



# 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 2024**. 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:

- ◆ Some 89% of consumers said that they typically make purchases from convenience stores, a slight growth from 87% in 2022 and 84% in 2020. These changes are slight but mirror broader trends seen in the grocery sector, with food items for the home being a driver for the sector as people look to alternatives to eating out as the rising cost of living continues to impact many shoppers. (Mintel, *Convenience Stores in the UK*, April 2023).
- ◆ Over the five years through 2023-24, revenue for the Newsagents and Stationery Stores industry has declined at a projected compound annual rate of 10.8%, reaching £1.7 billion. This decrease is due to external competition from online retail, big-box and grocery stores, making it harder for businesses to make a profit. The digitalisation of news and the prevalence of social media as a primary news source has further contributed to the drop in traditional newspaper sales. Stationery sales have become the main revenue driver in the industry, the demand for stationery has been driven by the rise in popularity of personalised stationery among students. In 2023-24, revenue is forecast to decrease by 4.6%. (IBISWorld, *Newsagents & Stationery Stores in the UK*, September 2023).
- ◆ Over the five years through 2028-29, convenience stores' revenue is anticipated to grow at a compound annual rate of 2.3% to reach £55.6 billion. To remain profitable amid high competition from supermarkets, convenience stores will look to lower their dependence on staff by increasingly automating tasks like checkouts and inventory management and implementing electronic shelf labels. Things like postal, money transfer and click-and-collect services will become features in most stores to drive foot traffic (IBISWorld, *Convenience Stores in the UK*, December 2023).
- ◆ 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 UK (April 2023).** The convenience sector will continue to have steady growth into 2027. We forecast value growth of convenience store retail sales to be positive through to 2027, growing 17.5% between 2023 and 2027, reaching £58.1 billion. This forecasted growth rate highlights a slowdown compared to the 18.8% growth experienced in 2017 through to 2022. This period includes the peak of the pandemic, in which in-home purchasing greatly boosted demand in the sector.
- ◆ **IBISWorld – Newsagents & Stationery Stores in the UK (September 2023).** Revenue is expected to contract at a compound annual rate of 5% in the five years through 2028-29 to £1.3 billion. Consolidation trends are set to continue while retailers scramble for new ways to cut costs. Additionally, since school students are one of the main consumers of stationery, retailers are expected to need to keep up with youth trends to appeal to students, particularly during back-to-school season. Moreover, retailers are anticipated to expand their service offerings to include post-office services and Oyster top-ups to increase foot traffic, generate impulse purchases and earn a commission.
- ◆ **IBISWorld – Convenience Stores in the UK (December 2023).** The Co-op acquired Nisa in 2018, Bestway acquired Costcutter in 2020 and Morrisons acquired McColl's in 2022. The new trading relationships with well-established supermarkets and wholesalers will bring a wider and more reliable product selection to stores and they will also benefit from the operational expertise these firms possess. Over the five years through 2023-24, revenue is forecast to grow at a compound annual rate of 2.6% to reach £49.5 billion, including growth of 1.1% in 2023-24.

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

- ◆ **Scottish Grocers Federation - [The Scottish Local Shop Report 2023](#).** 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 & Convenience Retailer](#).** 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](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 websites, 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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