

Becoming an Employer of Choice

Convenience Industry Action Plan

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Background on the Work

- The Coca-Cola Retailing Research Council North American NACS conducts studies on issues that help retailers respond to the changing marketplace
- Participating retailer members define the objective, scope and “own” the process of each study
- Released in February 2024 the current council study focused on the question ***“What Will it Take for the Convenience Industry to Become an Employer of Choice?”***



Source: 2024 NACS Coca-Cola Retailing Research Council “Convenience Industry Action Plan”

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- Accelerated **offer complexity** makes it difficult to attract and retain capable frontline staff
- **Loss of revenue** due to understaffing
- **Diminished customer experience** as turnover and training challenges heighten
- **Action required** at both industry level and chain levels
- Matrix of **solutions needed** to address acquisition, development, and retention needs

What Matters Most to Employees

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**Competitive
Compensation**

**Affordable
Transportation**

**Schedule
Flexibility**

Personal Safety

**Managerial
Relationship**

**Professional
Development**

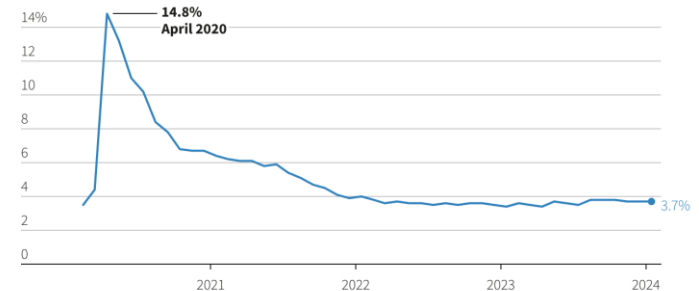
Source: 2024 NACS Coca-Cola Retailing Research Council "Convenience Industry Action Plan"

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- Unemployment at or below 4% from Jan. 2018 to Feb. 2020
- Post-pandemic returned below 4% from Dec. 2021 thru 2023
- Job surplus of openings vs. applicants widened from mid-2020, now showing signs of closing
- Gig-economy jobs gain traction, with perceived high degree of flexibility and control over their schedules

US unemployment rate

Joblessness rate held steady at 3.7% in January 2024



Source: Thomson Reuters Datastream

Source: 2024 NACS Coca-Cola Retailing Research Council “Convenience Industry Action Plan”

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- Staffing costs accelerate with high turnover rates and increased ghosting
- Turnover rates increasing faster than wages
 - Hourly wages for store-level associates up nearly 70% since 2013
 - Turnover rates have increased from 86% in 2013 to 141% by 2022
- Overall strain: thanks to labor scarcity, burnout, and diminished job satisfaction



Need for More Robust Talent Pipeline

Foster Higher Employee Engagement

Empowering Career Progression

Addressing Role Disparities

Q: How Are These Challenges Same or Different from What You are Experiencing?

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Role Must Be More Transparent

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- Misconceptions, limited understanding of store roles are detractors
- New employees must know diversity of tasks job requires:
 - Inventory Management
 - Customer Service
 - Store Hygiene
 - Foodservice
- Skills that contribute to long-term career potential must be emphasized more



