

Supermarkets - Germany - November 2016

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“The supermarkets had a better year in 2015, helped by an improving economy and a transitioning Aldi. To maintain momentum the supermarkets need to continue investing in the things that consumers are willing to pay extra for, convenience and reliability.”

– **Thomas Slide, Retail Analyst**

This report looks at the following areas:

- **Could shrinking store estates provide impetus for e-commerce?**
- **What now for Real?**
- **The battle for Kaiser's Tengelmann**

The German grocery sector is unlike any of the other major European markets with the leading discounters accounting for 43% of all retailers' sales. Supermarkets tend to be smaller and more conveniently located leaving little room for the kind of hypermarkets that have been successful elsewhere.

An improved economy, with low unemployment, low inflation and rising wages has encouraged more consumers to look beyond price and this has given a boost to the supermarkets, which have stabilised their position by focusing on improving quality and convenience.

Meanwhile, Aldi and Lidl have been through a transition period over the past couple of years with both closing stores to improve the efficiency of their estates, increasing their range of fresh produce and adding more branded products.

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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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What we think

- Independent store operators with local knowledge
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