

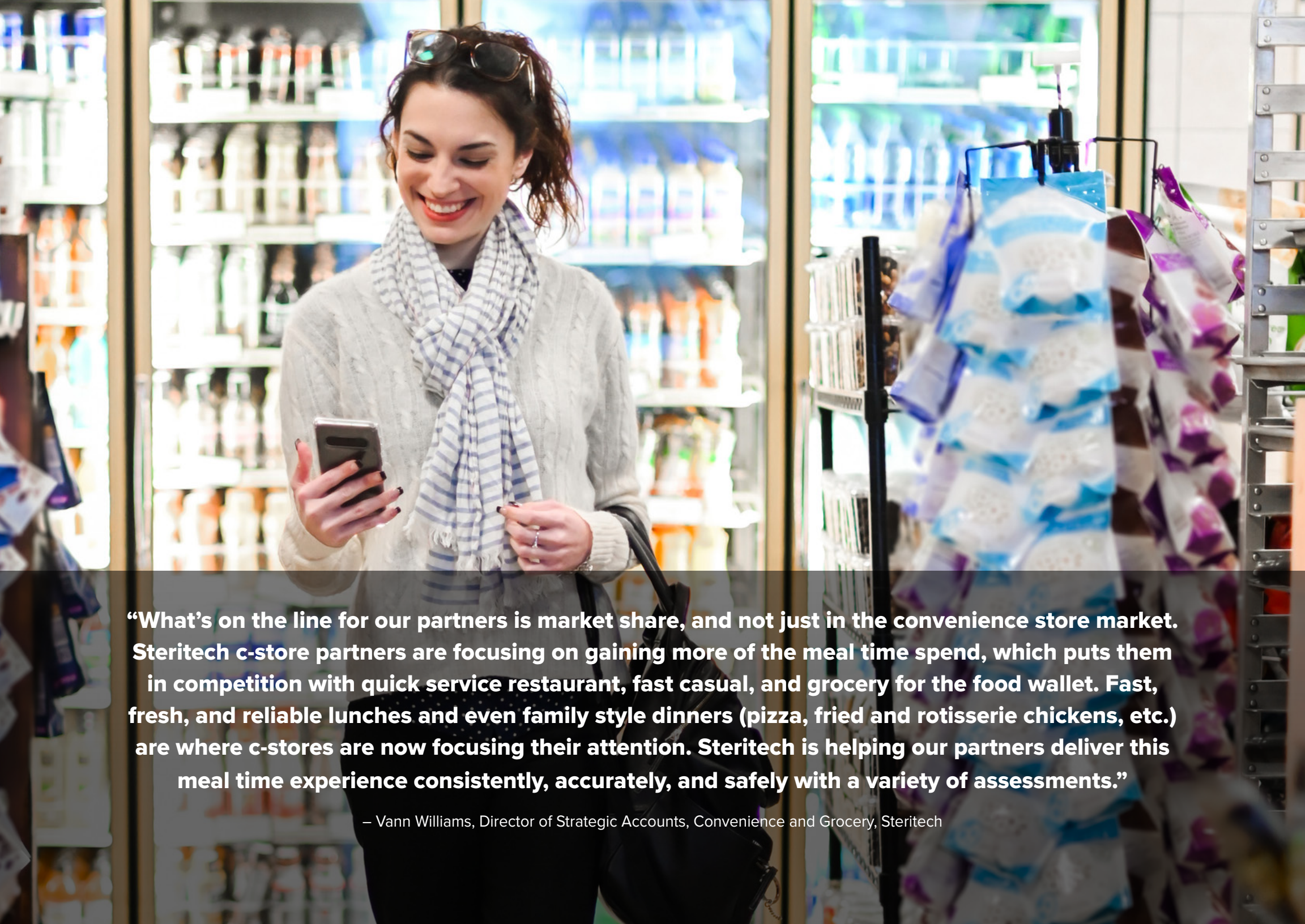
# Steritech

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## CONVENIENCE STORE BRAND EXPERIENCE: **EXPECTATION VS. EXECUTION**







**“What’s on the line for our partners is market share, and not just in the convenience store market. Steritech c-store partners are focusing on gaining more of the meal time spend, which puts them in competition with quick service restaurant, fast casual, and grocery for the food wallet. Fast, fresh, and reliable lunches and even family style dinners (pizza, fried and rotisserie chickens, etc.) are where c-stores are now focusing their attention. Steritech is helping our partners deliver this meal time experience consistently, accurately, and safely with a variety of assessments.”**

– Vann Williams, Director of Strategic Accounts, Convenience and Grocery, Steritech

# CASHING IN ON CONVENIENCE

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Whether fueling up our car for the week, dropping in to pick up lottery tickets or a gallon of milk on the way home, grabbing a quick lunch while juggling tasks at the office, or making a pit stop on a road trip to use the restroom, convenience stores aren't just "convenient" anymore – they are essential to our everyday lives.

As they have grown in necessity to us, c-stores have expanded what they offer. Once limited to candy bars, ice, cigarettes, and gas, today's convenience stores have become full-on experiences, selling everything from fountain sodas and beer to fresh made food to clothing and more. For some, even mascots have become a point of attraction for intrepid travelers!

That begs the question: what does YOUR store experience look like to customers? Locations that deliver on their brand promises to customers can cash in on the cool \$705.7 billion that c-stores and fuel retailers raked in during 2021. On the opposite side, data suggests that those locations that miss the mark might lose out on customers for good.

To help convenience stores understand the gaps that exist between brand promises and actual experiences, Steritech conducted this blind study. What we found might surprise you – and it highlights significant opportunities that brands have to create raving fans and get ahead of their competitors.



Doug Sutton  
President, Steritech



# EXECUTIVE SUMMARY:

## DELIVERING ON YOUR BRAND PROMISE

Convenience stores are a fixture in our communities. At their heart, they strive to deliver fast service, a broad array of products, and a safe and clean environment that attracts customers.

Steritech conducted a blind, limited assessment study that surveyed 80 locations spread across 5 national and regional convenience store chains to get a sense of how stores are performing across these customer experience touchpoints.

This report takes a comprehensive look at the results of this study and identifies areas where locations and chains may need to do some work to ensure they are delivering on their promises to customers – and reaping the sales and customer loyalty that come with doing so.

**Key insights are provided in each section throughout the report, however, executives and decision-makers should take note of these 3 high-level findings to capitalize on sales opportunities, increase customer loyalty, and reduce risk.**



### **Budget for and incentivize exterior and interior maintenance to promote a clean and safe environment that attracts customers.**

Parking lots, signage, lighting, and general building appearance on the interior and exterior all performed at a surprisingly average level across the board. This indicates that there isn't the manpower, budget, or incentive for many individual locations to make investments in appearance – especially if they're battling to keep the store staffed and the doors open. Stores that are well-lit, clean, and promote safety and security will be the first to attract customers. With 7 out of 10 people who stop for fuel entering the store, getting people to pull into your location the first phase in winning brand loyalty.

