The Local Shop Report 2020

A report by the Association of Convenience Stores

#LocalShopReport
There are 46,955 convenience stores in mainland UK

Shop ownership

- **Independent retailers**: 72%
  - 40% Unaffiliated independents (including unaffiliated forecourts)
  - 32% Symbol group independents (including franchises)
- **Multiples**: 28%
- **Co-operatives**: 7%
- **Other multiples**: 21% (including multiple owned forecourts and multiples trading under symbol groups)

**Unaffiliated independents**
- Independent retailers operating under their own fascia.

**Symbol groups**
- Independent retailers who trade under a common fascia e.g. Nisa.
- Multiple businesses can also trade under a symbol group e.g. A.F. Blakemore (SPAR).

**Co-operatives**
- Groups of stores that are owned by their members.

**Convenience multiples**
- Retail businesses operating chains of 10 or more convenience stores under a centrally-owned fascia e.g. McColl’s.

**Forecourts**
- Convenience stores located on petrol filling stations. Forecourts are included within each of the retailer types and can be unaffiliated, symbol group, multiple or co-operative businesses. For more information about the forecourt sector please see the ACS Forecourt Report.

**Why we are important**
- £44.7bn total sales
- £10.1bn in GVA
- £585m invested
- 412,000 jobs

**Most positive impact on the local area**
- 14% 30 or under
- 21% 31-40
- 26% 41-50
- 24% 51-60
- 15% 60+

**Who we are**
- 46,955 convenience stores in mainland UK
- 72% are run by independent retailers

**What we offer**
- 76% Bill payment services
- 49% Free to use cash machines
- 17% Local grocery delivery

**Entrepreneurs**
- The people who own and run stores are:
  - Female: 33%
  - Male: 67%

**Who we serve**

**METHODOLOGY**

**INTRODUCTION**

**WHO WE ARE**

**WHERE WE TRADE**

**WHAT WE CONTRIBUTE TO THE ECONOMY**

**WHAT WE SELL**

**THE SERVICES AND TECHNOLOGY WE OFFER**

**COVID-19 RESPONSE**

**WHO WE SERVE**

**OUR COMMUNITIES**

**ACKNOWLEDGEMENTS**

**WHY WE ARE IMPORTANT**

**OUR COLLEAGUES**

**ACKNOWLEDGEMENTS**

**ABOUT ACS**

**ACR.org.uk  •  @ACS_Localshops**

**Free to use cash machines**

**Local grocery delivery**

**Bill payment services**

**POST OFFICE**

**Local shop**

**The people who own and run stores are:**
- Female: 33%
- Male: 67%

**White British: 48%**
- Asian or Asian British: 44%
- Other: 8%

**Who we are**

**Where we trade**

**What we contribute to the economy**

**What we sell**

**The services and technology we offer**

**COVID-19 response**

**Who we serve**

**Our communities**

**Acknowledgements**

**Introduction**

The Local Shop Report provides a comprehensive view of the UK convenience sector, looking at where stores trade, the colleagues we employ, our contribution to the economy and the essential role we play in local communities. The information in this report is gathered from our own primary research, surveying 2,431 independent retailers in addition to multiple and co-operative businesses representing over 6,700 stores. The report also draws on data supplied by William Reed, IGD, Plunkett Foundation, The Retail Data Partnership and Lumina Intelligence.

While this report is intended to look at the normal conditions of a store in 2020/21, some of the figures have been influenced by Covid-19. We address the response of convenience stores to lockdown on page 17 of this report. Some of the figures in the report have been scaled to reflect the entire convenience sector. Detailed information about the methodology and calculations in the report can be found on pages 22-23 and online at ACS.org.uk/research.
There are 46,955 convenience stores in mainland UK.

Wales has more shops per head than any other part of mainland UK.

Shop numbers:
- **Scotland**
  - 5,025 shops
  - One shop per 1,082 people
- **North East**
  - 2,060 shops
  - One shop per 1,290 people
- **North West**
  - 5,131 shops
  - One shop per 1,421 people
- **Wales**
  - 2,967 shops
  - One shop per 1,058 people
- **Yorks/Humber**
  - 4,007 shops
  - One shop per 1,366 people
- **East Midlands**
  - 3,551 shops
  - One shop per 1,053 people
- **West Midlands**
  - 4,487 shops
  - One shop per 1,315 people
- **South West**
  - 4,133 shops
  - One shop per 1,355 people
- **South East**
  - 5,768 shops
  - One shop per 1,583 people
- **London**
  - 5,845 shops
  - One shop per 1,526 people
- **Eastern**
  - 3,981 shops
  - One shop per 1,558 people

