

THE SHAPE OF FOOD RETAILING
IN THE NEW NORMAL 5:

ROADSIDE RETAIL

"The industry as a whole must shift from planning to providing an adequate response to the key strategic question that will determine its future. "Why will the consumer of 2030 visit my roadside outlet?"

— The authors

"Roadside retail will need to attract visits by more than just the visual dimension (the eyeball test) it relied on for decades. It will no longer be enough to have a large fuel price sign, compelling price, a (hopefully) clean and easy to access lot, to influence customer behavior to shop the site. Within this decade, that long-standing consumer purchasing behavior will endure seismic shifts, becoming more influenced by technology platforms able to make deeper connections. The future dimensions of consumer attraction will be more dependent on technology and other factors, that will transform fuel retail marketing from an interruption during a travel journey to an intentional destination"

— Chris Gheysens, CEO Wawa



UNDERSTANDING
CONSUMERS



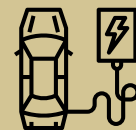
NEW TECHNOLOGY



FOODSERVICE



COFFEE



FUELS & EV CHARGING



MARKETING



This paper is motivated by a desire to help roadside retailers to successfully and profitably operate with changing consumer demands.



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1. FOREWORD

by **DARRYL BURCHELL,**
FORMER HEAD OF BP GLOBAL CONVENIENCE RETAIL

In this latest paper on the shape of food retail in the new normal, I am delighted that Scott and Dev, with the collaboration of Frank and Sabine, have now turned their sights to roadside retailing—a sector that I have been intimately involved with over the last few years.

The COVID-19 pandemic made 2020 a challenging time for all of us. Despite positive news on the efficacy and pace of vaccinations, many difficulties are likely to persist well into 2021. For roadside retailers, it is clear that many aspects of the business may never return to how they were in the pre-pandemic world.

Even before COVID-19, roadside retailing faced a number of existential threats—many of which have grown over the past 12 months:

- Rising fuel efficiency, adoption of electric vehicles (EVs), and changing working patterns will reduce the demand for fossil fuels over time—especially in developed markets.
- As consumers and legislators increase their focus on healthy lifestyles, the demand for the traditional roadside staples of tobacco, salty snacks, confectionery, and carbonated drinks will be reduced.
- 'Delivered convenience' entrants, such as DoorDash, Deliveroo, and Uber Eats are creating a new, ultra-convenient experience with the potential to disintermediate traditional convenience stores and roadside retailers in the longer term.



Though they may be likely outcomes in many markets, these trends will accelerate unevenly across the world. Within this landscape of change, however, many roadside retailers have inherent legacy advantages that can be leveraged to build a competitive and sustainable advantage in the ‘new normal.’

- Real estate that is often well-positioned for the drive-on, walk-on, and last mile logistics requirements of the convenience customers of the future.
- An established and familiar integration into customers’ current daily and weekly routines.
- Rising capability and credibility in ‘food for now’ with the ability to service different missions and dayparts.

These authors have gathered contributions from global leaders in roadside retailing. Their thought-provoking and insightful commentary on adapting to the future demonstrates the relevance and timeliness of this paper. The readiness of retailers to acknowledge and respond to the inevitable changes in consumer demand will determine who thrives in this exciting and challenging new world.


Many of the topics discussed in this paper are of course not only of relevance for roadside retailers, but for any supplier, retailer, logistics provider, or interested party who seeks to access a share of the significant and growing global convenience market.



Gig economy + Add to myFT

DoorDash leads surge in delivery orders from US convenience stores

Pandemic lockdowns give companies opportunity to expand beyond restaurants



DoorDash went public late last year at a valuation of \$60bn

I look forward to seeing the further discussions, challenges, and hopefully inspiration that this paper will undoubtedly spark!

“

Last year, mobile pickup and delivery sales from convenience stores grew a whopping 346%. As services like DoorDash’s DashMart and GoPuff proliferate, convenience stores are taking on new roles as last-mile micro-fulfillment hubs for everything such as alcohol, fresh food, and everyday essentials in new dayparts. Over the next five years, the retailers who can own as much of the entire end-to-end pickup and delivery experience as possible will thrive. While third-party marketplaces provide a quick way to test out delivery, they drive lower-margin transactions that have the potential to cannibalize existing retail sales while simultaneously obfuscating invaluable customer data.

Thanks to technologies like Olo Dispatch or Onfleet, retailers can now outsource the last-mile logistics to a third party while focusing on building their digital relationships with their customers. For example, native delivery apps like 7-Eleven’s 7NOW have seen average basket sizes double for online orders as growth skyrocketed. Owning the off-premise digital channel not only builds customer loyalty but also unlocks new revenue streams for CPG advertisers to individually target consumers at the point of purchase. As the pandemic elevated consumers’ expectations of convenience retail, there’s never been a better time to invest in building a digitally native experience that can create a positive flywheel between in-store visits and late-night delivery impulse buys.

— Matt Newberg
Founder, HNGRY

”

2. INTRODUCTION

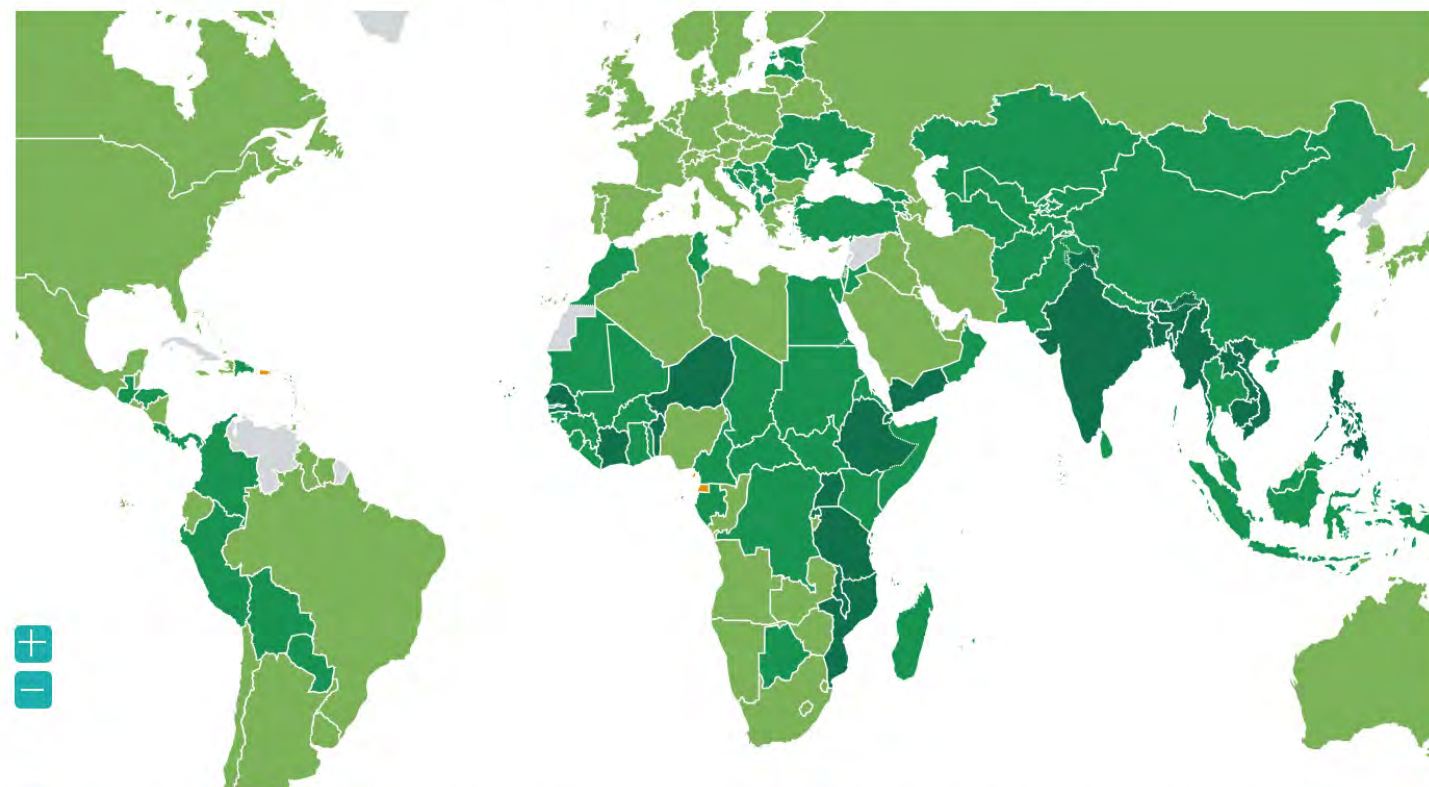
Lead Author: Scott Annan

In paper four, ‘The Five Big Itches,’ we debated five big issues that we believe should change—or be scratched—in the post-Covid-19 business world. This paper offers a closer examination of the challenges facing roadside retail and asks the central question, “Why will the consumer of 2030 visit my roadside outlet?”

As with our previous papers, we open with a global perspective on the economic recovery. As the world begins to exit the COVID-19 pandemic throughout 2021, it is interesting to observe the economies that have grown in 2020 and whose GDPs are forecasted to grow between 3% and over 6% by 2025. China’s GDP grew 4.9% YOY in Q3 2020—faster than the second quarter’s 3.2% growth. The world’s fifth largest economy, India, is forecasted to experience GDP growth of more than 6% by 2025. The economies of countries in South and East Asia that correctly managed COVID-19 last March are thriving while the western countries that were caught more off guard have experienced significant human and economic damage.



● 6% or more
 ● 3% - 6%
 ● 0 - 3%
 ● -3% - 0
 ● less than -3%
 ● no data



Source: IMF Real GDP Growth

2025

“Better road infrastructure has resulted in a drastic rise in car footfall hence modern facilities with well maintained washrooms, clean food courts, shopping areas etc have now come up which do attract car footfall”

— Pradeep Chechani,
Retail and Digital Analyst, India

Our paper is set within this global context, as the views we have gathered from industry leaders are from markets experiencing varying rates of recovery and levels of optimism on the immediate future of roadside retail. The perspectives they share are compelling and insightful. Many contain common themes such as ‘be convenient for me,’ relevance, ‘save me time,’ the importance of proprietary fresh food, and the provision of last-mile services. Concisely, the interesting questions are ‘How will businesses differentiate their offer?’, ‘How important is this in a hyperlocal market?’, and ‘How important—or not—is being first to market?’

There is a perfect storm brewing in the commercial property market in many developed markets that will leave landlords of all sizes struggling to generate income, cover operational costs, and fulfill their financial commitments. These authors believe that major western cities will continue to experience a ‘doughnut-shaped’ recovery. As commuter and workplace patterns settle after government regulations, city centre retail and hospitality businesses will decline as suburban businesses thrive.

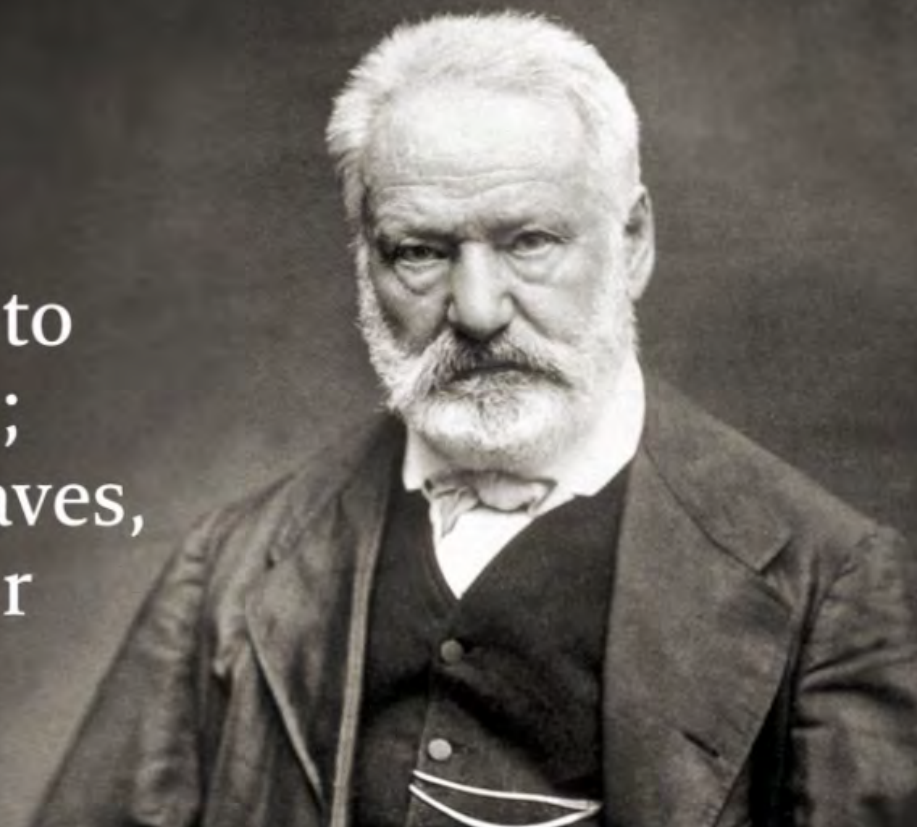
“China’s economy remains on the recovery path, driven by a rebound in exports. Consumer spending is also headed in the right direction, but we cannot say it has completely shaken off the drag caused by the Covid-19.”

— Yoshiaki Shimamine,
chief economist Dai-ichi Life
Research Institute, Tokyo.

The
Economist

“Change your opinions, keep to your principles; change your leaves, keep intact your roots.”

Victor Hugo Writer



The tone of our fourth paper was framed by economist John Maynard Keynes' quote about escaping from old ideas. We now turn to the great nineteenth century French writer, Victor Hugo, to frame the current discussion. Roadside retail is ‘rooted’ across the globe. However, its historical core function to ‘fill up’ our personal and business transport with internal combustion engine (ICE) fuels is swiftly changing. The terms ‘gas station,’ ‘forecourt,’ and ‘petrol station’ are facing redundancy, and new roles await retailers with the vision to service the needs of local customers—whatever those needs may be.

Though currently very material, personal and professional mobility in the near-future will rely less on ICE fuels and the need to ‘fill up’ or ‘stand still’ at a fixed roadside location. There will of course be differences regionally in the pace of change; but even now, consumers in many markets have alternatives including public transport, carpooling, ridesharing apps, bike hire platforms, and e-scooters. The elimination of range anxiety on EV batteries further removes the need to visit a fixed location.

Our needs for mobility and food, however, remain interconnected. Transport combined with fresh daypart food, relevant local community services, online shopping, and last-mile logistics means that convenience and the ever-changing roadside retail sector have an exciting future.

“The certainty of cars becoming more fuel efficient, the high probability of transformational growth in the proportion of electric vehicles on the road, and the possibility of a reduction in overall mileage driven due to changing work patterns, will combine to considerably weaken by 2026 the main reason that people visit petrol forecourts and their convenience stores”

— James Lowman
CEO, The Association of Convenience
Stores UK

The CEOs of BP and Shell have publicly commented that EV charging will predominantly take place 'at home.' They have backed this up with home, business and public use charging acquisitions. These authors believe that retailers who pivot their roadside investment from ICE to EV re-charging without a strategic—and much larger—investment in fresh food for today and relevant local services will be disrupted and even disintermediated. Although we can't yet say 'Cokes, smokes and gas' are dead, we can certainly suggest where the future may lead. Long live the roadside mini-mart, kirana store, konbini, corner shop, indi' and bodega.

Solid state battery systems (as opposed to existing Lithium-ion) are forecast to be in vehicles from 2027. This, and future advancements in EV technology, will have a significant impact on the cost, range and charging speed of EVs - further evidence that the foundation of future roadside retailing is not EV charging.