**Product availability is a serious issue for most stores.** From cigarettes to prepared foods and dispensed beverages and even bagged ice, the majority of the stores Steritech visited had advertised products that were missing or had empty slots. While empty slots don't necessarily mean something was completely out of stock, it may indicate that store staff is stretched thin and can't restock fast enough. This can result in customers having a false view of that store's lack of options or a supply issue, or create unhappy customers who feel they missed promotions. All of that adds up to less time in store and a decreased likelihood of the consumer making a purchase. Hiring extra staff and assigning specific responsibilities for restocking may help address this challenge.

### **Food safety and hygiene need focused attention year-round, not just at on-boarding.**

At a number of points across our study, Steritech found concerning cleanliness and food safety issues. Serious food safety concerns were noted in many locations; no handwashing, no glove use, and lack of hair restraints were all cited frequently. In public restrooms, nearly a quarter of all locations were missing soap or paper towels – necessities for not only customers but also staff that use the restrooms, to prevent the spread of germs. Especially in our era of heightened hygiene habits, this should take top priority. Develop a plan to help food safety and hygiene stay top of mind at all times.





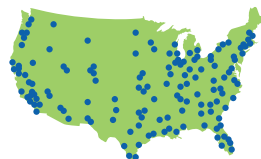
# CONVENIENCE STORES: A VERTICAL IN FLUX

If there was a single word to describe the convenience store industry, it might be RESILIENT. In 2021, the industry bounced back from a pandemic slowdown, raking in more than \$705.7 billion in sales in 2021 – despite the total number of stores seeing a slight 1.5% drop.

How does the industry continue to survive economic challenges? Through versatility. As consumer habits shift, the convenience store vertical continues to shift with them. Brands have moved rapidly to take on new challenges with every passing year: partnerships with quick service brands to attract hungry customers, palatial restrooms (some with showers!) for road-weary travelers, and optimized, multi-lane counters to speed check out, to name a few examples.

But, there's no rest in the battle for the consumer dollar. Convenience stores continue to look for ways to adapt. Today, they're finding creative ways to meet pandemic-accelerated off-premise trends with drive-thru to curbside pickup, introducing iconic mascots and branded merchandising, and installing electric vehicle charging stations to meet greener, younger generations.

With these innovations come the challenges of implementation and execution. Operational and staffing issues can create health and safety hazards, leave tasks undone, result in poor customer experiences, or simply create missed opportunities for creating brand loyalty. With nearly 150,000 convenience stores in the U.S., failure to deliver on your brand promises can mean sending a dissatisfied customer to a competitor and losing out on sales.



**US Convenience Store  
Count: 148,026**

Source: 2022 NACS/NielsenIQ  
Convenience Industry Store Count,  
January 2022.



**Including fuel, convenience  
stores brought in \$705.7  
billion total sales in 2021**

Source: 2022 NACS State of the Industry.



**In 2021, in-store sales  
reached a record \$277.9  
billion, representing nearly  
40% of total sales revenue**

Source: 2022 NACS State of the Industry.

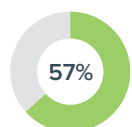
# CHANGING DEMANDS: WHAT CONSUMERS EXPECT FROM THEIR C-STORES

Convenience stores are ubiquitous in consumers' lives. From fueling up their cars to road trip rest stops, or simply getting a caffeine fix or lottery ticket, c-store visits are part of our daily routines. However, for most people, not just any convenience store will do.

Capturing your customers' dollar early on is critical to success. According to research from *Convenience Store News*, 93% of consumers say they shop at the same convenience store all or most of the time. However, that doesn't mean there isn't room for improvement.

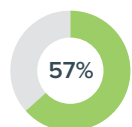
As the demand for convenience grows, consumers want more out of the locations where they shop. What are your locations doing to meet their expectations?

## SPEED STILL RULES <sup>1</sup>

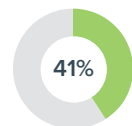


**57%** of customers will skip buying anything in-store if there's a line

## THE TOP 2: WHAT MAKES A POSITIVE SHOPPING EXPERIENCE? <sup>2</sup>

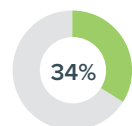


**57%** price of products

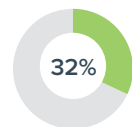


**41%** products I need are in stock

## OUT OF STOCK = OUT OF SALE <sup>3</sup>



**34%** of consumers went to a different store if the product they wanted wasn't in stock



**32%** left without making a purchase

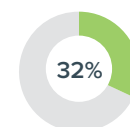
1. Blue Dot, The Convenience Experience Report, June 2022

2. *Convenience Store News*, Realities of the Aisle, 2022

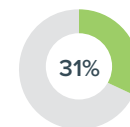
3. *Convenience Store News*, Realities of the Aisle, 2022

## CLEANLINESS AND SAFETY BRING CUSTOMERS BACK <sup>4</sup>

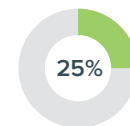
Post-pandemic, to get them to come in more frequently, consumers say stores should:



**32%** increase cleanliness



**31%** improve health and safety protocols



**25%** provide drive-thru and/or curbside pickup

## FOOD IS DRIVING CUSTOMERS IN <sup>5</sup>



**6 out of every 10** consumers consider buying a meal from a convenience store when stopping for fast food



**1 out of 4** visit a convenience store for lunch daily

4. AlixPartners 2021 Convenience Store Industry Outlook

5. Blue Dot, The Convenience Experience Report, June 2022





# METHODOLOGY: HOW THIS RESEARCH WAS CONDUCTED

Steritech conducted operational excellence assessments at 80 convenience store locations over a 2-week period in July 2022.

The 80 locations were chosen at random from 5 national and regional convenience store chains. Assessments were unannounced and conducted blindly, without the knowledge of the location staff.



At each location, 51 line items were assessed, based on pre-determined parameters; this report includes some of the most revealing data points. These line items included evaluations of the appearance of exterior grounds, the functionality of equipment, availability of products, store cleanliness, food safety, speed of checkout, and branding, and more.

### Our Rating Scale

For the purposes of this study, Steritech specialists used a Poor, Average, or Excellent rating for overall or general line items lacking quantifiable measurements that impact customer perception, such as the overall interior appearance of a store. Specialists are given detailed criteria to use in scoring these ratings. However, these general guidelines apply to all areas.



**POOR:** Obvious items/issues that negatively impact either perception of safety, cleanliness, or usage of the facility. There are specific elements that could pose risk or would impact guests' decisions to visit the location or spend time in-store.



**AVERAGE:** Multiple, minor items/issues observed, but issues would not pose an immediate risk or detract/prevent customers from entering/using/purchasing.



**EXCELLENT:** There are no noticeable issues from customers' point of view. Overall high marks for cleanliness, structure, storage, or physical security elements.

### About Steritech

A pioneer in assessments that improve brand experience for over 35 years, Steritech develops and executes food safety, operational excellence, and brand standards assessments for large, multi-location chains. With more than 430 full-time specialists across North America, our highly-calibrated team conducts more than 380,000 assessments annually.

Although Steritech offers blind assessments, the unannounced, mystery-shop style assessments conducted for this study are atypical of Steritech's full-scale assessment programs. A typical Steritech program involves narrated assessments and coaching, helping that location-level staff understand what is being assessed and why to drive toward improvement.

Read more about Steritech and its assessment programs on the back cover of this report.







