The Scottish Local Shop Report 2022

A report by the Association of Convenience Stores
and the Scottish Grocers Federation

ACS the voice of local shops

SGF Scottish Grocers Federation

Contents

Introduction

The Scottish Local Shop Report provides a comprehensive view of the convenience sector, looking at where and how stores trade, the colleagues we employ, our contribution to the economy and our essential contribution to local communities. The report is produced in partnership with our colleagues from the Association of Convenience Stores and the information is gathered from primary research.

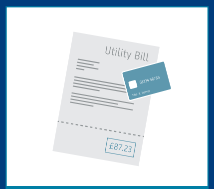
The report also draws on data supplied by Lumina Intelligence, William Reed, IGD, Plunkett Foundation, Retail Economics, SmartSpotter, Retail Spotlight, Yonder Data Solutions and Google. Some of the figures in the report have been scaled to reflect the entire convenience sector. Detailed information about the methodology and calculations in the report can be found on pages 14-15.

Who we are

There are **5,098** convenience stores in Scotland

71% are run by independent retailers

What we offer



78% Bill payment services

49% Free to use cash machines

26% Local grocery delivery

(Scottish data)

Why we are important

£45.2bn total UK sales

Over **£9.7bn** in total UK GVA

£65m invested by stores in Scotland

49,000 jobs in Scotland

Most positive impact on the local area

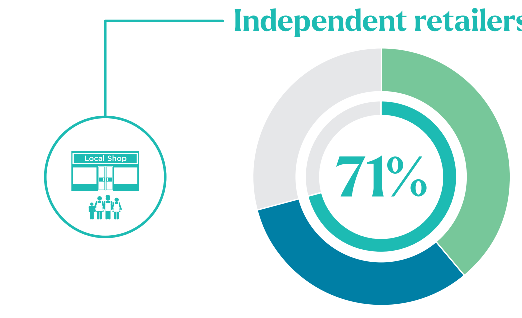
1. Convenience stores 2. Pharmacies

(UK data unless stated Scottish data)

Who we are

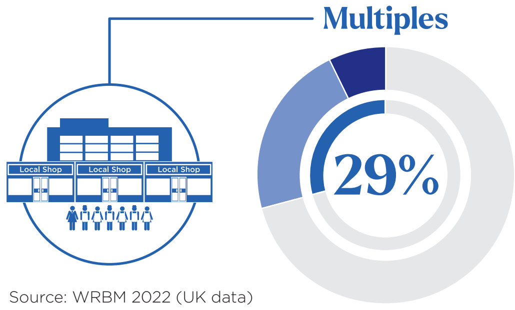
There are **5,098** convenience stores in Scotland

Shop ownership



39% Unaffiliated independents (including unaffiliated forecourts)

32% Symbol group independents (including franchises)



22% Other multiples (including multiple owned forecourts and multiples trading under symbol groups)

7% Co-operatives

Source: WRBM 2022 (UK data)

Unaffiliated independents
Independent retailers operating under their own fascia.

Symbol groups
Independent retailers who trade under a common fascia e.g Day Today, Booker Premier KeyStore, Costcutter.

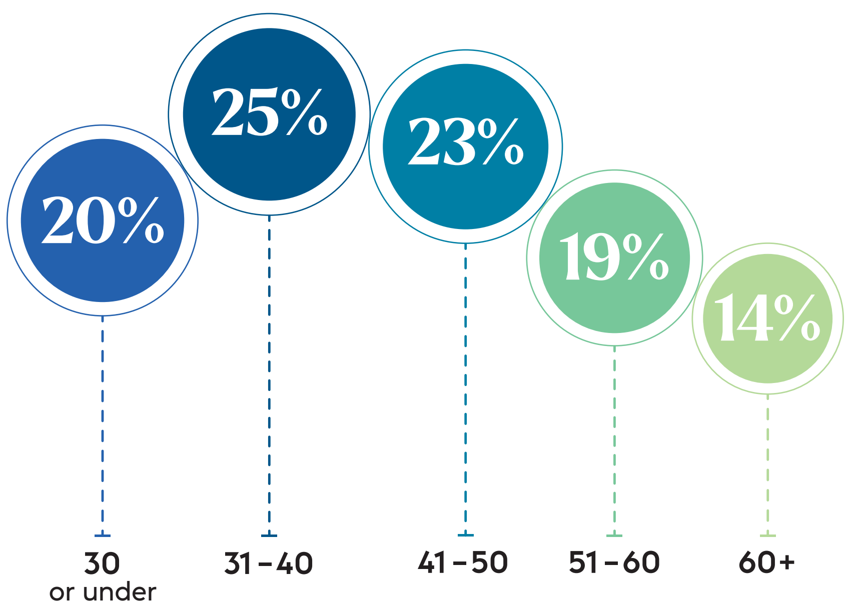
Co-operatives
Groups of stores that are owned by their members.

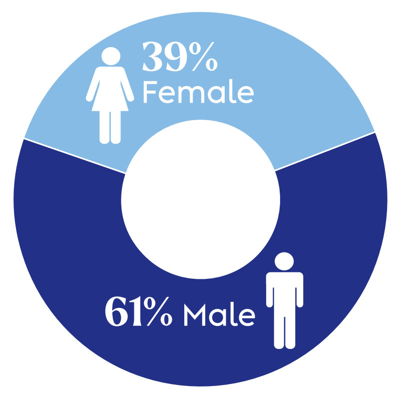
Convenience multiples
Retail Business operating chains of 10 or more convenience stores under a centrally controlled fascia e,g SPAR (company owned stores).

