

UK Convenience Market Report 2021

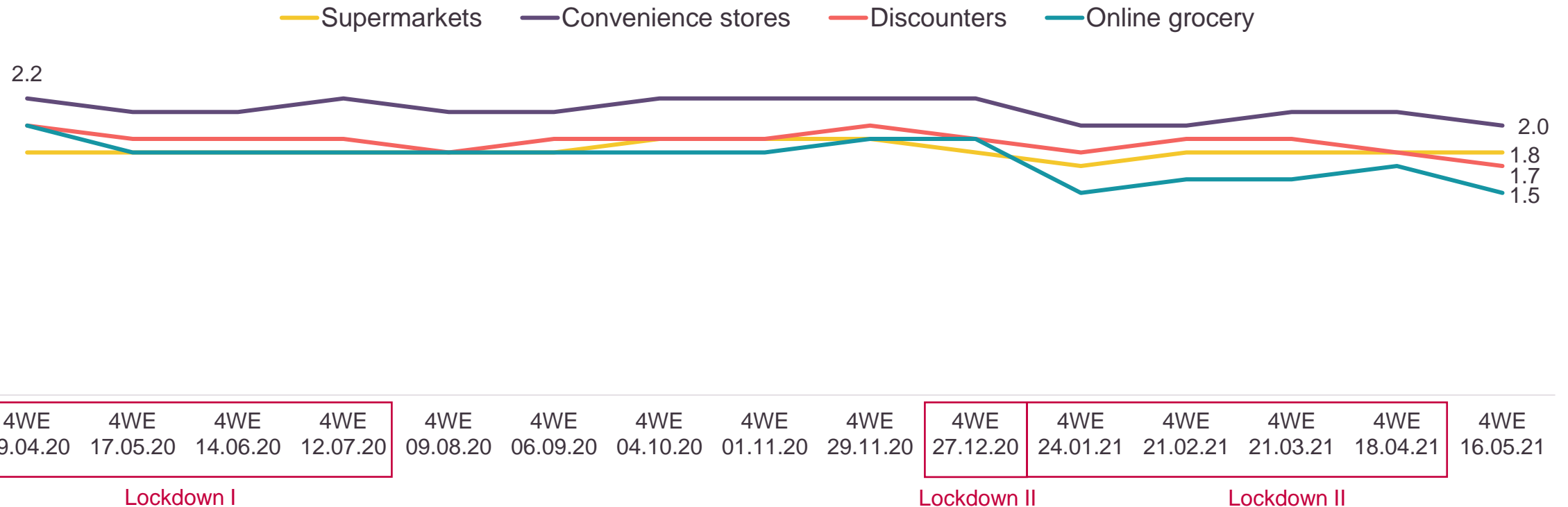
Report sample and table of contents



CONSUMERS ARE VISITING CONVENIENCE STORES MOST FREQUENTLY

Consumers are visiting convenience stores on average twice a week, a slight fall from a peak of 2.2 times per week seen throughout the past year. Online grocery frequency has fallen to the lowest frequency in 13 months with easing restrictions boosting confidence among consumers to venture out of the house for grocery shopping. Little and often convenience shopping will help consumers manage spend whilst limiting food waste.

