THE FORECOURT REPORT 2016

A report by the Association of Convenience Stores

ACS | the voice of local shops

#ForecourtReport

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ABOUT ACS

The Association of Convenience Stores is a trade association representing local shops across the UK. We represent our members through effective lobbying, industry leading advice and networking opportunities for retailers and suppliers.
Our membership includes a diverse range of convenience store retailers, from stand-alone family run independent stores to symbol groups and multiple convenience stores. These retailers operate in neighbourhoods, villages, on petrol forecourts and in city centres.

ACS' core purpose is to lobby Government on the issues that make a difference to local shops. We represent the interests of retailers on a range of issues, including business rates, energy, regulation, planning, alcohol and many more. All of our submissions to Government can be found in the Lobbying section of our website.

For more information about ACS, visit our website.

ACS.org.uk

ABOUT THE REPORT

This is the first edition of the Forecourt Report, building on the success of the wider Local Shop Report which profiles the entire convenience sector. Forecourts are an important part of the convenience sector, providing an essential service to customers looking for a wide range of products from the traditional fuel purchases to a diverse shopping basket that provides enough food for a family for the week. The purpose of this report is to highlight the role that convenience stores play on forecourt sites and the developing range of products and services that they offer. As this report focuses on the convenience aspect of forecourt stores, data on fuel pricing and purchasing has not been included.

This report brings together data from well-respected research organisations such as Accenture, him! research and consulting, Nielsen, the Institute of Grocery Distribution, William Reed Business Media in addition to new research that has been designed and commissioned by ACS. Together, this information provides a rich picture of the forecourt convenience market and its economic and social contribution to the UK.

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SALES

TOTAL VALUE OF CONVENIENCE FORECOURT SALES...

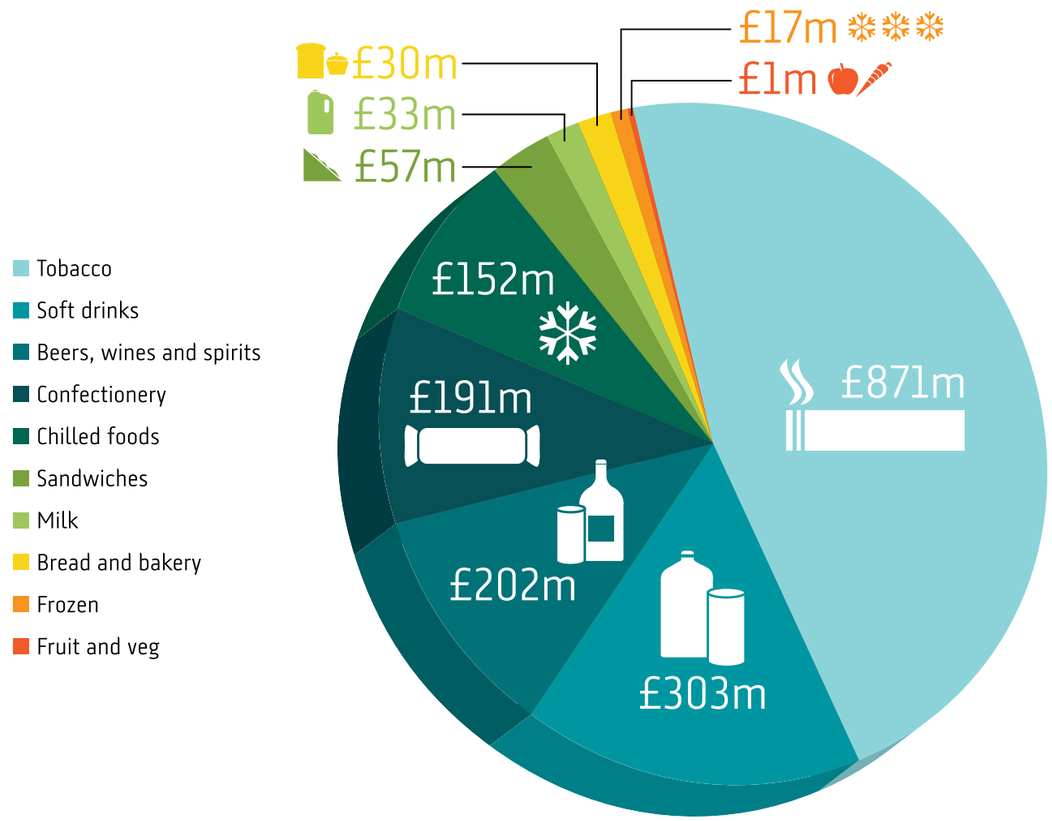
£4bn

Source: IGD 2016

SHOP CATEGORIES

The data below reflects the core convenience product categories that are sold in forecourts, and represents the average across the whole forecourt sector. Within the forecourt sector, there is significant variation in the importance of different categories based on the location, size and ownership type of store.

