RETHINKING RETAIL LOGISTICS—
INSIGHTS FROM THE BIG MIDDLE THEORY

Marc FILSER

CREGO, Université Bourgogne Europe

Pôle d'Économie et Gestion

2 Boulevard Gabriel

BP 26611

21066 Dijon Cedex

Email: marc.filser@u-bourgogne.fr

Gilles PACHE

CERGAM, Aix-Marseille Université

IUT d'Aix-Marseille

Départements TC Aix & TC Marseille

413 Avenue Gaston Berger

13625 Aix-en-Provence Cedex

Email: gilles.pache@univ-amu.fr

Acknowledgments

The authors warmly thank two anonymous reviewers of the 28th International Conference Étienne Thil (Martigues, October 2025) for their comments and suggestions which helped improve an earlier version of this paper.

RETHINKING RETAIL LOGISTICS—
INSIGHTS FROM THE BIG MIDDLE THEORY

Abstract

This paper revisits the fundamentals of Big Middle theory in the retail sector, emphasizing its value as a framework for analyzing the evolution of companies in highly competitive markets. Initially, new retail formats differentiate themselves by offering low prices, but over time, they tend to broaden their service offerings, which increases costs and brings them closer to traditional models. According to Big Middle theory, large retailers then aim to strike a balance between competitive pricing and service differentiation to appeal to a wider audience, rather than focusing exclusively on one strategy. The purpose of this paper is to explore the relevance of applying Big Middle theory to retail logistics, an area that has yet to be thoroughly examined. The key idea is that large retailers navigate varying levels of logistical performance to meet customer expectations for both cost-efficiency and responsiveness. The primary risk, however, is that they may become trapped in a middle-ground strategy, offering a compromise between cost and logistical service that tries to meet conflicting objectives but fails to fully achieve either.

Keywords

Big Middle, competition, cost/service, differentiation, retail logistics, distribution strategies

REPENSER LA LOGISTIQUE DE DISTRIBUTION—
ENSEIGNEMENTS ISSUS DE LA THEORIE DU BIG MIDDLE

Résumé

L’article reprend les fondamentaux de la théorie du Big Middle dans le secteur de la distribution, en soulignant qu’elle fournit un cadre d’analyse stimulant qui permet de comprendre l’évolution des entreprises dans un marché fortement concurrentiel. Initialement, un nouveau format de distribution se distingue par des prix bas, mais au fil du temps, il tend à enrichir son offre, augmentant ainsi ses coûts et se rapprochant des modèles plus traditionnels. La théorie du Big Middle suggère que les grands distributeurs cherchent alors un équilibre entre prix compétitifs et différenciation du service pour attirer un large public, plutôt que de se concentrer uniquement sur l’une ou sur l’autre des deux options. L’objectif est de s’interroger sur la pertinence d’une application de la théorie du Big Middle à la logistique de distribution, une réflexion jusqu’à présent non conduite. L’idée est que les grands distributeurs naviguent entre différents niveaux de performance logistique afin de satisfaire à la fois les attentes des clients en termes de coût bas et en termes de réactivité. Le risque majeur est qu’ils s’enlisent dans une sorte de voie médiane, en proposant un arbitrage coût / service logistique poursuivant des objectifs contradictoires sans jamais les atteindre.

Mots-clés

Big Middle, concurrence, coût / service, différenciation, logistique de distribution, stratégies de distribution

Managerial Summary

In an ever-evolving retail sector marked by increasingly intense competition, companies must continually reassess their strategic positioning to maintain competitiveness and ensure long-term sustainability. From this perspective, Big Middle theory offers valuable insights into how large retailers adapt their strategies in a hyper-competitive environment characterized by rapid changes in consumer behavior and preferences. According to this theory, companies that initially position themselves either on low prices or differentiation through service tend to converge toward a balanced approach between the two to capture a larger market share. Lidl exemplifies this shift toward intermediate positioning by enhancing product quality and improving store aesthetics to attract a broader customer base while still retaining its low-price positioning. This trend is also evident among traditional large retailers, which seek to leverage the benefits of a mixed strategy that combines competitive pricing with quality service, ultimately aiming to enhance customer loyalty and satisfaction. As a result, businesses are compelled to innovate and adopt new technologies that can further optimize their operations and elevate the overall shopping experience. Additionally, emphasizing sustainability and social responsibility has become crucial, as consumers increasingly favor brands that align with their values, thereby influencing their purchasing decisions.

