NACS Convenience Summit Asia: 2025

What Have We Heard and What Have We Learned?

Henry O. Armour
President & CEO, NACS

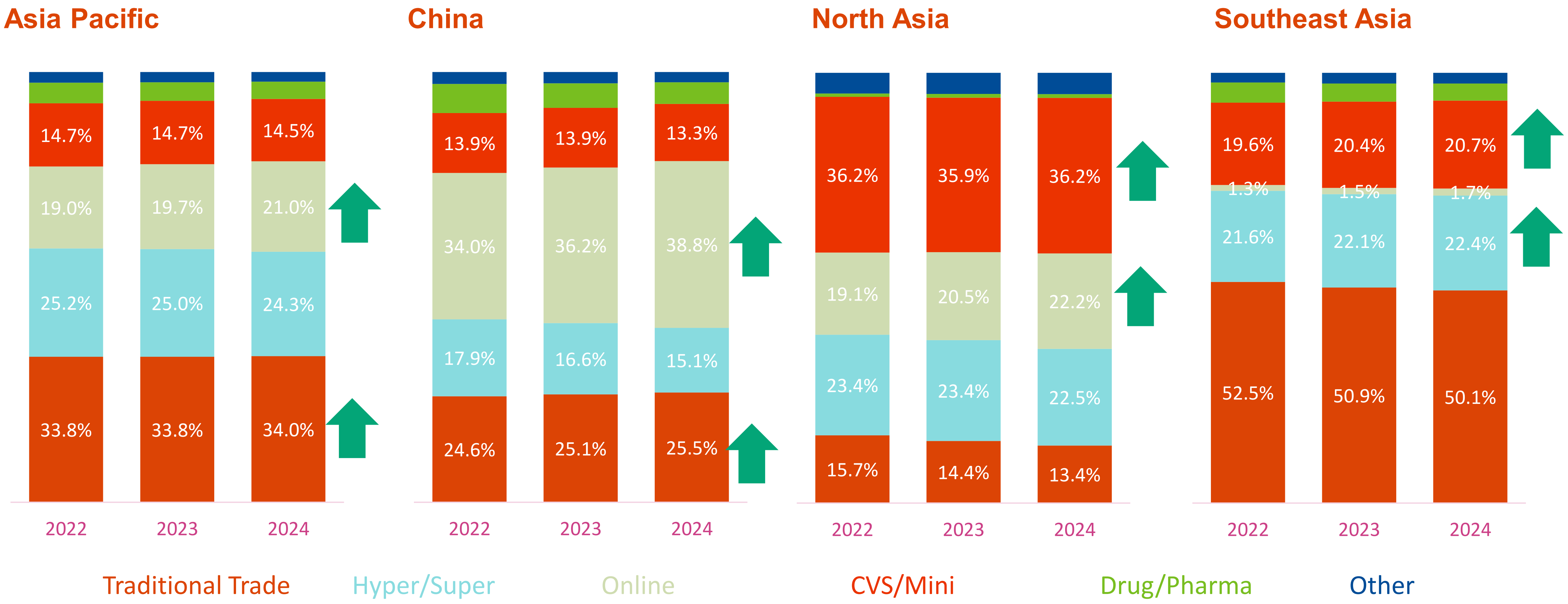
NACS | LATAM NACS | EMEA NACS | APAC

Market and Channel Developments in Asia

Eelco Modderman, NIQ

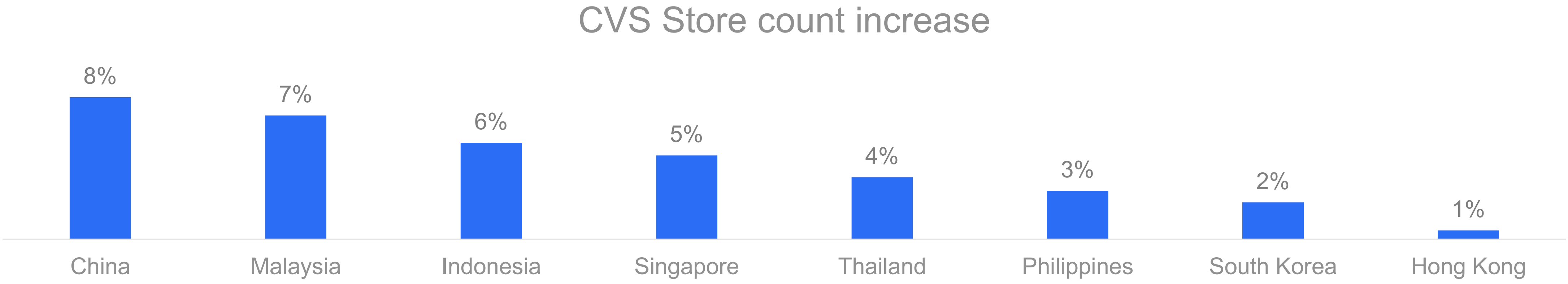
- Convenience…the transition from the street to the store
  - Traditional to Modern retailing
- Convenience…a growth channel in North & South Asia
  - Room for store count growth…Population/Store metric (but GDP/person too)
- Population density is a driver of proximity retailing
  - Proximity vs Convenience…very interesting to think about
  - #1 - 73% care about locational convenience
  - What is the "Product"?
- Three things to focus on to drive trips and basket size
  - Ready to Eat
  - Services
  - Beauty & Feast

Channel Value Share of Trade



Source: NIQ Data to December 2024

+ CVS stores & + stores per population = More opportunities



	China	Malaysia	Indonesia	Singapore	Thailand	Philippines	South Korea	Hong Kong
CVS Stores	526,319	8,851	45,332	744	19,213	4,608	5,967	1,570
Population per CVS	2,697	4,017	6,254	7,839	3,730	25,140	8,667	4,723
Chg vs YA	-8%	-5%	-4%	-4%	-3%	-2%	-2%	-1%

Source: NIQ Data to December 2024

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Convenience stores are innovating to drive more footfall and more spend per trip

A bigger bite of Ready to eat

CVS delivers in more ways

Beauty and a feast

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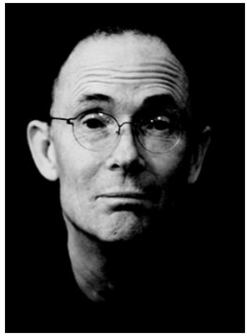
Where does the Future happen?

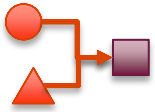


"The Future is here…
it's just unevenly distributed!"

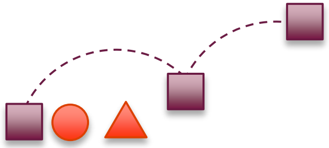
William Gibson
Canadian Futurist, 17 March 1948

Why reinvent the wheel?

→Use a ***GLOBAL RADAR SCREEN*** to learn from the experiences of others



→***Adapt*** those learnings to your local dynamics and perhaps



→***leap frog*** legacy approaches

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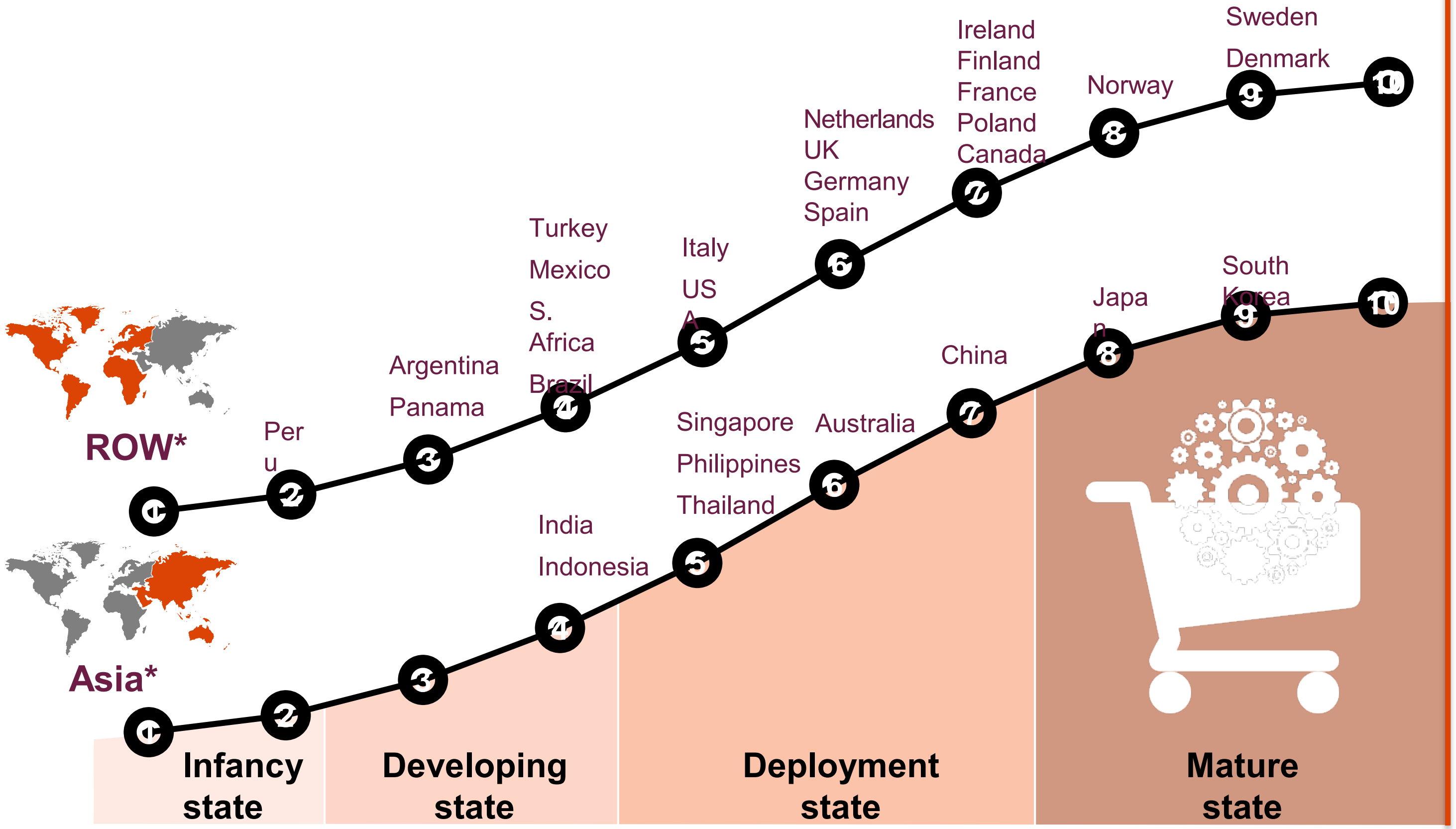
Advanced Retail Technology

Use of sophisticated retail technology (automated labor management, predictive technology, AI, integrated information systems, unmanned stores, etc.).