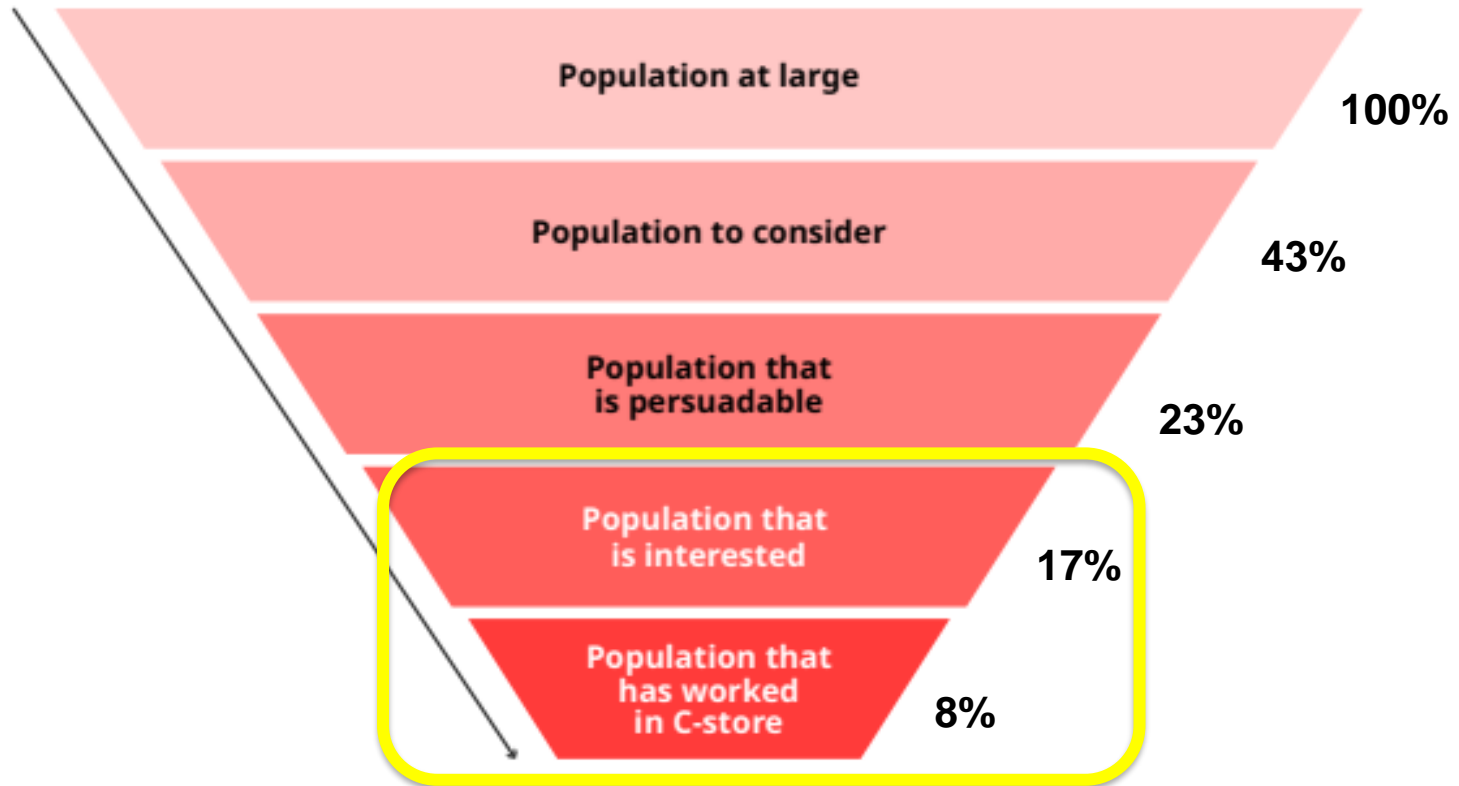
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The Current Pool is Too Small

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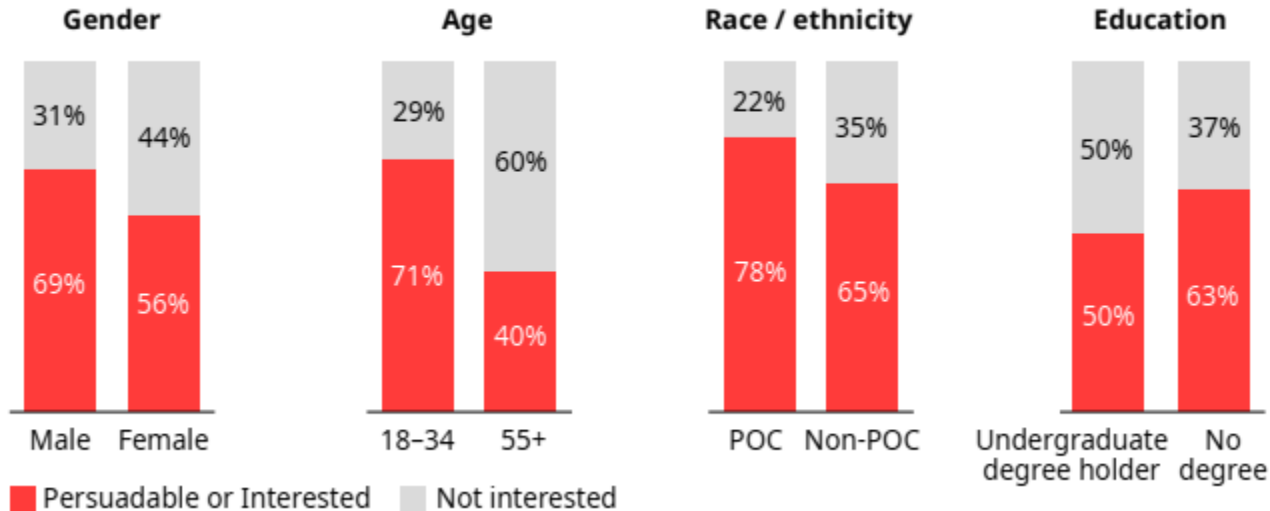