Although retail logistics plays a crucial role in balancing costs and services—an essential premise of Big Middle theory—it has not been thoroughly investigated. There are two primary logistics models: the “basic logistics model,” which prioritizes low costs at the expense of service levels, and the “premium logistics model,” which focuses on high value-added services but incurs higher operational costs. Large retailers operating within the Big Middle strive to find a compromise between these two extremes, aiming to offer reasonable delivery times while controlling logistical costs to enhance overall efficiency and customer satisfaction. However, this strategy carries significant risks. Once a large retailer achieves a comfortable position, it may become reluctant to innovate, leaving itself vulnerable to shifting consumer preferences and market disruptions. Furthermore, managing this balance introduces increased operational complexity, necessitating continuous investment in logistics management and new technologies to streamline operations and remain competitive in the ever-changing retail landscape. Additionally, the integration of advanced data analytics and automation can provide valuable insights, enabling large retailers to make informed decisions that optimize supply chain performance. This adaptability is essential for maintaining relevance in today’s dynamic market.

Companies aspiring to implement a Big Middle retail logistics strategy must explore several key avenues. First, it is essential to investigate how digitization and automation can enhance the balance between costs and services while ensuring a high degree of operational flexibility and responsiveness to market changes. Second, analyzing how competitive dynamics among companies in the Big Middle influence distribution strategies and business models is crucial for identifying best practices. Third, a comparative study of the Big Middle across various sectors and geographical markets will help assess the theory’s applicability and relevance in different contexts, providing a comprehensive understanding of its impact. This paper posits that the Big Middle theory, when applied to retail logistics, offers valuable insights for large retailers striving to reconcile profitability with customer satisfaction. By effectively balancing costs and services and integrating the latest technological advancements, companies can remain competitive in a rapidly changing environment, provided they continue to innovate and adapt to avoid becoming trapped in an intermediate position that compromises their ability to meet evolving consumer expectations.

Introduction

In the highly competitive retail sector, as highlighted frequently in economic news, the Big Middle theory remains one of the most recent analytical frameworks designed to understand the evolution strategies of industry players. Levy *et al.* (2005) aimed to update McNair's (1957) foundational model, the wheel of retailing. According to McNair (1957), new retail formats are typically introduced with a price advantage, achieved through an innovative business model that allows for lower costs than competitors. The lack of barriers to entry in retailing allows competitors to quickly imitate these innovations, forcing the original retail format to enhance its offerings to differentiate itself. This, in turn, raises operating costs—and prices—making room for a new, more competitive retail format. Large retailers must therefore continuously innovate and integrate advanced technologies to optimize supply chains, improve customer experience, and maintain agility amidst rapidly shifting market requirements and consumer behaviors (Grewal *et al.*, 2021; Ratchford *et al.*, 2023). The cycle of innovation pushes companies to explore new business models (for a literature review, see McArthur *et al.* [2016]), including the adoption of technology and digital distribution channels. These strategic shifts are crucial for staying relevant as consumers become more demanding.

Despite its enduring appeal—particularly among generations of business and retailing students, as well as scholars such as Brown (1995), who contend that it aligns seamlessly with the postmodern paradigm—the wheel of retailing theory presents two critical limitations. First, it excludes innovations that are not grounded in discount positioning. Second, it fails to account for the evolution of mature retail formats that have undergone successive repositioning to sustain differentiation. In contrast, Big Middle theory offers a more compelling framework (Filser *et al.*, 2020). It suggests that large retailers typically enter the market with either a low-cost or a differentiation strategy but ultimately converge toward an intermediate position—the "Big Middle"—to maximize market share. In some ways, this trajectory parallels Porter's (1980) notion of firms becoming "stuck in the middle." While Big Middle theory acknowledges initial differentiation beyond price, it remains underdeveloped in specifying the sources of such differentiation. Targeted exploration of dimensions such as customer experience, technological innovation, and sustainability holds strong potential to deepen this framework and enhance understanding of contemporary market dynamics. This paper directly addresses that gap by reinterpreting the Big Middle theory through the lens of retail logistics. Rather than offering a mere illustration, it advances a conceptual synthesis that bridges marketing and logistics strategy, consistent with the direction proposed by Filser *et al.* (2020).

What have been the most significant retail format innovations since the rise of self-service superstores in both the food and non-food sectors? While price positioning clearly explains the success of new discounters such as Walmart, Costco, and even Action, Normal, and Zeeman, the most remarkable innovation has likely been introduced by Amazon. Amazon's success is primarily driven by its unprecedentedly vast assortment, available anywhere in the shortest possible time. This exemplifies Anderson's (2006) long tail theory, which proposes an alternative to pursuing competitive advantage solely through price. From an economic perspective, Kendall and Tsui (2011) provide a robust formalization of the long tail logic, showing how the profitability of niche products depends critically on demand dispersion and the cost structure of distribution. Their analysis reinforces the idea that logistics plays a decisive role in enabling the model. However, for a large retailer to successfully implement a strategy based on the long tail principle, it must develop logistical capabilities that break away from traditional models—this has led to vigorous debates (Benghozi and Benhamou, 2010). We can thus hypothesize the existence of a continuum of logistics strategies, ranging from models linked to the wheel of retailing—characterized by a limited assortment and rapid turnover, facilitated by proximity to demand—to those tied to the long tail, which offer an unlimited assortment and slower turnover, reliant on access to geographically dispersed demand.

