Consumer Behavior

Time To Shop

Consumer insights on how convenience stores deliver quick shopping experiences.

November 2018

NACS®

Time To Shop

Convenience stores have been saving consumers time on their shopping experiences since 1927. During those first few decades, convenience meant extended hours of operation. In the post-World War II era, convenience was more about location as populations in the suburbs exploded. Today, convenience means delivering a quick and easy experience for 165 million consumers a day—including 40 million consumers who purchase fuel. Whether these consumers buy gas only or also come inside the store for food and refreshments, convenience stores sell time.

Here is a look at:

+ **How consumers shop at convenience stores**
+ **What they value to help define how retailers can continue to deliver time and convenience to their customers**
+ **What trends could affect the future definition of convenience**

Key Insights:

CONVENIENT LOCATIONS

10 minutes

93% of consumers say **a convenience store is within 10 minutes of their home**

SHOPPING BY DAYPART

45%
of drivers

shop c-stores for gas during the evening dayparts (3 pm to midnight)

IMMEDIATE CONSUMPTION

83%
of the items

purchased at convenience stores are **consumed within the hour**

DELIVERING TIME

3 minutes
or less

amount of time 45% consumers spend inside a convenience store

Location, Location, Location

There are approximately 155,000 convenience stores in the United States, with 79% of these stores selling fuel. Per Nielsen data, these stores comprise 34% of all brick-and-mortar retail locations in the country. NACS consumer data suggests that nearly all convenience store shoppers drive to the store (91%) and most say that a convenience store is within 10 minutes of their house. Even in rural areas, 86% of consumers say a convenience store is within 10 minutes of their home.

Travel time to the nearest store:

	Total	Urban	Suburban	Rural
Less than 5 minutes	**64%**	**64%**	**72%**	**47%**
5-10 minutes	**29%**	**29%**	**24%**	**39%**
11-20 minutes	**6%**	**7%**	**4%**	**11%**
More than 20 minutes	**1%**	**-**	**-**	**4%**

(Source: September 2018 NACS consumer survey)

10 min.

MOST CONVENIENCE STORE SHOPPERS SAY A CONVENIENCE STORE IS WITHIN 10 MINUTES OF THEIR HOME

In rural areas, 86% of consumers say a convenience store is within 10 minutes of their home.

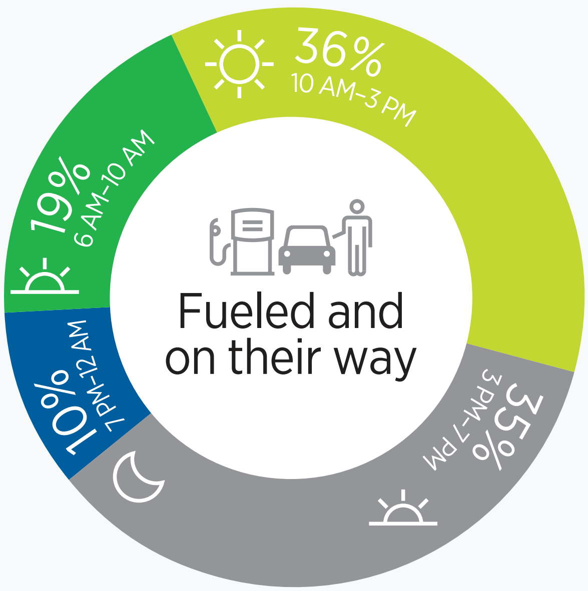
The Shopping Experience

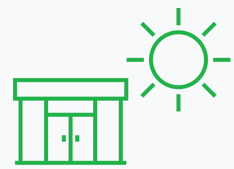
Each day, an estimated 40 million Americans fill up their vehicles, so where they determine to shop inside a convenience store for food, snacks and beverages has a profound impact on the retail channel that sells 80% of the fuel purchased in the United States.

Time of day, or dayparts, is a key factor that determines when consumers choose to fill up. Consumers are more likely to buy gas during the evening rush than the morning daypart (35% vs. 19%), likely because of morning time pressures. But these time pressures vary by demographic.

Filling up the tank

When do most Americans fill up?





CONSUMERS ARE MORE LIKELY TO BUY GAS DURING THE EVENING RUSH THAN THE MORNING DAYPART (35% VS. 19%).

To bring more customers from the pump and into the store, there are opportunities for retailers to tailor their marketing and promotional messages to specific demographics. For example:

Those who are most likely to purchase fuel in the morning are consumers ages 35 to 49 (24%), so there may be an opportunity for convenience retailers to expand their breakfast foodservice marketing to focus on this segment of shoppers.

