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Aeon considers European-style discounts

Japanese supermarket chain Aeon is looking to Europe for business models using cut-price own-brand goods

Aeon Co. has been exploring the potential for European discount retail models in Japan as consumers tighten their belts, according to The Yomiuri Shimbun.

European supermarkets selling own-brand products have seen a big growth in sales, and Aeon's eye has been caught by management methods known as 'deep discounter' and 'hard discounter'.

Stores run under these practices average a floor space of about 500m², a quarter the size of most Japanese supermarkets, and only employ a skeleton staff to cut expenditure. They sell a small collection of about 1,000 different products, about 10 per cent of the Japanese norm.

The supermarkets' own brand of discounted produce usually sells between 30 and 50 per cent lower

than name-brand lines.

Aeon already stocks a discounted own-brand, Topvalu, which accounts for 8.6 per cent of its sales as of February.