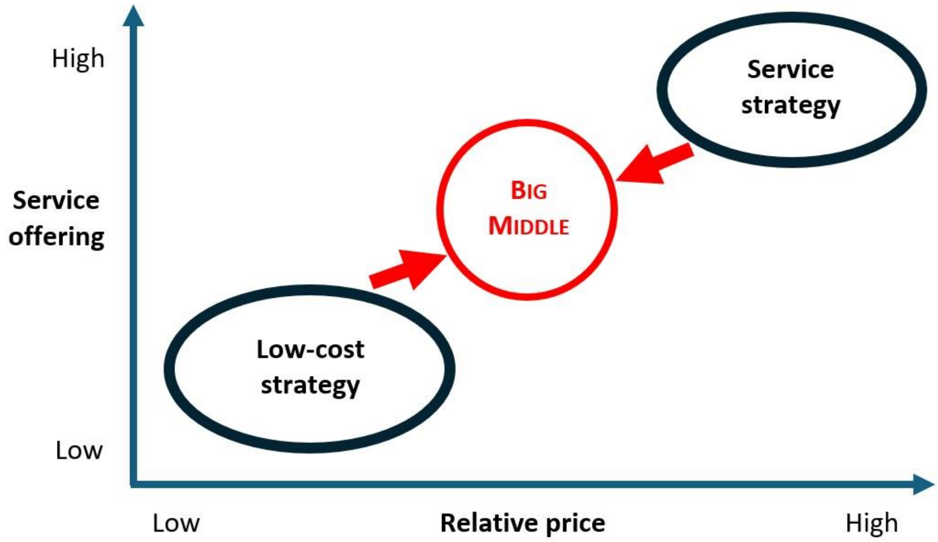
From a programmatic perspective, this paper explores the application of Big Middle theory to the specific realm of retail logistics, analyzing how large retailers navigate the balance between costs and service levels, rather than committing exclusively to one. In fact, it seems almost unthinkable for large retailers to send consumers a clear, one-sided message, as this could risk drastically limiting their appeal. For instance, could the failure of Casino group be partly attributed to a strategy overly focused on services, leading to a gradual deterioration of its price image? Similarly, is not Lidl's shift toward "soft discount," often accompanied by significant store renovations, a direct response to the risk of being perceived as a shopping destination primarily for low-income customers, where "logistical disorder," as described by Badot and Paché (2007), is the trade-off for discounted prices? Given the managerial challenges posed by the Big Middle theory, we must delve deeper into its implications to fully understand the strategic issues confronting large retailers. The conceptual work carried out constitutes also a robust analytical foundation that significantly enhances our understanding of how retail logistics mediate strategic tensions within multiform commercial models and serves as a relevant basis for the future development of an empirical protocol aimed at identifying the concrete forms of *logistical compromise* implemented by large retailers.

1. Foundations of Big Middle Theory

Much has been written in retail management about the Big Middle theory, which offers a framework for explaining the strategic evolution of companies in the sector (Reynolds *et al.*, 2007). According to this theory, most large retailers initially differentiate themselves by adopting either a low-price strategy or a differentiation strategy (through superior product quality, customer service, etc.). However, in a second phase, they often gravitate toward the Big Middle—or, to use a football (soccer) metaphor, the "soft underbelly" of the league—to capture broader consumer markets and avoid the limitations of a narrow niche. In doing so, they aim for a balanced trade-off between low prices and enhanced services. This deliberate repositioning illustrates how firms must continuously recalibrate their value proposition to stay relevant, capture volume, and maintain operational agility in dynamic retail landscapes (Gupta and Ramachandran, 2021). Numerous examples of hard discounters upgrading the quality of their products and services to attract a wider customer base—beyond just Lidl—make this shift unmistakably relevant. This trend is also visible among traditional large retailers, who are adopting a hybrid approach to leverage the benefits of both strategies to remain competitive in an increasingly complex, uncertain and volatile market.

As illustrated in Figure 1, the progression toward the Big Middle reflects a dynamic "scissor effect." On one side, large retailers face mounting pressure to reduce costs and maintain competitive pricing to attract price-sensitive consumers. On the other, they encounter increasing expectations for enhanced service quality, product variety, and compelling customer experiences, particularly among affluent or value-conscious shoppers. The convergence of these opposing forces compels large retailers to pursue a hybrid strategy—one that balances cost efficiency with service differentiation. This strategic tension, embodied in the scissor effect, draws firms away from the polar extremes of low-cost or premium positioning and drives them toward the Big Middle, where success hinges on optimizing both levers to secure broad market appeal. Failure to strike this balance risks ceding ground to competitors who are more adept at satisfying diverse consumer expectations. In this context, understanding and strategically leveraging the scissor effect becomes a critical competency for large retailers operating in today's volatile and highly competitive landscape. Our contribution does not merely revisit existing theoretical frameworks; it seeks to extend them—specifically by introducing the underexplored dimension of logistical trade-offs. The aim is to advance Big Middle theory by integrating operational considerations that remain peripheral in much of the current literature. Ultimately, a large retailer's capacity to adapt to evolving market dynamics and shifting consumer preferences will determine its long-term viability and strategic resilience.