This data does not include food and drink to go categories such as coffee and baked goods. For more information on the percentage of retailers that offer these types of service, please see the Features section on pages 8-9.



Source: Nielsen 2016

SHOPS

8,748 FUEL FORECOURT STORES IN THE UK

Source: WRBM/IGD 2016

FORECOURTS - SHOP SIZE

0-999 sq ft | 1,000-1,999 sq ft | 2,000-3,000 sq ft

The breakdown of store size for forecourt stores is similar to the overall size of independent stores in the convenience sector. The majority of stores operate out of a relatively small footprint (under 1000 sq ft) offering a core range of products.

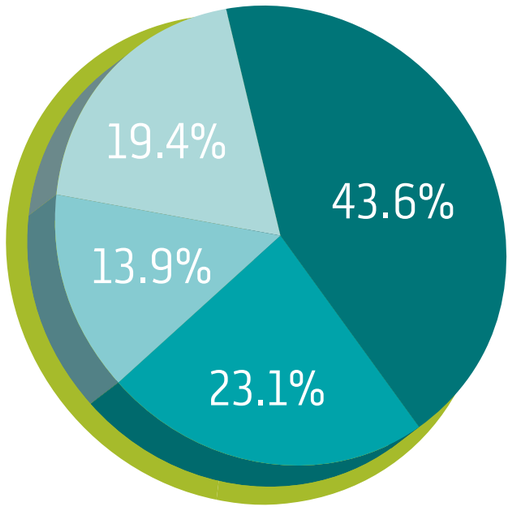
There are a small number of stores that are over 3,000 sq ft, but these have not been included for the purposes of this report.

Source: ACS/him! 2015

SHOP OWNERSHIP

The forecourt sector makes up 17% of the stores in the overall convenience sector. Of these stores, more than half (56%) are owned and operated by multiple retailers (businesses with more than 10 stores) and the rest (44%) owned and operated by independent retailers.

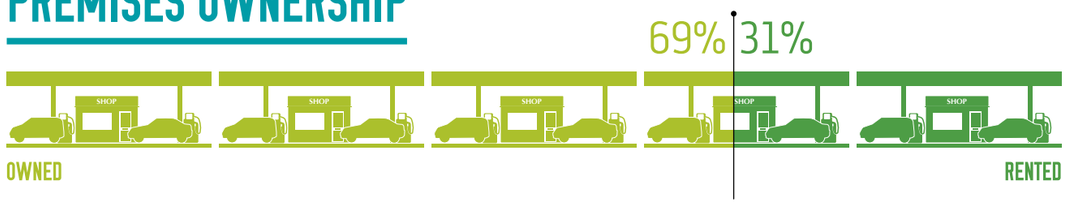
Within the multiple segment, several different types of business run stores. Around 1,700 stores are run by large retailers like Tesco and Sainsbury's, with sites both attached to supermarkets and standalone. Over 1,200 stores are owned by large oil companies like Shell and BP, and over 2,000 are run by other multiple retailers like MRH (GB), Motor Fuel Group, Applegreen and others.



- Independents
- Independent multiple retailers
- Oil company owned multiples
- Multiple retailers

Source: WRBM/Nielsen 2015

PREMISES OWNERSHIP



Source: ACS/him! 2015 (independent retailers only)

LENGTH OF SITE MANAGEMENT

Source: Accenture / PRA survey

1	10+ YEARS	48%
2	1-5 YEARS	31%
3	5-10 YEARS	16%
4	LESS THAN 1	5%

ADDING VALUE TO YOUR FORECOURT'S OPERATIONS

Forecourt owners believe that the best way to add value to their business is to develop their existing staff. The Customers section of this report (pages 10-11) shows that having friendly staff is the biggest driver of customers to stores, demonstrating the importance of having well trained staff.

Additionally, the diverse range of different services and features that forecourt retailers can offer (more information on pages 8-9) requires staff members to be skilled in a number of areas.

