



# C-Store Food Service Trends

*Are you Ready? Food for Thought*

# Introduction

## Agenda:

- Healthier/Alternative trends
- Customer Experience on the path to purchase
- Technology trends
- Are you ready? Food for thought

# Healthier/Alternative Trends

- Do you carry products with these logos?
  - Organic
  - Gluten free
  - Wheat free
  - Vegan friendly
  - No artificial ingredients
  - Non GMO
  - Kosher
  - No added fat
  - Zero trans fat
  - Plant based
  - Local ingredients
  - Global Inspired products
  - Adaptogens



# Healthier/Alternative Trends

*“The top three better-for-you attributes cited were:*

- freshly made in-store,*
- local-sourced/fresh ingredients and*
- low-calorie options.”*

*CSNEWS, 2019*

# Healthier/Alternative Trends

- Meeting the Latest Health Trends
  - Know your customer base
  - Provide amenities to the people that live, work and play in the area
  - Provide fresh and local products
  - Buy more products from local farmers and turn them into ready-to-eat food
  - Focus on freshness of ingredients
  - Low Calorie options
  - Utilize social media to advertise new business ideas



# Healthier/Alternative Trends

- You are *Where* you *Eat*
  - A reflection of who you are – branding opp!
  - Customers are aligning with brands with the same lifestyle offerings
  - Healthy foods impact many categories
    - **Fresh Foods/Deli**
      - Fruits & Vegetables
      - Bakery
      - Snacks
      - Refrigerated Beverages
      - Packaged Sandwiches
      - Cookies
      - Grocery
      - Fountain
      - Coffee & Teas



# Healthier/Alternative Trends: Made To Order (MTO)



## Meeting the Latest Health Trends

- 1/3 of consumers report desire for healthier options
  - Made in-store
  - Local/Fresh
  - Low-Calorie
- Repurpose pre-existing offerings
  - Plant-Based
  - Alternative Snacks
  - Regional Flavors – Africa, South Asia, Latin America
  - Cannabis
  - Sustainable

# Healthier/Alternative Trends



## Meeting the Latest Health Trends

- Keep your existing food service equipment and spice it up
  - Pizzas
  - Roller grills
  - Burgers
  - Chicken Sandwiches

*“Sometimes it’s just about introducing an old product in a new way.”*

*CstoreDecisions, 2019*

# Healthier/Alternative Trends

## Meeting the Latest Health Trends

- Think outside the box of traditional C-stores:
  - Seek newer, plant-based options, including smoothie bowls and cold-pressed juice.
  - Make juice in-house
  - Consider vegetable-forward menu items



# Healthier/Alternative Trends

## Meeting the Latest Health Trends

- Think outside the box of traditional C-stores:
  - Offer fully stocked salad bar
  - Consider vegetable-forward menu items
  - Incorporate Organic offerings



# Healthier/Alternative Trends

## Meeting the Latest Health Trends

- Think outside the box of traditional C-stores:
  - Offer some fresh meal-planning services – **M-T-W-T-F**



# Healthier/Alternative Trends

- Partnership for a Healthier America (PHA)
  - PHA, a nonprofit that helps leverage the power of corporate America to improve the food supply, has now helped to expand healthier options in more than 2,500 convenience store locations nationwide
  - Commitment to offer healthier foods at healthier prices
  - Portability of products
  - Demand for nutrition
  - More and more convenience stores are moving towards healthier options which is changing perceptions about C stores

## Partnership for a Healthier America



# Healthier/Alternative Trends

*“On average, a 1/3 of consumers surveyed for Datassential’s Brand Fingerprints tracker want healthier options from top convenience store chains, but, much of this innovation is left to **creative independents** redefining the concept of convenience stores.”*

Smartbrief, 2019

# Customer Experience on the Path to Purchase



- Customers want to avoid long lines at counters and drive thrus
- Seeking faster and efficient service
- Overall improved customer experience

# Customer Experience on the Path to Purchase

In order to improve speed and efficiency, retailers are offering the ability to order via mobile apps, online and kiosks for pick up in stores

- Mobile/online orders picked up at the pump.
- Indoor and outdoor Kiosk ordering/payment
- Technology is allowing retailers to make it faster and cheaper for customers to get their food by reducing human intervention
- Aside from the reduction in labor cost, ordering online/mobile apps provides retailers with more data about their customers from trackable, digital touch-points
- Provide personalized upsell opportunities
- Promotion opportunities
- If the app is easy to use, retailers will experience greater frequency of orders and visits

# Customer Experience on the Path to Purchase

Enhancing digital capabilities and the use of technology to dramatically elevate the customer experience

- Increase in Mobile Ordering/Payment apps
  - Ordering from mobile apps allows retailers to use the data generated about users to increase sales
  - Ability to collect a wealth of data about the habits of customers - everything from what kind of burgers they prefer to how often they use the drive-thru
  - Allows retailers to customize the way they interact with customers
  - Ability to tie customer data into customized services
  - Provide personalized upsell opportunities
  - Promotion opportunities
  - If the app is easy to use, retailers will experience greater frequency of orders and visit
  - McDonalds Japan customers using the app spend 35% more on average