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Change the Perception; Increase the Pool

Sentiment Towards Convenience Store Employment

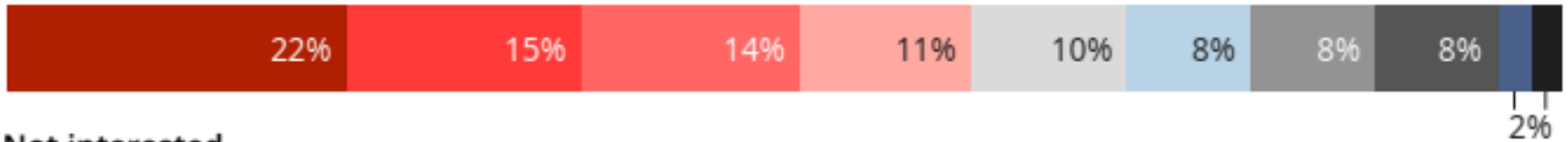


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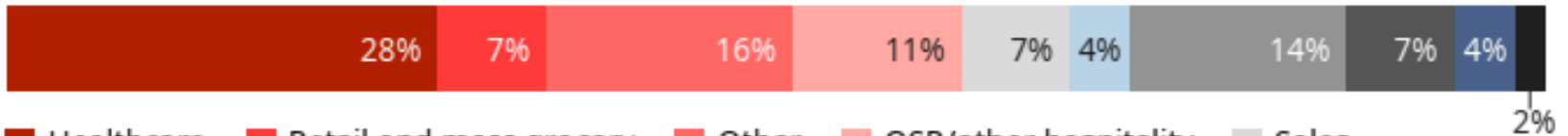
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Current Industry of Persuadable vs. Not Interested

Persuadable



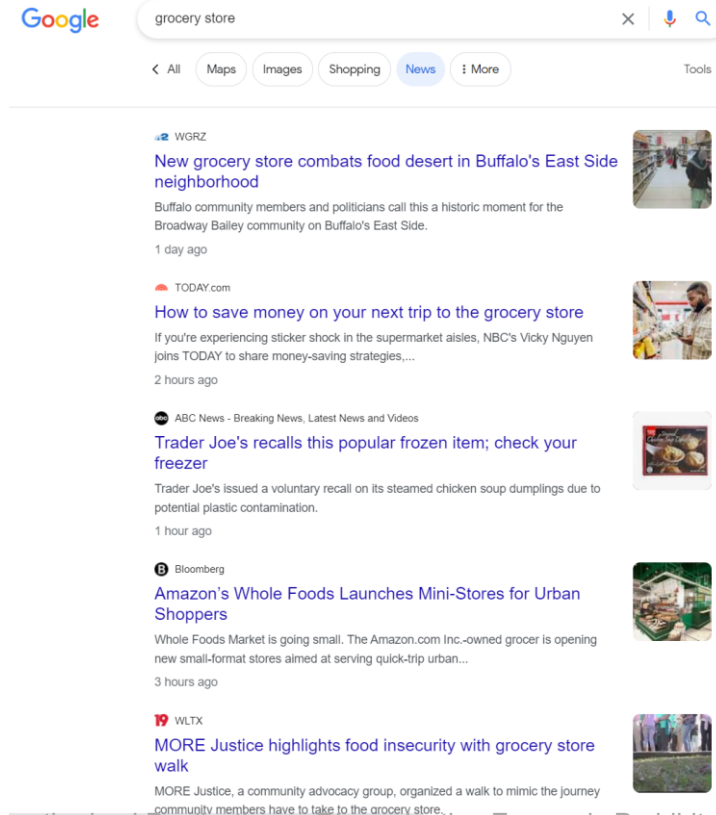
Not interested



- Healthcare
- Retail and mass grocery
- Other
- QSR/other hospitality
- Sales
- Gig worker
- Unemployed
- Truck driver/construction/warehouse
- Education
- Finance

