

# Invitation to Comment on the potential designation of Aldi and Lidl under the Groceries Market Investigation (Controlled Land) Order 2010

Response of Wm Morrison Supermarkets Limited

13 April 2026

1. Please provide any information which you think is relevant to our assessment of whether Aldi or Lidl should continue to be considered Limited Assortment Discounters or be designated as Large Grocery Retailers under the Order. In particular:
  - a. Do Aldi and Lidl offer a range of Groceries that is significantly more limited than that offered by the Large Grocery Retailers?
  - b. Do Aldi or Lidl offer their products at a lower price than Large Grocery Retailers?
  - c. What do you consider to constitute a full range of Groceries?
  - d. Do you consider that Aldi or Lidl stock a full range of Groceries?

In 2006-2008, the Competition Commission (CC) concluded that Aldi and Lidl were 'Limited Assortment Discounters', "*characterized by a 'no-frills' approach, a strong focus on prices, and a limited range of products compared with the large grocery retailers*".<sup>1</sup> The Groceries Market Investigation (Controlled Land) Order 2010 (the **Order**) defines a Limited Assortment Discounter as Grocery Retailer that "*sells a significantly more limited range of Groceries than a Large Grocery Retailer at a low price*".<sup>2</sup>

By 2019, the CMA considered that that whilst categorising Aldi and Lidl as Limited Assortment Discounters remained "*broadly correct*", the growth of Aldi and Lidl in recent years had meant that:

*"Aldi and Lidl can be distinguished from other types of discounter ([...]) due to their focus on a broader range of grocery products";<sup>3</sup> and*

*"Aldi and Lidl offer a sufficient range for most shopping needs and missions, and they compete closely with the traditional retailers for large baskets and main Shops."<sup>4</sup>*

As explained below, the UK groceries sector has seen Aldi and Lidl significantly increase their market shares in recent years and open new and larger stores, as they continue to expand their product ranges and compete aggressively and very successfully with the Large Grocery Retailers.

## A) The range of Groceries offered by Aldi and Lidl

No, Aldi and Lidl offer a range of Groceries which, in the eyes of the customer, are broad and attractive. Indeed, Aldi and Lidl both advertise to customers that they offer a full range of groceries. For example:

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<sup>1</sup> Groceries Market Investigation, Final Report, Appendix 3.1, paragraph 32.

<sup>2</sup> Article 2 of the Controlled Land Order.

<sup>3</sup> Sainsbury's/Asda, Final report, 4.22.

<sup>4</sup> Sainsbury's/Asda, paragraph 7.15.

- a) Aldi currently states that its stores offer "*everything you need (and more!) for your big weekly shop*" across a "*huge range of tasty groceries*";<sup>5</sup>
- b) Lidl tells customers that "*you'll find all you need for your weekly shop at great prices in our stores*".<sup>6</sup>

This is reflected by third party research which shows that customers are doing all of their shopping at Aldi and Lidl. Pricer, a third party consumer research provider, found that 61% of customers had switched some of their shopping from the 'traditional retailers' to Aldi and Lidl, and that 56% (i.e. almost as many) had swapped their entire weekly shop to Aldi/Lidl.<sup>7</sup> This clearly shows that when customers switch from a Large Grocery Retailer to Aldi and Lidl, they purchase a full range of Groceries from them.

Accordingly, the fact that Aldi and Lidl stock fewer SKUs does not mean that they do not offer a full basket of Groceries that satisfies customers' requirements. Instead it simply reflects the fact that for any given product, Aldi and Lidl stock fewer different brands and/or pack sizes, which does not prevent customers from purchasing all the Groceries they need from Aldi and Lidl.

## **B) Aldi and Lidl's price positioning**

In Morrisons' view, there is clear, direct, price competition between the Large Grocery Retailers and Aldi and Lidl. It is clearly the case that the prices offered by Aldi and Lidl in respect of their Grocery products can no longer notably be described as being "*at a low price*" in circumstances where most supermarkets designated as Large Grocery Retailers have introduced price match schemes that ensure customers have access to an equivalent range of grocery products that are priced the same as, or cheaper than, the prices offered by Aldi and Lidl.

