



growth

USING SHOPPER RESEARCH
TO GROW C-STORE SALES



Based on a study conducted for the
NACS/Coca-Cola Retailing Research Council
by TNS Landis



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Executive Summary

Convenience retailers want to increase trips inside the store and make it easy for customers to buy more while they are there. Focusing on these two sets of actions will build sales, but the key to success is finding out what works for your shoppers and then delivering with excellence. With this in mind, the members of the NACS/CCRRRC decided to focus this research on “How to better understand what shoppers say will get them to spend more money with convenience retailers.” They also chose to use shopper research as the methodology to generate the study’s findings.

PART ONE of this report defines shopper research. This discipline focuses on understanding the shopping occasion and how well the current shopping experience satisfies the needs of the occasion. Consumer research, on the other hand, is about understanding product usage. An inventory of shopper research techniques is included so that convenience retailers can begin to familiarize themselves with these tools.

PART TWO reviews the hierarchy of shopper needs. This framework for thinking about the best way to approach serving shopper needs was developed during an earlier council study using in-depth shopper research. The hierarchy graphically illustrates the importance of delivering on basic shopper needs of safety, cleanliness, and hospitality before investing in programs to build sales by serving higher-level needs such as simplicity and ease or time enrichment.

PART THREE lays out the study’s findings to show where shoppers see growth opportunity for convenience retailers. The research found that during “life-on-the-go” shoppers are continually balancing the need to be in control with their desire for diversion and “little escapes.” These insights are translated into five potential growth platforms.

- **My Time.** *Shoppers want to take a break from the rat race and catch their breath in this occasion.*
- **Female Friendly.** *Shoppers want to feel welcome, comfortable, and safe in the store environment for this occasion.*
- **My Place.** *Shoppers want a familiar, good experience along with being recognized as part of the store community in this occasion.*
- **Fresh Value Fast.** *Fresh means decent quality food and maybe even a little “better for you” on this occasion. Both the place and the product are important.*
- **Family Time.** *Shoppers are looking for a way to treat the kids without breaking the bank in this occasion.*

PART FOUR reviews two key insights: How adopting a wide-angle view of the way shoppers use convenience retail enables owners and operators to better understand how shopping occasions drive store choices, and second, the value of focusing on the shopper perspective as a tool for planning growth strategies. Finally, the report outlines the next phase of this project.

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PART 3

Seeing growth in “life-on-the-go” shopper needs

Introducing five potential growth platforms built around “life-on-the-go” needs that were identified using shopper research. Each provides an element of control, reward, and/or escape. Playing a key role in helping shoppers manage their busy lives could help C-stores differentiate themselves.

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Two key messages emerged from Phase One of this project: Adopt a wide-angle view of the shopper's landscape and take the shopper's perspective. How to put these insights to work in your business, and what to expect from Phase Two of the project.

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More resources from NACS/CCRRC

Introduction

Convenience stores are well positioned to serve the traditional convenience customer, but the rapidly changing marketplace is creating some significant challenges as virtually every retailer looks for ways to build their business by providing solutions for time-starved shoppers. Shoppers have many more choices now that drug and dollar stores, supermarkets and big-box retailers are also trying to win their convenience business. At the same time, the hectic pace of life is creating ever more convenience shopping occasions, and we are learning from shopper research that shoppers think about convenience much more broadly than the industry typically has. This means that opportunities to serve shoppers are broader also.

The mission of the NACS/Coca-Cola Retailing Research Council is to develop practical new understanding about important issues facing convenience retailers. The purpose of this project is to find ways for convenience retailers to “sell more to customers.” We chose shopper research to pursue this goal, because we believe that organizing around the needs that shoppers bring to convenience shopping occasions is the best way to build growth strategies.

This project builds on shopper research conducted for prior NACS/CCRRC projects, in particular the hierarchy of needs first presented in the Council’s report *Finding the Way Forward*.^{*} These five needs are proving to be a useful tool for C-store owners and operators who want to organize growth strategies around the shopping experience. We review the hierarchy here because fulfilling these needs is a prerequisite for retailers who want to step up to new growth opportunities and greater differentiation.

This work unfolds in two phases. For Phase One, we asked our partner TNS Landis to look across the convenience shopping landscape and to identify potential growth platforms capable of helping convenience stores build and differentiate their businesses. Later, the Council plans to engage convenience retailers in field-testing these ideas.

This report presents the findings from Phase One of the project. It will

- *Explain what shopper research is and how it differs from consumer research*
- *Review the fundamental shopper needs that make up the “hierarchy of needs”*
- *Outline five potential growth platforms organized around shoppers’ need to manage their “life-on-the-go”*
- *Summarize key insights and next steps generated by Phase One, and describe how Phase Two will roll out*

We welcome your reactions, and look forward to your involvement as we test these ideas in the marketplace.

^{*}[CLICK HERE](#) FOR A COPY OF THIS REPORT, OR GO TO WWW.CCRRRC.ORG AND SELECT NACS/CCRRC

Acknowledgments

The NACS/CCRRC wants to express their appreciation to the team from TNS Landis for the excellent work they've done in helping the Council and all convenience retailers better understand what shoppers are telling us that will encourage them to visit our stores more frequently and spend more. John Essegian, team leader, deserves special recognition for listening carefully to the Council and translating our intent into a project that delivers both new insight and great guidance on action. The Council also wants to recognize John Eynon for his work in designing and executing the field research and for his ability to clearly explain complex topics.