Staff training	37%	Reduced energy bills	33%	Targeted promotions	22%
Improved customer insight and customer data	22%	Targeted loyalty campaigns	20%	Improved facilities	18%
One stop shop to access information related to your retail site(s)	18%	Management of compliance requirements	13%	Improved technical support	12%
Reducing overheads associated with financial and accounting process	12%	Work force optimisation	10%	24 hour availability to customers	8%
Mobile payments	8%	Site staff performance, compensation and rewards management	8%	Technology to enable communication with customers devices or cars (NFC)	5%
Customer contact centre	5%	Improved management information	5%	Ability to reduce frequency of health and safety incidents	3%

Source: Accenture / PRA survey

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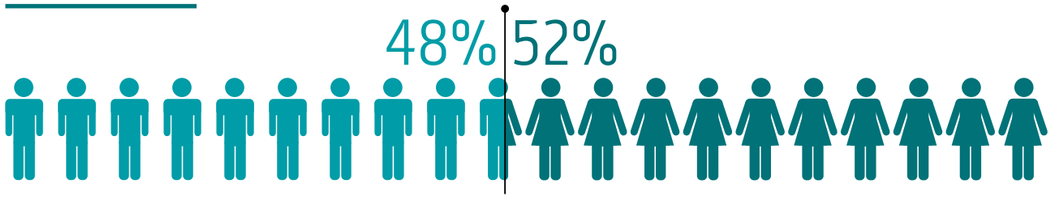
JOBS

The forecourt sector provides over **117,000** jobs in mainland UK

35% of independent forecourts offer fire safety training

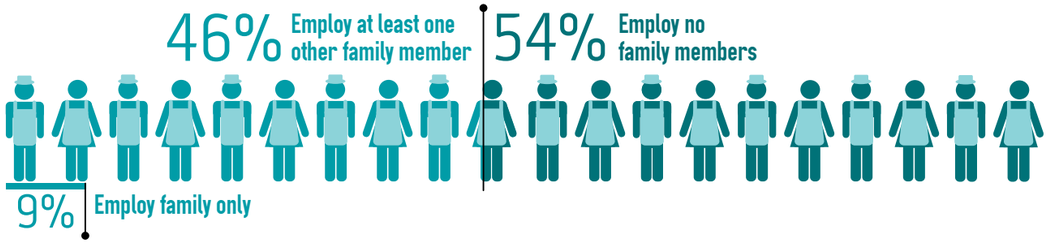
Independent forecourts alone make first aid training available to over... **10,000** people

GENDER PROFILE

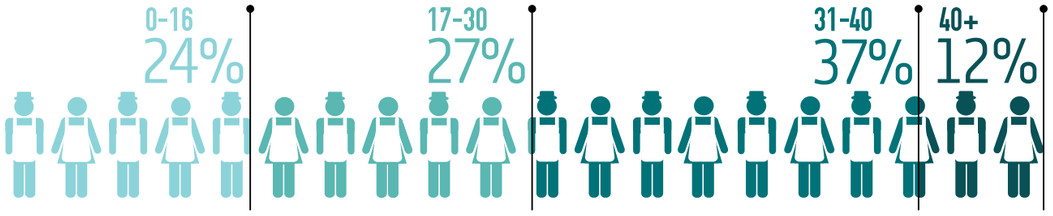


AGE PROFILE

FAMILY EMPLOYMENT



HOURS WORKED



Jobs data excluding total number of jobs source: ACS/him! 2015 (independents only)

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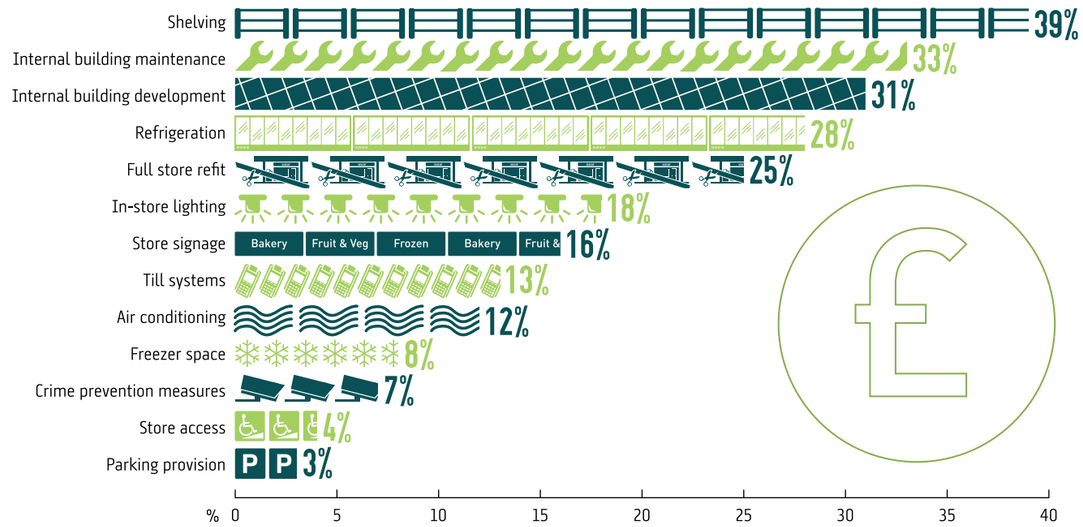
INVESTMENT