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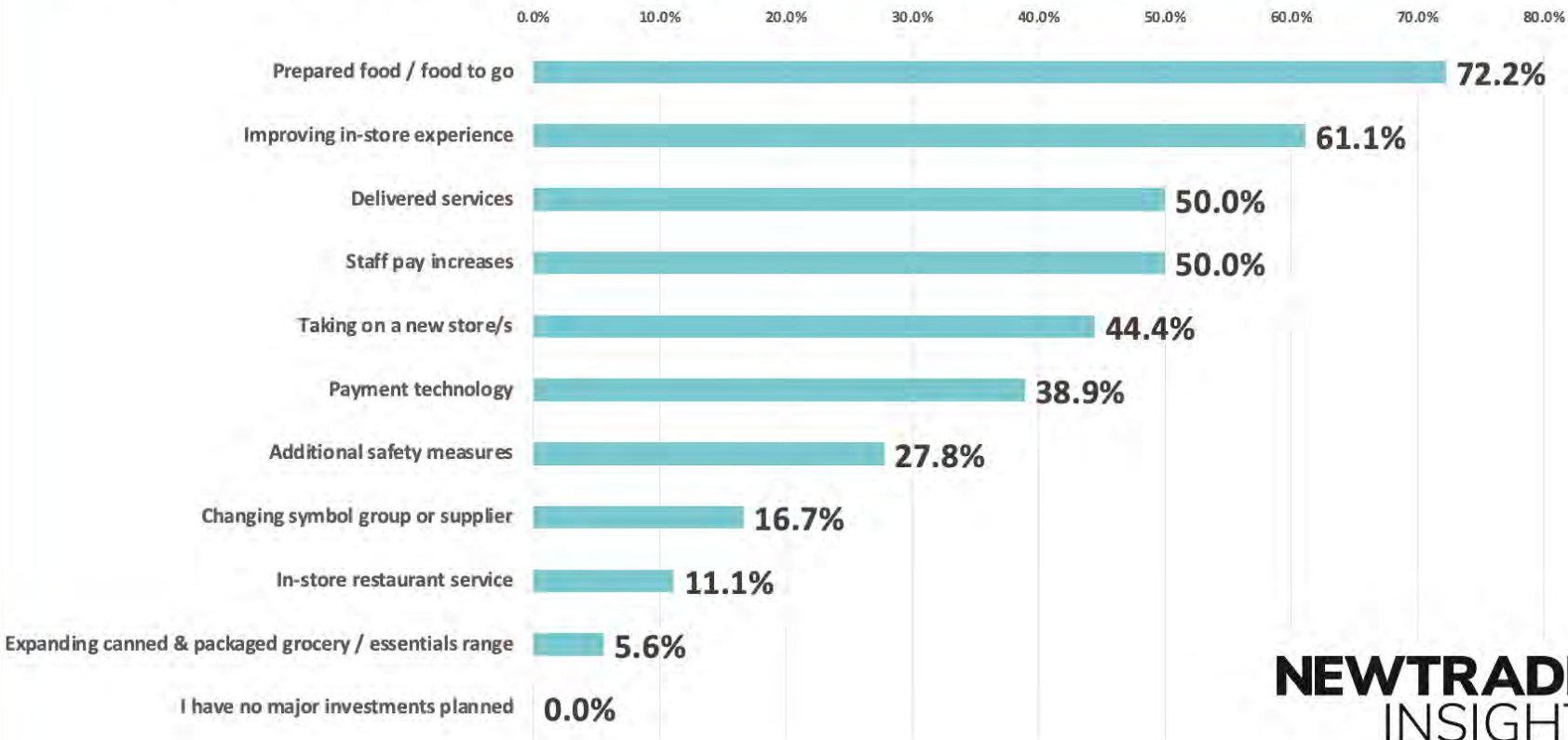
In January 2021, Newtrade Insight completed an investment survey across the Independent Retailer Owners Forum (IROF) comprising 1,500 stores in the UK and Ireland. The three areas with 50% or greater investment commitment are

1. Prepared food/food to go
2. Improving the in-store experience
3. Delivered services.

Interestingly, installing EV chargers to roadside or stand-alone stores did not feature.

Global roadside retail has been, and continues to be, a progressive industry that does not stand still. From our research, it is clear that there is no shortage of energy, enthusiasm, and willingness to adapt to the 'new normal.' There are businesses—many featured in this paper—demonstrating truly consumer-centric offers that are differentiated from their competitors. Other retailers remain committed to a 'Cokes, smokes and gas' sales model with the focus being on vehicles rather than people.

Where are we investing in 2021?



Our contention is that the industry as a whole must shift from planning to providing an adequate response to the key strategic question that will determine its future. “Why will the consumer of 2030 visit my roadside outlet?”

— The authors



3. MEETING THE NEEDS OF CONSUMERS

Lead Author: Sabine Benoit

Roadside retailers have come a long way in the last two to three decades.

The format has gradually evolved from one that puts the vehicle in the centre of its attention—with fuel, car washes, and sometimes even car services attached—to one that focuses on the driver of the vehicle. This shift led to a growing number of fuel stations adding retail stores, and the stores themselves have since grown into bigger and better-executed formats. Additional services were also added, such as ATMs and postal boxes. Such adjacent services were previously outsourced since mineral oil companies felt, or had experienced, that these were not their core competencies.

We are only now in the middle of this journey from being vehicle-focused to driver-focused in roadside retail. Now and in the future, retailers must be focusing on the people in their communities.



The question ahead of us is simple: ‘what comes next’?

The answer will almost certainly speak to the specific needs of people within their communities rather than the needs of drivers as a whole.



Let's examine three key issues emerging in this new decade.

FULFILLMENT

The pandemic led to a surge in online ordering—even for many of the most traditional consumers. Habits settle after a couple of months, and a large percentage of these new behaviors are here to stay.

From a logistical standpoint, addressing these demands at the ‘last-mile’ has never been easier. During a series of lockdowns, many of us spent more time at home than we wished. The roads were empty and people were at home, meaning no big traffic jams, less trouble parking for drop-offs, no second or third delivery attempts, and no searching for a neighbour who accepts one’s parcels. Social distancing often eliminated the need to fill out delivery notices and provide a signature. Drivers simply had to place the parcel on the doorstep and photograph the recipient.

If the amount of online ordering remains at a similar level as people begin to be out and about again, the system will be under extreme pressure both on the delivery and the receiving side. Pre-pandemic, a growing share of Amazon Prime members adopted the practice of relying on neighbourly goodwill to accept parcels to the point where the system was on the verge of collapse. Some of the authors have personal experience of uncomfortable conversations with neighbours who were a bit too willing to use this “free concierge” service.

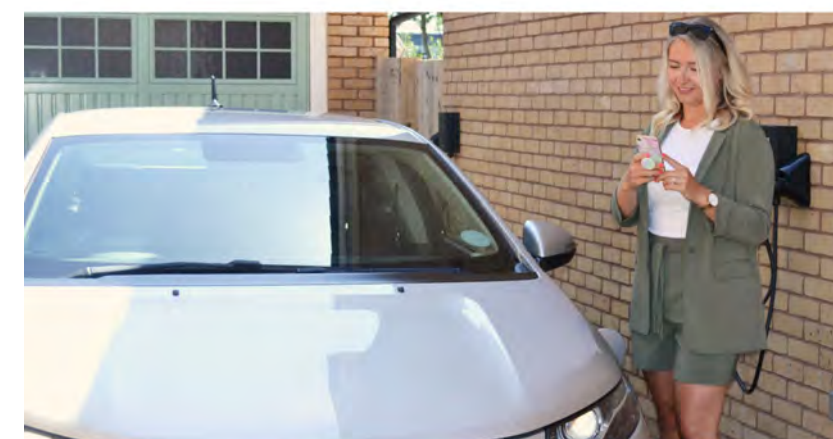
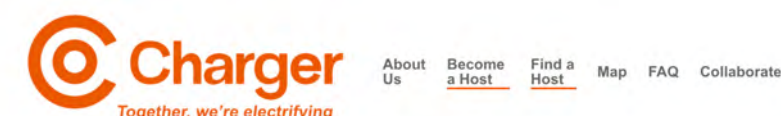
The demand for delivered goods is a permanent feature of the future, and there is a great opportunity for roadside retailers to create solutions that facilitate a smooth process for consumers. Retailers can integrate pick-up lockers into their portfolio of services—not only from Amazon, but also from pharmacies, laundry services, and other businesses.



Unbranded lockers that operate through a smartphone app, even for consumer-to-consumer transactions, are going to become common to the point where we ask ourselves how we ever lived without them. Supporting last-mile delivery is clearly another way that roadside retail can aid this. The potential for roadside retail to facilitate last-mile delivery is discussed in further detail later in this paper.

EV CHARGING

Many mineral oil companies have moved into the EV charging business. For example, BP acquired the UK's largest charging provider in 2018. Shortly after their press release, one of the authors attended a forecourt conference where it was the talk of the coffee break as attendees questioned what it meant for the sector.



Download the Co Charger App

“Logically it makes sense for mineral oil companies and fuel stations to move into this space; but in our view, driving the same customer throughput and financial value will be challenging without additional complementary offers and services as they will only be able to tap into a fraction of the overall charging opportunity”.

— The authors

One of the competitive advantages of roadside retail hubs is their ability to get people in and out as quickly as possible. Very few have the facilities required for time-enrichment while charging. Fast charging may be an option, but the global insight is that most consumer trips are short and the current range of battery electric vehicles (BEVs) is more than adequate.

The dynamics of charging may also develop in previously unanticipated ways. We have witnessed how Uber and Airbnb have disrupted the taxi and hotel sector in the last decade. The so-called sharing economy—in which platforms match consumers with peer-providers—is now moving into additional sectors. We predict that it will become normal for some private users to allow strangers to pay a fee to access their EV chargers during periods when they are not being used. This will provide them with an add-on income stemming from idle resources, and there will be no need to make it a profitable business. Competing with them on price will be nearly impossible. Unlike hotel rooms and transportation, electricity is a commodity. British start-up Co-Charger is already gearing up to “electrify together” and create a community of EV charging hosts and customers. While roadside retailers need to continue enabling the fast in-and-out customer journey, additional services will be needed if they want to be viewed as a competitive alternative to a cheaper charging solution in front of Joe's house down the road.



NATURAL NEEDS

Drivers have various “natural” needs beyond energy and food. The first and perhaps most natural one of all is the need to use a bathroom.

The urinal frequency for a healthy adult is between six to seven times every 24 hours. During the day, that equates to approximately every 3.5 hours or once on a 3.5-hour trip. According to the 2019 National Travel Survey conducted by the Department for Transportation surveying residents in England, the average vehicle trip took around twenty minutes. This means that a driver will have a natural need to use a bathroom around every tenth trip. Assuming that the driver has a passenger and their needs are not in sync, the number of trips halves to every fifth trip. (This is an approximate estimate and does not take all variables into account).

We of course need to consider that some people may be able to withhold addressing this need, particularly where they have concerns on the quality and cleanliness of facilities. In the UK, with the high service level of roadside retail offerings, top-notch bathrooms will most likely be seen as a frequency driver and yet another service in their portfolios. However, systems such as Sanifair (<https://www.sanifair.com/en/>) operating across continental Europe, show that there might also be potential to outsource and partner with companies whose core competencies are to put even more focus on all people in the car rather than just addressing the needs from drivers.



4. FRESH FOOD FOR TODAY

Lead Author: Dev Dhillon

The roadside retail and wider convenience industries have prophesied the value of fresh food for over 20 years. However, it is fair to say that consumer expectations of the food experience in roadside convenience retail is still low in most developed markets.

A number of ‘best-in-class’ roadside retailers have emerged in recent years, bucking the trends with innovation, quality, and enhancements to the overall experience. These retailers have become destinations for fresh food, whether it is through dedicated food concessions or a core range of bought-in products. Through the pandemic, these retailers have proven to be more resilient than their peers. They coped with the decline in fuel sales, sustained their revenue, and were able to profit due to the strength of their food and beverage propositions.

While these authors acknowledge that there are still many roadside retail groups lagging behind with their food offer, the past 12 months should have convinced even the most reluctant “Cokes and smokes” retailers of the need to evolve. The real risk is that the market leaders will move further ahead with their propositions—energised by recent successes and changes in consumer demands.



“Fresh food and beverage that reflect customers’ increased preference for healthy, organic or locally sourced ingredients is a large and unexplored opportunity for roadside retailers”

— **Dipayan Baishya**
CEO Strategy Future Group, India



Conversations on food often focus on the emotive side of the experience. Flair, taste, integrity, and creativity are the popular narrative; but in reality, successfully implementing a ‘food for today’ offer is more about the structural and strategic foundations that operators have embedded below the surface. Our view on these critical foundations is as follows.



There are two prevailing models in foodservice retail: artisan and engineered.

Artisan retailers deliver a consumer offer centred around a narrow focus, within a high-quality destination food experience, at a premium price. Typically these are regional cuisines produced by skilled labour and served within a heavily-branded outlet. The outlets themselves do not have to be located within the main roadside retail facility, as evidenced by the growing number of food trucks appearing at roadside retail forecourts across the globe.

The artisan food model represents the peak in experience and quality for roadside retail. However, it is inherently difficult to scale since much of the attraction is linked to the uniqueness, localness, and personalities of each team. The cost model—particularly labour—is also a barrier to entry for sites with lower footfall.

“**People’s expectations on good fresh food delivered with exceptional skill doesn’t stop when they pull into a forecourt, so don’t let them down. If you wow them you will get the repeat purchase - always**”

— **Thomas Ennis**
Thomas Ennis Group, Ireland

The alternative approach which has proven to be successful, is engineered foodservice where every part of end-to-end proposition, back-of-house and customer journey, has been engineered to deliver repeatable outcomes. This model of hyper-consistency is the realm of the Quick Service Restaurant (QSR) operators, and the gold standard in this arena has been set over the last 80 years by the McDonald's Corporation. The machine that sits below the facade of a McDonald's outlet has been constantly iterated and refined, from the original “Speedee” kitchen system to the latest version built around customer self-service screens. The principles of engineered foodservice are consistency and simplicity.

Customers know exactly what they are getting, and team members operate with tools and processes that are difficult to get wrong.

The last ten years have seen a significant rise in franchise concessions located within roadside fuel convenience outlets. Retailers have benefitted from the surety of the operational and commercial model as well as the ability to deploy at a rapid pace.

There are pitfalls to this approach. The initial capital outlay can be high—as can the implications for labour and space—and there is the risk around longevity. A brand may lose its appeal over time or become oversaturated within a specific market.

There are parallels that can be drawn with the evolution of retail coffee. The fourth wave—known as the science of coffee—represents the zenith of quality. The skill and dedication required to create this experience means that it is largely limited to operators with less than five outlets. The fifth wave attempts to take elements of the quality and experience from the fourth wave and create scalable versions within an engineered offer. These authors see a similar strategic approach in the way that leading food-centred operators like Wawa have brought concepts to their stores.

Development Wave	1 st	2 nd	3 rd	4 th	5 th WAVE
Focus	Traditional Coffee Culture	Branded Chains	Artisan Coffee	Science of Coffee	Business of Coffee
Period	Twentieth Century	Begins Mid-1990s	Begins Mid-2000s	Begins 2010s	Begins Mid-2010s
Dominant Brand	Retail/supermarket brands	Coffee shop chain brands	Artisan roaster brands	Custom in-house roasting	Smart boutique concepts
Defining characteristic	Functional	Lifestyle	Craft	Science	Focus
Defining emotion	Refuelling	Enjoyment	Love	Obsession	Excellence

SOURCE: Allegra Strategies (<https://www.allegrastrategies.com/>)

The challenge for progressive roadside retailers is to find the model, or combination of models, that work for them. The largest multisite roadside retailers have often chosen to invest heavily in branded partnerships, as is the case with EG Group through their global relationships with Subway, KFC, and Starbucks. Other global players have chosen to develop their own ‘engineered’ concepts such as the Wild Bean Cafe in BP sites. Developing the offer oneself requires a long-term commitment to invest in the expertise necessary to develop and sustain the offer, systems, and processes; ensure a credible supply chain; and continually update the insight behind the customer proposition.





