

Grabbing Customers Before They're Gone

With most c-store visits lasting just a few minutes, grab-and-go foods can open the wallets of those who don't want to wait for made-to-order items

By Angela Hanson

With the average convenience store customer shopping for just three to four minutes, c-stores need to offer them fast food — in the literal sense. To get their business and keep them coming back, a solid strategy is to offer an appealing mix of grab-and-go foods.

In convenience foodservice, made-to-order programs have become more commonplace in recent years as retailers work to ensure customer satisfaction by giving them exactly what they want. But what many busy consumers want is something more than a product; they want to save time.

“The hot hold customer is a different customer from the made-to-order customer,” according to Ryan Krebs, director of foodservice for York, Pa.-based Rutter's Farm Stores. While the two may be interested in similar products, such as hamburgers or toasted subs, “the made-to-order customer has trained themselves to pad in that extra 5-10 minutes.”

In contrast, those who stop by the hot hold area still want quality, but they want it immediately. Cold items, too, are expected to be tasty and fresh, not languishing in a cold case for days.

The “snackification” of younger consumers' eating habits is playing a role in the grab-and-go foodservice world. More c-store operators are taking pains to appeal to these consumers by making their grab-and-go offering more than an afterthought.

Loop Neighborhood Convenience Stores President



Loop Neighborhood Convenience Stores aim to provide customers, particularly millennials, with healthy and fresh snack options.

Varish Goyal said his chain of stores was “absolutely created with millennials in mind as one of our target profiles.” Owned by AU Energy of Fremont, Calif., Loop currently has 23 stores in Northern California's Bay Area where customers can find smoothies, organic fruits and veggies, sushi, a soup bar, and a frozen yogurt stand.

“We know millennials like to snack so much [that] they may have six meals a day, so we want to make sure they have different healthy options and fresh products to snack on when they shop our stores,” Goyal told *Convenience Store News*.

Other c-store operators are teaming up with third-party partners to develop their grab-and-go offering, such as Brentwood, Tenn.-based MAPCO. The chain

forged a partnership with FreshOne LLC, which provides prepackaged, custom-designed, fresh food programs nationwide to convenience stores, grocery stores, and college campuses.

HEATING UP THE SEGMENT

Grab-and-go has the advantage of requiring less employee labor than made-to-order programs, which call for experience and training. Still, grab-and-go isn't as simple as set-it-and-forget-it. While these items may not be customizable, they still need to be what customers desire.

"By offering a wide variety of convenient snack and beverage choices made with unique and high-quality ingredients that consumers are drawn to and desire, retailers will be well-positioned to drive repeat visits and repeat sales," a spokesman for PepsiCo Inc. noted.

The first step, according to Krebs of Rutter's, is reexamining how and when certain grab-and-go products are available to customers. Hot grab-and-go, in particular, can be a point of differentiation for retailers, as these items have a temperature that conveys freshness.

Traditionally, hot grab-and-go items see the best sales in the morning, when retailers can capitalize on heavy morning foot traffic and the popularity of items like breakfast sandwiches. But morning isn't the only time of opportunity. Many retailers offer fewer hot hold items as the day goes on — with some even putting the unit away — but this is a potentially costly mistake, as lunch and dinnertime still offer worthwhile opportunities for sales.

"I'm convinced the category is growing in other dayparts," Krebs said. However, he cautions that if



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hot items haven't been readily available at lunch and dinnertime in the past, beginning to stock them won't make a sudden difference. "You've already trained that person that hot hold doesn't exist after breakfast."

The second step is to have patience. This is easier said than done in the margin-driven convenience retail business, but retailers must be aware that customers are unlikely to shift their regular purchase habits just because a new choice is presented. Marketing and promotions can help this along, but as a group, customers are not going to make a quick change; it's a longer-term initiative.

Patience and timing also come into play when introducing new flavor profiles, especially for small operators and regional chains. Product innovation is a good thing, but certain markets may be less likely to embrace new things without a larger interest.

Krebs recounted an occasion when Rutter's launched an upscale fish product, mahi-mahi bites, with great optimism. It underperformed due to what the company saw as the Pennsylvania market's hesitation to embrace the unfamiliar fish.

Similarly, overly spicy items used to be a hard sell, but recently, as the use of sriracha grew trendier and customers became more accustomed to products like Flamin' Hot Cheetos, Rutter's saw more success in that area. "Our customer base became more open and willing to participate in a spicier profile," Krebs explained.



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WHAT TO OFFER

Each c-store's specific mix of grab-and-go products should depend on the market and what resources are available. In general, though, quality, variety and packaging are the three key aspects of any successful grab-and-go program.

Quality doesn't necessarily mean premium ingredients with a price to match. It means items should be available in an optimum state; not pushed into an extended shelf life. Some products are technically good for four hours in the hot hold, but see a sharp decline in quality after two hours.

"How many times have you gotten something out of a hot hold and the bread had turned crispy, or the wings are wet and soggy?" Krebs posed. A hungry cus-

Once quality items are available, packaging can be used to prove it to customers.

"It really does make a difference what you wrap that item in," Krebs said. "The customer is looking for a visual experience."

Foil and paper might be cheap and easy to use, but neither one tells consumers anything about the product, or whether it's fairly fresh or has sat there for hours.

This January, Rutter's launched a breathable, microwavable and resealable hot hold bag that shows off its contents through a clear window, hopefully attracting customers who happen to see it and hadn't even been intending to make a grab-and-go purchase.

Packaging can also help sell a product if it's functional in a way that makes it easier for customers to



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tomers will likely accept the low quality and move on, but a single sale is not enough. "You might get that customer in the first time, but they won't be a repeat," he said. It's important to plan grab-and-go stock to minimize spoilage, while keeping in mind the existence of it is "the cost of doing business."

Retailers must be careful not to let quality standards slip just because items aren't made to order. When it comes to grab-and-go product selection, consumers are most interested in "unique and high-quality ingredients," according to PepsiCo.

While it might seem like increasing the variety available in grab-and-go would make it harder to maintain quality standards, small differences can have a big effect, according to experts. Using different kinds of bread, such as biscuits and croissants, or different types of wraps can result in different kinds of meal experiences for consumers, despite being paired with the same type of meat or egg to make a sandwich. This also gives consumers the feeling of choice, even though the choice is limited to what is available in the grab-and-go cases.

take with him or her and eat while on the move. For instance, PepsiCo points to its Top N' Go line that turns bags of Doritos, Fritos and other chips sideways so that cheese and other toppings can be placed on top and held by the buyer as a walking taco. The snack was first offered at a mobile truck and has expanded to c-stores and other retailers.

Once a c-store takes steps to improve its grab-and-go program, marketing the changes can be as simple as directing customers into those parts of the store. Pumptoppers at fueling stations or advertisements on the glass at the front of a store can alert customers to the existence of whatever new product is currently being promoted and compel them there.

Inside, signage placed on cold vault doors, at the coffee station or at a grab-and-go case can advertise combo deals, such as a discount on a breakfast sandwich and coffee.

Not only is this an upsell, but "it leads them along the way right at the point of decision," Krebs said. "It will direct them to where you have these things." **CSN**