

# What's Behind a Great C-store Shopping Trip?

Consumers know you're collecting data on them and want some payoff **By Renée M. Covino**

**E**xperience counts. More consumers today are seeking a great, if not exceptional, experience when they shop — and yes, that includes within the convenience channel.

In fact, the interpretation of “convenience” is changing across the spectrum, and has a lot to do with a customer’s perception of what constitutes a good or bad shopping trip.

“Five or 10 years ago, convenience was what consumers were willing to accept, by way of smaller product selection and food that was prepackaged and produced en masse, in exchange for faster service,” said Amina Altaf, director of product marketing for Boston-based technology company GasBuddy. “More and more, c-store retailers are figuring out how to give customers more ‘bang for their minutes,’ matching quick-service restaurants (QSRs) and grocery stores on healthy and fresh food options for shoppers who are still pressed for time, but unwilling to compromise on excellence.”

Through a recent launch of a ratings and reviews feature on its free mobile app, GasBuddy can now report on which c-stores rank the highest among consumers by state and by various categories, such as Best Customer Service or Best Coffee.

“For retailers and consumers alike, ‘convenience’ now applies less to the product — the old notion of whatever can be held in one hand, while the other is

on the wheel — and more to the customer experience — a high-quality selection of food and merchandise, fast and friendly service, clean stores and restrooms, and well-thought-out signage and store layouts,” Altaf explained.

Convenience stores have a great opportunity to localize and customize (by affluence, ethnicity, age, brand affinity, and more, according to Altaf) and then tailor their product offering to meet, and eventually exceed, what they know of their customers’ expectations.

“Convenience stores that stray from the one-size-fits-all mindset give consumers a reason to choose one store over another, and the success of a convenience store reflects their ability to create custom offerings that are in demand and reflect the local market,” she said.

Along the same lines, today’s customers are exceptionally savvy, noted Erin Rease, senior vice president of customer loyalty and global loyalty solutions at Aimia, a data-driven marketing and loyalty analytics company based in Montreal, Canada.

“[Consumers] know businesses have the tools to learn who they are and understand their needs, and they expect them to use this knowledge at every interaction to improve their experience,” said Rease. “They want personalized and relevant experiences. This, in turn, has an incredible influence on their loyalty.”

As more customer data is being actively and passively collected, “shoppers want some payoff in the



form of a clear demonstration that you know them and are tailoring the experience for them,” agreed DyShaun Muhammad, senior vice president of client services at Catapult Marketing, an agency headquartered in Westport, Conn.

Citing examples outside of convenience, Muhammad said retailers like Sephora and Wegmans over-deliver on experience, continuously creating an army of super-fans that attract more shoppers to those outlets who want to enjoy similar remarkable experiences.

“Great experiences, when done well, become an engine that feeds traffic growth and loyalty,” he told *Convenience Store News*.

#### THE FUNDAMENTALS

So, what constitutes the fundamentals of a great convenience store shopping experience?

First off, every c-store needs to have the basics solidified; those factors that should be a “given.” These include cleanliness, associate helpfulness, product availability and merchandising order, according to Raj Shroff, vice president of brand, strategy and design for Dublin, Ohio-based WD Partners, consultants in customer experience for global retail and consumer goods brands.

With those basics in place, it’s also important to realize that some things aren’t changing. “People still go to a convenience store for convenience, product breadth, consistency and price,” said Scott Bauer, of PwC (PricewaterhouseCoopers) U.S. Consumer Markets Partner.

Some techniques to differentiate and thereby drive traffic into a store that Bauer and PwC are seeing include: increased use of AdWords in search; mobile-based coupon offers that are regularly changing; and testing of proximity marketing or alerting customers via mobile alert of time-sensitive offers, he outlined for *CSNews*.

On the flip side, what’s driving customers away from the convenience channel these days is a lack of consistency, either in service, cleanliness or product availability.

“We’ve seen some experimentation in the use of technology to improve consistency,” Bauer said. Examples he cited are: computer monitoring of queues and how many customers abandon due to long queues or similarly alerting management to open an additional

## The Importance of Ratings & Reviews

Online feedback can play an important role if retailers positively respond

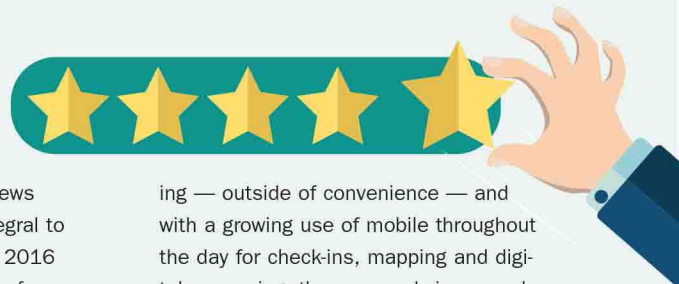
In the scheme of creating outstanding customer experiences, ratings and reviews can play an important role, according to industry experts.

