

# RetailWeek Awards 2018

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## Aldi powers ahead

Now the UK's fifth biggest grocer, German value giant Aldi continues to impress with its quality proposition, customer focus and impressive supply chain

Changing the grocery sector for good – and disrupting the big four's incumbency – has been a dramatic achievement by value specialist Aldi.

The retailer is not a new entrant to the UK – its first store opened in the 1990s – but when the downturn of 2008 kicked in, contributing to a transformation of shopper attitudes, Aldi saw its chance. And in the last year it has further burnished its credentials.

Aldi, which now has more than 700 stores and 29,000 employees, last year usurped the Co-op to claim the number-five spot in the grocery rankings, according to Kantar Worldpanel data.

By maintaining its success, and continuing to evolve, Aldi consummately met the Value Retailer award criteria by demonstrating outstanding retail skills, deep customer understanding, excellent execution of strategy and business sustainability.

### Sustainable success

"What really impressed me," one of the judges said, "is how sustainable this is looking.

"It's not just that it has been successful, it's that it

continues to do so well and is looking really strong for the future."

Sometimes, especially in the value retail sector, the name of the game is to stick to the business purpose and to do so really well.

In Aldi's case, that has meant maintaining an edge on the rest of the market, and it has focused unerringly in the past year to keep its price advantage – the grocer lays claim to being 15.2% cheaper than its nearest mainstream rival.

As one of the judges observed, Aldi is a value business "through and through, not just a discounter".

"It does value in all its dimensions," the judge said. "It's not just the [financial] value it offers, it's the quality it delivers

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Judge

### Best Value Retailer

WINNER

Aldi

for that value. It's a great retailer. If you are looking for value, regardless of your demographic, you will trust Aldi."

The effect of Aldi's rise in the market, the judging panel agreed, has been a pivotal moment for UK shoppers.

"It has changed the market so much and has overcome some big challenges. The amount that it has enabled UK consumers to save against the big four is amazing," one judge commented.

"It is incredibly strong, even within the field of value retailers.

"Just for sheer scale and performance Aldi had to win it. For pure out-and-out value and focus, and unbelievable retail skills, it stood out."

The retailer's market share is still rising.

It had reached the 6.9% mark in January, after sales advanced by 16.2%, Kantar Worldpanel

data showed. The market monitor also noted, "Aldi experienced particular success with its premium Specially Selected range, which saw sales climb by £26m."

The big four may well have to be renamed the big five if Aldi's growth carries on at such a rate.

Its success is indicative not just of what the customer sees on the supermarket aisle, but a slick behind-the-scenes set-up. Aldi's wider operational strengths also impressed the judges.

It is no secret that the retailer has established an impressive supply chain, has skilful buying teams and keeps a constant eye on costs in order to deliver low prices.

One judge said: "Aldi has really looked at its supply chain and kept the model simple and efficient.

"It tells me Aldi is going to be sustainable in the future, as well as being a dominant business now.

"It is taking more and more market share from the big supermarkets and has the right model in place to keep growing."

### Game-changer

Aldi's value positioning, combined with a constantly growing reputation for quality, has disrupted the establishment and prompted grocers to reappraise their propositions.

Not so long ago, it seemed the big four would always dominate the market. Aldi has shown that grocery can be revolutionised with a focus on what value really means.

Aldi has been on the up for years, and this past year has shown the retailer at its best.

Its relentless focus on what shoppers value makes it the clear winner in this category. **rw**