

Petrol PLAZA

Four key trends shaping convenience retail in 2019

Byte Media and Joe Boyle, Director at FreshStop, discuss four trends that will continue to shape the future of the convenience store industry.



As convenience retail continues to grow as an industry sector, retailers must remain focused on the most significant trends that will see their businesses flourish, and in so doing, strengthen their standing in the ever-competitive retail environment.

“Convenience-store retail industry leaders came together to share expertise and experience at the most recent NACS Insight Convenience Summit 2018, which took place in Las Vegas, USA. Each year, one of the most interesting discussions is about how the latest trends will shape the industry going forward,” explains Joe Boyle, Director at FreshStop, the largest and fastest growing convenience retail brand in South Africa.

According to Boyle, the following four trends will continue to strategically shape the future of convenience retail:

1. **Food service categories**

Food service lines, and the variety thereof, are a crucial part of growing a successful c-store retail business. The industry internationally is bragging about an approximate 20% participation rate, whereas the leaders in the c-store industry in South Africa can achieve around 30% in stores with a food service offering, which far outpaces the industry norm.

Where c-stores have support of national supermarket retail brands, they can compete through price on grocery categories. On top of that, the innovation of QSR brands that offer the likes of deep-fried chicken, hamburgers and flame-grilled chicken, make the convenience store much more appealing to new trends that customers need and demand. Not forgetting, customers' on-going demand for healthier food options and a good quality Barista coffee offer.

2. **Frictionless shopping**

Frictionless shopping is all about providing customers with a personalised, enhanced, simplified and smooth shopping experience. For retailers to be successful, they must embrace technology and data throughout the process, from product innovation to the in-store consumer experience.

The most notable example of frictionless shopping is Amazon Go, the first completely checkout-free shop. Customers enter the store using their Amazon Go app, they fill up their shopping bag and simply leave the store when they've finished selecting items. The store uses cameras and sensors to know what has been taken off the shelf, so it can be charged to the customer's account. No cashiers, no long lines, no paper receipts.

This form of shopping will take some time to come to South Africa but retailers need to start incorporating technologies and processes to provide customers with frictionless shopping options.

3. **Evolve with change**

The evolution of motor vehicles and the possibility that petrol might be deregulated are base changes that would impact the viability of convenience stores dramatically. With cars being able to go further with less fuel, the rise of electric vehicle charging stations, and recent statistics that show customers are stopping at c-stores more often, retailers must come to terms with the fact that customers will only frequent those forecourt stores where they get the offer that suits them. Fuel stations that don't evolve will die.

In essence, the forecourt of the future will be revolutionised. The recharging/fuel stations will become the back court with the store/café becoming front and centre, so the retail offer has gained importance. For example, a regular c-store coffee customer will rarely think of buying fuel anywhere else but where she buys her coffee. Integrating mobile technologies such as apps to attract customers in-store, or offering them their favourite products on promotion via touchless payment is gaining traction.

4. **The customer experience**

The customer experience as a key trend sounds outdated but in order to remain competitive in an evolving retail environment, the future of c-stores relies on the customer experience and, at the end of the day, the in-store experience that includes ambience and vibe (music & infotainment) will help drive repeat business.

“The customer experience revolves around personality recognition and consistency. When you bring personality and training together, you create an experience where the customer feels recognised whilst at the same time being assured of every aspect of your business. There is much value to be placed on having the best wifi, the cleanest toilets, and working power points that works in unison with the tastiest food and the fact that the Barista knows exactly how you take your coffee,” adds Boyle.

**FreshStop, named International Convenience Retailer of the Year 2013 and finalist of the 2017 International Convenience Retailer of the Year Award, is South Africa’s fastest growing 24-hour convenience store brand and has a network of 296 stores countrywide.*