The Council also wishes to recognize the editorial and design contributions of Susan Lindsay and Randy Allison, who helped shape the through-line of the report, and took the lead in making solid research findings accessible and interesting.

Finally, the Council wants to acknowledge Research Director Bill Bishop, Chair of Willard Bishop, LLC and Chief Architect of Brick Meets Click, for his guidance throughout the project.

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The NACS/Coca-Cola Retailing Research Council (www.ccrcc.org) is composed of convenience industry leaders from around the world. It conducts studies on issues that help retailers respond to the changing marketplace. The unique value of these studies rests with the fact that retailers define the objective and scope of each project and “own” the process through the release of the study and its dissemination to the broader retail community.

shopper research

Shopper research is increasingly important to retailers who want to develop successful growth strategies. It's a powerful tool for understanding the needs and desires that customers bring to the shopping occasion. Being able to "see what shoppers see" in the shopping experience makes it possible for C-stores to see new growth opportunities.

The five fundamental shopper needs reviewed in Part 2 of this report and the life-on-the-go needs that form the basis of the growth platforms presented in Part 3 were both identified using shopper research.

How is shopper research different?

The objectives of shopper research and consumer research are very different.

Shopper research is about understanding the shopping occasion. What do shoppers want/need/desire as they approach a shopping occasion (i.e., the door to your store)? How well does their current shopping experience satisfy those wants/needs/desires? The goal of shopper research is to identify ways to drive retailer growth.

Consumer research is about understanding product usage. What do consumers want from the product? How well does the product satisfy those wants and needs? The goal of consumer research is to find ways to drive brand growth.

Consumer research is far more common today, but shopper research is growing as retailers begin to understand how it can help them organize and implement business-building plans around the shopping experience.



SHOPPER RESEARCH DRIVES
RETAILER GROWTH



CONSUMER RESEARCH DRIVES
BRAND GROWTH

SAME PRODUCT, DIFFERENT SHOPPING MOTIVATIONS

This example illustrates how shoppers who purchase identical products may be driven by very different attitudes and motivations when it comes to the shopping occasion and purchase decision.

Two consumers have similar views on usage of a certain diet soda. However, one may feel it is important to stock up on diet soda so there is always more in the refrigerator/pantry, while the other feels that diet soda is so readily available in all outlets that they don't want to take up storage space at home and are comfortable buying it as needed. These two shoppers will be motivated to purchase very differently.

For retailers—who supply the shopping experience—this is a crucial distinction. If we only use consumer (usage-based) research, we would learn that both consumers love diet soda and are heavy users, but we would miss their differences in their purchase motivations.

Why is it important to see what shoppers see?

If C-stores look only to consumer research, they will miss a huge part of what the shopper is seeking from the store. They'll miss a lot if they only look to demographic research, too. Your customers may buy certain items or belong to certain groups, but what they bring you may be the need for a reward, a few moments of control during a busy day, or to take care of themselves by eating something "better than fast food."

Shopper research goes directly to the heart of what shoppers are seeking from the shopping experience—and understanding the needs, wants, and desires that motivate the shopping occasion is where retailers will be able to see their best opportunities for growth.

HOW CAN RETAILERS USE SHOPPER RESEARCH?

After identifying how shoppers flow through their store, a retailer may design a more effective store layout, aisle configuration, or merchandising that improves purchasing rates.

If they find their customers are seeking a respite from a jam-packed day and don't like to feel "rushed," a retailer may choose to "relax" the atmosphere in the store.

If they learn customers want to feel in control by selecting healthier food alternatives than QSRs, a retailer may choose to place more emphasis on fresh food choices.

ACTIVATION WORKSHOPS

A workshop usually held at the end of a shopper study to generate ideas for putting the information to use. This is a facilitated workshop.

CONTROLLED STORE TEST

A trial period usually for a product, service, or merchandising where store variables that can affect the test are developed and managed to ensure performance can be accurately measured.

EYE-TRACKING

A vision-monitoring device is worn by a shopper to capture what they are looking at during a shopping trip. Eye-tracking eliminates the reliance on shopper recall and can provide insight into subconscious visual cues.

FILMING

Capturing a shopping experience on film for detailed analysis after the trip.

IN-STORE INTERVIEWS

Shoppers are stopped in-store during a shopping trip and asked probing questions by a moderator.

MYSTERY SHOPPING

An anonymous shopper conducts a shopping trip in a retailer and provides detailed feedback on their shopping experience.

OBSERVATIONS

Viewing shoppers, usually from a concealed location, during their shopping trip. No direct interaction with the shopper occurs.

ONLINE INTERVIEWS

A self-directed survey or interactive conversations with a shopper conducted online.

ONLINE SHELF TEST

A method of testing shopper response to various shelf sets using online simulation to avoid the expense and logistical challenges of in-store testing.

PATHTRACKER

A process used to capture and analyze how shoppers travel through a store, including the path they follow and the aisles/departments they shop. Information is usually captured via a device attached to a shopping cart and can be compared to checkout data to see what was actually purchased during their trip.

SHOPNOGRAPHY

A shopper is accompanied by a moderator during a shopping trip. The moderator observes the shopping behavior and may ask probing questions before, during, or after the trip. (Similar to ethnography only in a shopping occasion.)

SUPER SHOPPERS

Highly engaged and articulate shoppers used either individually or in groups for qualitative research when deeper or more abstract insights are required.

