

A close-up, warm-toned photograph of a smiling woman with curly hair. She is wearing gold-tinted aviator sunglasses and holding a pink lollipop in her mouth. The background is softly blurred, showing what appears to be a white cup and a red object.

3 QUESTIONS ANSWERED

How c-stores are
disrupting the food +
beverage industry

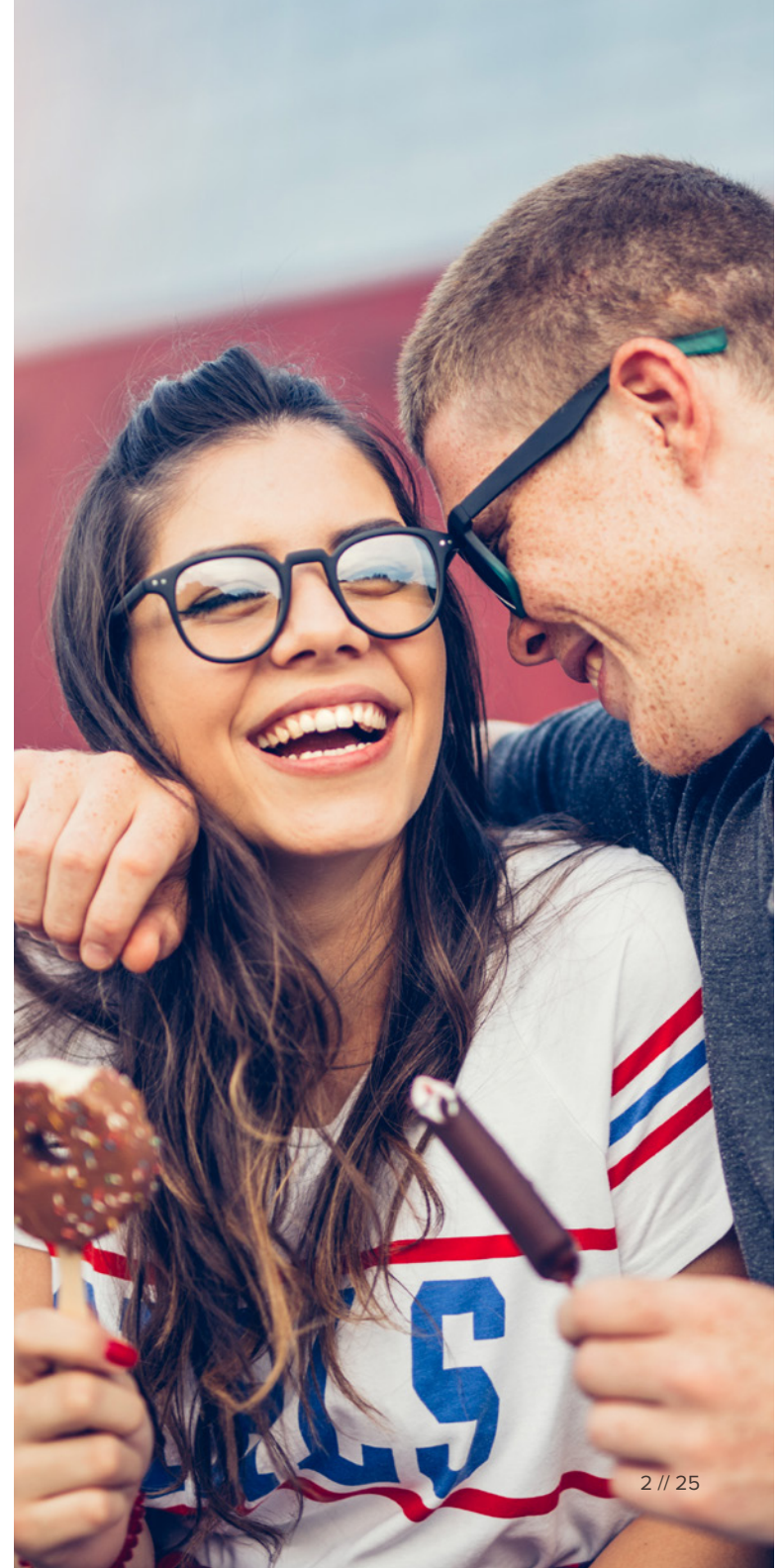
[report]



service
management
group®

What's inside

- 01 Who are convenience store (c-store) customers today + what are they buying?
- 02 Are c-stores delivering better experiences than quick-service restaurants (QSRs)?
- 03 Are c-store experiences leading to increased visit share + higher loyalty?



A photograph of four young adults (two men and two women) sitting on a stone ledge by a river. They are all eating pizza from cardboard boxes. The man on the far left is wearing a cap and a plaid shirt. The woman next to him is wearing a denim jacket. The woman next to her is wearing a light green blazer. The man on the far right is wearing a grey long-sleeved shirt. They are all looking towards the right, where a city skyline is visible in the background under a cloudy sky.

