Changes in Consumer Habits:
Six month assessment on the implications for Convenience Stores and Gas Stations

INTOUCH INSIGHT

Who we are

At **Intouch Insight**, we provide experiential and operational expertise to businesses around the world. We specialize in supporting multi-location, convenience stores and gas stations, as they deliver on their brand promise. Leveraging our automated CX platform, these businesses are able to produce the high-value actions that **earn customers for life**.

Learn more:

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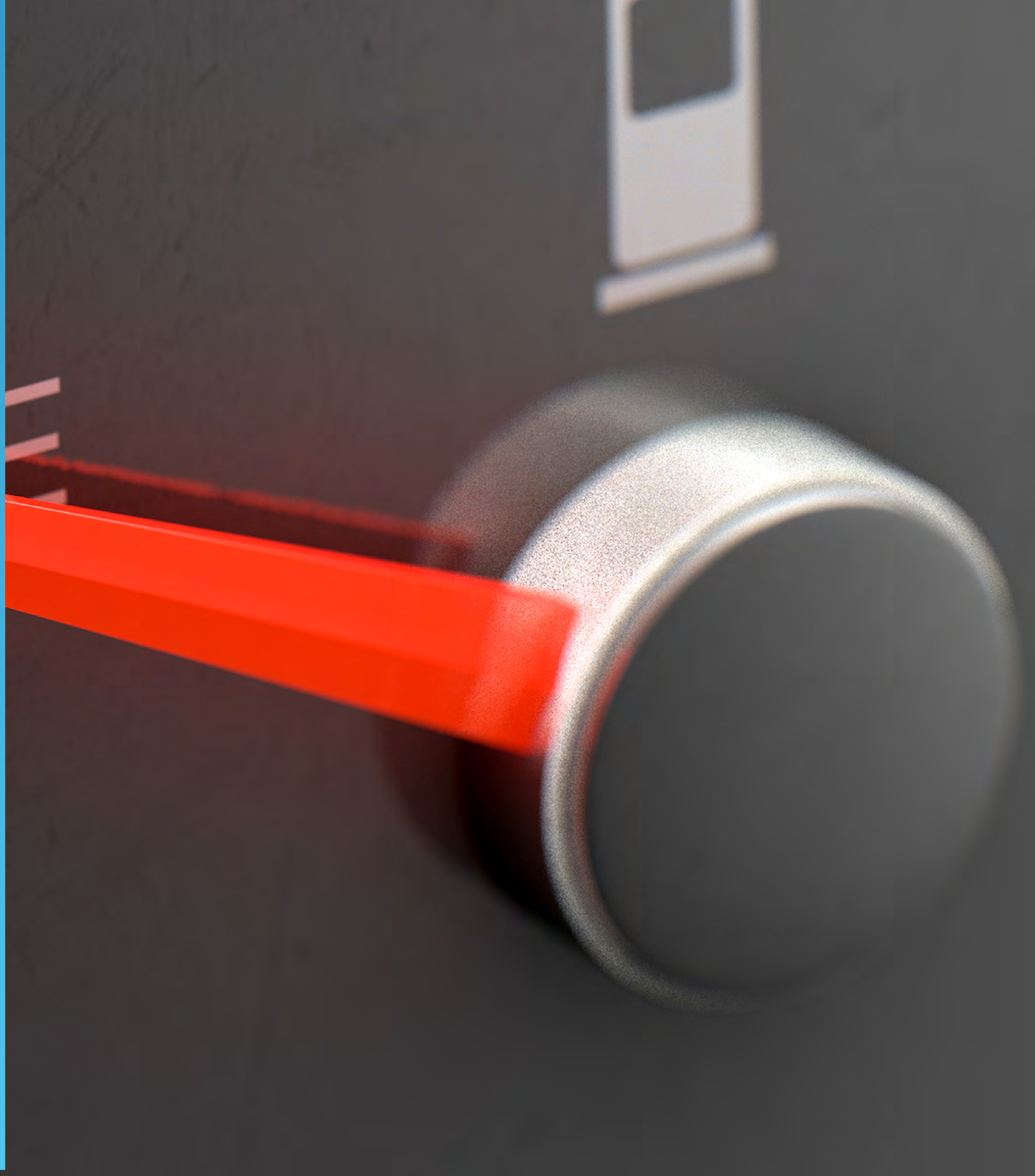
"The secret of change is to focus all of your energy, not on fighting the old, but on building the new."

\- **Socrates**

Disclaimer: The views expressed in this study are representative of the survey data collected. Please continue to follow the advice of medical professionals and your regional government officials for recommendations around health and safety protocol.



Introduction & Update

In May, as consumers were feeling the impact of the global pandemic, we leveraged our business intelligence platform, LiaCX®, to learn about their experiences and expectations. We received over **2000 survey responses**, and produced **three reports** in an effort to better understand the repercussions of COVID-19.

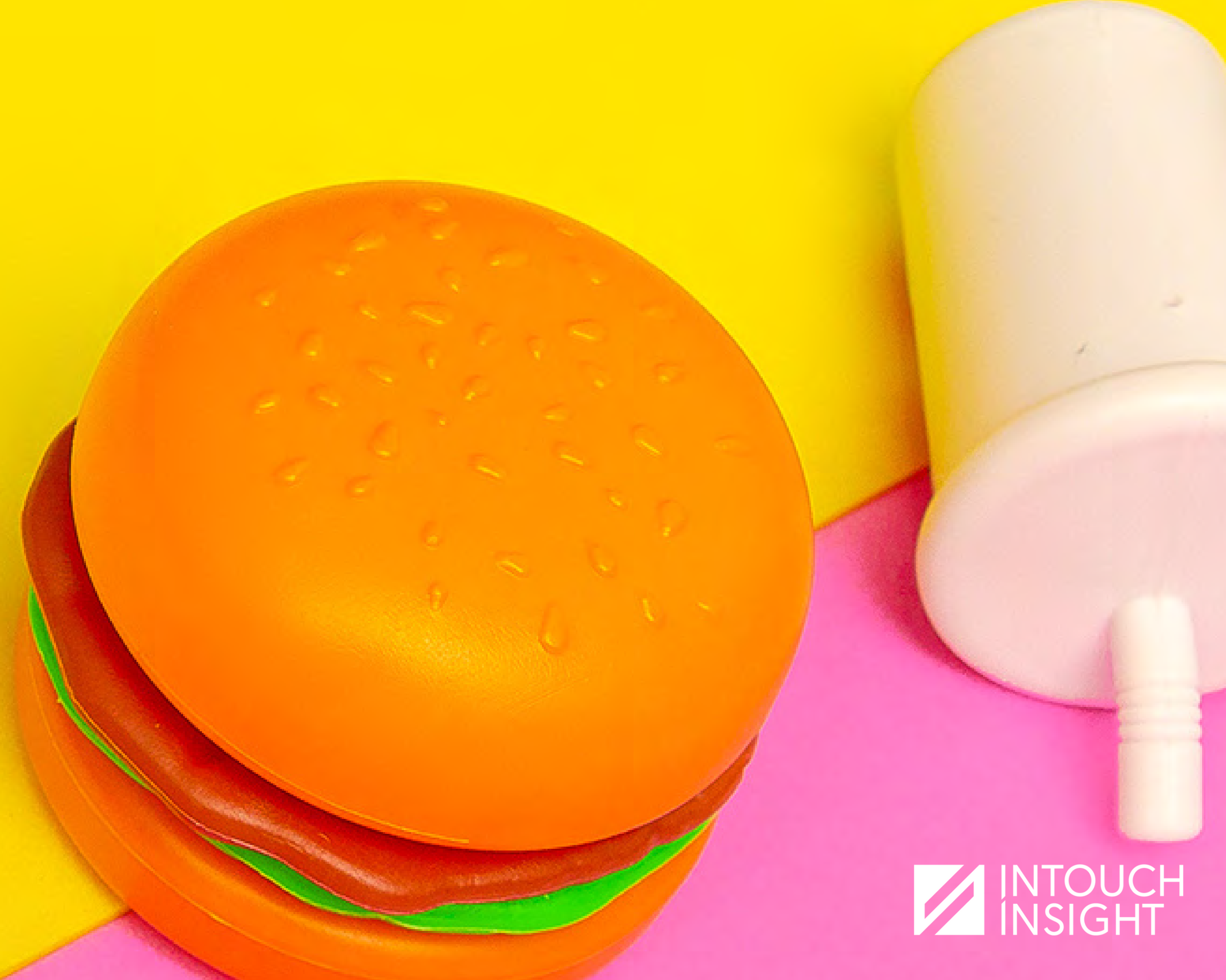
To understand the long term impacts of changing consumer habits, we followed-up with a second survey of the same audience in **October 2020**, and received over **1400 responses.**

In this report we examine how our interactions with convenience stores and gas stations have changed since the emergence of COVID-19. We will review purchasing patterns, the changes observed in consumer needs, and whether the habits that have formed are here to stay.