DAYPART

Creating food propositions that evolve throughout the day is a significant opportunity for roadside retail. In the past five years, many restaurant brands have created new revenue streams by developing bespoke breakfast offers and serving consumers during periods where outlets would normally be closed. The ability to service consumers across dayparts can drive incremental sales and footfall, and it allows operators to justify the level of labour required to sustain extended food offers. These authors define the dayparts as follows:

- Breakfast (some providers list late breakfast as a separate occasion)
- Mid-morning break
- Lunch
- Afternoon snacking
- Dinner

There are also two more fluid dayparts:

- Hydration and energy
- All-day snacking



Daypart becomes an even more important future consideration for roadside retailers when you examine how the frequency and timing of customer visits could evolve in the coming years as fuel-driven visits decline. If the mix of business shifts from morning to evening, retailers will need to apply a similar shift to their focus on food.

Roadside retailers have been able to fulfill many of the dayparts through the sheer range and density of products provided within their convenience offerings. However, it is a minority of retailers that have applied specific development to daypart foodservice beyond breakfast, lunch and snacking. Building a credible offer is not easy. Certain dayparts, such as lunch, have a wide range of easily accessible and available options that are familiar to customers. It can be difficult to be perceived as unique. Attracting evening diners is a different type of challenge as the consumer mindset is more focused on indulgence and quality rather than just sustenance and a quick solution on the move.

Roadside retailers have been able to tap into the take-home evening meal opportunity through the growing ready-meal market, but the primary customer motivation here is convenience, not quality.

Delivering dayparts is an area ripe for innovation, and these authors look forward to seeing roadside retailers showcase new offers that meet this demand.

LOCALISATION

The global convenience industry has successfully deployed different formats, recognising that each geographical area has a unique demand profile based on the type and prevalence of local consumers. Customer need-states also change depending on where the store is located. This type of localisation is now being applied beyond retail packaged goods and is being used to ensure that fresh food for now is tailored to the local demand.



For multisite retailers, being locally relevant has meant having a suite of food concepts and segmented ranges that can be applied based on the specific customer insight. Urban convenience formats over-index on healthy food-to-go, energy, hydration, and indulgent treats. Fulfilling these need-states is top-of-mind for many urban consumers, and there is evidence that these trends are migrating into suburbs as an increasing number of consumers work from home.

The best roadside retailers already have localisation built into their food propositions. Localisation can be driven by data or through detailed research on local demand and competition. If the ultimate aim for a roadside retailer is to be a destination for food, they must be prepared to move away from a “one size fits all” approach in order to be locally-relevant to their customers.

Localisation applies to more than just food, and it is a consistent success factor that these authors have identified within this paper.

5. SERVICES (E.G. LAST-MILE SERVICING)

Lead Author: Frank Beard

It is not necessary to revisit the reasons why many retail sectors have been forced to embrace an omni-channel approach. Despite these disruptions, fuel convenience has largely remained a brick-and-mortar industry with little incentive to change.

This resilience is primarily the result of the industry's strength in selling a regulated commodity that most consumers rely upon every day. However, retailers are likely to face structural headwinds in fuel demand in the coming decades. At the present moment, technology companies are competing to perfect new models of last-mile delivery for immediate consumption convenience goods.



All of this adds up to a situation where retailers must reconsider their approach to “convenience” and consider solutions beyond their four walls.

The roadside convenience store of the past relied heavily on the fuel canopy as a source of foot traffic. It then sold a largely commoditized form of convenience that catered to the impulses and needs of a captive audience at the forecourt. Beyond the occasional impulse buy from consumers who lived in the immediate vicinity, these stores were not typically thought of as destinations.

The convenience store of the future will need to leverage its real estate and proximity to do more than service the needs of motorists. The ability of the fuel canopy to drive foot traffic will wane as electrification fractures the customer base, fuel economy continues to improve, and consumers in certain communities embrace remote work arrangements.

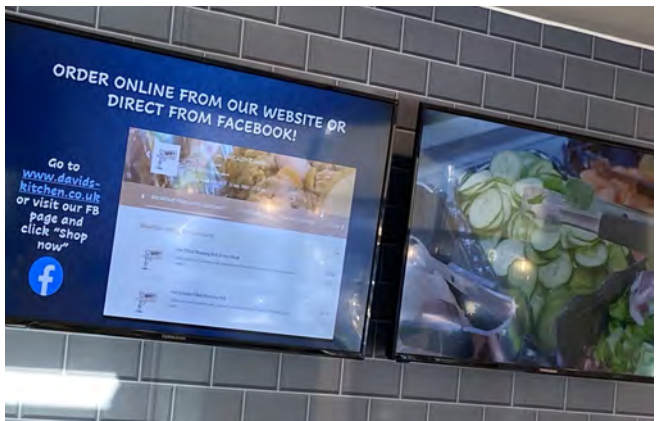
Consumer definitions of convenience have also changed. Beginning with Amazon and continuing with various pure-play eCommerce retailers, today's consumers increasingly expect to get what they want, when they want it, on their own terms. The gap between when a product is purchased online and when it arrives at one's doorstep has shrunk to the point where impulse snacks and beverages are often available in thirty minutes or less.

Indeed, the last-mile delivery of immediate consumption goods has become a hotly-contested battleground, attracting investments from the likes of SoftBank's Vision Fund. Beginning in 2013 as an idea between two roommates at Drexel University, delivery platform goPuff now operates approximately 250 warehouses at a valuation of \$8.9 billion.

While companies such as goPuff manage their real estate and conduct their own deliveries, aggregator platforms like DoorDash, Uber Eats, and Deliveroo rely primarily on restaurant and retailer partners who want access to their driver networks and sticky consumer marketplaces. The flywheel fueling the growth of these companies gained tremendous momentum from the Covid-19 pandemic and not only fueled many years worth of projected growth in a matter of months, but drove the formation of new consumer behaviors.



The delivery aggregators originated primarily as platforms for restaurants. Despite rapid growth since early 2020, few companies have posted profitable quarters, and they share a growing realization that a restaurant-only approach will limit their potential for profitability and scale. One alternative has been the expansion into groceries and convenience products—specifically the small basket sizes and impulse behaviors that require immediate, rapid delivery.



This poses both a threat and an opportunity to convenience retailers. Although 7-Eleven is credited with making the United States' first commercial drone delivery in July 2016, the industry as a whole adopted a “wait and see” approach with delivery as they had never been forced to react in the way that department stores, for example, were forced to respond to Amazon. This changed with the COVID-19 pandemic. Almost overnight, retailers were compelled to accept partnerships with third-party aggregators since very few had made investments in infrastructure of their own.

To be fair, there are advantages to using third-party platforms. Many consumers limit their decisions to the options presented on their platforms of choice, and the aggregators are attempting to increase stickiness with memberships that provide economic incentives for frequent users to avoid competitors' services. From brand discovery to sales growth, incentives are lined up to encourage individual retailers and chains to partner with the likes of DoorDash—provided they adjust their prices to offset the steep fees.

However, reliance on aggregator platforms does present serious risks. Not only does it limit the ability to control the customer experience, but it often limits access and control over one's data. Access to retailers' data provides aggregators the ability to strategically disintermediate and deploy their own virtual brands and dark store warehouses. DoorDash now does exactly that with its DashMart dark stores. Announced officially in August 2020 with locations in eight cities, posts on Reddit reveal “dashers” visiting early test stores as far back as January 2020. As of February 22, 2021, job postings reveal open DashMart positions in 51 US cities and 11 in Canada.

Retailers now face a fundamental dilemma. If they pursue short-term gains by partnering with third-party aggregators, they will add momentum to the growth of these platforms and increase the potential for disintermediation. In other words, they may be creating their own version of the Amazon Basics problem. Even if these companies prove to be less nefarious than they appear, retailers still have to question the utility of relying on third-party infrastructure to power what may become a crucial sales channel in coming years.



On the other hand, retailers can seize the opportunity to deploy first-party solutions in their respective markets and, perhaps, convert customers from third-party platforms using a variety of incentives and preferential pricing.

The next ten years will certainly present new considerations that are not apparent today. Even now, there is strong demand from many retailers and restaurants to control the front-end ordering experience but leverage the logistics capabilities of the aggregators to complete the delivery. It is possible that the dynamics will change as new business models are explored.

But convenience retailers should not ignore the advantages they enjoy through proximity and real estate. Leveraged together, there is an opportunity to create contextually-relevant last-mile solutions that speak to the needs of their respective communities in new and exciting ways.

The risk of doing nothing is that retailers may lose access to specific customer segments and moments, at best. The worst case scenario is they become perceived as a dated and inconvenient channel that's only relevant for motorists.

6. TECHNOLOGY AND DATA INSIGHTS

Guest contributor: Paul Boyle, CEO Retail Insight

Across the past year, we have seen dramatic shifts in food and grocery retail that show no signs of slowing down. However, there are some common truths that exist no matter the time or the retail channel—features that usually mark out success. I view the following as increasingly important for roadside convenience retail across the next five years as the offer expands beyond fuel, tobacco, confectionery and soft drinks:

1. Growth and optimization of space and range
2. Cost leadership through sourcing and scale
3. The location of stores to service an even broader set of customer needs

To achieve prolonged structural success, I predict that winning roadside retailers will look for opportunities to pick up the pace on M&A opportunities which drive scale, sourcing and supply chain efficiencies, while doing more to understand their shopper and operation through the intelligent application of data analytics.

“The other significant shift in behaviour which the channel embraced quickly was the ability to pivot into home delivery as well as click & collect services. We believe that this shift will continue to dominate the shape of convenience for years to come. The question ...is if this will deliver a long term benefit or become a major threat”

— **Theo Foukkare**
Australian Association of
Convenience Stores



BUSINESS INSTRUMENTATION

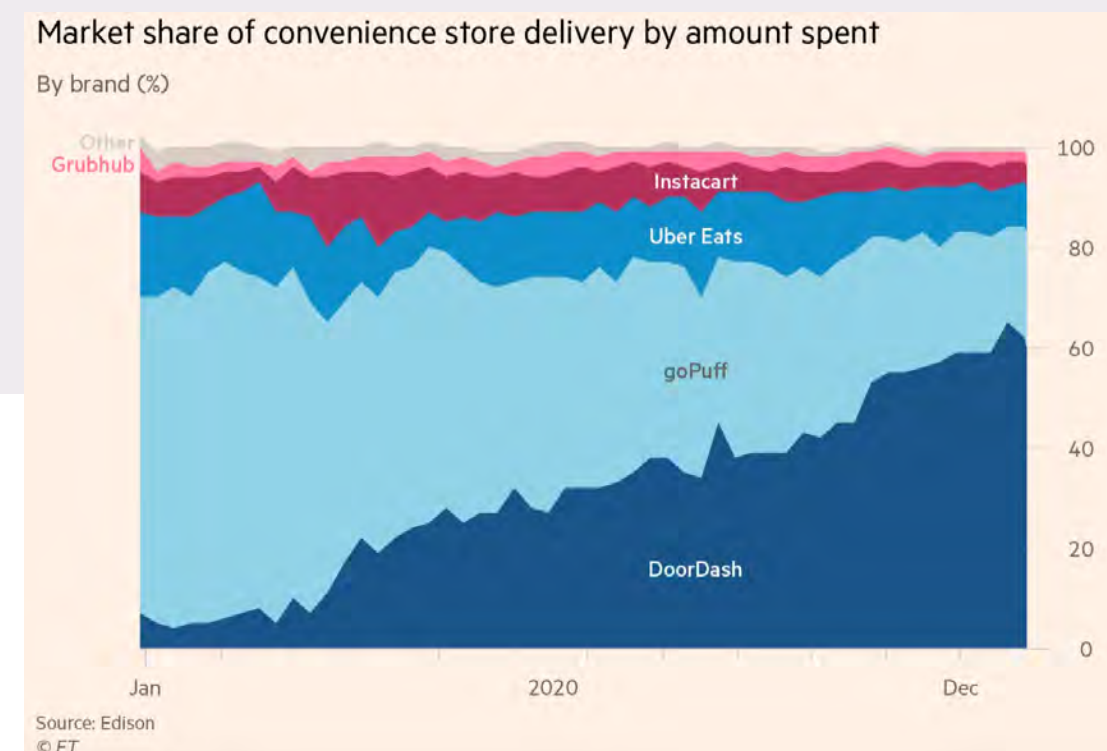
There is no doubt that roadside retailers across the world are recognising the increasingly blurred channels within fuel retail. The convenience retail offering is evolving towards food, and in particular fresh food, where supply chain and digital expertise are critically important. I predict that, just as we've seen in big box retail, success will be driven by an increased level of adoption of data-driven technologies. Very few winning businesses have yet to incorporate full data instrumentation across their operations, and retailers such as Walmart, Woolworths, Tesco, and Target now make data a core focus. Once integrated, the signals provide insight into changing consumer behaviours and allow them to evolve and enhance the customer proposition whilst continuously monitoring and driving profitability at the operational level.

MEMBERSHIP TO PERSONALISATION

Fuel loyalty cards have been around for a long time, but we are now seeing them shift from the transactional points-based models to the type of data-driven loyalty marketing that has been seen in big box retailers such as Tesco in the UK, with their game-changing Clubcard loyalty programme. Fuel savings will likely remain the top loyalty currency in the near term, but the consumer and behavioural insight gleaned will enable retailers to deliver a tailored experience in the long term.

Making sense of near-real-time customer data, intelligent mathematical models, leveraging artificial intelligence and machine learning techniques, can help brands offer highly personalised and relevant recommendations to each individual shopper. This personalisation will be aided by the growing penetration of mobile apps, paving the way for a new generation of offer capabilities utilising geo-location and proximity identification to deliver the right communication to the right person at the right time.

The impact of COVID-19 has reshaped how customers shop, and this will continue long after its effects have been normalised. We have seen a transformation in the demand for online—not only with Amazon and Walmart, but across many top convenience retailers. 7-Eleven is now offering their products to U.S. customers across nine different digital platforms, with significant expansion across the early months of the pandemic, and helping to deliver a **346% increase in convenience store orders in 2020 according to Edison Trends.**



**SOURCE: Market
share of
convenience.
Edison FT**

Membership apps and loyalty programmes can also provide the opportunity to make life easier for the customer. As shopping habits shift, it is not only important to know what customers want, but how they want it. Apps can drive curbside delivery and click-and-collect services across a broad range of shopping missions, providing great choice with arguably the most convenient of all delivery options. There is also the opportunity to increase traffic for fuel and top-up shops as Walmart has seen through the innovations made in online grocery pickup over the past five years.

These developments will not only provide huge benefits to the customer, but also masses of data to mine for valuable insight every day—including who shops at the store, why they decide to shop there, and whether they will come back for more. They will help convenience retailers to win more customers with a meaningful and compelling offer, and, once they're in, the instrumentation kicks in to connect all of their interactions with the business over time. By harnessing the data effectively, they will build a competitive moat that drives increased loyalty and stickiness for the long term.

FOCUS ON STORE ESTATE LEVERS

With all of these changes to service driven by the shifts in demand, basket size, customer requirements, and complementary offers, it is vitally important that retailers use and manage their space and range in store as effectively as they possibly can. These site locations should be considered strategic mobility hubs, and a set of leverageable assets.