Shoppers age 50 and older are most likely to purchase gas mid-day (38%), outside of rush hours. These consumers are likely to enjoy comfortable seating areas, as well as promos around coffee and other hot beverages paired with bakery items.

53% of millennials shop c-stores for gas during the evening dayparts (3 pm to midnight), so there's ample opportunity to capture these customers around snacking occasions or quick meal solutions with grab-and-go or fresh-prepared and customizable foodservice offers.

Shopping c-stores by time of day

	Total	Age 18-34	Age 35-49	Age 40+
Morning, or roughly 6 am to 10 am	**21%**	**19%**	**24%**	**22%**
Mid-day, or roughly 10 am to 3 pm	**32%**	**27%**	**27%**	**38%**
Afternoon, or roughly 3 pm to 7 pm	**36%**	**42%**	**37%**	**31%**
Night, or roughly 7 pm to midnight	**9%**	**11%**	**10%**	**7%**
Overnight, or roughly midnight to 6 am	**2%**	**2%**	**1%**	**2%**

(NACS consumer survey; January 2018)

53%

OF MILLENNIALS SHOP C-STORES FOR GAS DURING THE EVENING DAYPARTS (3 PM TO MIDNIGHT)

Looking at women versus men shoppers, males are more likely to shop daily at a convenience store compared to females (9% vs. 4%, respectively), or multiple times per week (24% vs. 18%, respectively).

Shopper frequency

Convenience store shopper frequency among fuel purchasers

		Total	Gender		Age		
	(%) Gas Consumers	2018	M	F	18-34	35-49	50+
Frequent	Daily	7	9	4	11	9	2
Frequent	Multiple times per week	21	24	18	32	24	11
Rare Shopper	Once or twice per week	19	18	19	22	21	14
Rare Shopper	Once or twice per month	16	14	18	18	14	16
Rare Shopper	Less than once or twice per month	22	21	23	14	21	30
Rare Shopper	Never	15	14	17	4	11	27

(NACS consumer survey; January 2018)

A previous NACS report suggests that frequent customers are more likely to hold favorable opinions of their local store, as well as respond positively to new products and foodservice offers. Frequent customers are defined as 28% of fuel purchasers who shop “daily” or “multiple times per week” at a convenience store. By contrast, rare shoppers are defined as the 37% of fuel purchasers who shop a convenience store either “less than once or twice per month” or “never.” (Three Insights on Frequent Convenience Store Customers; July 2018)

One-Stop Shopping

Among the customers who indicated that they purchase fuel at a convenience store in the January 2018 survey, nearly half say that they also went inside the store, an increase from just 35% of shoppers in January 2015.

Did shoppers go inside the store?

Convenience store shopper frequency among fuel purchasers

	Year				Gender		Age		
	2018	**2017**	**2016**	**2015**	**M**	**F**	**18-34**	**35-49**	**50+**
Yes	**48%**	42%	41%	35%	55%	42%	60%	50%	38%
No	**47%**	52%	53%	61%	42%	52%	37%	46%	55%
There was no store associated with that gas station	**5%**	5%	6%	4%	4%	6%	3%	4%	7%

(NACS consumer survey; January 2018)

48%

ALSO WENT INSIDE THE STORE, AN INCREASE FROM 35% OF SHOPPERS IN JANUARY 2015.

There were some significant demographic differences. Men were far more likely than women to go inside the store (55% vs. 42%) and younger consumers ages 18-35 were far more likely to go inside than customers age 50+ (60% vs. 38%). Also, customers purchasing fuel in the morning were most likely to go inside the store (52%), whether to pick up a cup of coffee, morning snack or provisions for the day, while those who bought gas at night were least likely to go inside the store (45%).

Of those who come inside the store to make a purchase, 53% say that their reason was primarily to purchase a beverage, 20% say it was to buy food or a snack and 27% say it was for another reason, which could mean to use the restroom, ATM, buy a lottery ticket, tobacco products, etc.:

Reason shoppers come inside the store

		Age		
	Total	**18-34**	**35-49**	**50+**
I went inside the store primarily to purchase a drink or beverage	**53%**	62%	57%	39%
I went inside the store primarily to purchase food or a snack	**20%**	26%	25%	10%
I went inside the store for another reason	**27%**	13%	18%	51%

(NACS consumer survey; September 2018)

With more than half of gas consumers coming inside the store to purchase a beverage, packaged and dispensed beverages—fountain drinks, coffee, bottled water, beer, energy drinks, juice, slushies, milk—make up most of the top 12 product categories purchased at a convenience store. In other categories, such as food and snacks, nearly all products saw an uptick in purchasing frequency in 2018 compared to 2017.

