

Retailers cater to shoppers demanding convenience

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Chris Daniel (right) and Joe Aversa, Centre of the Study of Commercial Activity, are the authors of a recent report on emerging trends in the Canadian grocery retail sector.

Want to pick up some steak for dinner along with a cute pair of shoes and a new flat-screen TV? Growing consumer demand for convenience is the driving force behind changes to the grocery retailing sector over the past decade, according to a report by researchers at the Ryerson University Centre for the Study of Commercial Activity (CSCA).

"People want to have the option of buying their groceries in the same places where they are purchasing clothing or electronics," said Christopher Daniel, lead author of *Emerging Trends in Grocery*

Retailing, recently published by the Ryerson CSCA. "This is a growing trend as more non-grocery retailers are offering convenience food products in their stores."

Co-authored by Joe Aversa, a GIS analyst at the Ryerson CSCA, and the centre's director, Tony Hernandez, the report examines key trends in the grocery industry over the past 20 years, the major players and the size of the market.

The report found that the industry is becoming fragmented into four main types of grocery retailers:

- "Pure play" grocery stores (supermarkets that only offer groceries such as Metro)
- General merchandise stores and warehouse clubs with food products (e.g. Zellers)
- Grocery stores with added general merchandise (e.g. Loblaw Superstore)
- Other retailers that offer groceries (e.g. Shoppers Drug Mart)

The researchers also found that over the years, mergers and acquisitions have helped to build Canada's grocery retailers into large conglomerates. Loblaw Companies Limited, Metro Inc. and Sobeys Inc. now control 60 per cent of the Canadian grocery retail pie. The grocery sector also accounts for nearly 40 per cent of non-automotive retail sales in Canada.

In 2009, large format supercentres such as Costco and Wal-Mart also generated about \$8 billion in grocery sales in Canada, which accounted for about seven per cent of the country's total grocery retail sales. The researchers predict that their market share will continue to rise over the next decade as the number of supercentre stores increases.

Looking to the future, researchers at the Ryerson Centre for the Study of

Commercial Activity foresee an increase in mixed-use locations where grocery retail developments will be combined with condos, office buildings and even other retailers in multi-level developments.

"Traditional grocery retailers have had success in [convenience](#) and neighborhood level shopping centres while power centres seem to be favored by supercentre formats," said Aversa. "In the future, [grocery](#) retailers will have to find innovative ways, such as being in mixed-use locations, to reach their customers in increasingly dense urban environments."

Provided by Ryerson University

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