



# Market Report

A Snapshot of your Market Sector

## Convenience Store & Newsagent

This pack has been designed to provide information on setting up a business in the **Convenience Store & Newsagent** industry in Scotland, as well as helping to inform the market research section of your business plan. You can find more information on how to write a business plan from the Business Gateway website ([www.bgateway.com/businessplan](http://www.bgateway.com/businessplan)), including an interactive template and tips to get you started.

This market report was updated by Business Gateway in **January 2021**. If you find the information contained in this document useful, tell us about it! Send us feedback [here](#); we will use your comments to help improve our service.

## What do I need to know about the Convenience Store & Newsagent market?

The following summary statistics have been taken from market research reports and reliable resources that the Information Service uses to compile industry information. They should give you an indication of how your industry is faring at present and whether there is demand for your type of business:

- ◆ Following a rebalance in 2021, steady growth is forecast for the sector through to 2025. This peak in demand in 2020 due to lockdown will naturally not be replicated in 2021, and a rebalancing of sales in the first half will naturally lead to a decline in the market size. The convenience store sector is also one in which there is a premium attached to its pricing, and if household finances continue to be stretched past the second half of 2020 then the sector could see some shoppers move away in search of more value alternatives. (Mintel, *Convenience Stores INC Impact of Covid-19 UK*, June 2020).
- ◆ IBISWorld expects the industry to perform fairly strongly over the five years through 2020-21, with revenue forecast to **increase at a compound annual rate of 4.9%**. Changing trends, such as the growing popularity of top-up shopping, have been key to growth in the industry. (IBISWorld, *Convenience Stores in the UK*, July 2020).
- ◆ Industry Intense competition is expected to continue degrading the industry as more sales are lost to external operators such as supermarkets, convenience stores and department stores, which offer competitive pricing, a large scope of products and consumer convenience. Moreover, the dominance of online retailing is likely to continue drawing demand away as time-poor customers seek to benefit from the convenience of shopping or reading news online. (IBISWorld, *Newsagents & Stationary Stores in the UK*, September 2020).
- ◆ The Convenience Store industry is expected to record a 3% current value CAGR over the forecast period to reach **£36.5 billion in 2024**. Store expansion is expected to slow down, but the existing network is seen as offering good opportunities for value growth. The slowing down in the expansion of the sore network comes in the face of the **first signs of maturity**. (Euromonitor, *Convenience Stores in the United Kingdom*, March 2020).
- ◆ The national organisation for this industry is the [Association of Convenience Stores](#). Other industry bodies include the [National Federation of Independent Retailers](#), the [British Retail Consortium](#) and the [Scottish Grocers Federation](#).

## Where can I find more information on my market?

The Information Service has access to a number of databases which can offer more detail on this industry. Some of these reports are listed below - if you would like to be sent extracts from any of these reports, please contact us on **0300 013 4753** or email [info@bgateway.com](mailto:info@bgateway.com).

- ◆ **Mintel - Convenience Stores INC Impact of Covid-19 UK (June 2020)**. Industry Services are very important with 66% of c-store shoppers typically using at least one service. Most used are ATMs, followed by Post Office services, illustrating how the c-store sector has been able to capitalise on the opportunities, especially in being a footfall generator, of having a Post Office in-store. It's worth noting that there is a strong bias to younger, more affluent customers in the use of services (apart from Post Office services, where the appeal is more widespread).
- ◆ **IBISWorld – Newsagents & Stationery Stores in the UK (September 2020)**. Online retailing of stationery has grown dramatically, while the circulation of newspapers has plummeted. Struggling to compete, the industry has been left in a state of decline. These trends have been accentuated in 2020-21, as the outbreak of COVID-19 (coronavirus) led to the temporary closure of non-essential stores and industry operators have fallen behind in the competition against online shopping, digitalisation and supermarkets. Revenue is expected to contract at a compound annual rate of 8.1% over the five years through 2020-21, contracting by 23.9% in the current year to reach £1.9 billion.
- ◆ **IBISWorld - Convenience Stores in the UK (July 2020)**. The industry is anticipated to continue growing over the next five years. Trends such as top-up shopping are expected to support expansion, though a key factor driving industry growth is likely to be the rising number of symbol-affiliated stores. The long-lasting effects of coronavirus are expected to boost growth in this period, as local shopping becomes more engrained and lower incomes lead to more home cooking.

There are also a number of online resources you may find helpful:

- ◆ **Scottish Grocers Federation- The Scottish Local Shop Report 2020** ([tinyurl.com/y32oy7uy](https://tinyurl.com/y32oy7uy)). This report looks at the convenience store sector in Scotland – where stores trade, those employed in the sector, economic contribution and contribution to local communities.
- ◆ **Scottish Grocer and Convenience Retailer** ([tinyurl.com/ybjpvvtf](https://tinyurl.com/ybjpvvtf)). This magazine covers market news, articles, business, legal and property and many categories such as free-from, healthier options, technology and world food and drink.