Millennial consumers who also purchase gas at a c-store appear to be the most receptive audience for a beverage purchase, with more than half (57%) frequenting a c-store for a fountain drink in a given month. Survey results show that Gen Xers buy coffee (33%) more so than millennials (30%) and boomers (15%). By region, coffee is the beverage of choice among c-store shoppers in the Northeast (35% vs. 25% national avearge).

MORE THAN HALF (57%) OF MILLENNIAL CONSUMERS FREQUENT A C-STORE FOR A FOUNTAIN DRINK.

Meanwhile, for those who don't go inside the store, an overwhelming majority of consumers (85%) say they didn't go inside the store after refueling their vehicle simply because they didn't need anything offered inside the store, a slight uptick from 82% of consumers in January 2017, while only 10% of consumers say it was due to time constraints, which is slightly down from 11% in 2017. Interestingly, lack of time was cited by only 8% of those who filled-up their gas tanks in the morning, the smallest percentage of consumers citing this reason by daypart.

Reason shoppers come inside the store

Convenience store shoppers who didn't go inside after fueling say:

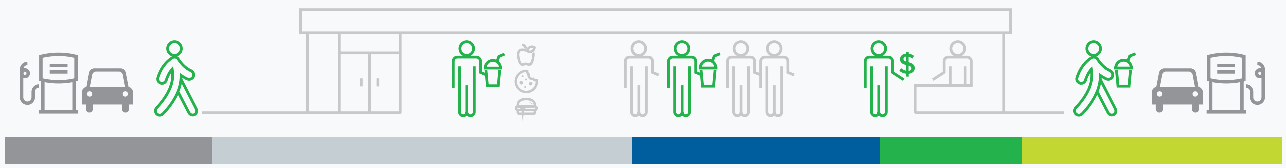
	Sept. 2018	Jan. 2017	Jan. 2016	Jan. 2015
I did not need anything inside the store	**85%**	82%	79%	84%
I did not have time to go inside	**10%**	11%	11%	8%
The store was closed	**1%**	2%	1%	1%
The store was unappealing from the outside	**1%**	1%	2%	1%

(NACS consumer surveys)

Speed of Service

Ultimately, today's consumers are looking for a quick and easy shopping experience. A NACS Speed Metrics survey found that that average time it takes for a customer to leave their car and enter a c-store and return to the car with a purchase was 3 minutes and 33 seconds:

Average time spent to purchase in-store items:



35 seconds: walk from car to store

71 seconds: select item(s)

42 seconds: wait in line to pay

21 seconds: pay for items

44 seconds: return to car

Why does it take 9 seconds longer to return to the car compared to leaving the car? Two factors are likely: First, the customer could be sorting through the change from the transaction or putting away a card or mobile device used to make the purchase. Second, 83% of the items purchased at a convenience stores are consumed within the hour and 65% are consumed immediately. So it's possible that consumers are pausing to enjoy the snack or drink they just purchased.

A 2018 consumer survey shows that the time spent inside a convenience store may have compressed even more. Nearly half of all consumers (45%) say they spend 3 minutes or less in the store.

Time it takes to shop

		Gender		Age		
	Total	**M**	**F**	**18-34**	**35-49**	**50+**
Less than a minute	**3%**	3%	3%	1%	3%	4%
1-2 minutes	**15%**	17%	14%	17%	14%	15%
2-3 minutes	**27%**	26%	27%	29%	29%	23%
3-5 minues	**34%**	34%	34%	35%	35%	33%
More than 5 minutes	**21%**	20%	22%	19%	19%	25%

(NACS consumer survey; September 2018)

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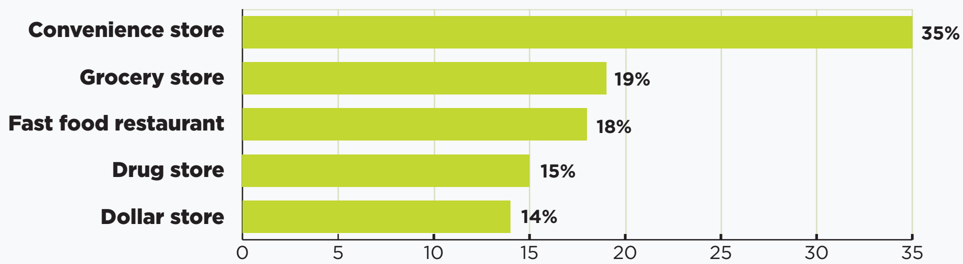
For the 21% who say that they spend more than 5 minutes in the store, it's likely that this extra time is spent purchasing a food or beverage item that is made fresh and/or prepared onsite and takes more time to serve. It's also possible that these consumers are ordering their food items via touch-screen kiosks, which allow for customization of their purchase.