TOTAL AMOUNT INVESTED PER STORE PER YEAR (AVERAGE) = £16,603

Source: ACS Investment Tracker 2016 (independents only)

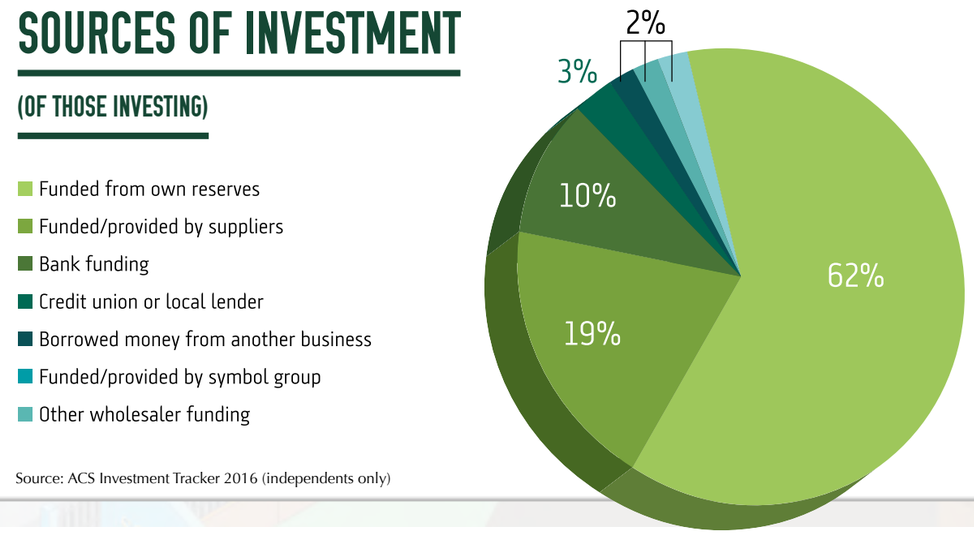
AREAS OF INVESTMENT (OF THOSE INVESTING)



Source: ACS Investment Tracker 2016

SOURCES OF INVESTMENT

(OF THOSE INVESTING)



Source: ACS Investment Tracker 2016 (independents only)

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FEATURES

BEHIND THE COUNTER

Forecourt convenience stores now offer a wide range of services and features in-store for their customers. The following data shows the percentage of the sector that incorporates each feature in-store.