# **STERITECH STUDY DATA AND KEY INSIGHTS**

# ATTRACTING BUSINESS: EXTERIOR

## KEY INSIGHTS



### **BIGGEST OPPORTUNITY TO STAND OUT:**

Stores can set themselves apart with attractive curb appeal – fewer than 50% of locations rated excellent.



### **QUICK WIN IMPROVEMENT OPPORTUNITY:**

Focus on parking lot cleanliness and condition, an area where more than half of locations performed at the average or poor levels.



### **KEEP UP THE GOOD WORK:**

The majority of locations are doing a good job of managing trash, both in dumpsters and at the pump.

## FIRST IMPRESSIONS MATTER FOR STORES, TOO

Like it or not, the look and feel of a store's exterior can tell consumers all they need to know about whether or not they want to shop there: cleanliness, functioning lighting and signs, and general maintenance can be health and safety indicators for customers. Steritech analyzed 7 specific line items in this category.

## OUR RATINGS CHECKLIST



### **POOR:**

- Obvious cleanliness, safety, or equipment functionality issues that would prevent the average customer from stopping
- Non-functioning parking lot lights that impact brightness and safety
- Signage that is not well-lit or poorly maintained
- Parking lots have significant potholes and/or no or barely visible painted lines
- Trash on the ground or overflowing trash cans
- Dirty dumpster areas, overflowing dumpsters, or poorly maintained dumpster enclosure



### **AVERAGE:**

- Some minor issues present that deviate slightly from the Excellent list
- Issues that are present would not singularly or collectively deter a customer from stopping at this location



### **EXCELLENT:**

- Invites people into the location
- Bright, all exterior lights functional
- Signage is clearly visible, clean, well-lit, and in good working order
- Parking lots have no potholes and have clearly identifiable parking lot lines
- No visible trash on the ground and well-maintained trash cans
- Dumpster area clean, lids of visible dumpsters closed; any enclosure is well-maintained



## ATTRACTING BUSINESS: EXTERIOR



### LINE ITEM 1: GENERAL CURB APPEAL AND VISUAL FEEL OF BUILDING

9% Poor  
42% Average  
49% Excellent



### LINE ITEM 2: PARKING LOT LIGHTS

18% Had at least 1  
malfunctioning light  
82% All lights working



### LINE ITEM 3: PARKING LOT LINE VISIBILITY

7% Poor  
24% Average  
69% Excellent



### LINE ITEM 4: PARKING LOT CLEANLINESS

6% Poor  
47% Average  
46% Excellent



### LINE ITEM 5: SIGNAGE VISIBILITY

3% Poor  
12% Average  
86% Excellent



### LINE ITEM 6: DUMPSTER CURB APPEAL

13% Poor  
33% Average  
54% Excellent



### LINE ITEM 7: PUMP TRASH CANS

4% Had unusable, overflowing,  
or missing trash cans  
96% Had trash cans available  
and in good order

Want to get a picture of  
your stores' exterior?  
Steritech can help.

# FUELING VISITS: PUMP IMPRESSIONS

## KEY INSIGHTS



### BIGGEST OPPORTUNITY TO STAND OUT:

Maintaining working pumps should be a primary focus for c-stores. Nearly ¼ of stations had at least 1 pump that wasn't functioning, which results in people skipping a stop to avoid lines or due to frustration with non-functioning pumps.



### QUICK WIN IMPROVEMENT OPPORTUNITY:

Stay on top of managing tamper evidence labels to reassure the 83% of customers who are concerned about credit card fraud at the pump.



### KEEP UP THE GOOD WORK:

Keeping receipt paper stocked avoids the dreaded "see attendant" message AND customer irritation. A whopping 92% of locations are winning this battle.

## DRIVING SALES FROM THE PUMP

Winning customers at the pump is the key to driving in-store sales – but you'll never get the opportunity to bring people in if your pumps are not working or they create a security concern for customers. We evaluated 5 line items in this area.



### LINE ITEM 8: FIRST PUMP VISITED FUNCTIONING

13% No

87% Yes



### LINE ITEM 9: ALL OTHER PUMPS FUNCTIONING (VISUAL INSPECTION)

23% No

77% Yes



### LINE ITEM 10: TAMPER EVIDENCE LABEL PRESENT

13% Intact, in place labels

87% Missing or damaged labels



### LINE ITEM 11: SEE ATTENDANT PUMP MESSAGE

8% Showed see attendant message

92% Did not show see attendant message



### LINE ITEM 12: SQUEEGEE, WINDOW CLEANER, AND PAPER TOWELS

10% Squeegee with window cleaner not available

18% No paper towels available

72% Squeegee, window cleaner, and paper towels available





**7 out of 10 customers will go inside when stopping for fuel.**

– Blue Dot, *The Convenience Experience Report*, June 2022



# WELCOME IN: STORE FIRST IMPRESSIONS

## KEY INSIGHTS



### BIGGEST OPPORTUNITY TO STAND OUT:

Clean up on the interior. Half of all stores scored Average or Poor in overall interior appearance, decreasing the likelihood that customers feel confident in their health or safety and increasing the chances for a fast exit and minimal spend.



### QUICK WIN IMPROVEMENT OPPORTUNITY:

Install a door chime. In nearly  $\frac{2}{3}$  of locations, customers weren't welcomed into the store. Door chimes make customers feel like employees are aware of their presence. Especially at slower times, door chimes can increase staff awareness that a customer is in-store and decrease security risks.



### INDUSTRY CONSIDERATION:

Implement a greeting policy – it could boost sales. Welcoming customers is a great way to establish familiarity and capture return business. In one retail study, customers that were greeted spent 20% more than those who were not.

## OUR RATINGS CHECKLIST



### POOR:

- Obvious negative first impression
- Unclean
- Lighting issues that impact safety or navigation
- Unorganized or cluttered
- Difficult to navigate through the store
- Presence of safety or security risks
- Would consider not entering or purchasing.



