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*The art of customising shopper research*

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## **Research Shows Retailers are Missing a Trick (or several) in the Convenience Channel**

*...56 percent feel quality of products is compromised in convenience stores  
compared with major supermarkets...*

*...77 percent want more local products available...*

**London, UK - 15<sup>th</sup> February 2010** - According to a new research report “Windows on Convenience Shopping” which is being launched today by Shoppercentric, an independent agency specialising in shopper behaviour research, retailers are not fully understanding the needs of shoppers at convenience stores and as such are missing out on a huge untapped market potential.

With more than a thousand online interviews conducted amongst a nationally representative sample of UK households, the purpose of this new research was to challenge the industry to look at the convenience channel with fresh eyes and to investigate what differentiates the many faces of convenience. To find out whether stores are successfully tuning in to what shoppers really need and want; discover how shoppers actually use these stores and to find out whether the higher cost of convenience would be the barrier we might expect.

“The ‘convenience channel’ is a widely adopted concept in the retail industry, with business strategies and management structures projecting the vision of a unified business model based on common principles,” said Danielle Pinnington, Managing Director, Shoppercentric. “Of course the reality isn’t that simple. Shoppers care little for industry labels. Our research shows that they are more likely to dash into a supermarket for their short term shopping needs than into a designated ‘convenience’ store: for nearly nine out of ten shoppers, convenience shopping is all about location and opening hours, not store size and format. That said, within the convenience stable, our research shows that shoppers do differentiate between different breeds of store and there’s work to be done across all types of these stores in order to meet shopper needs.”

### **Convenience Store: Key findings**

- 56 percent feel they are currently compromising on the quality of products they buy in convenience stores compared with major supermarkets.
- 77 percent of shoppers feel that convenience stores should offer more local products.
- More than 60 percent of shoppers feel the range in convenience stores doesn’t reflect their needs. This rises to 8 in 10 for petrol forecourt stores.
- Less than 15 percent of shoppers agree that their local store offers ‘something different’, such as freshly baked products, cakes & pastries, cashpoint services etc.



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- 86 percent agree that convenience shopping isn't about the type of store as much as it is about where the store is located.
- 87 percent agree that convenience isn't about the type of store as much as it is about them being open at times when they need to use them.
- 74 percent of shoppers were most likely to rate their local specialist as friendly. At the other end of the scale were petrol forecourts - only thought to be friendly by 26 percent.
- Despite 83 percent of shoppers expecting to pay more for goods in convenience stores, 46 percent use them because smaller ranges help them stick to their budgets and avoid temptation.
- 60 percent of shoppers said they were deliberately using cash in convenience stores so that they can keep a close eye on their expenditure.
- Four in ten shoppers say that a petrol forecourt shop is a place they would only go when desperate.

Pinnington continues: "Nine out of ten shoppers claim they just want to be able to buy the basics quickly and easily from convenience stores but this is just a basic request that must be met. It does not seem an ambitious enough agenda for a localised way of shopping that offers so much potential over and above the mainstream grocery experience. A local setting provides unrivalled opportunities for building genuine loyalty based on a positive connection with the store, as a part of the surrounding community.

It's also interesting to find that shoppers perceive the major supermarket brands as the thoroughbreds, offering trusted quality, reassuringly clean and bright surroundings and (relatively) reasonable prices. However with reliability comes a somewhat clinical image. The humbler convenience multiples, Budgens, Spar and the like, appear to offer some of the personality and community feel that the retail giants lack. While 32 percent consider the Tesco/Sainsbury convenience store near to their home to be friendly, a significantly higher 46 percent associate friendliness with other multiples (Budgens, Londis, One Stop, Alldays, Spar, Co-op et al). Likewise just 11 percent consider the Tesco/Sainsbury's model to project a community feel, compared with more than double (28 percent) for their purely convenience multiple rivals.

Predictably, local specialists, butchers, bakers and the like, are seen to beat all-comers for their friendliness and sense of community (74 percent agree they are friendly, 45 percent consider them to have a community feel and 46 percent recognise their support of local producers). However, perhaps more striking is the sense of value projected by these traditional formats. They achieve the strongest endorsement for "quality I can trust" (58 percent) coupled with price perceptions as good as, if not better than, their convenience chain counterparts. This winning combination makes them the most enjoyable of all the different types of store to shop in - perhaps warranting some pause for thought among more contemporary formats."



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Pinnington concludes: “At present shoppers seem to have to choose between slick professionalism and the more personal touch in the convenience stores they visit. Why can’t they expect both on their local high street, breathing new life and enjoyment into their shopping habits? Such a mismatch points to a lack of clear understanding of the ways in which shoppers are using the various faces of the convenience channel, their needs and their expectations. Shoppers’ relish of local specialists surely shows their appetite for shopping in a different, more engaging way that provides high quality products and connects them with their local area.

Retailers and brand owners take note. A more informed and tailored approach is needed if the true potential of this channel, in its many guises, is to be realised.”

-Ends-

**About the research**

The findings are based on 1,045 interviews conducted using an on-line panel. All adults were aged 18-64 years and all had to be the main grocery shopper for the household. Shoppercentric also set quotas on gender, age, SEG, and geography to achieve nationally representative sample.

**About Shoppercentric**

Shoppercentric is an independent agency specialising in shopper behaviour research, providing brand owners and retailers with the perspective that drives shopper marketing and retail strategies. It was established in 2004 and works with clients ranging from Cadbury to Debenhams.

For more information about Shoppercentric please visit: [www.shoppercentric.com](http://www.shoppercentric.com)

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