**Disclaimer:** This report has been updated in January 2021 - we have included Post COVID-19 market material where available. Please note that this research may contain copyrighted material. Copyright belongs to the holders credited above and, as such, recipients of this research reproduce and repurpose this information at their own risk.



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## How can I find out about my competitors?

Business Gateway's online guide to [Competitor Analysis](#) explains how to find your competitors, how to research what they're doing and how to act on what you learn about them.

Immediate competition will be from other businesses in your local area. There are several online directories which can be used to find company information and generate lists easily and at no expense. Many Local Authorities also publish local business directories on the web. Below are some key web resources:

- ◆ General business directories such as [Yell](#) ,[Thomson Local](#) or [Google Maps](#)
- ◆ Trade specialists like [EuroPages](#) (European directory), [The Wholesaler](#) or [Free Index](#)
- ◆ Business to business (B2B) specialists such as [Kompass](#)

Likewise, your local Chamber of Commerce may publish a members' directory; find your local Chamber on the [Scottish Chambers](#) website.

Once you've identified who your competitors are, the next step is to gather information on the way they do business. Which services do they provide? How do they market themselves? How much do they charge?

To learn about your competitors:

- ◆ Look for articles or adverts in local newspapers, trade press and directories.
- ◆ Try to read their marketing material; if the company has an online presence, visit the company's website as a first port of call. Not only does it give you a better understanding of the company's activities, it can also offer a wealth of information such as a company history or staff biographies, as well as the company's partners or suppliers
- ◆ Search for information on limited UK companies via the [Companies House](#) website
- ◆ Gain an insight into your competitor's performance using credit checks and the accounts that limited companies are required to submit to Companies House each year.

We can provide credit checks free of charge; if you are interested in using this resource, or looking for us to help you find relevant publications, please contact us by emailing [info@bgateway.com](mailto:info@bgateway.com) or by calling **0300 013 4753**



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## What about suppliers?

[Choosing and Managing Suppliers](#) can help you decide what you need from a supplier, how to identify one and how to choose one to deal with.

Trade associations or industry specific organisations may also be able to recommend suppliers or contacts. You can also use the aforementioned resources for finding competitors to find suppliers.

Once you have decided on a supplier, we can run a credit check on the company to help assess their financial stability. We provide credit checks free of charge; if you are interested in using the resource please [info@bgateway.com](mailto:info@bgateway.com) or by calling **0300 013 4753**.

## Who are my customers?

Your business plan should include information about the customers you would expect. Business Gateway's guides on [Market and customer research](#) will help you to identify new trends, opportunities, customers and competitors.

It can be useful to group your customers by geographical location, age or lifestyle. The websites listed below are freely available and can provide most of this information. If you can't find what you're looking for from these website, please contact us and one of the team will be happy to help:

- ◆ Access the latest population estimates from the [National Records of Scotland \(NRS\)](#). NRS also offers demographic factsheets for each council area in Scotland, which can provide summary statistics for the area you will be based in.
- ◆ Information from the most recent census in 2011 is released via the official website. See in particular the [Census Area Profiles](#). Clicking on your area of interest will give the latest population figures, including estimates by age.
- ◆ [Understanding Scottish Places](#) has interactive profiles of towns and cities across Scotland. It can be useful for understanding the interrelationships and flows between towns, and also gives comparisons between two or more places.
- ◆ [Scottish Government Statistics](#) provide accurate and up-to-date statistics on Scotland, covering population, health, education and housing.
- ◆ [The Scottish Household Survey](#) provides information on the structure, characteristics, attitudes and behaviour of Scottish households, both at a national and local level.
- ◆ [Office for National Statistics \(ONS\)](#) is the recognised national statistical body for the UK. ONS covers a wide range of demographic, economic and social issues at a UK level.

## How can you help me with other aspects of starting my business?

The Business Gateway website has guides, videos, online tutorials and tips on all aspects of starting up a business in Scotland. Follow the links below to explore each resource:

### Accountancy

Institute of Chartered Accountants of Scotland's (ICAS) "[Find a Chartered Accountant](#)" tool

### Funding

[Practical information](#) on finance and funding for starting and growing your business

### Insurance

[Business insurance guide](#)

### Legal Help

Gov.uk "[Licence Finder](#)" tool

Law Society of Scotland's "[Find a Solicitor](#)" tool

### Pricing

Business Companion [Pricing & payment guide](#).

**Please note:** the most effective way to research pricing is to conduct your own research – visit wholesalers or suppliers to obtain price lists, find quotes from similar companies and work out what other businesses in your area are charging

### Promotion

[BG guides to Marketing](#)

### Training

[Skills Development Scotland's My World of Work](#)

[Funding for training](#)

[Small Business Bonus Scheme \(Scotland\)](#)

Your local Business Gateway can offer events, workshops and 1:2:1 support on all aspects of starting and developing your business. Call the helpline on **0300 013 4753** to find out what is available in your area.

We hope you find this Market Report useful and we'd love to hear your feedback [here](#).

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**Updated by: Liesel**

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