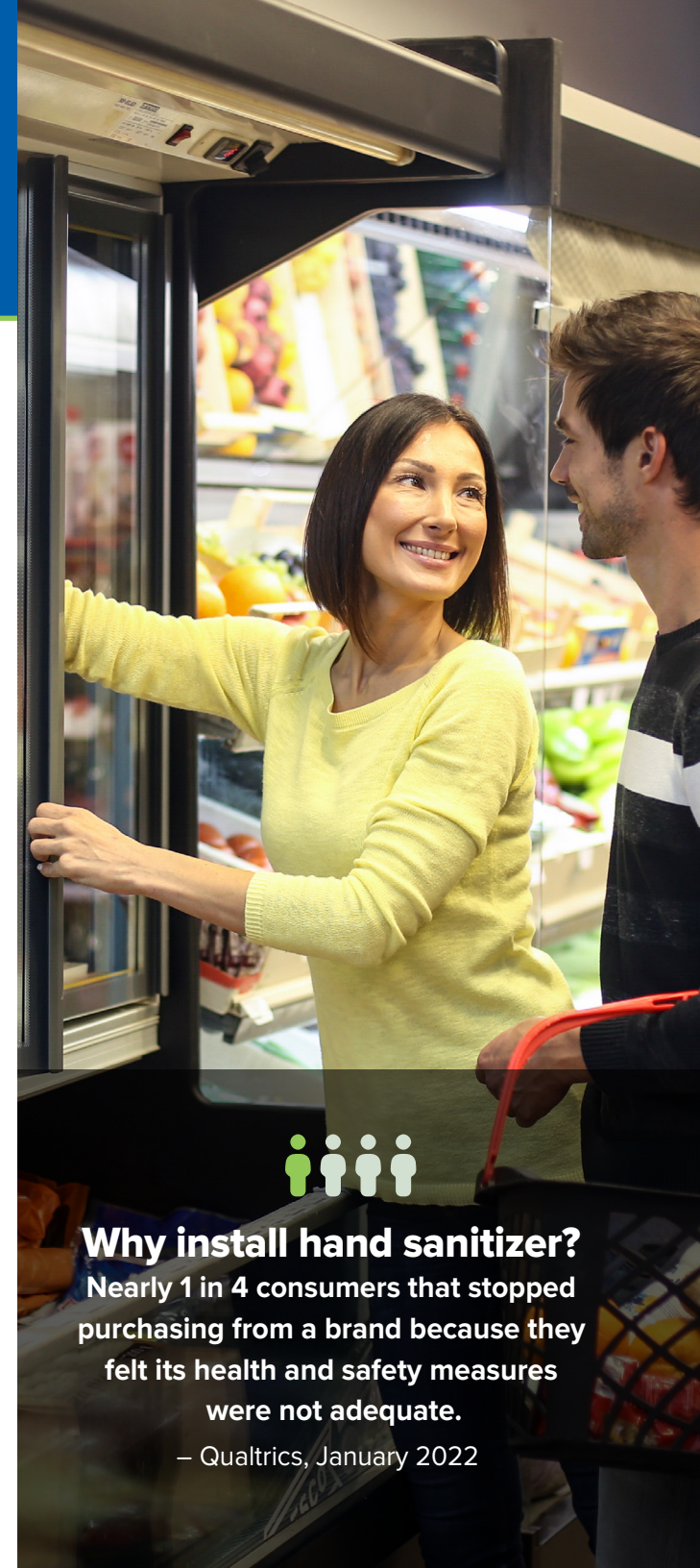
### AVERAGE:

- All critical lights functional
- Generally clean, but some less serious cleanliness issues are visible
- Minor navigation issues, but nothing that would deter a customer from making a purchase
- Minor detractors present, but not any that would keep customers from entering or purchasing



### EXCELLENT:

- Bright
- Very clean
- Enjoyable
- Easy to navigate
- No obvious health, safety, or security issues



## Why install hand sanitizer?

Nearly 1 in 4 consumers that stopped purchasing from a brand because they felt its health and safety measures were not adequate.

– Qualtrics, January 2022



## WELCOME IN: STORE FIRST IMPRESSIONS

### SHOULD THEY STAY OR SHOULD THEY GO?

If a customer makes a decision to enter your store, that doesn't mean that you've earned their business yet. How they feel upon first setting foot inside can set the tone. Is it friendly? Is it clean? Does it feel safe? Steritech evaluated 2 initial items in this area to evaluate a general first impression.



#### LINE ITEM 13: GREETING

**35%** Greeting or acknowledgment made

**65%** No type of greeting or acknowledgment made



#### LINE ITEM 14: VISIBLE EMPLOYEES

**33%** 1 employee visible

**24%** 2 employees visible

**23%** 3 employees visible

**13%** 4 employees visible

**4%** 5 employees visible

**1%** 6 employees visible

**1%** 8 employees visible

### NUMBER OF EMPLOYEES VISIBLE BY TIME OF DAY: ALL CHAINS

Time of Day	Employees Present In Store	Percentage of Overall Stores
6:00 - 10:59 AM	1 employee	60%
	3 employees	40%
11:00 AM - 3:59 PM	1 employee	33%
	2 employees	17%
	3 employees	20%
	4 employees	17%
	5+ employees	13%
4:00 - 9:59 PM	1 employee	29%
	2 employees	33%
	3 employees	24%
	4 employees	12%
	5+ employees	2%
10:00 PM or later	1 employee	100%



#### LINE ITEM 15: OVERALL INTERIOR APPEARANCE

**9%** Poor

**41%** Average

**50%** Excellent



#### LINE ITEM 16: OVERALL EASE OF STORE NAVIGATION

**3%** Poor

**23%** Average

**74%** Excellent



#### LINE ITEM 17: HAND SANITIZER AVAILABILITY

**85%** No hand sanitizer available in a conspicuous location

**15%** Hand sanitizer readily available

# TOP OPPORTUNITY: RESTROOM CLEANLINESS AND AVAILABILITY

## KEY INSIGHTS



### BIGGEST OPPORTUNITY TO STAND OUT:

General cleanliness and supply availability are the big issues. Use a timer to remind employees to mop restroom floors on a regular basis and ensure that restrooms are checked regularly for basic supplies like soap, paper towels, and toilet paper.



### QUICK WIN IMPROVEMENT OPPORTUNITY:

In 31% of locations, the location of the bathroom isn't easily identifiable. Install directional signs to help customers find their way – and keep your employees happier by not having to answer repeated questions.



### INDUSTRY CONSIDERATION:

Odor management systems and air fresheners are readily available on the market. Installing them in restrooms could eliminate odors that keep your customers from coming back. Keep in mind that many consumers have fragrance sensitivities and look for odor neutralization solutions, rather than those that merely mask odors with perfumes.

## THE NUMBER ONE OPPORTUNITY TO INFLUENCE SALES

If your bathroom is a sparkling beacon for road-weary travelers, you could earn more of their money. A 2019 study from Bradley Hand Corporation found that 52% of consumers are likely to spend more at a business with a clean and well-maintained restroom. However, in reviewing 7 line items related to restrooms, Steritech found that there's significant opportunity for improvement.



### LINE ITEM 18: RESTROOM SIGNAGE

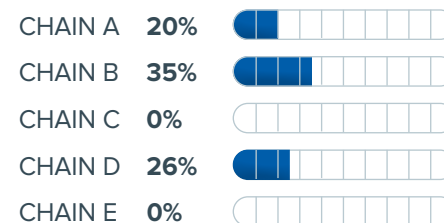
**31%** No clear restroom signage  
**69%** Clear restroom signage is present



### LINE ITEM 19: RESTROOM ODORS

**19%** Restroom odor detected  
**81%** No restroom odor detected

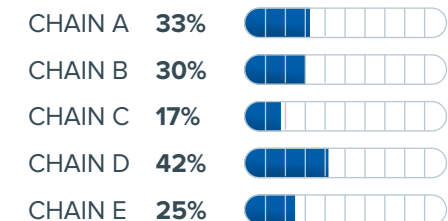
#### Percentage of Locations with Restroom Odors: By Chain



### LINE ITEM 20: FLOOR CLEANLINESS

**31%** Had noticeably sticky, wet, or soiled floors throughout  
**69%** Had clean floors

#### Percentage of Locations with Floor Cleanliness Issues: By Chain





## TOP OPPORTUNITY: RESTROOM CLEANLINESS AND AVAILABILITY



### LINE ITEM 21: RESTROOM LINES

- 15%** Had a line/wait
- 85%** Had no line/wait



### LINE ITEM 22: TOILET PAPER AVAILABILITY

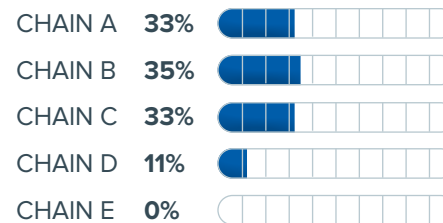
- 13%** Did not have toilet paper available
- 87%** Had toilet paper available



