Inside the modern convenience store

How displays and technology increase basket size

Introduction

Convenience stores became the backbone of local communities during the COVID-19 pandemic, as shoppers turned to local, small-footprint stores to avoid crowded supermarkets with understocked shelves. Providing essential products and services — and a safer shopping experience — c-stores were in the perfect position to fulfill shifting customer preferences.

As a result, c-stores in the U.S. posted record in-store sales in 2020: a 1.5 percent increase to $255.6 billion in revenue, according to the NACS State of the Industry report.[1] Shoppers turned to c-stores to stock up on items that were unavailable elsewhere, like groceries, paper products and cleaning supplies — not traditionally sold at c-stores— as well as packaged beverages.

These sales were critical for the industry in 2020. Although average basket size increased significantly, total c-store transaction counts actually declined. Stay-at-home and work-from-home (WFH) directives meant shoppers were making fewer stops at the gas station and spending far less on fuel.

COVID-19 was the catalyst for significant shifts in purchasing patterns, too. Mobile ordering, drive-thru, curbside pickup and contactless payment options have grown popular because they allow for reduced face-to-face interaction with staff, particularly in food service.

C-stores are looking to build on this momentum, especially as lasting WFH policies may permanently lower the frequency of shopping trips. For instance, to improve the customer experience, some c-stores are introducing fresh food — like quick service restaurants (QSRs) — so that the store becomes a destination for planned shopping, not just impulse buys.

Convenience itself is being redefined. The COVID-19 pandemic has accelerated businesses' digital transformation by several years, and many of these changes are here to stay. C-stores that want to remain profitable must adapt rapidly and effectively to the new paradigm.[2]

Convenience retailers can stay competitive with well-developed digital communications and ordering technology, supported by a cutting-edge content management system (CMS).

Transforming the customer journey

This white paper covers how technology like digital signage, coupled with a leading CMS, can drive c-store spending throughout the customer journey, both inside and on the forecourt. It will focus on the following signage use cases:

- Outside the c-store
- QSR integrations, in store and in drive-thru
- Indoor retail displays
- Counter/checkout displays

Convenience is redefined by COVID-19

As COVID-19 sparked a surge in e-commerce, customers started shopping closer to home — and less often — but with a larger basket spend per trip.

Consumers who would normally get their groceries from a supermarket have turned to c-stores for quick access to daily essentials. Accenture reports that, during the pandemic, c-stores saw a 5 percent increase in sales and an 18.4 percent increase in basket size compared to 2019.[3]

The average basket size grew to $7.34 in 2020, up from $6.20 in 2019, according to NACS.[1]

2019 $6.20
2020 $7.34

Consumers looked to c-stores to provide familiar products, too. The product types with the most sales growth in 2020 were packaged beverages, beer and cigarettes.[3]

As a result of stay-at-home orders and WFH policies, fuel sales decreased in 2020, and may take some time to return to pre-pandemic levels. GlobalData reports that one-third of global consumers are expecting to work from home in the future.[4] The decreased sales of prepared food and dispensed beverages in 2020 reflected this drop in foot traffic.[2]

At the same time, mobile ordering, drive-thru, curbside pickup and contactless payments have all grown more common, and these trends are expected to accelerate in 2022. Wawa, for example, introduced curbside ordering at multiple c-store locations in June 2020, and in January 2021, the franchise opened its first drive-thru-only store.[5, 6]

Mobile apps

Gartner reports that brand app downloads surged at the start of 2020's stay-at-home orders, with 1 in 4 consumers reporting shopping more via mobile devices in the early months of the pandemic.[7] The company suggests a superior mobile experience is integral for driving consumer loyalty and earning repeat business.

Drive-thru and QSR

Drive-thru formats were big winners, with visits up 36 percent since spring 2020, according to Bluedot's State of What Feeds Us report.[8] Pre-pandemic, drive-thru service accounted for 65 to 70 percent of all QSR visits; today, it's 98 percent.[9]

As more c-stores expand their offerings beyond the roller grill and drink fountains, new store layouts now feature branded on-site restaurants and even drive-thrus — offering fresh food and drink options, including organic menu items.[10, 11]

Self-service

Customer demand for modern in-store technology is also growing, with 87 percent of consumers stating they prefer to shop in stores with contaceless payment or other convenient self-checkout options.[3]

Consumer preferences for low-contact and contactless transactions led to record debit and credit card usage at c-stores in 2020.[2] Gartner recommends contactless payment as a key area where c-stores can upgrade their mobile-to-in-store experience.[4] Research by Valtech, meanwhile, shows that 60 percent of shoppers would welcome smile-to-pay technology — facial recognition software that links their headshot to their bank account (or digital payment system), a popular payment method in China.[12] Customers can make purchases just by smiling in front of a camera-equipped point-of-sale (POS) machine, which minimizes contact and removes the need for cash, cards or mobile pay.

