Lasser believes the company's earnings target of sustaining 10 percent to 15 percent annual earnings per share growth "is achievable and compelling" through a "visible formula that hinges on 6 percent to 8 percent square footage increases, modest comparison growth, stable to increasing margins and a 5 percent reduction in shares outstanding that should be rewarded by the market."

And on top of that, Dollar General's gross margin was "positive for the first time in a year in the third quarter," noted the analyst. "It's encouraging that the competitive environment hasn't worsened," Lasser added, noting that the company's expanded gross margin was due, in part, to inventory markups as Dollar General continues to look for ways to better manage its inventory while it opens new distribution centers.

In recent years, Dollar General's low- and middle-income customers have felt the pinch of higher payroll taxes, government benefit cuts, higher rents, rising health care costs and volatile gasoline prices, noted Scot Ciccarelli, analyst at RBC Capital Markets. That said, he added, the environment for them "continued to slowly improve."

So Dollar General has broadened its customer base through a combination of low prices and conveniently located stores, said Ciccarelli, who rates the company as "outperform." He figures Dollar General should still have 6 percent to 8 percent square-footage growth over the next several years despite its already sizable 14,000 store base. And when combined with other factors, including 7 percent to 9 percent revenue growth, Ciccarelli said he could see it achieving 10 percent to 15 percent earnings per share growth. He expects Dollar General's earnings to leap to $5.50 a share in 2019, up from an estimated $5.02 in 2018, and $4.48 in 2017. "We think Dollar General's stock can keep moving higher in 2018, as the company resumes its historical 10 percent to 15 percent earnings per share growth pattern," said Ciccarelli.