

# The changing UK retail sector

***Molly Wilmot, New Business Director,  
him! Research & Consulting***



# Who are him?

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Wherever they shop...

- High street
- Travel
- Wholesale



The voice of the shopper

# We run the largest face-to-face survey in the UK



**Entry and Exit F2F interviews**



**Over 20,000 interviews across England, Scotland, Wales & N. Ireland**



**Research covers all days of the week, 7am – 10pm**



# Our HIGH STREET study helps to understand the omni-channel shopper

## Supermarkets (3,000-25,000 sq ft)



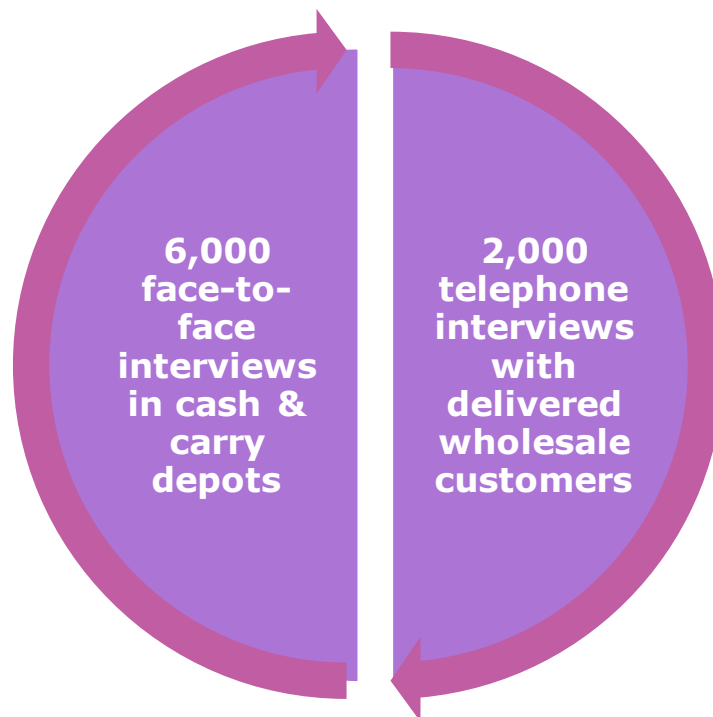
## Discounters



## FTG outlets



## We don't just speak to shoppers



**The voice of the £29.5bn  
wholesale market shopper**



# Introducing him! international – Understanding shoppers around the World

Launched in 2015 by Tom Fender (ex owner of him! UK) & Neil Turton (ex CEO of Nisa) and is the sister company to him! research & consulting in the UK.

## What?

- Channel usage
- Influences, drivers and deterrents
- Shopping missions
- Importances & ratings
- Promotions and price image
- Technology, communication & engagement
- Convenience sectors' category credibility

