

Convenience Store Foodservice - US - March 2019

Report Price: £3254.83 | \$4395.00 | €3662.99

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.



"C-store foodservice sales reached an estimated \$39.2 billion in 2018, up 33.2% from 2013. While c-store foodservice experienced strong growth in the past, Mintel forecasts growth will start to slow, with sales reaching an estimated \$48.1 billion by 2023."
- Jill Failla, Foodservice Analyst

This report looks at the following areas:

- Foodservice is not a top c-store traffic driver
- C-stores are not keeping up with competitors
- C-stores are not top of mind for dinner

Total c-store (convenience store) foodservice sales reached an estimated \$39.2 billion in 2018, which is estimated to be a partially recovered 5.9% year-over-year growth rate after a stunted 2017; while foodservice sales continue to grow, Mintel forecasts a lower growth rate relative to prior years. C-stores are seeing an unprecedented amount of foodservice competition coming from all angles, including limited-service restaurants, mass merchandisers, club stores, and internet-based retailers, and they're struggling to keep up. They will need to modernize their foodservice programs with a focus on health, quality, and affordability to stay competitive.

**BUY THIS
REPORT NOW**

VISIT:
store.mintel.com

CALL:
EMEA
+44 (0) 20 7606 4533

Brazil
0800 095 9094

Americas
+1 (312) 943 5250

China
+86 (21) 6032 7300

APAC
+61 (0) 2 8284 8100

EMAIL:
reports@mintel.com

DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market

Convenience Store Foodservice - US - March 2019

Report Price: £3254.83 | \$4395.00 | €3662.99

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Table of Contents

Overview

What you need to know

Definition

Executive Summary

Overview

Figure 1: Total US sales and fan chart forecast of c-store foodservice sales, at current prices, 2013-23

The issues

Foodservice is not a top c-store traffic driver

Figure 2: Convenience store visitation drivers, December 2018

C-stores are not keeping up with competitors

Figure 3: Convenience store foodservice attitudes, December 2018

C-stores are not top of mind for dinner

Figure 4: Convenience store foodservice consumption – Any item NET, December 2018

The opportunities

Invest in customer-facing employees

Figure 5: Convenience store loyalty drivers, December 2018

Off-premise business may recoup foodservice sales

Figure 6: Convenience store foodservice concept interest, by race and Hispanic origin, December 2018

Boost health and quality perception with natural/organic options

Figure 7: Convenience store foodservice attitudes, by race, Hispanic origin, and generation, December 2018

What it means

The Market – What You Need to Know

C-store foodservice sales recover in 2018

C-store competition is fiercer than ever

7-Eleven sees foodservice sales slip

Market Size and Forecast

C-stores foodservice growth rate hits 10-year low in 2017

Figure 8: Total US sales and fan chart forecast of c-store foodservice sales, at current prices, 2013-23

Figure 9: Total US convenience store foodservice sales and forecast, at current prices, 2013-23

Market Breakdown

Prepared foods continue to drive foodservice sales overall

Figure 10: Total US convenience store foodservice sales and forecast, by segment, at current prices, 2013-23

Figure 11: Total US convenience store foodservice sales and forecast, by segment, at current prices, 2013-23

7-Eleven foodservice sales slip

Figure 12: Top 200 c-store chain foodservice sales, 2015-2017

Market Perspective

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

EMAIL: reports@mintel.com

Convenience Store Foodservice - US - March 2019

Report Price: £3254.83 | \$4395.00 | €3662.99

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

LSR (limited service restaurant) competition is fierce

Figure 13: Top 200 LSR & C-Store^ percentage change in sales over prior year, 2017

Coffee segment sees seismic shifts

Restaurants increasingly cut into retail

New c-stores saturate a crowded market

Figure 14: Sandwich section in a Chicago Amazon Go store

Figure 15: Breakfast section in a Chicago Amazon Go store

Market Factors

Higher gas prices may hurt foodservice sales

Figure 16: US gasoline and diesel retail prices, January 2007-January 2019

Electric car unit growth rate more than doubles between 2017-2018

Figure 17: Total US volume sales of hybrid and electric cars^, 2015-18

Key Players – What You Need to Know

More dollars dedicated to foodservice

Better-for-you beverages arrive at c-stores...slowly

Delivery will be a must for convenience-centered brands

What's Working?

Reinvesting in foodservice with store overhauls, revamps

Better beverage developments proliferate

The anti-soda beverage set

Cold brew wars

More premium and sustainable coffee

Fresher snacking

What's Struggling?

Food safety issues run amok

What are some of the ways c-stores can prevent foodborne illness going forward?

Healthy and ethical eats roll out...at a slow pace

What's Next?