Big box retailers have realized that the store of the future must adapt its layout and range to capture new shopper missions as they emerge—and so must the convenience channel. Dynamic, data-driven space optimisation capabilities will be a critical component in the convenience retail technology stack as they focus not only on delivering the right range in the right space, but also in managing the change required to address shopper needs on a more fluid basis

“The business model and sources of income will change, and location will be an important factor in determining the viability of many traditional forecourt sites. Big store footprints with a comprehensive range of convenience goods food service, drive-thru’s, click and collect facilities, and community based solutions will survive. The more transient locations with good food service will survive too. But for those that don’t have an offering beyond fuel or energy, it will be more difficult to build a viable model”

— Brian Donaldson
CEO The Maxol Group, Ireland

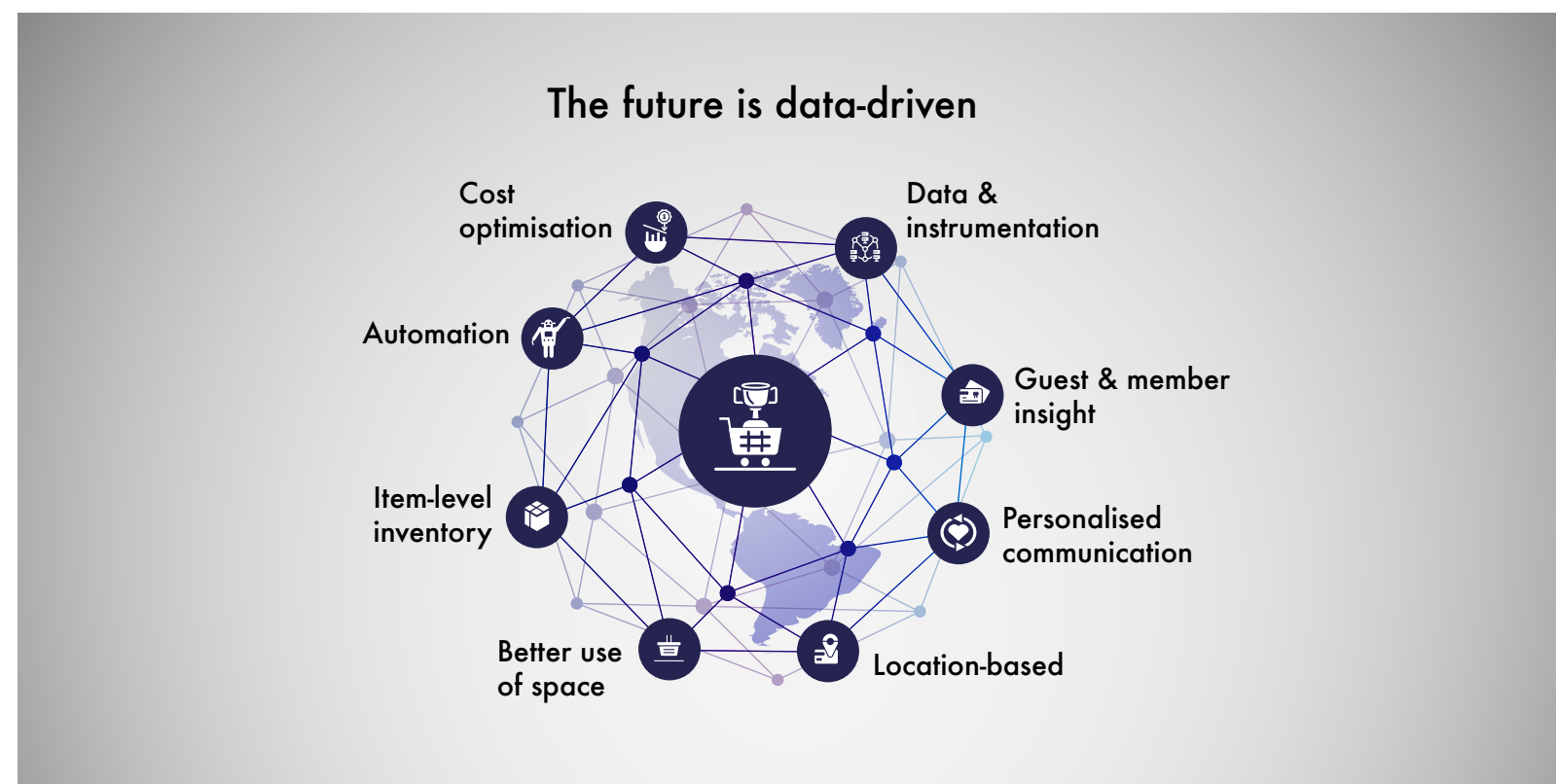
GRADUAL AUTOMATION

There is no question that automation will arrive in every labour-heavy industry. As labour costs grow, efficiencies in store operations and replenishment become ever more important. According to the ‘NACS State of the Industry Report 2019,’ the average U.S. convenience store had 6.6 full-time employees, attending to customers, overseeing third-party concessions, replenishing shelves, and preparing food. It is right to assume that these costs will be carefully monitored.

As English philosopher Alfred North Whitehead said, “Civilization advances by extending the number of important operations which we can perform without thinking about them.”

Retailers should therefore embrace technologies that automate their decisions and tasks. Employees should be free to provide services and sell to their customers. We think about this in the same way Boston Consulting Group does when they describe the “Bionic Company.”

Despite retailers such as Circle K and Ahold exploring unstaffed stores, my prediction for the next five years is that the evolution of automation will be gradual. We will still be some way off from the mass deployment of commercially and operationally viable unstaffed stores.



INVENTORY MANAGEMENT

With all of this future thinking, it's important to remember that good shopkeeping is, and always has been, about good inventory management. As Raman and Fisher said in their 2010 book, *The New Science of Retailing*, “Inventory... is every retailer’s nightmare. Carry too much, and you’re left with unwanted surpluses and margin-killing markdowns. Carry too little, and you face stockouts, missed sales and unhappy customers who end up shopping elsewhere.”

With major retailers, we have seen how much of an impact can be had by focusing on these fundamentals. One large retail client, focusing on item availability through a demand driven model with a simple execution process, consistently improved item availability by 0.5% every year with each percentage point representing 1% of comparable sales growth. As one executive said, the benefits are “virtually endless.”

For convenience retailers, it's essential to invest in item-level inventory accuracy and support it with tools and applications that manage forecasting, availability, and waste. This will create meaningful and sustainable returns on investment. I predict that we will see significant investment in the digitization of the upstream and downstream supply chain processes—with integration and connection being key. Excellence in execution is not just about customer interactivity in-store, but also the interactivity and loops of communication between the enterprise and the operative.

A WINNING PROPOSITION

The pandemic has demonstrated the resiliency of the convenience and roadside retail model. The diversity of the offer from fuel and grocery to food and restaurants has enabled it to adapt to adverse trading conditions—dialing up one aspect of the business whilst another is dialed down. With structural tailwinds in its favour, the potential for enormous scale through M&A, and the increasing role of technological innovation to drive consumer understanding, offer personalization, and operational profitability, there are huge opportunities for roadside retailers to win in the next five years and beyond.

7. CRITICAL SUCCESS PILLARS

Lead Author: Frank Beard

The fundamental question facing retailers in the next decade is simple:

“what would convince someone to drive to your stores or engage with you through digital channels?”

Despite what one might hear from management consultants and Forbes contributors, success does not hinge on the addition of loyalty programs, electric vehicle chargers, augmented reality, or other trendy strategies. Those may be well and good in specific circumstances, but that’s exactly the point: smart retailers will listen closely to the needs of their communities and utilize whichever tactics are contextually relevant.

“One thing is certain about the 2020s- roadside retail will see unprecedented change. Fuel demand will cease to be a driver of automatic growth, competition will heat up for every category, and we will see the rise of the digital native consumer. The right offer, in the right place, at the right price, will be table stakes for retailers to be successful in the coming years. Retailers who sit on the sidelines when it comes to customer engagement will be left in the dust; however, innovating without understanding the customer is a potentially destructive proposition.

Looking at trends, it can seem like if a store does not offer electric vehicle charging, made-to-order food, and a loyalty app, it is doomed. On the contrary, the coming decade will reveal the retailers that are able to separate the pieces of the customer journey that actually drive business from wasteful ventures. Installing EV chargers where no one drives EV will waste capital and potentially hurt the brand. Spending capital on a new food service program when the bathrooms aren’t clean and the lights are going out won’t change a retailer’s fortunes. Building an app that doesn’t engage your customers will fail. The winners in the coming decade will be the retailers who invest in the right innovation for their business rather than trends”

— Brandon Lawrence
Founder, Fuel Insight, USA

To share an example from outside of this industry, consider a move made by Toys R Us prior to its demise in the United States. In 2017, the company introduced an augmented reality app called Play Chaser. Users could scan signs scattered across their stores and unlock mini-games and other experiments. While this might sound worthy of a keynote presentation at the next NRF Show, the problem was twofold.

First, it did nothing to rectify the very obvious problem that Toys R Us no longer had a differentiated product mix or a compelling customer experience. Its stores had become dated and dirty, its prices were perceived as higher than its competitors, and customers looking to visit a physical store had little reason to choose them over Walmart or Target. There were perhaps even fewer reasons to choose them over Amazon.



Second, it was preposterous to assume that any children would actually want to play these games. Why would any child demand their parents to drive them to Toys R Us to play hastily-developed AR games on a mobile phone when current-gen video game consoles likely existed in the home? A writer at The Verge succinctly summarized this situation in a headline from October 2017, stating that Toys R Us had released “an AR app that lets you interact with its failing stores.”

This story is instructive as we look to the next decade. In the spirit of clarity, these authors believe that thriving brands will rest on a foundation of four critical success pillars.

CONTEXTUAL RELEVANCE

Few retail channels are as closely connected to their communities as convenience stores. This hyperlocality is a powerful advantage, and the most successful brands will tailor their product offer, customer experience, and omni-channel strategy around the specific needs of nearby consumers.

Relevance is essential for engagement. The past few decades have seen the balance of power shift to consumers, as they increasingly have the option to determine their level of engagement with brands, rather than being forced to rely on lackluster retailers due to a lack of alternatives. This trend will continue. Irrelevant brands will be ignored as they become background noise.



CONSISTENT EXECUTION IN “THE BASICS”

As the ability of motor fuels to generate foot traffic diminishes, the bill will come due for brands that have neglected their customer experience. These brands fueled the “dirty gas station” stigma willingly as their once-essential nature rewarded it, but consumers will not see them as the destinations they need to be in in the coming years.



Retailers who view cleanliness, safety, great availability, value for money, and hospitality as investments and opportunities rather than expenses will be rewarded. When consumers have alternatives including the ability to shop at home, retailers cannot afford to neglect these foundational aspects of the customer experience. The most successful brands will seize the opportunity and use them as differentiators. Moreover, their diligence will help nurture a meaningful brand identity and deliver a truly convenient offer that consumers can interact with seamlessly.

MEANINGFUL BRAND IDENTITY

The most successful retailers will delight customers at such a deep level that they create tribes of consumer advocates. These individuals will not only reward them with loyalty, but they will proselytize their brand in both public and private conversations. In the United States, examples of this behavior can currently be seen with fans of Buc-ee's, Sheetz, Wawa, Kwik Trip, and others.



These results will be achieved through various methods, including creative marketing, consistent execution, unique product offers, and a relentless focus on being the best at specific aspects of the customer experience.

Retailers who pursue an omni-channel approach will find that their ability to delight at the store level will also build trust in digital channels and boost conversion rates.



WILLINGNESS TO EMBRACE NEW OPERATING MODELS

The next decade will witness new business opportunities available to the retailers who are willing and ready to experiment. The present day is already a rapidly evolving environment with news of micro markets, fuel delivery, ghost kitchens, and more. There appear to be no signs that this will slow down any time soon.

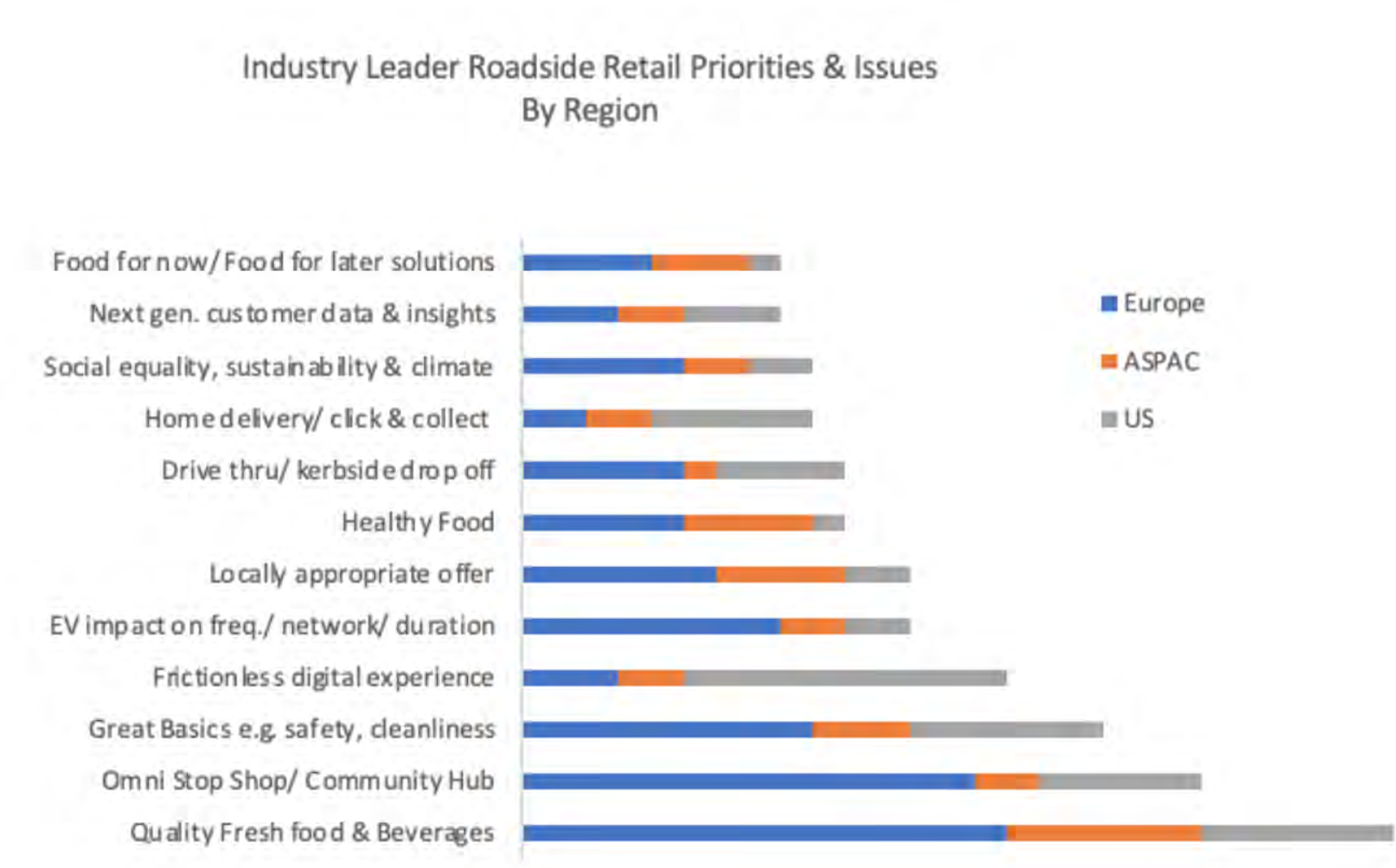


Some retailers may find that their current focus is sufficient and merely needs to be tweaked and further developed. Others may find that they are capable of expanding their brand into new formats. Regardless of the outcome, the most successful retailers will constantly ask how they can reinvent themselves rather than taking solace in their past successes and viewing them as an indicator of future returns.



