

cover feature online food delivery services

← Sainsbury's Wandsworth store to get up to 20 goods delivered within one hour. The supermarket group has also opened a purpose-built 85,000sq ft centre in Bromley-by-Bow to cope with demand for its online grocery orders.

According to IGD, this investment could pay off, as online sales are on a rapid curve in growth and the channel is expected to double in value by 2020 to £17.2bn, meaning that competition for market share in grocery delivery is getting fierce.

Marks & Spencer is offering a one-hour delivery, executed by the online delivery company Togle and currently available only in West and South West London. Central postcodes are to be added this year.

Deliveroo, the courier that delivers restaurant food by bike, announced in July that it has partnered with Majestic Wines and BrewDog so that consumers can order beer, wines and spirits to their door as the courier delves into off-licence territory.

Saquib Ghafoor, who owns Bargain Booze and Nisa stores in Tyne & Wear, admits that one-hour deliveries are undoubtedly appealing to shoppers. "Where they stand up is their time-saving capability, as busy workers can order on their phone, tablet or such on the way home and get their delivery straight away," he says. "Naturally, it is a formula that will work for some shoppers. I believe these delivery services are really out to appeal to more premium customers, who want high-end food and need it instantly."

However, there are elements that let online delivery down. Saquib says: "I think these services can sometimes fall short because of their set basket spends."

His view is supported by research from Mintel showing that one-quarter of



Clockwise from top left: Amazon Fresh offers shoppers the ability to do a full grocery shop, including fresh, chilled and frozen lines; Prime Now choices are more limited and exclude fresh meat but include frozen and fresh fruit & veg, with deliveries within one or two hours

consumers are put off online grocery shopping because of high delivery charges (26%).

Saquib believes c-stores have the edge in other areas, too. "One of the key shopping habits is cash-conscious customers, and c-stores can offer competitive prices at a walking distance from homes and communities, so this is still going to be something that drives a lot of business."

Another turn off for consumers can be the complexity involved in online ordering. Says Siva: "I don't think sites are always user friendly and you can often spend a lot of time browsing products by clicking through to different pages. C-stores can offer customers an easy way to shop without clicking through page after page online."

Siva is confident that online delivery can't compete with the in-store experience he can offer his shoppers. "Customers want to enjoy their shopping experience a bit more and take that extra bit of time to look at what we have, examine our prices and the freshness of our products, and they come back time and again for our high level of customer service."

Product freshness is certainly an area where convenience stores could have the upper hand. Mintel identified that 38% of online shoppers stopped shopping for groceries online because of the lack of control when choosing fresh products.

Harry Goraya, owner of Rosherville Post Office in Gravesend, Kent, is confident that convenience stores have a healthy future. "I do believe there is a market for this kind of instant or fast delivery service," he says, "but while some customers in a particular demographic may opt to trial this service and small stores in those areas may struggle, I don't think it is going to have a devastating effect on the sector. It is down to us to enhance our point of difference and stand out in the crowd."

INNOVATION

A new form of trolley dash

Amazon hopes to tackle the complexity of online shopping with Amazon Dash, an 'ultra-fast' way for shoppers to assemble and pay for grocery orders.

Amazon Dash is a gadget that enables customers to scan a product barcode or simply say the name of a product, adding it automatically to their online basket.



Brand-specific Amazon Dash buttons are also available for particular products, such as Andrex toilet tissue and Finish

dishwasher tablets. Managed by the Amazon app on consumers' smartphones, the wi-fi-connected devices can be placed next to

consumers' supply of the products and when they run low, a touch of the button will add the product to their next online order.

Brewer Molson Coors has also got in on the act with a Carling button, which syncs with a smartphone app, enabling users to add beer to online shopping orders from Tesco, Asda, Morrisons or Sainsbury's.