### LINE ITEM 23: PAPER TOWEL AND SOAP AVAILABILITY

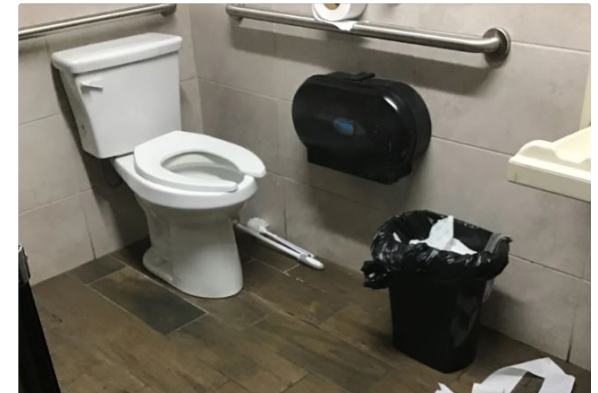
- 23%** Missing soap or paper towels
- 77%** Were not missing soap or paper towels

#### Percentage of Locations Missing Soap and Paper Towels: By Chain



### PHOTO EVIDENCE OF BAD BATHROOM EXPERIENCES

In third-party research, 69% of consumers report that their experience with a restroom has led to a bad business experience overall. During this study, Steritech team members documented some of their bad bathroom experiences. Would you feel relief in these conditions?



Unlock restroom cleanliness  
to accelerate sales with  
Steritech's Operational  
Excellence Assessments.

# WHAT'S MISSING?: FOOD AVAILABILITY

## KEY INSIGHTS



### BIGGEST OPPORTUNITY TO STAND OUT:

Focus on ensuring that all advertised products are available – especially dispensed beverages, pizza, and roller grill items, which were most frequently cited as being unavailable.



### QUICK WIN IMPROVEMENT OPPORTUNITY:

Assign packaged goods stocking responsibilities to specific staff members on each shift. Where we observed empty slots, it does not mean that product wasn't in stock; it may be the case that staff just hadn't restocked. This could lead to customers getting a false impression of scarcity, skipping a purchase altogether, or being unhappy about having missed out on a sale.



### KEEP UP THE GOOD WORK:

Coffee availability was the least cited missing product issue across all chains. However, there's still work to be done. Other than AM hours, every major time slot had locations that had no coffee available. Also, make sure that empty pots are not left on display.

## DRIVING SALES WITH FOOD

The consumer appetite seems almost limitless and convenience stores are responding to that by adding a wider array of food and beverages. But when it comes to the basics, many locations can't seem to keep products stocked to meet demand. Steritech evaluated 10 different line items to paint a full picture of product availability.

For this data set, these locations have been excluded from this data where noted:

- **17%** of locations did not offer prepared food items
- **10%** of locations did not sell alcohol



### LINE ITEM 27: PIZZA AVAILABILITY\*\*

- 40%** No pizza was available or obvious advertised products missing
- 60%** Had pizza available



### LINE ITEM 28: ROLLER GRILL PRODUCT AVAILABILITY\*\*

- 32%** No roller grill offering available or obvious advertised products missing
- 68%** Had roller grill offering available



### LINE ITEM 29: PRE-MADE/ GRAB-AND-GO SANDWICH AVAILABILITY\*\*

- 23%** No pre-made/grab-and-go sandwiches available or obvious advertised products missing
- 77%** Pre-made/grab-and-go sandwiches available