8. INDUSTRY INSIGHTS

The authors have gathered opinions on the future of roadside retail from industry leaders across the globe. Their participation has enabled us to capture diverse views on the challenges and opportunities that will determine success—and perhaps even survival—as the industry advances into a period of significant change.



Although there are points of consensus on some topics, there are also diverging opinions on others—such as the applicability of EV charging. Regional variations also exist on priorities and areas where retailers see the potential for growth.

All contributions from industry leaders have been included, verbatim.

ACKNOWLEDGEMENTS

The authors thank Ragini Annan for her project management and oversight, Ebrahim Bhanpurawala at Webineering in Mumbai for his masterful production, and Samantha Beard for her patience and skill in editing and suggesting changes. We could not have published the paper without them.

We also thank those industry leaders—from Australia to the United States and many countries in-between—who kindly provided insights on the future shape of roadside retailing. To respect their contributions, we have published them in full in an addendum whilst incorporating the major themes throughout the paper.

Retailers from the Retail Leaders Forum, the Independent Retailer Owners Forum, and our global friends have kindly assisted with store photos. Wawa CEO Chris Gheysens obligingly provided our cover quote and illustration.

We are privileged that the foreword is written by the former BP Head of Global Retail, Darryl Burchell. Darryl’s wide-ranging experience was invaluable in honing the insights from other industry leaders.

ADDENDUM

INSIGHT FROM INDUSTRY LEADERS

ASIA PACIFIC



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Roadside retailing is among the more underdeveloped retail channels in India today - but not for long. With growing private car ownership and a fast-improving highway network, opportunities for roadside retailing are growing faster than most other formats. Anglo Dutch Shell, BP and Reliance and Rofsnets owned Nayara Energy are making large investments to challenge the dominance of state-owned companies in the fuel retailing sector in India. For each of them, the convenience store will be an important part of the forecourt retailing strategy to wean customers away from the state-owned fuel chains. It is also obvious that roadside retailing is barely affected by the rise in e-commerce. But that is no reason for complacency as new opportunities and possibilities will drive significant change that winners in roadside retailing will capitalize upon.

The rise in ownership in electric vehicles will increase the time spent by customers at fuel stations. Fresh food and beverage that reflect customers' increased preference for healthy, organic or locally sourced ingredients is a large and unexplored opportunity for roadside retailers. Appropriate assortments and experience design need to be developed for the future roadside retail outlets, rather than copy-pasting neighbourhood or convenience store formats or renting out space to a few local shop-in-shop operators. Cashier-less stores, automation and scan-and-go features can be far more appropriate and financially viable at roadside retail outlets than at convenience stores within the city or neighbourhood. There is a large scope and potential for this format to grow and transform, provided we are willing to reimagine the possibilities and opportunities that this format offers in the days ahead.

— **Dipayan Baishya**
CEO Strategy Future Group
India

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COVID-19 brought the greatest shift in shopper behaviour we have seen through our research in the past 15 years. Driven by panic buying and shoppers wanting to have less stops, convenience stores benefited from being an essential service and remaining open while competitors in food and coffee either shut or could only provide take away. Hot beverages have been the fastest growing category in the channel for the last 5 years, however, due to the white-collar segment mostly working from home, sales dipped especially during the mid-morning. We also saw a shift in buying behaviour for food, with healthier options like sandwiches being greatly affected by the working from home scenario as well, while hot food maintained a solid performance throughout the year.

The challenge as it now appears for convenience stores, is the changing environment for workers being out and about and how to get customers re-engaged in the categories that have suffered. Coffee machines are now largely prevalent in homes and less trips to the office means less eating occasions outside the home. The one category growing off a low base is ready meals which have seen growth of over 40% in 2020. Shoppers have now accepted the role of this category. While it has been a slow burn for retailers the next 5 years is a real opportunity to expand in this area.

— **Brett & Corinne Barclay**
Directors, Convenience Measures
Australia

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Fuel is a big business in India. However, based on the grade of the city there is a stark difference in roadside retailing. The 1.37 billion plus population of India mostly reside in rural India. About 35% reside in urban India where modern retail is prominent. Tier 1 cities are typically very congested with huge vehicular traffic. Space is a challenge. Mumbai for instance is tier 1 with a 25 million plus population and about 3 million registered vehicles. Hence fuel consumption is huge and vehicular footfall in petrol stations is high. However, due to lack of space, parking availability is a challenge. Hence roadside retailing is virtually non-prevalent in tier 1 cities.

Tiers 2 & 3 on the other hand have the luxury of space. Here roadside retail is more developed. But these are challenged by shopping malls which have a wider assortment to offer. Roadside retail or highway retail is fast gaining positive traction on the inter-city and inter-state highways. Traditionally, highway retail was a challenge in terms of the absence of foodservice, limited petrol pumps, no ATMs, etc. It was mainly confined to commercial vehicles hence the overall quality standard was standard.

Better road infrastructure has resulted in a drastic rise in car footfall hence modern facilities with well-maintained washrooms, clean food courts, shopping areas etc. have now come up which do attract car footfall. In fact, the footfall is so good that one may often see an F&B brand exist on either side of the highway.

Product categories where some deliberation is required by the end consumer are also gaining positive momentum. For instance: organic food, artifacts, toys, factory outlets etc. are getting good traction from the customer. Hence it can be said that roadside retailing in the form of highway retailing is pretty successful so far. Though it is still in early stages, the acceptance shown by the customer assures the huge future potential.

— **Pradeep Chechani**
Retail and digital analyst
India

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Australian convenience was not immune to the COVID-19 pandemic & its devastating impacts. Even with all the challenges presented, in-store merchandise sales achieved growth over the 2020 calendar year of 3 to 4%. During the early months of the pandemic with strict lockdowns in place limiting consumer movement, fuel volume declined by up to 60% for some operators, however, it ended the year suffering approximately a 10% decline. Foot traffic was also significantly down, however, the average basket value increased approximately 50%. Food to Go driven by take home meal solutions experienced 40% growth, as consumers were driven to change their eating out behaviours. The energy segment within beverages reinforced its importance in this category, now contributing to 40% of total category sales.

The channel experienced significant shifts to localised shopping, which benefited the independent retailers particularly in regional areas. Store locations in suburban areas increased their share of the grocery top-up shop as consumers sought out a faster shopping experience, without the lines & time taken to navigate through the larger format supermarkets. The other significant shift in behaviour which the channel embraced quickly was the ability to pivot into home delivery as well as click & collect services. We believe that this shift will continue to dominate the shape of convenience for years to come in Australia. The question that we do have the answers for yet is if this will deliver a long-term benefit or become a major threat.

— **Theo Foukkare**
CEO, Australasian Association of Convenience Stores
Australia

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For me, it's about putting the C back into convenience, I see successful roadside retailers needing to embrace and really leverage technology at the petrol pump and in the c-store. Customers must be able to pay for fuel without entering the shop if they choose, through mobile payment solutions, in-house apps or through vehicle plate recognition. In many areas I see fully automated stores becoming an expectation and customers will certainly expect to be able to order and pay through online platforms for coffee, food, etc.

In terms of real convenience, I envisage the need for retailers to be able to deliver pre-ordered items from the store to the customer at their car. This is all made easier if the retailer can deepen their relationship with the customer; not so much an old school loyalty program as the retailer being trusted to use customer information to make the customer's shopping experience seamless and tailored to their shopping habits.

— **Rob Mahoney**
Retail General Manager, Freedom Fuels
Australia

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The factors I think that will determine success for Bowser Bean Cafe, and the wider industry, are adaptability and creativity. Now more than ever, our cafe and convenience locations must be a one-stop-shop for every market we operate in. It is essential we get the basics right, such as quality freshly made-to-go food and barista coffee as well as providing our customers with an experience they can relax in and enjoy. Now that we have a loyal customer base—through developing the above key factors and getting the basics right—we can look to separate ourselves further within the market through new technologies and innovations, such as loyalty programs, click and collect, and more.

It is important for us that we innovate and evolve with our customers and industry so that we do not fall behind and do not have future potential worldwide catastrophes (COVID-19) halt our growth.

— **Matt Gronow**
Marketing Manager, Vantage Fuels and Bowser Bean Cafe
Australia

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We develop brands and design stores. Our clients operate fuel and convenience outlets in the Gulf region across diverse markets from UAE to Saudi and Oman. There are valuable lessons to learn and unique customer behaviours that can be taken forward to other markets. Here are three:

Make your roadside brand stand out. The Gulf has the biggest and best shopping centres in the world! Investing in enticing, innovative theatrical and cool roadside retail environments will make a difference when choosing where to stop. Customers want to see and be seen in the best and most interesting retail outlets.

Design your offer around your customer. Many large families make long road trips so create an offer that suits both children and adults. Spacious clean high spec' WC facilities, easy parking and quick easy access are critical. There is a diverse demographic from super wealthy to migrant workers, so offer a broad range at affordable 'non-premium' prices to suit a variety of ethnic palettes and pockets.

Put quality at the top of your agenda. Gulf customers are extremely demanding so be flexible and make excellent customer service the number one priority. It is every retailer's goal, but few achieve it! Make high quality at every touchpoint the goal from menu selection, retail environment, hygiene through to high quality design standards.

— **Robert Onion**
Chairman Circle Brands
Middle East

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The “new normal” in roadside food retailing is being driven by communities’ forward thinking on social equality, sustainability, and climate change. We are quickly seeing changes in regulation around alternate transport energy and methods, shareholders wanting profitability through a combination of social and environmental drivers, and consumers looking to engage with responsible convenience stores.

I foresee that network planning will require a tighter geographic spread as alternative fuels mean vehicle range will vary. Site footprint will need to cater for longer dwell times, as lengthier recharge becomes more prevalent. Product selection will need to align with more efficient supply chain movement to support emission reduction. This will all occur at a time when digital communication creates a symmetry of information—with consumers using community reviews to decide if you are a responsible retailer, and quickly calling out the good and bad of your brand.

If there is one critical fact that will separate those who succeed from those who fall away over the next five years, it is “community convenience.”

Community convenience will herald more localisation of offers through roadside retail. Working with local suppliers, we will better be able to reduce the distance in our supply chain and act to remove emissions. As footprint and dwell times change, alignment with complementary local retail offers will make better use of a customer's time inside the store. Digitisation will support local community activities as community convenience becomes the town hub.

On a national scale, community convenience will tap into broader social groups and movements. In the next five years, how a convenience retailer tackles recycling, water conservation, or energy efficiency will be as important as how a store is merchandised. How a convenience outlet caters to alternate diets or equally welcomes alternate lifestyle communities will be as important as running product promotions. The use of social media to communicate this to a large audience will be a major key to success of community convenience at scale.

This new (and future) normal in food retailing is not being brought on by the COVID-19 pandemic. If anything, the advent of social distancing, work from home, and reduced use of public transport has reinforced the old norms of roadside retail. In Australia, during the height of social movement restrictions, there was a sales increase in the old staples of convenience retailing. Consumers, looking for instant gratification to lift the mood of their lockdown day, snacked on confectionery, sipped sodas, bought ice creams, and consumed coffees.

What changed during 2020 was how the customer arrived at the store. There were more walk-ups and people on bikes—in other words, less driving to the store. These changes in trend were highlighted by a fall in fuel demand over 40%, with volumes not yet recovered to pre-pandemic levels. With consumers shopping closer to home, there was also a perception of a change in attitude, less haste, and more grace. In our business, we have termed this change in localisation, conveyance, and attitude, “community convenience.”

— **Nic Moulis**
Founder and Managing Director, Rennic Group
Australia

There are two critical factors that we need to focus on in the Australian convenience market to ensure the success of food for both now and the future. Those two critical factors are focus and trust. I’m on a mission to support all Australian convenience operators in becoming a trusted food destination and a great place for all things convenience.

Most times when I visit a convenience store in Australia or overseas, I buy a heap of food and then ask the owner or manager to join us, have a chat, and eat together. Many times, the offer is taken up and we learn a little more about the store’s food offer from the shopper’s perspective.

Often, they decline—and not because of the conversation. I’ll talk to anyone. In many cases, they won’t eat the food. If they won’t eat their own food for free, then why would they expect a customer to pay for it?

Part of the constant focus on making your convenience store a trusted food destination is eating what you sell. To really get into the shoes of your shopper, you need to try your food and see the world through their eyes. That means focusing on what your customer wants and understanding first-hand the quality of what you are selling. Make it a regular habit. If you or your staff don’t want to eat your food for free, then how can you expect a customer to trust the quality and pay for it?

Sometimes less is more. A smaller cabinet filled more frequently always ensures freshness. Watch your customers; are they ordering their first choice, or are they just taking what you have on offer because they need to fill their stomachs? Do you need to update your menu items? Most importantly, be proud of what you are selling. You can sell an average product once, but that customer will never come back. In this age of social media, average can only survive in business for a short time. The voices of shopper experience can spread fast and make or break you.

The basics of good, old fashioned customer experience delivered with a smile are a staple that we must never forget. An operator that is engaged with customers will help to bring repeat business versus a customer that feels like they are just a ticket number. Coupled with visibly clean surfaces and a store free of clutter, this ensures that people trust the food being served from your kitchen—and that they know it is free of contamination and safe to eat.

And as we always say: whatever you do, do it amazingly well. Your shoppers will thank you for it

— **Darren Park**
CEO, United Convenience Buyers (Australia)

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The successful mobility retailers of tomorrow will be the retailers who make changes now as part of their future business strategy.

Forecourts of the past saw services centred around distressed fuel purchases - 80% fuel and 20% kiosk/ shop sales. Forecourt retailing today is all about convenience to go - 50% fuel and 50% convenience with food service to go or to stay.

Forecourts of the future will be all about customer demands for convenience coupled with wider mobility and energy needs. Excellence will include customer experience and customer service, food, and beverage to go or to stay, eat, meet, work and rest. Consumers will also require an improved range of core grocery products and services.

Our business has already made fundamental changes. It's been 'evolution not revolution'.

We must remember that we will be still using fossil fuels in the near future and most EV cars will be charged at home or at work. Larger motorway 'super stations will have a role to play as EV charging points going forward. We must do two things right:

Firstly, we must understand that we are in the 'Customer Experience Business', convenience stores and food service stores that sell fuel.

A business strategy must be developed to maximise the customer in store experience which will improve our sales mix, grow margins, and drive profitability.

Stores will compete on customer service, experience, quality of food service and beverage and core grocery range.

Secondly, complete a property portfolio review:

This review must be based on both site size and location and what future consumers will require from these locations. Whether it's a city/ urban site, a local neighbourhood site or a motorway site, the convenience stores of the future must ensure they match their customer profile and their shopping requirements. Some locations may have no long-term future as forecourts and may be converted to convenience stores with parking or redeveloped for other uses.

Lastly, we will only understand how our customers will use our stores in the future by understanding our customer profiles.

— **David Bagnall**
COO, Triode Newhill Management Services Ltd. (SPAR Ireland)
Ireland

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Across the past year, we have seen dramatic structural changes in food and grocery retail and the rate of change shows no signs of slowing down. However, there are some common truths that exist no matter the time or the retail channel, features that usually mark out successful food retailers. I see the following as being increasingly important for roadside convenience retail across the next five years as they expand their offer beyond fuel, tobacco, confectionery, and soft drinks:

1. Growth and optimisation of space and range; 2. cost leadership through sourcing and scale, and 3. the location of stores to service an even broader set of customer needs. To achieve success against these, I would predict winning roadside retailers are going to look for opportunities and pick up the pace on their M&A strategy, driving scale, sourcing, and supply chain efficiencies, as well as an increased level of adoption of data-driven technologies across the total business to help understand changing consumer behaviours, enhance the customer proposition, and deliver a profitable operating model.