**Location**
- **Rural**
  - A ‘traditional’ convenience store, often providing the only shopping option for the local community.
  - 37%
- **Suburban**
  - Providing a focal point for suburban communities and estates sometimes standalone or alongside a small number of other local services.
  - 26%
- **Urban**
  - Operating as part of a mix of stores serving the needs of those living in centres and the shopping needs of workers and residents.
  - 37%

**Neighbouring businesses**
- **Isolated store**
  - No other retail/service businesses close by.
  - 37%
- **Located on a small parade**
  - Up to five retail/service businesses close by.
  - 39%
- **Located on a larger parade or a high street**
  - Up to 10 retail/service businesses close by.
  - 9%
- **Located on a main high street or within a city centre**
  - More than 10 retail/service businesses close by.
  - 15%

Source: WRBM 2020

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All data on this page – source: WRBM 2020 and ONS 2019

Source: ACS/Lumina 2020 (independents only)
WHAT WE CONTRIBUTE TO THE ECONOMY

Economic contribution

Over the last year, the convenience sector contributed

Over £10.1bn in GVA and over £8.9bn in taxes

Areas of investment (of those investing)

Proportion of stores investing

<table>
<thead>
<tr>
<th>Stores Investing</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unaffiliated independents</td>
<td>27%</td>
</tr>
<tr>
<td>Symbols</td>
<td>30%</td>
</tr>
<tr>
<td>Multiples</td>
<td>36%</td>
</tr>
</tbody>
</table>

Investment

Over the last year, convenience stores have

invested

£585m in their businesses

Average annual investment by store type

<table>
<thead>
<tr>
<th>Store Type</th>
<th>Average Annual Investment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unaffiliated independents</td>
<td>£8,022</td>
</tr>
<tr>
<td>Symbols</td>
<td>£12,178</td>
</tr>
<tr>
<td>Multiples</td>
<td>£19,339</td>
</tr>
</tbody>
</table>

Sources of investment

Funded from own reserves: 67%

Funded/provided by suppliers: 16%

Other business/wholesale funding: 7%

Financial institutions: 5%

<table>
<thead>
<tr>
<th>Source of Investment</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Suppliers</td>
<td>16%</td>
</tr>
<tr>
<td>Financial institutions</td>
<td>5%</td>
</tr>
<tr>
<td>Other business/wholesale funding</td>
<td>7%</td>
</tr>
<tr>
<td>Funds from own reserves</td>
<td>67%</td>
</tr>
</tbody>
</table>
WHAT WE SELL

Total value of sales
£44.7bn
over one fifth
of the total
grocery market

(in the convenience sector in the year to March 2020)

A store’s product margin typically ranges from: 21% to 31%

Convenience market share

<table>
<thead>
<tr>
<th>Store type</th>
<th>Market share of sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Symbols</td>
<td>35.3%</td>
</tr>
<tr>
<td>Multiples</td>
<td>23.8%</td>
</tr>
<tr>
<td>Unaffiliated Independents</td>
<td>17.7%</td>
</tr>
<tr>
<td>Co-operatives</td>
<td>12.4%</td>
</tr>
<tr>
<td>Forecourts</td>
<td>10.9%</td>
</tr>
</tbody>
</table>

*Excludes forecourt stores operated as symbol, multiple grocer or co-operative fascia. Forecourt sales excludes fuel.

Category sales: Independents only (2020)

- Alcohol: 20.1%
- Tobacco and E-cigarettes: 32.7%
- Non-food: 10.0%
- Soft drinks: 0.6%
- Sandwiches & Wraps: 1.1%
- Health & Beauty: 1.2%

Source: The Retail Data Partnership 2020 – data refers to independent retailers only

Category sales: Overall market (2019)

- Alcohol: 15.1%
- Tobacco and E-cigarettes: 20.9%
- Non-food: 4.2%
- Fresh milk: 3.0%
- Sandwiches & Wraps: 3.0%

The percentage of stores in the convenience sector that sell each of the following products is:

- Alcohol licence: 78%
- Wood/direct domestic burning fuel: 25%
- Plants or horticulture products: 33%

*Excludes forecourt stores operated as symbol, multiple grocer or co-operative fascia. Forecourt sales excludes fuel.

