

Keeping the Good Times Rolling

Our exclusive 2016 Industry Forecast Study predicts continued strength in the year ahead

A Convenience Store News Staff Report



One sweeping look at the 2016 *Convenience Store News* Industry Forecast Study certainly supports the stance that now is one of the best times in history to be a convenience store retailer.

For starters, not one of the in-store categories included in our 14th annual Forecast Study is predicted to see a drop in per-store dollar sales or unit volume this year (see chart below). On the dollar side, packaged beverages leads the pack with a 6.5-percent dollar sales increase forecasted. On the units side, other tobacco products is tops with a 5.7-percent unit volume increase projected.

As in past years, the exclusive *CSNews* Industry Forecast Study provides dollar and unit volume projections in key c-store product categories based on data from various sources, including Nielsen for category sales history; TDLinx for store counts; and government sources for motor fuel volume and pricing data. The data is then run through a sophisticated projection model and presented here in summary form. *CSNews'* consulting economist Maureen Maguire, founder and CEO of New York-based *ThinkResearch*, oversees the

Forecast Study process.

Along with the individual forecasts for the product categories of most importance to c-store retailers — edible grocery is a brand-new addition to our report this year! — the *CSNews* Forecast Study once again provides an overall U.S. economic outlook. According to Maguire's insights, her consensus for 2016 is that "the economy in general is doing quite well." The economic picture continues to improve despite rising interest rates and terror threats.

We've also brought back our second-annual Retailer Forecast Study. The survey, fielded in November, asked convenience store retailers to predict results for their average store sales this year in major categories and to provide reasoning for their answers. They were also asked to rate issues that are expected to have a major impact on the industry, and share initiatives they intend to implement during the year to increase sales and profitability.

This year's results reveal that 82 percent of c-store operators (chains and single stores combined) expect their average sales per store to increase in 2016 vs. 2015. When asked by how much, the net growth prediction is 5 percent (for in-store and motor fuel combined).

Of course, retailers are only one half of the convenience retail equation; wholesalers and suppliers represent the other half. And so, to deliver more forward-looking insights to help c-store players mobilize for the new year, *CSNews* for the first time conducted a survey among convenience industry suppliers and wholesalers to get their forecast for 2016.

Read on to discover much more about what the year ahead has in store for your business.

FORECAST 2016 SNAPSHOT

	PER STORE	
	DOLLAR SALES	UNIT VOLUME
Packaged Beverages	6.5%	5.0%
Salty Snacks	6.0%	3.2%
Edible Grocery	4.6%	5.4%
Other Tobacco Products	3.9%	5.7%
Candy	3.6%	2.0%
Beer/Malt Beverages	3.1%	2.1%
Cigarettes	n/a	0.3%

*Percent change forecasted for 2016 vs. 2015
Source: Convenience Store News Industry Forecast Study, 2016