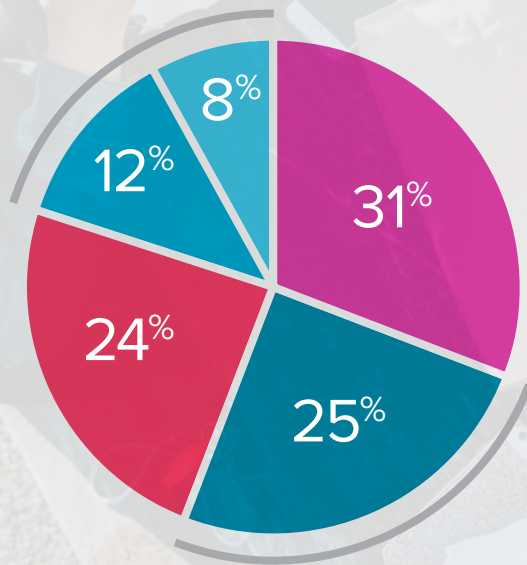
The c-store segment
is evolving to incorporate
more food + beverage options,
and customers are biting.

C-stores aren't what they used to be—an industry once known for “smokes and Cokes” has revamped its offerings and is taking a seat at the food and beverage table.

With 4 c-store brands on the 2018 Nation's Restaurant News list of the top 100 restaurants, it's clear the game has changed—and c-stores have an opportunity to win big.

C-store Visit Types

- Fuel, No Food/Beverage
- Beverage, No Food
- Other
- Food, No Beverage
- Food + Beverage



45% of c-store customers are purchasing food or beverage items

C-stores have seen a 15% increase in prepared meals + snack sales since 2010 — and those numbers are rapidly rising

— QSR magazine

Methodology

How we got the data

SurveyMini®—SMG's location-based mobile research app—uses precise mapping technology to trigger visit-detected surveys to an active user base of more than 140,000 respondents. The results give clients dynamic, DMA-level competitive intelligence on more than 6,500 brands across 650,000+ locations.



SurveyMini®

120k 
responses

Study period:
7/1/17 – 5/31/18

Results have been weighted by gender + age to be nationally representative.

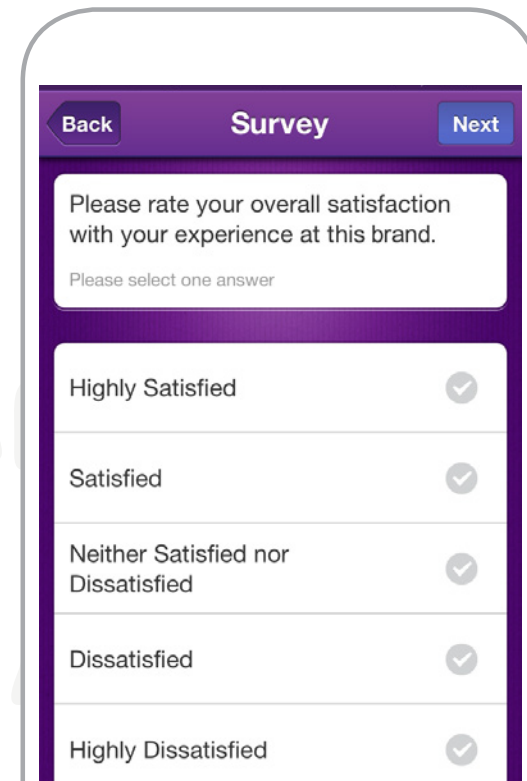
C-store visits are often segmented by purchase type. **Pre-packaged food and beverage items are not included** in food/beverage groupings.

149 
markets

10 
c-store brands

10 
QSR brands

15 
key takeaways



Back Survey Next

Please rate your overall satisfaction with your experience at this brand.

Please select one answer

Highly Satisfied	<input checked="" type="checkbox"/>
Satisfied	<input checked="" type="checkbox"/>
Neither Satisfied nor Dissatisfied	<input checked="" type="checkbox"/>
Dissatisfied	<input checked="" type="checkbox"/>
Highly Dissatisfied	<input checked="" type="checkbox"/>

Executive Summary

- 01 Almost half of c-store customers make a food or beverage purchase during their visit, a trend that continues to rise
- 02 Men are visiting c-stores more often and buying more food there, but women aren't far behind with beverage purchases
- 03 Across every purchase type, c-stores are winning with customers of all ages
- 04 Customers are happier with food + beverage purchases from c-stores than from QSRs
- 05 Highly satisfied c-store customers who purchase food + beverages are returning 4.5 days quicker than QSR customers