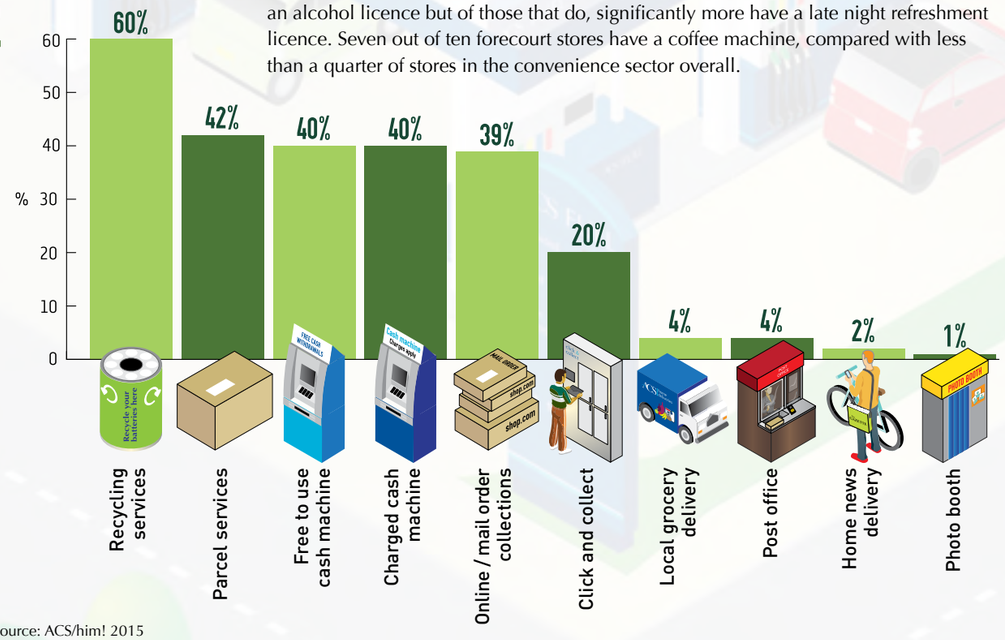
- Mobile phone top up 85%
- EPoS 67%
- Loyalty card 67%
- Lottery 61%
- Car Wash 49%
- Bill payment services 46%
- Cash back 26%
- Prescription collections 1%
- Self serve checkout 1%

LICENSING

- 73% Alcohol licence
- 25% Late night refreshment licence
- 2% Fireworks licence

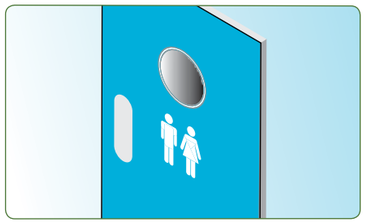
SERVICES

In comparison with the rest of the convenience sector, forecourts are less likely to have an alcohol licence but of those that do, significantly more have a late night refreshment licence. Seven out of ten forecourt stores have a coffee machine, compared with less than a quarter of stores in the convenience sector overall.



All data on this spread – source: ACS/him! 2015

IN-STORE



Customer toilets 51%

Community noticeboard 28%

Seating area 11%

FOOD AND DRINK

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FREEZER UNITS	80%
COLD FOOD-TO-GO	77%
COFFEE MACHINE	70%
HOT FOOD-TO-GO	46%
HOT FOOD COUNTER	38%
IN-STORE BAKERY	35%
MICROWAVE FOR CUSTOMERS	29%
FOOD PREPARATION AREA	28%

DEBIT. PIN VERIFIED.
LOYALTY CARD POINTS EARNED: 17
POINTS BALANCE: 9166

··· PLEASE KEEP FOR YOUR RECORDS ···
··· THANK YOU, CALL AGAIN SOON! ···

TECHNOLOGY

- Store website 66%
- Digital advertising screens 60%
- Contactless payment 57%
- Chiller doors 40%
- Smart meter 38%
- LED lights 32%
- Facebook 27%
- Twitter 24%
- In-store Wi-Fi 9%
- Digital shelf edge labels 2%
- Solar panels 2%