Top rated countries (6+) on selected technology issues

Mobile/Contactless Payment Systems
- 9 – South Korea
- 8 – China, Hong Kong, Sweden, Japan, Taiwan, Norway, UK
- 7 – Denmark, Spain, India
- 6 – Singapore, Ireland, Finland

Labour Management Technology
- 7 – South Korea, Japan, Taiwan, Canada, USA
- 6 – Sweden, Norway, UK, Thailand, Philippines, Indonesia

Gamification (for employee training)
- 7 – Argentina, Sweden, Norway, Denmark, Brazil
- 6 – UK, Finland, Chile

Gamification (for consumer promotion)
- 8 – Japan
- 7 – Thailand
- 6 – Argentina, Brazil, USA, Hong Kong

Self Checkout
- 7 – UK, China
- 6 – The Netherlands

Source: NACS Global Issues Lifecycle Survey 2022, * selected countries

Strategic Issues Confronting the Industry Around the World

– Henry Armour, NACS

- Our customers are stressed
- Labor is always a challenge…the need to increase labor productivity
- What replaces Cigs & Fuel? Food!
- What happened to Delivery? The Pizza Model
    - Margin in the basket
    - Limited time of day for peak demand
    - Limited delivery radius
- What happened to EV penetration? A mosaic of mobility
- Technologies as Enablers – Start with the problem to solve
- Retail crime on the rise

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Transforming Convenience Retail: The Smart Store

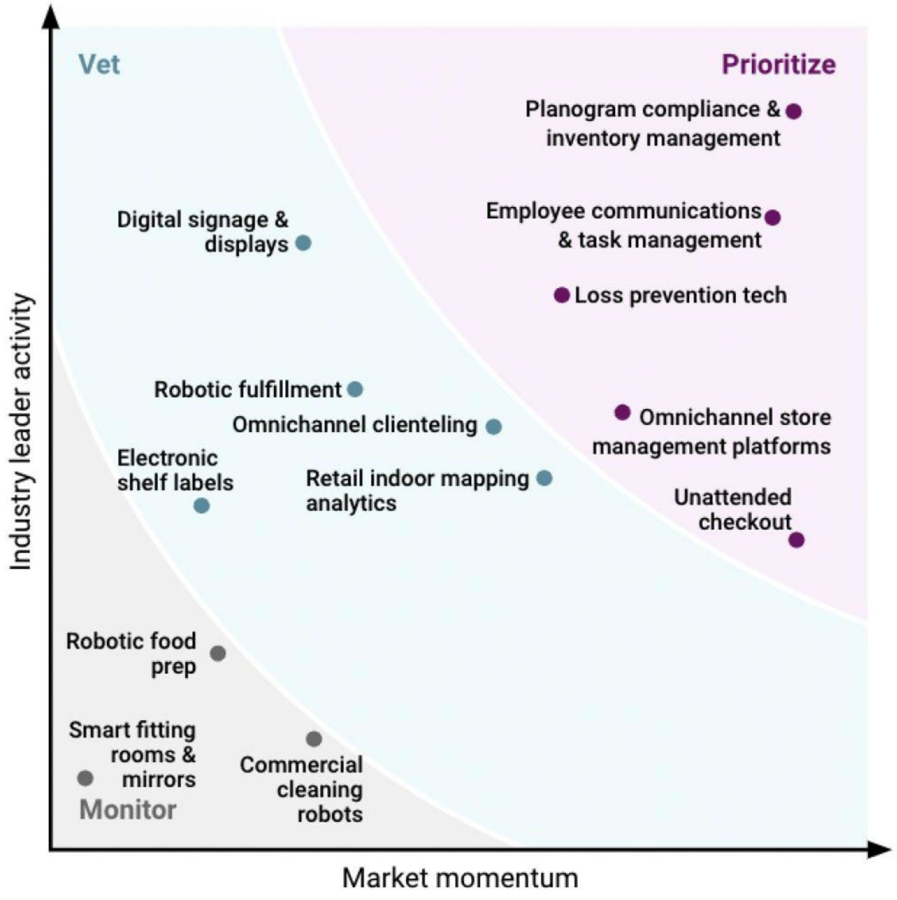
Wachirawuth "Kitti" Rattiwarakorn, Solum

- A North Star Approach…Crawl, Walk, Run
  - But know where you're going…what are you trying to solve?
- Applications with real returns
  - Customer journey mapping with sensor technology
  - Overhead shelf monitoring
  - Computer vision for loss prevention
  - Electronic shelf labels
  - Retail media attribution and measurement

ULTIMATE GOAL OF RETAIL STORE TRANSFORMATION

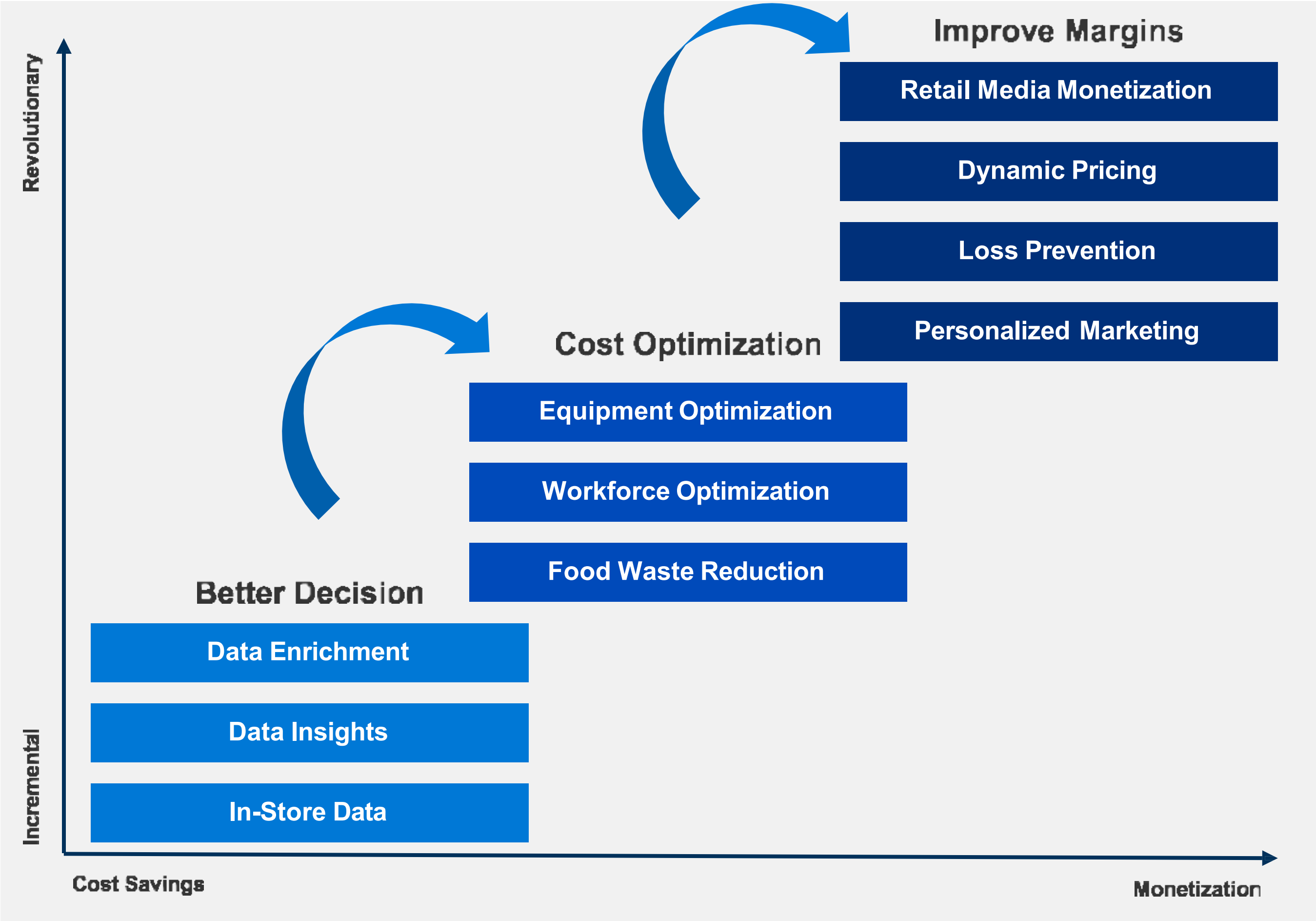
SOLUM
Solution provider.

RETAIL STORE AUTOMATION PRIORITY



Source: CB Insights

RETAIL STORE DATA MONETISATION STRATEGY



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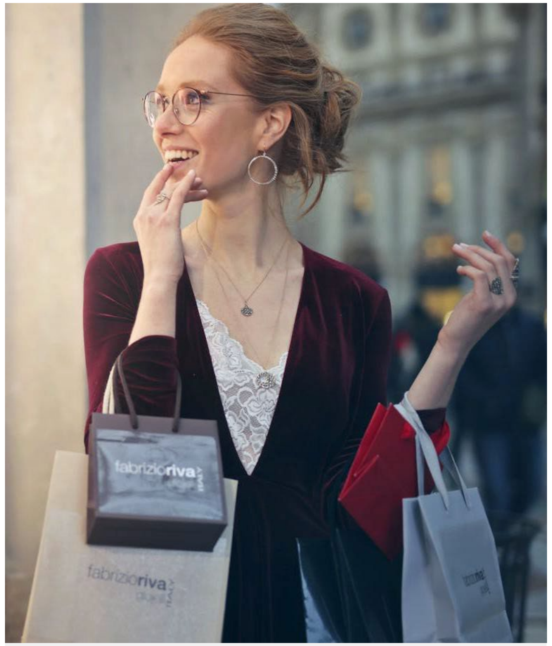
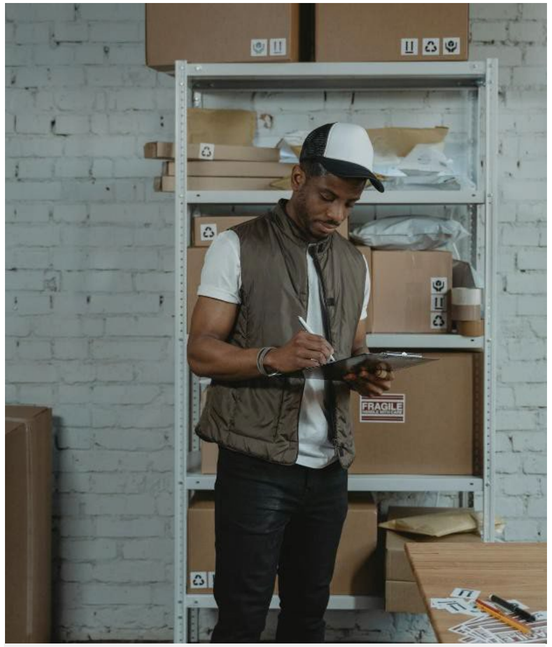
"Enabling seamless and personalised shopping experience while enhancing operations efficiencies."