Source: IGD 2019 – data refers to overall convenience market

Source: ACS/Lumina 2020
### Most valuable services

Consumers think that the most valuable services offered in their convenience store are:

- **Cash machine**
- **Post office**
- **Click and collect**

### The percentage of stores in the convenience sector that provide each service is as follows:

<table>
<thead>
<tr>
<th>Service</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobile phone top-up</td>
<td>84%</td>
</tr>
<tr>
<td>Lottery</td>
<td>82%</td>
</tr>
<tr>
<td>Bill payment services</td>
<td>76%</td>
</tr>
<tr>
<td>Cash back</td>
<td>68%</td>
</tr>
<tr>
<td>Free to use cash machines</td>
<td>49%</td>
</tr>
<tr>
<td>Parcel collection point</td>
<td>28%</td>
</tr>
<tr>
<td>Click and collect service</td>
<td>27%</td>
</tr>
<tr>
<td>Charged cash machine</td>
<td>22%</td>
</tr>
<tr>
<td>Post office</td>
<td>22%</td>
</tr>
<tr>
<td>Home news delivery</td>
<td>19%</td>
</tr>
<tr>
<td>Local grocery delivery</td>
<td>17%</td>
</tr>
<tr>
<td>Click and collect services for groceries</td>
<td>12%</td>
</tr>
<tr>
<td>Cash machine</td>
<td>95%</td>
</tr>
<tr>
<td>Debit card</td>
<td>92%</td>
</tr>
<tr>
<td>Credit card</td>
<td>92%</td>
</tr>
<tr>
<td>Contactless payment</td>
<td>88%</td>
</tr>
<tr>
<td>Mobile payment</td>
<td>80%</td>
</tr>
<tr>
<td>Dry cleaning</td>
<td>8%</td>
</tr>
<tr>
<td>Recycling bins</td>
<td>8%</td>
</tr>
<tr>
<td>Car wash</td>
<td>5%</td>
</tr>
<tr>
<td>Jet wash (manual)</td>
<td>5%</td>
</tr>
<tr>
<td>Automatic machine car wash</td>
<td>3%</td>
</tr>
<tr>
<td>Hand car wash (attended)</td>
<td>2%</td>
</tr>
<tr>
<td>Photo booth</td>
<td>4%</td>
</tr>
<tr>
<td>Prescription collections</td>
<td>3%</td>
</tr>
<tr>
<td>Key cutting services</td>
<td>2%</td>
</tr>
</tbody>
</table>

### Payment methods

- **Cash** 100%
- **Debit card** 95%
- **Credit card** 92%
- **Contactless payment** 88%
- **Mobile payment** 80%

### Energy saving

- **LED lighting** 47%
- **Chiller doors** 43%
- **Smart meters** 32%
- **Solar panels** 5%

### Social media

- **Facebook**: 44%
- **Twitter**: 32%
- **Instagram**: 21%
- **WhatsApp**: 10%

### More customers searched for local shops on Google during the start of lockdown (March 23-29) than any other time in the last 12 months.

- **Shop near me**
- **Local shop near me**
- **Local farm shop**
- **Local shop delivery**
- **Local parcel shop**

### Top five rising searches related to convenience stores

1. **Shop near me**
2. **Local shop near me**
3. **Local farm shop**
4. **Local shop delivery**
5. **Local parcel shop**

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Source: ACS/Lumina 2019/2020

*Source = ACS/Lumina 2019*
Convenience stores provide around **412,000** jobs in mainland UK

Colleagues in the convenience sector are:

<table>
<thead>
<tr>
<th>Gender</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>34%</td>
</tr>
<tr>
<td>Female</td>
<td>66%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Age Group</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>16-24 years old</td>
<td>23%</td>
</tr>
<tr>
<td>25-60 years old</td>
<td>65%</td>
</tr>
<tr>
<td>Over 60</td>
<td>12%</td>
</tr>
</tbody>
</table>

**Length of employment**

- Less than one year: 20%
- One to five years: 45%
- Six to 10 years: 16%
- More than 10 years: 19%

**Contribution to household income**

- I am the only income earner in my household: 32%
- There is more than one earner, I earn the most: 43%
- There is more than one earner, I do not earn the most: 17%
- There is more than one income earner in my household and we earn roughly the same: 8%

**Job security**

- Very secure: 21%
- Somewhat secure: 45%
- Neither secure nor insecure: 18%
- Somewhat insecure: 10%
- Very insecure: 5%

**Future plans**

1. The same/similar role with my current employer: 39%
2. A more senior role with my current employer: 18%
3. A job outside of the sector: 13%
4. A similar/more senior role with a different employer in the same industry: 11%
5. Other: 11%
6. Not working/retired: 8%
HOW WE OPERATE