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CUSTOMERS

the average spend is £5.82

7% of customers purchase, does not include fuel

the average shopper visits 2.7 times per week

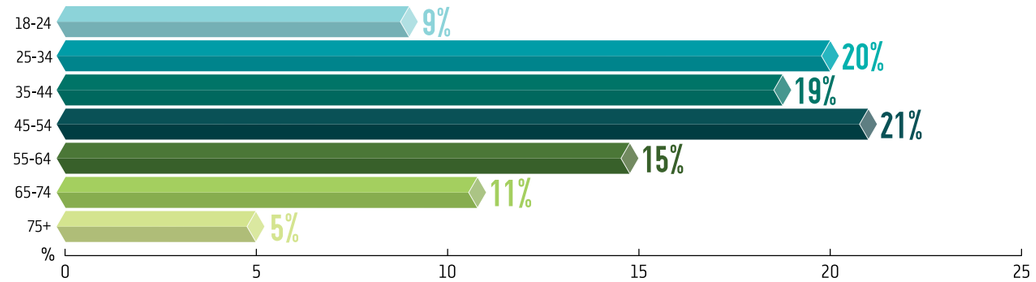
19% are buying on SPECIAL OFFER

him! CTP 2016

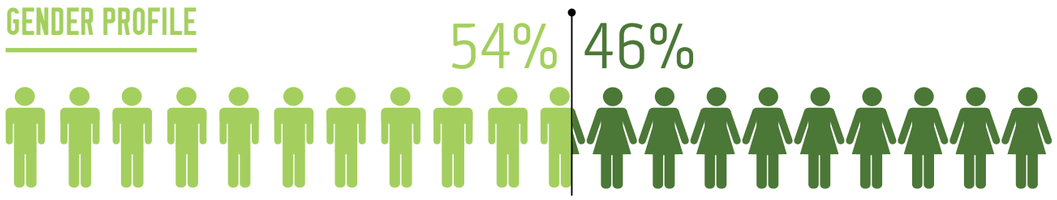
CUSTOMER PROFILE

AVERAGE AGE = 46

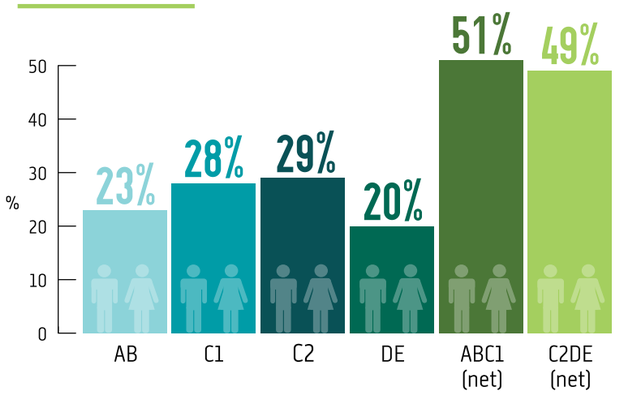
AGE PROFILE OF SHOPPERS



GENDER PROFILE



SOCIAL GROUPS

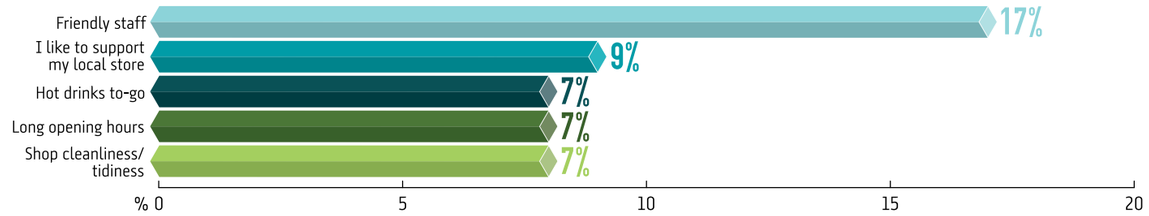


SHOPPER PROFILES

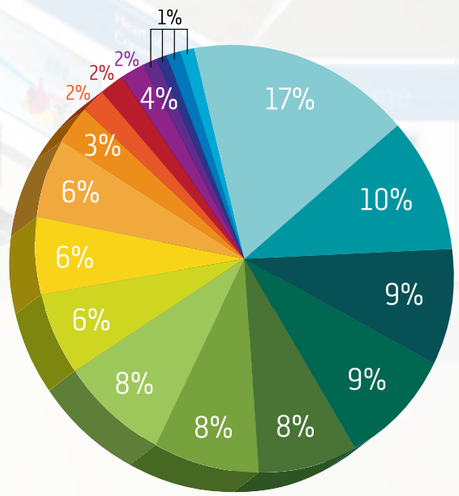
1. I live with my partner and children	27%
2. I live alone	20%
3. I live with my partner and children have left home	20%
4. I live with my partner and have NO children	17%
5. I live at home with my parents	10%
6. I live with JUST my children	4%
7. I live with friends/shared house	2%

All data on this spread – source: him! CTP 2015 unless stated otherwise

TOP FIVE DRIVERS TO STORES



SHOPPER MISSIONS



- Fuel
- Treat
- Drink on-the-go
- Urgent top-up
- Cigarettes/tobacco
- For the next few days
- Newspapers
- Snack
- Lunch on-the-go
- Top-up
- Meal for tonight
- Lunch
- National lottery/scratchcards
- Paypoint/Payzone terminal
- Breakfast
- Breakfast on-the-go
- Car wash
- Gifts, flowers and cards

CUSTOMER LOYALTY

The factors that contribute the most in driving customer loyalty at sites.