To help convenience store and gas station operators adapt during these challenging times, we hope to empower readers with the insights and information needed to **take strategic action** and to **build trust.**

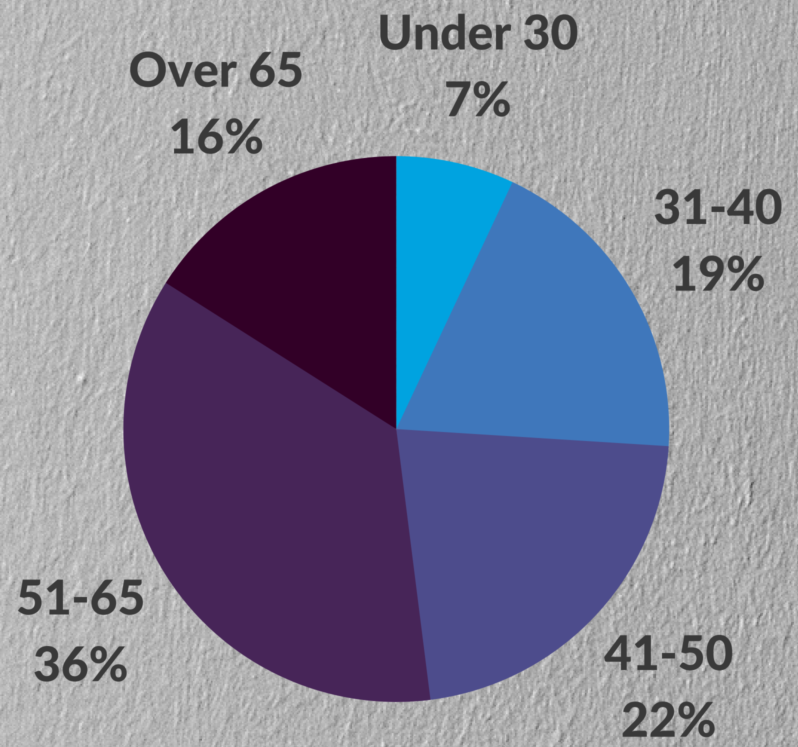
Continue reading to discover:

- What consumers expect,
- How habits have changed since the start of the pandemic,
- Where businesses should focus their efforts.



Survey Demographics

AGE



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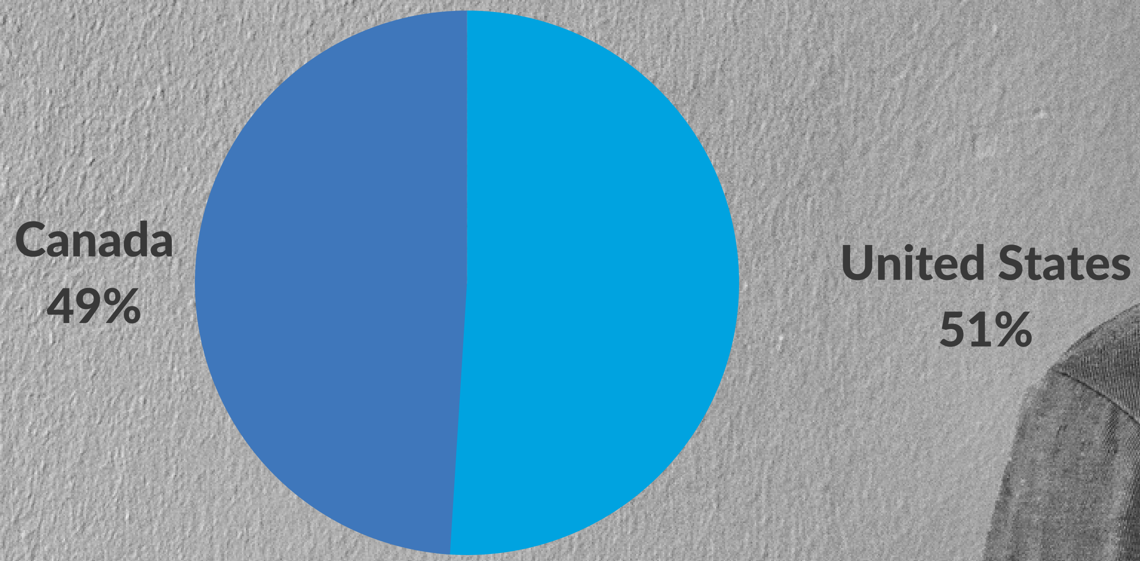
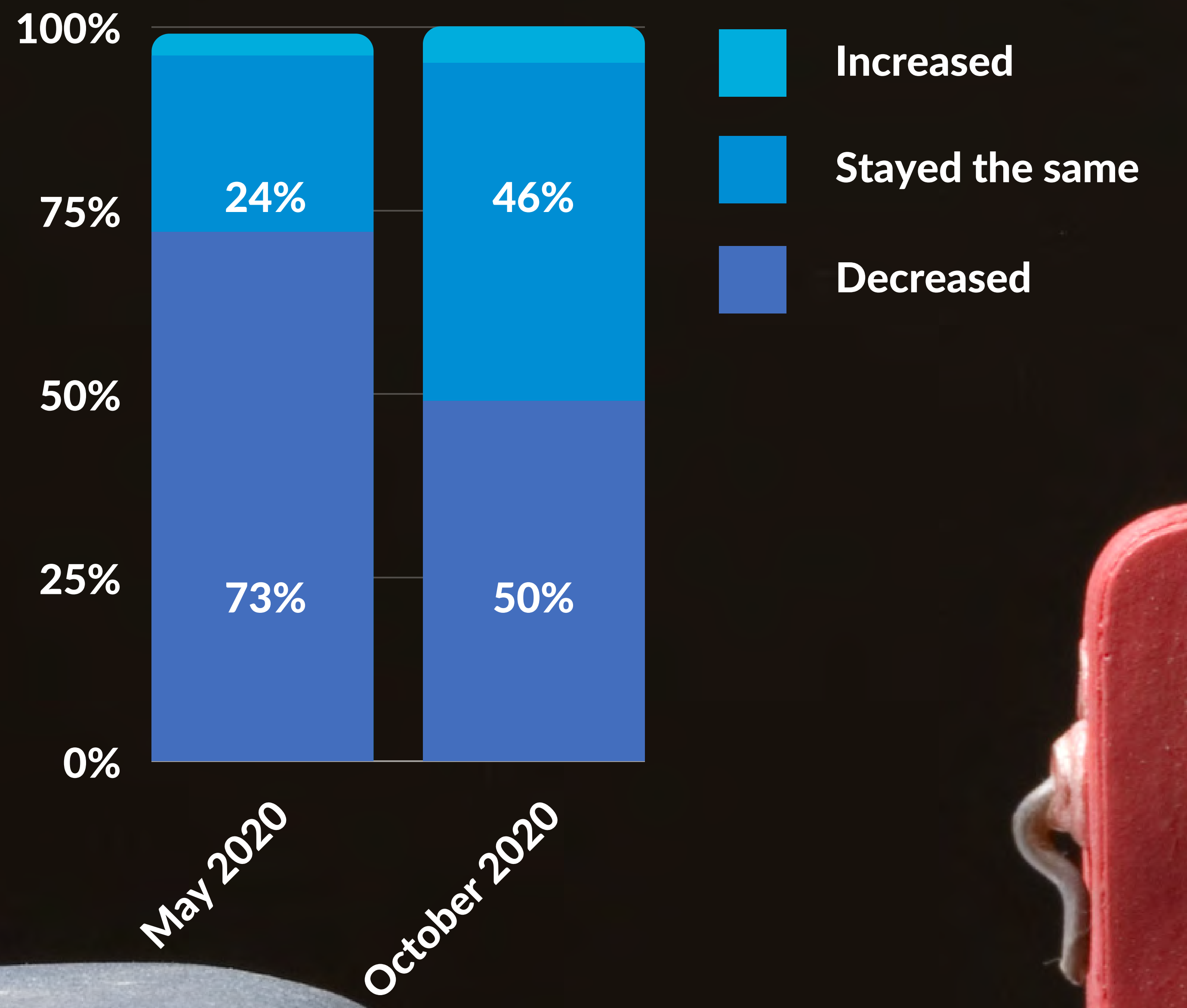