— **Paul Boyle**
CEO Retail Insight
UK

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Sustainability will be a driving force for successful roadside retail for the years to come. Readiness for the growth in EVs, sustainable on-the-go food offerings and suitable offering for hi-frequency top-up and community shopping trips. Winners will include those who can combine these needs into a destination roadside offering where people are happy to stay for 20-30 minutes versus getting away as quickly as possible.

— **Mark Brill**
VP Sales and Marketing, TOMRA Collection Ltd
UK

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In our 5 Year plan we believe diversification will be at the core of our company's growth strategy. We are constantly looking at ways we can differentiate, diversify, and evolve while continuing to pave the way to a more healthy and fresh food offering with multiple options, increasing the choice for our customers, and growing the share of income from food. This is evident through the introduction of additional dining options that give customers more choice across different times of the day including Freshly Chopped, Subway, Supermac's, Insomnia, Abrakebabra, the new-look SPAR & MAXOL Deli and the advent of our own-brand 'Instore Kitchen' range.

We are doing all this while embracing new technology, sustainability and being in the heart of the community with locally focused bespoke offers.

— **Shane Cantillon**
CEO, Cantillon Group
Ireland

As we move through the next decade, we see two things driving the longevity of roadside retail sites; a fresh, balanced food offer combined with a clean and comfortable store environment. Stores which are comfortable, clean, and convenient places in which to dwell for a time and either relax or work, whilst offering a fresh range of tasty food, will retain their asset values for longer as the nation moves to more sustainable forms of transport. We feel customers will value both healthy meal solutions and opportunities to treat themselves, both as they travel and to take home. We're excited, therefore, as food makers, to continue to develop our fresh food proposition to suit these needs.

— **Paul Dobson**
Head of Convenience, Morrisons
UK

As we look out to a post-Covid future, many companies have already started to explore new opportunities in relation to roadside retail. In the past, consumers have had to make do with a relatively mediocre offer; grateful for a lukewarm coffee, a hot food takeaway option and a small convenience concession.

The consumer of today has considerably more choice in relation to the range and quality available in drive-thru restaurants and service stations, whether that be barista-poured coffee, a host of authentic world foods for sit-in or take-away, and significantly developed retail spaces. And the food experience, albeit vitally important, is only one part of it. Roadside retail has become a destination; places to work from, socialise in, entertain the family, charge the car or device and so on. It removes those pain-points of finding a parking space, paying for parking, and braving the weather. Instead, it meets the growing desire by consumers not to have to leave the car at all – hence the increasing popularity of the drive-thru model.

Looking to 2026, we're going to see growth in roadside & drive-thru retail and an evolution of convenience, leading to more innovation in terms of range, formats, locations, and indeed franchising opportunities.

— **Desi Darby**
Marketing Director, Musgrave Group
Ireland

The pace of change has never been so fast, driven by advances in technology, the urgent need to prioritise sustainability and play a role in protecting the planet, new behaviours since the pandemic and the accelerating shift towards a greener, carbon free world. To stand still is to move backwards. Agility and access to big data will be critical for retailers to understand the needs of their customers together with embracing all forms of technology to remove any inconveniences that might act as barriers to convenience retailing.

Artificial intelligence, virtual and augmented reality tools and of course, mobile will be vital in keeping up with evolving consumer demands. The range of products and services instore will expand and food trends will change. For roadside retailers the biggest challenge will be the transition from petroleum to renewable energies for charging electric vehicles, and staying relevant, particularly as home charging is predicted to be the preferred option for c. 80% of EV drivers.

The business model and sources of income will change, and location will be an important factor in determining the viability of many traditional forecourt sites. Big store footprints with a comprehensive range of convenience goods, food service, drive-thru's, click and collect facilities and community-based locations will survive. The more transient locations with good food service will survive too. But for those that don't have an offering beyond fuel or energy, it will be more difficult to build a viable model if largely dependent on attracting EV owners to charge on site.

There is much to unfold on battery and vehicle technology that will either accelerate or hold back the transition to a new dawn. But one thing is certain, it will happen, and retailers need to be putting their strategies in place now, to help future proof their businesses.

— **Brian Donaldson**
CEO, The Maxol Group
Ireland

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I took on my first Maxol forecourt in November 2011. Bringing our fresh food experience and the vision that Brian Donaldson had for Maxol at the time, we quickly established the store as a very busy food to go destination. I always stood in the forecourt and looked at the opportunities in the store on how we could sweat the asset - whereas traditional fuel people stood in the shop and looked out at the pumps.

We've added two more very busy forecourts since then. I took on one with no fresh food sales and it now has a 45% fresh food participation.

Fresh Food To Go is the key to all our success. I feel a good food to go offering with a range catering for all needs - vegetarian, vegan and traditional - is now expected and not seen as a USP. Peoples' expectations on good fresh food delivered with exceptional skill doesn't stop when they pull into a forecourt, so don't let them down. If you wow them, you will get the repeat purchase - always.

— **Thomas Ennis**
Thomas Ennis Group
Ireland

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For all that will change in the next 5 years, we're confident in something that won't – the customers' expectation of a safe, convenient, and high-quality food offering from their roadside retail providers.

Covid has shown the immense importance of a visibly safety-led retail environment, and we believe this will prove a key differentiator as consumers come to expect the highest levels of assurance for their health. As it translates to the offerings, there is newfound demand for a more holistic approach to healthy products and food – with the additional expectation that there will be no compromise on flavour, sustainable packaging, and convenience.

On the transaction side, the pandemic has also heightened demand for a mitigation of touchpoints and pinch-points in the retail space – customers don't want to experience any unnecessary 'friction' along their transactions. For this, we see a further evolution of the friction-less 'Grab and Go' offering across all roadside retail sites so that the customer can move smoothly and safely from product, to purchase, to consumption.

— **Frank Gleeson**
Region President/CEO Northern Europe Aramark
Europe

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There's a lot of uncertainty at present and how our respective businesses fared through the lockdowns. It was in some part down to location, sector, and luck. Going forward in the 'new norm' there are going to be lingering doubts, will sticking with what we know cut it going forward? However, some things never change: surround yourself with a good team, manage the manageable, act fast and adapt, will help us to win.

— **John Moran**
Proprietor Moran's Retail
Northern Ireland

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Roadside retailing over the next few years will move more and more to ultra-convenience. For the customer on wheels, the ability, or the operator to pull together efficient drive through systems will succeed. Where this is not possible, easy parking, easy access for electric charging points, then slick offerings of freshly baked, home produced product and locally sourced food stuff will win hands down for its unique experience and the good feeling that comes with supporting the locality.

If electric cars can be turbo-charged in 30 mins then meals solutions must be built around this. The key will be to make the stop memorable!

The walking high street shopper will want the same. Ultra-convenience whether for breakfast, lunch or dinner is the key. Take home, or take to the office with as little further preparation as possible, however, the operator that can provide the quickest oven to plate or field to sandwich solution will be the winner.

— **Stephen Jempson**
CEO Jempson's Ltd
UK

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The pandemic has not only been a catalyst for change in roadside retail, but it will also necessitate it. As fuel volumes continue to decline with the switch to electric, the need will be to attract a local, destination shopper as well as the transient one. Recognised brands will need to sit alongside local ones with emphasis placed on provenance. EV charging will no longer be a 'nice to have' it will be expected as will the reliability of the charging point. Locations such as Gloucester Services and Parkfoot Garage give a glimpse of the future and their phenomenal success show it's what the consumer already demands.

— **Jonathan James**
CEO, James Convenience Retail Ltd
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Roadside retailing is changing fast. It is no longer possible to rely on fuel sales and a limited impulse offering, customers expect much more. To thrive retailers need to utilise shopper insights and tailor an in-store offering that meets the changing needs of the modern consumer. The modern roadside retailer needs to offer a broad range of products, including fresh, covering a variety of meal occasions. In short, the roadside retailer of 2026 should aim not to be a fuel retailer with a grocery offering, but a full-service grocery retailer with a fuel and state of the art rapid electric point charging offering.

— **Victoria Lockie**
Head of Retail, Nisa Retail
UK

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The certainty of cars becoming more fuel efficient, the high probability of transformational growth in the proportion of electric vehicles on the road, and the possibility of a reduction in overall mileage driven due to changing work patterns, will combine to materially weaken by 2026 the main reason that people visit petrol forecourts and their convenience stores.

Roadside operators have invested heavily and effectively in converting customer visits into more convenience store sales, but the challenge facing these businesses now is different, and one that very few operators anywhere have truly gripped: how to make the site a destination for reasons other than selling fuel. The answer is unlikely to lie in replacing fuel sales with EV charging, most of which will be done at home or in locations that fit with lifestyles and daily routines, notably supermarkets. The more likely path to a sustainable future is a further ramping up of the convenience and food retailing offer, backed by new and more granular thinking about the community of local and transient customers being served.

I would expect part of this investment to be in new and innovative partnerships that can push operators further and faster in becoming a food and convenience outlet of choice.

— **James Lowman**
CEO The Association of Convenience Stores
UK

The adage 'evolve or die' is never going to be truer than for roadside retailing over the next 5 years. Successful retailers will be those that can adapt their fuel offer to meet the changing needs of new motor vehicles, whilst continuing to offer the most compelling offer to meet the personal needs of the motorist / customer. Without doubt those that can master food service will be on the winning side.

— **Guy Warner**
Proprietor Warner's Retail
UK

The core principles still prevail for roadside retail over the coming years. We need to be relevant and convenient to our customers. That means as independent retailers we continue to be fleet of foot and respond quickly to changing trends, technologies and dare I say it, unforeseen events outside our control.

As food retailers we are certainly moving to a fusion of customer experiences where they can experience consumption in-store, take-home precooked or enjoy the cooking experience. We will have to fulfil all these missions, possibly for the same consumer, but also over all generational groups. This will be no easy achievement.

I think one of the important business changes we will have to make is in the way we staff our businesses. We will need to be much more efficient, making smart use of emerging technologies to ensure staff, for the most part, carry out only value-added activities. We will need to do this in such a way that we retain that important human contact with customers.

There is an opportunity to become the new high street, offering a social infrastructure where food shopping becomes less of a chore, where while wandering the aisles customers can take a break, sit and have a coffee with friends and pick up where they left off. Go to the post office, go to the bakers. This is just a reshaping of what we have.

That's the physical experience. We will also have to provide the virtual experience. Home delivery and click and collect will become a norm and we will have to find efficient ways to be part of this market. A credible offering in this sphere will be critical, we will have to find ways to be better than the multiples, which will require us to develop our USPs in a new and challenging retail arena

— **Terry Mulkerns**
Mulkerns EuroSPAR Newry
Northern Ireland

The Covid pandemic has caused faster change. In the UK we have been in a form of lockdown for almost a year. Habits have changed. My guess is that we will not return to the pre-Covid normal. Key trends have accelerated, business travel will decline, home working will increase, on-line shopping will increase, high streets will be repurposed, online education will change the way our kids are schooled, pubs will decline, and health will matter more. Our governments will be saddled with huge debts and will raise taxes, control public spending and pray for inflation. For roadside retailers there is a bright future for those that adapt quickly.

Many innovators are found in the independent sector. The key question is and always has been "what's makes your store different?". At David's Kitchen we will continue to offer more fresh food made on the premises, be it on sale or online. Our car parks will likely offer electric charging points and our customers will have bright, safe, clean environments to wait, shop, eat and drink in.

— **David Sands**
Proprietor David's Kitchen
Scotland

2020 has been a glimpse of life without so much reliance on traditional fuels. Predicting the future is always challenging but the best advice I'd offer is follow your customers! If you can keep apace of their wants; continue to position yourself and take a lead to encourage them to stay with you then there's some big opportunities ahead.

I believe significantly upping our game 'in the community' will be a big factor – making our outlets not only convenient stores but community stores. Whether local or transient, our niche must be making it easy to visit us with easy parking, speed of service and wide selection of products and facilities. Even those that wish to dwell want the basics to be fast and easy!

— **Patrick Sewell**
CEO Sewell on the Go
UK

To be successful in roadside retailing it is becoming even more important that forecourts are not just seen as sites to get fuel but rather are seen as convenience stores that also sell fuel, or allow you to charge your car thereby changing the consumer dynamic and reason for visiting.

Retailers will still need to plan with fossil fuel vehicles for the foreseeable future, well past 2026 based on current adoption rates, but need to be planning to pivot their business so they take advantage of the opportunities that societal changes will give the industry. These opportunities include longer dwell times in-store due to electric car charging which will dictate the nature of food offerings. Food offerings that cater for more than just grab and go and give the consumer the choice to get a full meal if needed will be more likely to be included in store layouts and will have a positive effect on pushing up average customer spend. As income participation from fuel will reduce, retailers will need to find new forms of income and this will lead to new strategic partnerships. We will potentially see more value-add offerings utilising the extra time that may be spent on site, such as online collections, pharmacies, kids play areas, etc. These value-added services will become clear differentiators for consumers in the future.

Over the coming years the land value and location of the forecourts will become one of their biggest assets. This would allow for a further pivot for roadside retailers to embrace mobility as a service (MaaS) which is expected to significantly increase its penetration into consumer behaviour thereby requiring retailers to adapt their offerings. If consumers shift their mind-set from their current view of asset ownership, then the location of forecourts becomes a key opportunity. Urban forecourt operators could be prime locations for ride sharing or could link with car hire companies to have cars available 24/7 for consumers who only need a car occasionally.

— **Nigel Scully**
Chief Commercial Officer Aryzta
Ireland

Service stations will become mobility hubs. On the one hand, fully automated unmanned sites and, on the other, out of home market cathedrals. Both will offer all necessary traditional fuels, but also the new alternative drive types. Non fuels retail services and food to go offers will attract consumers as the go to destination while they are on the move. The roadside winners will via in-depth data analysis be able to create an assortment which reflects the real customer needs at each site differently to explore the full potential per location.

— **Christian Warning**
MD The Retail Marketers GmbH
Germany

Drive to and Drive thru are the most exciting formats in coffee now. Space can be an issue. I can see us taking over failing forecourts and replacing them with coffee shops, helping us access more customers looking for a quick and convenient energy boost.

— **Sales Director**
Coffee shop operator

Adapt to consumer change or become obsolete. The future success of petrol stations will in essence depend on whether the mineral oil companies and the site operators are willing to give oneself up to the changing mobility needs and the dramatically changed consumer behaviour. Over and above the changes in different propulsion systems it will be essential for roadside retailers' success to adapt to high expectations from consumers with regards to quality, freshness, healthiness and sustainability. There are risks related to this for roadside retailers, but also great opportunities to seize this changed market for a new strategic direction. But the future starts today.

— **Walter D. Mangold**
WDM Unternehmensberatung, Europe's largest roadside retail trade fare www.uniti-expo.com - Germany

The route that roadside retail will take in the next 5 years will be very much dependent on the uptake of hybrid/electric vehicles and the Government support given to this. If you are a transient site, then food service will play an ever-increasing role in the site, whether that be in-house food to go, food service concessions or drive thru. Electric charging points with seating, workspace, Wi-Fi in-store must be a prime consideration for planning future sites. Pre order/prepay for such things as coffee/hot food will also play a role, as consumers continue to expect fast food delivered to them, when using the site.

If you are a convenience store that sells fuel, then they will continue to drive the local convenience offer, whilst also considering how their site is used and the role of electric over the coming years. Space on some sites will be at a premium, so expansion may be necessary if there is land available to accommodate the convenience store with an electric fuel offering.

