



integer

SHOPPER FORWARD

Benefits of Emphasizing
Safety at Your Store.

SHOPPER FORWARD

Benefits of Emphasizing Safety at Your Store.

"It is important for all of us in the convenience-store industry to dispel the stereotypes of the past by promoting an inviting atmosphere and by providing a safe shopping experience for our customers and fellow associates."

Scott Hunkele

Manager-HES
Speedway SuperAmerica LLC



integer

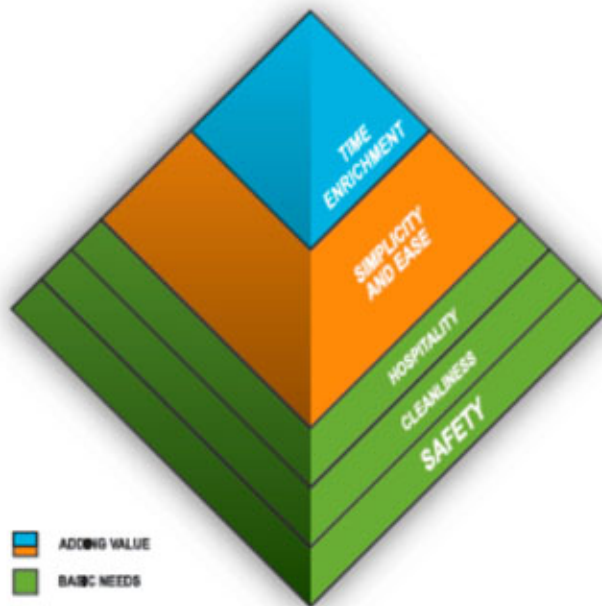
THE BIG PICTURE

The NACS/Coca-Cola Retailing Research Council previously identified a hierarchy of five shopper needs in the convenience channel.

BASIC NEEDS VS. EMOTIONAL NEEDS

This hierarchy of shopper needs is depicted as a pyramid with five levels. The three base levels address the shopper's basic, fundamental needs for safety, cleanliness, and hospitality. The top two levels meet their more advanced functional and emotional needs.

HIERARCHY OF SHOPPER NEEDS



Learn more about the study in two reports published on the council's Web site at www.cccrc.org—"Fast Forward: Emerging Opportunities in Convenience Retail" and "Finding the Way Forward: A Practical Roadmap for Capturing Emerging Opportunities in Convenience Retail."

THE TEST

To further explore the hierarchy of shopper needs, Speedway SuperAmerica, in collaboration with the NACS/Coca-Cola Retailing Research Council, tested enhanced safety measures at convenience stores and observed the impact on shopper behavior.

WHY FOCUS ON A BASIC?

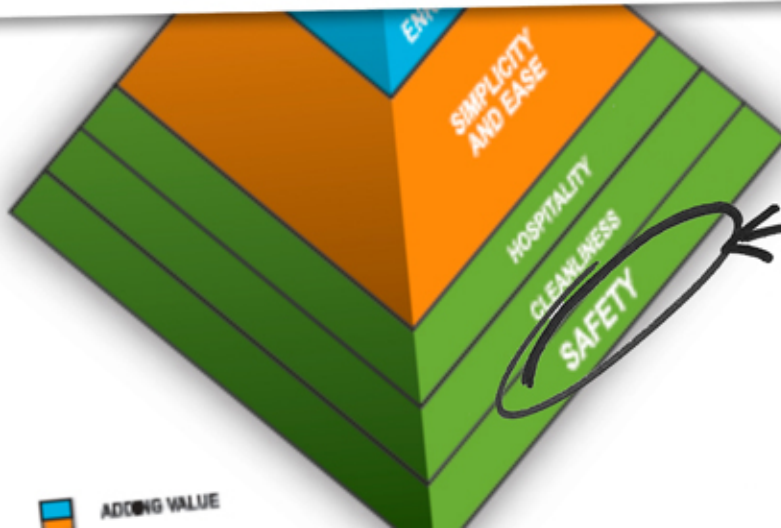
Basics are the foundation for:

1. Retaining customers
2. Attracting new customers

Important

Neglecting the basics can negatively affect shopper behavior:

- Not safe → shoppers won't frequent
- Not clean → shoppers won't stay long
- Not welcoming → shoppers won't linger to buy more



ENHANCED SAFETY MEASURES TESTED

1. FIXTURE ADDITIONS AND CHANGES

- LED lighting replaced canopy lighting to improve visibility and extend lamp life. In addition, new lighting was installed in walkways behind the store and in parking-lot dark spots (Photos below).
- Two-way communication was ensured between the gas pump and the associates at checkout.
- To improve sightlines into and out of the store, window signage was removed and window displays were lowered.
- To improve ease of movement and sightlines inside the store, the floor plan was remerchandised and display profiles were lowered.