Many of these technologies were already gaining traction before COVID-19, but the pandemic accelerated the demand for limited-contact, consumer-centric buying experiences.

The quality of the technology is important, too. Retailers that use high-quality technology seem more cutting-edge, while those that don't appear less organized and behind the times.

Now in 2022, modern convenience retailers are introducing displays and other digital technology to engage with consumers throughout their retail shopping journey. These solutions make shopping frictionless and more efficient, enhancing the customer experience, increasing basket size and driving customer loyalty.

Transforming the c-store

Here's a snapshot of how technology supports each part of a convenience store.

Exterior and forecourt

Convenience and fuel retailers can increase in-store foot traffic by implementing outdoor signage solutions to welcome customers, help them with wayfinding and inform them of the products and services available on site. This is a key moment in the customer journey; industry-wide, only 35 percent of customers go from the gas pump to the c-store.[9]

Monument and poll-mounted signage

Modern monument signage plays a significant role in ensuring c-stores are noticed from afar. Americans drive about 11 hours per week, and much of that time is spent on the same routes.[13] Stores can use eye-catching visuals to break through the competition and appeal to drivers needing to refuel their cars — and their bellies.

Aside from providing gas prices, digital monument signs can set the tone for what customers should expect on site. At the pump, digital signage can feature relevant promotions, increasing brand awareness for retailers and their partners.

Samsung's outdoor LED XPR Series is waterproof for extra reliability, and it comes coupled with a backup power supply to reduce the risk of an outage.

Store exterior

Displays can be installed on the store fascia to draw customers' attention to the main entrance with vibrant images and messaging.

Samsung's OH Series provides high-brightness outdoor displays with crisp picture quality and contrast. With 24/7 operation and an embedded media player, these displays ensure reliable content programming and delivery, while the weatherproof design maintains robust and durable performance in any environment.

Window displays at the store entrance can be deployed as an additional marketing tool. Dual-sided screens provide double the opportunity for retailers to schedule unique content — both inside and outside the store, maximizing the displays' effectiveness. Retailers can also drive a new revenue stream by using the displays for third-party ads.

Samsung's OMN and OMN-D Series offer dual-sided high-brightness screens that are easy to read at any time of day. They're energy efficient, and their slim, modern design complements modern c-stores. Supported by a CMS like MagicINFO, window displays can be managed remotely, for easy updates to limited-time offers and product marketing.

About MagicINFO

What is it?
An all-in-one solution for content, device and data management that enhances productivity and increases operational efficiency.

How does it work?

Content management
• Content creation using an intuitive interface
• Access to easy-to-use tools
• Dynamic scheduling
• Playlist arrangement
• Uninterrupted publishing

Device management
• Remote monitoring and troubleshooting
• Hardware control
• Error notifications
• Device health checks

Data management
• Proof of Play (PoP) history
• Performance reports with return on investment (ROI)
• Visual analysis
• Routine tasks automation
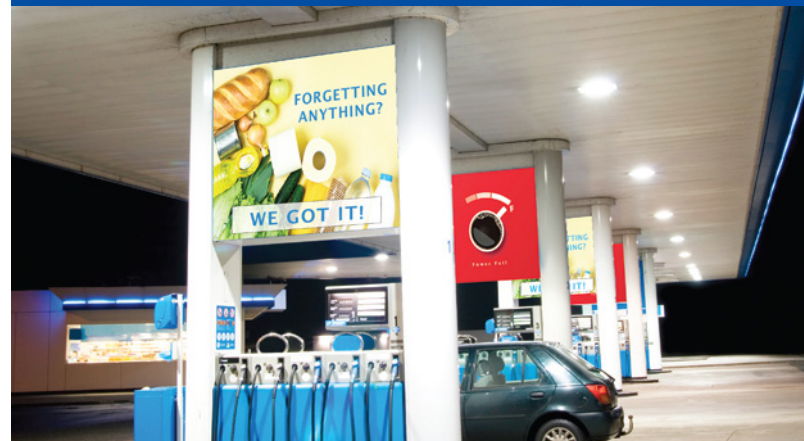
The QSR side of c-stores

As c-stores continue to merge with the QSR industry, there's huge potential for c-stores to utilize new signage technology, such as digital menu boards, self-service kiosks and video displays.

Digital menu boards

Digital menu boards tick several boxes for c-store operators. They enhance the customer experience, promote the brand image and, crucially, help speed up service, delivering the convenience that makes shoppers happy. SeeLevel HX's annual drive-thru study found digital menu boards reduced total wait time — which is critical, given that 85 percent of customers will leave a long line.[14]

With digital signage from Samsung, QSR drive-thrus are optimized for peak efficiency and promoting upsells. Not only do digital menu boards increase conversions, they also improve order accuracy. For 40 percent of customers, a modern menu board with order confirmation was a top reason for revisiting a drive-thru location.[14]

In store, digital menu boards are the perfect vehicle for showcasing food and drink menus. The technology also streamlines inventory management, switching on-screen promotions when an item is low-stock.

