



Market Report

A Snapshot of your Market Sector

Convenience Store & Newsagent

Cost of Doing Business Support

For information on **reducing the cost of running your business**, the [Find Business Support](#) website has links to advice, funding and regional support.

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), including an interactive template and tips to get you started.

This market report was updated by Business Gateway in **January 2023**. 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:

- ◆ Convenience stores offer more than just groceries for shoppers and the services they offer can be vital for the communities they serve. Approximately **68%** of consumers made use of the additional services at their local convenience stores. The services offered are varied but ATM machines are the most popular along with usage of parcel services. (Mintel, *Convenience Stores*, May 2022).
- ◆ IBISWorld expects that over the five years through 2022-23, industry revenue will **increase at a compound annual rate of 3.1%** to reach **£47.3 billion**, with trends in local top-up shopping supporting growth. (IBISWorld, *Convenience Stores in the UK*, September 2022).
- ◆ Over the five years through 2027-28, the newsagents and Stationery Stores industry revenue is anticipated to decrease at a **compound annual rate of 4.7% to £1.3billion**. Intense competition is expected to continue to limit industry demand as more sales may be lost to supermarkets, convenience stores and online retailers. Reading news online is expected to limit the demand for newspapers. (IBISWorld, *Newsagents & Stationery Stores in the UK*, July 2022).
- ◆ Retail sales are set to increase at a current value **CAGR of 2%** over the forecast period to **GBP 38.1 billion in 2026**. The application of high-tech solutions are about to alter the way consumers shop at smaller store formats. Examples of this include the current trials of till free stores being carried out by Amazon in which customers pick up the products they need and walk out of the store without scanning or paying for them at the point of sale (Euromonitor, *Convenience Stores in the United Kingdom*, February 2022).
- ◆ 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](#).



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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.

- ◆ **Mintel - Convenience Stores (May 2022).** Some 87% of UK adults typically made purchases at convenience stores down from 89% in 2021. Cigarettes and newspapers continued to decline as these traditional footfall drivers lose their appeal to younger generations. ATMs remain the most popular service provided despite the drop in cash usage over the last 12 months. Post Offices and click-and-collect services saw usage grow amid a boom in online retail use. Click-and-collect points bring in younger demographics in particular.
- ◆ **IBISWorld – Newsagents & Stationary Stores in the UK (July 2022).** Greater adoption of smart phones and computers has led to a surge in online publishers of news as well as news from social media. Unlike printed newspapers, online news agencies are able to offer real time news catering to a range of consumer tastes. The availability of high-quality news and features online is likely to correspond with a fall in demand for physical newspapers and magazines.
- ◆ **IBISWorld - Convenience Stores in the UK (September 2022).** Scotland has a high number of convenience stores per individual. This is partly because of the country's low population density, meaning that large supermarkets are too big to serve the small communities often found in the country. As a result, convenience stores have historically thrived in the region. Scotland contains approximately 8.8% of industry establishments.

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

- ◆ **Scottish Grocers Federation- The Scottish Local Shop Report 2022** (tinyurl.com/yj2xjk5v). 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). 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.

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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 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 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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You must not rely on the information in the report as an alternative to advice from an appropriately qualified professional. If you have any specific questions speak to your Business Gateway Advisor or consult an appropriately qualified professional.

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