

PM snacking: The hottest c-store daypart

Snacking during the 2 to 5 p.m. time period is now the fourth most common daypart in convenience stores after breakfast, lunch and dinner:

Forty-six percent of c-store visits occur after 2 p.m., and 50 percent of c-store snack purchases happen between 2 and 10 p.m., reports a 2015 joint study by Tyson Convenience Foodservice and Anheuser-Busch. In fact, the “PM snacking” daypart was projected to outpace all other meal parts in growth for 2015, according to the *Convenience Store News Industry Forecast Study* for 2015.

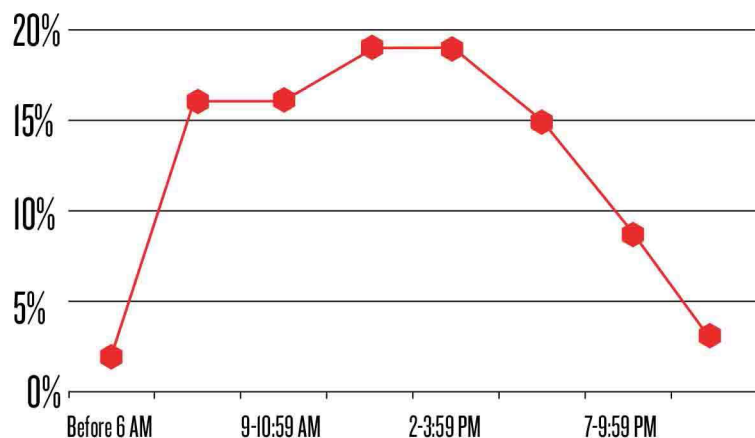
This explosion in PM snacking is part of a larger overall upward trend for consumer snacking. In 2014, annual “eatings” per capita of snack foods consumed at meal times by individual diners reached 191, compared with 167 in 2011, according to NPD. And from a dollar perspective, U.S. snack sales are expected to reach \$47.5 billion in 2015, up from \$34.2 billion in 2005, according to Statista.

The role of consumer trends in PM snacking growth

A number of timely consumer trends are driving PM snacking growth in particular, including:

- **Snacks replace meals:** Nearly 7 in 10 consumers who snack report they have eaten a snack in place of a meal at

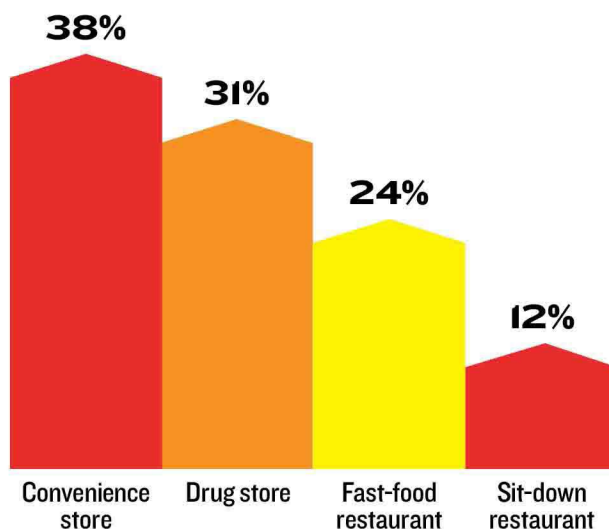
Time of most recent c-store visit



SOURCE: TYSON CONVENIENCE FOODSERVICE “CHANNEL CHOICE STUDY,” 2014, CARBONVIEW

C-stores are top choice for snacking

Which of the following venues have you visited for a snack in the past 30 days?



SOURCE: MARCH 2015 STAGNITO/CARBONVIEW CONSUMER RESEARCH

least once in the past month, according to Acosta Sales & Marketing research. Younger consumers are least likely to differentiate between meals and snacks, so this base may be the target market for smaller-portioned entrées offered as snacks and snack options marketed as meal replacements.