Average number of visits per store per week



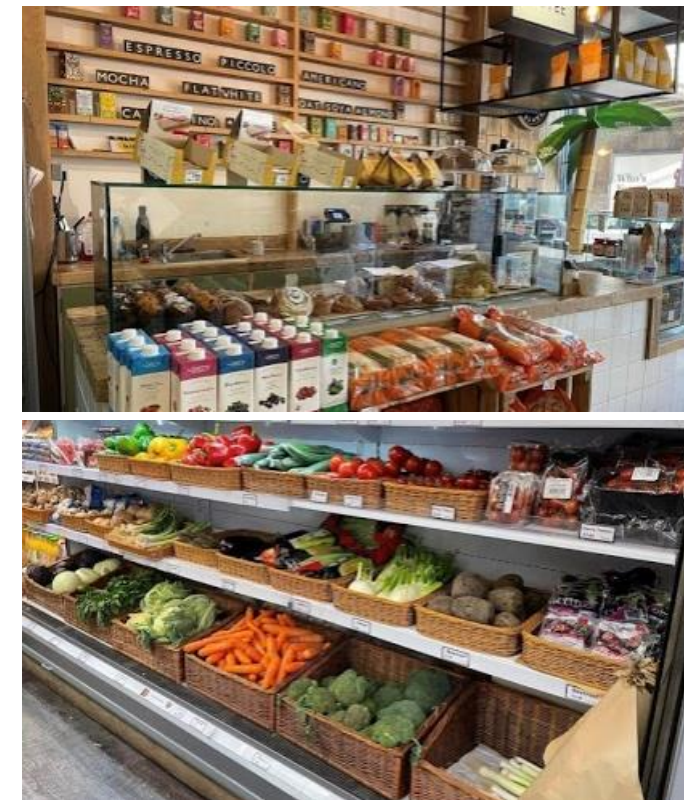
Source: Lumina Intelligence Channel Pulse data collected 23/03/20 – 16/05/21

PREMIUM CONVENIENCE CONCEPTS FOCUS ON SUSTAINABILITY

Premium neighbourhood convenience concepts are offering consumers packaging free essentials as well as deli items and barista coffee.



Planet Organic, Queens Park, London



Raw Store, Shoreditch, London

Source: Lumina Intelligence, July 2021



DELIVERY SHOPPERS ARE MORE BRAND-LED

Offering a range of branded products as part of a delivery service will increase attractiveness as delivery shoppers are **more brand-led**. Similarly, delivery shoppers are more open to paying a price premium for higher quality food which suggests potential for offering premium ranges.

In-store shoppers vs. Delivery shoppers



Source: Lumina Intelligence Convenience Tracking Programme 28 WE 30/05/21

SUPPLIERS TAKE DIFFERENT REFORMULATION APPROACHES

Suppliers are taking different approaches to complying with HFSS regulations, ranging from using alternative ingredients to boost nutritional content to repositioning newly launched products as healthier alternatives.

Using savoury ingredients to improve nutritional content



The Savourists make snacks by using savoury ingredients such as roasted lentils in combination with grains including quinoa and sunflower seeds.

Reducing sugar and salt content



Kellogg's has pledged to cut sugar by 10% and salt by 20% in its children's cereal range by 2022. All of its breakfast foods will either be a source of or high in fiber by the end of 2023.

Using a new ingredient as snacking alternative



Karma Bites has developed a line of Popped Lotus Seed snacks which are gluten free and vegan. The range is low in calories, cholesterol, fat, and sodium.

Repositioning snacks with 'better for you' versions



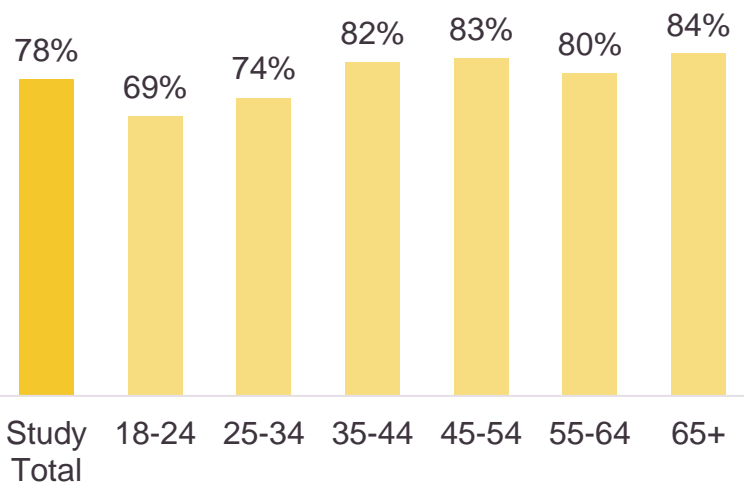
Simply Roasted has unveiled a new range of 'better for you' crisps which provide 50% less fat, less salt and only 99 calories. The brand is launching traditional flavours first, before an extended range which will have an Asian cuisine twist - Korean BBQ, Katsu Curry and Thai Green Curry.