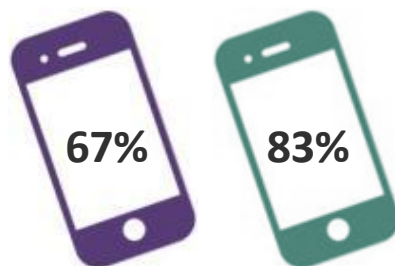




# UK vs Ireland



Average age



Smart phone owners



51% 57%

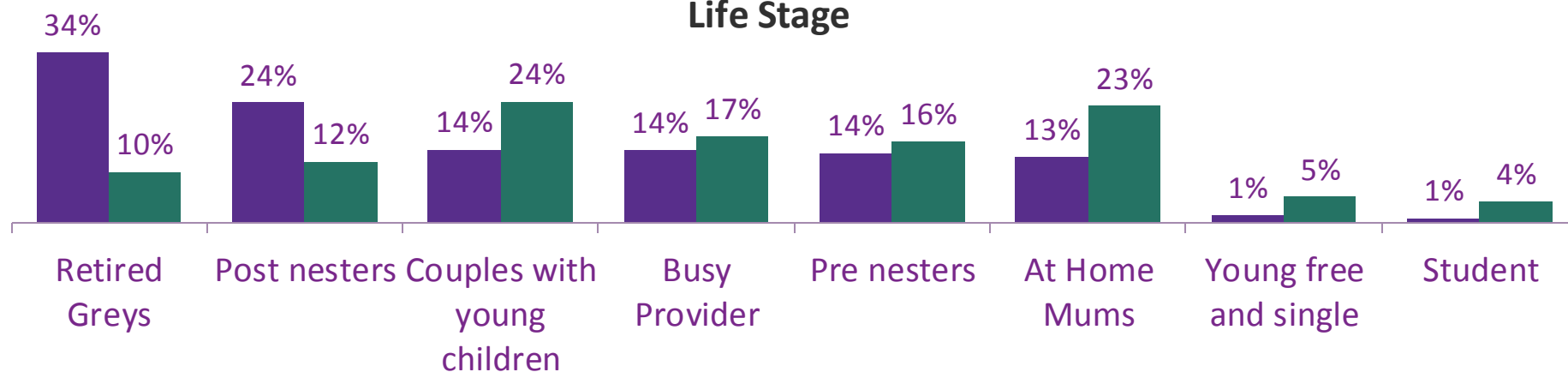


Regular on-the-go lunchers



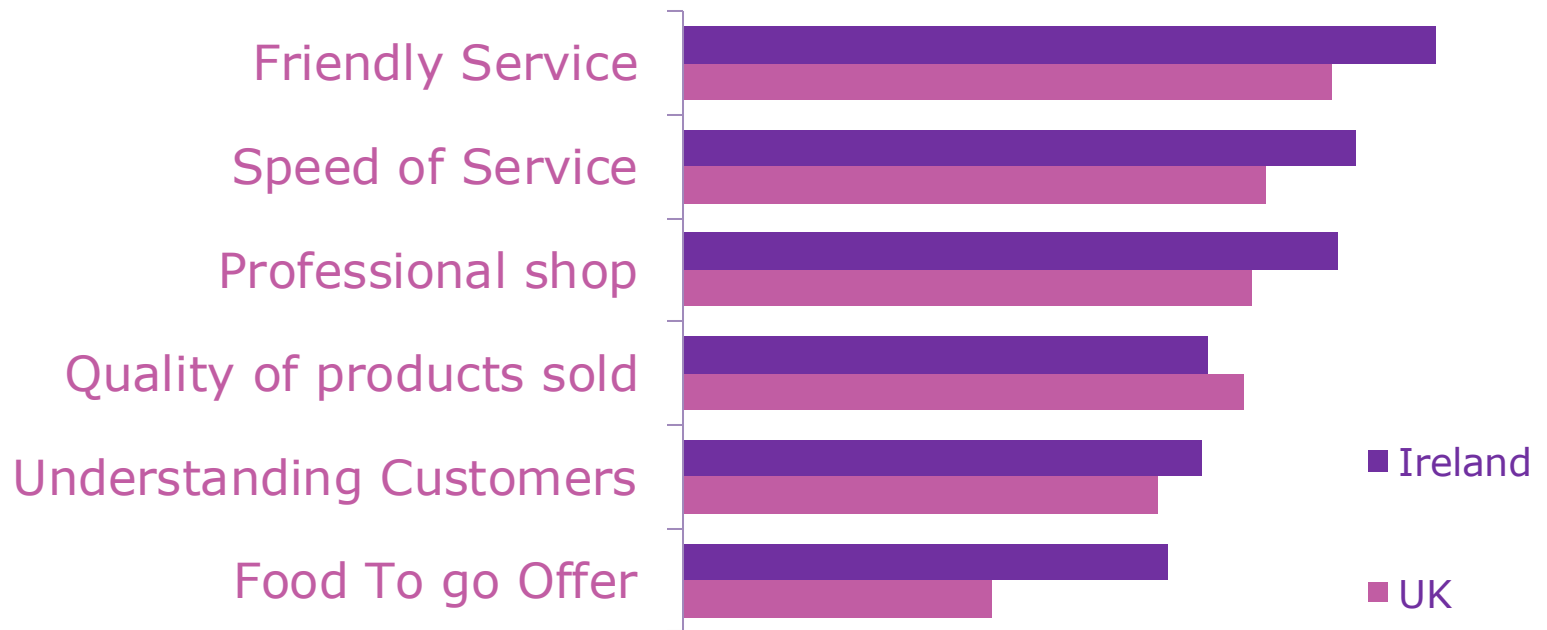
32%

## Life Stage



# Plenty of opportunity to learn from home

***Irish Convenience Stores outperform UK C-stores in almost all areas, say shoppers(ratings out of 10)***



Q17: Give a rating out of 10 where 1/10 = poor and 10/10 = excellent, on how you would rate convenience stores for each of the following: (numbers shown are average scores)



