

Convenience Stores - UK - 2022

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This report looks at the following areas:

- The impact of the cost-of-living crisis on the convenience sector and market size
- How consumers shop at convenience stores
- The services used at convenience stores
- The most popular convenience stores in the UK
- Satisfaction with convenience stores used
- Consumer attitudes towards convenience stores

After a pandemic-driven boom in 2020, the convenience sector struggled in 2021 (with sales declining by 0.9%) as the country gradually reopened. With foodservice, travel and other sectors opening up again, some proportion of grocery spending was diverted to out-of-home. However, the convenience sector was affected by more price-sensitive shopping behaviours and continued flexible working habits in 2021, meaning that inner-city stores suffered another difficult year.

With inflation at levels not seen for decades, many consumers are experiencing a growing cost-of-living crisis. Although grocery is, for the most part, a non-discretionary sector, convenience stores, many of which charge a premium for the convenience they offer, will need to be wary of consumers switching away as costs rise. Retailers will need to ensure they provide value for the shoppers in the communities they serve and use additional services to drive footfall.

Outside of the cost-of-living crisis, an area of concern for the sector is the much-delayed government HFSS legislation that is set, in part, to come into play in Autumn 2022, although, at the time of writing, the rules around pricing are to be pushed back to next year. The legislation will force stores to reassess how they use the space in-store and how they can still use impulse categories to drive footfall.



"New technologies, ways of living and government legislation are opening up exciting opportunities for the convenience sector but retailers must adapt quickly to tap into them."

- Piers Butel, Retail Analyst,
May 2022

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Despite these concerns, the next couple of years should be exciting ones for the sector. New technologies and services such as checkout-free stores and rapid delivery schemes are already revolutionising the sector, and at the same time, the rise in hybrid working can be the impetus for a reimagining of how the convenience store caters to the shoppers that use it, particularly around the food-to-go segment.

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