Delight your customers	**Optimise your operations**	**Monetise your data**	**Sustain your business**





Enable seamless and personalised experience	**Empower associates to be more productive**	**Generate new revenue through monetisation**	**Reduce waste and energy consumption**

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THE NORTH STAR & 3-HORIZON ROADMAP FOR SMART STORE

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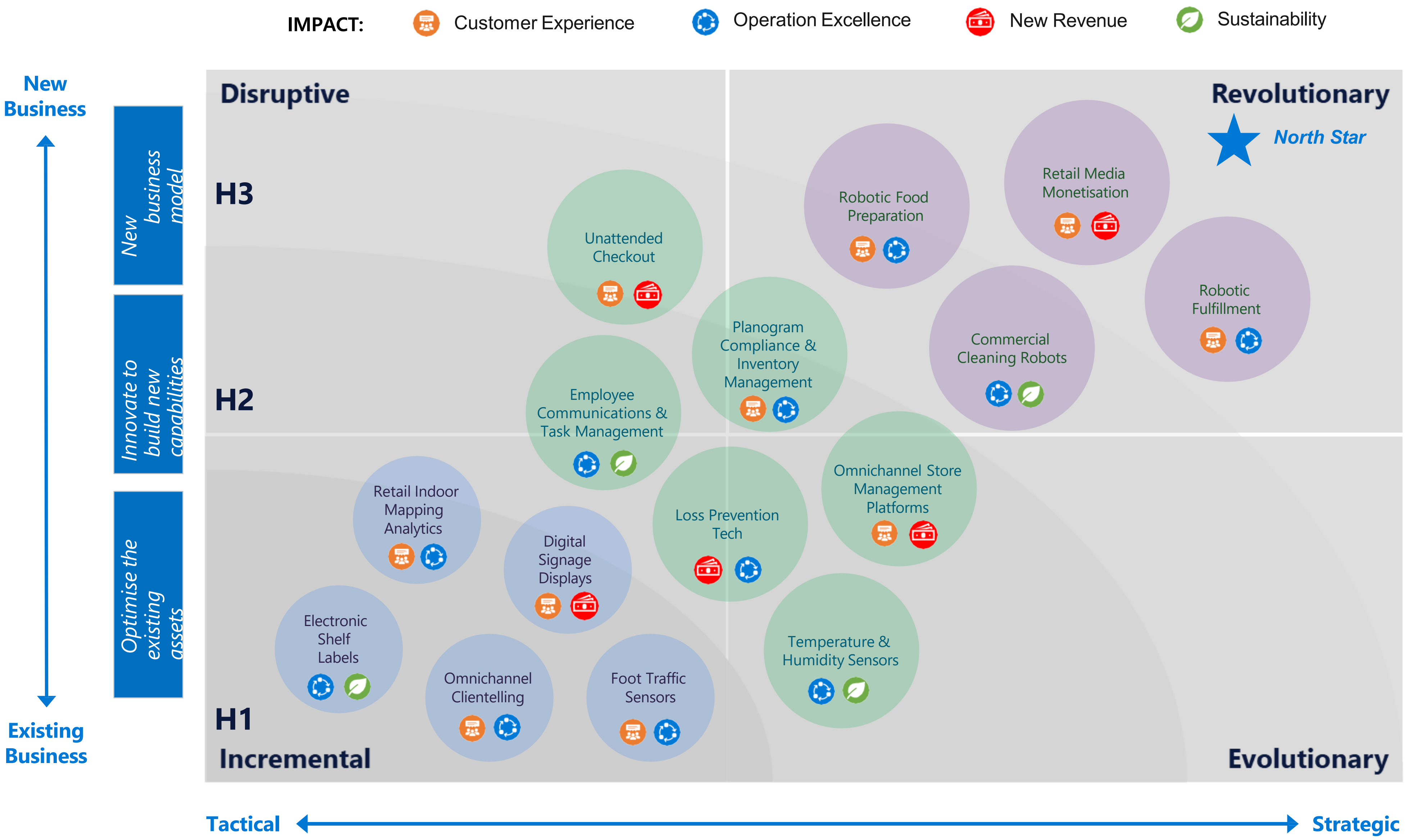

Disruptive & Revolutionary – Build new revenue streams with differentiated solutions & offers that change market positioning with the new business model

Incremental & Evolutionary – Help the company to set the stage to create competitive advantage to build on to transform the company for new business model

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Aging & Declining Populations: The Impact on Retail

Hidehiko Miyamoto, CCJC

- # of stomachs will decrease and % of small size stomachs will increase!
- Household sizes (# people/HH) is shrinking
- Seniors don’t like to be called “Senior”
  - “More grown up”
  - “Formerly young”
  - “Golden”
  - “Oldster”
  - …maybe…”Golden Oldster”?
- Top concerns of “GOs”…Health, Connection, Money
- Role of beverages for “GOs”
  - Hydration/Nourishment + A little luxury in everyday life

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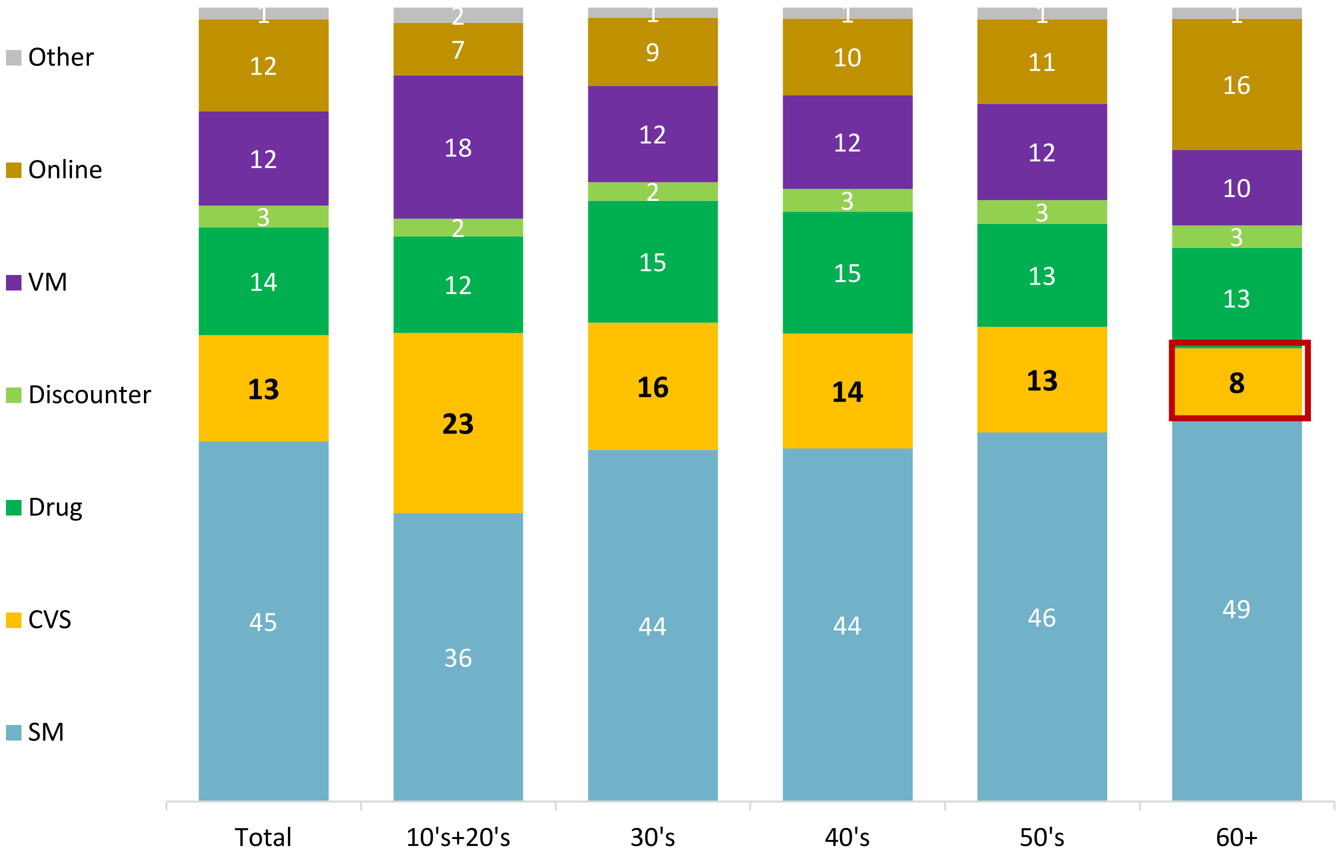
60+ shop most at Supermarkets, CVS accounts for 8%

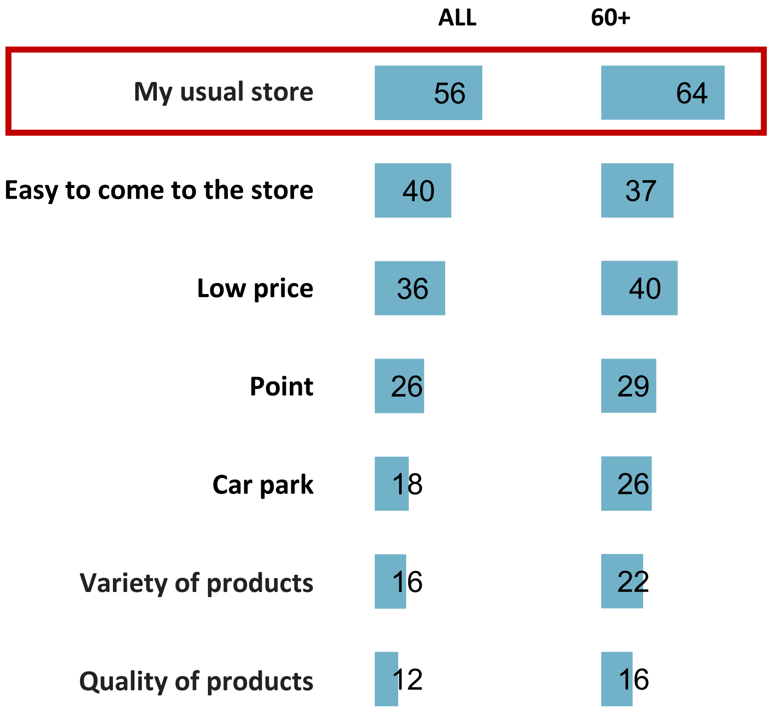
They tend to shop as much as possible at familiar stores with less changes.