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.

Entrepreneurs

The people who own and run stores in Scotland are:





White British	65%
Asian or Asian British	34%
Other	1%

Source: ACS/Lumina Intelligence 2022 (Scottish data)

Source: ACS/Lumina Intelligence 2020 (Scottish data)

Where we trade

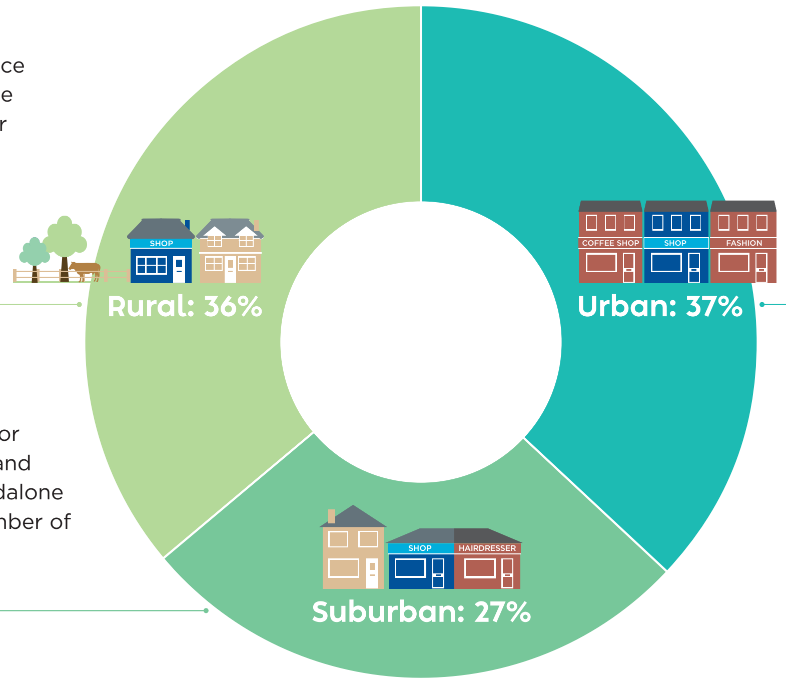
Location

Rural

A 'traditional' convenience store, often providing the only shopping option for the local community.

Suburban

Providing a focal point for suburban communities and estates sometimes standalone or alongside a small number of other local services.



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.

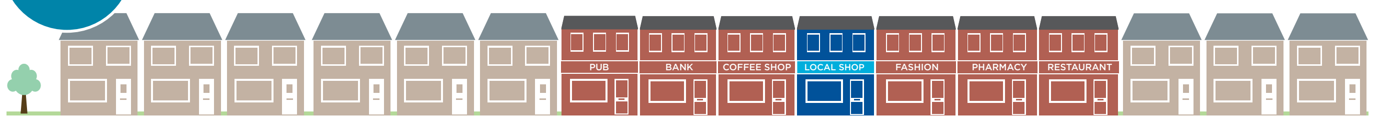
Source: WRBM 2022 (UK data)

Neighbouring businesses

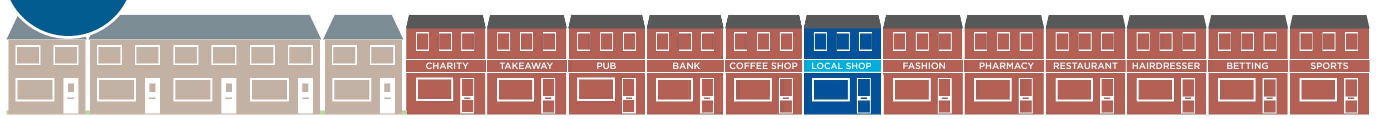
39% **Isolated store**
No other retail/service businesses close by.

27% **Located on a small parade**
Up to five retail/service businesses close by.

10% **Located on a larger parade or a high street**
Up to 10 retail/service businesses close by.



24% **Located on a main high street or within a city centre**
More than 10 retail/service businesses close by.

