“In both food and non-food retailing discounters are making a big impact and they still have some way to go. We expect a period of consolidation in non-food discounting which will begin with Poundland absorbing 99p Stores. But even with that bonus Poundland and its multi-price peers led by B&M and Home Bargains have plenty of scope for growth.”

– Richard Perks, Director of Retail Research

This report looks at the following areas:

- Is the non-food discount sector already overshopped?
- Who are they really in competition with?
- How are the underlying trends in the marketplace affecting the non-food discounters?
- Can the food discounters continue their dramatic growth?
- Is there a place for online in discount retailing?

The discounters have been one of the fastest-growing sectors through the economic downturn. But we do not think that is because they rely on a recession to be attractive. In fact the first phase of their development was through the boom times of the early 2000s. Their appeal is much more broadly based because they play to people’s desire for a bargain while at the same time focusing on offering great value for money. Both of those factors will still be important in any prolonged upturn, even though they will probably suffer as people look to trade up. They are now a permanent feature of the retail scene and they are one of the reasons why the high street is prospering at present.

They are in the right place at the right time. They will benefit from the current shift away from superstores to convenience retailing and they still have considerable potential for physical expansion. We will qualify that assertion a little through the report, but the underlying truth is that both food and non-food discounters are a relatively new phenomenon in the UK and they are a long way from being mature.

DID YOU KNOW? This report is part of a series of reports, produced to provide you with a more holistic view of this market.
Food and Non-food Discounters - UK - September 2015

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