Beverage shopping channel – Value Importance (%) By Age



Reason for Store Selection

60+ feel comfortable to purchase at their **usual stores**



Source: Intage SCI (15-79) 2024MAT / CCBJI Shopper research 2022

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The Next Chapter in Supply Logistics

Charlie Chang, ALP Global

- What do you want in your supply chain?
  - Low Cost, Control, Efficiency, Competitive
- Shortening the supply chain
- Share the “overhead”…it’s undifferentiated heavy lifting
  - Shared automated warehouse = Co-working space
  - Analogy to a bank with multiple accounts
- Data privacy…you only know your data
- Transferring pallet ownership without moving the pallet is a very short supply chain!

LOGISTICS TOMORROW

SHORTENING THE SUPPLY CHAIN IS THE KEY
UNDIFFERENTIATED HEAVY LIFTING IS CRITICAL
BUT, NOT BY YOU

PRIVACY

EV Charging: How to Win the EV Customer

Eddison Lee, Oliver Wyman

- Yes, most charging is done at home…but 70% of those still want to charge on the road (range anxiety)
- Biggest EV charging complaints today
  - Slow
  - Lack of availability
  - Broken
  - Expensive
- Promising conversion dynamics (%, basket size, GM%)
- But “across the street” competition (QSRs & Cafes)

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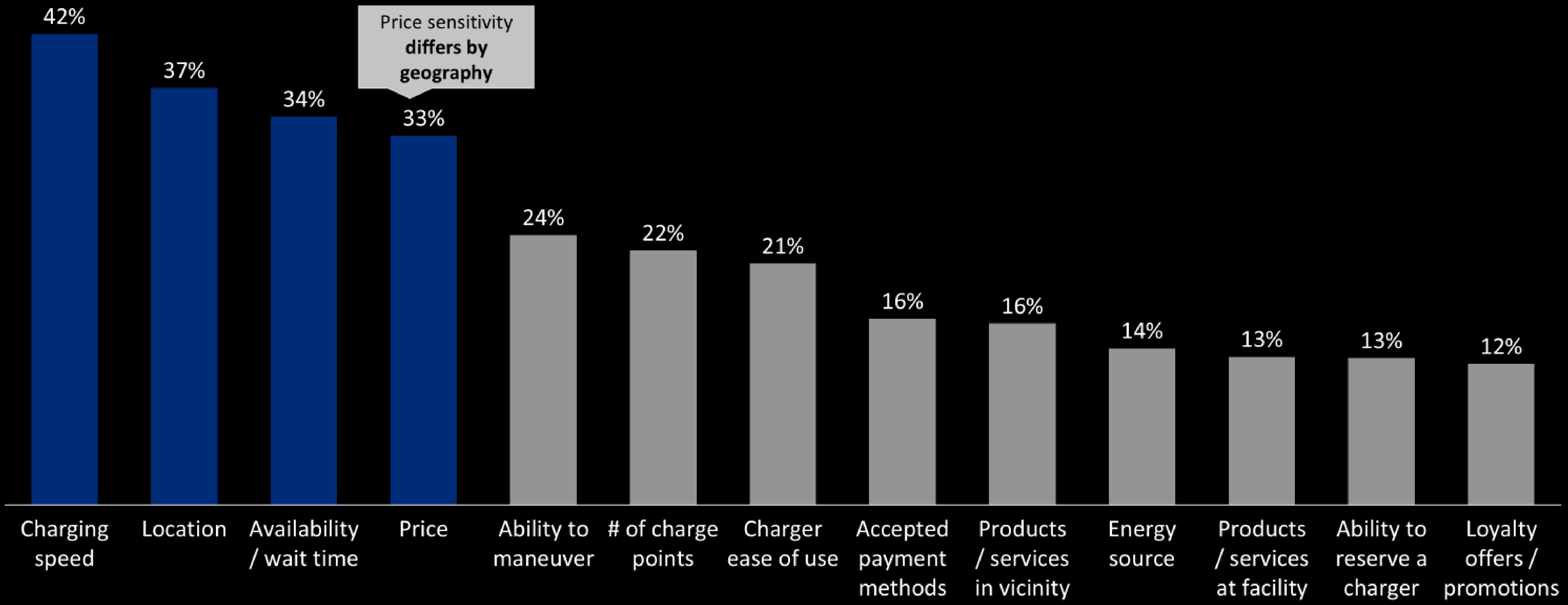
ACROSS ALL GEOGRAPHIES AND DEMOGRAPHICS, SITE SELECTION IS DRIVEN BY A FEW PRIMARY FACTORS

Primary site selection criteria

% of respondents selecting option as among top 3 factors



YET EXISTING OFFERS CONSISTENTLY UNDERDELIVER ON THESE CORE ELEMENTS

Most frequently cited frustrations with public charging
% of respondents selecting option as among frustrations

For customers across Asia, 80 – 95% of them further indicate that lack of facilities they are looking for at the site counts among their top frustrations

Players who can **EFFECTIVELY REDEFINE THEIR OFFER TO ADDRESS THESE PAIN POINTS CAN STAND OUT FROM THE COMPETITION**

EV DRIVERS PRESENT AN OPPORTUNITY TO DRIVE REVENUE FOR THE BACKCOURT

EV drivers spend a lot of time charging…

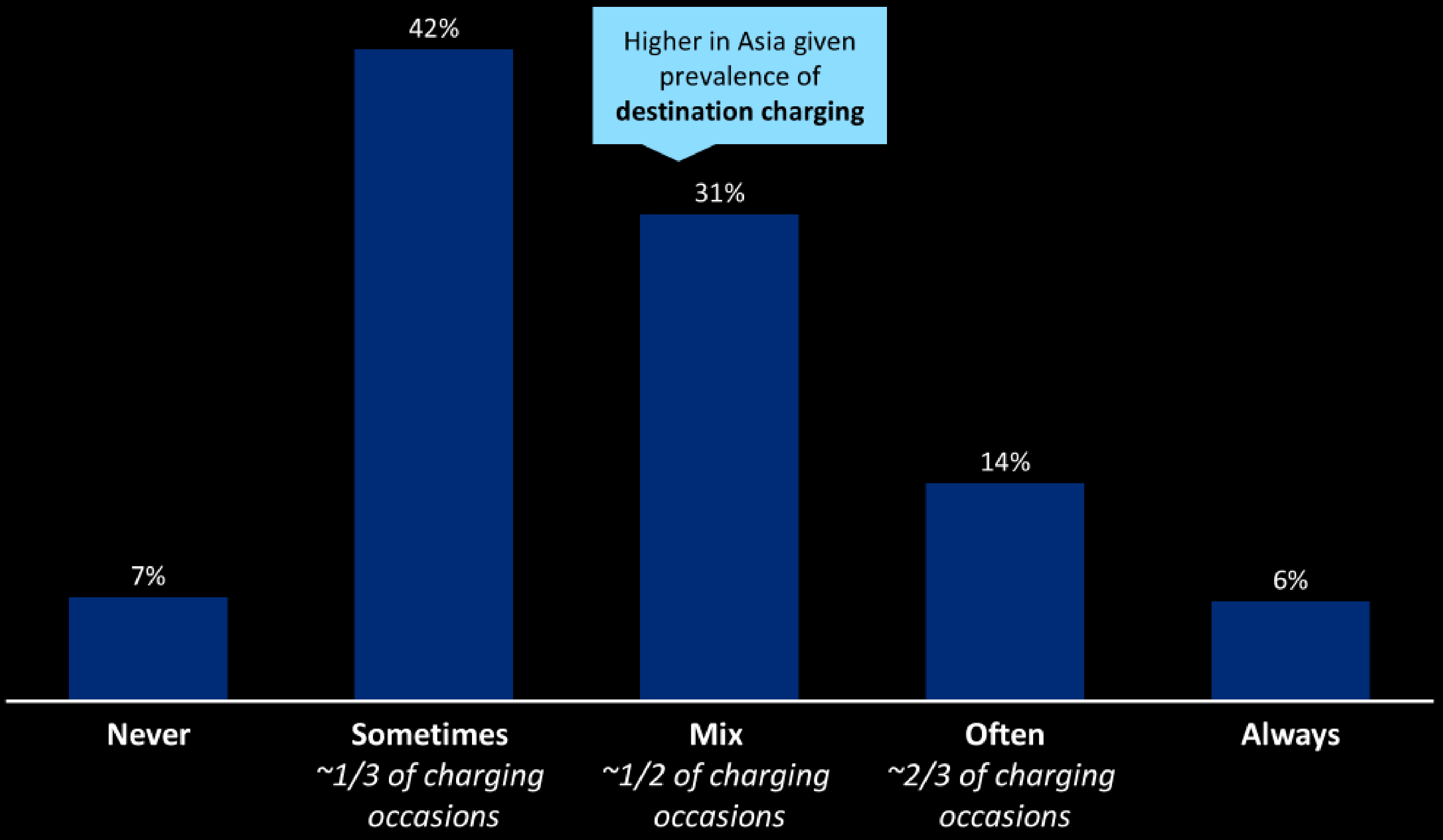
Average length of public charging occasion

35 MIN

average time spent per public charge

…and most drivers leave their vehicle, at least on occasion

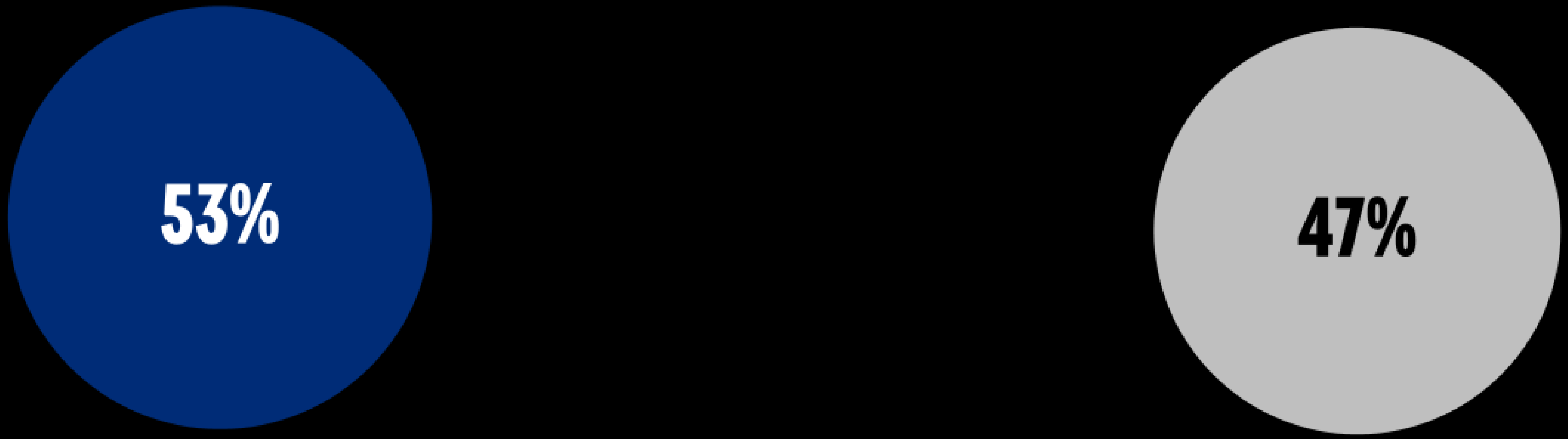
% of total respondents that leave vehicle