1

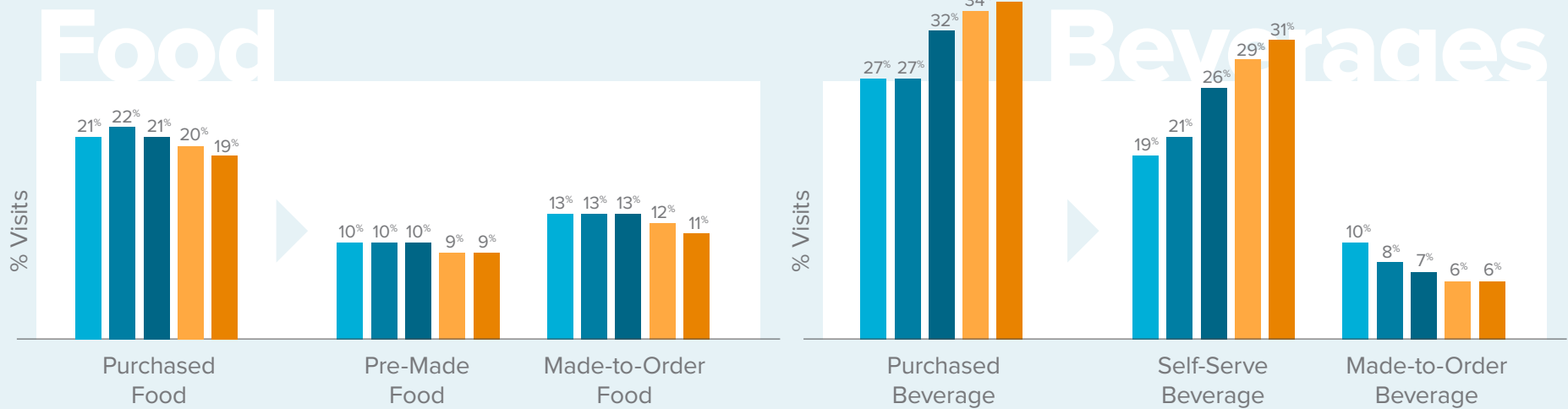
Who are c-store customers today + what are they buying?

A previous stigma of “gas station food” is evaporating — customers of all ages are purchasing food + beverages at c-stores

When it comes to beverages, older customers are leading the charge and are particularly drawn to self-serve drinks

% Purchased Item at C-store by Age Group

Under 25 25–34 35–44 45–54 55+



Takeaway

While it’s pretty even, we’ve noticed slight differences in these age groups. Customers under the age of 44 are slightly more inclined to buy food at c-stores, while those over 45 are big fans of self-serve beverages.

gender

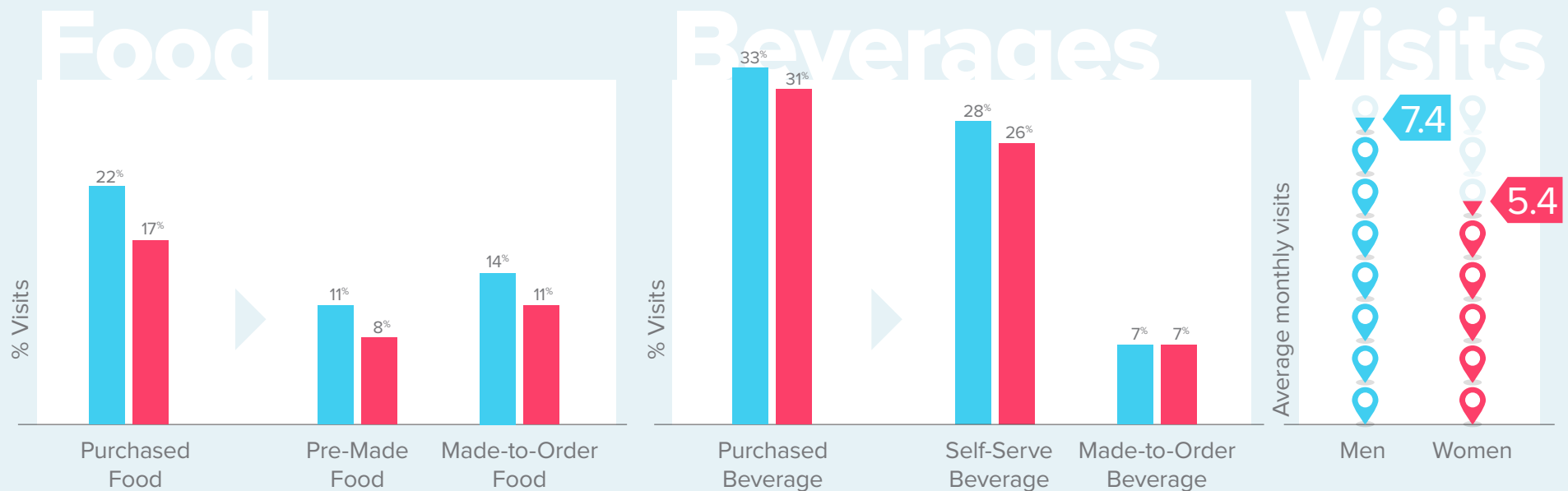
Men are more likely to purchase food at c-stores than women

Takeaway

Men are visiting c-stores more often and buying more food and beverages, but women aren't far behind with beverage purchases.

