



## **“Healthy snacking is becoming as important as confectionery.” Interview with Ian Taylor, Spar**

**Spar has over 1,000 petrol stations in the United Kingdom and Northern Ireland, and is one of the leading players in the market. Ian Taylor, Retail Director at Spar, discusses the company's plans in the UK, the growing importance of service stations in their business, and general market trends.**

*Ian Taylor has been in retail for 35 years. He started off at the Co-op, where he went from management to store design. He joined Spar four and a half years ago. There he moved from Head of Retail to his current position, Retail Director. He is responsible for the proposition of the Spar store formats .*

### **Q. When did the relationship between Spar and service stations begin?**

A. The relationship has been growing over the years. In the last five years it has obviously gathered pace. We are now the largest retailer on the forecourt in the UK with over a thousand sites. We are also on motorway service stations. Some of our partners have grown rapidly, like EuroGarages, and many groups have joined Spar attracted by what we can offer them.

### **What kind of importance does retailing at forecourts have in your British business portfolio?**

It is a very important. In the last five years it has grown from 29% to 42% of our total number of sites in the UK, almost half. Forecourt sites in the UK have changed dramatically over the last 5 years. We have gone from traditional kiosk type of sites that sold cigarettes and confectionary soft drinks to a new focus on food for now, healthy snacking and moving into instant consumption, with coffee also playing a major role. There has been a very big shift in the proposition of the stores.

### **How has consumer behaviour changed in the last years and how has that affected your business?**

The key is always the following: Can you get a customer that turns up at your petrol station to purchase something from the store that is not fuel? The proposition that is going in from us and competitors is compelling and focused on motorist on the go. It is food for now, healthy snacking, so that we play all across the demographics. We have to make the difference between transit sites and

convenience stores which sell fuel. So we have a few larger sites with fuel where parking is paramount. You want people to do the full shopping at those stores.

**Is there a chance right now for convenience stores to take business away from big supermarkets?**

If you look at some of our latest sites, we have partnered with Subway, Greggs, Starbucks, Costa and many others. We are certainly looking at how we can make the offer right. First and foremost you have to get your convenience proposition right. The products need to be appropriate to the conditions and location. It's about fresh food, coffee, eat now, bakery... not so much about traditional groceries.

**What prompted this boost in the convenience part of gas stations in the UK?**

One of the major things that has changed in the UK is that fuel suppliers used to run food stores – the likes of Shell, Esso and BP actually ran the stores. Their main concern was selling more fuel, not about the food side. While now you have professional food retailers running the food part of the service station. BP and Shell did some good things but it wasn't their primary focus. That has been one of the major changes. Fuel suppliers have been selling off their sites during the last years and concentrating on supplying.

**Quality coffee, bottled water and fresh food are three of the fastest growing products at petrol stations. What other products do you expect to gain more market strength?**

Healthy snacks, fruit and nuts are definitely on the up. Packaged food, of course, which needs to be accompanied by a fork in order to give that instant consumption element. We are now working on not only food products, but on how to make them convenient to consume – to eat it there and then. You need the ready meals to serve people on their way home at night. Other products such as car chargers, phone chargers, USB leads, etc. are also essential. At larger sites that have seating areas you must have Wi-Fi and charging points.

**Do you expect products with high levels of sugar such as chocolate bars and fizzy drinks to lose significance in the market?**

The customer will decide. We are all looking at what our sugar levels with the new sugar tax looming. But we are always looking for a balance, so although chocolate bars are displayed you also need to offer a healthier option. It is about giving the customer the choice.

**What plans does Spar have for the near future regarding stores at petrol stations?**

We are now looking to partner with fuel suppliers. One of our major projects is dual branding at forecourt canapés with the likes of JET, one of the fuel suppliers in the UK. Dual branding will serve as an assurance that there is a quality store at that petrol station. Store and fuel sales increase, so it is a win-win situation for everyone. We currently have 10 to 15 dual-branded service stations with JET. We will partner with more fuel suppliers in the future. We are also looking for more larger sites where we can partner with restaurants.

## How does Spar keep up with the times?

We have our next generation board, people working all across the company from age 20 to 25. They study and analyze the market, looking for new trends, and then present them back to the executives and main board. They are very acutely aware of food trends, protein, health... Much more than the older generations. It is all about offering the choice to the consumer and adapting to all the different tastes and interest.

*Interview by Oscar Smith Diamante*

*\* Spar is the official partner of Retail's Best Forecourt and Convenience event, a networking evening held on March 23 in Worcestershire, where the British retailer will share its knowledge and ideas with other professionals from the industry.*