92% of independents operate one store

Sales space

Typical convenience stores are open
7am until 10pm

Opening hours

<table>
<thead>
<tr>
<th>Opening</th>
<th>Closing</th>
</tr>
</thead>
<tbody>
<tr>
<td>5am and earlier</td>
<td>12%</td>
</tr>
<tr>
<td>6am</td>
<td>7%</td>
</tr>
<tr>
<td>7am</td>
<td>8%</td>
</tr>
<tr>
<td>8am</td>
<td>13%</td>
</tr>
<tr>
<td>9am and later</td>
<td>13%</td>
</tr>
<tr>
<td>10pm</td>
<td>25%</td>
</tr>
<tr>
<td>11pm and later</td>
<td>23%</td>
</tr>
</tbody>
</table>

How independent retailers source their products

<table>
<thead>
<tr>
<th>Source: ACS/Lumina 2020 (independents only)</th>
</tr>
</thead>
<tbody>
<tr>
<td>36% I get all of my products delivered</td>
</tr>
<tr>
<td>27% I get some products delivered and some from a cash and carry</td>
</tr>
<tr>
<td>37% I get all of my products from a cash and carry</td>
</tr>
</tbody>
</table>

Premises ownership

<table>
<thead>
<tr>
<th>Source: ACS/Lumina 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multiples</td>
</tr>
<tr>
<td>31% Own</td>
</tr>
<tr>
<td>69% Rent</td>
</tr>
<tr>
<td>Independents</td>
</tr>
<tr>
<td>58% Own</td>
</tr>
<tr>
<td>42% Rent</td>
</tr>
</tbody>
</table>
HOW WE OPERATE

Business origin

28% inherited family business
72% started business

Employment of family members

54% of retailers employ at least one family member
46% of retailers employ no family members
13% of retailers employ family only

41% of businesses are owned by family partnerships

Time in business

<table>
<thead>
<tr>
<th>Time Frame</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Five years or less</td>
<td>28%</td>
</tr>
<tr>
<td>Six to 10</td>
<td>18%</td>
</tr>
<tr>
<td>11 to 15</td>
<td>13%</td>
</tr>
<tr>
<td>16 to 20</td>
<td>14%</td>
</tr>
<tr>
<td>21 to 25</td>
<td>6%</td>
</tr>
<tr>
<td>26 years or more</td>
<td>21%</td>
</tr>
</tbody>
</table>

Accessibility in stores

<table>
<thead>
<tr>
<th>Feature</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wheelchair access</td>
<td>61%</td>
</tr>
<tr>
<td>Parking</td>
<td>46%</td>
</tr>
<tr>
<td>Wide aisles</td>
<td>44%</td>
</tr>
<tr>
<td>Hearing aid loops</td>
<td>24%</td>
</tr>
</tbody>
</table>

COVID-19 RESPONSE

Business impact

Sales (value)

- 38% increased to a large extent
- 28% stayed the same
- 8% decreased to a small extent
- 26% decreased to a large extent

Footfall

- 14% increased to a large extent
- 23% increased to a small extent
- 6% stayed the same
- 40% decreased to a large extent

Average basket spend

- 48% increased to a large extent
- 29% increased to a small extent
- 6% stayed the same
- 17% decreased to a small extent

Opening hours

- 17% increased to a large extent
- 58% increased to a small extent
- 21% stayed the same
- 5% decreased to a small extent
- 1% decreased to a large extent

Services and home delivery

Local shops are now providing over 600,000 home deliveries a week in their communities.

56% of stores offer ‘card not present’ transactions, helping volunteers to shop for vulnerable people locally.

In-store measures

- Implementing a 2m distance between customers e.g. signage at the queuing area: 92%
- Limiting the number of customers allowed in-store at any one time: 90%
- Increasing hygiene measures e.g. staff washing their hands more often: 87%
- Encouraging customers to pay with contactless payment: 69%
- Placing plastic screens/Perspex at the till to protect colleagues: 60%
- Introducing a delivery service: 57%

Accessibility in stores

- Hearing aid loops: 24%
Convenience customers are:

- **51%** female
- **49%** male

Average age is: **48**

How customers get to store:

- **54%** Walk/on foot
- **41%** Drive
- **4%** Public transport
- **1%** Other

Distance travelled to store:

- **17%** Less than 100 yards
- **51%** Less than 1/4 mile
- **80%** Less than 1 mile
- **20%** More than 1 mile

If their local shop was no longer there, customers would have to travel...

- **33%** Less than a mile
- **29%** About a mile
- **21%** 2-3 miles
- **8%** 4-5 miles
- **7%** More than 5 miles

**Average = 1.7 miles**

How often customers visit:

- **22%** Every day
- **15%** Most days
- **24%** Every other day
- **22%** About once a week
- **17%** Less than once a week

The average customer visits their local store **3.7 times per week**.