\*\* Includes only locations that offer prepared foods

\*\*\* Includes only locations that offer alcohol



# WHAT'S MISSING?: FOOD AVAILABILITY



## LINE ITEM 30: PASTRY/DONUT AVAILABILITY\*\*

19% No pastries/donuts available or obvious advertised products missing

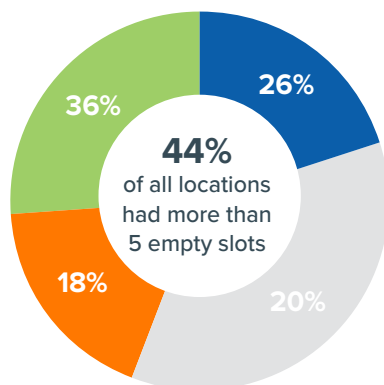
81% Pastries/donuts available



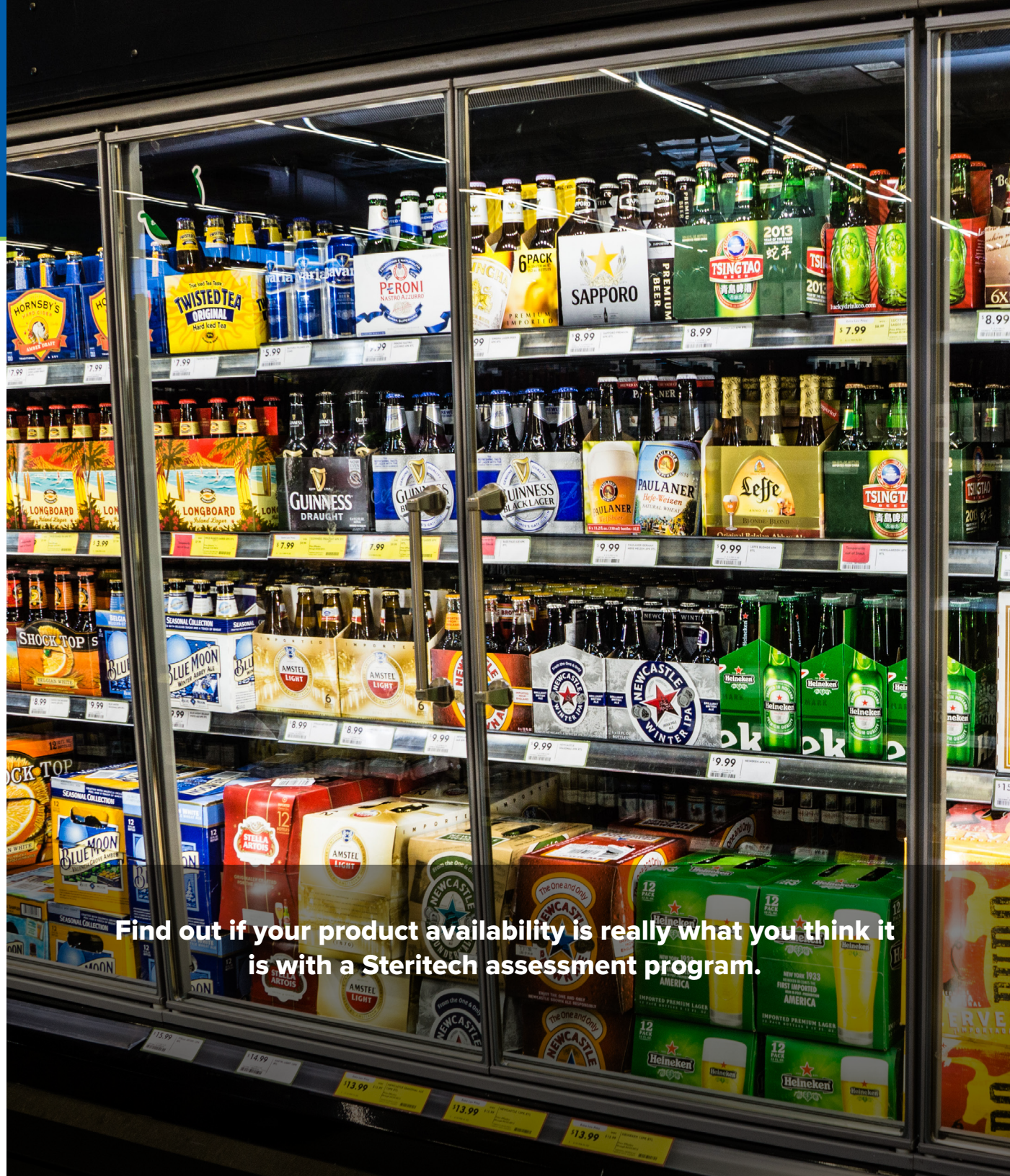
## LINE ITEM 31: PACKAGED GOODS / ALCOHOL AVAILABILITY\*\*\*

Empty Packaged Good Empty Slots Observed:  
All Locations

■ No empty slots:	20%
■ 1 - 4 empty slots:	36%
■ 5 - 9 empty slots:	18%
■ 10 or more empty slots:	26%



**Important note:** Empty slots do not indicate product was out of stock entirely, only that a slot for that product was empty.



**Find out if your product availability is really what you think it is with a Steritech assessment program.**



# PROTECTING PEOPLE: FOOD SAFETY AND QUALITY

## KEY INSIGHTS



### BIGGEST OPPORTUNITY TO STAND OUT:

Improving visible food safety measures, such as handwashing, glove use, and hair restraint use will improve food safety as well as provide visual cues to customers that strengthen trust in the prepared food products they purchase. This is important knowledge for all employees, not just dedicated food handlers.



### QUICK WIN IMPROVEMENT OPPORTUNITY:

Ensuring that hot foods are maintained at appropriate temperatures will boost customer satisfaction with food and negate possible food safety risks. Develop a schedule for product temperature checks and assign responsibility to specific team members to ensure the checks are done.



### KEEP UP THE GOOD WORK:

Very few locations cited food handlers that were eating or drinking inconsistent with food safety rules. Keep this training at the forefront with other food safety risks.

## DRIVING SALES WITH FOOD

As convenience stores introduce additional prepared food and freshly made products to customers, there are heightened opportunities for food safety and quality deviations that can put your employees, locations, and brand at risk. To get a snapshot of food safety and quality issues, Steritech evaluated 6 different line items.

## OUR RATINGS CHECKLIST



### POOR:

- Area obscured, very hard to get to or blocked completely
- Multiple out-of-stock service items (cups, lids, straws, napkins, etc.)
- Multiple pieces of broken or out of service equipment and/or out of service equipment not clearly marked
- Area and/or equipment visibly soiled; issues may impact food safety



### AVERAGE:

- Area relatively easy to access
- Majority of service items stocked (cups, lids, straws, napkins, etc.)
- Most equipment functioning or in-service; equipment that is out of service is clearly marked
- Area / equipment visibly soiled; may impact food safety

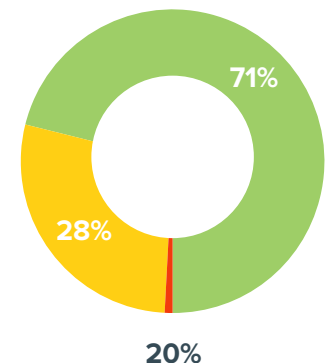


### EXCELLENT:

- Area easy to access
- No out-of-stock service items
- No out-of-service equipment
- Area is very clean; no visible food safety issues

### LINE ITEM 32: EASE OF USING SELF-SERVICE PREPARED FOODS/DISPENSED BEVERAGES AREA

- 1% Poor
- 28% Average
- 71% Excellent







## PROTECTING PEOPLE: FOOD SAFETY AND QUALITY

### FOOD SAFETY

For this data set, Steritech specialists only assessed locations where food handlers were visible at the time of their visit, which represented 41% of the locations assessed.



#### LINE ITEM 33: HANDWASHING BY FOOD HANDLERS

- 29%** Proper handwashing was not observed when required by practices
- 71%** Proper handwashing was observed when required by practices



#### LINE ITEM 34: GLOVE USE BY FOOD HANDLERS

- 15%** Proper glove use was not observed when required by practices
- 85%** Proper glove use was observed when required by practices



#### LINE ITEM 35: HAIR RESTRAINT USE BY FOOD HANDLERS

- 41%** Proper hair restraint use not observed when required by practices
- 59%** Proper hair restraint use was observed when required by practices



#### LINE ITEM 36: EATING/ DRINKING BY FOOD HANDLER WORKERS

- 3%** Food handlers noticeably eating
- 3%** Food handlers noticeably drinking
- 94%** Food handlers were not noticeably eating or drinking

# PROTECTING PEOPLE: FOOD SAFETY AND QUALITY

## FOOD QUALITY

While food quality issues don't always put the health and safety of customers at risk, they can send them to your competitors. For this data set, quality was evaluated for any operation that offered prepared food items.

### OUR RATINGS CHECKLIST



#### POOR:

- Food temperature does not deliver on expectation
- Hot food is not hot, cold food is not cold
- Temperature presents potential food safety risks
- Temperature would likely deter customer from eating or result in a return



#### AVERAGE:

- Acceptable temperature that delivers on expectation, for the most part
- Temperature is a degree or 2 off from optimal
- Temperature maintains food safety
- Temperature wouldn't deter the average customer from eating



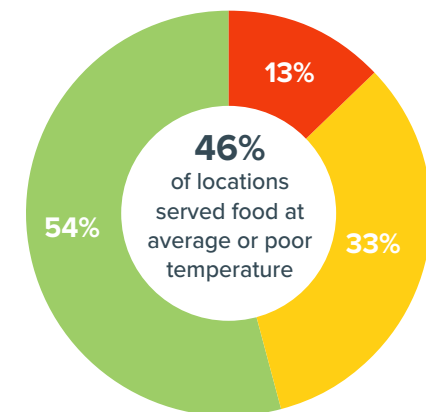
#### EXCELLENT:

- Temperature delivers on expectations
- Served at optimal hot or cold temperature
- Temperature maintains food safety
- Temperature would not deter customer from eating product and could be a positive factor in a later purchase decision



### LINE ITEM 37: FOOD PRODUCT TEMPERATURE (Product delivered at temperature expected by average customer and maintains food safety)

- 13% Poor
- 33% Average
- 54% Excellent



**Evaluate your organization's food safety programs against Steritech's 7 Pillars of Food Safety Excellence with our online self-assessment.**





**“With ready-to-eat foods, such as pre-made sandwiches, the food safety risks are higher because there will not be a cook step later to eliminate any bacteria and viruses that get introduced into the food. This leads to food safety risks, lower customer satisfaction, and more unsellable product.”**

Chris Boyles, Vice President of Food Safety, Steritech



# TAKING STOCK: MAINSTAY PRODUCT AVAILABILITY

## KEY INSIGHTS



### BIGGEST OPPORTUNITY TO STAND OUT:

The majority of stores cited for empty cigarette slots had low numbers, between 1 and 4. These slots are likely to get depleted during peak hours. Develop a policy for quick restocks, especially during these hours, to capture the sale and avoid customer dissatisfaction or the false impression of scarcity.