For example, Morrisons runs a 'Price Match' scheme that ensures Morrisons' prices are the same or lower than the equivalent Aldi and Lidl products. The Price Match scheme covers Grocery SKUs across a comprehensive range of product categories, including everyday food items such as bread, pasta, rice, flour, milk, cheese, fresh meat, fruit and vegetables, frozen food, breakfast cereals, tinned food, confectionary, coffee, soft drinks, alcoholic drinks and pet food, as well as household essentials, such as kitchen and bathroom cleaning products, toilet roll, toiletries and baby wipes and nappies.

Morrisons understands that Tesco and Sainsbury's both have schemes that price match against Aldi specifically.

## **C / D) Aldi and Lidl offer a full range of Groceries as demonstrated by their significant market share growth**

Aldi and Lidl have both gained significant market share from the Large Grocery Retailers since the Order was adopted, reflecting that fact that they offer a full range of groceries and customers see them as alternatives to the Large Grocery Retailers. As noted above, Aldi states that its stores offer "*everything you need (and more!) for your big weekly shop*" across a "*huge range of tasty groceries*". Lidl states that "*you'll find all you need for your weekly shop at great prices in our stores*". In particular:

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<sup>5</sup> <https://www.aldi.co.uk/corporate/about>. Accessed 10 April 2026; <https://www.aldi.co.uk/groceries>. Accessed 10 April 2026.

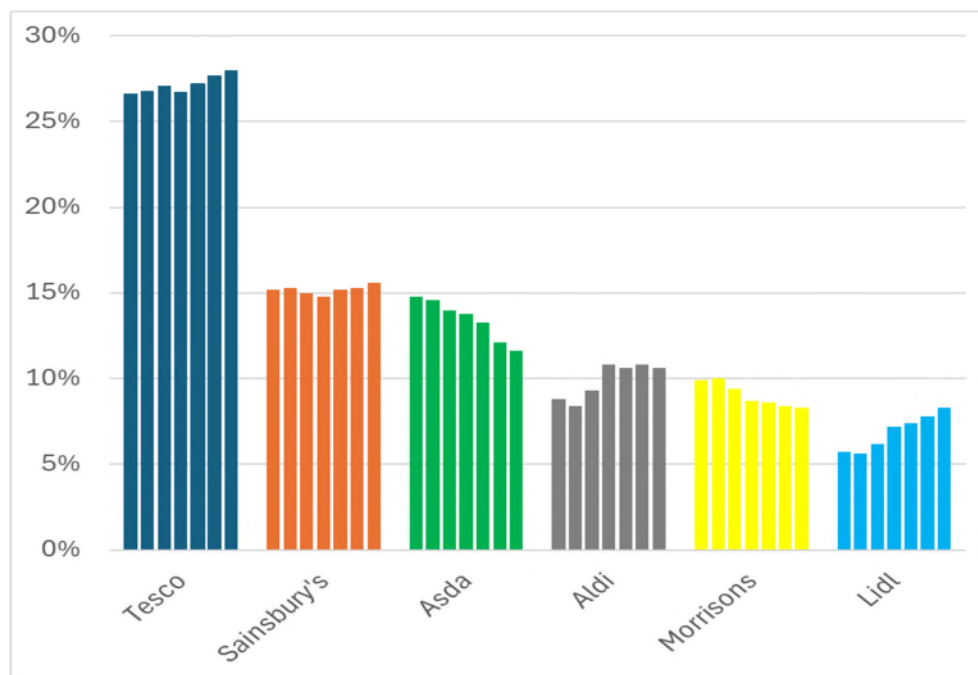
<sup>6</sup> <https://www.lidl.co.uk/c/about-us/s10023097>. Accessed 10 April 2026.

<sup>7</sup> <https://www.pricer.com/blog/cost-of-living-prompts-discounter-switching-uk-shoppers-have-switched-entire-weekly-shop>. Accessed 13 April 2026.