HOWEVER, UNLIKE IN TRADITIONAL FUELS, THE BACKCOURT FACES COMPETITION FROM NEIGHBORING COMMERCIAL DESTINATIONS

Driver's time is split evenly between on and off-site

% of total charging occasions in which driver leaves vehicle



Leave vehicle to use
FACILITIES ON SITE

Leave vehicle to visit
COMMERCIAL DESTINATIONS NEARBY

Chargepoint operators can take advantage of the pull of nearby commercial destinations,
AND BUILD AN OFFER THAT COMPLEMENTS THE OTHER COMMERCIAL OFFERS TO CAPTURE MORE UPSIDE

AN ATTRACTIVE OFFER CAN MAINTAIN MORE OF THIS VOLUME

On-site backcourt service offering preferences
% of respondents selecting option among most interesting on-site offerings / services

Particularly popular in SEA markets such as Indonesia and Singapore

~42%
of population indicated interest in
CAFé / COFFEE SHOP

~30%
of population indicated interest in
QUICK SERVICE RESTAURANT

Particularly popular among those who charge at fuel stations

Retailers should identify offers that **CAPITALIZE ON THE INCREMENTAL TIME ON SITE** while maintaining compatibility with core current revenue drivers

Forecasting the Retail Journey - The Impact of Technology

Gray Taylor, Conexxus

- The consumer journey starts outside the store
- Hyper personalization
- Capturing the consumer
  - It is not WHO they are, but rather WHAT they are
  - Tokenizing attributes
- Open data flows while preserving privacy
- Invest in your technology stack to be nimble in the future

Closing Themes for Retailer

- Hyper personalization is critical to omni-channel
- Data is essential for personalization, prepare to acquire, store, and process it!
- Embrace new technologies that open data flows while preserving privacy
- Invest in your technology “stack” to be nimble and support innovation
- Embrace STANDARDS to enhance your leading-edge consumer position

CONEXXUS solve forward

Retailer Case Study: Valora

Michael Mueller

- Multiple disruptions to the core business
  - Print media, Remote work, Labor cost inflation, Changing consumer expectations
- So where is there growth? Foodservice B2C
  - Twice the size of Convenience…and twice the growth potential
  - Go after it…not as an extension of the past, but a new Core
- Vertical (backwards) integration
  - Retail to Manufacturing…and then Manufacturing to other “clients”
  - Then integrating pieces of the new Core into the Convenience offer
- Very clear on what the brand positioning of each foodservice offer is
- *“We Brighten Up Your Journey”*

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FOCUSING ON BROAD SCOPE OF FOODVENIENCE

valora

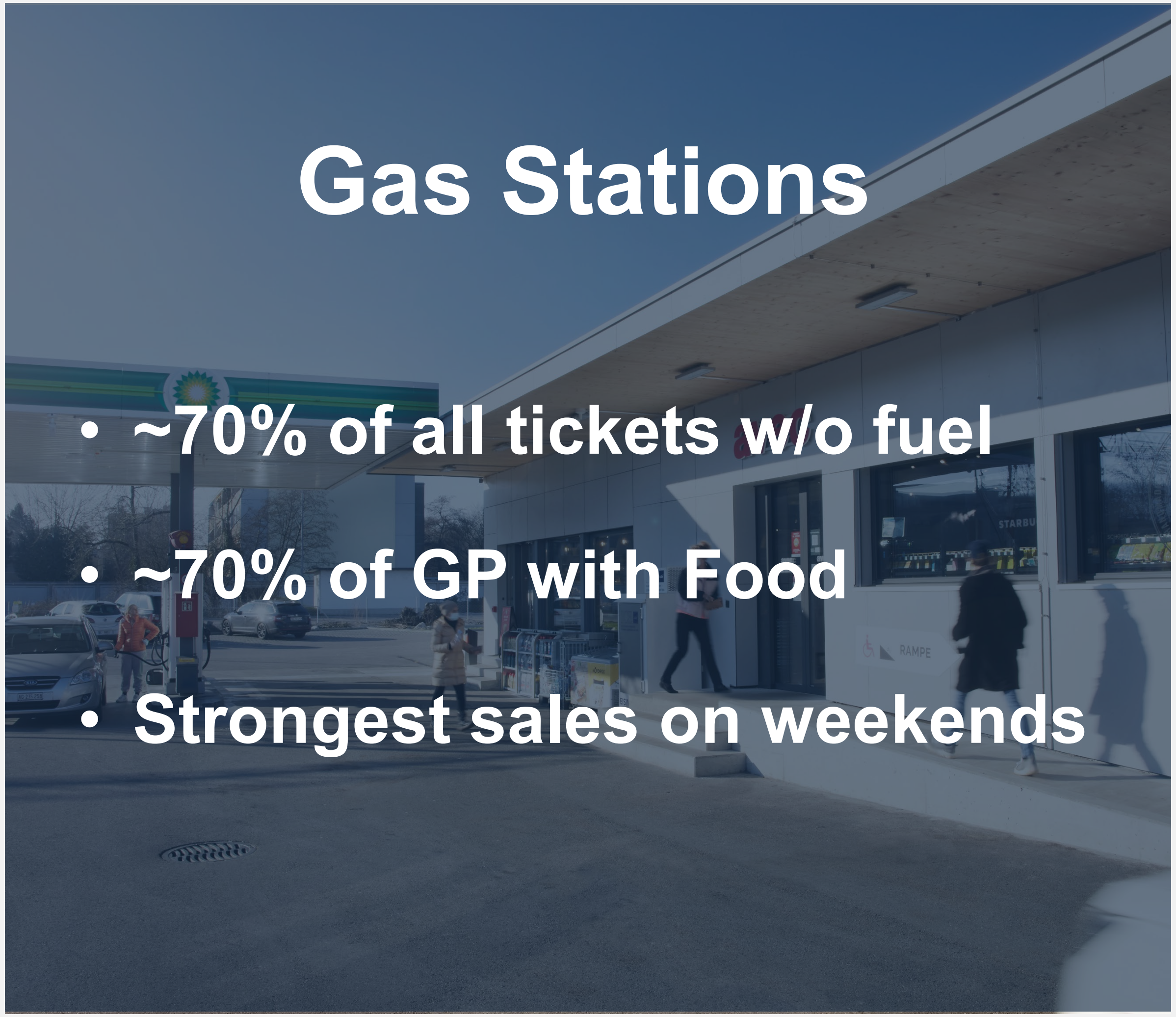
valora

Market share ↗ Growing → Flat ↘ Declining

	Convenience ↗	Supermarket →	Discounter ↗	Hypermarket ↘
Grocery	7-Eleven, Circle K, Spar express, REWE To Go, avec	REWE, SPAR	ALDI, LIDL	Carrefour, Walmart
	Blurring of industries : Foodvenience			
Food Service	Brezelkönig, Ditsch, Maison Kayser Paris, Le Pain Quotidien	frittenwerk, Pret A Manger	McDonald's	L'Osteria
	Bakery ↗	Take-Away / Fast Casual ↗	Quick Service Restaurants ↗	Seated Restaurant ↘