Perceived Lack of Safety is An Obstacle

- Negative perceptions are shaped by experiences, social media, film industry and more
- Google Search results reinforce negative perception:
 - “Grocery Store” top five results

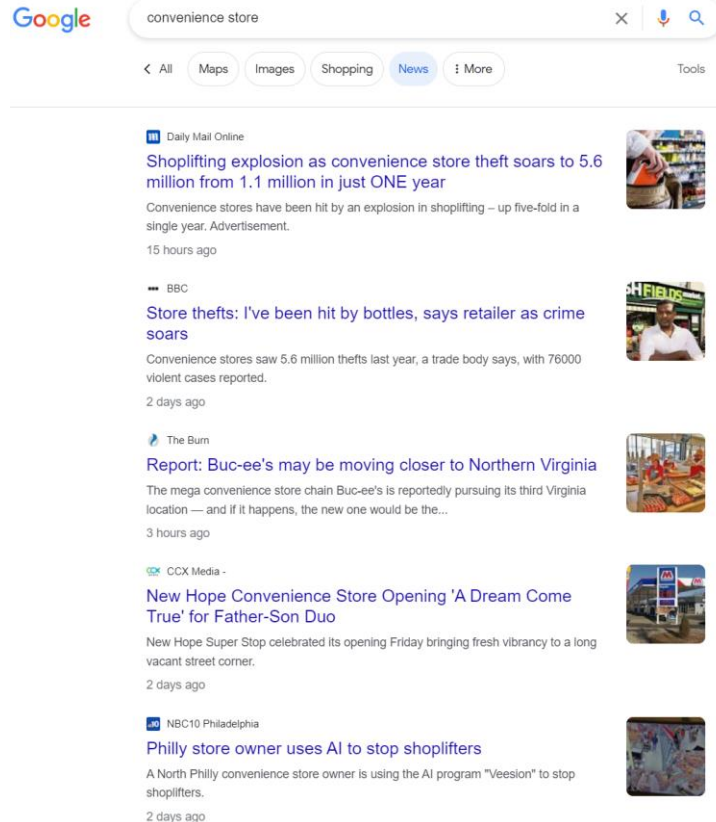


The image shows a Google search results page for the query "grocery store". The search bar is at the top with the Google logo on the left and search, voice, and close icons on the right. Below the search bar are tabs for "All", "Maps", "Images", "Shopping", "News", and "More", with "News" selected. The results are listed below, each with a source icon, title, snippet, and a small thumbnail image.

Source	Title	Snippet	Thumbnail
WGRZ	New grocery store combats food desert in Buffalo's East Side neighborhood	Buffalo community members and politicians call this a historic moment for the Broadway Bailey community on Buffalo's East Side.	Interior view of a grocery store aisle.
TODAY.com	How to save money on your next trip to the grocery store	If you're experiencing sticker shock in the supermarket aisles, NBC's Vicky Nguyen joins TODAY to share money-saving strategies,...	Person in a grocery store aisle.
ABC News - Breaking News, Latest News and Videos	Trader Joe's recalls this popular frozen item; check your freezer	Trader Joe's issued a voluntary recall on its steamed chicken soup dumplings due to potential plastic contamination.	Trader Joe's frozen dumplings.
Bloomberg	Amazon's Whole Foods Launches Mini-Stores for Urban Shoppers	Whole Foods Market is going small. The Amazon.com Inc.-owned grocer is opening new small-format stores aimed at serving quick-trip urban...	Exterior view of a Whole Foods Market mini-store.
WLTX	MORE Justice highlights food insecurity with grocery store walk	MORE Justice, a community advocacy group, organized a walk to mimic the journey community members have to take to the grocery store.	Group of people walking outdoors.