Source: Lumina Intelligence, July 2021

SUBURBAN MIGRATION A LASTING LEGACY OF PANDEMIC

The pandemic traded lifestyle norms for home-working, local-living and a ‘chase for outdoor space’ as there was a max exodus from cities. This hyper-localism has enabled shoppers to reconnect with communities, supported by the Lumina Intelligence Future of Convenience Report 2021 which found that 53% have shopped locally more in the last year and 42% will continue to shop locally in the future.

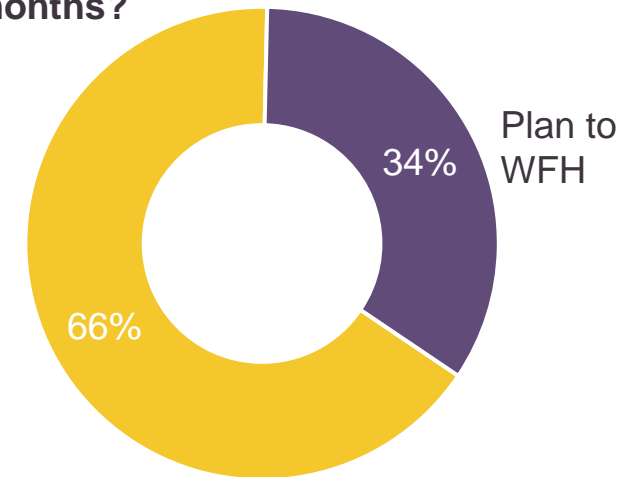
Supporting local suppliers and retailers is either ‘very important’ or ‘important’ to them



74% say it's either 'important' or 'very important' to support businesses who give back to the community

As Coronavirus restrictions begin to ease, how often do you anticipate that you will be working from home in the next 12 months?

Don't want to WFH/ Can't WFH/ Not working/ Don't know



Looking ahead post-pandemic, over a third (34%) of consumers anticipate working from home in some capacity as restrictions begin to ease. This is changing the locational focus of retailers as home working continues to impact city centre footfall. Office occupancy levels hit 50% of pre-pandemic levels for the first time since March 2020 in May 2021.

Source: Lumina Intelligence Future of Convenience Bespoke Survey 2020 , Food to Go Bespoke Survey 2021 and Property Week

FULL REPORT TABLE OF CONTENTS

Executive summary

Convenience Market Context

K-shaped recovery means mixed fortunes

Convenience market developments, 1995-2021

UK GDP growth, 2018-2022F

UK inflation and wage growth, 2016-2021

Bank of England base interest rates, 2007-2021

Consumer Confidence April 2020 - June 2021

Key metrics impacting convenience

Barclaycard Consumer Spending Reports, April 2020-April 2021

How has the pandemic impacted your financial situation? (by age demographic)

% of shoppers who visited channel in last 7 days

Average number of visits per store per week

Predicted channel opportunity

Key external developments impacting the sector

Key trends impacting the convenience market

TABLE OF CONTENTS

Convenience Market Performance

Convenience market segment definitions

Convenience market value growth in 2020 (by sub-segment)

Convenience market value forecasts in 2021 (by sub-segment)