Purchases:

- The average basket size is **2.5 items**
- The average spend is **£7.46**

Customers’ relationship with convenience colleagues:

- **10%** of customers know the people running and working in their local shop very well
- **26%** of customers know the people running and working in their local shop quite well
- **34%** of customers don’t know the people running and working in their local shop well, but will occasionally have a conversation
- **30%** of customers don’t know the people running and working in their local shop and don’t interact with them
Most positive impact on the local area

Community activity

80% of independent retailers engaged in some form of community activity in the past year

- 71% Collecting money for a national or local charity
- 13% Providing funding, or in kind support, to a community event
- 11% Providing sponsorship to a local sports team or other community activity
- 4% Taking part in community, council or local business association meeting or project
- 6% Litter picking or other local environmental campaigns
- 20% Donating to a food bank

In-store

- Indoor seating areas 9%
- Outdoor seating areas 6%
- Community noticeboards 47%
- Customer toilets 12%

Community owned shops

- There are 372 community owned shops trading in the UK
- Providing essential services to around 1,300 remote, rural communities
- Over 700 paid jobs created
- Around 7,000 volunteer positions created
- Community shops generated a combined turnover of over £55m

All data on this page – source: ACS Community Barometer 2020

Source: Plunkett Foundation 2020

Top three most wanted services

1. National Bank
2. Specialist food shops
3. Non-food
ACS Consumer Polling 2020 – Conducted by Populus

Details of two surveys were conducted in August 2019 and June 2020. Respondents were surveyed using a questionnaire designed by ACS.

References

We are who we are (page 3)
• Total number of convenience stores in mainland UK – Figures sourced from the ONS.

Shop ownership – ACS calculation based on figures sourced from WRRB.

Entrepreneurship – derived from the independent ACS Independent Retailer Survey and reflects independent retailers only (including those who own their own stores and forecourts).

The average employment figure was calculated by dividing the total number of staff in the sector by the number of stores.

Unaffiliated independents (excluding forecourts) – data was obtained from the independent ACS Independent Retailer Survey and reflects independent retailers only (including those who own their own stores and forecourts).

Independent category – data obtained from the ACS Independent Retailer Survey and reflects independent retailers only (including those who own their own stores and forecourts).

Multiple category – data obtained from the ACS Independent Retailer Survey and reflects independent multiples only (including those who own their own stores and forecourts).

Multi-storey – figures from the Retail Data Partnership (TRDP) supplied data to members.

The average employment figure was calculated by dividing the total number of staff in the sector by the number of stores.

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We operate (page 14)
• Sales space – Data obtained from independent and multiple surveys and relates to South East England and Northern Ireland.

Home opening hours – data obtained from the independent ACS Independent Retailer Survey and reflects independent multiples only (including those who own their own stores and forecourts).

Community activity – Data was obtained from the March 2019 ACS Survey.

• Store numbers – figures obtained from WRRB.

Market Report 2019 – provides a comprehensive overview of independent convenience retailers in the UK.

Most positive impact – respondents were asked which of the following types of services (if any) do you believe have the most long-term positive impact on your local area? Select up to three. Answers were ranked to reflect opinion.

Top three most wanted services – respondents were asked “for each of the following types of services, if any do you believe would be beneficial to your local area to have more or less of these types of services, or if you think the number should remain the same?” A 0-10 scale was used to calculate the index. A scale of 10 would equate to an increase in the service, and a scale of 0 to a decrease. The survey was conducted in August 2020.

• Store numbers – figures obtained from WRRB.

Multiple Investment Tracker survey – data was obtained from the independent ACS Independent Retailer Survey and reflects independent multiples only (including those who own their own stores and forecourts).

Location – figures obtained from WRRB.

Community Barometer survey – data was obtained from Plunkett Research Limited, which conducted the survey between March and May 2020.

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Multiple Investment Tracker survey – data was obtained from the independent ACS Independent Retailer Survey and reflects independent multiples only (including those who own their own stores and forecourts).

Location – figures obtained from WRRB.

Community Barometer survey – data was obtained from Plunkett Research Limited, which conducted the survey between March and May 2020.

Most positive impact – respondents were asked which of the following types of services (if any) do you believe have the most long-term positive impact on your local area? Select up to three. Answers were ranked to reflect opinion.

Top three most wanted services – respondents were asked “for each of the following types of services, if any do you believe would be beneficial to your local area to have more or less of these types of services, or if you think the number should remain the same?” A 0-10 scale was used to calculate the index. A scale of 10 would equate to an increase in the service, and a scale of 0 to a decrease. The survey was conducted in August 2020.