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6:10 Female Employees are Worried that Their Store Might be Robbed

Occurrence or belief crime could occur by gender. N=358



Source: 2024 NACS Coca-Cola Retailing Research Council "Convenience Industry Action Plan"

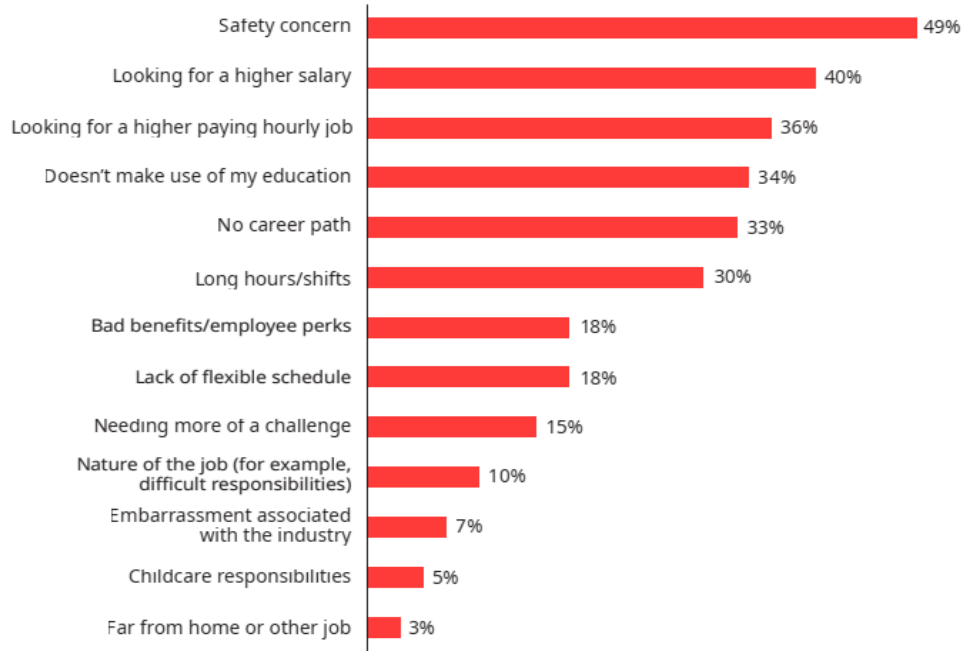
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Inaccurate Perceptions of Pay Can Be Addressed

- People who believe pay is better in QSR vs. Convenience
 - **30 percentage points higher** among those who have never worked in the industry
 - Versus current c-store employees
- Yet compensation data suggests average c-store pay is the same or better than QSR and other frontline jobs



Perception of Safety is More Important than Pay



Question asked: Which of these reasons best describe why you would not consider working in the convenience store industry?

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Q. What are you doing to address issues and increase the talent pipeline?

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Top Drivers of Employee Turnover

**Well-being Factors:
Pay, Work
Environment,
Safety**

**Lack of Schedule
Flexibility**

**Transportation
Factors**

**Managerial
Influence on
Employee
Satisfaction**

**Employee
Development
through Training
and Education**

Top Box Priorities to Address

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Exhibit 7: Well-being factors that have led to C-store exit

Reasons for C-store exit, non-managers. N=331



Exhibit 8: Motivators for those persuadable to convenience

Motivating factors to work in C-store. Percentage of respondents selecting factor in top 5.

N=141



Question asked: Which factors would motivate you most to work in a convenience store? (Select five factors)

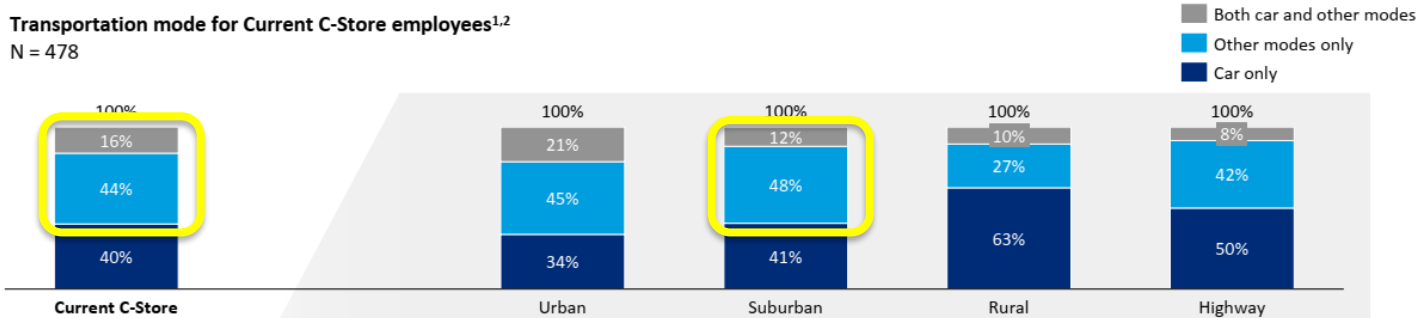
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Lack of Transportation is a Challenge for C-Store Workers