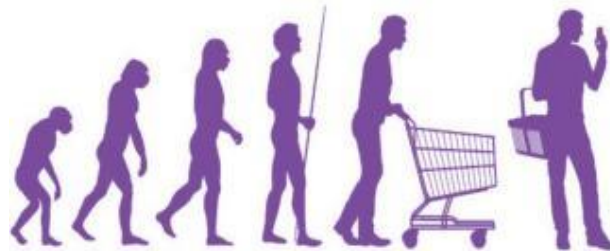
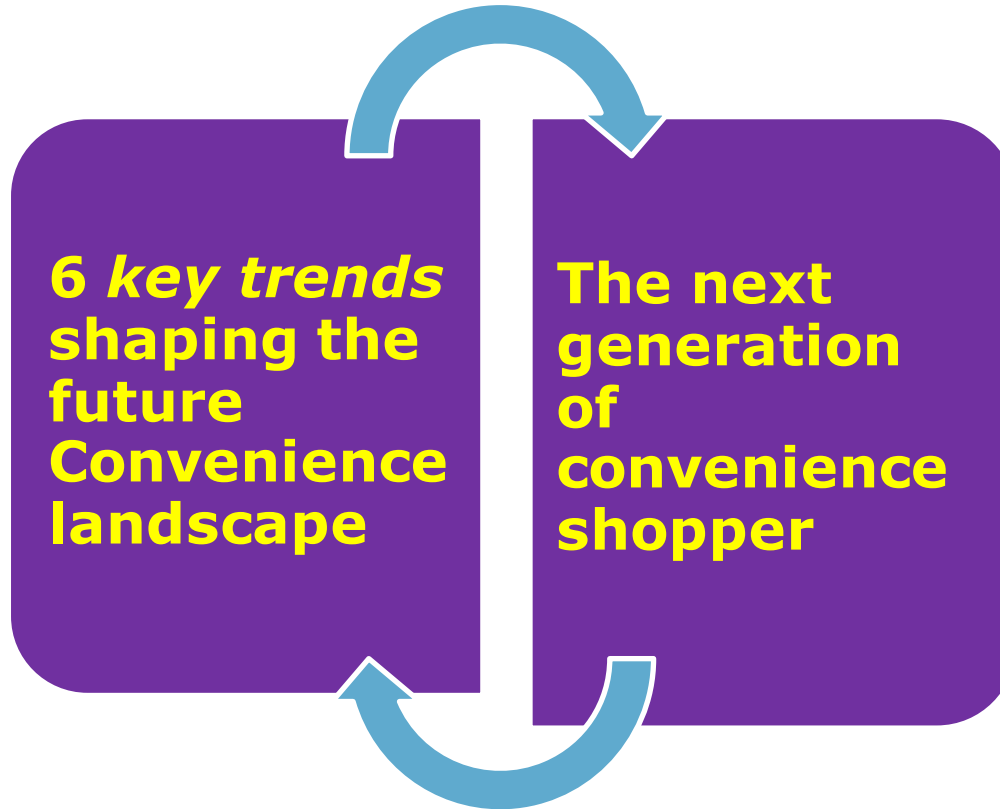


