

Vape Sales Soar Through Independent Retailers: A Look At The Growth And Potential - Integrated Construction Enterprises

Vape sales have been on the rise, especially through independent retailers. According to the latest category data from IRI, vape sales through unaffiliated retailers grew by almost 30% year on year, outpacing symbol group stores, which saw sales growth of 22.8%. However, despite this growth, vape sales through independent and symbol group stores still trail behind the multiple channel, which experienced a staggering year on year growth of 37%.

Independent and Symbol Group Stores Catching Up

Although independent and symbol group stores are making progress, they still have a combined market share of 28.2% in the traditional retail sector for vape sales. In contrast, multiple retailers continue to dominate the vaping market, holding a significant market share of 62%.

Earlier this year, Sainsbury's made a significant move by repositioning [vape products](#) within its shop-floor healthcare aisles, leading to improved visibility. This strategic placement highlights the growing importance of vaping products and their increasing acceptance in mainstream retail spaces.

Closed Pod Systems Taking the Lead

One key factor contributing to the success of multiple retailers is their early investment in closed pod systems. According to IRI, the closed pod market has witnessed significant growth, increasing its share of the total vape market from 12.5% to 31.6% during the same period.

In contrast, e-liquids, which have been experiencing growth, have seen their overall market share decline from 47.7% to 39.6%. This shift in consumer preferences highlights the changing landscape of the vaping industry.

Unlocking the Potential for Independent and Symbol Group Retailers

John Patterson, the UK sales director of Juul Labs, believes that unaffiliated and symbol group retailers have immense potential to further grow their vape sales. He suggests that investing in display and closed pod systems could be the key to unlocking this potential.

Over the past year, there has been solid growth in the vape category within independent and symbol group stores as more retailers have embraced the category and expanded their [vape product](#) offerings. Despite a 26% increase in sales, the independent and convenience channels are still underperforming in the vape category.

Patterson notes that closed systems accounted for just over 6% of all vaping sales through independent and convenience stores a year ago. Today, that figure has surpassed 28%. The rising popularity of closed pod systems, such as Juul, among adult smokers who wish to transition from traditional combustible tobacco products, is closing the gap between closed and open system sales.

Seizing the Opportunity

The early adoption of closed pod systems by multiple retailers has given them an edge, with closed systems now outperforming open systems in their stores. The convenience and user-friendly nature of closed pod systems make them ideal for convenience stores, and Patterson suggests that more retailers should prioritize these products within their vaping fixtures.

Patterson emphasizes that closed pod systems are driving 80% of the total market growth in traditional retail. While independent and symbol group retailers currently hold a 28% share in this sector, when we include specialist vape shops and online stores, their combined share is estimated to be around 12%.

The opportunity for independent and symbol group retailers lies in gaining a vape market share similar to their tobacco market share, which is approximately 45%. By capitalizing on the growing trend of closed pod systems and optimizing their vape offerings, these retailers can tap into the potential growth of the vaping industry.

FAQs

- Q:** What is the growth rate of vape sales through independent retailers? **A:** Vape sales through independent retailers have grown by almost 30% year on year.

2. **Q:** How do symbol group stores compare in terms of sales growth? **A:** Symbol group stores saw sales growth of 22.8% in the same period.

3. **Q:** Which retail channel has the majority of vaping sales? **A:** Multiple retailers hold the majority market share of vaping sales with 62%.

4. **Q:** What is the market share of closed pod systems in the vape market? **A:** Closed pod systems have increased their market share from 12.5% to 31.6%.

5. **Q:** How can independent and symbol group retailers enhance their vape sales? **A:** By investing in display and closed pod systems, retailers can further grow their vape sales and close the gap with multiple retailers.