

# In brief

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## 2018 convenience store consumer survey: foodservice is hot and getting hotter

C-stores are now going toe-to-toe with quick-service restaurants and grocery stores in a fierce foodservice battle.

### AT A GLANCE

- 1 Foodservice is now the number one reason consumers shop at c-stores.
- 2 To differentiate themselves, c-stores should continue to focus on technology—including mobile apps—to enhance the customer experience.
- 3 Delivery offers an opportunity to innovate, but Amazon could change the game.

### Foodservice dominates

In our latest North American convenience store consumer study, survey respondents named foodservice offerings—including prepared foods and hot, cold, or frozen dispensed beverages—as their primary c-store purchases.

Breakfast, lunch, and dinner times saw the highest sales, suggesting that stores can grow foodservice sales by focusing their product and marketing strategies on those day-parts.

# 13%

C-store monthly dining frequency has jumped by more than 13% in the past five years; meanwhile, other channels such as quick-service restaurants, grocery stores, and casual dining have stayed flat or declined.

**FIGURE 1:** CONSUMERS' PRIMARY C-STORE PURCHASES IN THE PAST 12 MONTHS



### Better-for-you offerings are in demand

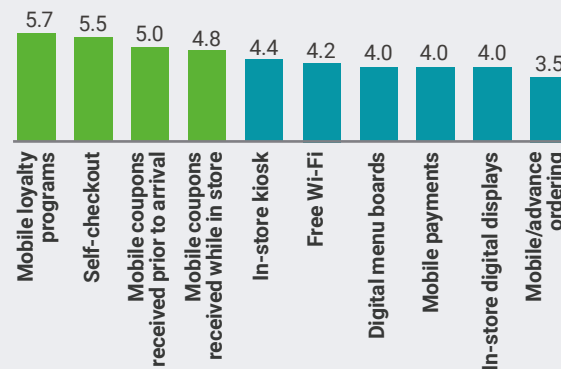
Consumers praised c-stores on their prices, value, and service speed. However, they still think c-stores could improve the quality and diversity of their foodservice offerings. More than 80% of survey respondents said they would appreciate seeing more better-for-you menu items. Top characteristics that interested consumers included “freshly made in stores,” “nutritional information provided,” and “locally sourced/fresh ingredients.”

### Mobility and self-checkout get high scores

Technology—especially mobile loyalty programs—powerfully influences shopping behavior, particularly among younger consumers. In fact, more than 60% of Millennial and Generation X consumers in our survey gave the importance of loyalty programs a rating of 3 or higher on a scale of 1 to 5.

Other technologies that focus on improving the customer experience, such as self-checkout and kiosks, also scored highly.

**FIGURE 2:** C-STORES' MOST-IMPORTANT TECHNOLOGY OFFERINGS, ACCORDING TO CONSUMERS



# 70%

Roughly 70% of consumers in our survey are interested in receiving delivery from c-stores.

### Drive-thru and delivery could drive growth and innovation

Out of all the consumers who expressed interest in delivery from a c-store, 53% said they prefer to order delivery in advance; 65% said they want to order directly from a c-store, versus just 9% who said they want to order c-store delivery from a third-party service.

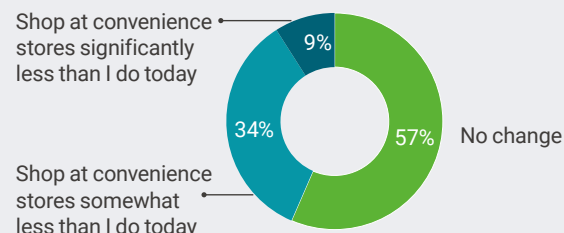
Despite strong interest in delivery, consumers suggest that drive-thru windows rank even higher in importance of c-store offerings.

### But watch out: Amazon is moving into c-store food delivery

Amazon just opened its first cashier-less convenience store: Amazon Go. The digital giant is also reportedly testing food offerings that consumers can order online and have delivered to their cars outside Amazon c-stores.<sup>1</sup>

About 43% of survey respondents said that if an Amazon c-store opened nearby, they would shop at other c-stores at least somewhat less frequently (figure 3).

**FIGURE 3:** AMAZON'S NEW MODELS COULD DISRUPT THE C-STORE LANDSCAPE



If an Amazon-branded c-store opened in your area, how would your shopping frequency change at other c-stores?

<sup>1</sup> <http://www.businessinsider.com/amazon-launches-curb-side-pickup-for-groceries-2017-5>

Source: AlixPartners' 2017 North American Convenience Store Consumer Study

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