“Ratings matter,” stressed Amina Altaf, director of product marketing for Boston-based technology company GasBuddy. In a recent survey of nearly 1,000 GasBuddies (those who use the free GasBuddy app), 74 percent of respondents reported that they take ratings and reviews into account when they are deciding where to fuel up or shop. Three out of four said they wouldn’t visit a station that has less than three stars.

Scott Bauer, of PwC (PricewaterhouseCoopers) U.S. Consumer Markets

Partner, agrees that online reviews increasingly matter and are integral to the shopping journey. In PwC’s 2016 Total Retail Survey, 39 percent of consumers indicated that they use social networks as inspiration for purchases and 35 percent said they use price comparison websites.

“This data reflects all retail segments, and when it comes to convenience specifically, consumers tend to use their mobile phone during search for locations on third-party user-generated content sites like Yelp or Google maps,” said Bauer. “Each of these allows users to rate and comment on service, products and selection. As consumers increasingly use consumer reviews in decision-mak-



ing — outside of convenience — and with a growing use of mobile throughout the day for check-ins, mapping and digital couponing, there are only increased opportunities and propensity for users to post their experience.”

Online reviews are likewise a great way to engage customers. “It allows them to provide feedback, interact with your brand, and become part of a community. Most importantly, it makes customers feel like they’re being heard,” advised Erin Rease, senior vice president of customer loyalty and global loyalty solutions at Aimia, a data-driven marketing and loyalty analytics company based in Montreal, Canada. “While there is always a risk of receiving negative





till; sensors applied to mops and cleaning supplies to monitor frequency of bathroom cleaning; and sensors on shelves or coolers to alert staff and headquarters to out-of-stocks.

The way Muhammad of Catapult Marketing sees it, great customer experiences boil down to a trinity of factors: “personally relevant, frictionless and remarkable.”

Personal relevance refers to dynamic merchandising techniques, such as mining loyalty clubs to segment offers and email invites to special events based on purchase habits. Small touches beyond just addressing the customer by name are noticed and rewarded.

For frictionless experiences, he emphasizes that “a single view of the customer across touchpoints is required so that an experience that starts in one channel can be completed in another.” While this may be a stretch for the convenience channel at the moment, it can apply to exactly aligning online and social media information to what’s in-store. “The infrastructure must be transparent to the customer and require as few actions from the customer as possible to engage and get their needs filled,” he stated.

Finally, remarkable experiences have “social currency that customers want to share due to the positive

impressions they leave, or the surprise and delight that is delivered,” according to Muhammad.

### SHINING EXAMPLES

Which convenience store chains have tapped into outstanding customer experiences?

According to a data analysis executed by GasBuddy of more than 7 million consumer-generated ratings of convenience stores and gas stations in all 50 states, Kwik Trip, QuikTrip, Wawa, Fred Meyer and Hy-Vee are the top five “Best Overall” experiences.

Aimia’s Rease also offers up Maverik, based in Salt Lake City with more than 270 convenience stores in the western United States, as a top pick for customer experience. She says Maverik has “cracked the code on how to create loyal customers.”

Rease highlighted Maverik’s in-store environment focused on its “Adventure’s First Stop” image — complete with proprietary on-the-go food items and adventure- and action-themed décor, as well as a loyalty program that allows for additional customer touchpoints, offering desirable benefits and supporting customers on their next adventure.

“It took what’s typically a commodity and created an adventure-focused brand that delivers unique and exciting customer experiences,” Rease said of Maverik.

Louisville, Ky.-based Thorntons, with 185 locations, is another stellar example of the convenience store experience, according to Kristen Kolb, director

feedback, businesses and their customers are increasingly open to this type of authentic interaction.”

### How to Turn Negative Feedback into a Positive

But what about negative feedback? It will kill a retailer’s chances for an extraordinary customer experience, right? Not necessarily. In fact, it can be a good thing, depending on how the retailer reacts.

“Any feedback from customers should be of value to retailers, but negative reviews actually present the greatest opportunity,” said Altaf.

First off, negative reviews can alert stations or stores to problems that can be quickly and easily remedied, such as dirty restrooms or broken fuel pumps. They can also, when reported by numerous customers, provide insight into a larger underlying problem, such as that cashiers have not been properly trained.

“The reality is that negative reviews are read and remembered more than positive reviews, but retailers can make the most out of complaints from dissatisfied customers,” Altaf said. “Just demonstrating that your organization is open and willing to accept feedback creates goodwill between the brand and the consumer.”