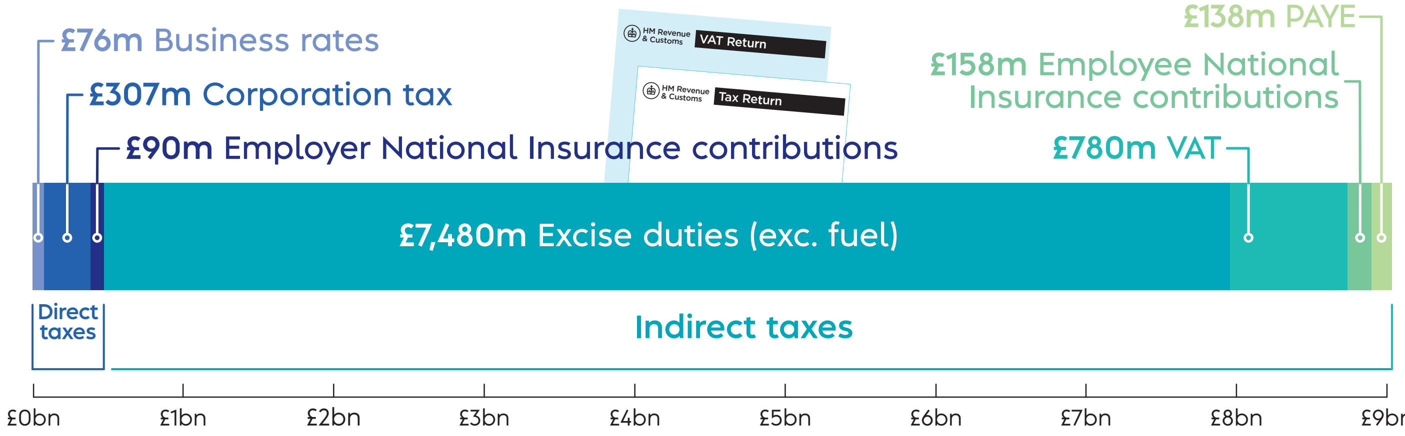


Source: Lumina Intelligence 2021 (Scottish data)

What we contribute to the economy

Economic contribution

Over the last year, the convenience sector contributed
Over **£9.7bn** in GVA and over **£9bn** in taxes



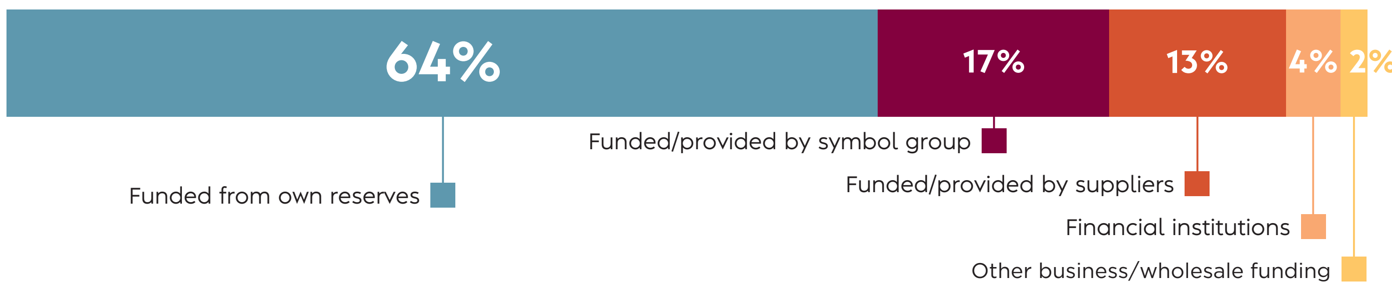
Source: ACS / Retail Economics 2022 (UK data)

Investment

Scottish convenience stores have invested **£65m** in their businesses over the last year

Areas of investment (of those investing)

Main source of investment



Source: ACS Investment Tracker / Voice of Local Shops polling (August 2021 – May 2022) (Scottish data)

What we sell

Total value of sales

£45.2bn

(in the convenience sector in the year to March 2022)

The convenience sector is expected to grow to

£48.6bn by 2025

Source: Lumina Intelligence 2022 (UK data)

Number of products sold

On average, there are around:

4,100 SKUs

(products with different barcodes)

sold in an independent convenience store during the course of a year

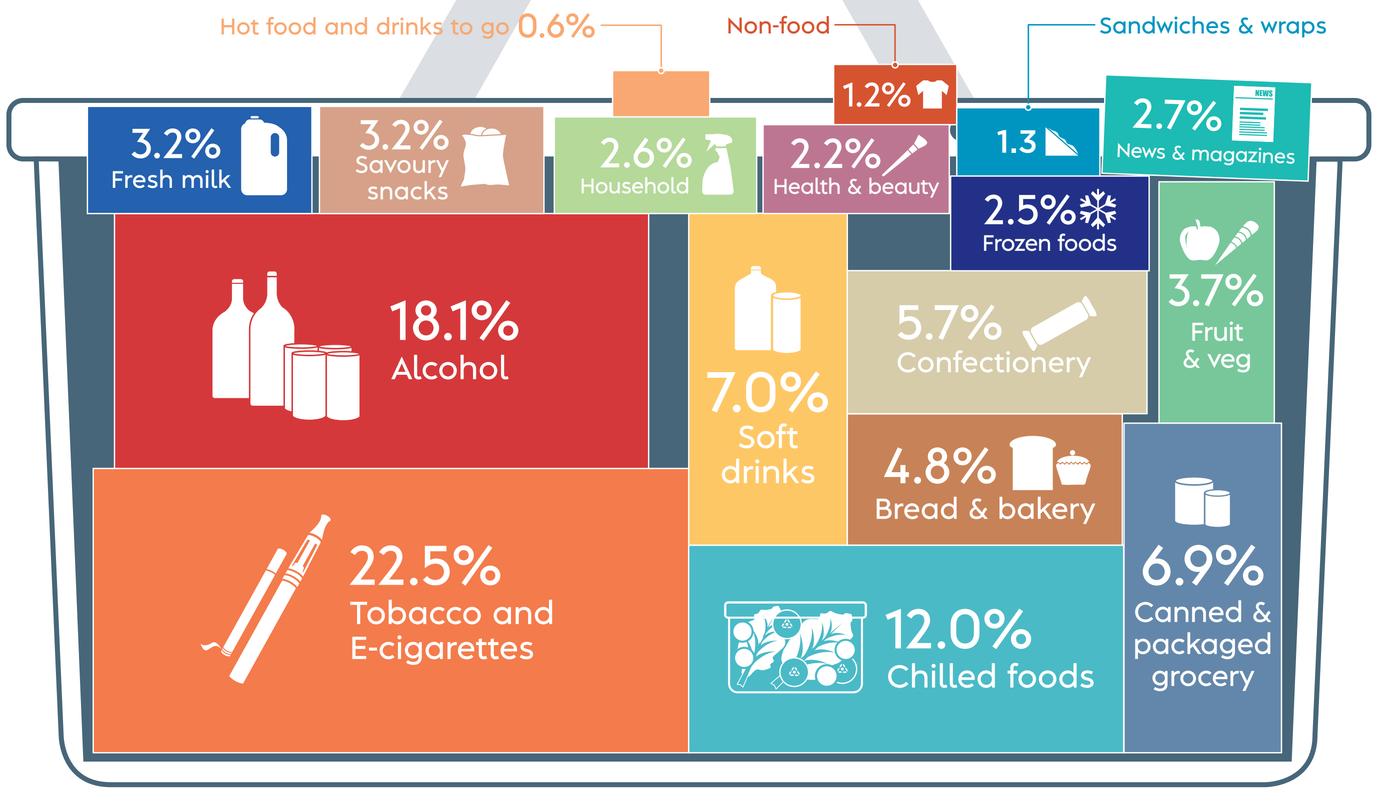
Retail Spotlight 2022 (UK data)

