

Challengers to Watch 2023: Aldi

By Adam Morgan and Tara Henderson, issued by [eatbigfish](#)

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The world remains uncertain, and businesses must adapt to new and unpredictable economic, geopolitical and environmental realities. Against this backdrop, it's important to pay attention to the new (and renewed) challengers emerging and primed to disrupt categories in 2023. These companies are finding opportunities in the uncertainty, breaking with expectations, and not just meeting the needs of a fast-changing world but shaping its future.

In the 10th instalment of our annual 'Challengers to Watch' feature, we identify 20 rising companies from around the world and explore the broader trends, opportunities and threats to the status quo they represent.

Our roundup covers an expansive range of categories, markets and geographies, but all these companies share a firm rejection of 'best practice' and an understanding of the imperative to make their own rules.

Aldi – for questioning the need for brands

It has become a well-worn groove among senior advertising planners that 'people don't really care about your brand'. And certainly, Aldi has built a \$120bn global business on the premise of that being true – at least for a certain group of customers.



By cutting out the premium one pays for any brand and being a supermarket that sells products in reassuringly familiar colour schemes, it can bring you all the important stuff at a more affordable price. And in doing so, Aldi sees itself as a democratiser of everything that should matter in the modern world, from health to sustainability.

Of course, there is far more to Aldi's brilliance than this. The ruthless logic: in the recognition that most weekly shoppers are time-poor, so the store design and limited choice allow you to do your entire weekly shop in just 27 minutes. And the magic: the use of the centre aisle – a treasure hunt of wildly unpredictable but Instagrammable bargains, from egg chairs to dumpling presses (check out #middleaisle) – to draw new customers in who then inevitably also buy something else.



But at its heart Aldi is about questioning whether you really need brands at all: in offering products that are, in its words, 'like brands, but cheaper', it is taking away the extra you'd pay for a recognised brand and passing on the cost-benefit to you, the customer.

This makes a cost of living crisis a very interesting time to watch Aldi – and people's relationship with brands - in 2023. Aldi has already eaten into the dominant share of the 'Big Four' supermarket chains, taking over 4th place from Morrisons in September 2022.

In doing so, it has successfully changed the size and shape of its customer base, using low-cost, high-quality food and drink lines - often selected because it knows they will score 'surprisingly' well when measured against much more premium supermarkets in the seasonal taste comparisons in the British Press - to bring in a more prosperous, if currently a more occasional, group of shoppers. And in doing so, Aldi has changed the perception of discount shopping among middle-class shoppers.



So what happens to that group of shoppers now – when 2023 promises to be one of the grimmest years for many all over Britain as they try to manage a household budget bludgeoned by fuel costs and inflation? How will Aldi lean into this opportunity to serve its broader, occasional customers more often and more deeply? What brands and categories will it show that people still care about and are prepared to pay for?

ABOUT THE AUTHOR

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