Retail CITIES

European Retail This Week

One change in European retail that matters to FMCG commercial leaders.

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UK - SAINSBURY'S
MORE SCREENS

FRANCE - CARREFOUR
MORE MEDIA

GERMANY - REWE
MORE ATTENTION?

Beyond August

Europe's grocers asked for more promotional firepower. Did they get the capabilities they need to use it?

Europe's leading grocery CEOs spent the summer warning that the second half of 2026 would be more difficult - and more promotional.

Pedro Soares dos Santos warned that Jeronimo Martins expected no significant improvement in its operating environment. Esselunga brought back its "Up to 50%" promotion. Ahold Delhaize CEO Frans Muller was equally direct: shoppers are looking for value, pricing and promotion.

Promote more. Accept some margin pressure. Defend the shopper relationship.

But there is a problem. The promotional machine retailers are building in 2026 is much more complicated than the one they operated five years ago.

What retailers are building

The August commentary is easy to misread as a simple call for more promotions. The more important change is organizational. Retailers increasingly need four capabilities to work together:

- A retail media sales team
- An in-house analyst team
- An in-house loyalty rewards team
- A bigger IT team to connect all three

Retailers are receiving investment across all four areas, but not always in the quantities requested. IT is often the budget constraint.

Supplier implications

Q4 2026 will be highly promotional but not highly productive.

Retailers are assembling new combinations of media, loyalty, analytics and technology teams while simultaneously asking those teams to deliver more promotional activity. That creates three risks for suppliers:

- More promotions do not automatically mean more category growth.
- More retail-media inventory does not automatically mean more shopper attention.
- More retailer capability does not automatically mean the organization is ready to use it.

And there is an important physical-store question. Three decades of shopper research tell us that shoppers primarily look at products, not retailer-owned screens. Their own mobile phone is the major exception.

> **Before buying another in-store screen campaign, the question should not be:**
> *"How much media is available?"*
> ***It should be: what shopper behaviour are we trying to change - and do we have evidence this medium can change it?***

IT

Retail media is changing promotional mechanics. A promotion can now combine price, loyalty rewards, targeted media, shopper data and in-store or mobile execution. The commercial opportunity is larger - but so are the complexity, execution risks and potential bugs.

About European Retail This Week

European Retail This Week has been running on LinkedIn since 2013. The work summarizes research that I, Ray Gaul, participate in or lead. The stories are shaped by real conversations with Europe's commercial leaders and the questions they are asking.

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