Figure 1. A scissor effect leading to the Big Middle



Source: The authors.

Large retailers occupying the strategic space of the Big Middle confront a highly volatile marketing environment, requiring continuous adjustments in pricing and service policies to maintain a strong competitive position. They operate within a dynamic retail landscape where success relies on organizational ambidexterity—the ability to simultaneously exploit operational efficiencies and explore strategic innovations—allowing companies to optimize processes while tailoring value propositions to diverse consumer segments. In their study of a Swedish large retailer, Paredes *et al.* (2023) underline how such ambidexterity promotes agility and sustained competitiveness amid rapidly shifting market demands. The challenge escalates as the Big Middle becomes increasingly crowded with competitors, triggering destructive price wars that only a few players survive (Filser, 2018). The trajectory of supermarket chains in France exemplifies this trend, notably after the breakup of the Casino group, which had long pursued a differentiation strategy. Currently, industry discourse revolves around compromise, as large retailers strive to avoid perceptions of either "low price/mediocre quality" or "high price/superior quality," both of which risk alienating valuable yet fickle customers. Humorously, one might observe that the paradigm of "at the same time" has seemingly migrated from French politics into retail, reflecting the challenge of satisfying diverse consumer expectations concurrently.

2. Application for Retail Logistics

The aim of this paper is to propose a framework for considering the relevance of mobilizing Big Middle theory within the unique context of retail logistics. Retail logistics is a process dedicated to ensuring the efficient flow of products from manufacturers to various delivery points, including stores, pick-up locations, and consumers' homes. Operationally, it encompasses inventory management, warehousing, and product routing, including last-mile delivery. The performance of retail logistics plays a crucial role in the retail industry, enabling companies to meet customer demands, optimize the supply chain, and reduce transport costs. Understanding how strategic positioning within the Big Middle interacts with logistical capabilities offers fresh insights into how large retailers balance cost efficiency with consumer responsiveness across multiple touchpoints. While retail logistics has generated a wealth of academic literature (see, for instance, Lagorio and Pinto [2021]), it has yet to be examined from a Big Middle perspective. This theory's central question revolves around the significance of marketing strategies in (re)positioning the offering system in response to changing consumer expectations. Arnould's (2005) article, which is grounded in consumer culture theory (CCT), serves as an interesting illustration of this approach.

Admittedly, Brown *et al.* (2005) offer a particularly insightful and rigorous historical analysis, examining the trajectories of Sears Roebuck and JC Penney on one side, and Walmart, K-Mart, and Target on the other. Their work underscores significant operational enhancements and supply chain innovations that have deeply influenced retail performance over several decades. Nonetheless, the analysis stops short of addressing the two fundamental generic strategies well established in supply chain management literature—namely, basic retail logistics and premium retail logistics—which remain critical for understanding the strategic positioning and competitive dynamics within the retail sector:

– *Basic retail logistics* prioritizes low costs, particularly in transport, handling, and storage, while accepting a trade-off in service quality (Filser and Paché, 2006). Large retailers adopting this strategy often utilize low-speed routing and mega-warehouses located far from consumption areas, generating significant economies of scale.
– *Premium retail logistics*, in contrast, focuses on high value-added services that guarantee ultra-fast delivery times. This approach incorporates a multitude of urban mini-hubs and dark stores, which, although costly to operate, are highly responsive to customer orders (Ackva and Ulmer, 2024).