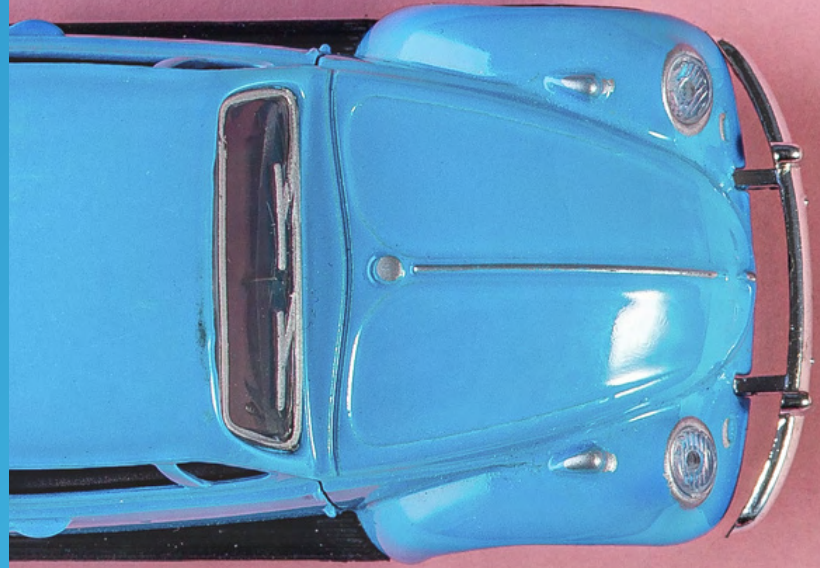
Initial findings

In May 2020, almost **3/4 of respondents** indicated that the **frequency of visits** to convenience stores and gas stations had **decreased** since the pandemic began.

Today, **50% of respondents** continue to report a **decrease** in their frequency of regular visits to petro-convenience businesses.

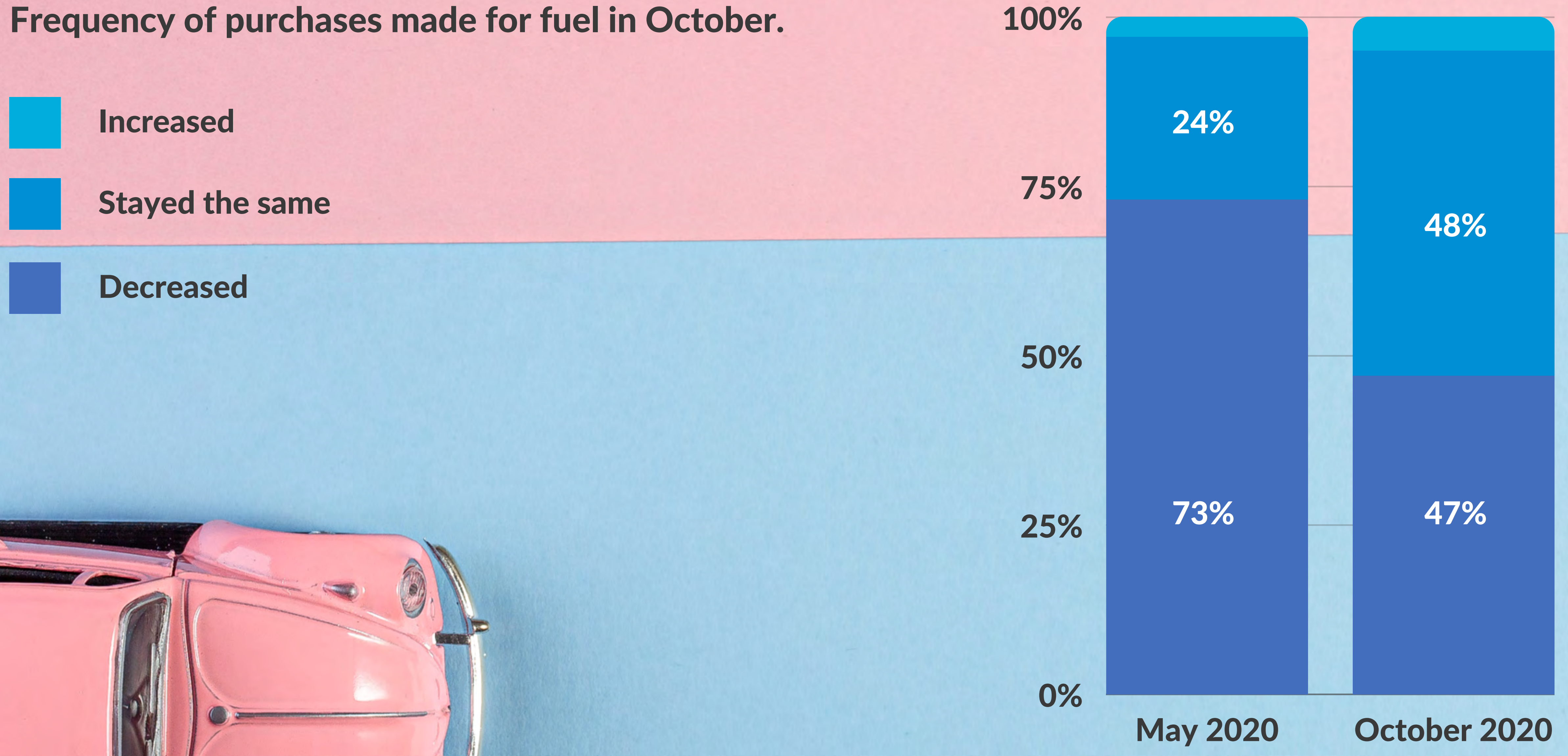
Frequency of visits to convenience stores & gas stations.

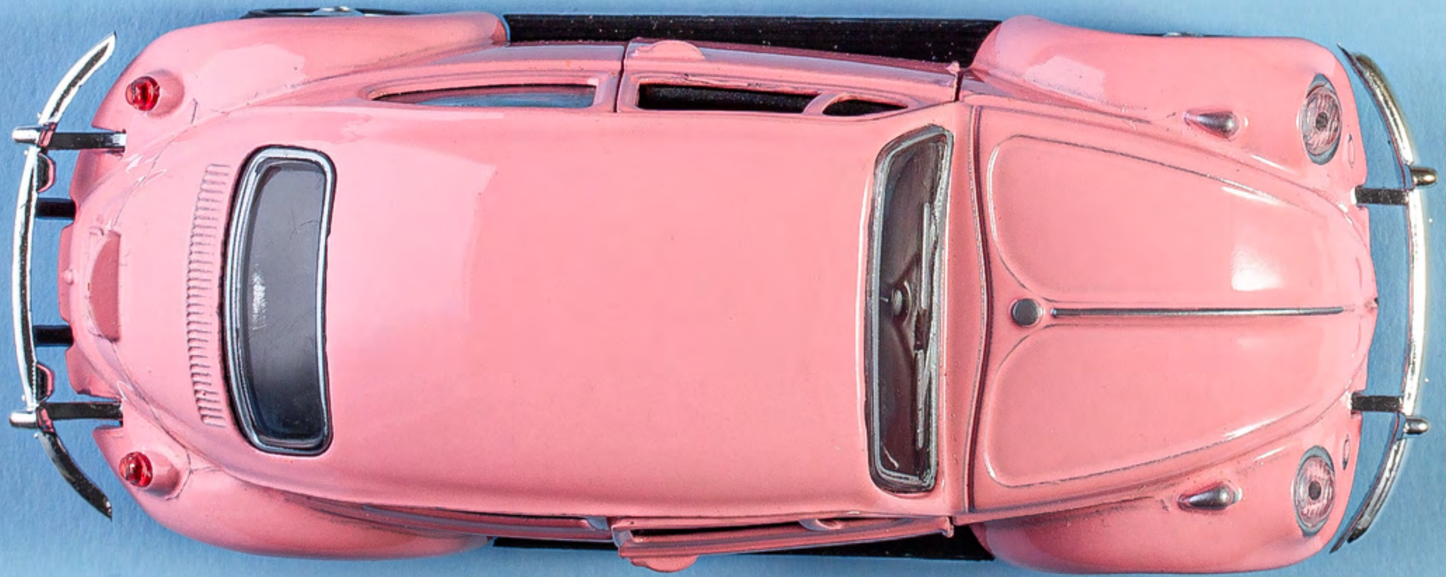




While still well below **pre-pandemic levels**, the **purchase of fuel** has **increased** since May, as many consumers are back on the roads, and some businesses have **reopened**, albeit, operating under **modified safety precautions.**

Frequency of purchases made for fuel in October.