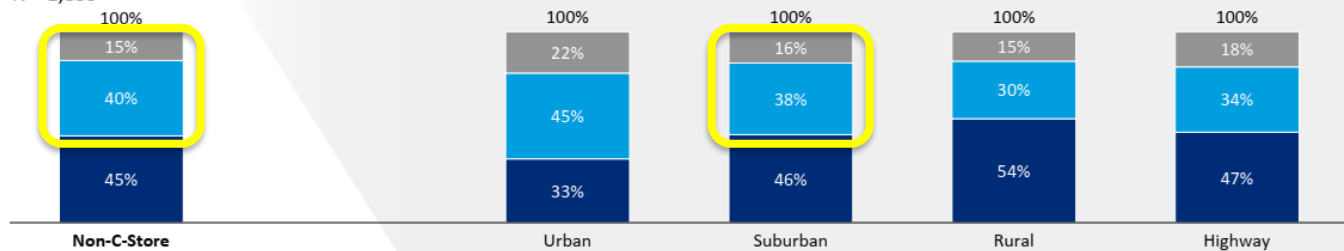
Transportation mode for Current C-Store employees^{1,2}

N = 478



Transportation mode for Non-C-Store employees^{1,2}

N = 1,835

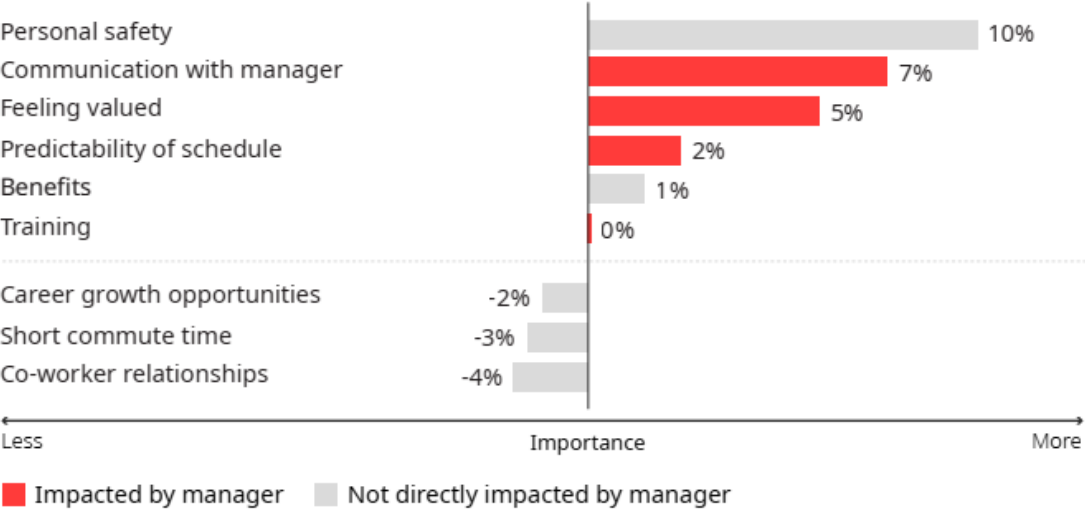


1. Q75: Which of the following best describes your mode of transportation for arriving to and departing from your current or most recent employer?. 2. Q9: Which best describes the location of the convenience store you work at?

Manager Success → Frontline Success

Important factors to employee satisfaction are impacted by their managers

Relative importance to satisfaction. Percentage above/below average response for current C-store non-managers, N=361



Question asked: How important are these factors to your overall job satisfaction? Several factors that were not relevant were removed from this exhibit. Relative importance to satisfaction represents the difference between importance scoring (1-5) of each factor above/below the average of respondents' scoring for all factors

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Are We Rating Managers With the Correct Set of Metrics?