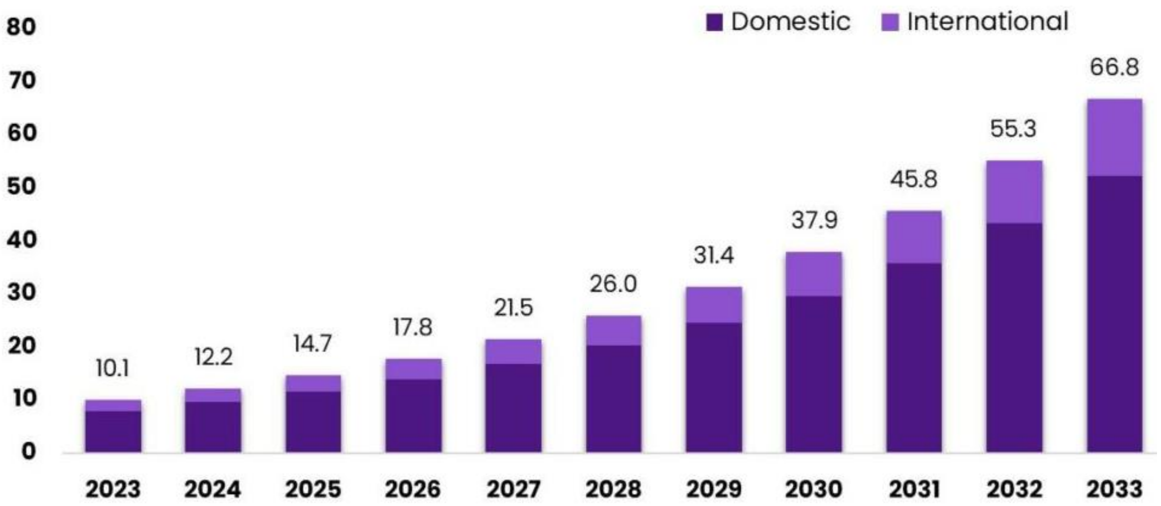
However, sacrificing neither cost nor service from a Big Middle perspective appears to be emerging as a viable retail logistics option that is attracting the attention of an increasing number of large retailers. The Big Middle in retail logistics lies between two extremes and translates into three distinct options. The first option involves the widespread use of technologies and practices such as automation, pooling, and route optimization. The second option focuses on establishing reasonable delivery times that align with the expectations of most customers, while avoiding the high costs associated with express shipping. The third option is to offer flexible solutions that accommodate varying customer requirements without resorting to costly levels of personalization. For instance, an e-commerce company that opts for a standardized delivery solution with upgrade options—such as same-day delivery for a small premium—could be seen as operating within the Big Middle of retail logistics. This approach not only satisfies a broad customer base but also optimizes logistical resources, maintaining essential competitiveness in a hyper-competitive business environment. Consequently, embracing the Big Middle can become a winning strategy for large retailers.

The central premise advanced here is the existence of a fully developed intermediate logistics model—distinct from both discount-based and premium logistics strategies. This proposition paves the way for a novel conceptualization of logistics as a strategic lever for acquiring and retaining customers, marking a theoretical contribution that remains underexplored in supply chain literature. Applying a "*Big Middle strategy*" to logistics opens new avenues for large food retailers to navigate the dual pressures of cost and service expectations. By embracing an intermediary approach, these large retailers can reconcile consumers' often contradictory demands for competitive pricing and high service quality, while simultaneously enhancing logistical performance in terms of efficiency and responsiveness. Such optimization requires the deployment of advanced technologies capable of forecasting demand with precision and adjusting flow rates in real time—a challenge already highlighted by Tixier *et al.* (1983). Moreover, Big Middle theory offers a timely framework to address growing pressures around delivery lead times, spurred by the expansion of online commerce and shifting consumer expectations. Striking a balance between offering reasonable delivery times (service) and maintaining cost control (efficiency) emerges as a key competitive advantage, one that directly contributes to customer loyalty and satisfaction. Consequently, it is both relevant and timely to consider whether logistics guided by a Big Middle strategy is poised to become the prevailing model for large retailers seeking to balance profitability with customer-centricity.

3. Managerial and Theoretical Issues

Big Middle retail logistics, akin to getting stuck in middle ground, presents two major risks. On the one hand, once a distributor has established a comfortable position in the Big Middle through balanced cost/service retail logistics, it may become reluctant to take risks or innovate, leaving it vulnerable to market disruptions and shifting consumer preferences. For instance, the rapid progression of same-day delivery, illustrated in Figure 2, renders D+2 or even D+1 delivery options less competitive. On the other hand, operating in the Big Middle necessitates continuous balancing between cost optimization and differentiation, which introduces significant complexity and requires substantial investment in operations management. This "strategic posture" calls for not only robust supply chain capabilities, but also adaptive thinking, cross-functional coordination, and a willingness to challenge established routines to maintain relevance and competitiveness (Pellicelli, 2022). Additionally, it demands the acquisition and assimilation of new logistical expertise, as same-day delivery requires a complete reorganization of the order-picking process in urban areas. These issues remain largely unexplored and warrant in-depth analysis by retail management, as failing to address them could lead to retail logistics performance becoming misaligned with customer expectations.

Figure 2. Expansion of the same-day delivery market by 2033 (in billion US dollars)



Source: Market.us Scoop, March 19, 2024.