# What I'm going to talk to you about today

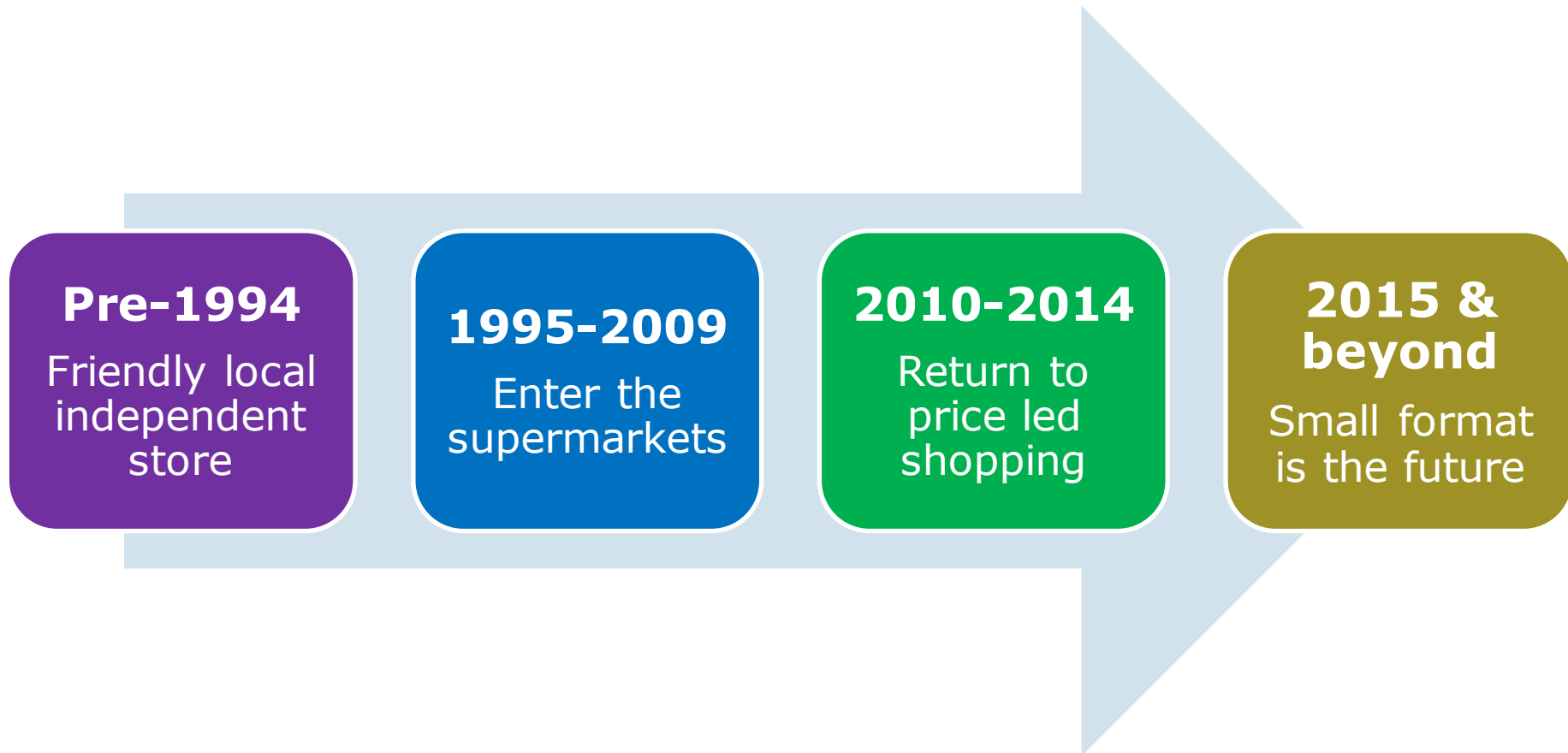
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- **The changing UK retail sector**
  - New players, new progression, innovation
  - Shifts in shopper demographic and implications for the sector
  - What are the opportunities for you?

# The convenience revolution is coming



# A lot has happened to UK convenience in a short space of time.



# 1. Growth of franchised stores and symbol stores



**15%** of unaffiliated retailers say they are likely to join a symbol group in the next 2 years.

**50%** of them don't yet know which one they'd join yet

## 2. It's a forecourt, but not as you know it.



**Spar Parkfoot in Kent, winner of CRA awards 2014 – only 23% of sales come from fuel**



**Many forecourt chains in the US are now run like foodservice outlets first, and sell fuel second**



3.

## Better together – brand partnerships will grow as channels continue to merge



New Tesco format in Central London pairing up with Fred's for a quality food to go offer



New Blakemore forecourt Lincolnshire has incorporated both Greggs & Subway.



Tesco Express Embankment have more recently linked up with Burrito Kitchen.



Greggs retail products available exclusively @Iceland



4.

## Large format stores: the end of an era One format will never fit all



**85%** UK adults do a top up **SOMEWHERE** every week



**70%** of households do a 'main weekly or monthly shop' (so **30% DON'T!**)



**19%** say they're using a **HIGHER** no of grocery retailers on a weekly basis YoY

5.

## Discounters continue to shake up the UK grocery industry

**We did #BlackFriday last week.  
We called it 'Friday'.**



Lidl UK

Yesterday at 18:32 · 🌐

#Awkward - looks like we'll just have to knock 1/5 off too. #AlwaysInOurHeartsZaynMalik #ByeZayn



\*price reduction from 26th March 2015 in all Lidl UK stores, excluding Northern Ireland.