- **Multiple small meals vs. three main meals:** Grazing, or eating multiple small meals, can occur throughout the day but tends to take place more frequently in the late afternoon to early evening between lunch and dinner. This is the timeframe when consumers are looking for something indulgent, such as specialty coffees, chocolate or ice cream, or a more substantial dish such as a sandwich, fries or Mexican fare.
- **Meal accompaniment:** As snack options continue to grow and the timeframes in which consumers snack are changing, consumers are choosing certain

snacks to accompany their main meals, especially lunch. Snack items eaten at main meals will grow by approximately 5 percent during the next few years to 86.4 billion eatings in 2018, as forecast by NPD in its report *The Future of Eating: Who's Eating What in 2018?*

- **Purchasing for later:** In 2008, the recession sent the foodservice industry into a nose-dive. Chains like Subway and Starbucks recognized that traffic would be down, as would basket rings/check averages. To turn this challenge into an opportunity, these chains provided incentives for morning customers to consider the afternoon. Subway, for example, provided customers with discounts for purchasing multiple food items to account for “dinner,” and Starbucks gave customers discounts for the 2 to 5 p.m. daypart if they returned with a receipt from the morning. C-stores had been the go-to venue for stocking up between meals even before 2008, and this trend continues among consumers today.

Although there are many reasons consumers snack and numerous snacking options for those consumers, several key points about overall snacking stand out:

- Meal replacements that are low-prep and prepackaged with little to no clean-up are in high demand.
- High-protein snack choices like lean meat, nuts and granola bars are generating more buzz in the social health space.



✦ C-stores are the undisputed afternoon destination for snacking

Reason for c-store snacking visit	Morning	Afternoon	Evening
It's on my route.	18%	27%	20%
I realize I'm hungry and find someplace to stop.	13%	26%	21%
I stop to buy gas and go inside to buy a snack.	15%	26%	21%
I'm in a hurry and it seems easy.	16%	26%	18%
It's part of my routine.	13%	17%	14%
It's part of a larger shopping trip.	7%	15%	13%

SOURCE: TYSON CONVENIENCE FOODSERVICE/ANHEUSER-BUSCH RESEARCH, 2015

- Better-for-you snacks like fruit, bars and veggies are replacing snacks with higher fat and sugar content.
- Convenient, on-the-go options are the snacks of choice for millennial parents.

C-stores are destinations for PM snack purchases

The fact that PM snacking is on the rise is good news for c-store owners, because it puts their stores in a unique position to be one of the top venues for PM snacking and small meal options. Nearly 40 percent of consumers indicate they have purchased a snack at a c-store in the past 30 days, making it the top choice among drug stores, QSRs and casual dining restaurants.

Several important factors give c-stores an edge in the PM snacking market. Most c-stores are open for business around the clock, making it easy for shift and other workers to stop in and purchase food and beverages throughout the day. In addition, consumers say they find c-stores the most attractive and efficient places to satisfy their PM hunger. When asked when and why they select a c-store for a snack, consumers reveal the channel's inherent advantages: convenience, gas, location, and ease of in and out.

Consumers also typically use convenience stores as a "fill in" for their grocery trips, so

they're already used to purchasing foodservice items there, particularly during the afternoon and evening dayparts, according to the Tyson Convenience Foodservice/Anheuser-Busch 2015 research.

How c-stores can maximize the PM snacking dynamic

In order to plan, execute and sustain successful PM snacking programs, a c-store must initially identify the specific types of snack offerings that are most appropriate for its concept. One way to do this is to evaluate the types of snacks consumers purchase at competing locations and then add items that aren't currently on the shelves. Or, try polling customers to narrow their PM snacking preferences to specific products, such as roller grill food, breakfast sandwiches and pasta salads.

Using this type of consumer information, a c-store can put into play several specific strategies to help foodservice programs resonate with snackers in the afternoon and evening hours:

- Concentrate on portability and ease of snack.
- Position PM snacks as their own platform using unique items, sizes and communications.
- Use sampling to build awareness.
- Leverage traffic from other dayparts to build awareness (i.e., coupons, team selling, etc.).
- Employ social media and mobile app rewards.

By developing a new way of thinking outside of traditional meal dayparts, c-stores can set the stage to truly leverage their strong PM snacking position.

—Julie Powell

