
EasyJet founder taking on supermarket discounters

Sir Stelios Haji-loannou is poised to add supermarkets to his stable of Easybranded businesses, which spans hotels to car hire.

The founder of easyJet will open a supermarket in a former office block in Croydon that he is turning into a home for a number of his companies.

The supermarket, which will be under the easyFoodstore banner, will seek to take on the so-called hard discounters such as Aldi and Lidl with a range of non-branded tinned and packet foods, and possibly some household items such as washing powder. It is unlikely to stock much fresh and frozen food, according to people familiar with the plans.

Sir Stelios said his interest had also been sparked by the widespread use of food banks.

"I have a feeling that there is a gap in the food retail market - a niche below some of the current budget operators such as Aldi and Lidl," he said.

Under the plan, the easy-Foodstore would be on the ground floor of the former MetLife office block in Croydon, with the top three floors converted into an easyHotel, and the lower floors let as short-term office space under the easy-Office banner. There is also an option to use a further two floors for an easyGym.

"If the pilot site shows there is a need for this offering, easyFoodstore could be rolled out on a wider basis from 2014 onwards using freehold retail sites - buying into the weaker real estate prices in the sector," he said.

The move comes as the hard discounters continue to gain market share.