A similar pattern can be observed among many "legacy" large retailers who, upon launching their e-commerce operations, delivered underwhelming results. These firms frequently attempted to replicate their physical retail successes in the digital realm, failing to grasp the emergence of a fundamentally new paradigm. A particularly telling example of this strategic misstep is the "psychological block" experienced by major players like Carrefour and Auchan regarding the pooling—or shared use—of logistical flows to serve online customers. This hesitation severely limited their ability to sustain a competitive logistical advantage in the digital space. The cases of Carrefour and Auchan underscore the need for future empirical research comparing the logistical trajectories of large retailers confronting similar strategic dilemmas. In-depth qualitative studies, particularly through semi-structured interviews with logistics and marketing executives, could offer valuable insight into how cost/service trade-offs are negotiated across different phases of strategic development. Moreover, these large retailers failed to anticipate a key transformation that was already gaining momentum in the early 2010s: the establishment of urban distribution centers initiated by local authorities to mitigate congestion caused by uncoordinated last-mile deliveries from multiple chains (Montoya-Torres *et al.*, 2016). This shift created opportunities for shared logistics infrastructures across competitors, progressively eroding one of the Big Middle's foundational pillars—exclusive control over the supply chain. In this context, logistics myopia—drawing on Levitt's (2004 [1960]) seminal concept of "*marketing myopia*"—clearly created space for new pure players to capture market share and reshape competitive dynamics.

From this perspective, it is useful to revisit the concept of the long tail, previously mentioned, particularly in relation to both the postponement-speculation model in distribution channels (Bucklin, 1965), and the principles of winner-takes-all markets (Frank and Cook, 2013). Numerous marketing studies have demonstrated that the postponement-speculation model inherently leads to maximum inventory centralization (Yang *et al.*, 2004), making efficient logistics essential to maintaining acceptable delivery times for customers, as required by the premium logistics model. Consequently, this brings us to the issue of winner-takes-all markets, a topic thoroughly analyzed by economists examining strategies in e-commerce (see, for instance, Kuchinke and Vidal [2016]). When a player within the distribution channel successfully combines the long tail with a high-performance logistical practice, is there *truly* any room left for competitors? This question is undoubtedly central, as it challenges the assumption of low barriers to entry, an assumption that underpins both the wheel of retailing and, to a lesser extent, the Big Middle concept. In other words, can we—still—compete with the giant Amazon, except perhaps by adopting a "bullshit" strategy, as seen with Temu or Shein?

This also calls for longitudinal studies, focusing on the logistical evolution of a few emblematic players. Among them, French groups such as Decathlon, Leclerc, and Coopérative U stand out as particularly illustrative cases of firms that have undertaken major transformations in their supply chain strategies over the past few decades. Decathlon is a global sporting goods large retailer known for its vertically integrated model and in-house brands; Leclerc is one of France's largest food retailers, operating under a cooperative model; and Coopérative U is a federation of independent grocery stores with a strong regional presence. As shown by Chauhan *et al.* (2025), digitalization plays a central role in enhancing retail logistics performance in the FMCG sector by enabling smarter warehouse management, improved coordination of flows, and better responsiveness to fluctuating consumer demand. In line with these findings, Decathlon, Leclerc, and Coopérative U have invested significantly in advanced digital tools, including warehouse management systems, automated picking technologies, and real-time data analytics. The investments have supported the partial relocation of warehouses closer to key consumption zones, allowing for greater responsiveness and reduced delivery times, particularly in densely populated or peri-urban areas. Taken together, these initiatives reflect a deliberate and forward-looking strategy aimed at reinforcing operational agility, achieving cost efficiencies, and maintaining competitiveness in an environment increasingly dominated by powerful digital-first players.

Three key research avenues emerge from the application of Big Middle theory to retail logistics. The first research avenue concerns the impact of digitization and automation on large retailers' ability to maintain a sustainable position within the Big Middle. Specifically, how can emerging technologies—such as artificial intelligence, robotics, and process automation—reinforce the balance between cost efficiency and service quality while ensuring operational agility? The second research avenue explores the distinctive dynamics of Big Middle retail logistics by examining how changes in the competitive landscape influence strategic implementation, and how these shifts, in turn, affect the long-term viability of large retailers' business models (Grant *et al.*, 2021). The third research avenue calls for a comparative analysis of Big Middle logistics practices across sectors—particularly food versus non-food retail—and across diverse geographic markets. Such a comparative ambition echoes recent calls to examine how retail theories perform in non-Western contexts, particularly in emerging markets where logistical infrastructures and market structures differ significantly from those in mature economies. In this regard, the study by Aithal *et al.* (2025) on wholesale responses in Northern India demonstrates how retail evolution theories—often developed in Western contexts—must be critically adapted to reflect local institutional and logistical conditions. Their findings underscore the importance of contextual sensitivity when applying approaches like the Big Middle theory, especially in environments where traditional intermediaries retain significant strategic roles. The three research avenues constitute the logical continuation of our paper conceived as a conceptual entry point—a preliminary framework designed to guide future empirical research and contribute to the development of a still-nascent theoretical conversation linking omnichannel strategy, logistical performance, and competitive positioning.

