GLOBAL / DISCOUNT STRATEGY

Discounter Strategies on the Move

This week: Istanbul, Chicago, Trieste, Ljubljana, & Zagreb.

BY RAY GAUL



Aldi in the USA, BIM in Türkiye and Eurospin in Italy.

These are cities I visited over the past few weeks – with a focus on comparing similarities and differences among grocery and nonfood discounters.

I brought with me your questions – which are wide ranging – both by retailer and by geography.

The questions you ask most are: Can Eurospin stick to its 100% private label positioning, will Action be able to maintain EUR2.00 price points with rising inflation and pressure on frontline staff wages, is Lidl really going to embrace digital commerce or is it just a fad, is Aldi's 'back to basics' merchandising actually winning back shoppers, is Tiendas 3B going to merge with Dollarama, is Dollar General going to continue to open stores, will A101's takeover of Carrefour in Turkiye result in financial woes for the fast-growth discounter, will BiM move into more markets than just Morocco & Egypt, and what about Lidl's actual opening dates in Bosnia, N. Macedonia?

My findings are crystal clear: Discounters everywhere are confident that their strategies are working and they are sticking to them.

Despite this, they know they must embrace digital commerce but using discounter credentials when doing so. They also know that A-brands will never fully understand how to differentiate in ways that help a discounter retain its identity as a discounter.

It is this reality that brings us to a fundamental conclusion. Discounters are developing new strategies for the coming 12-month, 24 months, and 60-month cycles – but those strategies are less about product/merchandising/store design and more about new routes to communicate.

The 2027–2032 discounter strategic tripod

M&A

Discounters see that M&A can work and there's never been a better time to buy distressed assets in retail than now

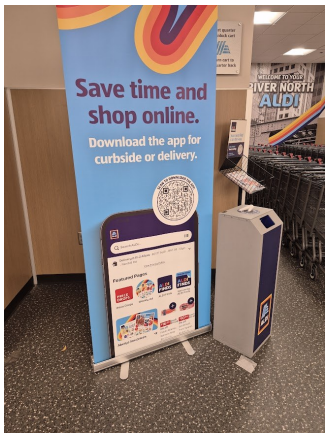
Dcom

The next gen of consumers want home delivery – often via aggregators like DoorDash and their recently acquired holding companies or UberEats and other local aggregators.

Data-centric

There's a view that AI and other data aggregation tools will make the job of a discounter easier than before – how can we find a best-selling product, that magical SKU, at a discount price, and engage consumers in ways where they are motivated to shop at us, not elsewhere?







Will all discounters embrace all three legs of the tripod in equal measure? Of course not. However, the big story will not be found by looking at these details and wondering if Eurospin, Aldi, Lidl, Action, Tiendas 3B, Dollar General, BiM, A101 will all follow the same playbook – they will not. The big story is that these retailers are attacking the main trade in new ways and they have more options than ever before on selecting the right SKU in the right location at the right time.

IMPLICATIONS FOR A-BRANDS IN THE COMING MONTHS

Make sure you look at whether your proposals help create meaningful differentiation for a channel that is successful because it is different.

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