

Understanding Convenience Foodservice Innovation

Consumers and retailers rate potential c-store offerings in exclusive research study

By Don Longo

What are the most exciting and obtainable foodservice options for today's convenience stores? A new, exclusive research study, powered by *Convenience Store News* sister company Carbonview Research, tapped both c-store retailers and consumers to answer this question. The study explores topics related to driving traffic, satisfaction, greater share of visits and increased profitability, and uncovers such innovations as flavored water stations, burrito bars, loyalty programs, salad bars, a craft beer and soda department, and yogurt bars.

The inaugural *CSNews* Convenience Foodservice Exchange kicked off with a dynamic presentation that compared consumers' view of foodservice innovation ideas with those of actual retailers. The new conference, hosted Sept. 15-16 in Schaumburg, Ill., is the only conference and exhibition focused entirely on convenience store foodservice. The event drew approximately 50 retailers, representing more than 22,000 stores.

In the keynote presentation entitled "Exploring New, Innovative Foodservice Offerings at C-Stores,"

Randi Etzkin, director of research and strategy for Carbonview Research, another division of *CSNews'* parent company EnsembleIQ, and David Mills, president of Mills Consulting Group, advised retailers to try and understand why consumers prefer what they do.

The duo compared the product, technology and service offerings most preferred by consumers with

Six Factors Retailers Weigh When Considering New Ideas

- Lower margins
- Customization
- Technological enhancements
- Commitment required
- Variety
- Cost implications

Source: Carbonview Research 2016 Consumer/Retailer Study for Convenience Foodservice Exchange

CREATE YOUR OWN DONUT BAR



- Section of the store dedicated to making this treat.
- Select donut type, add glaze, and add toppings.
- Traditional sneeze-guards, tongs for each item, and individual mess-free packaging.

CREATE YOUR OWN SALAD BAR



- Section of the store dedicated to providing wide variety of salad items.
- Light, healthy option with a variety of salad/pasta salads/dressings.
- Traditional sneeze-guards, tongs for each item, and individual mess-free packaging.
- Can be a meal or a side dish for your entrée.

CREATE YOUR OWN PASTA BAR



- A section of the store dedicated to providing a variety of pasta dishes.
- Select a pasta, add a sauce, and top it with parmesan and basil.
- Traditional sneeze-guards, tongs for each item, and individual mess-free packaging.

CREATE YOUR OWN RAMEN BAR



- A section of the store dedicated to creating your perfect ramen dish.
- Ramen noodles are freshly cooked to perfection and then, add your favorite broth and other condiments to finish customizing.
- Can be a meal or snack.

CRAFT SECTION



- A section of the store that features small batches of items from regional and local producers.
- Purchase craft beer, wines, cheeses, oils, and salsas.
- Unique products not typically available in grocery stores.

CREATE YOUR OWN BURRITO BAR



- A section of the store dedicated to creating the perfect burrito.
- Select a burrito wrap or bowl and fill it with meats, rice, beans, and traditional toppings.
- Traditional sneeze-guards, tongs for each item, and individual mess-free packaging.

H₂O FLAVOR STATION



- A fountain station that provides sparkling or non-carbonated filtered water, enhanced with minerals for taste.
- Select the flavored water from the fountain dispenser and customize with your flavor(s).

CREATE YOUR OWN YOGURT BAR



- A section of the store dedicated to making a special treat.
- Select a yogurt, add toppings, and add sauce or whip cream.
- Make it healthy or make it indulgent.

FOOD TRUCKS



- Introducing professional grade food trucks to come to a place near you! Professional grade food trucks will offer a mix of popular breakfast, lunch, snack, and drink items.
- Seating will be available to enjoy the food.
- Food trucks can rotate around nearby locations.

24-HOUR ACCESS



- A secure, outside section of the convenience store dedicated to items that you can access anytime.
- Offering both food and urgent items (i.e. aspirin and toilet paper). Video games and movies, too.
- Get what you want, when you want it!

DRIVE-THRU WINDOW SERVICE



- A service that is designed to make it easier for you to get your favorite items quickly.
- Convenient to get your food and beverage under any circumstance.
- Menu board is used for ordering items.

GOING GREEN INITIATIVE



- A series of green practices that are good for customers and good for the environment.
- Practices include creating LEED-certified buildings, solar/wind energy, hydroponic garden for fruits/veggies.
- Use of seed-infused, biodegradable packaging, which is better for the environment.

LOYALTY PROGRAM



- This program leverages the technology built into smart phones where retailers recognize and give a personalized welcome to each customer.
- Points are accumulated with each purchase, which can be redeemed for special offers on items they often buy during their visits.
- Mobile app provides locations/directions and opt-in texts alerting of special deals.

COFFEE WARMER



- A special heat-activation sticker that is placed on your convenience store coffee cup.
- Simply peel the small strip to quickly warm the cup and have your coffee back at the right temperature.

BEVERAGE COOLER



- A special beverage carrier with a "quick-chill stick" that helps to ensure your beverage stays cool during your trip.
- Simply activate the "quick-chill stick" and place in the special beverage carrier.

FASTER CHECKOUT BY SENSOR



- This system would allow shoppers to put all of their items on a pad, where a high-tech sensor would automatically read and register the complete purchase at once.
- Payment is made using a fast mobile payment system or conducting a traditional cash/credit card transaction.

CURBSIDE SERVICE



- A service that is designed to make it easier for you to get your favorite items quickly.
- Order items from the menu board. Re-charge your hybrid car while you wait. Your items will be brought out to you quickly.

PASSENGER-SIDE PACKAGING



- This unique design has easy-to-access openings for your food, beverage, condiments, utensils, and napkins.
- No digging in bags to find what you are looking for.
- Environmentally-friendly packaging that fits in the passenger seat.

"To be an innovator, you need to disrupt a category. You must change the competitive landscape."

— Randi Etzkin, Carbonview Research

retailers' assessment of the viability of those offerings. They found that while consumers preferred such potential offerings as a 24-hour, secure product dispensing unit outside the store, drive-thru windows and loyalty programs, retailers tended to balk at ideas they felt were too difficult or costly to execute.

Etzkin pointed out that six in 10 consumers surveyed said they haven't seen anything new at a convenience store in the past year. At the same time, eight in 10 consumers said they would visit c-stores more often if they featured new and innovative offerings.

"To be an innovator, you need to disrupt a category," said Etzkin. "You must change the competitive landscape."

Weighing more than a dozen ideas from each side (retailers and consumers), the research appeared to highlight three ideas that resonated with both groups. A H2O Flavored Water Station was preferred by consumers because it allowed new customization, while retailers viewed the innovation as a "quick win" that is easy to execute and would have high impact on the store.

Retailers agreed that two other ideas — a Create Your Own Burrito Bar and Loyalty Programs — are also highly impactful and worth the effort, even if they would be harder to execute.

Other ideas that garnered high mutual interest from both consumers and retailers were salad bars, yogurt bars, a craft beer and craft soda department, and a quick-chill beverage cooler.

Consumers gave high marks to several other ideas that didn't resonate as highly with retailers. For example, a create-your-own doughnut bar and traveling c-store food trucks didn't quite strike a chord with retailers.

"Develop ideas of what drives customer satisfaction, then use a disciplined, fact-based approach to minimize the risk of missteps and enhance the probability of success," advised Mills. **CSN**

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