

KILLING YOU CLICK BY CLICK?



With online grocery services providing ever-faster options for shoppers, *C-Store* asks whether the likes of Amazon Fresh will deliver a body blow to convenience retailers' trade

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Life has a habit of being quite full-on these days, with the big weekly food shop often a casualty of shoppers' lack of time. Just 40% of people carried out a weekly shop last year, according to HIM Research & Consulting. Instead, consumers are opting for a top-up approach to shopping, leaving convenience stores to benefit. But with Amazon offering super-speedy deliveries via Amazon Fresh and Prime Now, and supermarkets upping their game in online delivery, could the trade that convenience retailers have been profiting from now be under threat?

"It certainly is a new challenge for us and something else that independent retailers will have to compete with," concedes Siva Thievanayagan, who owns four Nisa stores in the Peterborough area.

Mintel has revealed that almost half (48%) of British consumers are shopping online, with 11% doing all their grocery shopping online, and a further 12% doing most of their grocery shopping online. The report, *Online Grocery Retailing UK 2016*, also states that

online grocery sales are forecast to reach £9.8bn in 2016, up 13% from an estimated £8.6bn in 2015.

HIM found that 58% of online shoppers did so in order to save time, while 40% did so to stock up on heavy and bulky items. According to HIM, 13.5 million adults are using the internet to buy groceries in a typical week, with Amazon Prime Now and Amazon Fresh, in particular, gaining reputation.

When asked, 31% of adults aged 25-34 and 34% of adults aged 55-64 were aware of the Prime Now service, with 65% of adults aged 18-34 confirming that they were likely to trial the Amazon Prime Now and Amazon Fresh services.

New kid on the block Amazon Fresh claims to offer more than 130,000 fresh, frozen and prepared foods from a number of leading UK manufacturers. Customers must become an Amazon Prime user to redeem the service, costing £7.99 per month, or a one-off £79 fee.

Amazon Prime members shopping on Amazon Fresh can choose between a two-hour delivery window between 8am and midnight with free delivery on orders over £40, or a £3.99 delivery charge for orders shy of that.