WITH GAS STATION AND INNER CITY BIGGEST OPPORTUNITY

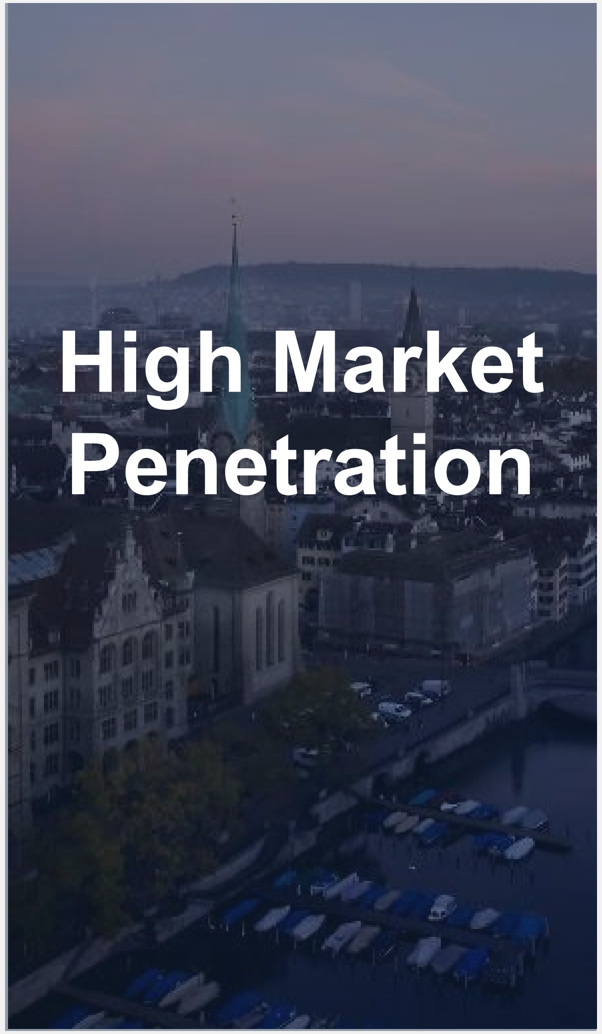
valora

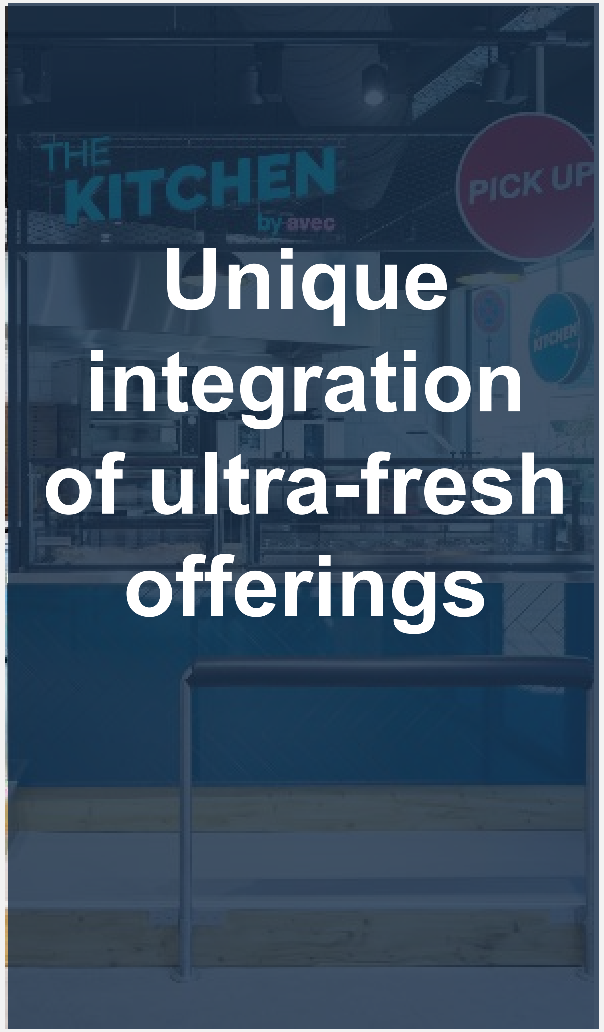


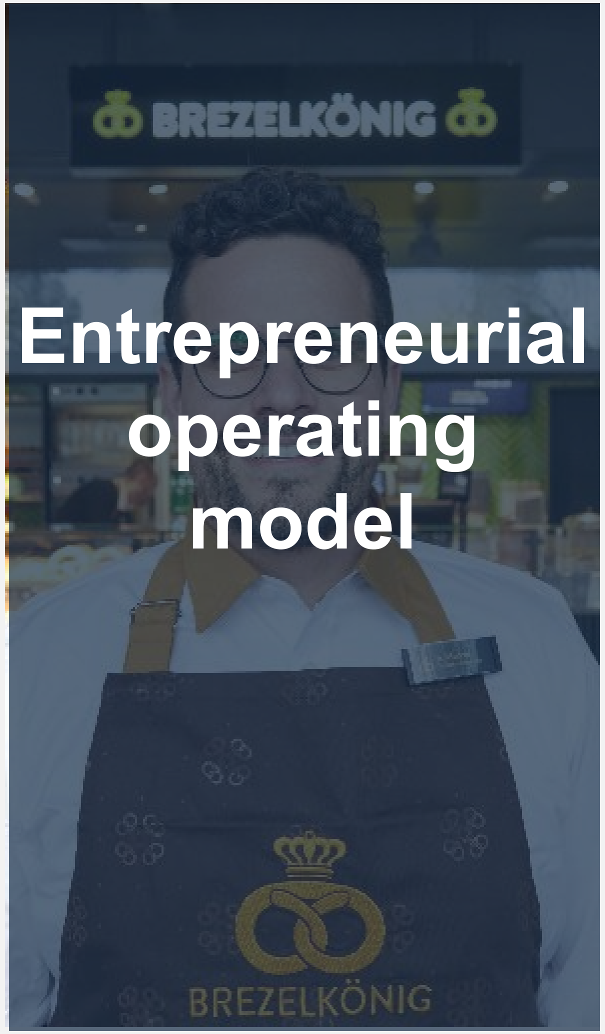
Source: VALIS POS, External Sales / FY 2024

COMPETITIVE VALUE PROPOSITION WITH UNIQUE FOODVENIENCE STRATEGY

valora



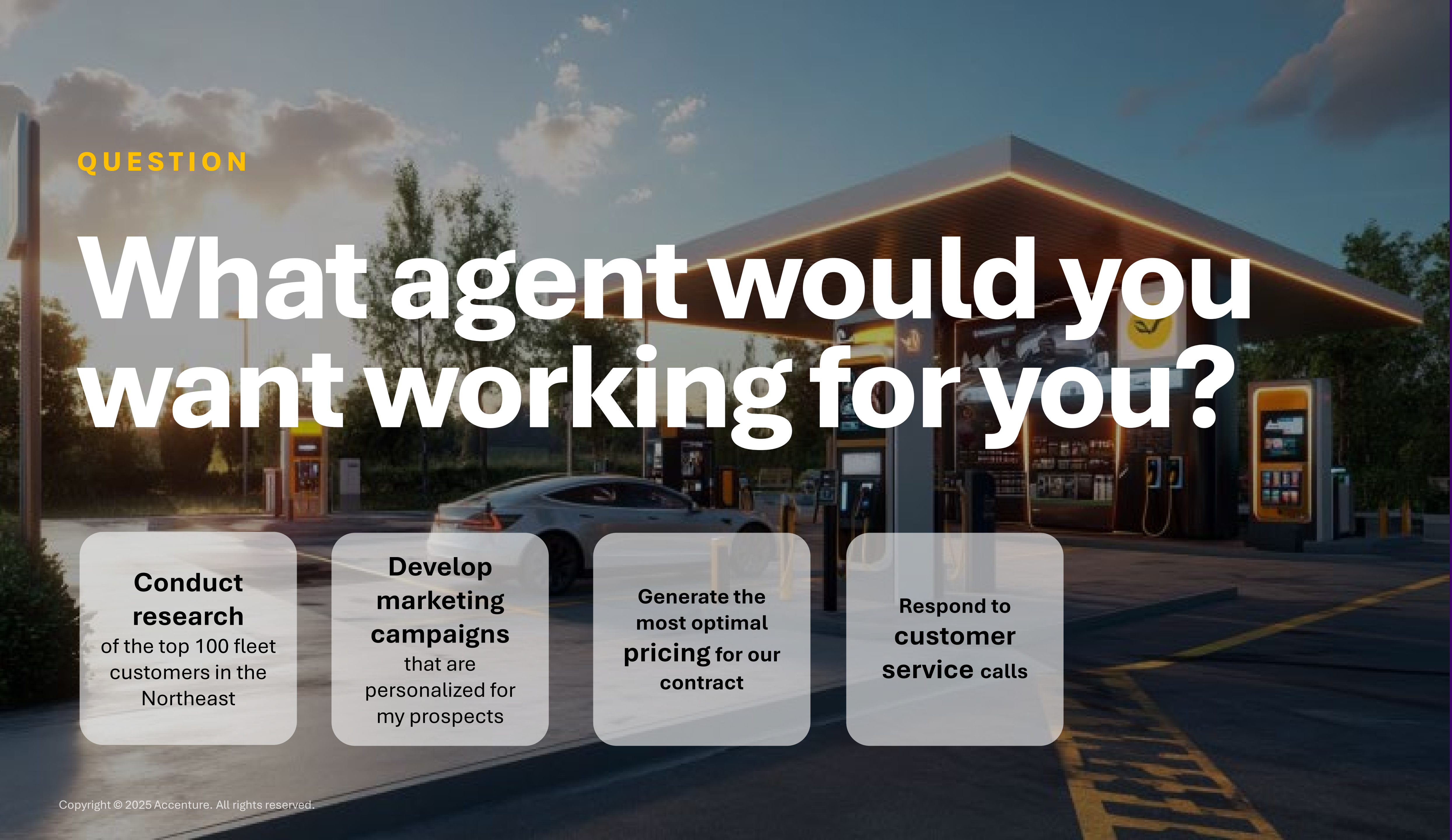




Beyond the Hype: Delivering Value with AI in Fuel & Convenience

Brian Gray, Accenture

- How do you use AI to create:
  - New experiences
  - Incremental margin
  - Operational efficiencies
- Analytical AI > Generative AI > Agentic AI
- Real Stories of Driving Value with AI
  - Locked down ChatGPT
  - GrowthOS for ideation and new offer development
  - Personalization for the unknown customer
  - Call center customer sentiment analysis
  - Upskilling your organization with GenAI academy
- Jump in…don’t wait!



QUESTION

What agent would you want working for you?

Conduct research of the top 100 fleet customers in the Northeast

Develop marketing campaigns that are personalized for my prospects

Generate the most optimal **pricing** for our contract

Respond to **customer service** calls

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No Regrets and Strategic Bets for Convenience Retailers

Delivering **new experiences** & engaging customers

- Trend spotting & hyper-localization
- Personalized offers & recommendations
- Marketing Content Generation
- Marketing Campaign Automation
- Design and Creative Production
- Conversational Commerce
- Gen AI Digital Assistants

Generating **incremental margin** in the store

- Advanced Pricing (inside / outside)
- Promo & assortment optimization
- Supply chain control tower
- Smart Shrink Detector
- Advanced forecasting & replenishment
- Inventory optimization
- AI powered upselling / cross-selling

Driving **operational efficiencies** & reducing costs

- GenAI assisted software development
- HR, Legal, F&A Co-Pilots
- Support / contact center assist
- Intelligent cyber defense
- Fraud detection & risk management
- AI Recruiting & talent management
- Real-time visibility & reporting

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The How

Create a movement / groundswell	Inspire Gen AI learning and application by **driving ambassadorship** both from the bottom-up and top-down
Excite and ‘wow’ senior audience (VPs+)	Foster openness and excitement through a launch video, **hands-on interaction** with Gen AI technology, and showcase of **tangible, relevant use cases**
Deliver an EXPERIENCE, not a TED talk	Engage the VP community by having them **learn, do, and present**, not just listen & ponder
Identify current and create new Gen AI ambassadors	**Leverage VPs** to identify +1 ambassadors to create a community of Gen AI learners throughout the organization
Demonstrate the best of Gen AI	Show **what ‘good’ looks like across multiple functions and the enterprise** to drive new and effective ideas
Allow participants to directly interact with Gen AI tools	Enable use of Gen AI technologies (e.g., Copilot M365, Perplexity) and **provide opportunities to engage** in new ways
Continue the momentum long-term	Ensure the time and effort invested is the catalyst for **long-term engagement and value creation**

Lessons Learned

Working Well	Not so much…
Understanding problems to solve	Lacking clear strategy for AI
C-suite sponsorship	Not upskilling the rest of the organization
Some retailers are doubling down	Most are just starting to think about it
Tons of use cases across the enterprise	Science experiments
Value-focused	Difficult to measure
Starting small, “fail fast”	Losing sight of the original goal
Approaching with Caution	Building in Responsible AI from the start
Impressive early results	Thinking that it’s going to be perfect
Data is better than you think	Still ways away from full operationalization

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To drive value, you must approach AI in a way that eliminates the challenges that can stop success.

The Human Dynamic

Your employees may be concerned about their jobs in light of advancements in AI. The future will be Human + Machine to drive productivity.

