



COSINE

Data Led Sales

How Brands can increase ROI in the convenience sector: A Cosine Whitepaper



INVESTORS
IN PEOPLE

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Executive summary

The convenience market is the fastest growing sector of the UK grocery industry, forecast to grow by a staggering £10 billion in the next five years alone.

Shopper perceptions are changing for the better as convenience store formats, systems and procedures come of age, allowing such stores to compete more intensely than ever with their larger store rivals and grabbing the sales share they deserve.

The potential for brands to embrace such growth is therefore huge, but is not without its challenges. Being able to stand out on limited shelf space requires the commitment of retail staff and regular field calling to maintain the space you have invested in. This can be achieved either via a dedicated field team or a syndicated approach which can be more cost effective.

Introduction

We all know that shoppers love convenience. In today’s time poor environment it’s a shopper need-state retailers have long targeted, and is the reason why even the large store grocery giants such as Tesco, Sainsbury’s and Morrison’s, are investing heavily to grow their own share of the convenience sector.

Rising petrol prices and the move to top-up shops to complement larger internet shops, has taken hold in the UK grocery market, whilst the rollout of click and collect services, often outsourced to convenience store locations, is also driving footfall.

Great growth rates for the convenience market as a whole



As such it’s a market that is getting busier by the minute, with more than 47,000 convenience stores now in the UK.

The potential for FMCG brands is huge, with the IGD predicting the convenience sector will grow by more than £10 billion in the next five years, up from £35.6 billion in April 2013, to a projected value in excess of £46 billion in the UK by April 2018.

This growth is significant, and at 4.9 per cent this means the convenience sector is growing nearly twice as fast as the rest of the grocery market. Brands need to have a focused strategy if they are to maximise their sales in an exciting and rapidly growing channel of UK grocery.

Convenience multiples are seeing the most rapid growth



Convenience multiples (Tesco Express, JS Local etc.) is the fastest growing sector of the convenience market, with year on year sales growth of 11 per cent, and is now valued in excess of £6.3 billion in sales value.

One in five sales in the convenience sector (17.6 per cent) goes through these 3,300 outlets.

Symbol groups also making their mark



Symbol group outlets, comprising the likes of Nisa, Costcutter or Londis, are also seeing healthy growth, up by 8.4 per cent according to the IGD figures – the second highest revenue growth sector. Symbol group outlets account for nearly 17,000 stores and have a 42 per cent share of total convenience sales.

The danger of getting lost amongst the crowd

Such a rapidly growing market offers huge potential for brands to boost sales. But with such rapid growth, and a turnaround in perception by the shopper as such stores improve systems, layout and general shop-ability, the reality is it's a market brands are clamouring to get into. Ensuring you, as a brand, have space on shelf and share of mind of the convenience store manager or owner, is therefore a tough job.



Sales and Marketing strategies for the convenience sector are inevitably different from their larger supermarket rivals. With limited shelf space comes increased competition for brand visibility and a more intense fight for customer attention – particularly with the impulse buy behaviour that the convenience sector is famed for.

Optimising your brands sales

All of this means that the risk of brands getting lost through poor availability or visibility – whether because of poor stock taking, a lack of staff resourcing, or just a lack of compliance to brand planograms in store – is high.

Such issues not only affect current sales volume, but also have the potential to damage future sales, as they risk generating a negative brand image with the customer, harming brand loyalty.

Capitalising on store staff commitment

Ensuring a brand stands out on a shelf – whether that brand is on promotion or not – relies heavily on the role of in store staff to implement to agreed planograms. Gaining the buy-in of such retail staff therefore relies heavily on the personal relationships that brands can build with staff through store visits.

Field marketing offers the solution

Tapping into the expertise of retail sales experts is vital, and in a market of such scale, any methods of saving both time, and money, are also key.

Field sales and marketing agencies offer the ability to optimise your brand presence in store so that availability and sales are maximised. The best field teams are taught to always take a category wide view when discussing new brands with the retailer. Selling in this way means that retailers are less inclined to delist brands after the first order, as they will understand how the brand fits in the category; the benefits that brand will bring to the category and also where the brand should be displayed on the retail fixture.

Challenges For Field Sales in The Convenience Sector

Convenience outlet staff are busy and can resent the time required to deal with numerous different brand representatives. Gaining their trust and respect is therefore vital and the use of a credible field sales force is critical in this aim.

For brands meanwhile, the challenge of covering a market that includes more than 47,000 stores is a tough one - both in terms of time and money. Yet ignoring the potential of the convenience market risks losing the chance for your brand to ensure better relationships with store owners and managers, a better profile of your brand and, of course much higher sales volume.

Syndicated Services – Rising to The Challenge



Syndicated sales (or shared service) visits offer all the benefits of dedicated contract field teams, but at a fraction of the cost. The expense is shared by multiple brands rather than a single brand, and allows highly skilled sales agents to increase the distribution, stock and availability of your brand’s products in the convenience sector.

Whether selling in new products, ensuring compliance checks on merchandising and shelf space allocation, or checking stock levels, syndicated field sales visits offer a cost effective way for brands to boost sales in the fastest growing grocery sector.

In the same way that retailers and brands in the logistics sector are sharing space in delivery trucks with non-competing brands to cut costs, a syndicated field sales service does the same – allowing a selection of non-competing brands to be represented by a single sales team, ensuring the brands reap the increase in sales volume that field sales visits create, whilst also lowering costs.

Advocates for your brand

A Syndicated sales team work not only as the eyes and ears of your brand, but as brand advocates, driving engagement, and increasing sales and gaining commitment of store staff.

The field sales team also take some of the headache out of retailers’ stocktaking since part of their role is checking displayed stock levels against the retailer’s stock ordering system. This enables them to ensure correct levels both on shelf and in the stock room. This in turn allows them to rectify any ‘bookstock’ errors that could negatively affect availability, and increase off-promotion rates of sale.

About Cosine's Syndicated Convenience Service

Having operated in the convenience sector since 2005, Cosine are experts in multiple and symbol outlet formats and have a wealth of experience that brands and category managers can embrace.

Last year alone Cosine won a gold Field Marketing and Brand Experience award and is in the top three field marketing companies in the UK. Cosine completed campaigns for 47 different clients, covering 22 high street retailers.

In practise that meant nearly 68,000 calls to more than 6,000 stores. Cosine's syndicated services, which are designed specifically to allow brands to improve sales and build stronger retailer relationships in a more cost effective manner than with non-syndicated services, offers a great solution for brands looking to embrace the booming convenience sector.

Cosine can implement focused distribution drives, or offer availability fixes, with robust transfer ordering and Epos system ordering when available in store.

Can you really afford as a brand to ignore the potential of the convenience sector, and the cost and time savings that a syndicated service offers?

Does your brand have a strategy in place to maximise sales from the convenience sector? Call Cosine on **01844 296751 to find out how we can support your sales growth.**

How will your brand exploit this growth?

A well executed sales strategy is vital to reap the benefits of the convenience sector's growth

[Contact Cosine](#)



£46.2 Billion
Projected value for the UK convenience sector by April 2019

Or visit: <http://www.cosineuk.com>