

STUDY REVEALS GAS STATION CONVENIENCE STORES 'EATING' INTO \$250B QUICK SERVICE RESTAURANT MARKET SHARE

43 percent of Millennials purchase more food from c-stores now than 3 years prior; Study examines how, why and where convenience store foodservice is gaining on QSRs

Fast food restaurants have been the go-to for a quick bite for decades. And as Americans get busier, gas station convenience stores have stepped up to provide exceptional, speedy foodservice, creating new competition in the market to contend with long-time restaurateurs. Foodservice now makes up nearly 23% of sales at convenience stores nationwide, growing three percent in the past 5 years.* Today we examine how, why and where convenience store foodservice is gaining on quick service restaurants (QSRs).

Our study found that 56% of Americans purchase meals at least once per month at gas station convenience stores, with younger Americans purchasing food at convenience stores more frequently. Twenty-five percent of those aged 30-44 purchase food 5 or more times per month, while 20% of those aged 18-29 purchase food at convenience stores 3-4 times per month.

A significant portion of 18-29 year olds purchase more meals from convenience stores than they did three years ago (43%), and 75% of Americans believe convenience store foodservice has improved in the past 5 years.

“Convenience retailers with compelling foodservice programs are a growing threat to quick service restaurants,” says Frank Beard, convenience store trends analyst at GasBuddy. “Data show that people choose convenience stores over fast food locations because of the convenience of an all-in-one stop for fuel and food, followed by a preference for the taste of the food at c-stores. Couple this with leading convenience brands like Wawa and QuikTrip rapidly expanding across the country, and fast food brands will be forced to find innovative ways to catch up.”

INCREASED DOLLAR SPEND & CONSUMER PREFERENCE

Frequent visits to purchase meals at convenience stores come with increased dollar spend. The study found that 1 in 4 Americans spend \$6-10 per week on convenience store foodservice, with nearly 20 percent of Americans aged 18-29 spending \$10-15 per week.

The most-preferred meals from convenience stores and QSRs include sandwiches or wraps (1), fresh salad (2), pizza (3), burgers and fries (4) and fried chicken (5).

“Convenience brands are well-positioned to cater to consumer’s tastes because they aren’t pigeon-holed into one type of cuisine,” says Beard. “Our study found that younger

Americans prefer more variety, particularly with newer menu items like burritos and pizzas.”

As for the time it takes to receive their food, nearly one third of consumers are only willing to wait 5 minutes for their meal.

When asked about what they don't like about fast food establishments, consumers cited unhealthy options as the top concern (1), followed by the quality of the food (2), restaurant cleanliness (3), and limited food and drink options (4).

Additional insights can be found by contacting advertisement@gasbuddy.com and by attending the National Restaurant Association Conference in Chicago on May 19, 2019 where GasBuddy's convenience store trends analyst, Frank Beard, will be speaking about this topic.

GasBuddy's Beyond the Pump Report: **CONVENIENCE STORES 'EATING' INTO \$250B QUICK SERVICE RESTAURANT MARKET SHARE**

Foodservice makes up 22.6% of in-store convenience retailer sales, with prepared foods making up 4.5% gross profit according to NACS. GasBuddy examines why, how, and where convenience store foodservice is gaining on QSRs.

Americans
regularly make
food purchases
at convenience
stores



56%
Purchase meals
at least once
per month

TOP 5

Preferred Meals from
C-stores and QSRs

- 1  Sandwiches or wraps
- 2  Fresh salad
- 3  Pizza
- 4  Burger & Fries
- 5  Fried chicken

Younger Americans ages 18-44 prefer more variety, particularly with newer menu items like burritos and pizzas

SPEEDY SERVICE

43%

are willing to wait up to
10:00m
for their food

30%

are willing to wait **ONLY**
5:00m



Top reasons consumers DON'T LIKE fast food restaurants:

TOO MANY UNHEALTHY OPTIONS

65%

QUALITY OF THE FOOD

53%

THE RESTAURANT IS DIRTY

33%

LIMITED FOOD AND DRINK OPTIONS

22%



If interested in learning more, contact advertisement@gasbuddy.com

Results based on 550 responses from a GasBuddy survey issued on April 24, 2019