VIRTUAL REALITY

Graphically simulated retail environment (often in 3D) used to test shopper response to any aspect of store layout, merchandising, or design without the time and expense of a live mock-up.

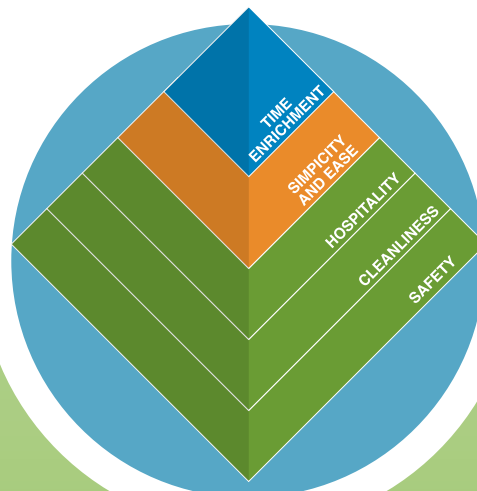
WORLD PANEL

A continuous consumer panel of purchase and usage behavior available in over 50 countries from the Kantar Group.

the hierarchy of needs

The fundamental shopper needs reviewed in this chapter were identified using shopper research and introduced as the “Hierarchy of Needs” by the Council in 2009. Since then, the hierarchy has proven a useful tool for convenience retailers who want to organize growth strategies around the shopping experience. Delivering on these needs is a step that can’t be skipped if C-stores want to pursue the potential growth platforms discussed in Part 3 of this report.

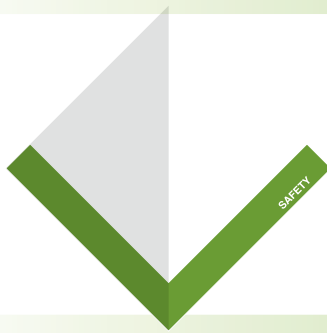
The five needs described by the hierarchy apply to all convenience shoppers, all convenience shopping occasions, and all the channels that serve them, from corner markets and interstate travel shops to dollar stores, drug stores, and quick-serve restaurants. Shoppers must see these first, before they’ll consider giving a convenience retailer more business. The pyramid shape emphasizes the importance of building a strong foundation first.



LEARN MORE ABOUT THE
HIERARCHY OF NEEDS IN
THE NACS/CCRRC REPORT
Finding the Way Forward.

[CLICK HERE OR GO TO
WWW.CCRRC.ORG](http://WWW.CCRRC.ORG)
AND SELECT NACS/CCRRC.

FIVE FUNDAMENTAL SHOPPER NEEDS



SAFETY

Customers have to feel comfortable in a store to frequent it, and they consistently reject stores that they feel compromise their safety. Feeling safe includes a sense of protection, stability and structure, and freedom from fear and anxiety



CLEANLINESS

Some shoppers will still visit your store if it isn't clean, but they won't stay long enough to buy high-margin, high-profile offerings like fresh food that can make your brand stand out.



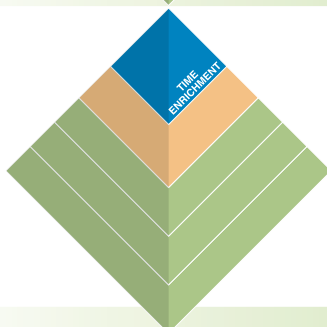
HOSPITALITY

Friendliness is more than an attitude. It alerts shoppers that you recognize their presence and that they're important to you. When shoppers feel welcome, they tend to spend more time shopping. More browsing means spending more money.



SIMPLICITY AND EASE

Life is fast-paced and hectic, and convenience shoppers value retailers who can offer solutions that make their lives easier or simpler or that help them feel in control during their busy days.



TIME ENRICHMENT

Some convenience occasions have to do with taking "time out for me" or finding little rewards or diversions that help you get through the day.

WHAT SHOPPERS MUST SEE FIRST: SAFETY, CLEANLINESS, HOSPITALITY

The basics are threshold needs, but retailers often don't completely address them — maybe because they seem so familiar, or maybe because retailers think they have them covered. But it's vital to make a clear-eyed assessment of actual performance on these fundamentals before stepping to the next level. The reasons are compelling:

If a store doesn't feel safe, customers won't frequent it

If it's not clean, they won't stay longer than they have to.

If they don't feel welcome, they won't feel comfortable and relaxed enough to linger and examine products for purchase.

USING THE HIERARCHY TO GROW

The needs described in the hierarchy are important in ALL convenience shopping occasions and all channels that serve these occasions. C-stores can win customers from competitive channels that are not doing an adequate job on these requirements. Satisfying these five puts retailers in a position to pursue new opportunities for growth.

WHERE SHOPPERS SEE CONVENIENCE C-STORES CAN SEE GROWTH OPPORTUNITIES

Two very different pictures of convenience emerged during in-depth interviews with shoppers and a cross-section of executives, suppliers, and others knowledgeable about the convenience store industry in 2009. The gap is startling, but there is good news. The opportunity to appeal to shoppers is much broader than the industry had assumed.

THE SHOPPER PERSPECTIVE

- Convenience is an experience, not a channel.
- How staff and personnel treat me is important.
- Make my life simpler and easier—help me get through my busy day.
- It's not always about speed.

Shoppers don't associate convenience with a particular type of store or outlet. They might describe convenience this way:

Help me solve a problem. Make something I have to do easier or simpler. Pay attention to me. Think about what I need, rather than what you sell. Make it easy for me to find the items I want. Give me a good experience and I'll come back for more.