Natural and organic upscale c-stores carve out a niche

C-stores must move business off premise to compete

Alcohol will differentiate c-store experience

Figure 18: 7-Eleven wine display

The Consumer – What You Need to Know

Foodservice is not a top traffic or loyalty driver for c-stores

C-stores have a lagging health perception

Heaviest c-store users want more off-premise options

Young parents are key c-store customers

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

EMAIL: reports@mintel.com

Convenience Store Foodservice - US - March 2019

Report Price: £3254.83 | \$4395.00 | €3662.99

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Convenience Store Visitation Frequency

C-store customers are extremely habitual

Figure 19: Convenience store visitation frequency, December 2018

Young parents are key c-store customers

Figure 20: Convenience store visitation frequency, by CHAID analysis, December 2018

Men are core c-store users

Figure 21: Convenience store visitation frequency, by gender, December 2018

Lower-income consumers are most frequent c-store customers

Figure 22: Convenience store visitation frequency, by household income, December 2018

Black and Hispanic consumers are heaviest c-store users

Figure 23: Convenience store visitation frequency, by race and Hispanic origin, December 2018

Convenience Store Visitation Drivers

Location and price of gas are top reasons people choose their c-store

Figure 24: Convenience store visitation drivers, December 2018

Older consumers prioritize convenience highest when choosing c-stores

Figure 25: Convenience store visitation drivers – Any rank NET, by generation, December 2018

Hispanics prioritize food and beverage more than others do when choosing a c-store

Figure 26: Convenience store visitation drivers – Any rank NET, by race and Hispanic origin, December 2018

Lower-income consumers prioritize packaged food and beverages at c-stores

Figure 27: Convenience store visitation drivers – Any rank NET, by household income, December 2018

Convenience Store Loyalty and Loyalty Drivers

Nearly half of consumers are loyal to one convenience store brand

Figure 28: Convenience store loyalty, December 2018

Prepared foods and beverages are not top loyalty drivers

Figure 29: Convenience store loyalty drivers, December 2018

Prepared food and beverages are less important to c-store loyalty today than they were a year ago

Figure 30: Convenience store loyalty drivers, January 2018-December 2018

Food and beverages drive c-store loyalty for higher-income consumers

Figure 31: Convenience store loyalty drivers, by household income, December 2018

More women than men are loyal to c-stores because of prepared foods

Figure 32: Convenience store loyalty drivers, by gender, December 2018

Convenience Store Food and Beverage Consumption

Packaged food items and self-serve drinks are top purchases at c-stores

Figure 33: Convenience store food and beverage consumption, December 2018

Beverages are central to c-stores' food and drink programs

Figure 34: Convenience store food and beverage consumption NETS, December 2018

Younger consumers are heaviest users of c-store food and beverages

Figure 35: Convenience store food and beverage consumption, by age, December 2018

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

EMAIL: reports@mintel.com

Convenience Store Foodservice - US - March 2019

Report Price: £3254.83 | \$4395.00 | €3662.99

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

White consumers overindex for c-store beverages and underindex for foods

Figure 36: Convenience store food and beverage consumption, by race and Hispanic origin, December 2018

Convenience Store Foodservice Consumption

C-store foodservice is not top-of-mind for dinner

Figure 37: Convenience store foodservice consumption – any item NET, December 2018

Coffee and sandwiches are most consumed c-store foodservice items

Figure 38: Convenience store foodservice consumption – any daypart NET, December 2018

C-store baked goods are consumed more for snacks than breakfast

Figure 39: Convenience store foodservice consumption, by correspondence analysis, December 2018

Men are higher c-store foodservice users overall

Figure 40: Convenience store foodservice consumption – Any item NET, by gender, December 2018

Younger consumers overindex in purchasing a variety of c-store foods

Figure 41: Convenience store foodservice consumption – Any daypart NET, by generation, December 2018

Black and Hispanic consumers are heavier c-store foodservice users than White consumers

Figure 42: Convenience store foodservice consumption – Any daypart NET, by race and Hispanic origin, December 2018

Convenience Store Foodservice Concept Interest

Limited/seasonal and customizable coffee options are fairly expected c-store offerings

Figure 43: Convenience store foodservice concept interest, December 2018

Offering limited/seasonal, customizable coffee, and delivery service could appeal to a majority of c-store consumers

Figure 44: Convenience store foodservice concept interest, by TURF analysis, December 2018

Men aged 35-54 care the most about family meals at c-stores

Figure 45: Convenience store foodservice concept interest, by age and gender, December 2018

Young women prioritize c-store online ordering options

Figure 46: Convenience store foodservice concept interest, by age and gender, December 2018

Black and Hispanic consumers are most interested in online ordering and delivery from c-stores

Figure 47: Convenience store foodservice concept interest, by race and Hispanic origin, December 2018

Convenience Store Foodservice Attitudes

Only 15% of consumers are satisfied with c-stores' healthy prepared food options

Figure 48: Convenience store foodservice attitudes, December 2018

C-stores are more likely to draw men than women away from fast food competitors

Figure 49: Convenience store foodservice attitudes, by gender, December 2018

Gen Zers are least likely to find c-stores more convenient than fast food

Figure 50: Convenience store foodservice attitudes, by generation, December 2018

Hispanic consumers want more natural and organic c-store options

Figure 51: Convenience store foodservice attitudes, by race and Hispanic origin, December 2018

Rural c-store customers have seen the most improvement over the years

Figure 52: Convenience store foodservice attitudes, by area, December 2018

Appendix – Data Sources and Abbreviations

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

EMAIL: reports@mintel.com

Convenience Store Foodservice - US - March 2019

Report Price: £3254.83 | \$4395.00 | €3662.99

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Data sources

Sales data

Fan chart forecast

Consumer survey data

Abbreviations and terms

Abbreviations

Terms

Appendix – The Market

Figure 53: Total US convenience store foodservice sales and forecast, at inflation-adjusted prices, 2013-23

Appendix – The Consumer

CHAID Analysis

Methodology

Figure 54: C-store visitation – CHAID – Table output, December 2018

Correspondence Analysis

Methodology

TURF Analysis

Methodology

Figure 55: Table –TURF Analysis – C-store concept interest, December 2018

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

EMAIL: reports@mintel.com