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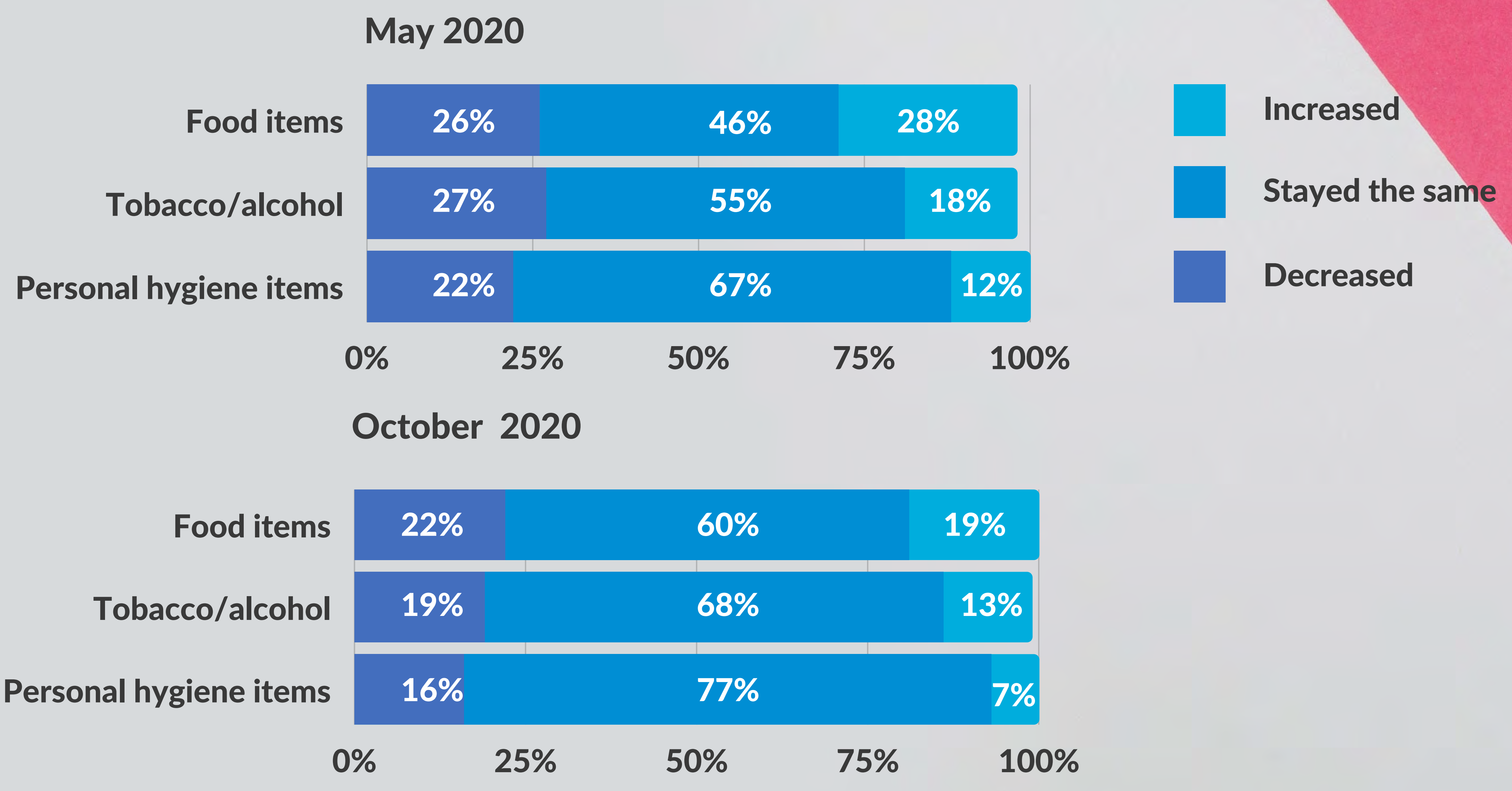
Of the respondents making **in-store purchases** at **convenience stores** and **gas stations, no major fluctuations** have occurred in terms of their buying habits, over the past 6 months.

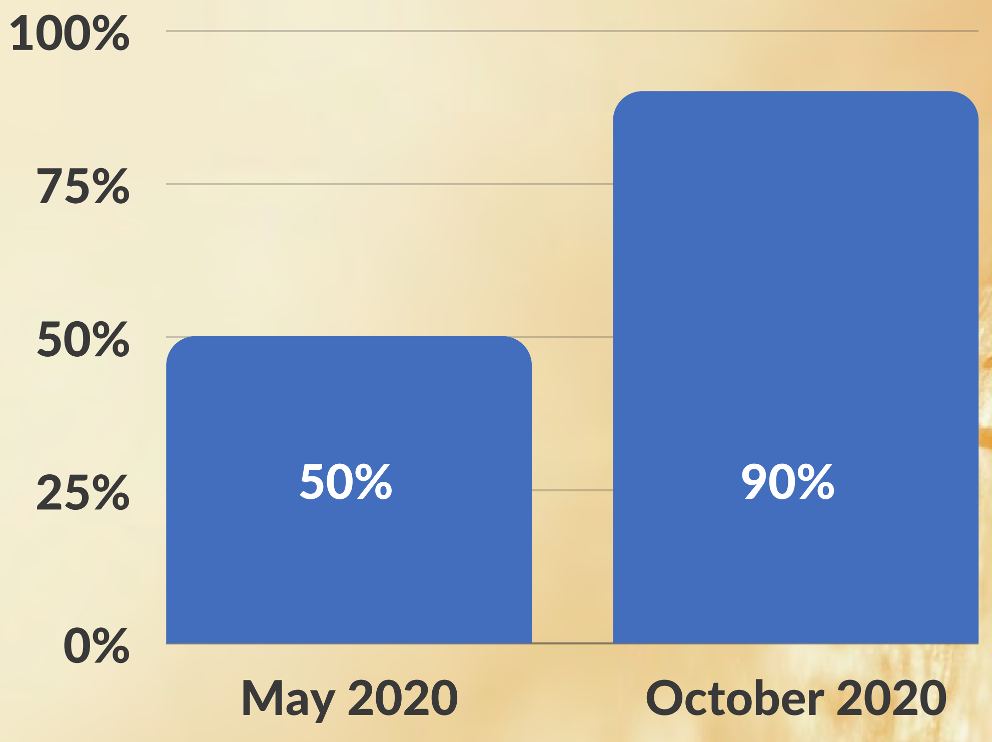
Frequency of purchases made at a convenience store or gas station for the items below.



As the **comfort levels** of consumers **increase** when visiting **physical stores**, the data suggests that we are returning to **pre-pandemic priorities**.

When purchasing prepared food from a convenience store or gas station, **quality of food** is a **key driver** to today's respondent.

Percentage of respondents rating quality of food as extremely important



*__Quality of food__ has **increased** in terms of **importance by 40%** over the past **6 months.**

In October, we also asked consumers, **"what is the number one change you want to see businesses make?"** We presented the same question to our survey pool in May.

Guidelines and restrictions have evolved throughout the pandemic, but so have the priorities of consumers.

Here we examine the **percentage of change** in terms of importance for the **top 5 priorities** observed in May, versus their level of importance today.

Top priorities identified in May	% of change in October
Improved cleanliness	-5%
Better online ordering	+6%
Employees wearing safety apparel	+3%
Limiting store traffic	-4%
More contactless service	No change

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To capture changes in **health guidelines** enacted in most jurisdictions since May, additional options were added to this same question. Here is the **rank ordered list** of **priorities** that **emerged in October**.

What is the number one change you want to see businesses make?

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Key findings

Our October data shows a return to many pre-pandemic behaviors and patterns. Commuters are returning to the roads, businesses are reopening, and comfort levels have risen.

Convenience stores and **gas stations** need to understand today's expectations in order to build better processes that keep employees and customers safe.

In this study, we will provide insights and recommendations on the **pain points** customers are experiencing, and tips for **future-proofing** your businesses.