THE TRADITIONAL PERSPECTIVE

- Convenience is speed.
- Convenience is a formula/channel.
- Our customers are buyers, not shoppers.
- We carry a little bit of everything for everyone.
- We make money by cutting costs, not building the business.

The traditional definition of convenience sounds like this:

Our job is to get drinks, snacks, and smokes in your hands as fast as possible and then get you out the door. Our customers want only products, prices, and efficiency from us—not shopping experiences or relationships.



Part 3
explores
five potential
growth platforms
based on shoppers'
life-on-the-go needs

seeing growth in “life-on-the-go” shopper needs

The shopper research conducted for this project indicated strong potential for convenience retailers to play a key role in helping shoppers manage their life-on-the-go — and to use this specialty to differentiate themselves from competing channels. C-stores already possess big assets that align well with shoppers’ busy lives: convenient locations and often fuel, a must-stop-anyway need. If convenience retailers can think beyond the narrow definition of convenience (snacks, drinks and fuel fast), and think more broadly about the needs shoppers bring to convenience shopping occasions, there’s a good chance they can find room to grow.

First, let’s look at two key life-on-the-go needs identified through shopper research. Then we’ll describe five potential growth platforms built around satisfying those needs.

Control and diversion: two key needs

Busy days, hectic schedules, and the pressure to get everything done. Shoppers repeated these themes again and again as TNS Landis talked to them about their convenience needs. Digging deeper, the researchers identified two key need states shoppers are trying to satisfy in a “life-on-the-go” shopping occasion: For at least part of their hectic days, they want a sense of control or a little diversion (and sometimes both).

LIFE-ON-THE-GO IS A BALANCING ACT FOR BUSY SHOPPERS. WHAT DO THEY WANT?

A SENSE OF CONTROL

Feeling in control is highly desirable for people with a hectic, on-the-go lifestyle. These shoppers need to manage their time carefully; they don't have room for delays or unexpected roadblocks in their tightly packed days.

A LITTLE DIVERSION

A temporary escape from the frenzy or small treat can be a valuable way of getting a break, or just the pick-me-up that's needed in the midst of a hectic schedule.

SOMETIMES A BIT OF BOTH

A 5-minute “timeout” to browse at a store can be the only time you've been in charge all day, or it can be a welcome escape from the chaos of life. And a little reward or small treat that's “better than fast food” could satisfy needs for both control and diversion.

CONTROL IS ABOUT MORE THAN SPEED

Control isn't always about speed. It's also about being in charge of your time and your choices—at least for a little while. Things that make shoppers feel in control include the following.

Personalized touches — customized coffee and deli sandwiches

Ease of shopping — give me the opportunity to browse if I want to, don't make me work to figure out the store, let me take this break, then let me pay quick

Grab and go — portable food and drink selections for when there's no time to order

DIVERSIONS ARE LITTLE ESCAPES AND/OR REWARDS

Diversions are little escapes and rewards that help you get through your crazy day.

Treat-based motivations for escapes/rewards

- To satisfy a craving
- To surprise the kids with a snack or candy
- To reward a workout or hard day's work
- To let loose after work with a beer
- To enjoy a cigarette with a beverage

Time-based motivations for escapes/rewards

- To ease the day
- To connect with a loved one
- To disconnect from reality
- To have a moment alone with a cup of coffee

WHAT CHOICES DO SHOPPERS HAVE?

Today's shopper is less loyal and will use whichever channel best meets their needs for a convenience shopping occasion. What choices do they have?

Convenience and fuel retailers

Drug stores

Dollar stores

Quick-serve restaurants

Grocery store delis

5

potential growth platforms

From the full range of potential growth opportunities surveyed at the beginning of this project, five platforms emerged from this shopper research. They are based on the perceived strengths of convenience stores and what we learned about where shoppers would like to see improvement. Each addresses an element of control, reward, and/or escape.

We chose to report on these ideas now, and to present the full range of options, because we want to involve the industry in evaluating and prioritizing them. The insights and understandings from the shopper research have given us direction about where we can focus our attention most productively. Now, it's time to consider how we can best fit into our shoppers' life-on-the-go needs.

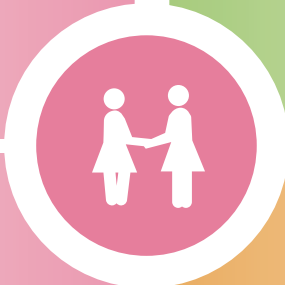
MY TIME

I'm rushed all day, here I can take "my time," browse around, and find something to buy. Then when I'm ready to leave, they get me on my way fast and friendly. The store is warm, clean, and well organized. The aisles aren't cramped, and it has good "flow." I can find the specials easily, and the magazines are somewhere you can actually browse them (not right in front of the register). If I need assistance, someone goes out of their way to help.



FEMALE FRIENDLY

I have to feel safe, comfortable, and not "creeped out" by the staff or the customers. The place needs to feel modern, well lit, and not cramped for me to feel comfortable shopping there...basically not like a classic C-store. It probably wouldn't take the place of my drugstore for things like cosmetics and household items, but it could become a coffee-shop alternative if they had a seating area so I could grab some "me time" and read a magazine while I drink my coffee.



MY PLACE

A place I go to start my morning off right or for a break from my fast-paced life later in the day. The staff greets me by name and is happy to see me. I make my coffee the way I like it, grab something to eat, and talk with staff or a friend I might meet there. It would be great if there was a counter and stools or a small seating area we could sit at. The coffee should always be fresh, and the store should be warm, bright, and clean.