Before ↗



After ↘

Fix lights and
sound system

2. SAFETY MESSAGING

- Stores added music, which gave them the ability to play safety messages and retail advertisements.
- Safety messages were put on all entrance carpets. "Welcome. Where your safety matters." and "Thank you. Please drive safely."
- Negative, threatening messages ("No Loitering", "No Soliciting", "Violators will be prosecuted", etc.) were taken down.
- Sense of community was supported by increased use of the store's front message board.

3. CHANGES IN STORE'S TEAM-MEMBER BEHAVIOR

- Customers were greeted at the pump (via two-way intercom) and at the door.
- Customers were offered a thank you and a safety tip at the close of the sale.

EXTRA EFFORT WAS MADE TO ENSURE:

Exterior pump islands stayed clean and orderly.

Equipment, such as air towers, stayed in working order.

Proper lighting was maintained.

GET WIRE
ELECTRIC
COMMERCIAL & INDUS
ELECTRICAL CONTRA

Michael Emmerson
CONTRACTOR

TEL 303-555-1334
FAX 303-555-3333



the ability

After

Before

- Negative, threatened, arrested, etc.)
- Sense of community of the store's front

3. Changes in Store

- Every customer was given a two-way intercom) and
- Customers were offered a tip at the close of
- Extra off

Before



After



the ability

- Negative, threatened, arrested, etc.)
- Sense of community of the store's fr



INFORMATION GATHERED INCLUDED:

- Sales/margin data.
- Customer surveys.
- Debriefing sessions with the participating store managers.

HYPOTHESIS

Greater emphasis on safety will be noticed by customers and reflected in their shopping behaviors.



THE FINDINGS

1. SAFETY MEASURES IMPROVED JOB PERFORMANCE FOR STORE TEAM MEMBERS

The most surprising and impactful findings were how safety measures were embraced by store team members and how those measures ultimately helped them better perform their jobs.

- Improved monitoring—improved sightlines through the windows helped employees ensure that customers were safe while pumping gas. In addition, store employees noted that improved visibility helped police officers check stores more efficiently.

- Improved emergency bold-two-way communication enabled quicker responses to emergencies.

For example, one woman had a seizure but was able to hit the button before she fell, allowing the team members to help immediately.

- Improved employee morale—in-store music promoted a more positive attitude among team members. In addition, store managers stated that associates' productivity improved.

- Reduced shoplifting opportunities—lower-profile displays made it easier for team members to see across the store, discouraging shoplifting.

- Improved movement—opened workspaces reduced the number of narrow passages, making it easier for employees to navigate the store without bumping into racks or tearing their clothing on them.

Note: The number OSHA-class injuries were reduced.

2. CUSTOMERS RESPONDED POSITIVELY TO SAFETY MEASURES

- **More aware**—customers expressed an appreciation for safety measures that make them more aware.

- For example, when road conditions were bad, customers said they wished other drivers could hear the store's safety messages because it "would make us all safer."

- **More comfortable**—changes made customers more comfortable with the store and its surroundings.

- Improved walkway lighting was mentioned by employees of the business next door who frequent the store for breaks.

- Without window signage, customers could easily see what was going on inside the store (e.g., who was working and the length of the line).

Note: sales volumes were not detrimentally affected.

