



# JOIN THE REVOLUTION

**As more convenience store retailers introduce new food-forward prototype stores, the rest of the industry must join the movement or get left behind**

BY ANGELA HANSON

**The PAST YEAR** has seen many convenience store retailers introduce brand-new store concepts or newly updated store prototypes that are focused foremost on fresh food. The names include Pilot Flying J, Global Partners, Nouria Energy Corp., Dash In, Facetrac Markets, FriendShip Food Stores, Shell and more. The c-store industry seems to have reached a turning point with foodservice where retailers realize it's either sink or swim — you either update your stores to reflect the new age of “fresh convenience” or you risk not being in business for much longer.

“Absolutely no question,” Jerry Weiner, convenience foodservice veteran and president of Jerry Weiner Consulting, said when asked whether the industry has reached a turning point.

He believes the shift began occurring as far back as the mid-1990s when consumers in the Northwest started paying more attention to c-store chains doing fresh foodservice right. Weiner pointed to 2015 as a “sea change” when chains like Salt Lake City-based Maverik Inc. and La Crosse, Wis.-based Kwik Trip Inc. began driving the importance of better foodservice in regions of the United States that hadn’t previously had significant category drivers.

Today, consumer expectations of fresh convenience have been firmly established. For several years running, the annual *AlixPartners Convenience-Store Consumer Survey* has shown that the presence of healthy and better-for-you items is a top factor for customers when deciding whether to buy food at a c-store.

## C-STORE SHOPPERS CITE “FRESHLY MADE IN STORES” AND “LOCALLY SOURCED/FRESH INGREDIENTS” AS THE MOST IMPORTANT ATTRIBUTES THEY SEEK.

“In our most recent survey, when asked what specific attributes are most important, consumers cited ‘freshly made in stores’ and ‘locally sourced/fresh ingredients,’” said John Benson, a director in the restaurants, hospitality and leisure practice at AlixPartners LLP.

“Looking at the demographics of our respondents, we see this as being driven by millennials.”

With profits from c-store industry mainstays like fuel and tobacco shrinking, and foodservice opportunities increasing, it should be a no-brainer for retailers to decide to recalibrate their strategic direction. However, logistical challenges often result in hesitation.

“With that comes great risk. ... If you figure out how to operationalize a robust food program, the potential is sky high; whereas if you don’t, you could end up with lost profits, unhappy customers and shrinking sales,” said Joseph Bona, president of Bona Design Lab. “So, it is not for the faint of heart, but convenience stores are more and more becoming a destination for high-quality food on the go.”

### Defining Fresh

So, what does “fresh” really mean to consumers today?

The quality and sourcing of ingredients matter, but so does the customer’s perception. This doesn’t mean that the appearance of freshness is more important than its actuality — as consumers will quickly detect inauthenticity — but presentation is absolutely critical for conveying freshness.

“I’m a gigantic fan of open kitchens,” Weiner said, explaining that watching an order be made or assembled is an important part of conveying freshness. “Do everything in front of the customer. Let them watch!”

Benson agrees, noting that “by far, the best way to showcase ‘fresh’ in your foodservice program is to make food in-store — either prepared in-store or, even better, made to order,” he said. “We see c-store chains incorporating this into most of their new-build and

“...Customers today are pretty savvy and are always looking for an experience, so how you curate your message should be very precise and focused on what you stand for and then making it easy to understand.”

— JOSEPH BONA,  
Bona Design Lab








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remodel designs, featuring kitchen equipment and preparation stations front and center in full view of the consumer.”

Other methods for conveying freshness include retailers communicating the shortness of their supply chains and highlighting local sourcing programs, such as Rutter’s policy of labeling its local offerings in-store and online. This is one area where smaller retailers may have an advantage over the largest c-store chains.

“Operationally, it can often be easier for a smaller, regional chain with less than 100 units to source locally than for a large, national chain with thousands of units,” Benson pointed out.

Common upgrades being made by convenience retailers that are getting serious about fresh food include changes to marketing, in-store presentation and improved merchandising. The most successful

**INDUSTRY  
EXPERTS AGREE  
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WAY TO SHOWCASE  
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IN FRONT OF  
CUSTOMERS.**



## ▼ Fastrac Markets

Store Location: Elmira Heights, N.Y.

**Highlights:** Fastrac Markets, which announced in April that it will be acquired by EG Group, entered a new market at the same time that it launched a new, contemporary concept. Its 4,500-square-foot Fastrac Cafe features the retailer’s full menu with an emphasis on its signature fresh-baked pizza, which is made to order, never frozen and offers a variety of innovative specialty and breakfast styles, as well as 26 different toppings and the option of beer dough crust.