**ALDI  
SHMALDI**



**Bargain  
Booze**

***Aldi is benefitting due to  
a lack of trust in the  
'traditional'  
supermarket'***

***Customers have come to  
see Aldi as a business  
they can trust***

**Matthew Barnes,  
CEO Aldi UK**



## 6. Shifting footfall drivers brings a new space battle

Scotmid

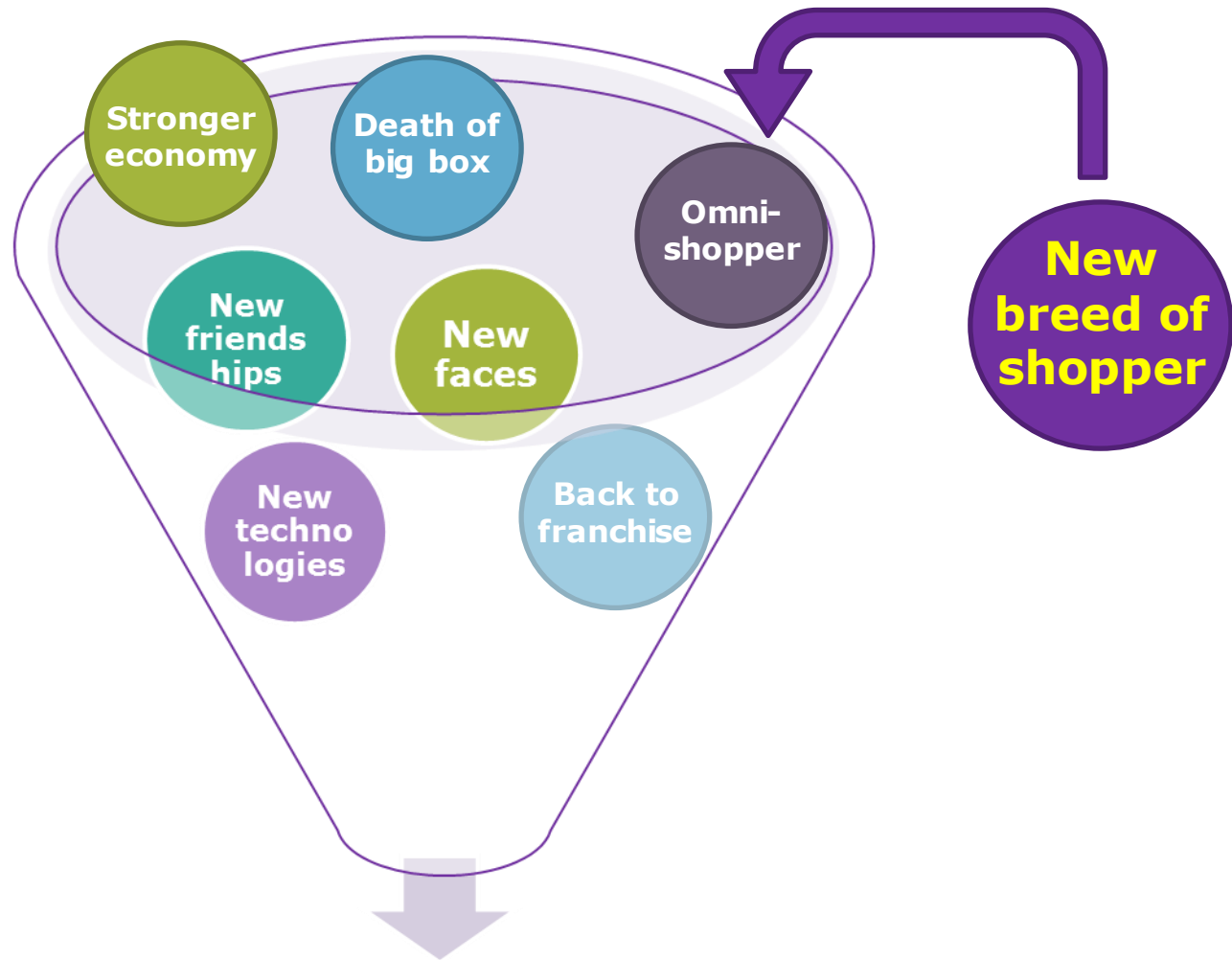


BP M&S Simply Food



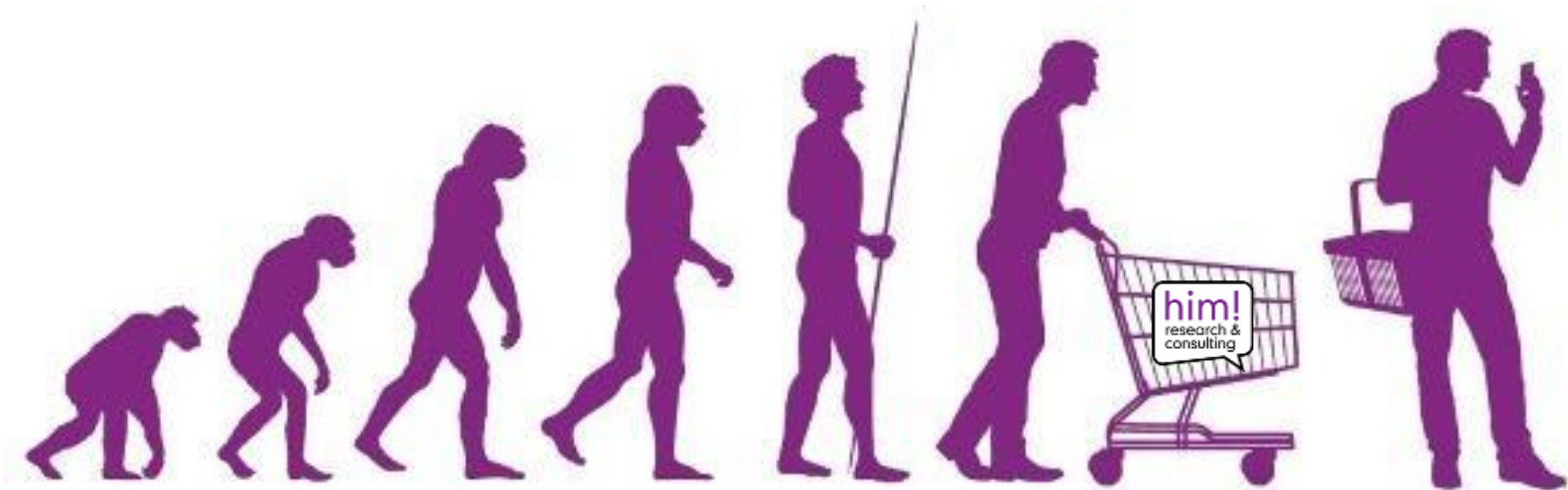
**In-store bakery** being increasingly used successfully as a key front of store impact category

# A new age of convenience retail is upon us



***The revolution is coming.***

# ***Introducing a new breed of shopper; Generation C***



# The evolution of the UK shopper:



2000-2008