FRESH VALUE FAST

Just because I'm busy shouldn't mean I can't get a decent bite to eat for a good value. I want a better alternative to fast food. Ideally, it's made-to-order, but if I've only got time for grab-and-go, the sticker tells me it was made recently. I place my order when I walk in, browse around to get my chips, drink, etc., then pick up my sandwich and go. A soup or salad station, or ethnic food might be nice, and maybe a little seating area too. I'll be skeptical about the quality if the place isn't clean, well lit, and modern looking.

FAMILY TIME

It's a place I can take the kids for a little treat without breaking the bank (it's less expensive than an ice cream shop, for example). They have both indulgent and sensible choices, so there's something for everyone. The store is clean, safe, and family-friendly. They also have a little outside seating area so I can spend some time connecting with my family and avoid having the kids make a mess in the car.



What do these shoppers want?

CONTROL

These shoppers are looking for a store that makes it easy for them to take their time and browse. They don't want to feel rushed, but once they've finished browsing and made their selections, they want the staff to help get them back on their way quickly. Their time is valuable (and often short). For these convenience shoppers maintaining control means using their time how they want to use it to get what they need and then moving on with their day (not wasting time waiting in long lines or dealing with a slow checkout).



THE OUTLINE

COMPETITIVE SET

Other C-stores, dollar, drug, and grocery stores

NEEDS ADDRESSED

Simplicity and Ease, Time Enrichment, Control

TARGET SHOPPER

General market

TARGET OCCASION

Refreshment, snacking, foodservice, household fill-in

THINKING IT THROUGH

It's not just about speed. Be careful not to confuse being efficient and convenient with rushing customers in and out. Subtle cues related to the atmosphere and layout can make customers feel less welcome to shop at their own desired pace.

How stores can deliver

Efficient operations and a relaxed atmosphere are important to delivering a “My Time” experience, so that customers will be enticed to take their time and browse but feel confident that when they’re ready to leave it will be quick. (More time browsing means a greater chance they will spend more money).

To encourage browsing, feature specials prominently, and don’t place magazines in front of the register where browsers will either block the line or have too little time to make a selection.

Finally, service is critical. If shoppers need assistance, the staff should go out of their way to help—and when shoppers are ready to leave, the staff needs to get them on their way in a speedy, yet friendly manner.

THE EXECUTION

ATMOSPHERE

Warm colors, bright/well-lit (preferably natural light), easy to navigate, shelves organized, logical layout

SERVICE

Efficient, attentive, but not intrusive

PRODUCT

LTOs, sales/promo items like two-for-ones prominently displayed

// You don’t want to feel rushed...there’s nice music. Just want to walk around the store and think about what you want to get...do I need milk, do I need eggs? ...You have to sit back for a minute. // MALE, PHILADELPHIA



What do these shoppers want?

CONTROL *and* **ESCAPE**

To maintain control, convenience shoppers want to feel like they are taking care of themselves and not forced to make sacrifices on food quality, even though they are busy. They want fresh, made-to-order items, with toppings they personally select. Even if they are not purchasing a low-fat/low-calorie meal, it does feel better than eating junk food or traditional fast food.

Escape is a secondary emotional motivator: these shoppers want to be able to take a little break from their busy day to eat at the store rather than having to rush out.



THE OUTLINE

COMPETITIVE SET

QSRs, sub shops, grocery store delis

NEEDS ADDRESSED

Simplicity and Ease, Cleanliness, Safety, Control, Escape

TARGET SHOPPER

Working males/females ages 18 and over

TARGET OCCASION

Morning commute, lunch break

THINKING IT THROUGH

"Fresh Value Fast" is all about providing reasonably priced, better, healthier alternatives to traditional fast food.

How stores can deliver

Consider a layout that makes it easy for shoppers to place their order when they walk in. This gives them an opportunity to browse around for chips and a drink, peruse magazines, and any select any other accompaniments they may need while their food is being prepared. When the food's ready, they can pick it up, proceed to a quick checkout, and be on their way. For shoppers who are especially pressed for time, a self-service soup and salad station would be appealing; for those who aren't in as much of a rush, a little seating area would be appreciated.

Ideally, the food would be made-to-order, but if it's premade, a sticker that clearly shows how recently it was prepared would provide an assurance of freshness to shoppers.

Cleanliness is essential—if the place is not clean, well-lit, and looking modern, shoppers will be skeptical about the quality and freshness.

THE EXECUTION

ATMOSPHERE

Clean, well-lit, up-to-date décor; pleasant aroma (e.g., bakery smell, fresh-brewed coffee, etc.); small inside and/or outside tables

SERVICE

Professional, friendly, efficient

PRODUCT

Freshly prepared sandwiches/ subs, salad/soup station, ethnic foods, variety of coffee

// I can get in and out and get fresh food there. I like to see colors, it is vibrant *the colors of the food+. // FEMALE, PHILADELPHIA



What do these shoppers want?

CONTROL, *and a little* **ESCAPE/REWARD**

The primary emotional motivator for this growth platform is control. Above all, women want a place that feels comfortable and safe. Part of feeling safe and comfortable means that the staff is professional and does not infringe on their personal space or make them feel uncomfortable.

A secondary emotional motivator for this platform is escape/reward. These shoppers would enjoy having a little break from their day—some time to browse, look at magazines, and/or sit and enjoy a cup of coffee. C-stores could become a coffee shop alternative for women.