% Purchased Item at C-store by Gender

Male Female



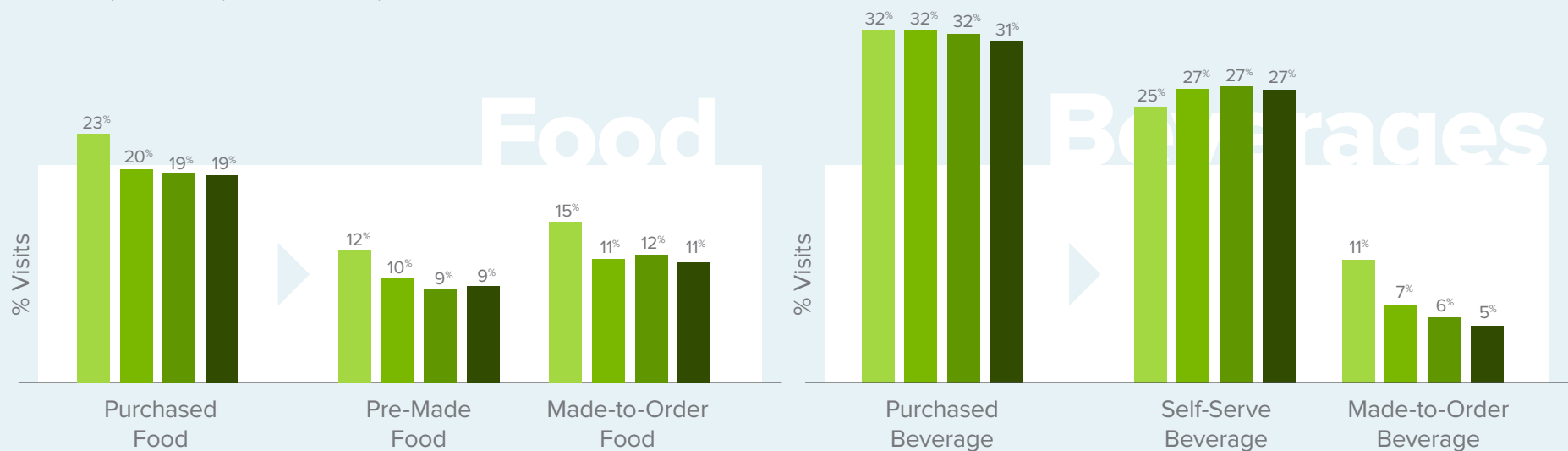
Customers with a wide range of incomes are purchasing food + beverage from c-stores

Takeaway

While customers who make less than \$25,000/year are buying food a little more, income doesn't have much impact on the c-store customer.

% Purchased Item at C-store by Income

■ Under \$25,000 ■ \$55,000 – \$99,999
■ \$25,000 – \$54,999 ■ \$100,000 +



Who are c-store customers + what are they buying?

While demographics have some effect on purchasing behavior, they don't define the c-store customer.

As c-stores continue to evolve, so do their customers. With enhanced menu selections and a maintained focus on value, c-stores are becoming a food + beverage destination for all customers—no matter their age, gender, or income.

By understanding what their customers are drawn to and continuing to adapt to those expectations, c-stores could increase this food + beverage customer base—securing loyalty, return business, and increased revenue.





2

Are c-stores delivering better experiences than QSRs?

C-stores are creating more satisfied customers than QSR brands

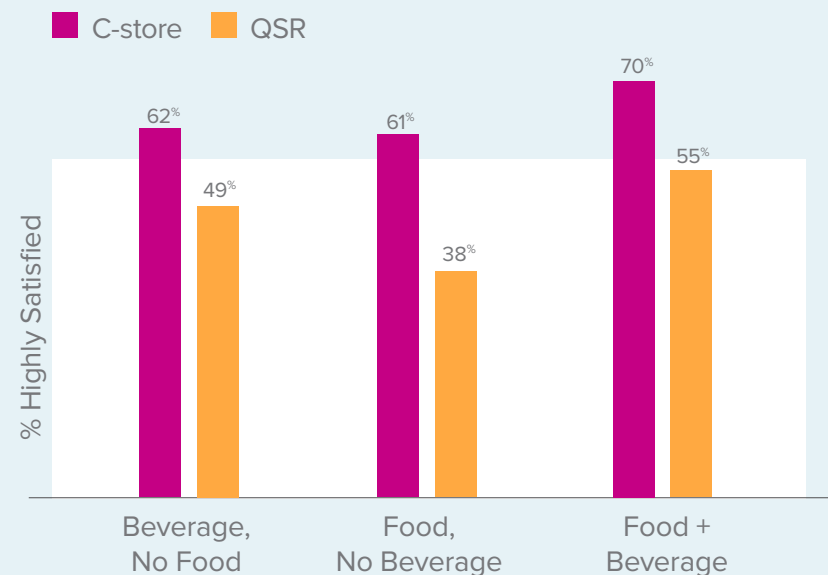
With a food or beverage purchase, 80–90% of the top 10 brands for overall satisfaction were c-stores, not QSRs

Takeaway

C-store satisfaction scores are higher than QSR.

