Food and Non-food Discounters - UK - September 2016

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"Aldi and Lidl are continuing to take sales away from the grocery multiples by expanding their store estates and dispelling the perception that low prices means sacrificing on quality. But UK consumers struggle to differentiate between the two and this will need to change as they increasingly find themselves competing with each other."
Thomas Slide, Retail Analyst

This report looks at the following areas:

- Discount stores have shifted the perception of value
- Food discounters tackle ethical perceptions
- Will Steinhoff come to dominate non-food discounting?

What you need to know

The discount sector continued to outperform the wider retail market in 2015 with sales growing 11.9%. This growth is being driven primarily by the food discounters, Aldi and Lidl, which have both continued to expand their store estates and now account for more than 60% of the total discount market.

In 2015 Lidl grew faster than Aldi for the first time since 2010, but in the years ahead both will need to differentiate themselves not just from the grocery multiples, but also from each other. Currently, UK consumers see very little to differentiate between the two.

For the non-food discounters growth is weaker but continues to outpace wider retail sales. While leading players such as B&M Bargains and Home Bargains are experiencing rapid growth, some of the more established players are struggling in a far more competitive sector compared to just a few years ago.

DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market

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