

Specialist Food and Drink Retailers - UK - March 2016

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"The trend towards convenience shopping is driving footfall back into towns and cities where the specialists tend to be located, but with this comes additional competition from c-stores, discounters and online."
- Thomas Slide, Retail Analyst

This report looks at the following areas:

- The growth of c-stores; help or hindrance?
- Do Aldi and Lidl now pose the greatest threat?
- Should specialists be improving online?

The wider food retail sector has been dealing with some pretty seismic changes in recent years that have led to a declining market share for the supermarkets as shifting demographics mean that a growing number of consumers opt to shop either locally or online. Consumers are increasingly breaking up their shopping into smaller but more frequent trips and this has been one factor helping the specialist food and drink sector return to growth over the past two years.

Within the sector the way in which products are sold is changing, with online retailers like Hubbub and Market Porter growing sales while subscription services like HelloFresh are set to increasingly disrupt the market. In response many specialist food and drink retailers are increasingly blurring the line between retail and foodservice with bakeries like Greggs at the forefront of this.

Finally, the discounters, Aldi and Lidl, are increasingly bringing themselves into competition with specialists by developing their premium product ranges and introducing a growing number of ethical and welfare certifications. Our consumer research shows that food and drink specialists continue to stand out for their product quality but to stay ahead they increasingly need to find ways to leverage convenience and staff expertise as well.

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DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market

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Use of Food and Drink Specialists

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