Overall Satisfaction					
Beverage, No Food		Food, No Beverage		Food + Beverage	
C-store Brand B	70%	C-store Brand E	70%	C-store Brand K	75%
C-store Brand E	68%	C-store Brand D	64%	C-store Brand B	74%
QSR Brand J	67%	C-store Brand B	64%	C-store Brand A	73%
C-store Brand J	65%	C-store Brand A	62%	C-store Brand E	72%
C-store Brand A	63%	C-store Brand C	61%	QSR Brand J	71%
C-store Brand D	60%	QSR Brand J	60%	C-store Brand C	69%
C-store Brand K	57%	C-store Brand J	57%	C-store Brand F	69%
C-store Brand G	56%	C-store Brand K	54%	QSR Brand K	68%
QSR Brand G	55%	C-store Brand G	54%	C-store Brand J	66%
C-store Brand C	54%	C-store Brand F	54%	C-store Brand H	64%
C-store Brand H	52%	QSR Brand K	54%	C-store Brand D	64%
QSR Brand H	52%	QSR Brand H	50%	QSR Brand H	64%
C-store Brand F	49%	C-store Brand H	48%	QSR Brand G	60%
QSR Brand A	49%	QSR Brand B	46%	QSR Brand A	59%
QSR Brand D	47%	QSR Brand G	42%	C-store Brand G	57%
QSR Brand E	45%	QSR Brand E	38%	QSR Brand B	57%
QSR Brand B	45%	QSR Brand D	37%	QSR Brand E	56%
QSR Brand K	42%	QSR Brand A	37%	QSR Brand D	54%
QSR Brand C	42%	QSR Brand F	34%	QSR Brand F	50%
QSR Brand F	40%	QSR Brand C	32%	QSR Brand C	49%

Overall Satisfaction by Visit Type



What's driving satisfaction at c-stores? Everything.

Food + beverage customers are more satisfied with c-stores than QSRs across all measures

Satisfaction by Brand Segment

■ C-store ■ QSR

Takeaway

Friendliness matters and c-store associates are doing it better than QSR associates.

Takeaway

Grab-and-go options + quicker lines help c-stores get a leg up on QSRs with speed.

Takeaway

Customers don't feel they're sacrificing quality food + beverages by choosing c-stores over QSRs—they're happier with the taste.

Overall Value

Staff Friendliness

Speed of Service

Taste of Beverage

Taste of Food

daypart

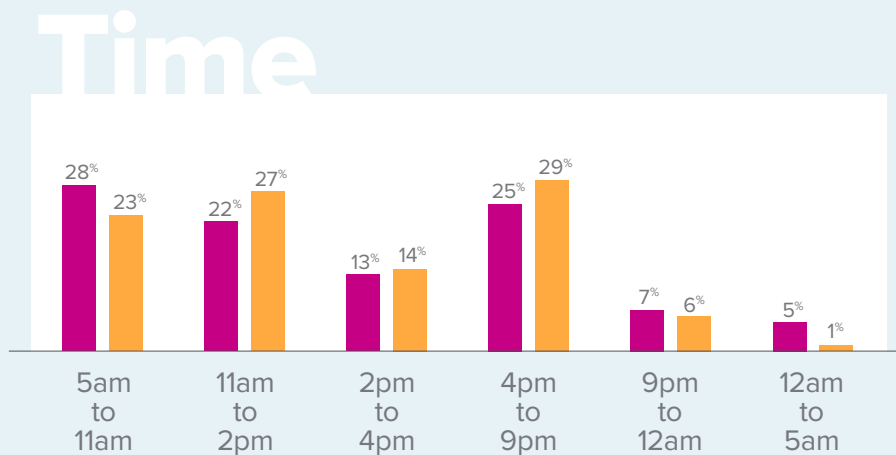
C-store wins the morning + late-night crowd but is also putting the pressure on QSR during lunch and dinner

Takeaway

No matter the time of day, c-store customers are more satisfied.