Payment methods

100%	Cash
99%	Debit card
98%	Credit card
94%	Contactless and mobile payment
48%	Card not present transactions

Source: ACS/Lumina Intelligence 2021/2022 (Scottish data)

Category sales: Overall market (2021)



Source: IGD September 2021 – data refers to overall convenience market (UK data)

The services and technology we offer

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

83%	Mobile phone top-up
82%	Lottery
78%	Bill payment services
73%	EPoS
70%	Cash back
53%	Store website
49%	Free to use cash machines
33%	In-store Wi-Fi
30%	Digital advertising screens
29%	Click and collect service (e.g Collect Plus)
28%	Parcel collection point
27%	Post office
26%	Local grocery delivery
23%	Charged cash machine
21%	Mobile marketing platform/ loyalty scheme
16%	Click and collect services for groceries
16%	Food bank usage
15%	Home news delivery
13%	Self-service checkouts
11%	Recycling bins
9%	Digital shelf edge labels
5%	Dry cleaning
4%	Prescription collections
3%	Photo booth

Accessibility in stores

The percentage of Scottish convenience stores that have:

62%	Wheelchair access
52%	Wide aisles
43%	Parking
27%	Hearing aid loops

Energy saving

48%	Chiller doors
46%	LED lighting
34%	Smart meters
6%	Solar panels

All data on this page source: ACS/Lumina Intelligence 2021/2022 (Scottish data)

Online and home delivery

Social media and online searches

Facebook	Instagram	Twitter	WhatsApp	TikTok
55%	34%	27%	26%	16%

Source: ACS/Lumina Intelligence 2021/2022 (Scottish data)

More customers searched for **'convenience stores'** on Google during the week of **May 1st – May 7th** other time in the last 12 months.

Source: Google Trends 2022 (UK data)

Home delivery

Of Scottish stores who currently offer home delivery/click and collect services:

14% offer home delivery for vulnerable customers

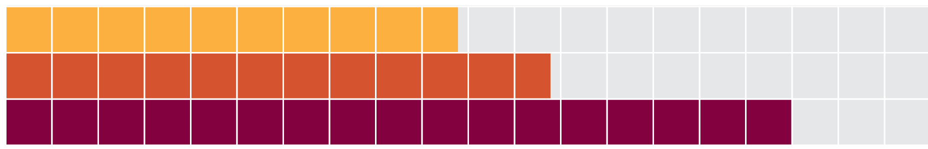
13% offer home delivery for customers who order over the phone

11% offer home delivery through a third-party app, e.g. Deliveroo, SnappyShopper

6% offer home delivery through a store website

3% offer a click and collect service (or similar)

Of Scottish stores offering these services:

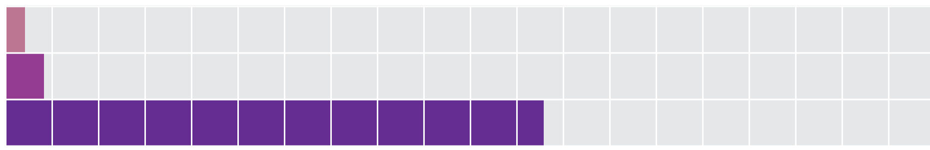


49% have no minimum spend

59% have no delivery charge

85% have no premium pricing

Of Scottish those who don't offer delivery:



2% used to offer home delivery but do not currently offer this service

4% do not offer home delivery but plan to do so in future

58% do not offer home delivery and have no plans to do so

Source: Voice of Local Shops polling May 2022 (Scottish data)