— **Ian Taylor. Retail Director**
SPAR UK Ltd
UK

There are many factors that are contributing to a shift in the way roadside retailers operate and meet changes in demand from consumers. There have already been changes to the way consumers purchase, with an increase in costs and a surge in demand for challenging categories like food for now or to go, fresh and chilled. For roadside retailing, consumer demand will continue to change, and these retailers need to adapt.

Roadside retailing: destination for shoppers to stay for longer:

Forecourt retailers have been experimenting with electric charging, but is this the future of the sector? Not without making the site a destination where shoppers are happy to stay for longer, eat healthily and work in a pleasant environment away from the home and office; there will be less demand for petrol, but most people will not drive to a forecourt to charge their car when they charge it at home. In five years, forecourt retailers would have established that petrol and EV is not the sole purpose for consumers to come to roadside stores and would have established their offer to become a destination roadside retail outlet, food for now, for later and availability of fresh food will become important. Equally, plug points, Wi-Fi and private booths will be important as shoppers more and more will remote work.

Technology will play a part:

As delivery options via a digital platform become the norm, retailers will have more options to help process such transactions in the future. FMCG suppliers will better support retailers with this; category advice will no longer be the begins and ends at the shop fixture, there will be more support and ranging advice for these digital channels. Automatic methods of delivery (possible robots, as already tested in the UK) will also become the norm for some larger roadside retailers who are in and around residential locations. Roadside retailers by 2026 will have seen the importance of data capture using methods like digital loyalty schemes or digital screens to help drive bespoke marketing campaigns leading to increased sales. The future successful retailer will seize any tech opportunity that helps increase margins, reduces costs and drives profitable sales.

Finding efficiencies:

Consumers are increasingly realising that time is important to them. Lockdown has made people think about the importance of time, work-life balance and priorities and to some degree, this will stick. A conversation I recently had with a retail expert surrounded; how do retailers give back time vs customer expectation? Roadside retailers will need to find efficiencies in a challenging industry. So how can retailers serve in a profitable, sustainable and efficient way; ensuring demand levels are maintained?

Retailers will need to consider how long it takes to serve a face-to-face, click & collect or delivery customers (consumers will not want to wait) and how can retailers overcome growing increases in costs? Is their machinery efficient and driving margins, are they stocking items that are producing the most margins and how will they reduce serving time? Energy efficient equipment will become more important. Roadside retailers will also see increase in cashless transactions, saving retailers time in cash banking etc. Time saving will be important for both shoppers and retailers.

Successful roadside retailers that will be trading in 2026 will have questioned every aspect of their business, implemented technology to make efficiencies, and established their brand as a real point of difference making their store a destination store.

— **Parin Gohil**
MD Newtrade Media
UK



GLOBAL

People want to go places, but outsource the hassle - passenger car vehicle kilometres could double by 2040, with a quarter of those kilometres being shared mobility. On Monday Spencer talked about people shifting away from public transport and private vehicles into the so-called robotaxi. It's transport that allows people to use cars on an as-needed basis. It's the car summoned as a service, not as something that sits on your driveway waiting to be used a few hours a week. We believe digital platforms, along with convenient solutions, will underpin the growth of shared mobility.

Second, the internal combustion engine will be with us for some time; we see road transportation fuel demand potentially being broadly flat till 2030, gradually declining thereafter, but still remaining material. Despite a decline in that demand in OECD markets, it rises in growth markets, such as India, Brazil, Indonesia and Mexico. even in 2040. The US remains the number 1 fuel demand country - making our network there important, while China, India, Brazil and Indonesia make up the rest of the top 5 fuel demand countries, and together represent more than 50% of global demand, with Mexico no.7 - supporting our expansion in these countries. So, we see demand for hydrocarbon fuels continuing.

Third trend. Fuel diversification. Crucially, EVs are no longer the exception - and by 2040 scale-up to around 900 million, almost 50% of the car park. More than half of these EVs in 2040 are in the US, EU, UK and China. Of the passenger car EV usage, nearly 65% of the electricity demand is driven by shared mobility and fleets which operate in major cities and electrify rapidly in the coming years. For heavy goods vehicles, hydrogen is more logical - so by 2040 we see demand for hydrogen hitting potentially almost 16 million tonnes. That's equivalent to over 800,000 barrels of oil per day. And in addition, biofuels grow at nearly 5% per annum to 2030.

And the final trend. Convenience, small format and on-the-go food - the snacks, ready meals and coffee I mentioned earlier - continues to grow. Based on Euromonitor analysis, in 45 of the leading economies of the world convenience nearly doubles by 2030, growing at more than 5% per annum. We saw during the pandemic, people shopping on-line and topping up in local stores like ours. But it's a long-term trend too.

— **Emma Delaney**
EVP, Customers and Products, BP (2020 investors strategy statement)

Forecourt retailers must reinvent themselves to stay competitive in the game and to survive.

The traditional revenue streams of forecourt retailers today which are fuels & tobacco will decrease. More cars will be electric, and we saw global sales rising by 43% to more than 3m in 2020, despite overall car sales slumping by a fifth. Store sales mix will change dramatically. Less than 10% of the total sales in many stores today is in foodservice: these retailers will not survive. The successful ones will have a 50-50 mix of foodservice and retail items, with some 30% of foodservice sales being grab-and-go versus made-to-order.

How will the winners realise this growth of their non-fuel sales? As we have seen from the statistics, EV charging will increase. Forecourts face competition from supermarkets, pharmacies, banks and many more 'convenient for me' locations. The importance of becoming a one stop shop is relevant for all convenience stores whether they offer fuels or not. Customers will demand additional services such as entertainment, e-commerce package collection, bakery, pharmacy and especially foodservice. All these services must be linked with technology and e-payments. Traditional roadside retailers today lead with fuel and the in-store offer is secondary. The roadside retailer of the future will flip that and will lead with fresh prepared food and better-& healthy offerings throughout the store.

There are already successful examples of this around the world. The Irish forecourt retailers started this journey many years ago and are a global benchmark. They have developed their stores into a destination for fresh food for today. We can also see this in the USA in Wawa, Choice Market and other food led convenience retailers. To be relevant in the future, roadside retailers must understand that a foodservice concept needs to be completely thought through. There are added costs associated with foodservice, but these costs can be managed to drive sales and profits. It is not enough to put a roller grill in the store and expect additional sales or new customers. A successful foodservice concept means fresh & healthy choices, following new food trends and adapting according to customer behaviours.

The winners will be those who start now to adapt and redevelop. The future has already started, and early adaptors already see today how their decisions work out. New revenue streams, better margin and new won customers who are coming back are just some of the success factors.

— **Benjamin Nothaft**
International Key Account Manager Retail, RATIONAL International AG

In the future there will be fewer, better forecourts. The single biggest challenge for all operators is creating the right network for this future. This was already complex. And now many of the disruptions impacting roadside retail have themselves been disrupted due to the global pandemic, with dramatic changes in consumer behaviour, many of which will stick.

— **Dan Munford**
MD Insight Research

As the number of electric vehicles increases at a faster pace to home charger installation, roadside retail has an increasingly important role to play as a destination of choice for many. The fastest chargers still leave time for people to fill, and the retail offer in-store must reflect this. An increase in the quality and volume of the fresh offer along with good coffee and hot food to go are critical. The ability to pre-order, not just my food or drink, but also confirmed access to a fast charger would be of real value to most.

— **Andrew Phipps**
Head of Business Development EMEA & Global Futurist at Cushman & Wakefield, EMEA

We have experienced significant growth by partnering with existing forecourt retailers and building concessions within their outlets. This is a low capital route to expand, and we can see this model working in most markets. We also know that forecourt operators are now more willing to work with market leading brands that can take their food offer to new levels.

— **Business Development**
Leading global QSR brand

Of course, tackling climate change is mainly about the use of energy. Currently, about 85% of our carbon footprint comes from our customers' emissions when they use our products. That is where the real challenge is. So, we must have a role in helping our customers decarbonise: a mission of working with society to help it get to net zero. Because it is not good enough to just wait and see what society does. No. To help, we must shape that journey. I believe that is what our customers, and society in general, have been telling us over the last few years.

That mission does mean dramatic change for Shell – and that includes changes to our business plans over time. We must be net zero in all our operations, which means major changes at refineries, chemicals sites, onshore and offshore production facilities. But it also means that we must change the type of products that we sell. You cannot do that by just having different products which still produce emissions. We will have some oil and gas in the mix of energy we sell by 2050, but it will be predominantly low-carbon electricity, low-carbon biofuels, it will be hydrogen and it will be all sorts of other solutions too.

— **Ben van Beurden**
CEO, Royal Dutch Shell (2020 investors strategy statement)

The most attractive places to attract consumers is going to change in the post-pandemic world. With the rise in homeworking, we will see some decline in city centre outlets, moving closer to where customers are based in their new suburban centres. Roadside retail should be a winner here.

— **Marketing**
Global Coffee shop operator

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If the severe disruption induced by the coronavirus pandemic confirmed anything it is the power and importance of retailers being at the right place (proximity), at the right time (availability), with the right products (micro-market assortment)...and that's what convenience retailing has always been about and will always be about.

Successful roadside retailing in the future will require satisfying the convenience demands of mobile consumers through evolving and implementing made of the innovations introduced during the pandemic. Mobile order and pay, contactless shopping technologies, and Click & Collect will certainly grow in importance. But the “roadside” will also be moved closer to the point of consumption! Delivering the last mile solution will span from bricks & mortar pickup to a wide variety of delivery schemes to deliver the offer to the consumer's place of choice.

New technologies, new competitors, and new business models will become plentiful as the demand for convenience continues to grow and dominate the retail landscape.

— **Dr Henry Armour**
CEO
NACS

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I believe the future success of convenience retailing rests on our ability to continue to make our customers' lives easier. One of the best ways we can continue to deliver on this 'demand' is to find more ways to allow consumers to consolidate trips. People value time, and therefore convenience, more than ever and we have a tremendous opportunity to allow them to accomplish multiple tasks in a single visit rather than making several stops along their daily journey.

— **Joseph Sheetz**
CEO Sheetz

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Over the next several years, roadside retail will need to attract visits by more than just the visual dimension (the eyeball test) it relied on for decades. It will no longer be enough to have a large fuel price sign, compelling price, a (hopefully) clean and easy to access lot, to influence customer behaviour to shop the site. Within this decade, that long-standing consumer purchasing behaviour will endure seismic shifts, becoming more influenced by technology platforms able to make deeper connections. The future dimensions of consumer attraction will be more dependent on technology and other factors that will transform fuel retail marketing from an interruption during a travel journey to an intentional destination.

Information regarding fuel pricing will be more easily accessible and connection to a brand through loyalty and technology will influence visits as much as good site selection. Many of the common items sold by roadside retailers may be disintermediated by upstream competitors including manufacturers, wholesalers or new market entrants who were born digital first. The change to becoming a sought-after convenience destination must be fuelled by the creation of robust digital ecosystems and a proprietary menu of food and drinks that compete at a higher level than today's offers. In the end, factors like trust, sustainability and brand differentiators will be key and technology will play a role in supporting and serving them up to consumers.

— **Chris Gheysens**
CEO Wawa

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Trends that were present pre-covid have only accelerated, including consumers continued craving for convenience. Food First convenience retailers like GetGo will lean into even more frictionless everything. We will accelerate offers that provide a seamless, quality experience; from multi-daypart MTO and grab and go fresh food, to autonomous payment including subscription offers that allow you to shop and just leave. We will do all this while continuing to deliver our promise that we will always protect them and keep them safe.

— **Polly Flinn**
EVP Giant Eagle / GetGo

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In this new era of rapid consumer adoption of alternative means of procuring their everyday needs - partially brought upon and accelerated by unique and recent world circumstances - it is more critical than ever for roadside retailers to ensure that their offer is compelling across all relevant dimensions, including service delivery format, product quality, sustainability and healthfulness.

Recognizing these rapid consumer and competitive changes and, most importantly, having an understanding, vision and plan for how best to take advantage of the immense opportunity is paramount. Having a truly world view and perspective on how leading-edge retailers are accomplishing these very tasks is a critical ingredient to future success.

— **Ari N. Haseotes**
Entrepreneur and former President & CEO Cumberland Farms

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The operational cleaning and sanitation enhancements added to our stores because of the pandemic are here to stay and in fact will continue to evolve. Originally intended to address COVID, the addition of hand sanitizer dispensers and enhanced cleaning protocols have the added benefit of protecting against other, less lethal maladies such as the common cold and the flu. Continuing with these protocols is the right thing to do for our guests and team members and it would be difficult to justify the elimination of these new protective measures.

In addition to the enhanced sanitation practices, the pandemic triggered an increase in the use of contactless payment tools and procedures which are now becoming more and more common and an option that guests are coming to expect. We will continue to refine and enhance contactless payment to meet the needs of our guests.

— **George Fournier**
President, EG America

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Time is the one thing we can't buy, prepare or manufacture. Most of us are already thinking ahead to the next thing we must do, wondering what's on the other channel, where the next web link will take us. That's why convenience will determine success now and into the future – not just for 7-Eleven but for all roadside retailers. Over the next five years, the pace of life will only accelerate, and convenience will be more critical than ever. Whether that's in a well-stocked store around the corner from work or direct delivery to their door in 30 minutes, each transaction must be fast, secure and easy. The food must be high-quality, craveable, and a great value. If you aren't making your customers' lives less stressful and more rewarding today, you're likely to be the answer to tomorrow's nostalgic trivia question.

— **Chris Tanco**
Chief Operating Officer, 7-Eleven, Inc.

A retailer's willingness to think outside the box, to listen, test, and learn, will give them an opportunity to be a "convenience innovator" versus a follower. Investing in the right technology to support the latest in ordering, payment, fulfilment and staffing has never been more critical. Technology evolves at lightning speed, opening endless opportunities to improve the overall customer experience. Reciprocal, digital communication with customers is key to gaining insight on changes in shopping habits, as well as a snapshot of where things are heading. Building relationships with customers, appealing to them on a personal level and providing tailored, interactive experiences (beyond promos and rewards) will truly differentiate where they go to fulfil their convenience needs.

Without question, high quality food will be table stakes. Retailers who find ways to be creative and personalize the food experience, in repeatable, but not cookie-cutter ways, will be positioned to take advantage of changes in food trends and customer expectations. As destinations for "fast casual" quality experiences, customers will spend more time in stores, allowing retailers the ability to extend more services and become a habit in their lives. So, thinking beyond the traditional convenience models of today will be critical in determining what will be required in location, design, décor, layout, technology, and labour in the future. Retailers who innovate, incubate many different ideas, test, learn and even fail a few times, will be the ones who become "convenience destinations" for customers whether in-store, at work, at home, on the app or anywhere in between.

— **Lesley Saitta**
CEO Impact 21 Group

Separating innovation from waste. One thing is certain about the 2020s, roadside retail will see unprecedented change. Fuel demand will cease to be a driver of automatic growth, competition will heat up for every category, and we will see the rise of the digital native consumer. The right offer in the right place at the right price will be table stakes for retailers to be successful in the coming years. Retailers who sit on the sidelines when it comes to customer engagement will be left in the dust; however, innovating without understanding the customer is a potentially destructive proposition.

Looking at trends, it can seem like if a store does not offer electric vehicle charging, made-to-order food, and a loyalty app, it is doomed. On the contrary, the coming decade will reveal the retailers that are able to separate the pieces of the customer journey that actually drive business from wasteful ventures. Installing EV chargers where no one drives EV will waste capital and potentially hurt the brand. Spending capital on a new food service program when the bathrooms aren't clean, and the lights are going out won't change a retailer's fortunes. Building an app that doesn't engage your customers will fail. The winners in the coming decade will be the retailers who invest in the right innovation for their business rather than trends.