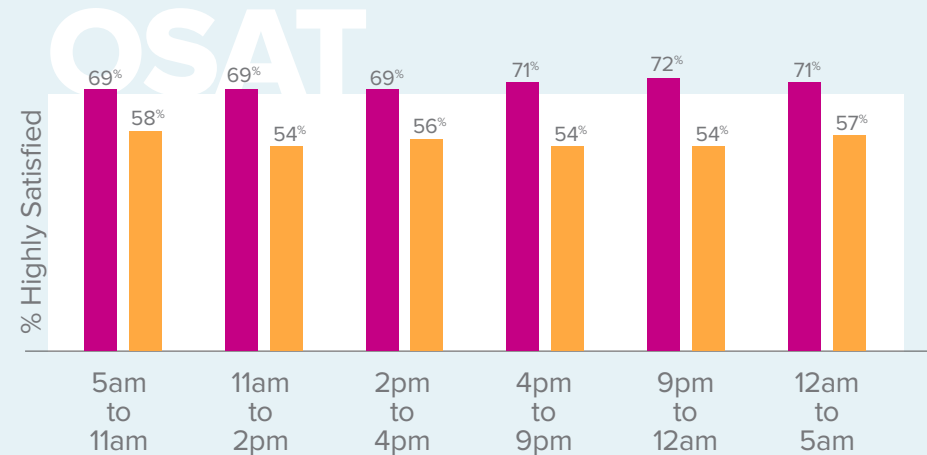
Food + Beverage Purchases:
Time of Visit

■ C-store ■ QSR



Food + Beverage Purchases:
Overall Satisfaction

■ C-store ■ QSR



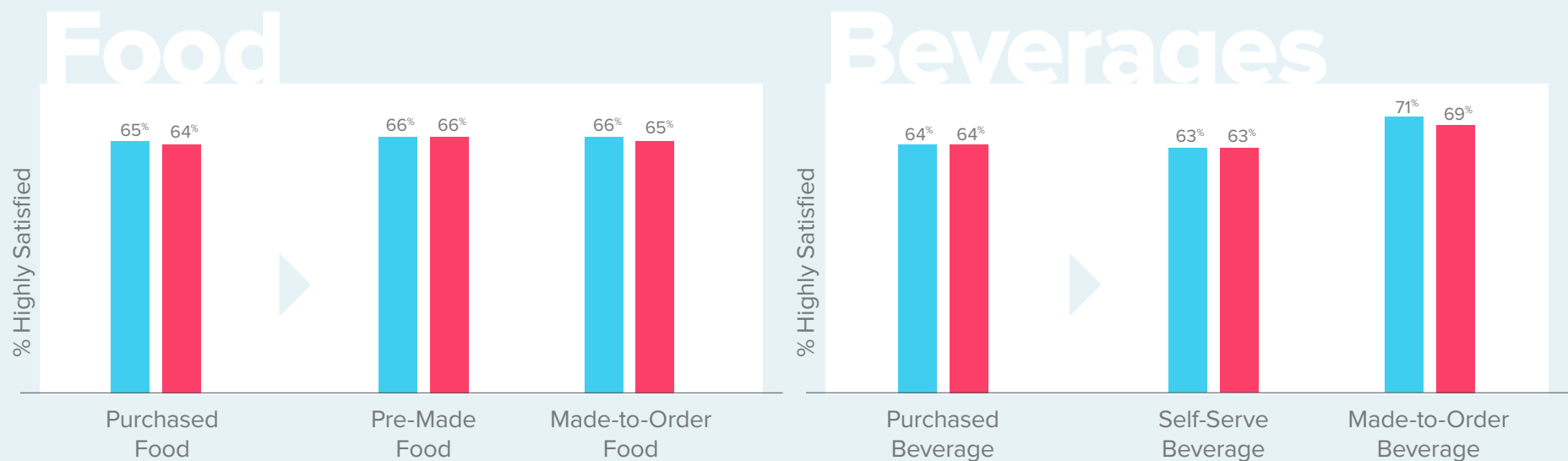
Despite more males gravitating toward c-stores, the satisfaction level across genders is relatively even

Takeaway

Though it may be easy to assume men would be happier than women with food and beverage purchases from c-stores, research shows fairly equal satisfaction.

