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CHANNEL SPOTLIGHT

The Future of Convenience

Lumina Intelligence

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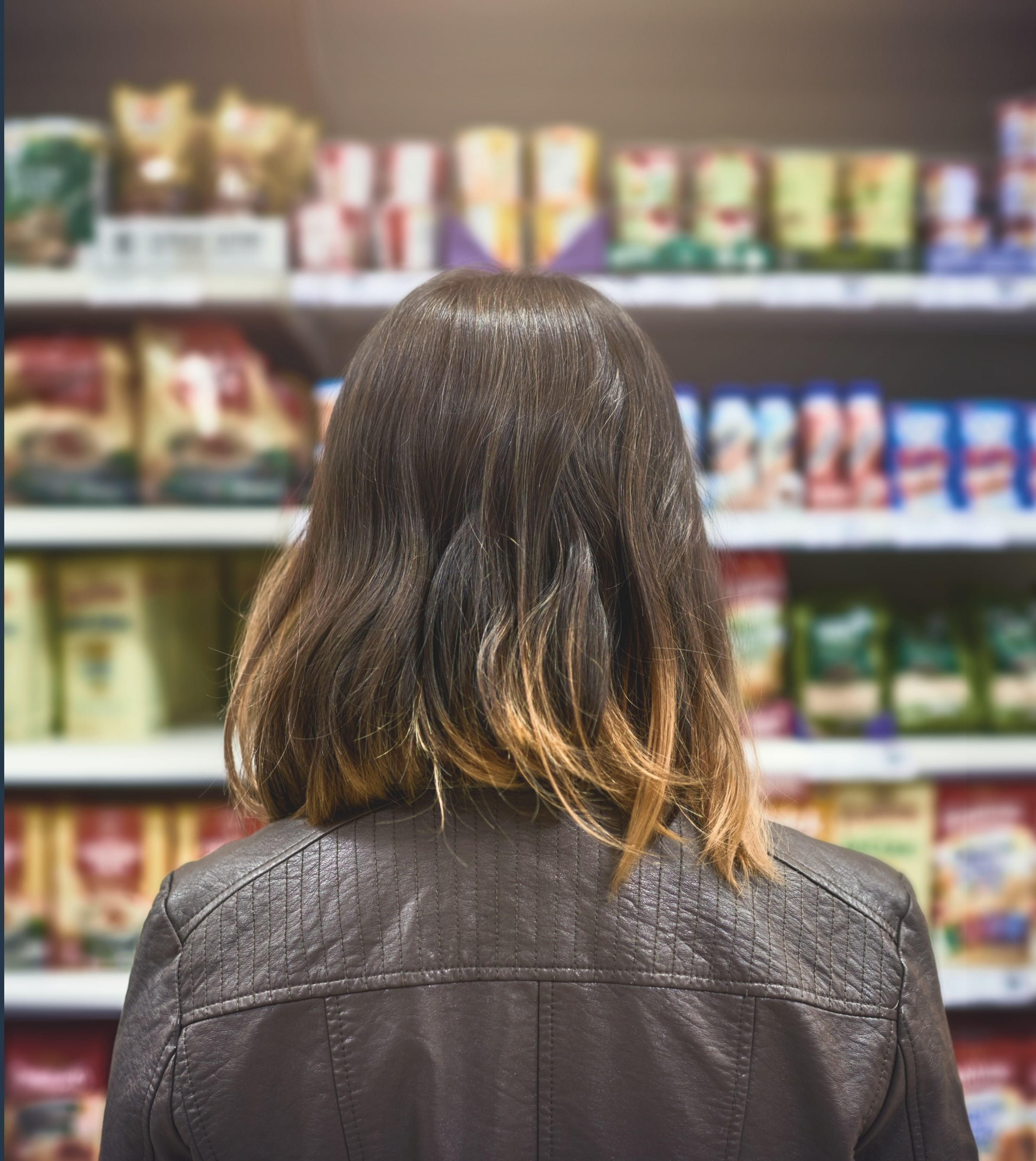

