

Retail crisis could be coming to U.S. groceries

By Craig Giammona, Bloomberg

The American grocery store has so far been mostly immune to the ravages of online shopping and the all around apocalyptic outlook facing the nation's retailers. But a war is coming to the staid supermarket, and that could mean more consolidation, bankruptcies, and falling prices.

An invasion is getting under way. Lidl, a German retailer known for low prices and efficient operations, is expected to start an aggressive U.S. expansion in the coming weeks that could open as many as 100 new stores across the East Coast by the summer of 2018. The company, which runs about 10,000 stores in Europe, has also set its sights on Texas, one of the most competitive grocery markets in the U.S. Analysts expect Lidl to expand to nearly \$9 billion in sales by 2023.

The last thing U.S. grocers need is more cutthroat competition. As the ranks of U.S. grocery stores have swelled, food has become a way for struggling brick-and-mortar retailers such as dollar stores and pharmacies to compete for customers. Even though groceries have been somewhat insulated from online pressure, Amazon.com remains dedicated to cracking the code, finally, on fresh food.

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