Conclusion

To the best of our knowledge, Big Middle theory has yet to be applied to retail logistics in distribution channel research. Nevertheless, it offers valuable insights into the complex strategic dynamics at the heart of today's retail challenges: the quest for a fragile balance between costs and services. The ability of large food retailers to navigate the extremes of low-cost and hyper-service is crucial for meeting consumer expectations, especially regarding high product availability and effective price control. In this pursuit of equilibrium, logistical optimization—emphasized by the principle of "not too much, not too little"—becomes a central challenge, increasingly influenced by disruptive business models. These models, often digital-first and asset-light, reshape traditional performance metrics and require incumbents to rethink their long-held supply chain assumptions. However, it is essential to recognize that large food retailers who settle too comfortably into the middle ground risk overlooking the significance of innovation in response to rapidly evolving consumer purchasing behaviors. Such short-sightedness could undermine their competitiveness, particularly against more agile competitors who can swiftly adopt innovative retail logistics solutions.

By proposing an analytical model, this paper seeks to advance scholarly debate on the contemporary relevance of Big Middle theory in the context of digital and ecological transformations in supply chains. The rapid expansion of digital technologies, combined with rising consumer expectations for enhanced service at lower costs, raises critical questions about the long-term viability of models grounded in the Big Middle. As digitalization continues to reshape the retail landscape, large retailers must evaluate how best to integrate innovations such as artificial intelligence, blockchain, and predictive analytics to optimize logistics operations while sustaining a competitive position in the Big Middle. This strategic challenge demands a deeper examination of how retail logistics can adapt to increasing demands for speed and flexibility without eroding profitability. Issues raised here point toward a comprehensive research agenda that blends qualitative and quantitative approaches. Qualitative methods—including case studies and transformation narratives—can offer insights into the strategic decisions and organizational adaptations of large retailers. In parallel, quantitative methods can assess the gap between perceived and actual logistical performance across retail formats. The goal is to examine how cost/service trade-offs are perceived, interpreted, and evaluated differently depending on whether one adopts a marketing or logistics perspective.

Additionally, the growing interconnection of supply chains and the mounting pressure to adopt sustainable practices introduce a new layer of complexity to these strategic dynamics. Large retailers must now navigate not only rising consumer expectations for competitive pricing and high-quality service, but also the environmental impact of their operations—an increasingly visible factor in public and regulatory scrutiny. The evolving context amplifies the need for systemic thinking, cross-functional alignment, and the development of resilient infrastructures capable of supporting both economic and ecological issues in tandem. Thus, the dual question arises: how can Big Middle positioning adapt to the intensifying demand for sustainability? Are large retailers capable of strategically reorganizing to address these challenges while preserving the delicate balance between cost efficiency and service excellence? This ultimately raises a related question: what forms of organizational governance truly enable effective articulation between marketing and logistics functions in strategic decision-making? In firms where these functions remain siloed, the cost–service trade-off often proves suboptimal or is skewed toward short-term operational logics. It is undeniable that a more nuanced understanding of this cross-functional alignment constitutes a significant managerial challenge—and a critical area for future research.

In addition, it is essential to explore how the concept of the Big Middle can vary across different market segments. For instance, cultural and economic differences among European, Asian, and North American markets could significantly influence the application of the theory. To what extent can large retailers leverage these specificities to adapt their retail logistics strategies? Addressing this issue requires a robust comparative framework grounded in empirical evidence, managerial relevance, and theoretical precision across diverse retail environments. Such an inquiry underscores the need for further research into the implications of Big Middle theory, not only for the retail sector but also for logistics and supply chain management. In summary, while the Big Middle provides a compelling framework for understanding the paradoxical tensions inherent in retail logistics, it is imperative that large retailers remain vigilant and proactive. A commitment to continuous innovation, combined with logistical flexibility, could be the key to successfully navigating an ever-evolving retail landscape. Ultimately, the future of retail logistics will hinge not only on the ability to balance costs and services but also on the capacity to anticipate and respond effectively to changing market conditions and consumer expectations.

References

Ackva, C., & Ulmer, M. (2024). Consistent routing for local same-day delivery via micro-hubs. *OR Spectrum*, 46, 2, 375-409.

Aithal, R., Maurya, H., & Satyam (2025). Do retail evolution theories explain wholesalers' responses in emerging economies? Evidence from a wholesale market in Northern India. *IIM Kozhikode Society & Management Review*, 14, 1, 105-117.

Anderson, C. (2006). *The long tail: Why the future of business is selling less of more*. New York: Hyperion.

Arnould, E. (2005). Animating the Big Middle. *Journal of Retailing*, 81, 2, 89-96.

Badot, O., & Paché, G. (2007). Une logistique expérientielle pour la firme de distribution: Du "zéro défaut" au "zéro ennui." *Management & Avenir*, 11, 11-28.