Culture

The culture of the organization will dictate how quickly AI technologies will be adopted.

Skills & Capabilities

Employees must be re-skilled and trained to take full advantage of AI / Generative AI in the workplace. It will require a fundamental shift in mindset to be successful.

Data Availability & Quality

Taking advantage of AI requires large volumes of high-quality and diverse data. Garbage in / garbage out still applies.

Security

AI systems can be vulnerable to security threats – ensuring these systems are safe and secure is of the utmost importance.

IP & Legal

AI systems are quickly evolving and are getting ahead of intellectual property and legal considerations.

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Lessons in Leadership

U-Ming Tan, 7-Eleven Malaysia

- The "Accidental CEO"
- Disruption allows (or forces) change
  - The pandemic
  - The invasion of the mini-markets
  - +1 Project: Adding one more item to the basket
- Proximity vs Convenience
- War-time vs Peace-time CEOs
  - Coming together but there are casualties in war
- Can the team that brought you here, take you to the future?
- Advice to a younger version of me
  - Stay curious
  - Build relationships
  - Stay hungry

Location Insights

Simon Martin, Kalibrate

- Location, Location, Location!
- Analytics, Analytics, Analytics!
- It starts with the customer journey…ping data
- Key use cases
  - What is your real trade area
  - Understanding your customers
  - Benchmarking against the competitive offers
  - Quantifying cross shopping amongst the competitive set
- Where to spend your capital
  - Your highest ROI may not be where you think it is
  - What's the competitive offer and opportunities in your market area

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Key use cases

View existing **trade areas** for your sites and **your competition**

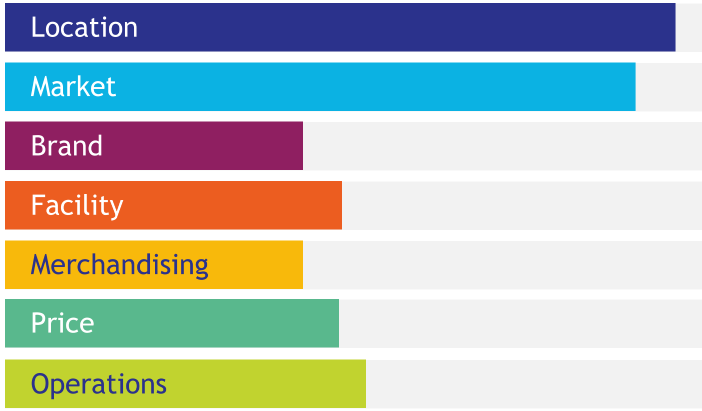
Understand your **customer profile** and your **competitors'** **customer profile**

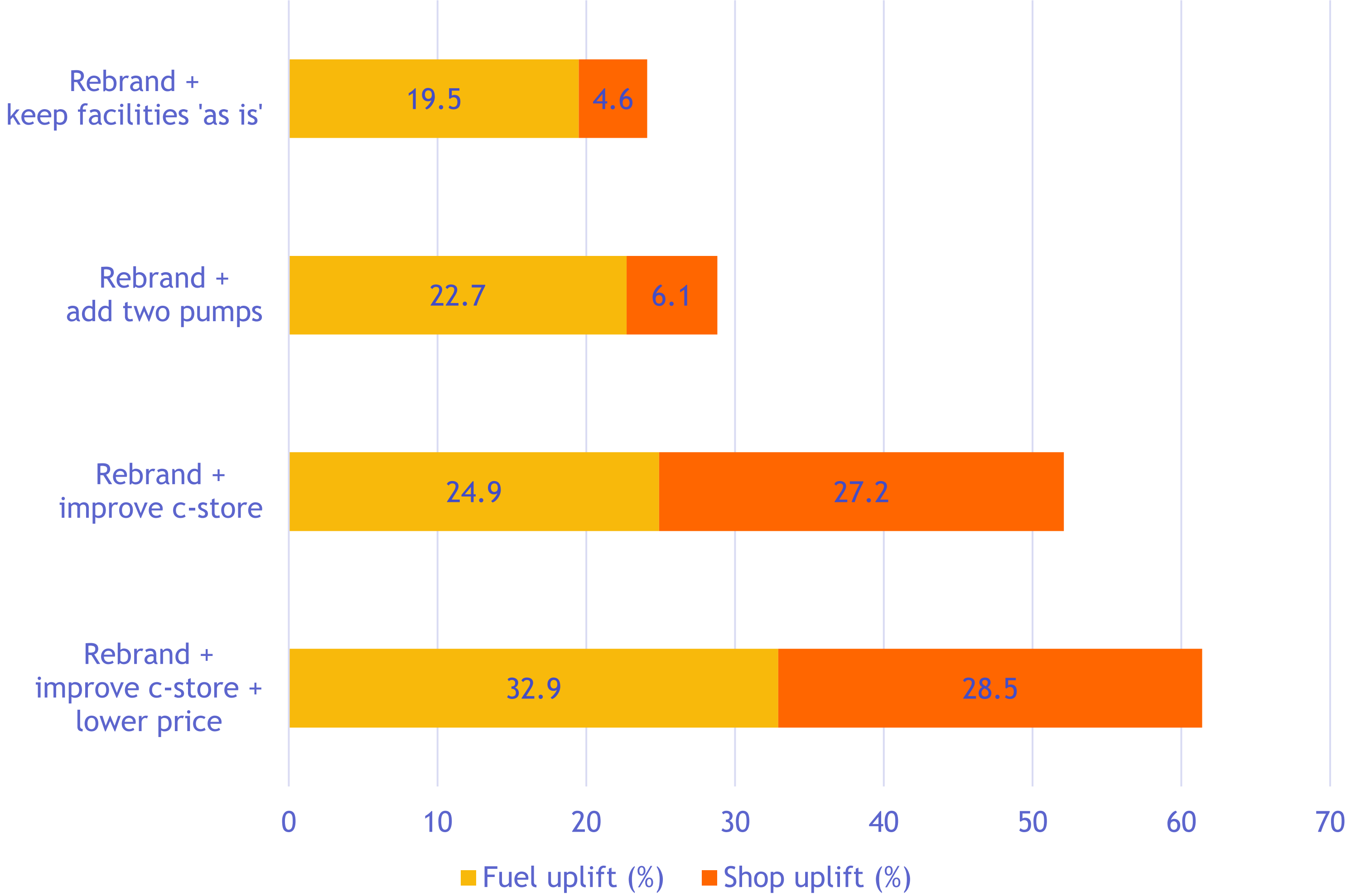
Benchmark your locations **compared to competitor sites**

Quantify the amount of **cross shopping** happening between one of your **locations and competitor locations**

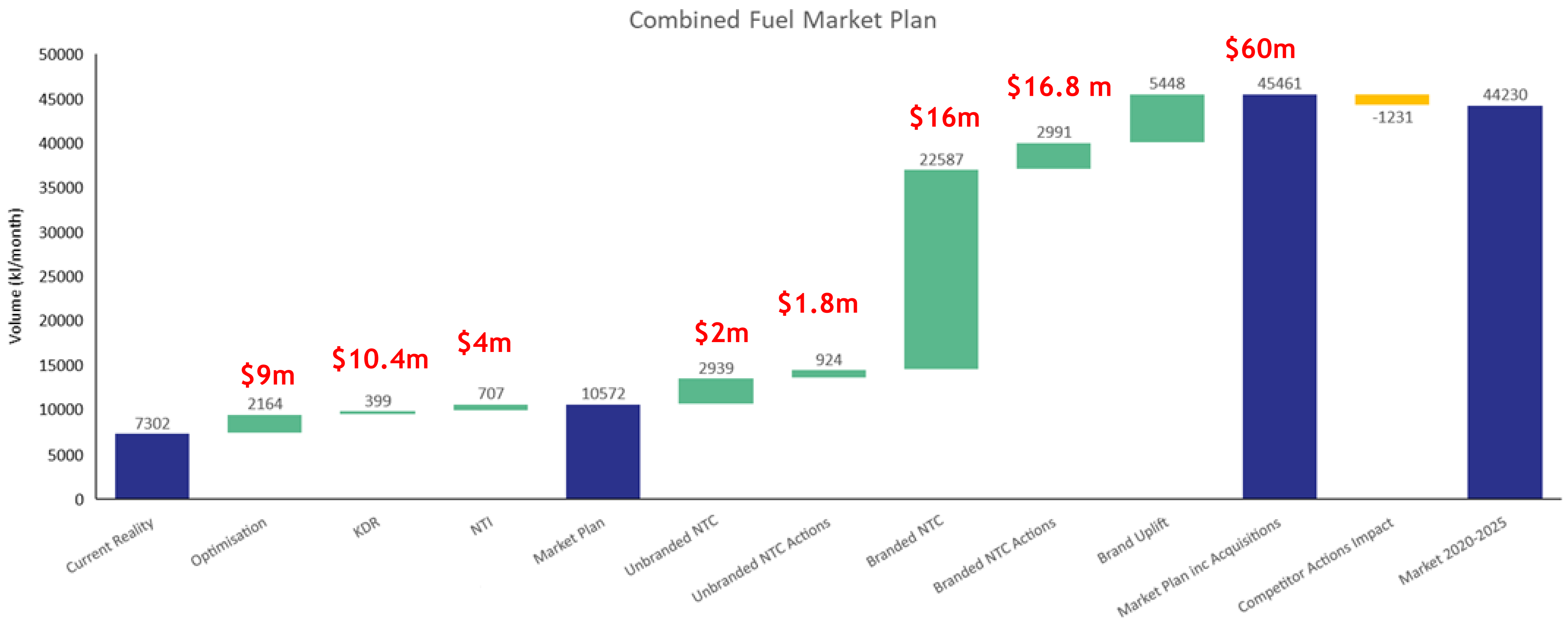
Measurable value for your business - before you commit $

High potential - Invest





Market Plan Volume lift and cost by activity



$ Capital cost represents total cost per intervention (fuel and shop)

Acquisition costings exclude cost of purchase, but include rebranding

Wealth & Health: Challenges and Opportunities in Asia Pacific

Eelco Moddeman, NIQ

- Wealth will be a challenge to navigate
- Health will be an enabler for growth
- Food prices are the top concern for Asian consumers
- Discount means more than just price
  - Affordable Plus: Healthy, Sustainable, New, Homemade
- Increasing demand for protein intensive products
- Many shifts on the horizon
  - Supply chains, Lifestyles, Prices & Assortments, Merging of Real and Digital Worlds, Aged Opportunities, Mandated Sustainability, +++