If this is as far as you go in the study, the **next 3 slides** will provide you with exactly what you need to know.

Key Finding #1: Priorities have changed (Page 16)

- In October, convenience, location, and price topped the list of factors rated as “extremely important” when making the decision to visit a convenience store or gas station;
- Cleanliness is now ranked 3rd – compared to May 2020, where it was the number one key driver of comfort;
- Even though comfort has increased, respondents want businesses to continue to visibly reinforce safety measures and social distancing guidelines, as well as health and safety precautions;
- We are predominantly witnessing a return to historical, pre-pandemic priorities.

Key Finding #2: Use of communal spaces continues to decline (Page 26)

- Though consumers are more frequently visiting physical establishments, the use of communal spaces and facilities (e.g. condiment or coffee bars) continues to decline;
- Crew-service is still preferred over self-service when it comes to ordering prepared food and coffee;
- Considerations need to be made around reimagining and repurposing physical spaces that aren't being used, to better serve today's consumer.

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Key Finding #3: Consumers are willing to shop in new ways (Page 35)

- Respondents want businesses to invest in better online ordering capabilities;
- New services provided by petro-convenience operators are sticking (e.g. curb-side pick-up), although overall adoption is low;
- Take an omnichannel approach to selling your products and services, enabling consumers to shop in the ways that suit them best.

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Key finding #1

Priorities have changed

In May, **convenience, location,** and **price** ranked as **extremely important** to **22% of respondents.**

Today, when making the decision to visit a store, **convenience** and **location** are of the uttermost importance to over **80% of our respondents**.

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Price closely follows convenience, with **79% of respondents rating it as extremely important** when making the decision to visit a store.

So, what's changed?

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Safety was top of mind six months ago; the top priorities included **cleanliness** according to **62% of respondents, crowd-control measures**, and **contactless service.** These factors would greatly inform a consumers' decision-making, and willingness to purchase in-store.

But today, our survey data suggests that needs and behaviors are shifting back towards pre-pandemic patterns.

Respondents do however expect businesses to continue to **ask** and **enforce** customers to **wear masks** and **face covers** in any physical establishment that **sells food items.**

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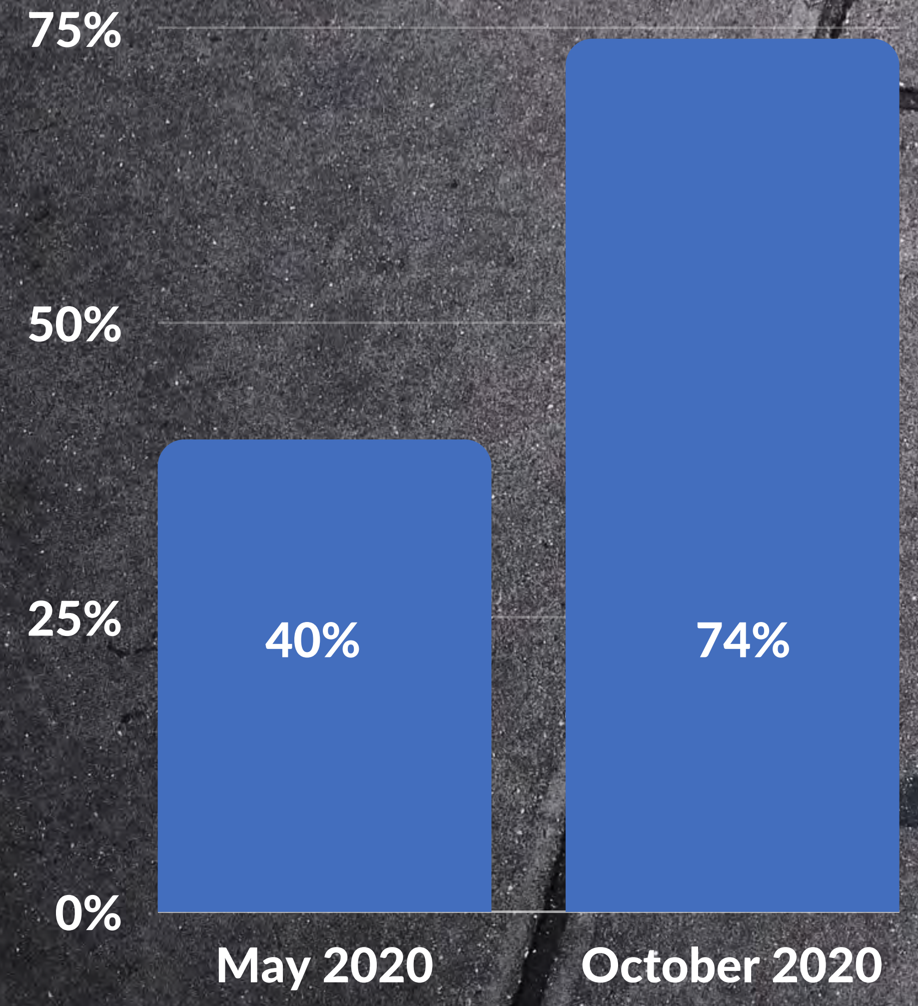
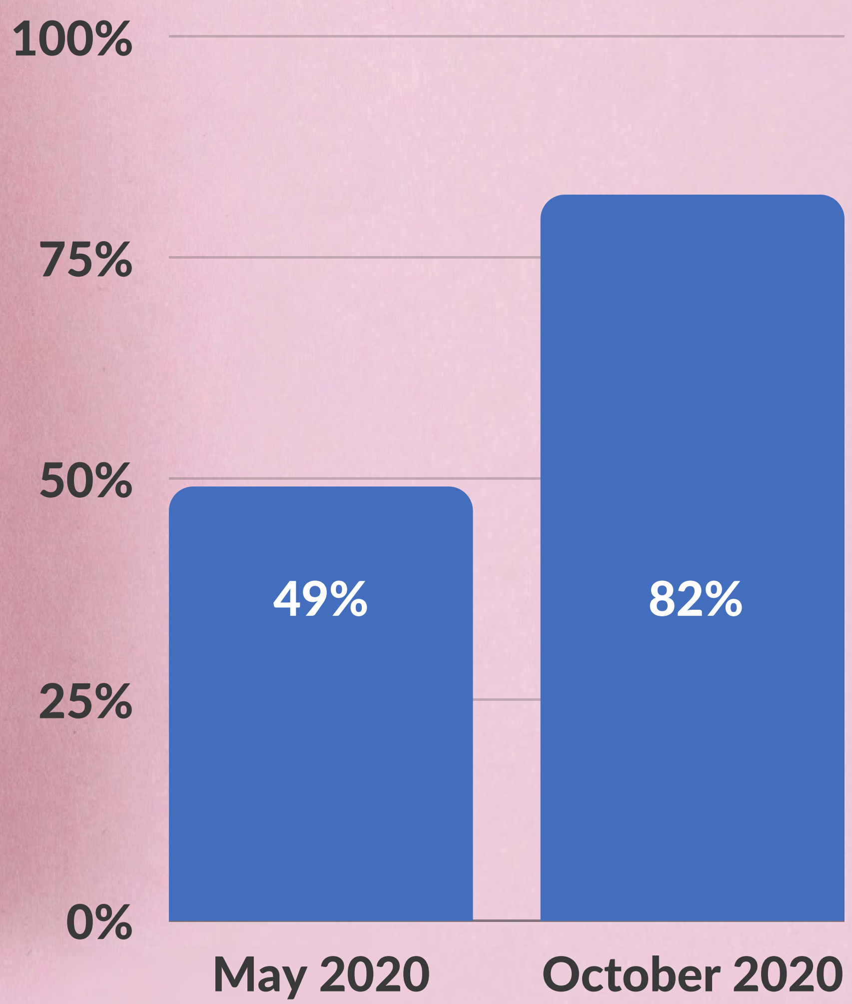
Seeing **social distancing measures** and **guidelines posted** outside a convenience store or gas station has **increased in terms of importance**, by **34%** according to our respondents, since May.

How important are distancing measures and guidelines in making you feel comfortable when entering a store?