How we source products

How independent retailers source their products

13% I get the majority from a cash and carry

9% I use both, but get more products from a cash and carry

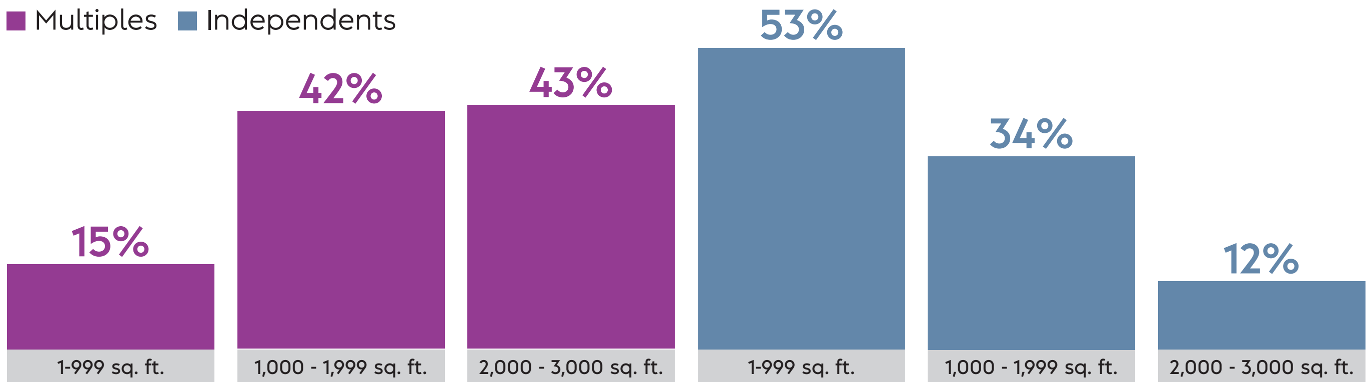
18% I use both roughly equally

6% I use both, but get more products delivered

55% I get the majority of products delivered

Source: ACS/Lumina Intelligence 2022 (Scottish data)

Sales space in-store



Source: ACS/Lumina Intelligence 2022 (Multiples: UK data, Independents: Scottish data)

Use of online wholesaler platforms

33% Ordering products for delivery

6% Comparing prices of products

5% Finding out about new product lines

3% Click and collect service for products

63% Do not use online wholesaler platforms

Source: Voice of Local Shops polling May 2022 (Scottish data)

How we operate

89% of independents operate **one store**

11% of shop owners work more than **70 hours** per week

28% take **no holiday** per year

Opening hours

Typical convenience stores are open **7am** until **10pm**

6% are open **24** hours

9% Closed on Sunday

Average opening hours

12.5 Monday to Saturday

12.1 Sunday

Premises ownership

Multiples	28% Own	72% Rent
Independents	70% Own	30% Rent

Employment of family members

45% of retailers employ at least one family member

55% of retailers employ no family members

Time in business

Five years or less	33%
Six to 10	19%
11 to 15	9%
16 to 20	8%
21 to 25	12%
26 years or more	19%

All data on this page source: ACS/Lumina Intelligence 2022 (Scottish data) (Premises ownership, Multiples: UK data)

Our colleagues

Convenience stores in Scotland provide over **49,000 jobs**

Source: ACS/Lumina 2022 (Scottish data)

Colleagues in the convenience sector **worked** a combined **9.6m hours** a week over the last year

Source: ACS/Lumina 2022 (UK data)

Colleagues in the convenience sector are

74% female, 26% male

21% 16-24 years old; 66% 25-60 years old; 13% Over 60

Hours worked

0-16 hours	17-30 hours	31-40 hours	40+ hours
26%	43%	19%	11%

Travel to work

Average travel cost **£2.17** per day

Average travel time **15 minutes**

55% Walk/on foot

Length of employment

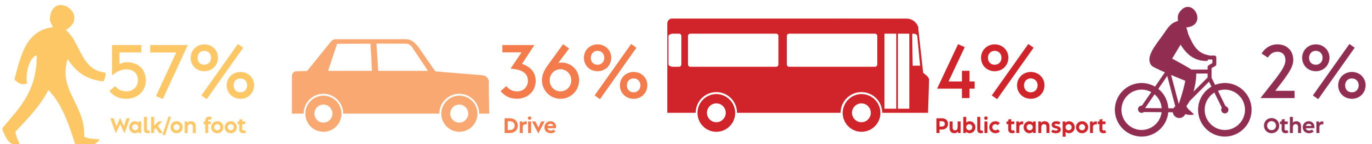
Less than one year	One to five years	Six to 10 years	More than 10 years
33%	27%	17%	24%

Satisfied with their job	69%
Employed on a permanent contract	93%
Feel very secure or somewhat secure in their jobs	72%

All data on this page source: ACS Colleague Survey 2022, unless stated otherwise (Scottish data)