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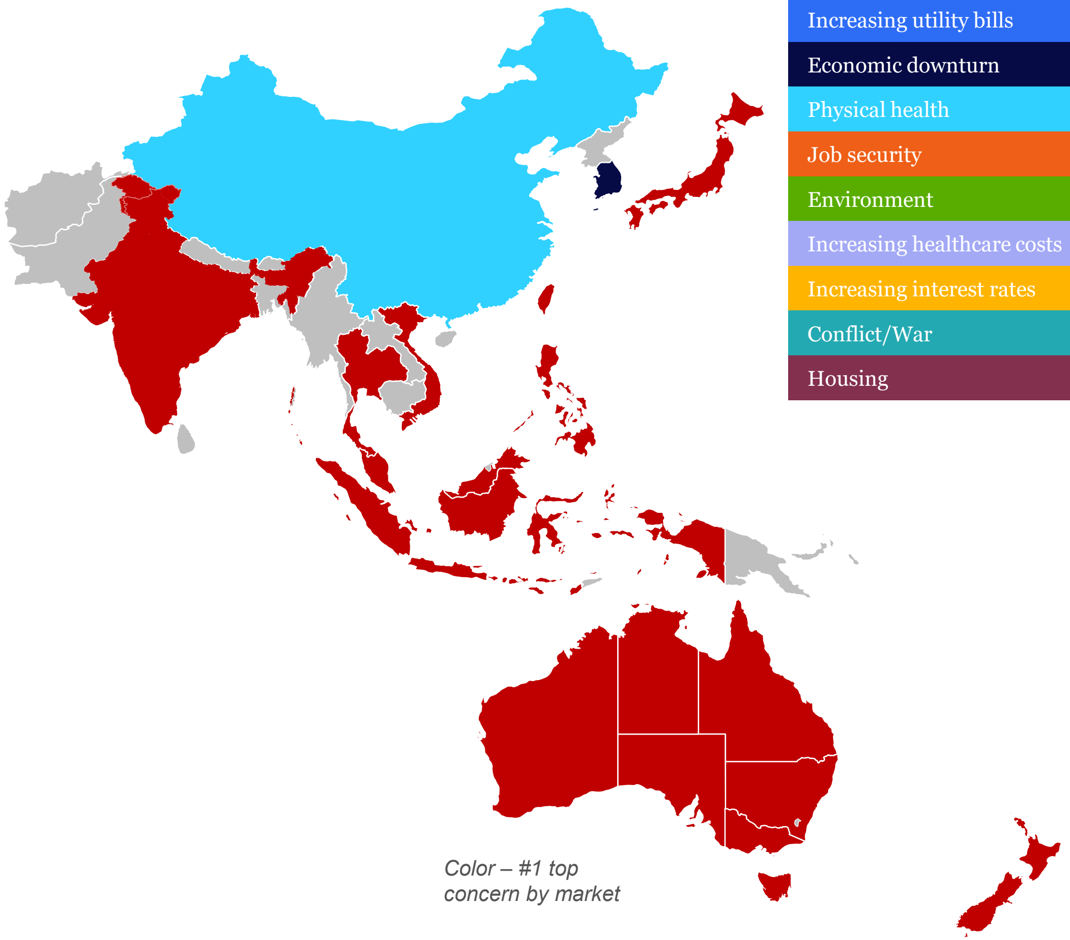
Strategize to address different markets' consumer concerns

Increasing food prices continues to be a top concern for APAC consumers



Color – #1 top concern by market

Top Concerns

- Increasing food prices
- Increasing utility bills
- Economic downturn
- Physical health
- Job security
- Environment
- Increasing healthcare costs
- Increasing interest rates
- Conflict/War
- Housing

June 2024

Country	#1	#2	#3
Mainland China	Physical Health ↑	Economy ↓	Job security ↑
Hong Kong	Economy ↑	Physical Health ↓	Food prices
Taiwan	Food prices	Physical Health	Economy
India	Food prices	Environment	Utility ↑
Malaysia	Food prices	Economy	Utility
Philippines	Food prices	Utility	Physical Health ↑
Thailand	Food prices	Utility	Economy
Vietnam	Food prices ↑	Physical Health ↑	Economy ↓
Indonesia	Food prices	Economy	Environment
Singapore	Food prices	Healthcare	Utility
Japan	Food prices	Utility	Physical Health
South Korea	Economy ↑	Food Prices ↓	Environment ↑
Australia	Food prices	Utility	Housing costs ↑
New Zealand	Food prices	Utility	Housing costs ↑

Ranking moved vs the past 6 months ↑ ↓

Source: NIQ BASES survey Feb and June 2024

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Tokyo Store Tours – Key Takeaways!

- A sea of sameness in traditional formats
  - But the beginnings of differentiation in product assortment
  - FamilyMart's clothing range
  - Lawson's Muji collaboration
- Format differentiation
  - Famima!
  - My Basket
- Food, Food, and more Food
- *And fantastic store tour guides!!!*

Consumers have embraced (*and expect*) broader value from the concept of "discount"

"Discount" *means more than just price*

70% Affordability/ Price

would purchase a product that has innovated to make it as affordable as possible

Affordable + *New* **65%**

are likely to change or try a new brand because of its lower price.

Affordable + *Sustainable* **75%**

would purchase a product that is energy efficient or saves them money later

Affordable + *Healthy* **49%**

would switch to a cheaper medicinal alternative that is considered biosimilar or of equal quality.

Affordable + *Homemade* **53%**

would use natural ingredients or food products as substitutes in their beauty care (e.g., beets for skin pigment/blush, rosemary hair oil, etc.).

Source: NIQ 2024 Mid-Year Consumer Outlook, APAC

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Shifts we anticipate to happen in consumer goods to 2030

Financial polarization leads to stretched premium and value price tiers & portfolios

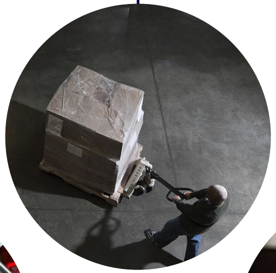
Re-defined price tiers & assortments

1

Global and long-distance supply chains will undergo transformation to become more condensed, local, transparent and cost effective

Re-engineered supply chains

2



- Global market reshuffle
- At home & domestic drifts

The shifting geography of spend

3

The “grey rhino” - The growing proportion of over 60's

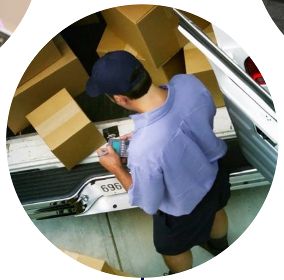
Re-thinking the aged opportunity

4

Legislation and governance will be a forcing mechanism to sustainable transitions

Mandated sustainability action

5



6

Digital world merges with the real world

Physical products and processes will increasingly be mirrored and enhanced by digital equivalents

7

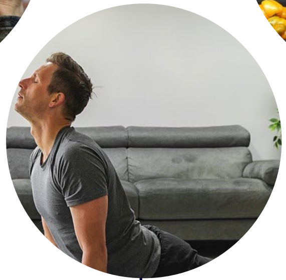
Shifting lifestyles, values & behavior

Disrupted lifestyles and circumstances has caused a shift in priorities and values that will change decision making ahead

8

Disruptive business models

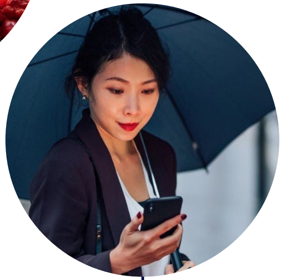
Companies from around the world are innovating with new business models that can scale quickly



9

Expanding wellness

Consumers are redefining their approach to health and wellness as modern lifestyle challenges grow



10

Frequent wildcards

Disruption has become a more frequent part of business cycles and there are a number of more visible wildcards

NIQ

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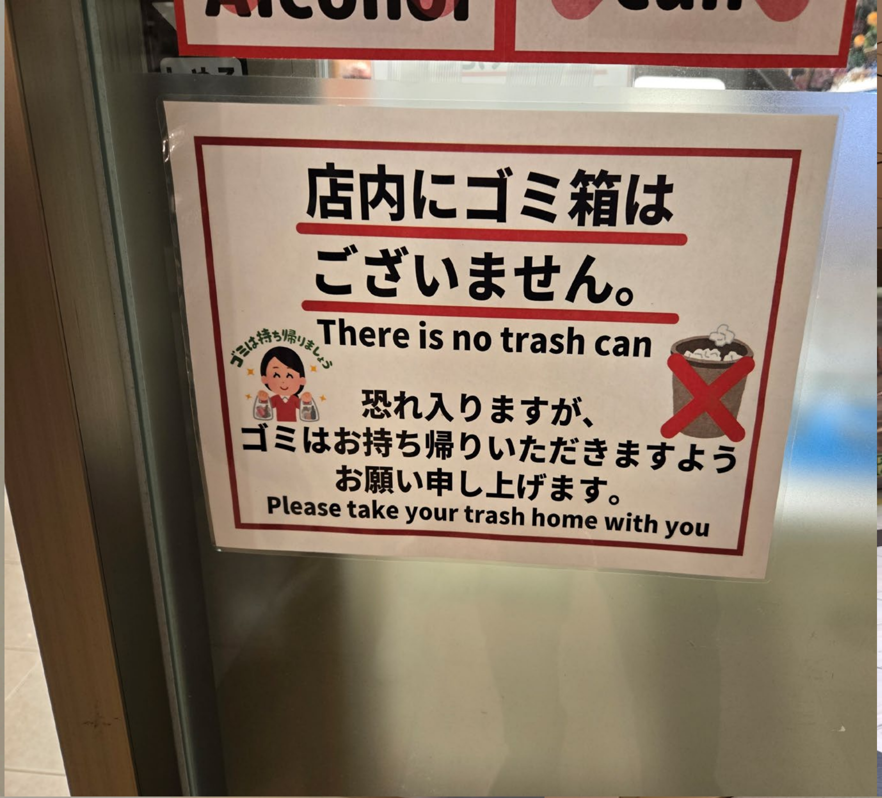
会話をお控えください
Please refrain from talking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ございません。
There is no trash can
ゴミは持ち帰りましょう
恐れ入りますが、
ゴミはお持ち帰りいただきますよう
お願い申し上げます。
Please take your trash home with you


STOP!!
かけこみ
乗車!!
DO NOT RUSH ONTO THE TRAIN!!
かけこみ乗車防止キャンペーン
NO!
NO!
非常停止ボタン
STOP


大丈夫?
ドーン
どこ見てる
牛魔王!
牛
危険! 歩きスマホはやめよう
■ Using your mobile phone while walking is dangerous.
■ 边走边操作智能手机很危险。 ■ 스마트폰을 보며 걷는 것은 위험합니다.
都営交通


歩きスマホやめましょう
Don't be smartphone zombies.
のり
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