### QUICK WIN IMPROVEMENT OPPORTUNITY:

While few locations had lottery machines out of order, an outage at the wrong time could mean lost revenue opportunities. Establish a routine maintenance schedule with an approved lotto repair technician to reduce the chances of down time.



### KEEP UP THE GOOD WORK:

In most locations where lottery machines were available, machines were in good working order.

## LEAVING SALES BEHIND THE COUNTER

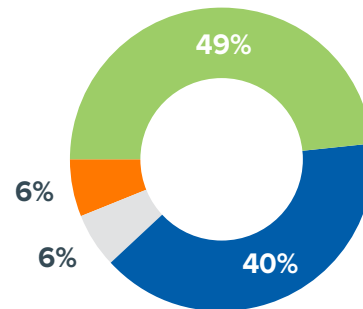
Few items are as critical to c-store sales as tobacco and lottery products (in states where sold). Cigarettes remain the biggest sales driver for in-store purchases, accounting for 25.9% of total in-store sales in 2021, according to *Convenience Store News*. About half of all lottery sales nationwide in the U.S. are made at convenience stores, and research shows that customers buying lottery tickets typically make additional purchases. For each of these categories, having products in-stock and available can benefit overall sales



### LINE ITEM 38: CIGARETTES AVAILABILITY

Cigarette Empty Slots Observed:  
All Locations

No empty slots:	49%
1 - 4 empty slots:	40%
5 - 9 empty slots:	6%
10 or more empty slots:	6%



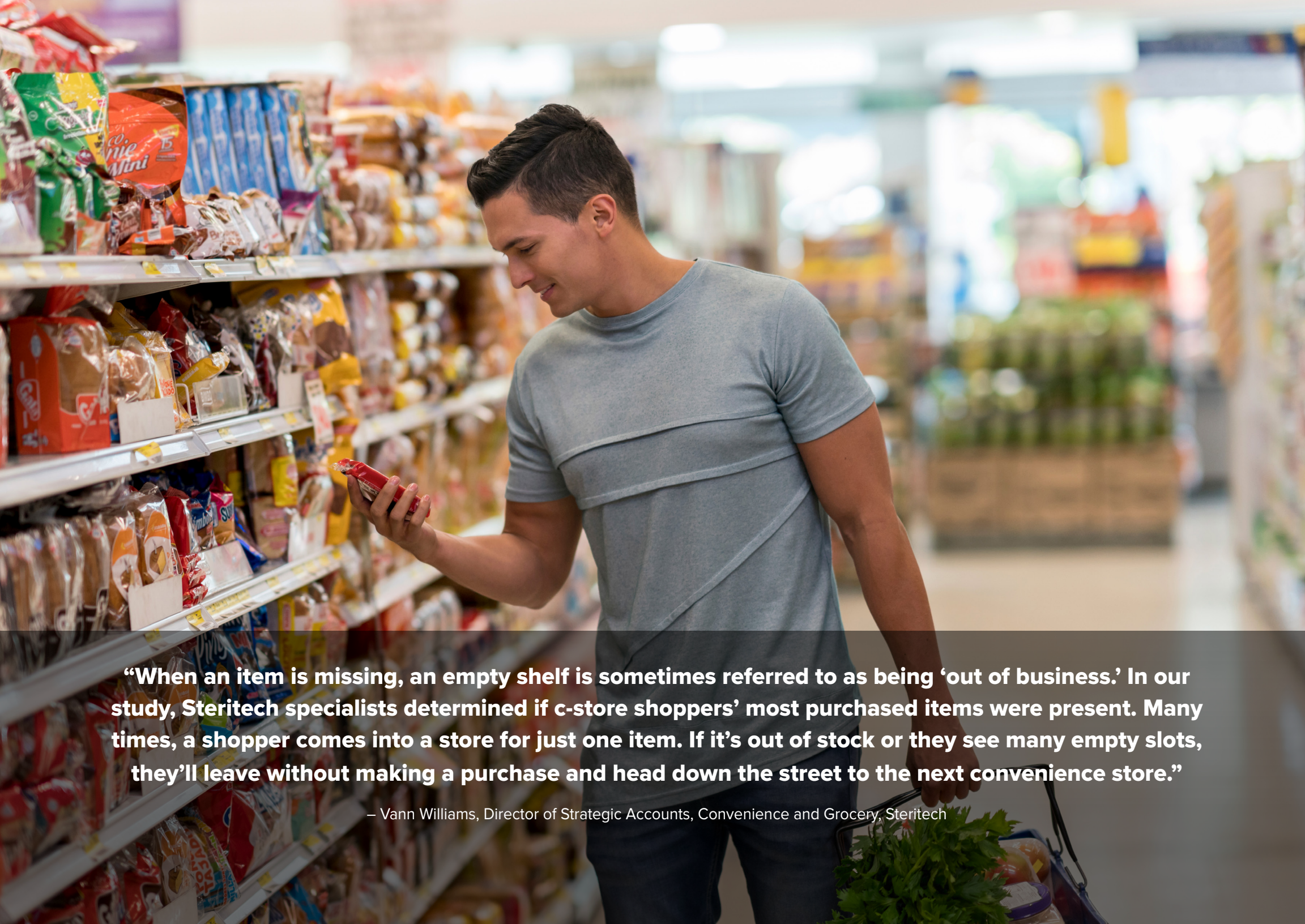
### LINE ITEM 39: LOTTERY MACHINE FUNCTIONAL

Only 53% of overall locations had lottery machines or kiosks.

93%	Lottery machine functional
7%	Lottery machine NOT functional

Find out where product availability may be hindering your sales performance with a Steritech assessment program.





**“When an item is missing, an empty shelf is sometimes referred to as being ‘out of business.’ In our study, Steritech specialists determined if c-store shoppers’ most purchased items were present. Many times, a shopper comes into a store for just one item. If it’s out of stock or they see many empty slots, they’ll leave without making a purchase and head down the street to the next convenience store.”**

**– Vann Williams, Director of Strategic Accounts, Convenience and Grocery, Steritech**



## KEY INSIGHTS



Speeding up transaction times, whether through additional registers or simplified processes for staff, is the biggest opportunity for brand recognition. One chain in this study had an average transaction time of less than 1/3 the chain with the longest average transaction time!



Chains can reap the biggest sales AND customer satisfaction rewards by opening additional registers when a line reaches 2 or more people.



There's no clear area where the industry is excelling here. However, there is opportunity for the entire industry to move toward self-checkout models for items that don't require age verification.

By all accounts, speed of a convenience store visit still ranks highly for customer satisfaction. Yet only 66% of shoppers rated the speed of checkout at their preferred store as excellent in a *Convenience Store News* survey. That leaves a huge opportunity for stores to differentiate themselves by increasing convenience through checkout speed.