THE OUTLINE

COMPETITIVE SET

Coffee shops, drugstores

NEEDS ADDRESSED

Safety, Cleanliness, Hospitality, Simplicity and Ease, Time Enrichment, Control, Escape/Reward

TARGET SHOPPER

Females

TARGET OCCASION

Morning commute coffee; afternoon/evening coffee/snack break

THINKING IT THROUGH

The staff's attitude and behavior are extremely important. Having rude or inappropriate people on staff may be the best way to ensure that female shoppers go somewhere else (even out of their way) to meet their convenience shopping needs. However, if the store's personnel are friendly and helpful without being intrusive, women will be more likely to shop there.

How stores can deliver

Successful delivery of the “Female Friendly” growth platform requires that female shoppers feel safe and comfortable, even when they are alone. If women are “creeped out” by the staff or the customers, they’ll stay away.

Good lighting and cleanliness—both in the parking lot and in the store—are extremely important in creating a welcoming shopping environment for women. The more modern a store feels, and the better “flow” it has, the more comfortable women will feel shopping there.

Offering a variety of freshly brewed coffees and a comfortable seating area may encourage women to take some “me time” and read a magazine or connect via a mobile device while they enjoy their coffee.

THE EXECUTION

ATMOSPHERE

Safe, modern, well-lit, comfortable; small seating area

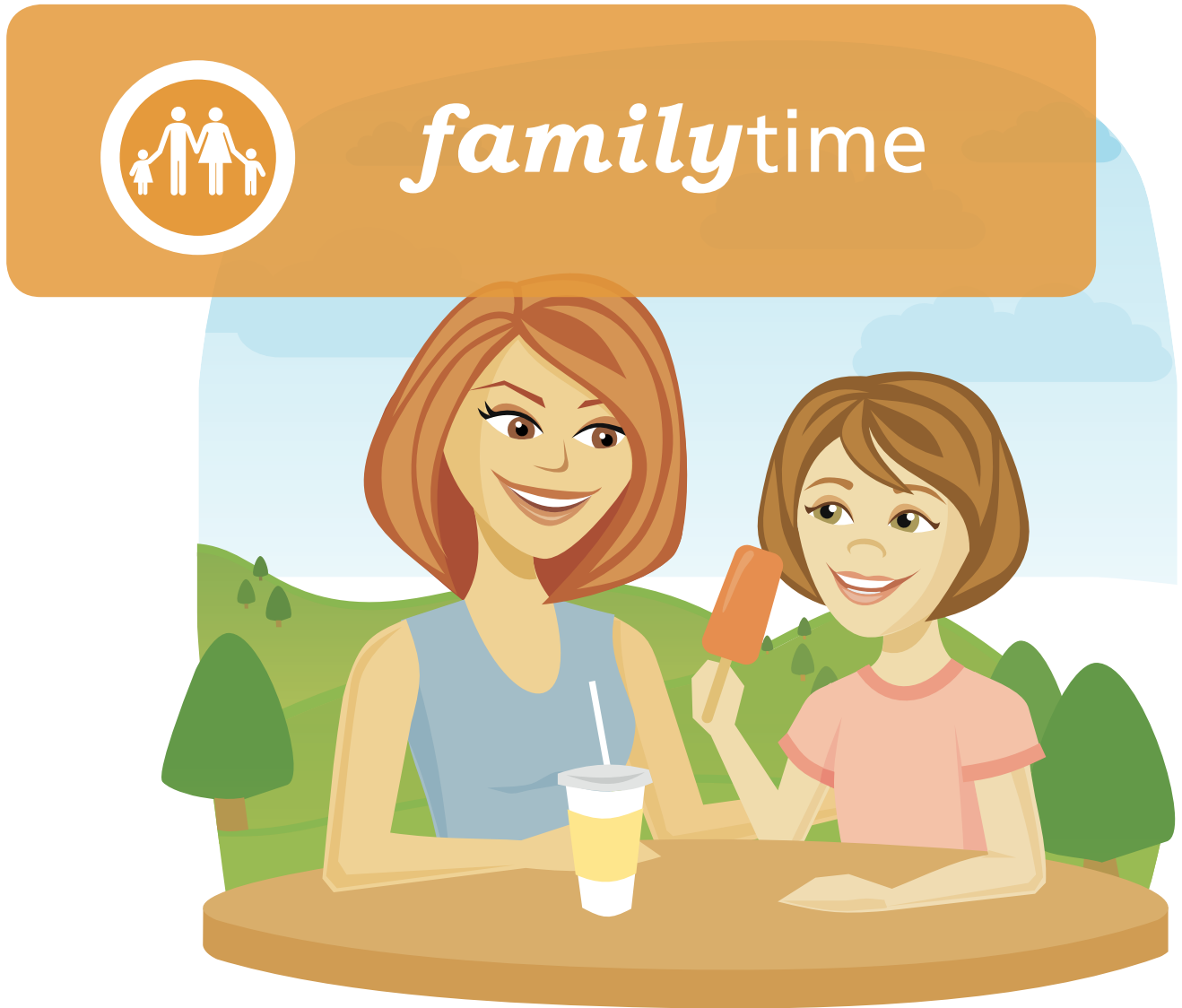
SERVICE

Professional, cordial without being intrusive, efficient

PRODUCT

Variety of fresh coffee (affordable alternative to Starbucks), gourmet sandwiches/breakfast sandwiches (ciabatta), bagels, etc.

