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What's Driving C-Store Foot Traffic? 3 Key Trends to Convert Customers from Pump to C-store

Introduction

Today's convenience store (c-store) marketplace is ever-changing, with increasing competition to stay relevant while food service and retail segments continue to blur the landscape.

C-stores are experiencing a transformation from being fuel-driven destinations, long associated with sales of in-store staples to becoming a destination of choice for gourmet prepared foods, healthy snacks, specialized beverages and more.

While the large majority of convenience stores throughout the U.S. have gas stations, most consumers do not purchase any additional items from the c-store. According to the National Association Convenience Stores (NACS), the average c-store gets about 1,100 visitors to its gas pumps per day, and only about 44% of those customers go inside the store. The potential for in-store sales remain largely untapped by many c-stores.

Driving in-store purchases has the ability to directly impact a c-store's bottom line as the margins for in-store purchases, especially prepared foods, are much higher than from fuel sales. C-stores need to deliver targeted Point of Sale (POS) offers at the pump or in-store to capitalize on missed revenue opportunities and positively impact same store sales and ROI.

46%
of fuel purchasers do not go inside the convenience store

(National Association of Convenience Stores)

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The Gap in Current Approaches

Critical to a c-store's success is gaining customers' interest and driving their first in-store purchases. C-store marketers are trying an array of different tactics to create pump-to-store traffic, including store window front displays, promotional signage in the forecourt and pump toppers, pump siders and pump extenders. However, these traditional approaches are falling short in compelling customers to make that all-important first purchase after fueling for several reasons:

Apply Only to Reward Members

C-stores are unable to provide targeted offers, unless the customer is signed up for the rewards program. This leaves many fuel customers without any promotions to drive their loyalty. The percentage is even higher as many members' interactions haven't extended beyond initial program sign-up. And for its members, it means often being targeted only with "cents off gallon" discounts, instead of relevant promotions based on the their behavior aimed at driving an in store purchase.

Rely on Static Offers

C-stores lack the ability to provide offers based on real-time POS transactional data and instead present customers with generic promotions that are easily overlooked and translate into a one-size-fits-all marketing approach. To produce the desired results, c-stores need to create dynamically-generated offers unique to each customer that drive behavior change (entering the c-store) and create habit-forming customer activity (reentering the c-store on the next visit).

Deliver an Unsatisfactory Customer Experience

Customers today expect that their experience in the physical realm matches the one they've become accustomed to in the online world - one that is personalized based on their past interactions with the brand, even if they haven't made a prior purchase. Because c-stores are unable to link offline and online data with a customer's identity, they often lack the 360 degree view of the customer that is essential to providing them with the experience and offers that they expect and want.

Relevant offers are critical for building connections through one-to-one marketing.

57% of consumers want to engage with their loyalty programs via mobile devices
(Bond Loyalty Report Study)

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Personalization at the Point of Sale

In order to meet the modern consumers' evolving expectations, c-store marketers must present them with relevant offers during the short window of opportunity that happens at the POS. By utilizing customer demographic, psychographic and behavioral analytics, c-stores have the opportunity to gain customers' attention with targeted promotions to drive their decision to take those all important first steps from the pump to inside the store.

Top 3 Trends to Help Drive Pump-to-First-Purchase Store Sales

1 **Demographics.** According to a 2019 NACS Report on consumer gas buying behavior, consumers ages 35 to 49 tend to buy more fuel during the morning. A customized offer during morning rush hours for a breakfast food item that is quick and relatively easy to eat in the car will be relevant to the majority of consumers at this time. The report also notes other demographic trends prevalent in the Midwest such as the likelihood of gas purchases during the evening rush (40%), presenting an opportunity for Midwest c-stores to promote meal kits or dinner items.

2 **Shifting Preferences.** The global trend towards healthier food is also true for Americans. According to Forbes, consumers are more interested in food as preventative medicine because they realize their diet is a big component of their health. C-stores need to refine their offers to match current customer demand for healthy food and beverages. Further customization of the offer above can take into account consumer shifting attitudes and present the 35 to 49 year-old, morning consumer with a quick, easy-to-eat in the car, healthy breakfast food item.

3 **Hyperlocalization.** Localization data includes seasonal or local shopping trends and also incorporates the aspect of community involvement. Customers today value community commitment, making it an important cornerstone of c-store marketing. Now, c-stores can highly-target their easy-to-eat, healthy breakfast offer to the working 35 to 49 age group by incorporating a promotion that has their purchase help a charity drive sponsored by the c-store. There are also other opportunities for community outreach that can add both an element of fun and relevance to c-stores' promotions, boosting redemptions and purchases.

35-49 year-old

Data/Analytics	Targeted Offer
AM fueler	Breakfast item
Interested in healthy diet	Healthy
Local resident	Community promotion

90% of c-stores support local charitable groups (NACS Study on Social Impact)

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Leverage Technology to Drive Foot Traffic

The goal for c-store marketers' is to reach consumers at the moment that most influences their decisions with offers that demonstrate their knowledge of them. C-stores need a data-driven strategy that incorporates both industry statistics and real-time data that can be integrated and executed upon with ease. A c-store can then deliver the right offer at the right time to move an anonymous fuel-only customer toward making a first purchase and becoming a known c-store customer.

Moving customers from the pump to making their first in-store purchase is a highly important step in the customer journey. C-stores that prove capable of connecting the customer identity with transaction data and other structured and unstructured data sources in real-time are able to jump start this journey. Understanding the data management required to blend these types of data together, makes it clear that investing in the right technologies is critical to providing seamless new customer experiences that create a path from targeted POS offers to first purchases.

C-stores today need a platform that provides all the tools they need to identify customers, collect purchase and engagement data, and automate the process of generating and sending offers. There are a lot of moving pieces at play, from CRM to analytics to marketing automation.

Gen Z and younger millennials are 20% more comfortable than the average American to share information with the brands they engage with.
(The Loyalty Report 2019)

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Here are the key platform requirements necessary for c-stores to deliver personalized POS offers:

Identifies Every Customer with Every Offline & Online Touchpoint
Offers omnichannel integrations including POS, at-the-pump, mobile/web, email, WiFi, SMS/Push

Manages Customer Data
Captures, stores and provides visibility into all internal and external data to deliver a 360 degree view of the customer

Analytics
Delivers insights and predictions of customer behavior that can drive personalized campaigns and offers

Automates Marketing
Launches built-in, targeted campaigns for events, sign-ups, winbacks, geotargeting, and more, along with the flexibility to manage them on the fly to accelerate outcomes

Administers Programs Across the Customer Journey
Provides customer acquisition and loyalty management through user-friendly access for all c-store locations

Delivers High Performance
Achieves seamless customer experiences through enterprise-grade scalability, availability, and security.

The Punchh Marketing Cloud converts consumers to loyalists by providing you with all the tools you need to deliver seamless customer experiences. Contact Punchh to see a demo.

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