Who we serve

How customers get to store



57% Walk/on foot

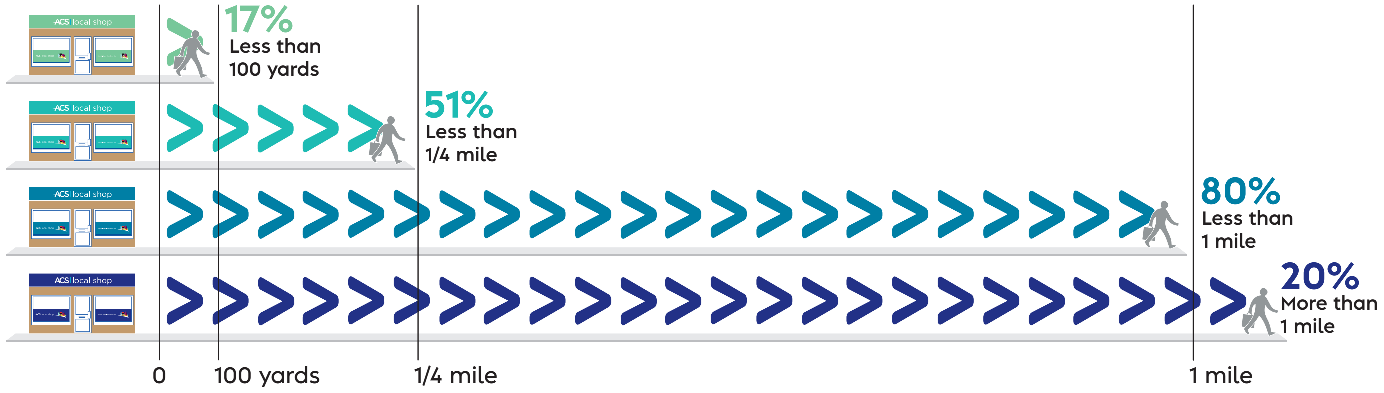
36% Drive

4% Public transport

2% Other

Source: Lumina Intelligence CTP 2022 (UK data)

Distance travelled to store



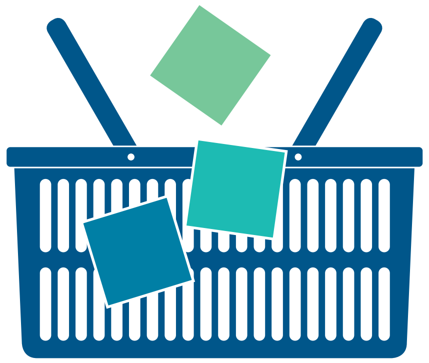
Source: Lumina Intelligence CTP 2021 (UK data)

If their **local shop was no longer there,** customers would have to travel **1.42 miles** to find another local shop

The average customer visits their **local store** **2.7** times per week

48% know the people running and working in their local shop **very well** or **quite well**

Purchases



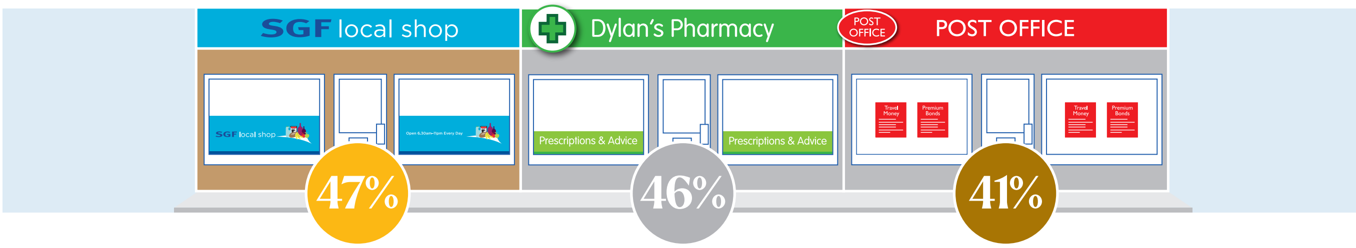
The average basket size is **3.0** items

The average spend is **£7.27**

Source: Lumina Intelligence CTP 2022 (UK data)

Our communities

Most positive impact on the local area



47% 1. Convenience stores

46% 2. Pharmacies

41% 3. Post offices

Most essential services

69% 1. Pharmacies

57% 2. Convenience stores

56% 3. Post offices

Source: ACS Community Barometer 2022 (UK data)

Community activity

75% **of independent** retailers in Scotland engaged in some form of community activity in the past year

57% Collecting money for a national or local charity

15% Providing funding, or in-kind support, to a community event

16% Providing sponsorship to a local sports team or other community activity

9% Taking part in community, council or local business association meeting or project

8% Litter picking or other local environmental campaigns

34% Donating to a food bank

Source: ACS Voice of Local Shops survey 2021 – 2022 (Scottish data)

Community owned shops

There are **407** community owned shops trading in the UK

With a **92%** survival rate

Providing employment for **1,300** people

With around **7,500** volunteer positions created

Source: Plunkett Foundation 2022 (UK data)

Methodology

New primary data for the Local Shop Report was undertaken by ACS in the form of two surveys:

1. Independent Retailer Survey – A sample of 2,124 independently owned convenience store businesses in the UK. ACS commissioned Lumina Intelligence to aid in the design and delivery of the survey. The survey was carried out over the phone by BCC Marketing between 6th June and 15th July 2022. The telephone survey gathered responses from unaffiliated independent convenience stores, independent forecourt stores and independent stores that are part of a central buying or marketing group (known as 'symbol' groups). These are represented in the survey in the same proportion as they are represented in the market. The survey covers the nine regions of England, along with Wales and Scotland.

2. Multiple Retailer Survey – ACS conducted an online 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 relating to a sample of 5,600 stores.

