

AlixPartners



Designated donut:

Treating breakfast as a QSR-grade program highlights the foodservice revolution at c-stores

The breakfast customer is the most valuable and most fickle foodservice guest in the c-store. They are willing to pay after actively comparing and rewarding those who nail freshness, quality, and a credible menu of options.

But you can sometimes have too much of a good thing.

The focus on foodservice that's transformed the U.S. c-store industry has bolstered traffic, revenue and employment. From basic offerings to larger menus that have taken share from quick service restaurants, the changes have often come without adopting the fresh purchasing and operating practices required for sustained margin growth.

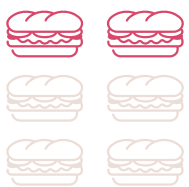
A recent AlixPartners survey of more than 2,000 c-store foodservice customers at a baker's dozen of major chains revealed that too many c-store breakfast programs remain built around legacy commodity SKUs.



For one client, the first step of the solution was deceptively simple: halve the number of available donut varieties to concentrate volume and eliminate write-offs.



Barely a third of its fresh-food SKUs were driving 90% of sales, and stores were routinely ordering unprofitable items under a one-size-fits-all assortment guidance.



Breakfast narrowly edged lunch as the most important daypart in the survey. **On average, 34% of respondents cited this and at some outlets, almost half did.** Crucially, these customers are the most habitual and loyal. Early diners are the group most likely to visit a c-store daily.





The breakfast customer evaluates the experience with QSR-level scrutiny. Most operators don't meet that bar.

Our survey reveals consistent expectation gaps across brands: freshness and food quality are the two attributes where customer importance scores most often exceed brand performance scores.



Customers increasingly rate freshness and made-to-order quality at breakfast higher than at other dayparts.

Critically, they skew toward elevated formats. They over-index on made-to-order sandwiches and salads, and on self-serve specialty beverages like espresso and frozen drinks. It's becoming less of a grab-and-go occasion.

The strategic implication is clear.



Winning breakfast requires some operators to treat the daypart like a QSR-grade program. This means having suitable menu breadth, made-to-order capability, and consistent execution on freshness. There is a broad need to reassess supply chain and purchasing relations.



Elevated foodservice offerings have accentuated the workforce challenges facing the sector, requiring a fresh approach to operating mechanics. This can include new staffing models, pilot-and-control testing of new offerings, and reassessment of their distribution strategy.

AlixPartners supports c-store operators in designing and standing up foodservice programs that win the most demanding daypart. This includes menu architecture, unit economics, labor models and rollout.

The goal is to turn breakfast into a defensible traffic and margin engine.

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For a deeper discussion on the survey results and how c-store operators can close the gap on freshness and variety in the morning and capture the channel's most habitual, highest-value customer:

Contact the authors

Andrew Sharpee

Partner & Managing Director
asharpee@alixpartners.com

TJ Wommack

Partner & Managing Director
twommack@alixpartners.com

Trevor Boomstra

Partner
tboomstra@alixpartners.com

Michael Headly

Partner
mheadly@alixpartners.com

Brian Schoenauer

Director
bschoenauer@alixpartners.com



About us

For more than forty years, AlixPartners has helped businesses around the world respond quickly and decisively to their most critical challenges—circumstances as diverse as urgent performance improvement, accelerated transformation, complex restructuring and risk mitigation.

These are the moments when everything is on the line—a sudden shift in the market, an unexpected performance decline, a time-sensitive deal, a fork-in-the-road decision. But it's not what we do that makes a difference, it's how we do it.

Tackling situations when time is of the essence is part of our DNA—so we adopt an action-oriented approach at all times. We work in small, highly qualified teams with specific industry and functional expertise, and we operate at pace, moving quickly from analysis to implementation. We stand shoulder to shoulder with our clients until the job is done and only measure our success in terms of the results we deliver.

Our approach enables us to help our clients confront and overcome truly future-defining challenges. We partner with you to make the right decisions and take the right actions. And we are right by your side. When it really matters.

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