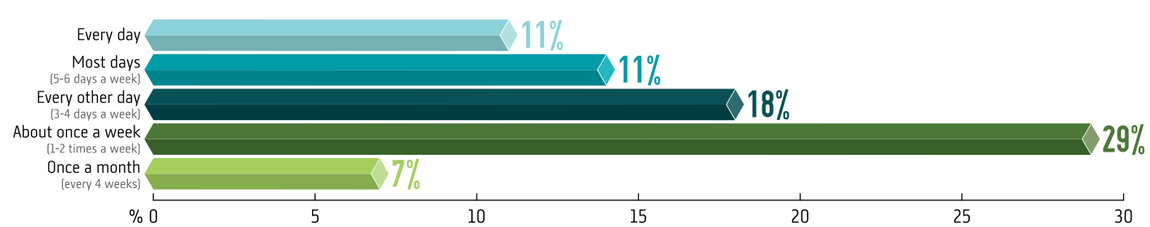
1	Competitive fuel prices	62%
2	Cleanliness of facilities on site	55%
3	An enticing convenience retail offering	47%
4	An attractive modern shop	42%
5	Forecourt efficiency	35%
6	A loyalty scheme with appealing rewards	12%
7	Additional brands on-site	12%
8	Enabling the customer to pay in different ways	10%
9	Regular and personalised promotional offers or deals	10%
10	Enabling the customer to use different payment cards	7%
11	Ensuring adequate mobility access for disabled drivers	2%

The main reason for customers selecting a competitor's forecourt.

1	Perception that prices are too high	78%
2	Lack of on-site services that meet customer needs	45%
3	Forecourt is too busy	33%
4	Lack of relevant rewards or promotions	33%
5	Poor customer service	30%
6	Unclean and poorly maintained facilities	25%
7	Restricted number of parking spaces	18%
8	Payment method restrictions eg: particular fuel cards	15%
9	Payment issues	5%

Source: Accenture / PRA survey

VISIT FREQUENCY



METHODOLOGY

New data for the Forecourt Report was undertaken by ACS in the form of three surveys:

1. **Independent Forecourt Survey** – Data is taken from a sub-sample of the Local Shop Report dataset, specifically the 128 independent shops which are fuel forecourts (both symbol independents and unaffiliated). The Local Shop Report includes a sample of 2,420 independently owned convenience store businesses in the UK. ACS contracted him! research and consulting to aid in the design and delivery of the survey. The survey was carried out over the phone by BCC Marketing between 25th June and 16th July 2015. The survey gathered responses from non-affiliated independent convenience stores and independent stores that are part of central buying or marketing (known as 'symbol') groups. These are represented in the survey in the same proportion as they are represented in the market. A copy of the survey questions and responses is available on request by emailing katie.cross@acs.org.uk

2. **Multiple Forecourt Survey** – ACS conducted a survey of its multiple chain members. This survey was based on the questions asked in the independent retailer survey, where relevant, to ensure consistency and accuracy of results. This survey returned results related to a sample of 588 forecourt stores. A copy of the survey questions and responses is available on request by emailing katie.cross@acs.org.uk

3. **ACS Investment Tracker Survey** – ACS conducts quarterly surveys of both independent and multiple retailers, gathering responses about the investment plans of respondents stores and businesses. The data included in the report on investment references the average of four quarters of responses from forecourt retailers (as a subset of the overall sample). The time period covered by the results is August 2015 – May 2016.

Accenture / PRA Survey
Accenture and PRA data is taken from the results of the joint Accenture and PRA survey collected in Q2 2015 from 60 members of the PRA in the UK, results of which were published in the PRA's 2016 Market Review. 94% of respondents were classified as independent fuels retailers, that is, not an operator of a fuel brand company owned site or sites.

Nielsen and William Reed Business Media sector data
Nielsen utilises cross referencing data from trade associations, retailers, suppliers and customer lists. This is supplemented by gap analysis and wide-search primary research. WRBM continually updates data through re-registering customers thereby adding changed recipients, closures and new stores. This is through postal, telephone research, online delivery and events.

Convenience Retailing 2016 report – Institute of Grocery Distribution
This report is compiled by the IGD based on the sales data up to June 2016.

Convenience Tracking Programme – him! research and consulting
This programme is a survey of over 20,000 convenience shoppers conducted at the 'moment of truth' in-store. References are to the 2016 survey (unless otherwise referenced).

ACKNOWLEDGEMENTS

This report would not have been possible without the support of a number of industry and research organisations that have helped by providing data. These sources are referenced alongside the relevant sections of the report, and those organisations are:

CONTACT

For more details on this guidance contact a member of the ACS Team on 01252 515001.

For more details on ACS:
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