Consumers also said that convenience stores have the shortest lines—by a nearly 2-1 margin compared to the closest competition.

Retail channel with shortest wait time



(NACS consumer survey; September 2018)

Time spent inside a convenience store may have compressed even more—to 3 minutes or less.

Redefining Convenience

By examining the latest NACS consumer survey findings, the convenience store industry's ability to save consumers time throughout their busy days and evenings is resonating with the nearly two in three consumers (63%) who shop c-stores for their convenient locations and quick queueing.

Key attributes for quick service at retail

		Age		
	Total	**18-34**	**35-49**	**50+**
Convenient location	**33%**	28%	33%	37%
No lines	**30%**	25%	33%	32%
Well organized store/menu	**21%**	27%	21%	18%
Plenty of parking spots close to the store	**9%**	9%	8%	11%
Ability to order online	**6%**	11%	6%	3%

(NACS consumer survey; September 2018)

NEARLY TWO IN THREE CONSUMERS (63%) SHOP C-STORES FOR THEIR CONVENIENT LOCATIONS AND QUICK QUEUEING.

However, there is a growing shift toward redefining convenience: 6% of consumers, and 11% of consumers ages 18-34, consider online ordering to be the most important attribute for a quick service at a retail location.

Online ordering may not be direct competition for convenience stores today, but it's a trend that retailers are considering as opportunities to deliver even more convenience, whether through a combination of mobile and online ordering with brick-and-mortar pickup or delivery. Some convenience retailers today are also creating an even faster shopper experience by offering frictionless checkout technology, voice-activated ordering through Amazon Alexa, and the ability to request fuel delivery through a mobile app.

See the next page for more survey info on how frequent shoppers at convenience stores are interested in new types of convenience.

Frequent shoppers at convenience stores are interested in new types of convenience

How interested would you be in the following?

	All Shoppers	Frequent Shopper	Rare Shopper
Technologies that allow for **instant pay, skipping the line, no cashier interaction**	44%	65%	27%
Having **food trucks** close to your home/work	35%	55%	16%
Ordering drinks or food online/via app for pickup at an in-store location (for example, at a Starbucks)	32%	52%	14%
Having **online shopping orders** (for example Amazon or eBay) delivered to physical store location for easy pick up	31%	52%	15%
Ordering groceries online/via app for pickup at an in-store location (for example, at a supermarket)	30%	51%	13%
Same day grocery delivery (for example, Peapod)	29%	51%	10%
On-demand, local food delivery in 30 minutes or less (for example UberEats or PostMates)	29%	54%	10%
Pre-prepared meal kits that can feed a family with minimal prep time (for example, Blue Apron)	26%	45%	9%
"Smart fridge" technologies that can automatically re-order groceries or other items when supplies run low	26%	48%	9%

(NACS consumer survey; September 2018)

As the definition of convenience evolves and new technologies and payment solutions emerge, consumers will likely continue to rely on their neighborhood c-store to deliver a coveted commodity in today's retail environment: time.

Survey Methodology: NACS has surveyed consumers about their perceptions related to gas prices since 2007 and has conducted monthly consumer sentiment surveys since 2013. NACS commissioned Penn, Schoen and Berland Associates LLC to conduct 1,504 online interviews with adult Americans on September 13-16, 2018. The margin of error for the entire sample is +/- 2.87% at the 95% confidence and higher for subgroups. Some percentages may add to more or less than 100% due to rounding. The January 2018 survey was conducted January 22-25 with 1,100 American adults; the margin for this survey is +/- 2.95% at the 95% confidence level.

About NACS

NACS (www.convenience.org) advances the role of convenience stores as positive economic, social and philanthropic contributors to the communities they serve. The U.S. convenience store industry, with more than 154,000 stores nationwide selling fuel, food and merchandise, serves 165 million customers daily—half of the U.S. population—and has sales that are 10.8% of total U.S. retail and foodservice sales. NACS has 2,100 retailer and 1,750 supplier member companies from more than 50 countries.

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