Convenience market growth by outlets and value 2018-21F

Turnover growth by sub-segment 2018-21F

Sub-segment share of convenience market value, 2018 & 2021F

Convenience market drivers, 2021

Convenience market inhibitors, 2021



TABLE OF CONTENTS

Competitive Landscape

- Key Retailer Developments June 2020 - June 2021
- Top 10 convenience fascias by turnover to Dec-20 (m)
- Top 10 convenience fascias by outlets to Dec-20
- Top 10 convenience fascias by outlets to Dec-21F
- Top 10 fascia profiles by outlets (1 of 5)
- Top 10 fascia profiles by outlets (2 of 5)
- Top 10 fascia profiles by outlets (3 of 5)
- Top 10 fascia profiles by outlets (4 of 5)
- Top 10 fascia profiles by outlets (5 of 5)
- Top 10 symbol fascias by outlets to Dec-21F
- Top 5 convenience multiple fascias by outlets, Dec 20-Dec-21F
- Top 10 fastest growing by outlets to Dec-21F
- Key retailer range and store developments
- Best In class on-site Concessions

TABLE OF CONTENTS

Shopper Overview & Demographics

Average shopper basket spend, visit frequency and basket size (Managed convenience vs symbols & independents)

Shopper penetration and average basket spend, visit frequency and basket size by age

Convenience shopper demographic (age, social grade, living situation)

Top 15 shopper missions within convenience

Top shopper missions by age

Food to go mission by age

A focus on 25-34 year olds in convenience

Top drivers to convenience stores

Top drivers to convenience stores (Managed convenience vs symbols & independents)

Top 10 category drivers to store

Top 10 categories bought

Top categories purchased on impulse and reasons for impulse purchasing

Top categories purchased on impulse (Managed convenience vs symbols & independents)

Top categories for PMP purchases

Impulse and PMP purchases by age

Top categories purchased on promotion (by age)

Shopper importance factors

The psychographics of convenience shoppers

TABLE OF CONTENTS

A Focus On: On Demand Convenience

Delivery's share of total convenience retail occasions

In-store shopper vs. delivered shopper (basket spend, basket size and visit frequency)

In-store shopper vs. delivered shopper (age, gender, social grade)

Regional share: in-store vs. delivery

Delivery app brand awareness (by age)

In-store shoppers vs. delivery shoppers (importance of brand and price)

Delivery shopper dietary requirement over-indexes

Shopper missions - delivery shopper vs. in-store shopper

Top 10 delivered purchases

Shopper satisfaction - areas for improvement

What will the role of delivery play in the future?

TABLE OF CONTENTS

A Focus On: HFSS

What is the HFSS regulation?

Which categories are impacted and which face the biggest risk?

Top five promotional purchases in convenience

% of shoppers picking up a purchase at a specific store location i.e. display at the till

A spotlight on the impact of HFSS on the crisps & snacks category

A spotlight on the impact of HFSS on the confectionery category

A spotlight on the impact of HFSS on the soft drinks category

How to mitigate the impact of HFSS on impulse categories

HFSS categories opportunity in food & snack to go

Extra space allows for new category opportunities

Supplier focus: suppliers take different reformulation approaches

TABLE OF CONTENTS

A Focus On: Locational Analysis

- Suburban migration a lasting legacy of pandemic
- Leading retailers and operators rethink strategies
- Convenience channel - Store location share of occasions
- Locational demographic shopper profiles
- Main shopper missions, by store location
- Time in store, basket spend, basket size and visit frequency by store location
- Top category over-indexes compared to convenience average
- Top categories bought on impulse, by store location
- Top categories bought on promotion, by store location
- Top categories bought as PMP, by store location
- Dietary requirement, by store location
- Psychographics, by store location (% of shoppers who align with values)
- Shopper satisfaction ratings, by store location
- Best-in-class store examples

TABLE OF CONTENTS

Future Outlook

Convenience market value growth 2019-2024F

Future market drivers and inhibitors, 2021F-2024F

Healthier eating credentials will need to improve

Grocery delivery apps driving delivery uptake

The shift in balance between efficiency and service

The at-home & premium experience opportunity

City centre shopping shift

Iceland trials new swift store

Get in touch

For further information about this report please contact:

Holly.franklin@lumina-intelligence.com or

[Visit our website](#)