Satisfaction with Item Purchased at C-store by Gender

Male Female



Across every purchase type, c-stores are winning with customers of all ages

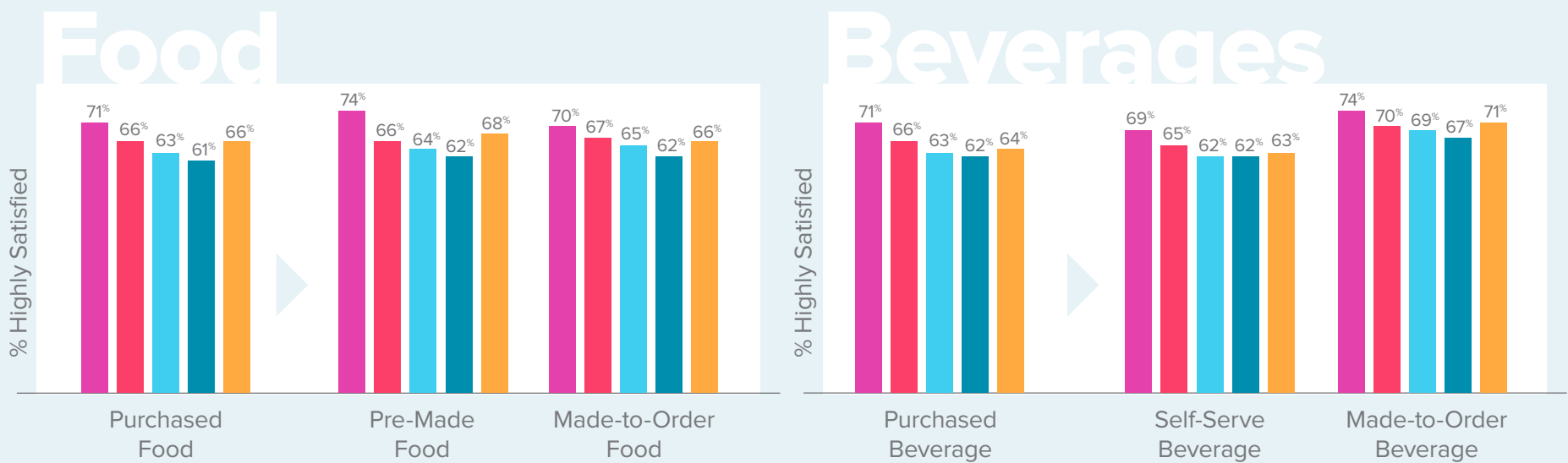
Customers under the age of 34 are generally happier with c-store food + beverages—though customers over the age of 55 are pretty pleased, too

Takeaway

The future is bright for c-stores, with millennials and Gen-Z most satisfied with their food + beverage purchases.

Satisfaction with Item Purchased at C-store by Age Group

■ Under 25 ■ 25–34 ■ 35–44 ■ 45–54 ■ 55+



Are c-stores delivering a better experience than QSRs?

In a word, yes. Our research shows the c-store experience is rated better than QSR when a food or beverage item is purchased.

That bears repeating: Customers are more satisfied with food and beverages purchased at convenience stores than those from restaurants.



How? Why?

C-stores are providing customer-centric service and quality products with true convenience and value to the customer—giving QSRs a run for their money.

A background image of a woman with blonde hair, seen from the chest up, holding a sandwich with lettuce and tomato. The image is slightly blurred and has a soft, warm tone.

3

Are c-store experiences
leading to increased
visit share + higher loyalty?

Across all major motivators, c-store is beating QSR

Takeaway

A previous positive experience keeps c-store customers coming back.

Takeaway

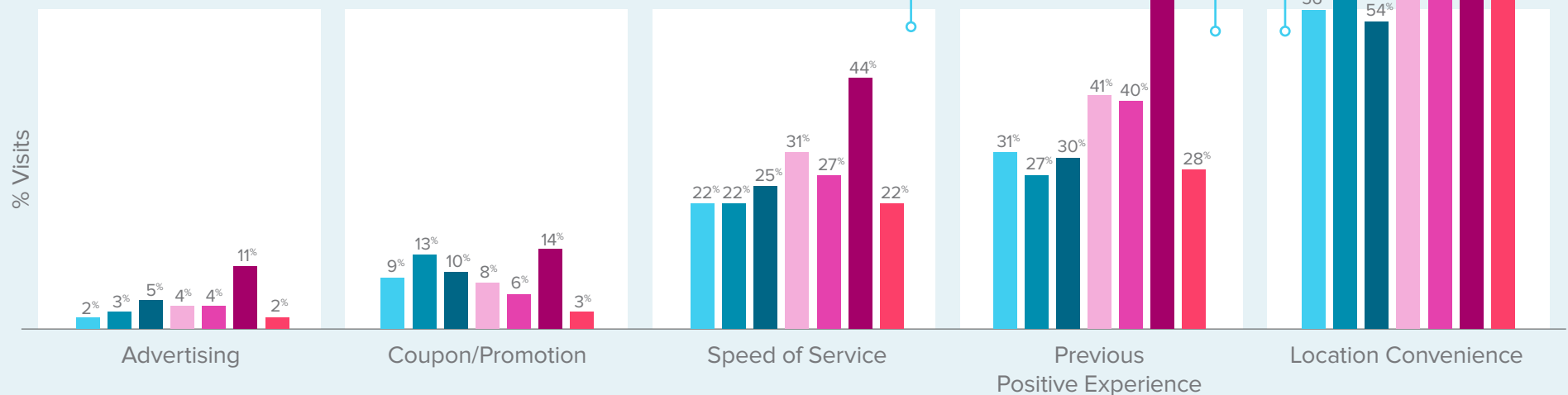
C-stores' self-serve style means customers don't have to wait.

Takeaway

It's more than a name—c-stores provide convenience through their prime locations *and* by offering a one-stop-shop for multi-tasking customers.