ON THE RISE

Sector Megatrends

T-COMMERCE
Technology dominates the shopping journey

LA DOLCE VITA
Consumers treat themselves

HOME: THE CENTRAL HUB
Bring home a personalised shopping experience

SUSTAINABILITY
New age of ethical demands

VALUE ABOVE ALL
Economic reality shifts consumer attitudes

HEALTHIER EATING
A major driver of change in legislation and consumer behaviour

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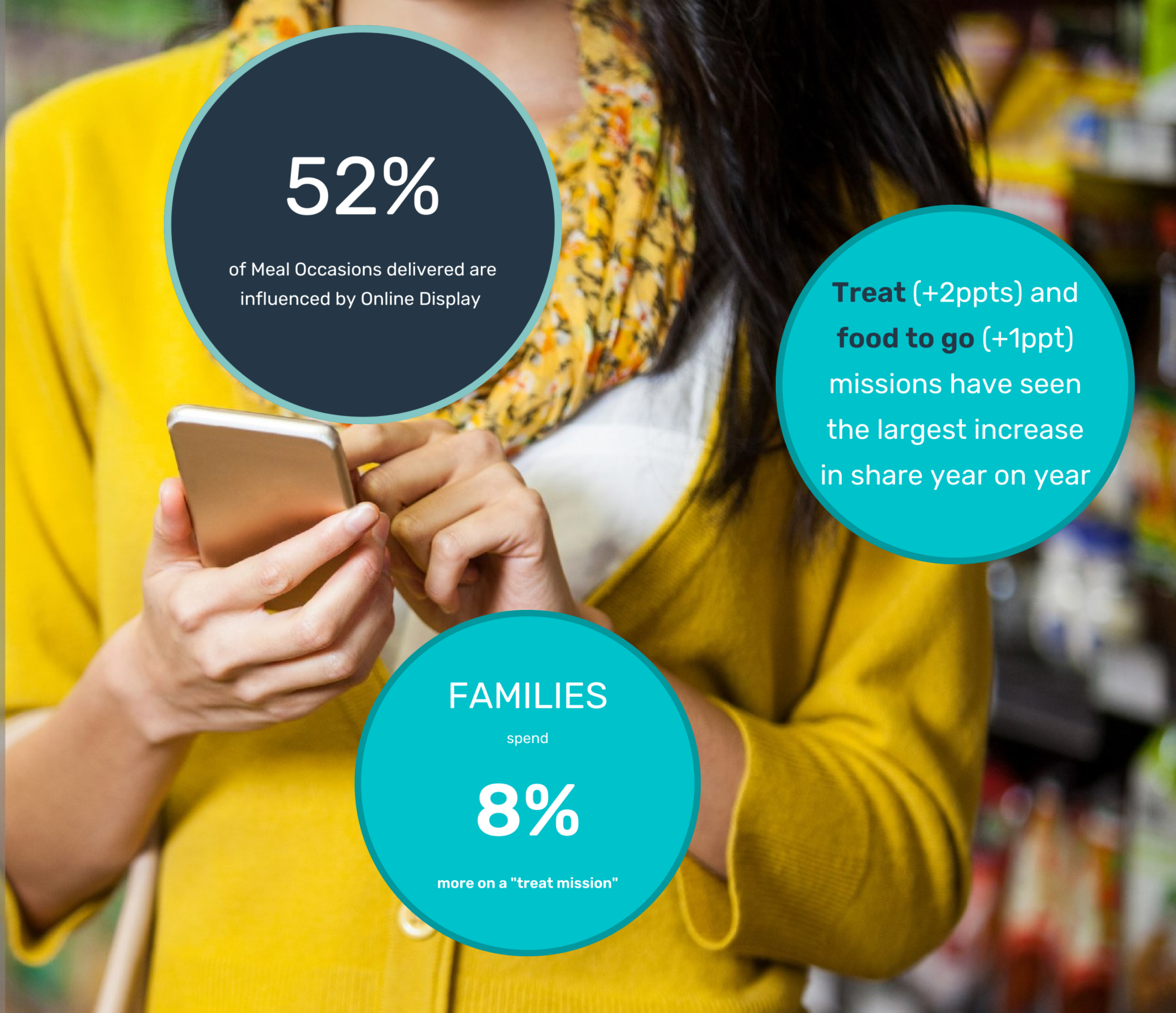
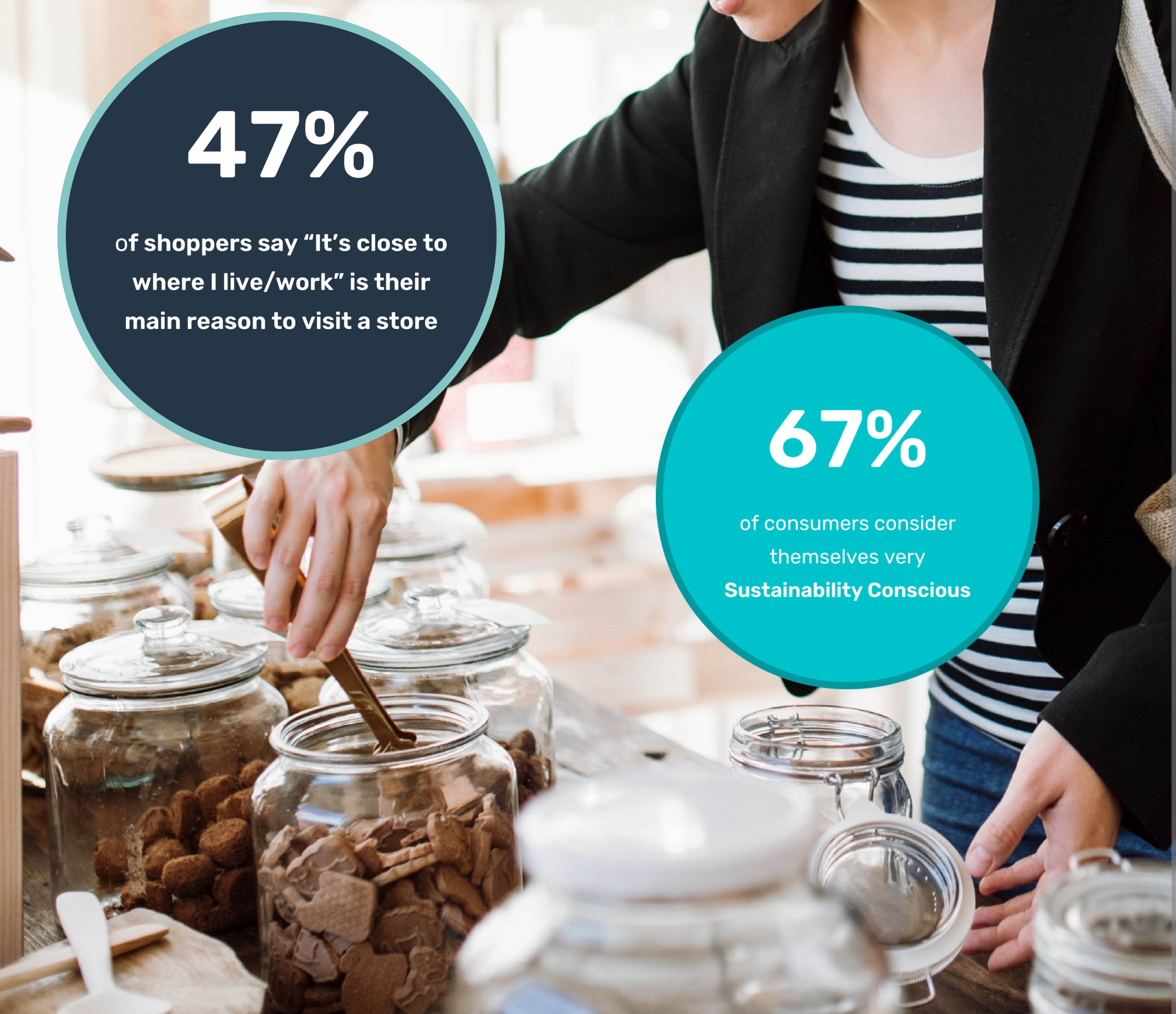
T-COMMERCE E-commerce has grown to make up 4% of the convenience market, primarily within app ordering and delivery services. Optimising the online convenience delivery experience is key: easy navigation, clear imagery and accurate descriptions can boost customer satisfaction and encourage spend. When it comes to convenience delivery, the demographic of shoppers tends to skew towards male, younger, and more affluent individuals. This presents an opportunity for suppliers to cater to these consumers by offering delivery ranges that are tailored to their specific needs and purchasing habits.