**Generation T**

Cash rich, Time poor



2009-2014

**Generation P**

Driven by Price



2015 & beyond

**Generation C**

Expects good price  
& ultimate  
Convenience



1.

# They want more than just price



# Expect to see...



Why choose  
Walmart produce?

**Just-picked freshness.**

Our produce experts ensure that our  
fruits and vegetables are always  
picked at peak ripeness.





2.

## They want to be spoon fed



3.

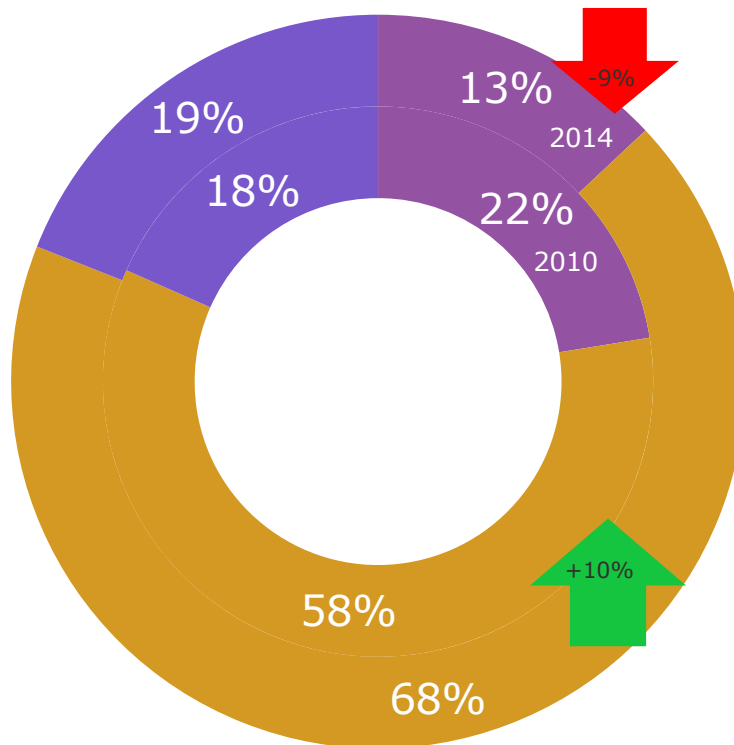
## They're looking for a personal concierge



## 4.

# They shop on auto-pilot

Q: Which of the following best describes how you shopped the store here today?