Benghozi, P.-J., & Benhamou, F. (2010). The long tail: Myth or reality? *International Journal of Arts Management*, 12, 3, 43-53.

Brown, S. (1995). Postmodernism, the wheel of retailing and will to power. *International Review of Retail, Distribution & Consumer Research*, 5, 3, 387-414.

Brown, J., Dant, R., Ingene, C., & Kaufmann, P. (2005). Supply chain management and the evolution of the "Big Middle." *Journal of Retailing*, 81, 2, 97-105.

Bucklin, L. (1965). Postponement, speculation and the structure of distribution channels. *Journal of Marketing Research*, 2, 1, 26-31.

Chauhan, P., Bangwal, D., & Kumar, R. (2025). Managing the logistics distribution performance using digitalization in the FMCG sector. *Vision: The Journal of Business Perspectives*, forthcoming.

Filser, M. (2018). Un panorama de l'évolution des théories de la dynamique du commerce de détail. In Perrigot, R. (Ed.), *Retailing et localisation: Une approche multidisciplinaire* (pp. 11-18). Aix-en-Provence: Presses Universitaires de Provence.

Filser, M., & Paché, G. (2006). La dégradation du service logistique comme source d'avantage concurrentiel: L'étrange paradoxe de la distribution française. *Gestion*, 31, 3, 36-45.

Filser, M., des Garets, V., & Paché, G. (2020). *La distribution: Organisation et stratégie* (3rd ed.). Caen: Editions Management & Société.

Frank, R., & Cook, P. (2013). Winner-take-all markets. *Studies in Microeconomics*, 1, 2, 131-154.

Grant, D., Banomyong, R., & Gibson, B. (2021). A brave new world for retail logistics and SCM in the 2020s and beyond. *International Journal of Logistics: Research & Applications*, 27, 11, 1925-1938.

Grewal, D., Gauri, D., Roggeveen, A., & Sethuraman, R. (2021). Strategizing retailing in the new technology era. *Journal of Retailing*, 97, 1, 6-12.

Gupta, S., & Ramachandran, D. (2021). Emerging market retail: Transitioning from a product-centric to a customer-centric approach. *Journal of Retailing*, 97, 4, 597-620.

Kendall, T., & Tsui, K. (2011). The economics of the long tail. *The BE Journal of Economic Analysis & Policy*, 11, 1, Article 76.

Kuchinke, B., & Vidal, M. (2016). Exclusionary strategies and the rise of winner-takes-it-all markets on the Internet. *Telecommunications Policy*, 40, 6, 582-592.

Lagorio, A., & Pinto, R. (2021). Food and grocery retail logistics issues: A systematic literature review. *Research in Transportation Economics*, 87, Article 100841.

Levitt, T. (2004 [1960]). Marketing myopia. *Harvard Business Review*, 82, 7-8, 138-149.

Levy, M., Grewal, D., Peterson, R., & Connolly, B. (2005). The concept of the "Big Middle." *Journal of Retailing*, 81, 2, 83-88.

McArthur, E., Weaven, S., & Dant, R. (2016). The evolution of retailing: A meta review of the literature. *Journal of Macromarketing*, 36, 3, 272-286.

McNair, M. (1957). Significant trends and developments in the postwar period. In Smith, A. (Ed.), *Competitive distribution in a free high-level economy and its implications for the university* (pp. 17-22). Pittsburgh (PA): University of Pittsburgh Press.

Montoya-Torres, J., Muñoz-Villamizar, A., & Vega-Mejía, C. (2016). On the impact of collaborative strategies for goods delivery in city logistics. *Production Planning & Control*, 27, 6, 443-455.

Paredes, K.-M., Olander Roese, M., & Johansson, U. (2023). Towards retail innovation and ambidexterity: Insights from a Swedish retailer. *International Journal of Retail & Distribution Management*, 51, 13, 1-15.

Pellicelli, M. (2022). *The digital transformation of supply chain management*. Amsterdam: Elsevier.

Porter, M. (1980). *Competitive strategy: Techniques for analyzing industries and competitors*. New York: The Free Press.

Ratchford, B., Gauri, D., Jindal, R., & Namin, A. (2023). Innovations in retail delivery: Current trends and future directions. *Journal of Retailing*, 99, 4, 547-562.

Reynolds, J., Howard, E., Cuthbertson, C., & Hristov, L. (2007). Perspectives on retail format innovation: Relating theory and practice. *International Journal of Retail & Distribution Management*, 35, 8, 647-660.

Tixier, D., Mathe, H., & Colin, J. (1983). *La logistique au service de l'entreprise: Moyens, mécanismes et enjeux*. Paris: Dunod.

Yang, B., Burns, N., & Backhouse, C. (2004). Postponement: A review and an integrated framework. *International Journal of Operations & Production Management*, 24, 5, 468-487.