Retailers can go a step further and prove they are listening by responding to negative reviews in a “polite and courteous manner,” Altaf offered. The response should come with a plan of action to remedy the problem, she said, adding that following through on that plan

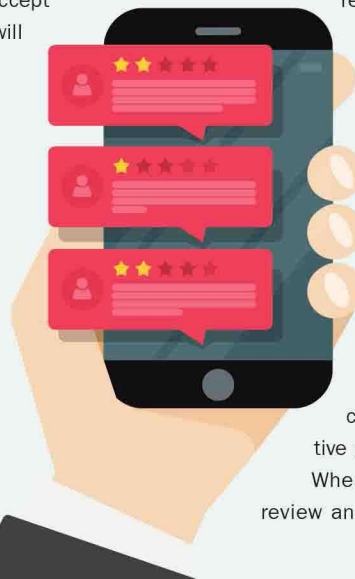
is equally key.

In GasBuddy’s survey referenced earlier, 72 percent of respondents said they would return to a station or store if their complaint was resolved quickly, and 80 percent said a personal

response from the owner or company would influence their decision to return.

“If possible, retailers should offer the reviewer an incentive to come back, to right the wrong,” Altaf said. “Not only is this a way to turn unhappy customers into big fans and loyalists, but also the exchange may be visible to other customers, creating a positive perception of your brand.”

When companies regularly review and respond to feedback,



of strategic consulting at Catapult Marketing. As a millennial woman, she relayed her overall “delightful” experience stopping for coffee at Thorntons on her way to work: “The coffee is always fresh and clearly marked as organic/free trade, but the kicker is the sugar and creamer station — Godiva chocolate and caramel syrups, mini marshmallows, and even whipped cream. All for 99 cents, no matter what size you buy,” she shared.

“Who needs Starbucks? Thorntons realized a sweet space — the desire for good, quality coffee that is reasonably priced and doesn’t have a wait line, which is a huge pain for all people, but women in particular, in the mornings,” Kolb continued.

Generally speaking, prepared and ready-to-eat foods are a big customer-experience draw these days at convenience stores, particularly with millennial shoppers, stated Mike Grimes, chief retail officer at Boston-based retail analytics firm Mobee.

While this trend is hurting traditional QSRs, it provides c-stores with greater opportunities to create exceptional experiences, Grimes believes. But he stressed that c-stores have to take the foodservice ball and run flawlessly with it.

“Customers want newness, but they also want neatness,” he said. “Don’t underestimate the impact of empty shelves, mislabeled prepared food stations, or an olive in the buffalo wing pan.”

Loyalty programs and little perks are another great



way for convenience stores to encourage foot traffic and leave an above-average customer experience impression, according to Kolb. “Imagine stopping in for coffee, grabbing a salad for lunch and then at checkout, the cashier places a few small chocolate squares in your bag,” she suggested. “The overall cost of these small symbols of gratitude is minimal, but combined with a loyalty program, they can offer a 1-2 punch to keep shoppers coming back for more.”

More organizations are implementing new technology into their customer acquisition and retention strategies. “The companies that are winning are the companies that are ahead of the technology curve and implementing technology that aims to foster the evolution of the customer experience, creating transparency and putting them first,” said Kerry Liu, CEO and co-founder of Toronto-based Rubikloud, an intelligence platform for retailers. **CSN**

they build even stronger relationships with their customers, agreed Rease. “Often, retailers can even request reviews via their loyalty program to further entice customers to leave their thoughts, with the intent to create more touchpoints, more interaction and deeper engagement,” she said.

When strategizing how to deal with negative feedback, retailers should remember to be human, according to Raj Shroff, vice president of brand, strategy and design for Dublin, Ohio-based WD Partners consultancy. “A human we like takes constructive criticism and course-corrects. A human we like takes accountability. A human we like pays attention to the details,” he told *CSNews*. “If retailers ignore the issue, it will surface in negative ways that will be hard to



quantify until it’s too late.”

Interestingly, some studies have shown that a brand with some negative reviews will often perform better than a brand with only positive reviews or no reviews at all. “This social proof is a critical part of the total value equation for shoppers as they evaluate products and services to ensure they are relevant for them,” stated DyShaun Muhammad, senior vice president of client services at Catapult Marketing, an agency headquartered in Westport, Conn.

Bauer agrees and has four “golden rules” for responding to negative feedback:

1. Respond quickly and do not ignore.
2. Take the opportunity to make it right for the customer.
3. Keep it short, but show you care.
4. Make it human. Don’t respond or



sign your comments from “Corporate” or cite company policy to defend or explain the experience.

“A curt, corporate reply can quickly turn into a viral thread that spins out of control,” Bauer cautioned. “Airlines, hotels and restaurants have all had multimillion-viewed negative comments that started with a poor online response to a physical experience.”

Once a c-store loses a customer, “the overhead to reacquire their loyalty can be costly,” explained Kerry Liu, CEO and co-founder of Toronto-based Rubikloud, an intelligence platform for retailers. Ways to mitigate a poor review are to offer a refund or coupon, “something that makes the customer feel that the brand cares about their experience, and ultimately allows the customer to maintain trust with that brand.”