## ▼ FriendShip Food Stores

Store Location: Elyria, Ohio

**Highlights:** In July 2018, the chain opened its first FriendShip Kitchen location, its largest store yet at 5,500 square feet. The goal of the prototype design is consistency. By standardizing its offer, the retailer said it can now provide a reliable experience that customers can count on and return to regularly. The FriendShip Kitchen store includes extra space to accommodate different workflow and preparation processes, as well as new investments in equipment. The food-focused store prepares fresh items onsite, including its featured Famous Chicken, which is prepared in small batches and offers selections for all dayparts.





## ▲ Hy-Vee Fast & Fresh

**Store Location:** Davenport, Iowa and elsewhere

**Highlights:** Grocer and c-store operator Hy-Vee Inc. combined its expertise in both channels to create Hy-Vee Fast & Fresh. The hybrid concept offers gas, grab-and-go items and other convenience products, but also serves as a small-scale grocery store that targets busy consumers in need of a more convenient grocery and meal experience while on the go. The retailer's Mealtime Kits line offers fresh ingredients and simple instructions, allowing customers to prepare fresh meals on their own timeline without dealing with the planning and prep work. For a quicker hot meal, Mia Pizza is a wood-fired pizza station that lets customers pick their own toppings and get a fresh pie in six minutes.



## ▲ nouria

**Store Location:** Lewiston, Maine

**Highlights:** The fresh food offering at Nouria Energy Corp.'s new retail brand, nouria, is designed around the principle of being a one-stop shopping experience where consumers can get both grab-and-go items and the essentials for making fresh take-home meals. While the store caters to on-the-go shoppers with its grab-and-go selection and a drive-thru, the nouria Café also invites them to stop and relax with full-service hot coffee, espresso drinks and iced coffee.

operators, though, are making changes in company culture, too.

And experts add that excelling at fresh food also means having a well-thought-out coffee program established first, as this is a point of entry for many customers.

"I always believed that coffee is the economic driver of any good food program. Customers know that if you can't [offer] a good cup of coffee, then you probably won't get much credit for moving into sandwiches or other advanced food offers — so get coffee right," Bona said.

### The Power of Design

For many c-store operators, joining the fresh food revolution has meant eventually coming face to face with what some view as the most significant challenge: executing a quality program in a physical space that was not built to accommodate such a workflow.

Numerous chains have responded to this obstacle by opening new store models designed with foodservice top of mind. Still, not all retailers have the resources to make such a drastic change, and some that do are playing catch-up in terms of building and opening them.

Not being among the first to arrive at the party doesn't make joining in any less important. If anything, it's even more critical to get started right away.

Those that can't start from scratch with their store design still have options. "There are many different options on how to execute, from building kitchens in stores, to utilizing centralized commissaries, to leveraging third-party co-packers and partners," Benson said.

"There's likely not a one-size-fits-all solution and, in the short- to midterm, many chains will likely have to pursue a hybrid strategy that leverages different solutions for different store formats," he continued. "The backend of foodservice isn't the only important part of store design."

Design must always serve a purpose, Bona stressed.

"I have always felt that great design can't save a bad idea or poor execution. With that said, customers today are pretty savvy and are always looking for an experience,



so how you curate your message should be very precise and focused on what you stand for and then making it easy to understand,” he advised.

The most effective fresh food-focused store designs put food at the center of everything. This includes lighting that presents food in an appetizing way; display cases that are created with consideration for how food is presented; and an overall design that supports the retailer’s food story in an authentic and credible way, according to Bona.

Retailers will inevitably have to wrangle with logistics and practicality, but imagination is just as important, Weiner added.

“There are limits to what you can do, but no limits to what can be created in terms of impression,” he said.

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— JERRY WEINER,  
Jerry Weiner Consulting



## ▲ Pilot Express

**Store Location:** Steubenville, Ohio and elsewhere

**Highlights:** Pilot Express, the newest store banner of Pilot Flying J, serves as a way for the chain to enter areas where a major travel center doesn’t fit, and spotlights the company’s commitment to food and beverage innovation. Chief Merchant Brian Ferguson describes Pilot Express as “food first,” offering a combination of homestyle meals, grab-and-go or made-to-order sandwiches and salads, weekly limited-time offers and a bean-to-cup coffee experience.



## ▲ Shell Select

**Store Location:** Louisville, Ky.

**Highlights:** Shell Select, the first Shell-branded convenience store in the U.S., debuted in Louisville specifically due to the city’s vibrant local culture and reputation for unique food and beverage offers. The store design and layout are intended to highlight a strong food and beverage presentation and direct customers’ focus to the consumable offerings. The combination of modern architecture and an upscale outdoor seating area, which is screened in by greenery and covered by an awning, signals to passersby that this is a more upscale destination for convenience food and drinks. Interior materials and lighting, as well as an open ceiling and layout, also help to create a warm, welcoming ambiance.