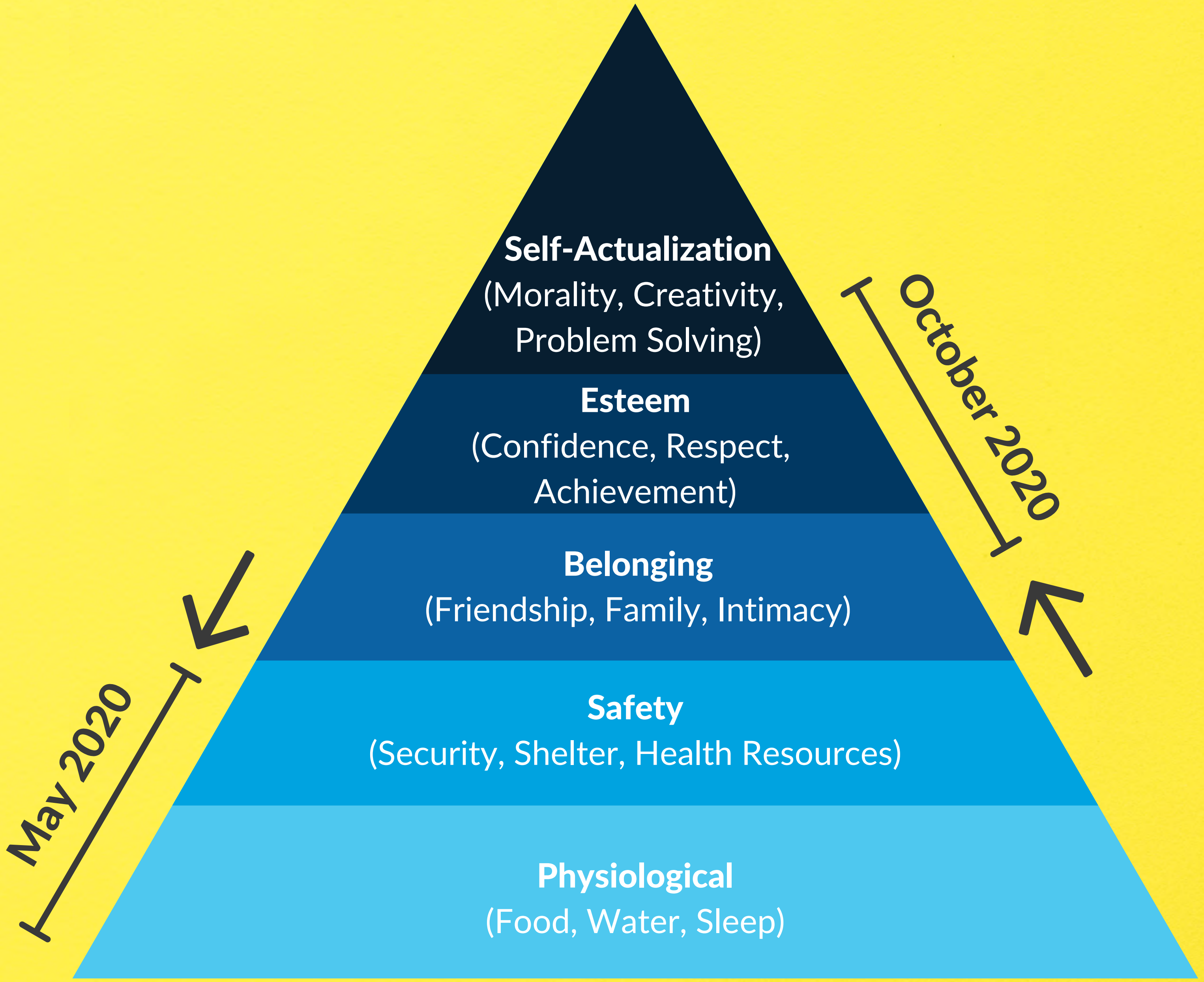
78% of respondents **who feel uncomfortable** entering a convenience store or gas stations would like businesses to continue to limit the **number of customers** allowed in at a given time.

The availability of **disinfectant wipes** and **hand sanitizer** further increases comfort, and willingness to shop in-store. This number grew by **33%** since May, and was identified as one of the **top drivers** of **comfort** in October.



Percentage of respondents that want access to disinfectant wipes and hand sanitizer when shopping in-store.

If we refer to **Maslow's Hierarchy of Needs**, the October data shows that consumer needs have shifted away from the **basic needs** that governed behaviors in **May,** (e.g. safety, shelter, food, water), and **needs** have become more **advanced** (e.g. convenience, achievement).



Maslow's Hierarchy of Needs

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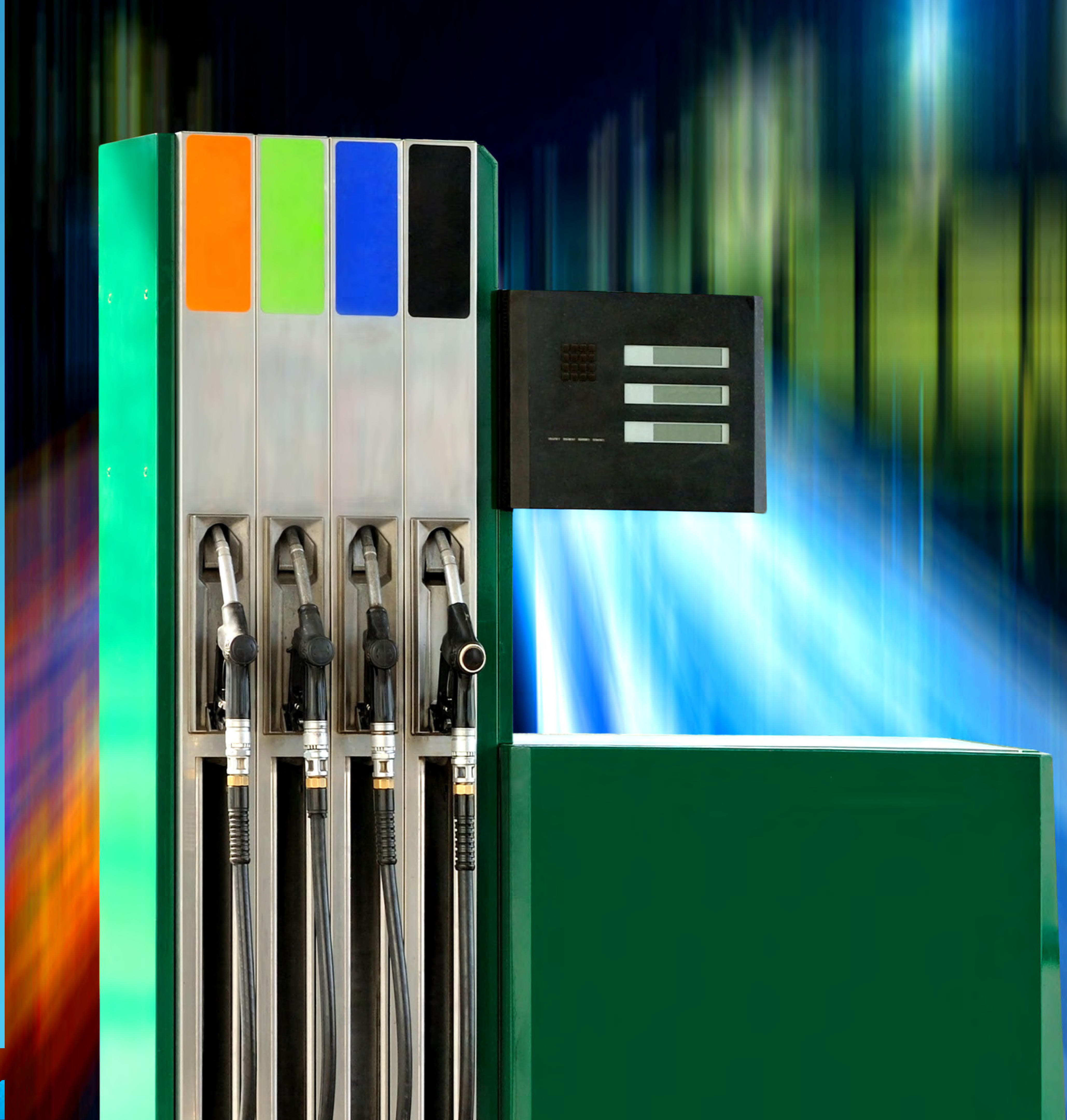

Though **comfort levels** have **increased** over the past 6 months, and more and more consumers are **shopping in-store, visibly reinforcing safety measures** and **social distancing guidelines** continues to be of great importance to today's consumer.

At the same time, it is important to understand that consumers are once again motivated by factors such as **convenience, location** and **price** when making buying decisions. A shift that greatly resembles pre-pandemic consumer behavior.