## OUR METHODOLOGY FOR CHECKOUT SPEED

As there is no set standard for timing checkout speed, Steritech determined the speed of checkout from the moment a new customer entered the line until they reached the counter. We used this time because third-party evidence shows that the majority of customers will forego a purchase altogether if they see a line.



Average transaction time across locations: 66 seconds.

CHAIN A:  
**97 seconds**

CHAIN B:  
**35 seconds**

CHAIN C:  
**79 seconds**

CHAIN D:  
**84 seconds**

CHAIN E:  
**31 seconds**



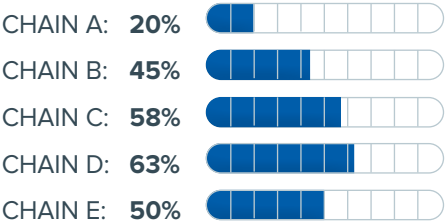
# LINING UP: CHECKOUT SPEED AND CONVENIENCE



## LINE ITEM 41: LONG LINES OBSERVED (2 or more people in line)

- 47% Had long lines
- 53% Did not have long lines

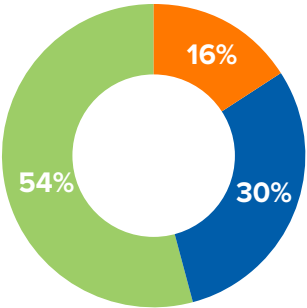
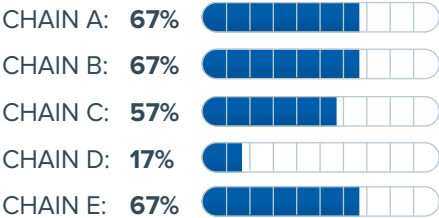
Long Lines Observed by Percentage of Locations: Breakdown by Chain



## LINE ITEM 42: ADDITIONAL REGISTER OPENINGS WHEN LINE OF 2 OR MORE PEOPLE PRESENT

- 49% Did not open additional registers
- 51% Opened additional registers

Percent of Locations with Long Lines That Did Not Open Additional Registers: Breakdown by Chain



## LINES = LOST SALES

More than half of convenience store customers will skip making a purchase altogether if there is a line. But what constitutes a line for these customers?

- 16% 1 person
- 30% 2 people
- 54% 3 or more people

– Blue Dot, *The Convenience Experience Report*, June 2022



# REWARDING RETURNS: LOYALTY PROGRAM

## KEY INSIGHTS



### BIGGEST OPPORTUNITY TO STAND OUT:

Having cashiers deliver a brief message about the loyalty program at checkout is the biggest opportunity for brands to differentiate themselves and increase customer engagement.



### QUICK WIN IMPROVEMENT OPPORTUNITY:

Posting signs or stickers at the pump is an easy way to raise awareness about your loyalty program. However, remember to replace or refresh these promotions when they become worn or tattered.



### INDUSTRY CONSIDERATION:

Loyalty programs or apps that link credit cards can help increase speed of checkout and make transactions as simple as a scan for employees and customers alike.

## SPEED STILL MATTERS AT CHECKOUT

Loyalty programs that reward customers for choosing your brand, whether for fuel discounts or in-store promotions, can help to increase traffic in your store. For this data set, all chains that were involved in this study had loyalty programs. Steritech evaluated the promotion of loyalty programs at 2 touchpoints: at the pump and at the register.



### LINE ITEM 43: LOYALTY PROGRAM PROMOTED AT THE PUMP (SIGN, SCREEN, OR VIDEO)

**32%** Had NO loyalty program promotion at the pump

**68%** Had loyalty program promotion at the pump



### LINE ITEM 44: LOYALTY PROGRAM PROMOTED AT CHECKOUT (CASHIER MENTION)

**81%** Did NOT promote loyalty program at checkout

**19%** Did promote loyalty program at checkout



## LOYALTY APPS BRING BUSINESS IN

**“More than half of convenience retail loyalty program members (61%) are willing to go out of their way to leverage their membership at a specific c-store—even if it means driving 5 minutes out of their way.”**

- NACS, *Driving Engagement from Convenience Retail Loyalty Programs*



## CONCLUSION: ARE YOU LETTING SALES WALK OUT THE DOOR?

This study, while limited, paints a picture of the convenience store industry in microcosm. While many stores have good experiences, few brands are fully and consistently delivering on customer expectations across all of their locations.

Compare the data in this study to your own experiences in your stores. Does it align?

As consumer demand for convenience grows, convenience stores have an opportunity to cash in. But in order to do so, chains must master their experiences in the areas of health and safety, cleanliness, speed of service, and product availability. Failure to do so will send finicky consumers to your competitors.

What does the experience at your individual locations – and at your chain overall – say to your customers? Are you providing the products and services they need in a way that protects their health and safety and improves their daily life?

To answer these questions, many chains use internal quality and safety programs. With staffing issues continuing to plague the industry, that can mean that locations aren't visited frequently enough to accurately gauge performance. It also leaves room for program plateaus, biases, and blind spots that can prevent chains from seeing an accurate picture of performance.

Engaging with a third-party partner to assess your locations objectively reduces these risks, increases the speed of location reviews, and provides a supplemental training partner to increase adoption of brand standards that move the needle for your business.

There's no silver bullet that can address all the challenges in this study. However, the chains that identify acknowledge their gaps then follow-through with pointed action to address them are the ones that will reap the rewards through increased sales, improved customer satisfaction, and brand loyalty.

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**Start the work of identifying your chain's opportunities today with a free steritech consultation.**



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## ABOUT STERITECH

A pioneer in assessments that improve brand experience for over 35 years, Steritech has the knowledge, systems, and process framework needed to strategically guide multi-location businesses as a trusted partner.

### **Our Assessment Programs**

Steritech offers a variety of announced and unannounced assessment programs that are designed to help businesses objectively identify and close gaps in processes and procedures to realize improvements in sales, customer satisfaction, consistency, and risk reduction.

Far beyond a checklist, our assessments focus on root-cause analysis to aid individual locations in correcting issues that can detract from your brand experience. Assessments can include photos so that your team members can see and fully understand the issue.

### **Experts focused on positive engagement**

Our 430+ full-time Specialists conduct more than 380,000 assessments annually, supporting nearly 100,000 customer locations. These highly-trained Specialists are strategically located across North America, positioned nearby to serve in your markets. They undergo routine calibration to ensure they remain competent, consistent, and skilled in interpersonal coaching to ensure a positive assessment experience for your team.

### **Technology to give you full-circle insights**

Steritech's proprietary customer portal, OnBrand360® is a one-stop-shop for tracking performance. Beyond assessment results, this powerhouse platform makes big data digestible and actionable, allowing you to easily correlate performance with your own traffic, sales, and customer experience measurements to gain valuable insights.

The portal's comprehensive reporting suite offers 21 standard reports and configurable dashboards, giving your teams the information they need to enhance performance. Alerts and the closed-loop corrective action process allow teams to quickly address problems and track their mitigation efforts.

With hierarchy access, users from the location-level up to the CEO see the information that is relevant to their role. OnBrand360® is designed to support your teams in identifying risks and celebrating improvements, empowering leaders to actively engage in programs. Our subscription Performance Packages offer even more flexibility, upgraded reporting, and recognition and training tools.

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