European Retail This Week

Welcome to European Retail This Week. Each week I look at one change in retail that matters to FMCG commercial leaders.

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23 SEPTEMBER 2026

DAILY BREAD

GERMANY DEFENDS / POLAND ATTACKS

This week: Lidl attacks Biedronka by name over bread in Poland. In Germany it largely defends. What does Lidl see in the shopper economics that suppliers have yet to measure?

One of the best presentations I have seen divided European markets by the way people obtain ‘fresh-from-the-oven’ daily bread: at a supermarket, at a specialist bakery, or never (they buy fresh-from-the-oven bread infrequently or never). Germany never fitted neatly into one box. The answer changes with the neighborhood, the shopper and the occasion.

Germany’s grocery discounters once looked different, too. Aldi Süd experimented with automated bread machines; Lidl built a substantial in-store bakery proposition. Today even the more austere chains like Netto-Marken or Norma want a share of the fresh-baked trip. A warm Kaiser roll on a Wednesday can bring someone through the door when fresh food needs traffic. But the return depends on what else goes into the basket, as well as the labor, energy and waste required to bake it.

In 2023, we expected Lidl to defend its bakery advantage with a much more visible price fight in Germany. It has cut bakery prices there, but the fight has been far less aggressive than its direct attack on Biedronka in Poland. Why would the same retailer choose such different tactics?

The Polish leaflet makes the attack unmistakable: a Lidl croissant beside a Biedronka croissant, with both logos and prices on a full page. One image tells the story.

My answer is shopper economics. Lidl can look at the shoppers behind each bakery trip and estimates what a price fight would change. In Germany, a croissant war with Rewe or Aldi may mainly reduce the price paid by people who already shop at Lidl. It defends its value reputation, but an all-out attack may add few trips or items to the basket. In Poland, winning the bread trip from Biedronka could bring over the rest of the basket and turn an occasional Lidl visitor into a regular one.

This Lidl bread war example exposes a blind spot in how suppliers allocate commercial resources – Lidl has shopper insights that others simply do not – including suppliers with massive shopper insights budgets.

Picture a 2027 resource discussion at your upcoming LT meeting. The retail media teams aligned with ecommerce and discount channel leaders can make a credible case for more shopper data, retail media and joint basket analysis. The discount channel team will struggle to secure promotional funds for an XXL Week, much less a study of who loves XXL Week, what brings those shoppers into the discount channel and which adjacent categories they buy. Yet the retailer is competing for those trips, and the supplier’s brand may already be part of the battle.

For the next budget round, I would ask a more precise question than “How many SKUs should we supply to the discount channel?” Which shopper types matter most to our category in each local market? What are their entry trips, and what else do they buy on those trips? Which adjacency produces incremental volume and margin for both sides? Answering that may justify shifting some research and activation money across channel silos—not simply adding another discount promotion.

A croissant can be a price point to defend or a trip worth attacking. Suppliers need to know which it is for their own categories before the next budget is allocated.

Source: Lidl Polska leaflet valid 21–23 September 2026, p. 8.

About European Retail This Week

European Retail This Week has been running on LinkedIn since 2013. The work summarizes research that I, Ray Gaul, participate in or lead. The stories are shaped by real conversations with Europe’s commercial leaders and the questions they are asking. We keep individual identities anonymous and publish the research at a high level.

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