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**The UK Convenience Market Soars Despite Challenging Economic Climate**

Despite growing inflation and the repercussions of the global pandemic, the UK convenience market demonstrated impressive resilience and growth in 2022, according to new Convenience & Wholesale Market Report 2023.

The sector marked a substantial increase of 4.0% in 2022, amounting to a total value of £45.2 billion. The primary driver of this growth was the convenience multiples sector, which led the growth at 6.8%. This surge was partly driven by the return of consumers to city centre and workplace locations post pandemic, as well as a heightened focus on value credentials.

As consumers gradually return to a post-pandemic 'normality', market projections indicate further growth in 2023, with an expected increase of 4.1% to reach an overall market value of £47.1 billion.

However, the journey to these promising figures hasn't been without obstacles. High energy costs, supply chain challenges and value-conscious shoppers have posed significant hurdles. But the resilience of the market is evident in its response to these challenges, including enduring high inflation, strong innovation in own-brand offerings, and the adaptation of new store formats to maximise footfall.

Despite the positive growth, it's noteworthy that convenience market penetration has declined by 8 percentage points to 56% in May 2023. This downturn appears to be driven by older and less affluent shoppers (C2DE group), who seem to have exited the channel due to rising prices.

Energy costs, inflation, and supply chain disruptions continue to be business concerns, posing challenges to retailers' profitability. To combat these challenges, wholesalers and suppliers are poised to offer support to retailers through tailored category advice, product recommendations and strategic promotions. This includes guidance on energy cost-saving measures, such as the implementation of energy-efficient fixtures like fridge doors.

While challenges persist, the robust growth in the convenience market in 2022 and its projected growth in 2023 clearly illustrate the sector's adaptability and resilience in the face of an uncertain economic climate.

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The Lumina Intelligence Convenience & Wholesale Market Report 2023 is the definitive report on the UK convenience sector. The report gives a comprehensive overview of the market, competitive landscape, shopper metrics and future forecasts. This report also features a section focused on the wholesale channel including bespoke research with over 400 retailers on their attitudes and behaviours in the wholesale channel for readers to understand the full scope of the market.

**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.

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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