



Hungry for Opportunity

Applegreen brings its foodservice and fuel offers stateside by way of acquisitions By Danielle Romano

At a Glance

Applegreen

Location: 121 stores across eight U.S. states

Unique features:

A three-pronged brand promise of low fuel prices always, better value always, and a high-quality food-to-go offering; free Wi-Fi; indoor and outdoor children's play areas



AS MANY CONVENIENCE STORE RETAILERS'

stories go, Applegreen plc came from humble beginnings. In 1992, CEO Bob Etchingham and Chief Operating Officer Joe Barrett opened the first Applegreen service station in Ballyfermot, West Dublin, paving the way for the brand to effectively stronghold the Emerald Isle and United Kingdom.

It was multiple visits to the United States over several years and becoming members of NACS, the Association for Convenience & Fuel Retailing, which inspired Etchingham and Barrett to look at the U.S. for potential innovation. Then, an opportunity arose to lease a couple of sites in Long Island, N.Y., in 2014. With no language barriers and a great history of friendship between Ireland and America, all signs were a go for Applegreen to enter the U.S. market.

"For the first few years, our focus was to learn the market and to build our supporting infrastructure stateside. Now, with that, we are much more established. We are in a mode of seeking opportunities for partnerships and growth," Barrett explained.

Coming to America

Growing through a combination of new builds and predominantly

acquisitions, Applegreen has expanded its U.S. presence to approximately 121 stores across Connecticut, Florida, Massachusetts, New Hampshire, New York, Rhode Island, South Carolina and Vermont — a significant and strategic jump from the five sites in had in 2015.

"Applegreen is a food retailer that sells fuel, so we look at customer traffic volumes and opportunities in the food-to-go market. Therefore, we aim to locate ourselves in busy urban or interstate locations," Barrett told *Convenience Store News*.

While Applegreen offers a private label brand of food through its Bakewell Café name at its Ireland convenience stores, it chose to set its U.S. and U.K. stores apart by partnering with popular local quick-service restaurant providers such as Subway, Pizza Hut, Burger King, Mama De Luca and Hunt Brothers Pizza.

"We are open to working with other U.S. food brands and welcome growing our businesses together," said Barrett.

Currently, Applegreen operates under three store models: smaller petrol filling stations, which range in size from 2,000 square feet to 3,000 square feet; and truck road service areas and motorway



Applegreen's U.S. convenience stores are designed to be simple yet striking.

service areas that range from 6,000 square feet to as large as 20,000 square feet. In the U.S., Applegreen c-stores average up to roughly 6,000 square feet.

The architecture of Applegreen buildings are designed to be simple yet striking, and to purposefully communicate the food and retail offerings. The retailer creates light, warm, inviting and comfortable areas that allow customers to relax while surrounded by natural materials, according to Barrett. A motorway service area location will typically offer:

- A variety of hot and cold food options;
- Fresh coffee;
- Comfortable seating with free Wi-Fi;
- Indoor and outdoor children's play areas;
- Fuel and a car wash; and
- Clean restrooms and often shower amenities.

"We tailor our offerings to the varying needs of the local market; however, the offering is dependent on the size of the store, as this determines to a large extent what is possible in that particular location," the

Applegreen executive explained, adding that in the U.K., the motorway service area model takes on more of a branded retail approach.

Slow & Steady

Despite Applegreen already being established as a premium retail offering with its Irish customers, the retailer is only now building its brand in the U.S. market, and therefore sees continued expansion here to be slow and steady.

"The process of being granted permits for new builds in the U.S is slower relative to the timing for planning permission in the U.K. and Ireland, which has held back the speed of development for our new locations and new-to-industry stores," Barrett told CSNews.

In the meantime, Applegreen will continue its strategic partnerships with well-established brands in the U.S. and leverage its brand reputation to deliver on three core promises:

1. Low fuel prices always.
2. Better value always.
3. A high-quality food-to-go offering.

Dublin-based Applegreen is an Enterprise Ireland supported company. **CSN**