— **Brandon Lawrence**
Founder, Fuel Insight

As the entire world hopes to soon emerge on the other side of this coronavirus pandemic, it is easy to daydream about what the near future could hold. When convenience store teams look forward and strategize with their business, many wonder what the definition of success will look like. Many of those definitions will include specificities on volumes, gross profit, number of outlets, and efficiencies; however, a factor that should be pivotal to everyone's business strategy is food safety. Even the most successful food establishments can fall quickly to the perils of unsafe food consumption, and it is extremely important to ensure your operations have focused on foundational safety measures as you look to build out and revamp your foodservice offerings. No matter your number of sites, food safety is important in every kitchen that is serving guests. With such a low margin for error, a mistake could mean life or death. Along with the basic components of food safety which include Serv-safe training, team member training, cleaning procedures, kitchen build out design, and proper equipment for tasks, it is important for teams to review company expectations, monitor practices and immediately address any problem areas. Every successful foodservice program starts with precise food safety practice. It is the foundation to prosperous operations and will set your business up for success.

— **Colin Dornish**
VP of Operations
Coen Oil

Executives talk a lot about "risk", and most of the talk revolves around historic risk—meaning situations we have already experienced, such as oil supply shocks and recessions. While historic risk abounds, new types of risk can be the deadliest by being unique and coming out of left field. We just witnessed this with the pandemic. Pick your threat, the discussion flows to "what would we do if this happened", and we find that traditional risk has traditional levers of reaction baked into our systems. "New" risk does not. While we cannot handicap all of the risk we face, we can mitigate ALL risk by being nimble in our culture and our SYSTEMS. If your organization has not fully embraced migration to a nimble technology architecture (adopting APIs like Amazon, zealotry about your data dictionary) and your culture is not using it daily, you might as well get into a UCF ring with cement boots on. With the accelerated, technology-driven economy we compete in, being able to respond quickly may be the most critical determinant of profitability—and survivability.

— **Gray Taylor**
Executive Director Conexxus

Food and Technology will Determine Success at Travel Centers Over the Next Five Years
The future for the truck stop and travel center industry really distils down to one critical factor: food. Until cars are built with toilets and 3D printers that create food on the go, travellers will stop at truck stops and travel centers. The operators who will have the most success and maximize food sales will be the ones who embrace the technology that makes it easy for customers to get what they want. Unlike other fuel retailers, the truck stop and travel center industry is truly fuel agnostic. While commercial diesel is here to stay for the long haul, gasoline will continue to be under great pressure. However, as long as travellers need to eat, "refuel" or use the restroom, among other activities, truck stops and travel centers will be there to meet those needs regardless of what is used to power cars, be it peanut butter or electricity. That is why interstate fuel operators need to focus on food as a critical piece of their long-term survivability. Those that embrace food offerings, which are super-fast for customers to acquire through technology, will be the ones that succeed in the next five years and beyond.

Improved easy-to-use technology will range from the ability for drivers to order food while fueling and have it delivered to the vehicle—which will be particularly critical to professional drivers who are pressed for time—to improved curb side and drive-thru layouts, developments, and designs that keep customers moving. Today's travellers and local customers have many choices, and this makes speed even more critical. While traveling, the third customer waiting in line to order a made-to-go sandwich from your deli will not wait patiently to be served when they can simply order food on demand from the local Pei Wei and have it delivered to them via GrubHub or UberEats while they stop, fuel, and use the restroom. This in fact is already happening. Check your trash cans. If you're not already, pay attention to the technology that is available and what you're even using as a consumer. Who is using it well? What isn't working? How could you embrace technology to improve your customers' experiences?

— **Darren Schulte**
VP of Membership NATSO

Companies that will be stronger in five years than they are today will have aptly executed in two key areas—technology and data.

Technology continues to accelerate at a rapid pace, and winning companies understand that new tools and systems can support both their business and their customers at the same time. With no shortage of new technologies that could be implemented, a challenge lies in determining which path to take. An important piece of the solution is unbiased feedback on those opportunities.

Those same technologies will bring new data and insights. Winning companies will identify patterns both internally and across the industry to determine where they can become more efficient and better serve their customers.

Winning companies will stay ahead in technology and data by sharing ideas and strategies with non-competing peers

— **Jed Brewer**
President, Study Groups

Over the next five years, brands will continue to be flexible, agile, and adept at meeting the needs of the customers and communities they serve. The single most important factor in that quest will be a relentless focus on 'people first.' Success will be determined by those that embrace people as their most valuable resource. In this acceleration age, technology has moved at an ever-faster pace, but the brands and businesses that know how to truly understand the motivations of the people they serve will be the ultimate winners. Serving people means listening to, and understanding the needs of team members, consumers, investors, and other constituents. Having an authentic 'people first' focus will be the critical differentiator between winners and losers in the future just as it is now.

— **Derek Gaskins**
Chief Marketing Officer Yesway

The success of your business requires more than creating something delicious for money. You'll need to win the hearts of your customers by giving them something to love in addition to your incredible edibles.

You've likely spent hours developing your menu, sourcing your ingredients, and defining your process. Don't forget to invest time to define the personality of your brand so you can use it to help develop the look and feel of your branding elements—including memorable names for your menu items. "Grilled cheese sandwich", "extra-large breakfast burrito," and "chef salad" are uninspired and unremarkable.

One of the methods I use to help executives define the personality of a company is to have them select five or six adjectives to describe it. Two of those need to be adjectives that can't be used to describe a competitor, and here's the reason: if all of the adjectives that describe your brand can be used to describe your competitor, then there really isn't much difference between the two. From there, brainstorm names for your products that can be described by those adjectives. If your brand can be described as European or continental, then perhaps "parmanini" would be a better word than "grilled cheese." If your brand is described as over-the-top, then you might consider "parmeddon."

— **Ernie Harker**
Founder, Ernburn | Author of "Your Brand Sucks"
Former Executive Director of Marketing at Maverik

Last year, mobile pickup and delivery sales from convenience stores grew a whopping 346%. As services like DoorDash's DashMart and GoPuff proliferate, convenience stores are taking on new roles as last-mile micro-fulfilment hubs for everything such as alcohol, fresh food, and everyday essentials in new dayparts. Over the next five years, the retailers who can own as much of the entire end-to-end pickup and delivery experience as possible will thrive. While third-party marketplaces provide a quick way to test out delivery, they drive lower-margin transactions that have the potential to cannibalize existing retail sales while simultaneously obfuscating invaluable customer data.

Thanks to technologies like Olo Dispatch or Onfleet, retailers can now outsource the last-mile logistics to a third-party while focusing on building their digital relationships with their customers. For example, native delivery apps like 7-Eleven's 7NOW have seen average basket sizes double for online orders as growth skyrocketed. Owning the off-premise digital channel not only builds customer loyalty but also unlocks new revenue streams for CPG advertisers to individually target consumers at the point of purchase. As the pandemic elevated consumers' expectations of convenience retail, there's never been a better time to invest in building a digitally native experience that can create a positive flywheel between in-store visits and late-night delivery impulse buys.

— **Matt Newberg**
Founder, HNGRY

The critical factor in the next five years is to, once again, redefine the meaning of "convenience". Over the last fifteen years, the convenience industry, as a whole, has been transforming itself into a snacks and immediate consumable retail channel. A c-store is where you stop for "smokes and Cokes" and a sandwich—the perfect offer for the commuter who is on the go. However, the COVID-19 pandemic has profoundly altered our customers' lifestyles and needs. There will be fewer commuters as more people work from home, and customers will still want to reduce their time in large grocery stores with dozens of other people long after they are vaccinated, and the pandemic has ebbed.

To meet customers' new needs, c-stores need to reposition themselves to go back to the classic c-stores in the 1970's—the local mini-market/icehouse/bodega. Customers want to be able to top up their grocery items, have a selection of good fruit and vegetables, a range of dairy and breads, and pick up emergency household items either without leaving the neighbourhood and with the ability to be in and out of the door in less than five minutes. The continued expansion of online ordering and delivery will help c-stores to become mini fulfilment centers for the local community with faster delivery or pickup service than you can get from the grocery store or Amazon. We need to provide a more complete offer to the customer.

— **Roy Strasburger**
CEO of StrasGlobal and President of Compliance Safe

Consumer demands are changing so fast that all industries are affected. It is not good enough to look at what your industry leaders are doing but it is also imperative to look outside your segment. In the next five years, technology, government regulations and investment will change the fuels landscape and how the retail industry interacts with the automotive sector. (BP is already invested in finding new solutions for the mobility and convenience markets) Autonomous and electric vehicles, with different development timelines, will disrupt all traditional c-store/gas station models.

Operators need to be looking now at how to adapt and innovate to attract and engage consumers—whether by offering entertainment and non-traditional services while charging EVs (nail salons, coffee bars, yoga sessions, workshops), by looking at how hydrogen fuel cells will affect the forecourt, and by deciding how to become the destination and delivery store of choice as we move to shared ownership models and an uber lifestyle.

— **Eva Strasburger**
President of StrasGlobal and CEO of Compliance Safe

One silver lining from the 'pandemic period' is a broader acceptance by consumers of convenience sites as an outlet for food staples and made-to-order food products. Additionally, people continue to desire simplicity and control over food formats, the level of preparation required, and they seek technology that eases the purchase interaction or friction. It is all about 'stacking the odds in your favour' to build a holistic offering for consumers' need-states.

The successful retailers of tomorrow will be those who focus on satisfying hunger and thirst for their consumers while providing them with the ability to control the process of procurement and production. Roadside foodservice is not simply made-to-order or convenience foods, it must encompass a more holistic strategy that incorporates ready-to-eat (RTE) or drink as well as ready-to-heat (RTH) or ready-to-prepare (RTP). This broader view of foodservice is more akin to food retailing. C-store operators can solve individualized needs for consumers, but the same product or product package and format will most likely not be used to solve all needs. Refrigerated grab-n-go—important previously for reasons such as throughput, consistency, and labour—should now be a bigger consideration in an overall foodservice strategy.

— **Kay Segal**
Founder and Managing Executive, The Business Accelerator Team

Technology is the key to success for a convenience store in 2026, and smart operators are now modernizing their approach. From multi-transport network connectivity to autonomous checkout and loyalty enabled by artificial intelligence and machine learning, the collection of technologies that enable the digital infrastructure underpins the c-store's ability to succeed. C-stores no longer compete on convenience alone—online orders and contactless payment are mere table stakes—but they increasingly rely on food services to differentiate from the competition. Even food services depend on API-enabled digital platforms to engage with third party delivery services and ghost kitchens, receive and fulfil mobile orders, and keep the inventory fresh and inviting. Sub-par technology in a c-store today will become a devastating liability tomorrow.

— **Tim Tang**
Director, Enterprise Solutions | Hughes Network Systems

The convenience industry is facing a host of challenges and innovations that bring the threat and promise of mass disruption. This is particularly true for small, independent operators. This segment is the most vulnerable to these changes and faces what could amount to one or more extinction-level events.

Payments technologies will pose challenges especially as the window for EMV conversion at the pumps is about to close. These investments are a heavy lift for small operators, and many have chosen to forego the upgrades and risk potentially crippling fraud chargebacks.

Industry consolidation is another concern. I live in a rapidly growing suburb in the north Dallas area, and it seems like there is a new “corporate-gas” store popping up on every corner. These shiny new stores will be a serious competitor to existing small operators in both price and selection due to their buying power.

Dark stores from innovative and well-funded start-up companies, such as DoorDash, also threaten to do to convenience stores what Amazon did to bookstores. With online ordering and 15-minute delivery, ordering a six-pack and a bag of dog food will be as easy as ordering a pizza.

What are these owners to do? The critical factor in success or failure will be their ability to differentiate and innovate.

Given the massive resources and market power of larger brands, smaller operators need to be different rather than compete head-to-head. Every c-store is a hyper-local business. Location is everything. They need to “out-local” the big guys and consider new ideas like Amazon lockers, fresh empanadas, a curated wine selection, or whatever their communities need.

Once they know what to do, the challenge is to be innovative about how they do it. Don’t have space for an empanada bar? Consider parking a food truck on your lot or partnering with a local company to bring in fresh food daily. Retailers can also look to alternative payment technologies aside from the manufacturers’ preferred solutions.

The c-store industry is heading into a season of unprecedented change, and this will be challenging for small operators. But they have advantages, too. They need to “out-local” the big guys and use innovative thinking to execute their strategies. Just remember: different is better than better.

— **Len Denton**
CEO, India Innovation Partners | Veteran executive in fuelretailing technology

Thousands of people each day will be customers, passers-by, app visitors, or someone like “Paul” who will come back after work. Are you ready for them? Being focused on “customer readiness” is of foremost importance to being successful, and it will come in many forms. Each customer has their own expectations, their own wants, and their own needs. Perhaps Paul wants to place his order ahead of time and have it delivered pump-side. Listen to your customers. Use feedback systems like those on social media or at the point of sale, and, most importantly, engage your employees as to what customers are saying so they are ready. They know, for example, that “loyal Linda” likes when they know her name. Data will also help you determine how to be ready for the customer.

Perhaps ‘Frank’ expects a frictionless experience by having the sports drink flavour his kids want in stock. At the top of the list, as you develop any strategy, you need an approach and commitment as to how a campaign, a new ‘anything’ (site, concept, item, hire), or an operational policy addresses customer readiness and positions you and your employees to always be ready to succeed.

— **Ed Collupy**
Principal at Collupy System Solutions
USA

I suspect we’re all tired of hearing about the pandemic, but the world will not simply go back to the way it was before COVID-19. I see this through my work as a retail designer. The bar has moved too far with regard to safety expectations and social distancing norms. The customer journey has been profoundly impacted, and this affects everything including facilities, operations, technology, training and design, and the way retailers take products to market.

At a high level, convenience retailers will rethink their approach to store design and look to add drive-thrus, wider parking spaces, and multiple entrances with automatic doors. Adjustments will be made by many to enable delivery and curb side pickup.

Inside the store, retailers will respond to customers' safety concerns and their desire for social distancing. We will see an increase in touchless restrooms, wider aisles, and queuing systems near checkouts and delis. Additional spacing will be added to self-service systems as the days of standing elbow-to-elbow near the coffee and fountain machines are long gone. Additionally, some retailers will embrace self-checkout systems and redeploy store associates to focus on new cleaning protocols.

— **Mike Lawshe**
President and CEO, Paragon Solutions

The convenience store industry will always be a people business. For many years that meant putting the customer first — rightfully so, it seemed, since they were the people spending the money. But gradually, over the past decade, top-quartile chains started to separate themselves from that pack but instituting a strict employee-first focus. This transition in priorities has been extremely effective in retaining top employees, creating a winning corporate culture and transforming leading c-store chains into an employer of choice. When employees feel valued, they’ll create a better experience for your customers and, in turn, drive business up along with the company’s reputation.

This is crucial because current times require an exceptional corporate culture. The pandemic has wreaked havoc on retail across the board. To survive, companies have had to lean on employees and change their market approach to vastly changing needs of consumers. For example, traffic in c-stores dropped off precipitously during the pandemic. To meet customers' needs in key categories like foodservice, chains needed to transition to new services such as mobile ordering, curbside pickup, and home delivery. All of this is combined with changes to food preparation and safety, product packaging and supply shortages. These changes are complicated for leading chains in normal times, let alone under the pressures of a pandemic. What we are seeing is that the chains that have spent the time creating an outstanding corporate culture and investing in attracting and retaining great employees have been able to transition seamlessly to this "new normal" and execute at a very high level. Even with great products and favourable pricing, it is precisely a service-first culture that will determine which companies are successful going forward.

— **John Lofstock**
Vice President, the C-Store Decisions Group | Executive Director, the National Advisory Group (NAG)

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