- 15% of non-manager respondents identified **feelings of undervaluation and diminished morale** as reason for leaving
- Compared to other industries, our managers are **less likely to be evaluated on managerial skills**
- Current metrics: store sales, # of customer complaints, cost containment
- Future metrics: **retention** rate, employee **satisfaction**, customer satisfaction, total training **hours completed for all staff**

“We have an issue that comes up, [management] doesn’t do much about it. They say it’s employee first, but it’s really not”

— Former c-store worker, Iowa

NPS for Full-time Employees

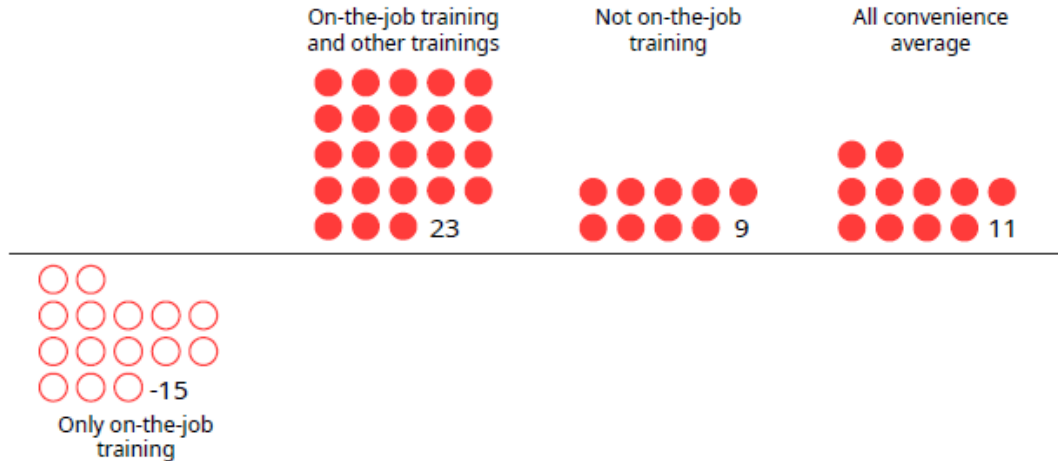
40 Points

Higher

Versus Part-time Employees

Training and Education Drives Job Satisfaction

Net promoter score (NPS) by training type, C-Store non-managers only. N=291



Questions asked: How likely are you to recommend working at a convenience store to a friend? Please rate on a scale of 1 to 10 where 1='not likely at all' and 10='very likely'. Which of these training and onboarding activities did you receive when you started convenience work?

Q. How Are You Rating Your Store Managers?

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there is no

SILVER

BULLET

Convenience Industry Action Plan

**Invest in
employee
safety**

**Leverage
government
relations to
remove
barriers ;
increase law
enforcement**

**Expand
talent
pipeline and
enhance
long-term
career
opportunities
across the
industry**

**Expand
access to
affordable,
reliable
transportation**

**Leverage
media to
improve
industry
perceptions**

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Invest in Employee Safety via Training, Technology and Analytics

Training

De-escalation skills

Training on Civility, Respect and Dignity (CRD)

Diversion techniques to address anti-social behavior

Technology

Passive store safety monitoring

AI tools to improve retailers' abilities to assess and address risk

Social media scraping to mitigate potential threats

Analytics

Industry-wide sharing of data and techniques to improve workplace safety

Dashboards and collaboration for total asset protection

Leverage GR to Remove Regulatory Barriers and Improve Enforcement of Laws

- **Federal Level**
 - Clarify labor regulations to tap into new labor pools
 - Manage rule definitions to maximize workers' net income
- **State Level**
 - Enact legislation to protect frontline employees
- **Local Level**
 - Enforce laws to reduce crime rates
 - Maintain strong community ties

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Invest in Programs to Expand the Pipeline of Talent and Enhance Long-Term Career Opportunities

- Develop future convenience store leaders
- Establish common standards for transferable skills
- Develop high-school and vocational education curricula



Implement Solutions That Expand Transportation Access



**Promote
Affordable
Vehicle
Ownership**



**Partner with
Rideshare
Firms**



**Subsidize
Public
Transportation**

Leverage Media to Improve Industry Perception

- Promote “good news” stories
- Celebrate employees as heroes
- Formalize a framework for modern convenience



Questions? Thoughts?



Thank You!



Lori Stillman

lstillman@convenience.org

