

# **CMA LAND ORDER INVITATION TO COMMENT - NON-CONFIDENTIAL**

## **VERSION**

Dear Sir/Madam,

Aldi Stores Limited welcomes the opportunity to respond to the CMA's Invitation to Comment regarding the Groceries Market Investigation (Controlled Land) Order 2010.

Aldi has provided detailed evidence in response to Section 174 Notices dated 2<sup>nd</sup> July 2025 and 17<sup>th</sup> March 2026, and this submission should be read alongside that material. We write to reinforce our position that Aldi qualifies as a Limited Assortment Discounter as defined in Article 2 of the Order and should not be designated as a Large Grocery Retailer.

Article 2 of the Order defines a Limited Assortment Discounter as a grocery retailer which sells a significantly more limited range of Groceries than a Large Grocery Retailer at a low price. Aldi clearly satisfies both elements of this definition.

The CMA Invitation to Comment (point 6) seeks views to the following questions, to which we have provided our substantive answers.

**a) Do Aldi and Lidl offer a range of Groceries that is significantly more limited than that offered by the Large Grocery Retailers?**

The Aldi Core Range is 2,005 products, representing approximately 7-10% of the 20,000 to 30,000 SKUs typically offered by Large Grocery Retailers. Even when including any products on "trial" and those considered regionally specific, seasonal lines and Groceries included in Aldi's Specialbuy range, we offer no more than approximately 2,703 Grocery SKUs at any time. [✂].

Aldi counts a "SKU" at the case level and corresponds to a single product code. Each case may contain up to four variants (flavours) of the same product, all sharing the same case code, brand, weight (with minor variance), price, and price card (Aldi considers products in the same case to be a "line", regardless of whether there is differentiation in flavour or weight in the products). Stores order and warehouses deliver by case, not by variant; cases are merchandised as a whole on shelves rather than separated by variant. Aldi's ordering, stock control, and replenishment processes also operate at the case level, not by individual variants.

**b) Do Aldi or Lidl offer their products at a lower price than Large Grocery Retailers?**

Aldi prices are consistently lower than Large Grocery Retailers, with average discounts of 15% to 21% against the full-range Big Four. This discount is evidenced by regular grocery basket comparisons conducted by Which?, who has named Aldi the Cheapest Supermarket for five consecutive years, and The Grocer magazine. Critically, our low prices are only achievable because of our limited range. The efficiency gains from stocking fewer products enable us to offer significantly lower prices than full-range competitors.

Beyond product range, our operating model differs fundamentally from Large Grocery Retailers. We do not operate ecommerce, click & collect or home delivery services, butchery or fishmonger counters, delicatessens, pharmacies, opticians, cafés, or 24-hour stores. We do not sell tobacco products or newspapers. Our stores are significantly smaller, with a standard net sales area of approximately 1,230 square metres. By comparison, the average standard net sales areas of supermarkets operated by Large Grocery Retailers is significantly larger.

**c) What do you consider to constitute a full range of Groceries?**

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Large Grocery Retailers have core product ranges of between 20,000 and 30,000 SKUs, between 10x and 15x bigger than Aldi's core range.

They represent more than 80% of total grocery spending.

Consumers clearly understand that discount supermarkets are different and offer smaller ranges. [X].

### **Do you consider that Aldi or Lidl stock a full range of Groceries?**

No. Aldi is a Limited Assortment Discounter. [X].

**Has there been, or could there be, any impact on competition or to consumers from Aldi and Lidl remaining outside the scope of the Order? We are particularly interested to hear of any examples where retailers have been unable to open a grocery store because Aldi or Lidl are not designated under the Order.**

Aldi is responsible for greater levels of competition in the grocery market, evidenced by Large Grocery Retailers operating Aldi Price Match schemes. There are still many areas of the UK that do not have access to an Aldi store and customers living in these locations continue to pay higher grocery prices than would be the case if a discounter was available to them locally. Aldi welcomes competition and benefits from locations that have high levels of customer footfall. We do not believe that Aldi being out of the scope of the Order has any detrimental impact on competition, or to consumers.

Our business model has remained consistent since the Order was made in 2010. While our market share has grown, this reflects consumers recognising the value of the Limited Assortment Discounter model rather than any fundamental change to our operations. The Order's definition is based on range and price, not market share.

### **Implications of Designation**

[X]. Designating Aldi as a Large Grocery Retailer would also be inconsistent with the Order's original intent, which was to address concerns about established retailers using land agreements to protect dominant positions, not to restrict new market entrants seeking to establish a presence.

### **Conclusion**

Aldi respectfully submits that we meet the definition of a Limited Assortment Discounter and should not be designated as a Large Grocery Retailer. The detailed evidence supporting this position is set out in our responses to the CMA's Section 174 Notices, which we incorporate by reference.

We remain available to discuss any aspect of this submission.

Yours faithfully,

[X]