Samsung's ultra-high-definition (UHD) signage can share any content in incredibly sharp resolution and rich color, on a slim, efficient screen. With the help of MagicINFO, it's easy for convenience retailers to create content and keep it up-to-date.

Video walls

With c-stores that have a QSR integration, video displays in the dining area can also promote the retailer's culinary credentials, particularly for new customers. In the IF Series of displays, Samsung has designed razor-thin video walls that offer a robust display solution that's impactful without being intrusive.

Kiosks

Meanwhile, self-service kiosks increase the average order value and in-store customer counts while minimizing the need for face-to-face interaction. They also free up staff to focus on more value-added tasks. According to a Talkdesk survey, 58 percent of respondents have higher customer service expectations than they did a year ago — and 68 percent said that one bad service experience reduces their loyalty to a

Increased revenue is on the menu

Digital menu boards are proven to give QSRs a boost. When QSRs add digital displays, there is a…

↑ **9.1%**   increase in drive-thru volume

↑ **2.5%**   increase in average order value

↑ **2%**   increase in conversions for promotions

*Research from Forrester

retailer.[16] By removing human error from the equation, kiosks help c-stores deliver a smooth and consistent customer experience.

Linked with POS and inventory systems, kiosks ensure customers have accurate, real-time information on product availability and pricing. These systems also streamline inventory management and increase revenue by upselling and promoting limited-time offers. Kiosks never tire of asking customers if they would like something else, or whether they'd like to sign up for the store's loyalty program.

Samsung Kiosk is a sleek new all-in-one solution designed for convenience retailers and QSRs. The innovative solution can be mounted on a counter, stand or wall. It features a high-response 24-inch touchscreen, speaker, terminal and printer in a single plug-and-play unit.

Easy to install and activate, the kiosk offers transactional security and remote access tools that allow IT and operations managers to monitor all the kiosks across a retailer network.

Shopping in the c-store aisle

Within the aisles of the c-store and at grab-and-go counters, retailers can appeal to a broad range of shopping missions by utilizing a range of modern digital signage solutions, complementing their QSR technology.

Hanging aisle signage engages with customers as they navigate the store, passing retailer promotions and deals from partner brands. For instance, c-stores can showcase food and beverage options available by daypart, driving foot traffic to the QSR. Samsung's UHD hanging aisle signage allows retailers to display content with true-to-life image quality, far more visually captivating than low-resolution content.

Samsung's IF Series of indoor LED signage can be implemented seamlessly to provide a visually striking display — above the chiller cabinets on the back wall, for example. Meanwhile, Samsung's SH Series grab-'n'-go widescreen stretch display can be deployed at takeout and impulse item displays to attract shoppers' attention and drive sales.

At the counter and checkout

Convenience retailers need to engage with customers throughout their shopping journey, and the customer experience should be consistent throughout the store, from the forecourt to the serve-over counter to the checkout, or in the drive-thru.

Widescreen stretch displays like the SH Series can be integrated at checkout to prompt add-on purchases, and direct shoppers to the next available cashier or self-checkout unit — reducing wait times and aiding in customer throughput.

With the Samsung Pro TV, retailers can share customized content in 4K and "talk" with their shoppers at the checkout area, creating lasting impressions. Easy to set up and install, Samsung Pro TV can be used to create branded content, which can be managed from a mobile-friendly app. Convenience stores don't need to be content creation experts, either: With the TV's template tool, brands can create, edit and post a campaign intuitively, right from their mobile device.

Small touchscreen displays can also be integrated at checkout. Customers can use these displays to look up product availability and pricing information. Displays like Samsung's Small Touch Signage QBR-T Series boost order accuracy by confirming customers' selections prior to payment, increasing shopper satisfaction and loyalty.

Small Touch Signage and the new Samsung Kiosk are both ideally suited for the checkout area. Both solutions reduce the need for face-to-face interaction and speed up transactions by allowing shoppers to bypass long lines. Self-service displays can also boost order value and help retailers provide a consistently positive customer experience.

Conclusion

Categorized as essential businesses at the start of the COVID-19 pandemic, c-stores have quickly become most shoppers' preferred store format. They make it easier for consumers to fulfill their daily shopping needs, and they posted record in-store sales in 2020 as a result.

C-stores in the U.S. have adapted their product inventory and services according to shoppers' new preferences — providing a safer, faster shopping experience with fewer touchpoints and access to their favorite retail brands.

Deploying the latest digital signage solutions and CMS software, convenience retailers can ride this wave to transform their store interiors, enhance the customer experience, increase average basket size and encourage shopper loyalty.

Learn more about Samsung displays:
https://www.samsung.com/us/business/displays/

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