The results of these two surveys have been collated and figures for independents and multiples have been combined according to the proportion of stores in the market, in order to determine overall results for the sector.

William Reed Business Media (WRBM) – Store numbers and sector data
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, plus the ongoing work of the editorial teams on its brands Convenience Store, Forecourt Trader and The Grocer.

Independent sales category data – Retail Spotlight
Retail Spotlight stores and analyses the data from Retail Data Partnership, that supplies EpoS systems to independent retailers throughout the UK. Independent transaction-level sales data is collected daily from around 3,400 sites, that cover £2.6bn of sales each year.

Overall sales category data – IGD
The Institute of Grocery Distribution (IGD) supplies sales data for the overall convenience sector, as part of the IGD UK Convenience Market report. Data in the ACS Local Shop Report is taken from September 2021.

ACS Economic Report
ACS commissioned Retail Economics to provide an economic overview of the convenience sector in 2018. ACS have updated the figures for 2022 based on revised data.

Convenience Tracking Programme 2022 – Lumina Intelligence
This programme is a survey of over 20,000 convenience shoppers conducted at the 'moment of truth' in-store.

Community Barometer
Populus surveyed a nationally representative online sample of 1,000 UK adults aged 18+, in May 2022. Respondents were surveyed using a questionnaire designed by ACS.

For more Community Barometer results please visit the ACS website or email rosie.wiggins@acs.org.uk

ACS Voice of Local Shops
A quarterly telephone survey with a sample of 1,210 independent retailers, covering the nine regions of England, along with Wales and Scotland. The sample consists of unaffiliated, symbol group and forecourt independents which are represented in the survey in the same proportion as they are in the market. Lumina Intelligence aid in the design and delivery of the survey.

ACS Investment Tracker – Data obtained in the form of two surveys:
ACS Voice of Local Shops survey – Questions are asked relating to the amount retailers have invested over the past quarter, what they have invested in and how they have funded their investments.

Multiples Investment Tracker survey – A sample of over 3,000 multiple stores in the UK. Questions in the Multiple Investment Tracker survey are based on the questions asked in the Voice of Local Shops survey, where relevant, to ensure consistency of results.

The results of these two surveys are collated and combined according to the proportion of independent and multiple stores in the sector. The ACS Investment Tracker was completed every quarter and an average has been taken across the latest four quarters (August 2021 to May 2022).

ACS Colleague Survey
An online survey with a sample of 11,354 staff working within the convenience sector. The fieldwork was conducted between 14th December 2021 and 4th March 2022. The data in this report excludes store managers and refers to a sample of 5,311 colleagues. Store managers have been excluded from the analysis to be consistent with previous reports. For more Colleague Survey results please visit the ACS website or email rosie.wiggins@acs.org.uk

Community Shops – Plunkett Foundation
The number of community owned shops is obtained from the Plunkett Foundation database.

All other data on community shops is obtained from the Plunkett Foundation report 'Community Shops 2022'. The report is based on statutory data sourced from the Financial Conduct Authority and Companies House; electronic questionnaires and follow up telephone surveys; together with information held by Plunkett on every community shop.

References

Who we are (page 3)
- Total number of convenience stores in mainland UK – Figure sourced from WRBM.
- Shop ownership – ACS calculation based on figures sourced from WRBM.
- Entrepreneurs – Data obtained from the ACS Independent Retailer Survey and reflects independent retailers only (including those who own symbol stores and forecourts). 'Prefer not to say' responses were excluded from analysis. Asian or Asian British' category combined results received for each of the following categories: Asian or Asian British, Indian, Pakistani, Bangladeshi, any other Asian background.

Where we trade (page 4)
- Location – Rural/urban/suburban split sourced from WRBM. Definitions are based on population density and are derived from postcode data:
  - Urban (density above 30 people per sq. km)
  - Suburban (density 10-30).
  - Rural (density 0-10).
- Neighbouring businesses – Data obtained from the ACS Independent Retailer Survey and reflects independent retailers only (including those who own symbol stores and forecourts).

What we contribute to the economy (page 5)
- Economic contribution – ACS calculation based on 2022 data, methodology originally sourced from ACS Economic Project conducted by Retail Economics in 2018.
- Annual investment – Average investment per store was obtained quarterly from the Voice of Local Shops survey for independent retailers and from the Multiple Investment Tracker survey for multiples. Respondents were asked to estimate the cost of investment in their store over the last three months. The average investment per store was then multiplied by the number of stores for each store type in the sector, (figures taken from WRBM) and added together to give an investment figure for each quarter. Quarterly results were added together to provide an annual amount invested. .
- Top areas of investment – For unaffiliated independents and independent symbol groups the data was obtained from the Voice of Local Shops survey and for multiples, results were obtained from the Multiple Investment Tracker survey. Results for unaffiliated independents, symbol group independents and multiples were collated and combined according to their proportion of stores in the market. The results were calculated for the latest four quarters (August 2021 to May 2022) and an overall average was taken.
- Sources of investment – Data was obtained from the Voice of Local Shops survey and refers to independent retailers only (including unaffiliated and symbol group independents). Results were calculated for the latest four quarters (August 2021 to May 2022) and an overall average was taken.

What we sell (page 6)
- Total value of sales and growth – Figures sourced from Lumina Intelligence.
- Average SKUs – Figures sources from the Retail Spotlight 2022. Data refers to independent sales data only, up to March 2022.
- Overall category sales – Figures sourced from IGD, referring to H1 2021.