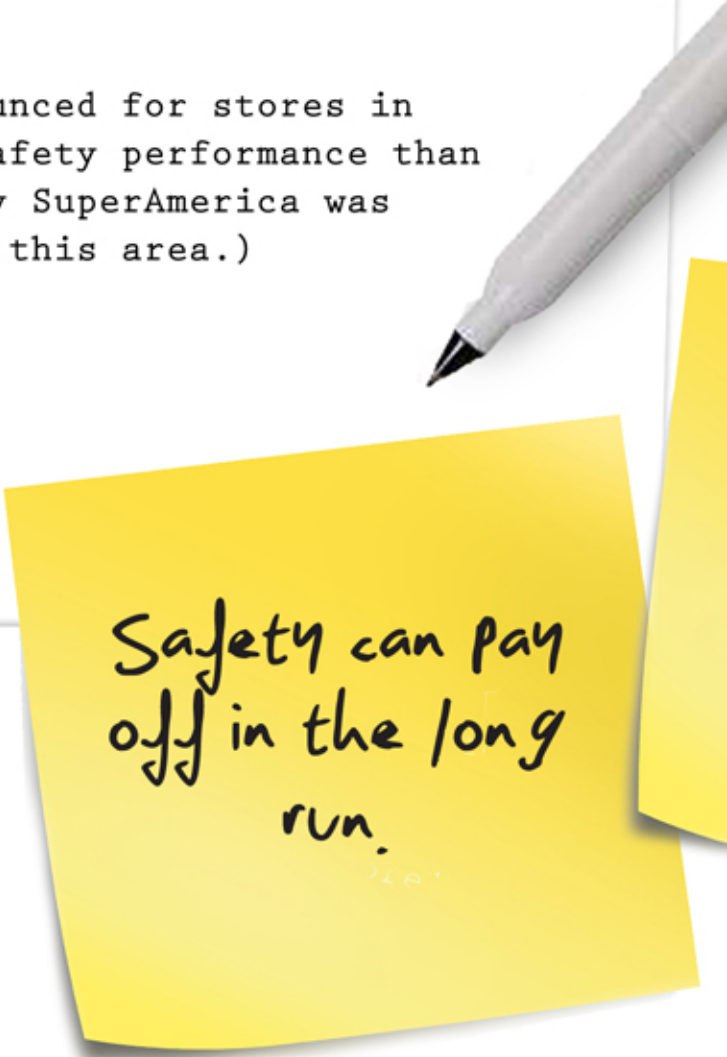
- Moms were more comfortable leaving children in the car for a minute or two, because they could watch them through the window.

3. IMPROVEMENT IN INSIDE SALES AND MARGIN

In addition to reduced shoplifting, test stores showed a greater increase in merchandise sales and margin dollars compared to the control stores. The difference was small, but encouraging.

Here's what the results suggest:

- Because the sales increase became evident only in the latter part of the test, it's possible that tangible benefits may lag behind actions taken by six to nine months.
- Results might be more pronounced for stores in greater need of improving safety performance than the stores tested. (Speedway SuperAmerica was already showing strength in this area.)

A yellow sticky note is placed on the bottom right of the page. It has the handwritten text "Safety can pay off in the long run." in black ink. A silver pen is positioned diagonally above the sticky note, pointing towards the bottom right.

Safety can pay
off in the long
run.

METHODOLOGY

This convenience store pilot project compared ten test stores against ten control stores over a period of nine months. Stores were paired based on similar characteristics, among them: gasoline sales volumes, merchandise sales, building size and floor plan, and demographic composition (neighborhood, freeway, rural, home-bound, work-bound, etc.).

The following data were analyzed for test and control stores to understand if the safety measures implemented impacted sales, margins, and transaction counts.

- Sales performance for the nine-month test period.
- Sales performance for the nine-month test period compared to sales performance for the six months prior to the pilot period.
- Customer service calls for incremental complaints, compliments, and safety-related events.
- Employee safety performance and incidents.

Speedy Rewards (SSA's loyalty program) terminals invited members of the SSA loyalty program to take an eleven-question online survey. Member pools were divided into thirds to allow for invitations to be presented at three-month intervals.

2,820 Speedy Rewards surveys were conducted for this pilot project.

Customer-intercept interviews were conducted three times per test store, across various day parts (morning, lunch, and evening).

- Phase I: Immediately after implementation of measures.
- Phase II: At the midpoint of the pilot period.
- Phase III: Near the end of the pilot period.

Other Speedway customers were asked the same eleven questions as Speedy Rewards member respondents (who were excluded from these customer intercepts).
908-intercept interviews were conducted.

Loyal customers and non-loyal customers were studied

ACKNOWLEDGEMENTS

We would like to offer special thanks to President Tony Kenney and Vice President of Operations Glenn Plumby of Speedway SuperAmerica LLC for sponsoring and supporting the safety pilot project. We also want to acknowledge the project leadership and management of Scott Hunkele (Manager-HES) at Speedway SuperAmerica and the following individuals for their work on the project.

Speedway SuperAmerica Project Team

Tracy Alldaffer

Jeff Bargo

Kathy Boulton

Aaron Butler

Tony Carf

John Dobrzeniecki

Mike Evan

Larry Heck

Doug Hoelscher

Tom LeFevers

Brian Lesniak

Trisha Stewart

Kevin Thomson

And project support from

Bill Bishop, Willard Bishop, LLC

Paul Ballew, The Integer Group®

Brian Ianelli, Coca-Cola Enterprises