# Customer Experience on the Path to Purchase

- Enhancing digital capabilities and the use of technology to dramatically elevate the customer experience
  - Loyalty and Mobile Apps
    - By integrating loyalty programs and apps, retailers can gather information on customers to increase visits and sales
    - With the additional data, retailers can use it in a way to make a customer's experience better and faster
    - Studies have indicated that customers are willing to share information as long as there are benefits are right
    - Ability to collect "behavioral insight" from customers can be used to personalize the promotions they receive

# Customer Experience on the Path to Purchase

## Today's customer expects a loyalty program

- Customers with an affinity for loyalty programs are 10x more likely to visit C-Store because they like its loyalty program
- Loyalty Member vs. Non-Loyalty Member Average Basket
- 89% of US Consumers report visiting a C-Store within the past 6 months
- 42.5% of these consumers report belonging to a loyalty program
- 73% of C-Stores have a loyalty program in place



# Customer Experience on the Path to Purchase

Enhancing digital capabilities and the use of technology to dramatically elevate the customer experience

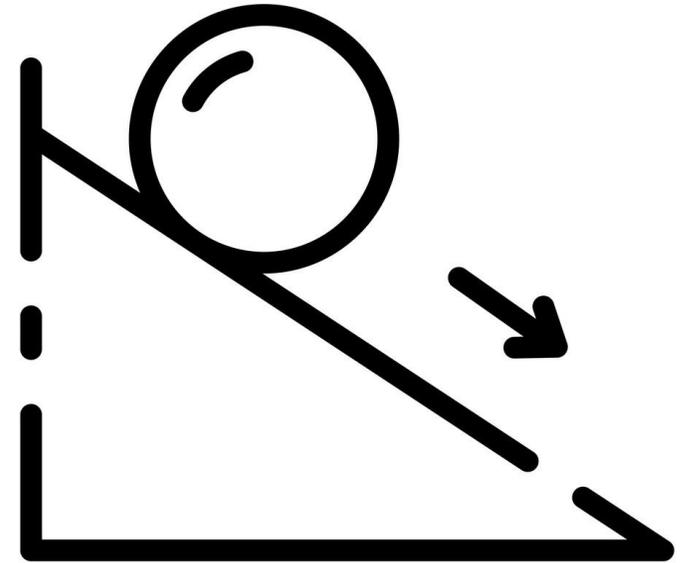
- Location Based Marketing
  - Retailers can partner with social media sites such as Facebook to advertise
  - By doing so, the retailer can use Facebook's location tracking information to analyze the the time between when customers see an ad on Facebook and when they walk into a McDonald's restaurant.
  - Ability to collect "*behavioral insight*" from customers can be used to personalize the promotions they receive
  - Such marketing programs help bring more customers into the store

# Customer Experience on the Path to Purchase

- Enhancing digital capabilities and the use of technology to dramatically elevate the customer experience
  - Social Media and Advertising
    - Use of new technology will inform retailers where its advertising dollars work, and where they could be better spent
    - New avenues for advertising combined with mobile apps, personalized and location based marketing strategies will increase traffic and sales
    - The modern customers wants to use technology to enable their convenience.
    - Retailers need to improve the overall customer experience

# Technology: Frictionless Journey

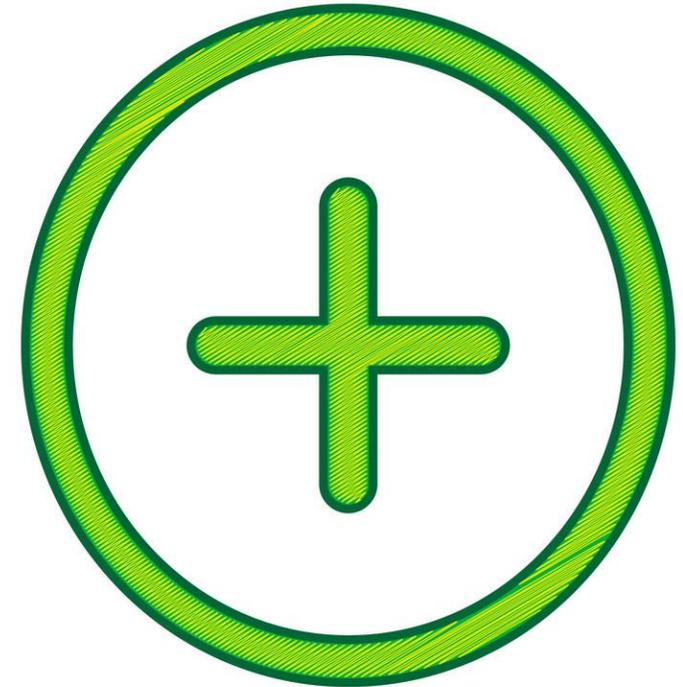
- What did Frictionless mean a few years ago?
- What does Frictionless mean today?
- What will Frictionless look like in the future?



# Technology: Frictionless Journey

## Can Friction be Positive?

- Retailer Involvement
- Recognition/Confirmation
- Interactivity
- Aiding in Discovery



# Are you Ready? Food for thought...

- Organizational readiness
- Determine Food service strategy
  - Demographic analysis
  - Feasibility assessment
  - Identify path for change management
- Partnerships

Are you Ready? Food for thought...



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