■ I went around all aisles of store

■ I only went to aisles where the products I wanted were

■ I only went to the till point / kiosk at the front of store



# Expect to see

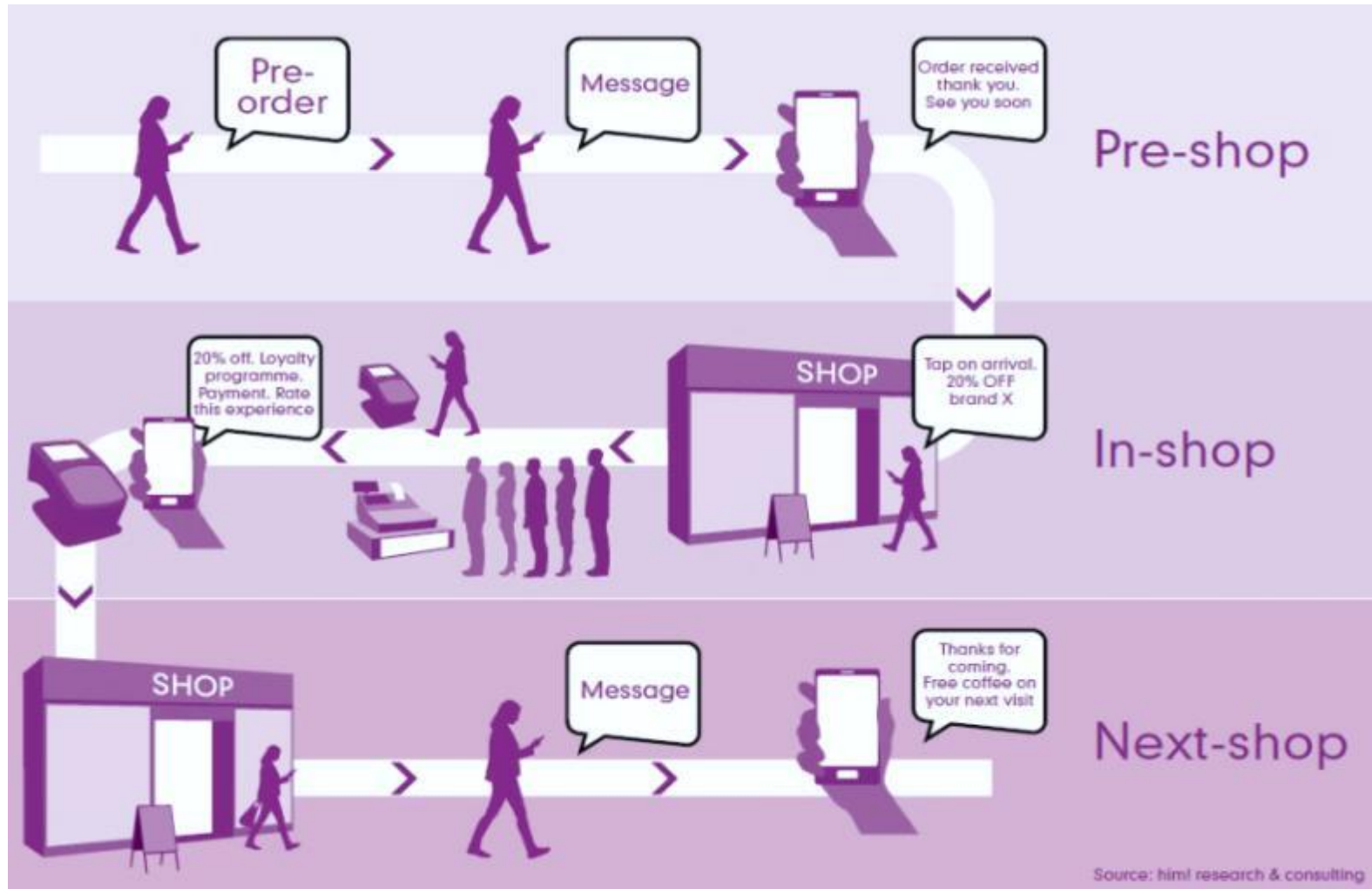


McColls' cross-cat promo



5.