The services and technology we offer (page 7)
- All data on this page obtained from independent and multiple retailer surveys. Results for independents were collated between the ACS/Lumina Independents survey and REL SmartSpotter data collected in May 2022. Combined independent results were then collated with responses from multiples, and weighted according to their proportion of stores in the market to determine overall results for the sector. Where specified, data reflects an average of 2021 and 2022 results, as two-year averages to account for any variations in sampling and methodology changes.

Online and home delivery (page 8)
- Social media – Results for independents were collated between the ACS/Lumina Independents survey and REL SmartSpotter data collected in May 2022. Combined independent results were then collated with responses from multiples, and weighted according to their proportion of stores in the market to determine overall results for the sector. Where specified, data reflects an average of 2021 and 2022 results, as two-year averages to account for any variations in sampling and methodology changes.
- Google trends – Data refers to the search 'local shops' in the UK. Trend data was sourced in August 2022.
- Delivery – Data was obtained from the Voice of Local Shops survey conducted May 2022 and refers to independent retailers only (including unaffiliated and symbol group independents).

How we source products (page 9)
- Product sourcing – Data obtained from the ACS Independent Retailer Survey and reflects independent retailers only (including those who own symbol stores and forecourts).
- Store size – Data obtained from independent and multiple surveys. Results for independents and multiples were collated and combined according to their proportion of stores in the market, to determine overall results for the sector.
- Use of wholesaler platforms – Data was obtained from the Voice of Local Shops survey conducted May 2022 and refers to independent retailers only (including unaffiliated and symbol group independents).

How we operate (page 10)
- Stores operated, hours per week and holiday – Data obtained from the ACS Independent Retailer Survey and reflects independent retailers only (including those who own symbol stores and forecourts).
- Opening hours – ACS independent and multiple surveys asked respondents what time of day they open and close for the different days of the week. Results for independents and multiples were collated and combined according to their proportion of stores in the market, to determine overall results for the sector. Average number of hours open includes stores closed on Sunday or open 24 hours. Opening and closing times however exclude those closed on Sunday or open 24 hours.
- Premises ownership – Data obtained from independent and multiple retailer surveys. For independents data reflects an average of 2021 and 2022 results, as two-year averages account for any variations in sampling and methodology changes.
- Family employees and time in business – Data obtained from the ACS Independent Retailer Survey and reflects independent retailers only (including those who own symbol stores and forecourts).

Our Colleagues (page 11)
- Jobs – Per store employment figures obtained from ACS independent and multiple surveys. An average number of staff per store figure was calculated for both independent and multiple retailers. The average number of staff per store was then multiplied by the total number of stores in the sector (based on figures from WRBM). Results for independents and multiples were collated and combined according to their proportion of stores in the market, in order to determine overall results for the sector.

The average employment figure was calculated by dividing the total number of jobs in the sector by the total number of stores in the sector. The following averages were identified for jobs per store in each retailer type:

  - Unaffiliated independents (excluding forecourts): 4.88.
  - Independently owned symbol stores (excluding forecourts): 9.03.
  - Independently owned forecourts: 10.30.
  - Multiples (Inc. co-operatives, forecourt multiples, multiply owned symbol stores): 13.31.
  - Sector average: 8.36.

- Rest of data obtained from ACS Colleague Survey 2022.

Who we serve (page 12)
- Data relating to customers relationship with convenience colleagues and how far customers would have to travel if their shop was no longer there was obtained from ACS Community Barometer 2022.
- Remaining data on this page obtained from Lumina Intelligence CTP 2022.

Our communities (page 13)
- Most positive impact – Respondents were asked: "Which of the following types of services (if any) do you believe have the most 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, please indicate whether you think that it would be beneficial for your local area to have more or less of these types of services, or if you think the number should remain the same." A wanted index was calculated for each service by taking the % who stated more away from those who stated less. Answers were ranked to reflect opinion.
- Community activity – Data was obtained from averaging the results from the most recent four ACS VOLS surveys (August 2021 to May 2022) and reflects independent retailers only (including those who own symbols stores and forecourts).
- Community shops – Number of community owned shops obtained from Plunkett Foundation 2022 database.

Throughout the report, where percentages do not add up to 100%, this is due to rounding.

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:

Google, IGD, Lumina Intelligence, Plunkett Foundation, Retail Economics, smartspotter, Retail Spotlight, YONDER DATA SOLUTIONS, William Reed

About SGF

SGF is the national trade association representing local shops across Scotland. We represent our members through effective lobbying, industry leading advice and networking opportunities for retailers and suppliers.

Our membership includes all the major symbol groups, convenience multiples and Co-ops currently operating in Scotland. We also represent Tesco One Stop and Morrisons Forecourt C-Stores. SGF core activities are communication, advice, lobbying and networking.

For more information about SGF, visit our website:

scottishshop.org.uk

Contacts

For more details on this report, please contact
Jamie Mackie via email at jamiem@sgfscot.co.uk

For more details on SGF:
Visit: www.scottishshop.org.uk
Call: 0131 343 3300
Follow us on Twitter: @ScotGrocersFed

ACS the voice of local shops

SGF Scottish Grocers Federation