// It's a treat for me to go to Starbucks by myself, and sit down with a book or my laptop. [At the C-store] it's actually pretty good coffee. I wouldn't get it if it wasn't. It's pretty cheap too. // FEMALE, DALLAS



What do these shoppers want?

ESCAPE/REWARD *and* **CONTROL**

Reward/escape is a primary emotional motivator for this growth platform. These shoppers want affordable treats that the whole family can enjoy, plus a little quality time to connect with family members.

Control is a secondary emotional motivator. They also want a safe place that they can feel comfortable taking their kids or family and where they can find something for everyone (each person gets to choose what they want).



familytime

THE OUTLINE

COMPETITIVE SET

QSRs, treat/ice cream shops

NEEDS ADDRESSED

Safety, Cleanliness, Time Enrichment, Reward/Escape, Control

TARGET SHOPPER

Parents with kids; lower income (trying to make ends meet)

TARGET OCCASION

Treats/snacks with kids

How stores can deliver

The atmosphere must be clean, safe, and not off-putting for kids and families.

Offering a variety of treat options — from the sensible (fruit, yogurt parfaits, etc.) to the indulgent (candy, ice cream pops, baked goods, etc.) — broadens the appeal for families and gives them a sense that a C-store is where they can find something for everyone.

The “Family Time” platform is also about value; shoppers are looking for an alternative that is less expensive than an ice cream shop, but will still satisfy the “treat” needs of their family.

Small seating areas or benches can help two ways: Busy parents look for any opportunity to get a little time to connect with their family, so having a little indoor or outdoor seating area where the family can enjoy their treats together would be appreciated. Parents are also pragmatic, and being able to let their kids enjoy their treats before getting back into car is another reason why on-site seating would be helpful. Eating treats in the car can often lead to a mess, which means additional time spent cleaning up for parents that are already time-stressed.

Even though these are quick treat occasions, they can be quite meaningful for kids and families.

THINKING IT THROUGH

The key to this growth platform is that the store is a family-friendly environment where parents can get inexpensive treats for their kids. Even though these are quick treat occasions, they can be quite meaningful for kids and families. Having treats such as candies and individual ice cream pops accessible to kids and located in a visible area of the store would appeal to shoppers.

THE EXECUTION

ATMOSPHERE

Clean, safe, kid-friendly; outside seating area or benches

SERVICE

Friendly, professional

PRODUCT

Single-serve ice cream/bars, confections, frozen beverages for kids; hot and frozen coffee for parents; healthy snack options like fresh fruit, yogurt, parfaits, etc.

// We can eat outside in the summer on the benches...it's nice. And I feel relief, I don't have to dust off my seats and the mats. It's easy. It's time with the kids outside of the four walls of the house." // MALE, PHILADELPHIA



What do these shoppers want?

ESCAPE

Escape is the primary emotional motivator for this growth platform: These shoppers want a place where they can ground themselves and clear their minds at the start of the day before stepping into the hectic pace of life—or to take a break from the “go-go-go” later in the day. They also want to have the opportunity to connect with others and enjoy simple pleasures like having a decent cup of coffee while visiting with friends.



THE OUTLINE

COMPETITIVE SET

Other convenience stores, QSRs

NEEDS ADDRESSED

Hospitality, Time Enrichment, Escape

TARGET SHOPPER

Traditional blue-collar male

TARGET OCCASION

Morning coffee/breakfast; pick up food/snacks/drinks for work; lunch break and/or on the way home

THINKING IT THROUGH

“My Place” is really just that — a place that convenience shoppers can consider their own, complete with fresh coffee, a friendly staff, a warm, bright atmosphere, and fellow patrons they can visit with before getting on with their busy day.

How stores can deliver

The ideal delivery of this growth platform requires a staff that goes above and beyond to make shoppers feel welcome. Simple gestures such as greeting shoppers by name and offering a friendly smile will go a long way.

A self-service coffee bar with fresh coffee and a variety of fresh breakfast pastries and other food selections would help shoppers get their day started on the right foot.

A counter with stools or a small seating area would only enhance the experience for these shoppers.

They would relish a little time to visit with staff or friends they meet at the store while they enjoy their hot coffee and breakfast before facing the day.

THE EXECUTION

ATMOSPHERE

Warm, bright, and clean; small area to sit and socialize

SERVICE

Friendly, greet customer by name

PRODUCT

Good fresh-brewed coffee, doughnuts, pastries, breakfast sandwiches, regular sandwiches

// I see the same people for years at a convenience store. I feel better about going to a place where there is not a lot of high turnover... The workers greet you... corner store feeling... everyone knows your name. It's hard to get to know people if you have a busy life, especially when you work all the time. It makes you hard as a person, because you become so structured... it's hard to get to know people in the 21st century. // MALE, PHILADELPHIA

Next Steps: Looking ahead to C-store growth

Shopper research is increasingly important to retailers. This report has explained what shopper research is and how it can be valuable to convenience retailers, reviewed the fundamental shopper needs that apply to all shoppers and all shopping occasions, and outlined five potential growth platforms based on shoppers' life-on-the-go needs.

In conclusion, we want to summarize two key insights that emerged from Phase One of this project, suggest next steps that retailers can take to put these insights to work in their businesses, solicit input from retailers, and outline what to expect from Phase Two of the project.