Reason for Visit by Visit Type

QSR: Beverage, No Food (Light Blue), Food, No Beverage (Dark Blue), Food + Beverage (Medium Blue)
C-store: Beverage, No Food (Pink), Food, No Beverage (Magenta), Food + Beverage (Dark Magenta), Fuel (Red)



C-stores have a big opportunity with an untapped pool of potential customers — and could win loyalty from QSR guests

While only 14% of customers have bought both food + beverage from c-stores, those who have are choosing c-stores over QSRs 40% of the time

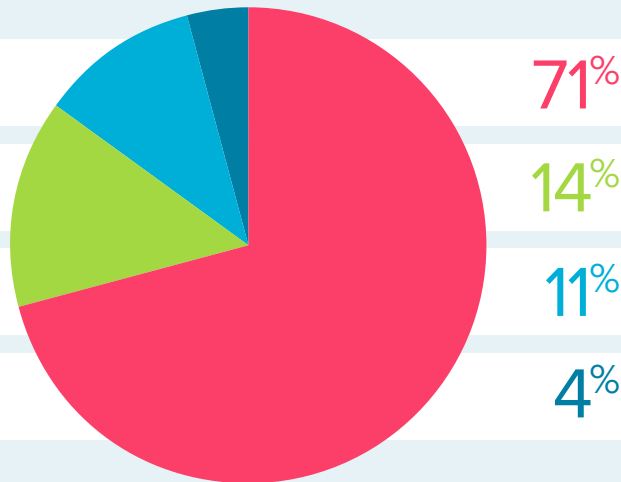
Takeaway

If c-stores can get food + beverage customers in the door, they're likely to return.

Visit Share by C-store Behavior

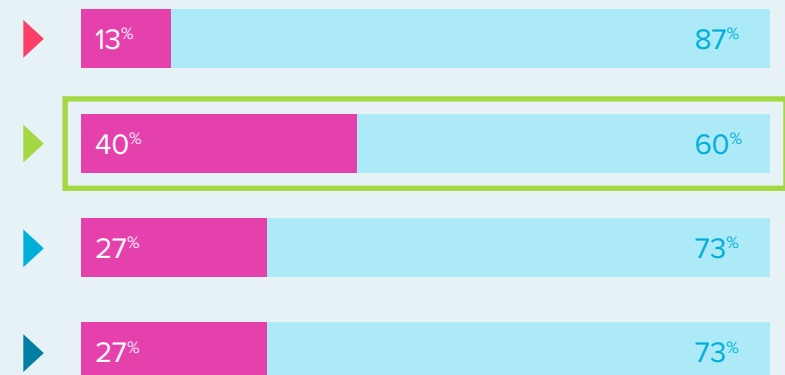
C-store Behavior

- Have Never Purchased Food or Beverage
- Have Purchased Both Food and Beverage
- Have Purchased Beverage, Not Food
- Have Purchased Food, Not Beverage



Visit Share

■ C-store ■ QSR



C-stores have been able
to create a positive experience +
have a faster rate of return

Days Between Visits for Highly Satisfied Food and/or Beverage Customers

C-store:



Takeaway

Highly satisfied c-store customers who
purchase food or beverages are returning
4.5 days quicker than QSR customers.

QSR:



Are c-store experiences leading to increased visit share + higher loyalty?



Yes. Customers who are shopping c-stores for food + beverages are leaving highly satisfied and returning quicker.

Winning customer loyalty is everything in the service industry. Sure, getting them in the door and buying your product is the goal, but so is making them happy and keeping them coming back for more.

C-stores are doing just that. By providing food and beverage items with quick, convenient service, they're creating a positive experience and giving customers what they want.

And it's paying off.

With 70% of customers still not buying food or beverage items from a c-store, they have a big untapped resource of customers whose loyalty is ready to be won.

This is only the beginning.

C-stores are heating up and show no signs of cooling down.

Many brands are making huge investments in store remodels—focusing not only on product offerings but cleanliness, convenience, and ambiance. They're not just a pit stop anymore—they've become a destination.

The look, taste, and reputation of c-stores aren't what they were 10 years ago—and they're not going to be the same 10 years from now.

Are you ready?



Know more. Do better.

There's a huge opportunity for c-stores to capture more customers and keep them coming back. And as c-stores continue to redefine the meaning of convenience for customers, there's really only one strategy that makes sense.

**Listen better. Act faster.
Outperform the competition.**

That's why today's leading brands use customer experience (CX) programs to collect and act on customer feedback in real time. SMG partners with more than 500 retail, restaurant, and c-store brands—helping them make better business decisions and drive real change.

About SMG

SMG (Service Management Group) partners with more than 500 brands around the globe to create better customer and employee experiences, which drive loyalty and performance. SMG uniquely combines technology and insights to help clients listen better, act faster, and outperform the competition. Strategic solutions include omniCX™, Brand Research, and Employee Engagement. SMG evaluates 250 million surveys annually, across 130 countries.

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