

# The Art & Science of the Convenience Store:

## How Consumer Trends Drive Facility Planning

By: Sumit Kar and Eric Warner

### Convenience Store: The perfect business model is right there in its name

For nearly a century, convenience stores have been making life easier for on-the-go consumers. They have been a long-standing staple to the road trip, the everyday commute, and the average workday. They provide essential goods and a reliable shopping experience - and many are open 24/7.

However, today's consumers are unlike any that have come before them. Modern shoppers are rewriting the definition of convenient shopping. They value aesthetics, healthy food, and a safe, effortless shopping experience. To compete, convenience stores must adapt, evolve, and revolutionize the shopper experience.

## CONSUMER DEMAND DRIVES FACILITY PLANNING

According to Sumit Kar, Senior Director of Operations at Vixxo, today's shoppers are more discriminating than ever before. Kar remarks, "It's gone from a fast-food culture to a more selective and health-conscious one." With consumers craving finer food, stores are pushed to invest in better equipment like panini presses, hot food bars, high-end coffee machines and beverage dispensers. Operations are changing, starting with the in-store products. Healthier organic snacks and beverage options are in demand.

### AMERICANS WOULD VISIT THEIR CONVENIENCE STORE MORE OFTEN IF IT OFFERED



HEALTHY SANDWICHES  
AND SALADS

68%




FRUITS AND  
VEGETABLES

63%

So how do convenience stores address these new costs? Eric Warner, Director of Construction with Vixxo, explains how these extra expenses can quickly overtake a store's profit margins. Warner remarks, "The challenge for us is, how do we keep that equipment running? When equipment breaks down, repair costs go up and revenue begins declining. Thus, getting that machinery back up and running, quickly and cost-effectively, is paramount to maintaining a profit."

As consumers demand new healthy grab-and-go products, stores are tasked with the science of efficiently integrating new offerings into their overall operations. The new equipment required to meet this demand often comes with a lot of unanticipated consequences. For example, hot food equipment generates tremendous ambient heat, which strains climate control cooling units, and increases energy consumption.

Consumer obsession with a healthier, more earth-friendly lifestyle extends beyond their choice of snacks. Electric vehicle charging stations appeal to the modern consumer's desire to be more sustainable. By installing EV-charging stations, convenience stores are providing another means for pulling in prospective shoppers. Other product offerings geared toward wellness, sustainability, and health, such as CBD oils and recyclable packaging, help in capturing and retaining a younger, discerning clientele.



Aesthetics are what the customers see, but interior design is what they feel.

## AESTHETICS & ADAPTATIONS

Curb appeal and exterior presentation is key when it comes to attracting and retaining today's customers. When competitors carry the same commoditized product at the same prices, a customer's experience and comfort is a key brand differentiator. "Take fuel for example. Customers are always going to buy gas, the question is where," said Sumit Kar.

Aesthetic appearance and facility maintenance contribute significantly to pushing revenue above a competitor. Facilities should plan on investing in modern power car wash canopies, freshly painted and well-lit parking spaces, and manicured landscaping to set themselves apart. This attention to detail is often the deciding denominator for customers choosing between two convenience stores.

This attention to appearance should extend to include features that attract the customer inside the store after the customer has come on the property. Features like floor to ceiling windows that showcase the sparkling interior store and customized advertisements at the pump entice the customer to come indoors and look around. Once inside, attractive displays and clearly labeled aisles ease the shopping experience and encourage extra purchases. Artfully placed promotional products also help customers increase their onsite spending.

In the wake of the COVID-19 global pandemic, retail sales plummeted, along with convenience store sales. But smart, adaptable storefronts have shifted to accommodate consumer demand. Curbside pickup, online shopping, and contactless checkout have kept customers coming back. Still, in-store adaptations like six-foot-apart stickers and plexiglass partitions help customers and staff feel comfortable while shopping in person. The convenience stores that rapidly implemented changes in response to market demand have kept competitive and are viewed as continuously reliable by customers.

## CONVENIENCE STORES ARE PART OF AMERICAN LIFE



NEARLY **TWO-THIRDS** OF AMERICANS VISIT A CONVENIENCE STORE ONCE OR MORE A WEEK.




## INTENTIONAL DESIGN: THE ART IS DERIVED FROM THE SCIENCE

Store layout shifts from an art into a science as data helps designers make the shopping experience seamless for the consumer. The end goal is to create a facility layout so that the customer does not notice the changes, but benefits from them.

By studying shopper spending habits, layouts are optimized to display products in scientifically profitable locations. For example, examining data that shows shoppers enter the store and head toward the beverage equipment tells stores to display complimentary snacks nearby. This data helps stores increase the potential for extra purchases.

Successful – and profitable – convenience stores will collect and use shopper data to configure their stores to capitalize on impulse sales.

A photograph of a woman with long brown hair, wearing a grey t-shirt and a black shoulder bag, standing in a convenience store aisle. She is holding a white bottle with a pink cap and looking at it. A shopping basket is visible in the foreground. The background shows shelves stocked with various products.

New high-end foods, and the machinery that comes with it, translates to new costs for stores.

## LOYALTY PROGRAMS & CONTINUED ADAPTATIONS

Today's consumers are discerning and savvy, looking for brands that can offer the best deals and the most benefits. With loyalty programs and apps, convenience stores can foster trust and incentivize customers to return. Loyalty apps also collect user shopping data. This data provides inventory and merchandising insights. As a result, convenience stores can stock what customers are buying, instead of wasting money purchasing products that don't move.

In a post-COVID world, loyalty programs provide an added benefit of allowing convenience stores to shift business practices at lightning speed. 7-Eleven's notable "Free Slurpee," day on July 11, canceled due to COVID-19, was still a popular perk made available to users of 7-Eleven's mobile app. This promotion kept customers coming in, while providing a sense of safety, comfort, and brand familiarity.

Additionally, consumer demand for contactless delivery and curbside pickup will only continue to rise. With a loyalty app already in place, these operational changes can be implemented quickly and efficiently, rewarding an allegiant pool of shoppers.

Lastly, the data collected through a loyalty app can provide the insight to inform what changes would be the most effective to implement- whether those changes include purchasing new food service equipment or adapting the shopping experience in other critical ways based on how they are using the app.

The competition to meet customers' new expectations is improving the convenience store experience. Appealing visual displays, high-end beverage equipment, loyalty programs, luxury perks—these trends are just the beginning of how consumer demand continue to shape the convenience store retail environment.

For the latest on convenience store trends and information, tune into Vixxo's podcast, *Get Your Fix*, found on Spotify and Apple Podcasts. We also invite you to visit [vixxo.com](https://vixxo.com) for more insights on facilities in the convenience store space.