The advantage of the wide-angle view

KEY INSIGHT #1: Convenience retailers will benefit from adopting a wide-angle view of the shopper landscape, because it enables them to understand two crucial features that have a big impact on their shoppers.

- **SHOPPING OCCASIONS.**

The same customer will experience different shopping occasions at different times, and these will be defined by the needs they want to satisfy at that time.

- **STORE CHOICES.**

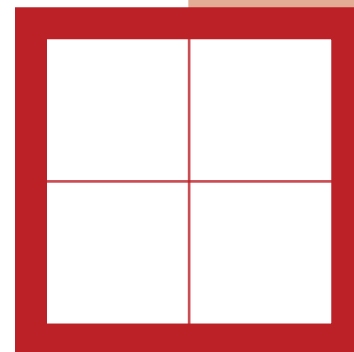
The needs behind the shopping occasion are what drive store choice, and stores that best meet a shopper's needs are likely to vary depending on the occasion.

For most shoppers “how easy it is to get to the store” defines the range of choices, and they tend to prioritize the stores that are within comfortable reach on two dimensions.

- *Price, which ranges from premium at the high end to discount on the low end*
- *Category, which ranges from broad to narrow*

Phase Two of this project will investigate where shoppers tend to place different retailers on this chart:

BROAD
CHOICE OF
CATEGORIES



STORE CHOICE

PREMIUM

LIMITED
CHOICE OF
CATEGORIES

DISCOUNT

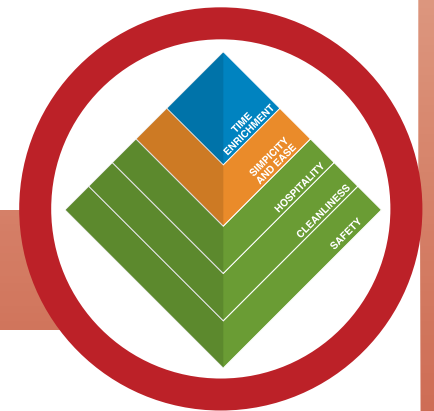
NEXT STEPS

Inventory the store choices available to your customers, and based on your own experience, plot them on this chart. Then plot your own stores. This will help you look at the market the way shoppers do. What do you see as your store's opportunity to be different from the competition?

Taking the shopper perspective

KEY INSIGHT #2: “Seeing what shoppers see” is an extremely valuable tool for planning growth strategies. Convenience retailers who have used earlier Council work are already benefiting from this perspective. Shopper research was the basis for the “hierarchy of needs,” and it drove the Council’s interest in learning about new growth platforms.

Now that we have a practical, shared understanding of what shopper research is and how it differs from consumer research, individual retailers can use it to guide their own thinking and approaches to research.



NEXT STEPS

Since winning in the marketplace today is more about doing a better job of attracting and retaining shoppers than “beating the competition,” it’s important to set aside your preconceptions and look at your business the way shoppers look at it. There are some things you can do right now to accomplish this if you haven’t already started.

- Make unannounced visits at night, on weekends, and at off-hours to get a better idea of how well you’re delivering on cleanliness, safety, and hospitality.
- Monitor comments in social media. This can be an easy way to tap into your shoppers experience and concerns.



5

NEXT STEPS

Review the five growth platforms described in Part 3 and identify one or two that appear to hold the greatest potential for your business. Then take a look at the retailers who your shoppers consider choosing for these shopping occasions. See if it looks like there is new space for you to occupy.

Learning as we go

The five platforms described here present possible paths to growing your business by better serving customer needs. They are part of a body of Council research whose purpose is to generate new insights and create fresh understanding. Our goal is to frame new information in ways that help each retailer move toward their own goal, by answering the following questions:

Where am I today?

How can I move forward more confidently toward my destination?

An important part of Phase Two of the project will be testing these platforms and gathering feedback from retailers as they evaluate these ideas.

Phase Two

The Council plans to build out the ideas introduced here in the following ways over the next year.

BUILD A PICTURE OF WHERE CONVENIENCE SHOPPING OCCASIONS FIT INTO THE LANDSCAPE OF ALL SHOPPING.

A clearer understanding of the “big picture” will make it easier to see the factors that influence shopper decisions about where to go for different occasions, and help us confirm new growth opportunities.

GET A “SECOND OPINION” ON THE DEFINITION OF CONVENIENCE SHOPPING OCCASIONS.

Independent work now available to the Council will allow us to “stress test” our thinking, so that we can ensure that this approach to identifying and capturing growth opportunities is sound and useful to NACS members and other convenience retailers.

TAP INTO SHOPPER RESEARCH DONE BY SUPPLIERS.

This work typically gives suppliers and their retail customers new insights into how products can be marketed and merchandised to generate new sales by better serving the shopper. This learning can build out detail on how convenience retailers can win more sales that are not dependent on price.

NEXT STEPS

Watch for announcements in the NACS Daily. The Council will release progress reports and new findings through the Council’s website and NACS publications as the work progresses during 2012.

More resources from NACS/CCRRC

Finding the Way Forward: A Practical Roadmap for Capturing Emerging Opportunities, 2009

Convenience Teens: Building Loyalty with the Next Generation, 2005

Redefining Convenience: Successfully Marketing to 21st Century Consumers, 2000

FIND THESE STUDIES AND THE ACTION REPORTS THAT FOLLOWED THEM AT WWW.CCRRC.ORG.
SELECT NACS/CCRRC AND THEN "VIEW ALL STUDIES BY CATEGORY."