Key finding #2

Use of communal spaces continues decline

Activity around **self-serve condiments, coffee bars, self-dispensed drinks, food items** from **bakery cases,** and **roller grills** continues to **decline,** despite the observed **increase** in **comfort-levels**.

Change in the percentage of respondents who are extremely unlikely to use communal spaces.

Type of communal space	% of change in October
Use self-serve condiments or coffee bar	+9%
Purchase self-dispensed beverages	+10%
Purchase food from bakery case or roller grills	+7%

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How likely are you to engage in the following activities? (October 2020)

Of the population that feels extremely **'unsure/unlikely'** to engage with the **communal spaces** in a convenience store or gas station, they are also:

- **9% less likely** to use a **self-serve condiments, or coffee bar** (**43% of respondents**),
- **7% less likely** to purchase **self-dispensed beverages** (**38% of respondents**),
- And, they are **25% less likely** to **use a public washroom.**

When given the option, respondents opt for **crew-service**, where an employee will take the order, prepare it, serve it, and process payment. This behavior has remained stable over the past six months.

- **60% of respondents** prefer crew-service when **purchasing coffee**, exactly the same as reported in May;
- **63% of respondents** prefer crew-service today when purchasing **prepared food,** down by only **1%** since May.

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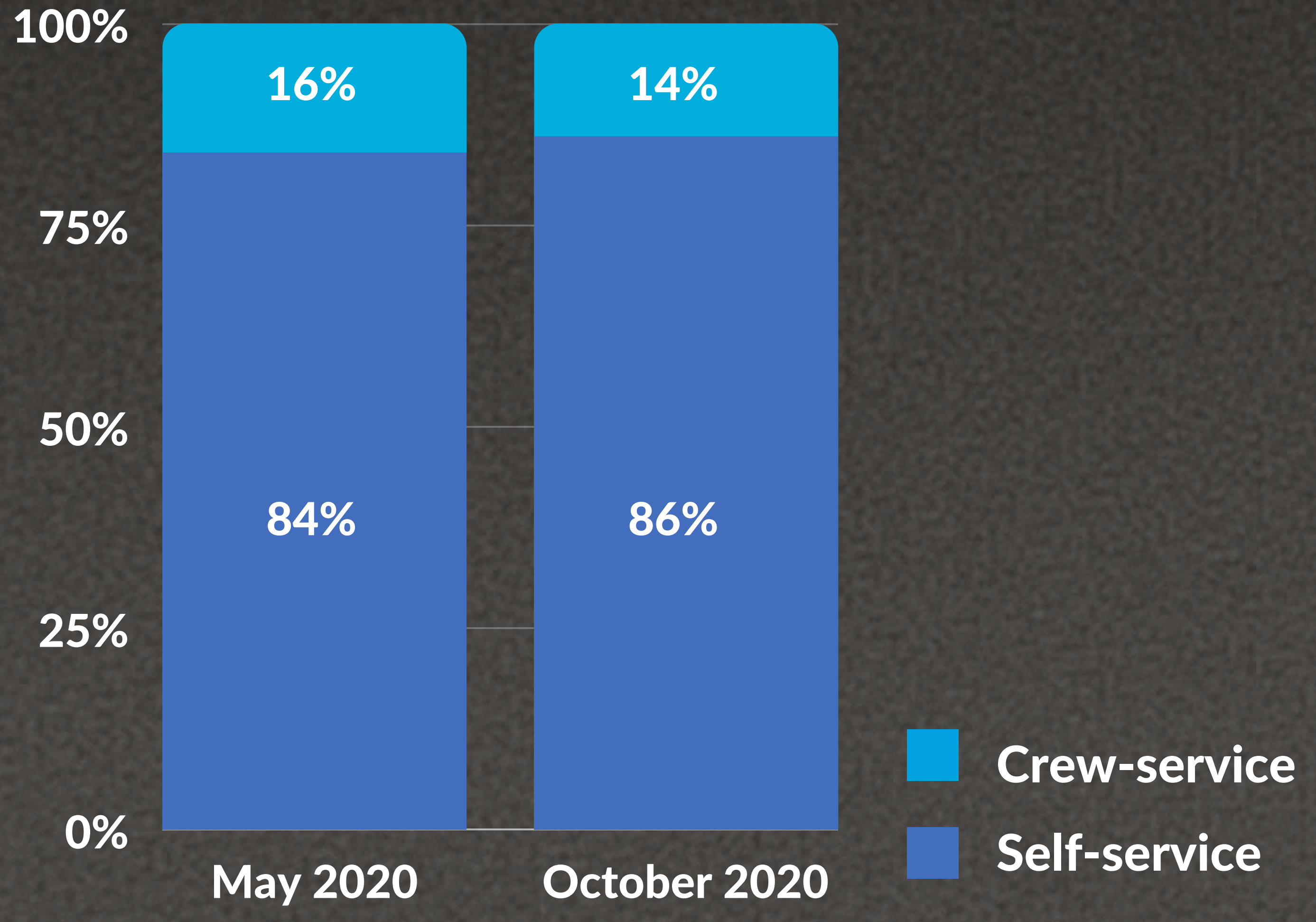
Convenience stores and gas stations have an opportunity to **reimagine** how their **communal spaces are used**, and **what they're used for.**

For example:

- Replace condiment and coffee bars with in-store **sanitization stations**.
- Stage **orders** that are **ready for pick-up** in **bakery cases**, so they can be easily identified upon arrival.

The only time we see a preference for **self-service** over crew-service is when it comes to purchasing **fuel.**



Public washrooms are the only part of the physical space that respondents remain overall impartial towards using.

May 2020	October 2020
Likelihood of using a public washroom	**Likelihood of using a public washroom**
• 16% are extremely unlikely	• 16% are extremely unlikely
• 22% are extremely likely	• 25% are extremely likely

Some rather significant long-term changes have occurred over the past 6 months, and new habits have become entrenched. But overall, our survey suggests a continued **reluctance** to use **communal facilities** in **public places**, such as **restrooms,** and this won't be changing anytime soon..

It's still important to **reinforce operational safety best practices**, to **reinforce cleaning standards**, and to **keep staff well-trained** and following **new guidelines**.