LA DOLCE VITA Also known as The Lipstick Effect, this indicates how during recessionary periods, consumers tend to treat themselves, regardless of changes to disposable income. The combination of consumers' self-indulgence and their shift towards purchasing core products through alternative channels has increased traffic to convenience stores for treat missions. Retailers must find creative ways to cater to consumers while adhering to HFSS legislation. With families spending 8% more on treat missions than other consumers, and representing 34% of convenience shoppers, they are a key demographic to target within this trend.





47%

of shoppers say "It's close to where I live/work" is their main reason to visit a store

67%

of consumers consider themselves very **Sustainability Conscious**

HOME : THE CENTRAL HUB Hybrid working has become a lasting legacy of the pandemic as companies adapt to new ways of working. Over a third of consumers prefer working remotely, leading to an increase in at-home food preparation. Convenience stores can appeal to these shoppers with concessions, meal kits and other inspiring culinary solutions to enjoy at home. Additionally, 1 in 8 shoppers purchases coffee from a retail store, therefore a strong coffee offering, and cross-category promotions are unmissable in order to drive sales.

SUSTAINABILITY As environmental concern grows, consumers desire deeper connections with brands that prioritise authenticity, ethics, honesty, and environmental and social governance (ESG) in order to foster brand loyalty, rather than just transactions. Provenance, buying local, supporting small businesses and local communities, and working towards net-zero and carbon neutral retailing remain essential to sustainability-led consumers.

VALUE ABOVE ALL There's a greater emphasis on value, and consumers are closely evaluating costs and benefits of products, and making decisions based on factors such as price, quality, and convenience. Convenience operators are always under pressure to offer products that meet consumers' needs and preferences in order to keep their relevance and not lose footfall on valuable missions. With today's greater value scrutiny, the standard is higher than ever for retailers.

HEALTHIER EATING Health-consciousness and sustainability are established as major trends in the food and beverage industry, and vegan diets are on the rise. 44% of consumers state they are very health-conscious, and while this may seem to contradict in some ways the uptick in treat missions, we expect to see a lot of creativity within this space to help consumers stay focused on their goals, whilst satisfying their cravings.

Source: Lumina Intelligence Convenience Tracking Programme, data collected 12WE 21/08/2022 and 12WE 13/11/2022

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WHAT LIES AHEAD?

Expect consolidation in the convenience market via investments, mergers, and acquisitions, fuelled by recent supply chain challenges.

The use of technology in convenience as a way to save costs and increase efficiency has gained popularity, which may drive further adoption.

Promoting local and artisanal products and brands will be more important as the UK distances from the EU.

Convenience stores will remain resilient through in-store services and accessibility reinforcing their convenience value proposition, despite competition from new channels.

Get in touch

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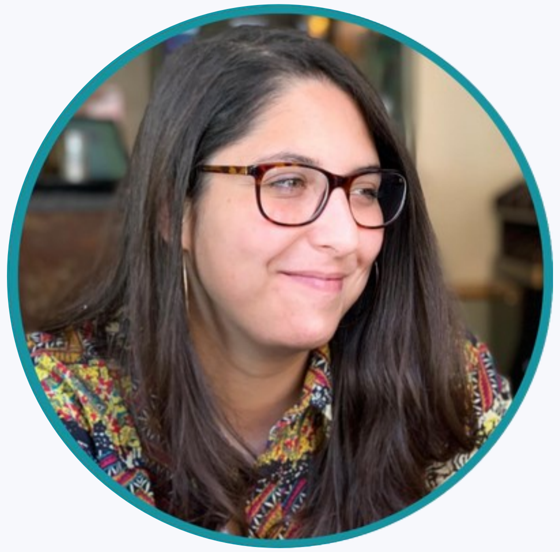

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