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**UK convenience retail market growth to slow to +0.3% in 2021**

According to the Lumina Intelligence UK Convenience Market Report 2021, the UK convenience retail market is set to grow +0.3% in 2021, to a value of £43.2bn. This follows a year of extraordinary growth (+6.3%) in 2020 off the back of the pandemic.

**Co-operatives lead market growth**

Growth in 2021 is set to be led by the convenience multiples (+2.1%) and co-operatives (+5.3%). Following growth of +9.6% in 2020, unaffiliated independents are set to experience a decline of -2.2% in 2021. Independents are expected to see decline, as shoppers return to larger stores in the second half of the year, however value will remain higher than pre-pandemic. A lack of outlet growth (+0.1%) from symbol groups will lead to a relatively static sales performance (-0.4%), with shoppers continuing to use in-store and delivery services.

**Symbols and indies drive higher frequency, but lower spend**

Average spend per visit to a convenience store is £10.82, with the average shopper buying 3.3 items and visiting 2.5 times per week.

Average spend within managed convenience stores is £11.60 per visit – 30% higher than average spend at symbol and independent convenience stores (£8.92). However, average visit frequency to a symbol or independent convenience store is 2.9 times per week – 26% higher than for managed convenience stores (2.3 visits per week). Shopper spend in managed convenience is higher due to wider ranges of more lucrative items including fresh and chilled, food to go and alcohol.

**Three in ten shoppers on a planned top up mission**

Top shopper missions within convenience:

|  |  |
| --- | --- |
| Top up (planned) | 31% |
| Newsagent | 16% |
| Meal occasions | 14% |
| Top up (distress) | 12% |
| Food to go | 11% |

Shop visits are becoming more planned due to the impact of coronavirus, as shoppers have grown used to quieter diaries and less frequent shopping. The Meal occasion mission ranks in the top three most common missions, driven by government restrictions placed on the hospitality industry. Retailers can drive spend within the meal occasion mission through meal merchandising and promotions that encourage upsell.

**The convenience market expected to total £47.1bn in 2024**

After a slowdown in 2021, convenience market growth is set to pick back up between 2022-24 and be worth £47.1bn in 2024 - a net increase of +£3.9 billion from 2021.

Commenting on the results, Blonnie Whist, Insight Director at Lumina Intelligence said, “Following an extraordinary 2020, it is unsurprising that growth within UK convenience retail has slowed. As restrictions ease and hospitality fully reopens, there will be a rebalancing of meal occasions. Co-operatives are set to continue to achieve strong growth in value and outlets with ambitious growth plans, further expansion into delivery operations and developments in own label.”

*“The convenience market has a unique opportunity to build on the customers and spend gained throughout the pandemic to continue to grow as a core shopping channel for consumers. Growth drivers in convenience will include the continued expansion and roll out of on-demand and delivery services as well as click & collect for larger more urban stores. Suburban stores can continue to enhance their role as key community destinations including continuing to provide core household essentials and increasing reach into attractive lunchtime meal solutions for home workers.”*

**ENDS**

**Report methodology**

The Lumina Intelligence UK Convenience Market Report 2021 is the trusted source of insight for UK leading manufacturers and operators.

The report methodology includes:

* 1,500 weekly consumer surveys from Lumina Intelligence Convenience Tracking Programme - the UK’s largest UK convenience shopper study
* Convenience market sizing from Lumina Intelligence Grocery Data Index, which provides the structure, size and turnover of the retail market with data for over +120 retailers.
* Channel detail and topical content and subject deep dives from Lumina Intelligence Channel Pulse - 1,000 consumer interviews across UK grocery retail shoppers.

**About Lumina Intelligence**

Lumina Intelligence inspires the global food and drink sector with deep, actionable insights powered by the world’s best analytics technology. Our products and services are used by the major brands and organisations in these fast moving and growing markets to support business planning, strategic marketing and new product development.

With offices in London, Chicago, Montpellier, and Singapore, and local on the ground analysts across our businesses, you can trust our market knowledge. We are committed to providing all our customers with up to date accurate information to support critical decision making.

Combining the expertise and experience of HIM, MCA Insight and Lumina Intelligence, we are the experts in market and consumer insight across the food & drink and nutrition markets.

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