# Digital technology touches all aspects of their lives



# Expect to see...



## How does it work?

1. Consumers download and see your deals

2. Alerted in / near store using iBeacons

3. Coupon pushed to mobile and redeemed

4. Rewarded for engaging direct on mobile



✓ Deals you are already running

✓ 25 metres from store to drive footfall

✓ Paperless coupon no IT integration

✓ (Optional) reward shoppers

✓ Exclusives to get downloads

✓ 2 metres from aisle to drive impulse

✓ Cap frequency and target

✓ Universal currency

✓ Know who redeems

Initiatives such as BigDL

him!  
research & consulting



Real time customer service online

**Aldi Stores UK** @AldiUK · 1h  
Having a manic Monday? Tag who you'll be sharing your meal with & we'll send you some recipe ideas [#AldiMealMaker](#)



[View more photos and videos](#)

Meal Time inspiration

6.

## It's all about me, me, me

Budgens offers personalised Easter eggs in store



You're invited to...

Pick Your Own  
**OFFERS**

Imagine being able to choose which groceries you save money on every time you shop. Well now you can. As a loyal myWaitrose member, we'd like to invite you to choose your own offers.

**Pick** Your Own Offers is very easy **and** you'll immediately benefit by saving 20% on 10 products of your choice – week after week.

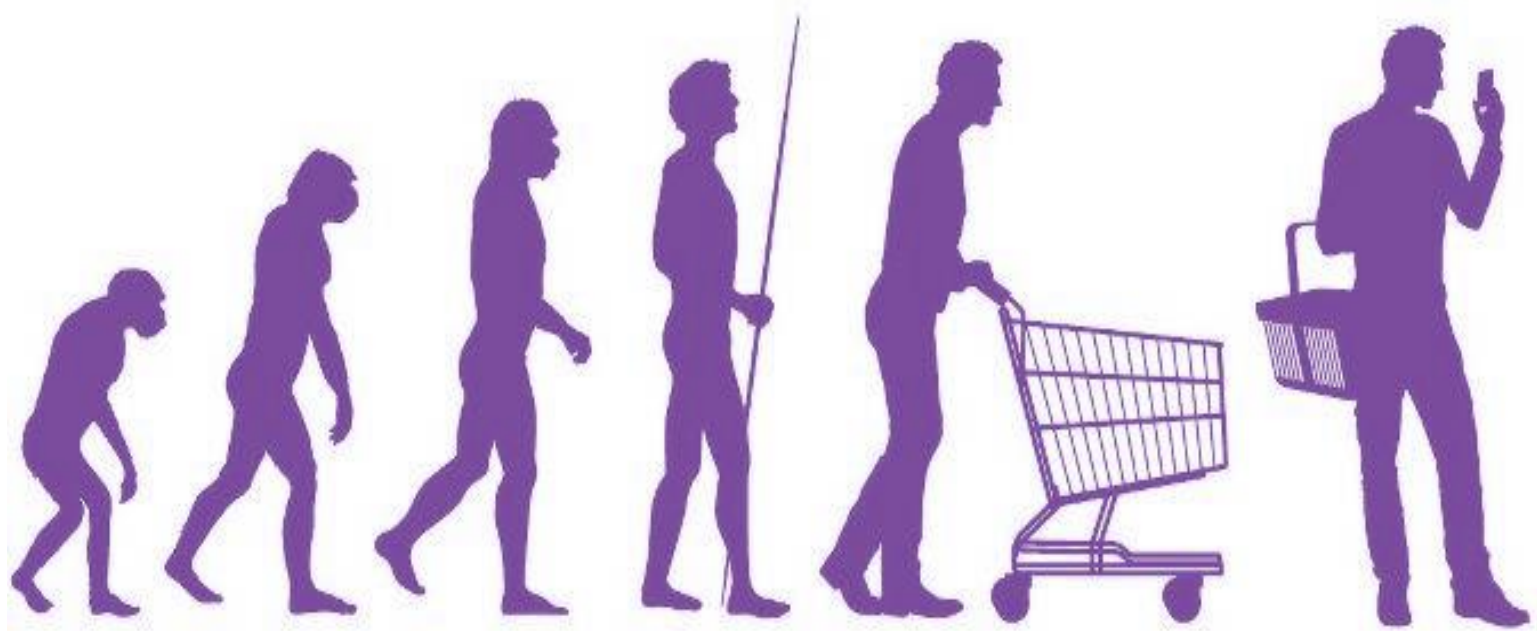
Simply go online **and** select your favourite 10 from hundreds of products to save 20%



# Generation C(onvenience) is here.

And they are *not particularly loyal*.

The *fight is on* for their footfall and spend.





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research &  
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