- a) At the time of the Groceries Market Investigation, the CC estimated that Aldi and Lidl had market shares of 1.5% and 1.3%, respectively.<sup>8</sup> However, since then Aldi and Lidl have grown very significantly and have taken material market share from the Large Grocery Retailers. For example, Kantar reports Aldi and Lidl to have market shares of 10.6% and 8.3%, respectively.<sup>9</sup> This represents a c.6- to 7-fold increase in Aldi and Lidl's market share since the Order was adopted.
- b) Figure 1 below shows the market shares of grocery retailers (as reported by Kantar) for the period 2020 – 2026 (2020 is the earliest year for which data is publicly available). It shows that Aldi and Lidl have each increased their market share since 2020 – this has largely been at the expense of Morrisons and Asda (two Large Grocery Retailers).
- c) At the time the Order was adopted, Aldi and Lidl had market shares that were much lower than those of the Large Grocery Retailers, but they are now larger than many of the Large Grocery Retailers that are subject to the Order: Waitrose (4.7%), Co-op (5.1%), Morrisons (8.3%) and M&S.<sup>10</sup>

The increase in Aldi and Lidl's market shares is consistent with the CMA's own findings in Sainsbury's/Asda, which found that the competitive constraint that Aldi and Lidl impose on the Large Grocery Retailers has increased and that they have a strong product offering with regard to quality. In particular, the CMA found that: "...perceptions of Aldi and Lidl have changed, particularly with regard to consumers' views on the quality of their products, which is perceived to have improved and to be seen as now broadly comparable to some of the 'traditional grocery retailers'".<sup>11</sup>

Figure 1: UK grocery retailers market share (2020-2026)<sup>12</sup>



<sup>8</sup> Groceries Market Investigation, Final Report, Appendix 3.1, Table 1.

<sup>9</sup> Morrisons notes that the methodology adopted to estimate market shares in the Groceries Market Investigation and the Kantar data are different (e.g. Kantar excludes M&S), but nevertheless consider that this shows the significant increase in Aldi and Lidl's share.

<sup>10</sup> Market shares based on Kantar (<https://www.kantar.com/campaigns/grocery-market-share>) for the 12-week period 22 March 2026.

<sup>11</sup> Sainsbury's / Asda, Final report, 4.9.

<sup>12</sup> Based on data published by third party provider Kantar (<https://www.kantar.com/campaigns/grocery-market-share>).

### **Aldi and Lidl are opening larger stores**

In addition to the growth in their market shares as set out above, Aldi and Lidl have been increasing the size of their stores (both by building larger stores and by refurbishing and expanding existing stores).<sup>13</sup>

Morrisons understands that these larger stores stock more SKUs, which will further reinforce the growth in Aldi and Lidl's product range since the time of the Order.

**2. 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.**

As noted above, Aldi and Lidl had a combined market share of less than 3% at the time of the Groceries Market Investigation, whereas today they have a combined market share of approximately 20% of the UK Groceries sector and they have established a considerable geographic footprint across the UK, and as noted above, intend to expand further.

Morrisons considers that expanding the scope of the Controlled Land Order to include Aldi and Lidl is necessary to ensure a level playing field within the UK Groceries Sector. Morrisons is aware that there have been press reports in recent years concerning the use of restrictive covenants in land agreements by Aldi and Lidl.<sup>14</sup>

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<sup>13</sup> In January 2026, Aldi announced that it plans to investment £370 million to open 40 new stores in 2026, as part of its long-term ambition to open 1,500 UK stores. See <https://www.aldipresscentre.co.uk/uncategorized/aldi-announces-over-370-million-investment-in-opening-new-stores/>. Lidl has more than 1,000 stores in the UK and has announced in April 2026 that it plans to open another 50 stores in the next 12 months. See <https://corporate.lidl.co.uk/media-centre/pressreleases/2026/lidl-gb-announces-store-expansion>.

<sup>14</sup> See, for example, The Grocer 'Iceland boss Richard Walker takes aim at Aldi and Lidl over 'restrictive' land deals (23 July 2024). Available at: <https://www.thegrocer.co.uk/news/iceland-boss-richard-walker-takes-aim-at-aldi-and-lidl-over-restrictive-land-deals/693686.article>.