

# ALDI AND WALMART- ON A COLLISION COURSE



# INTRODUCTION

Aldi and Walmart which are two giants in the retail business have been set on a path that is leading them to clash in the grocery sector. Specifically, this case study from the Web site, [thecasesolutions.work](http://thecasesolutions.work). The article in the 'com' examines the positions and the factors that have manifested competition to such high levels.



# BACKGROUND

Aldi is a German-based discount supermarket chain that neither offers its customer any frills, stocks a wide range of products but offers a small range of quality private label products and the lowest price possible. Walmart is one of the largest retail corporations in the United States famous for its broad product line, a powerful supply chain system, and effective price positioning focused on low prices every day. Absa and IFS both aspired to target the value-conscious consumer crew, thus creating or laying a platform for rivalry.





# MARKET DYNAMICS AND CHALLENGES

The grocery market is a low-margin and highly competitive one due to the nature of the products featured in it. When it comes to the external environment threats, Aldi and Walmart have to face the following threats: changes in the prices of the commodities, the alteration in the customers' needs, and the occurrence of electronic commerce. Aldi has a low overhead structure which enables it to use the market's fluctuations as a key driver of change, while Walmart has the advantage of its size when purchasing from producers.





# CONCLUSION

The set up of Aldi heading towards Walmart illustrates an interesting strategic rivalry with respect to retail industry. The competitive strategies that the two companies adopted in managing costs, assortment of products, and customers' relationship enhance the understanding of the way they want to capture the market. With these two retailers, their strategies are still developing and consequently their competition will determine the grocery industry of the future.



# RESOURCE

This is just a sample partial case solution. Please place the order on the website to order your own originally done case solution.

Resource: Visit [thecasesolutions.com](https://thecasesolutions.com) for detailed analysis and more case studies.