Key finding #3

Consumers are willing to shop in new ways

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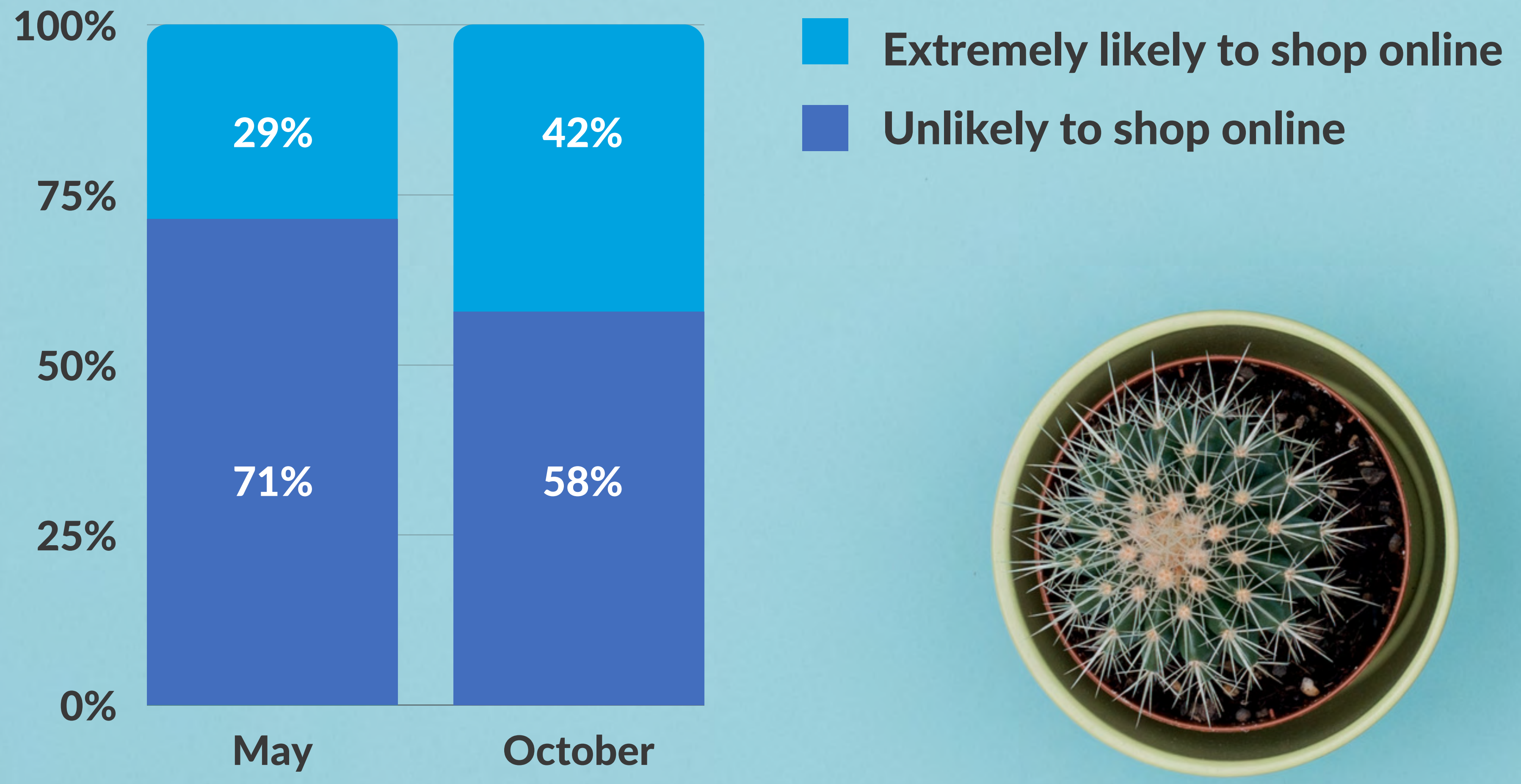
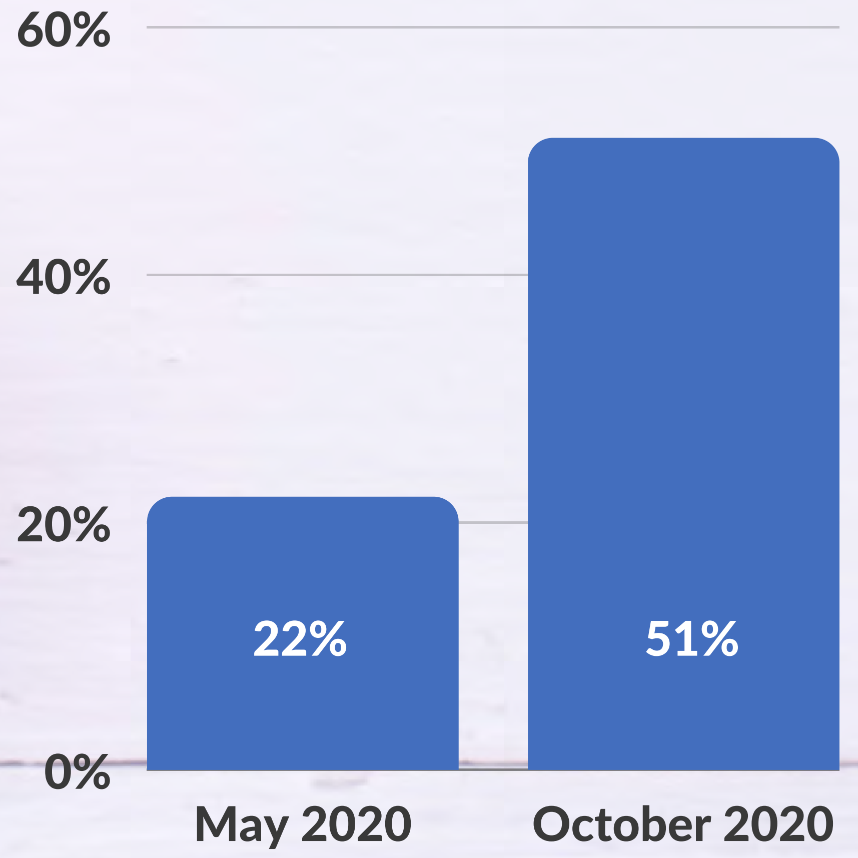
In October, **42% of respondents** expressed that they are **extremely likely** to **shop online**, versus the **29%** that we observed in May.



Online ordering capabilities as they pertain to **prepared food** have increased in terms of **importance**, **ranking 5th** in terms of the overall **priorities** to today's respondents, compared to **7th position** in May.

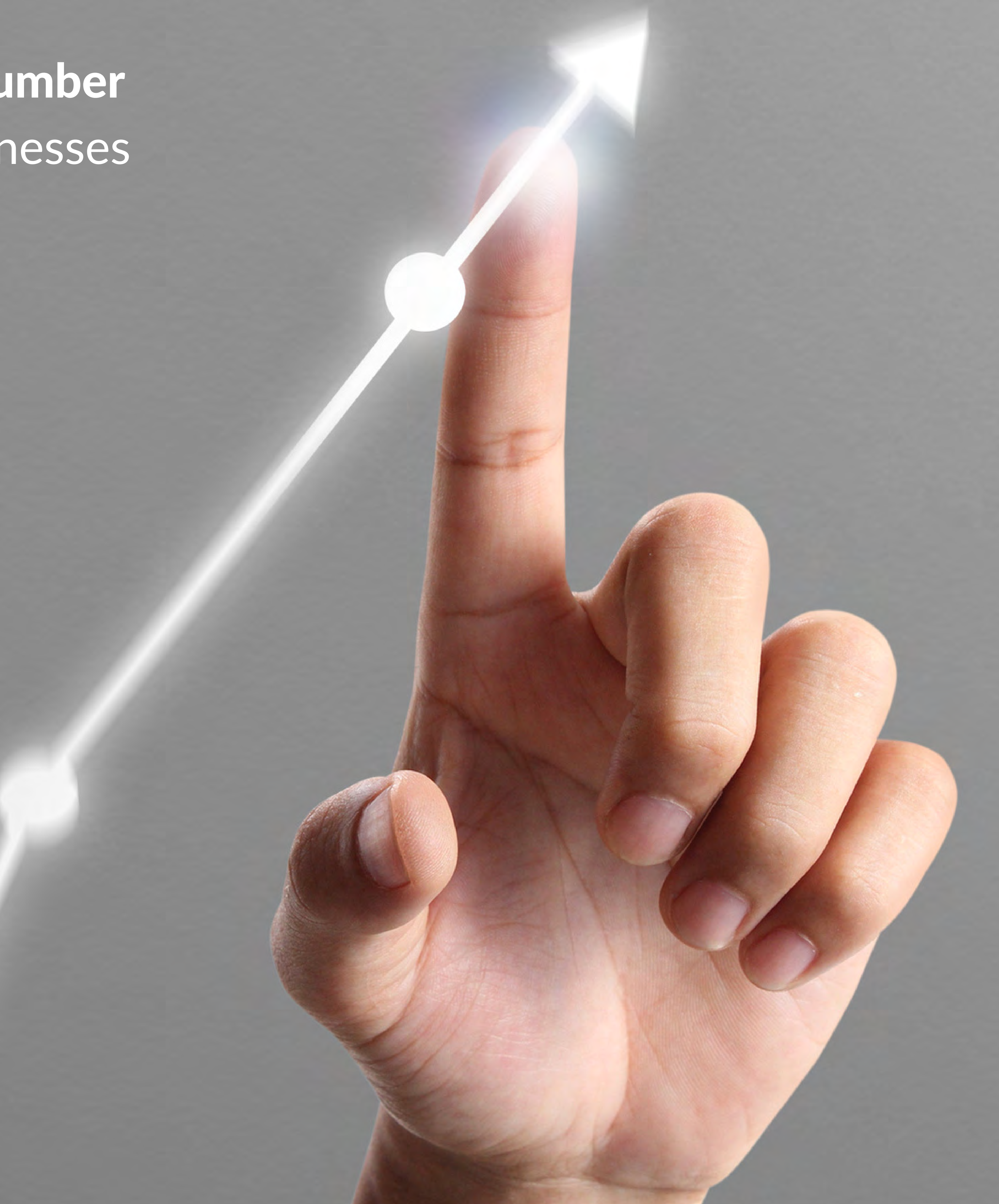
How important is online ordering when making the decision where to order prepared food.



When respondents were asked about the **number one change** that they would like to see businesses make in the future:

- A desire for **better online ordering capabilities** ranked **3rd** in terms of overall **importance** to today's respondents. This reinforces that customers today **expect online options**.

- Easier **online ordering processes** ranked **4th,** demonstrating that consumers are facing obstacles when using existing online services and want and expect **easy-to-use, frictionless experiences**.



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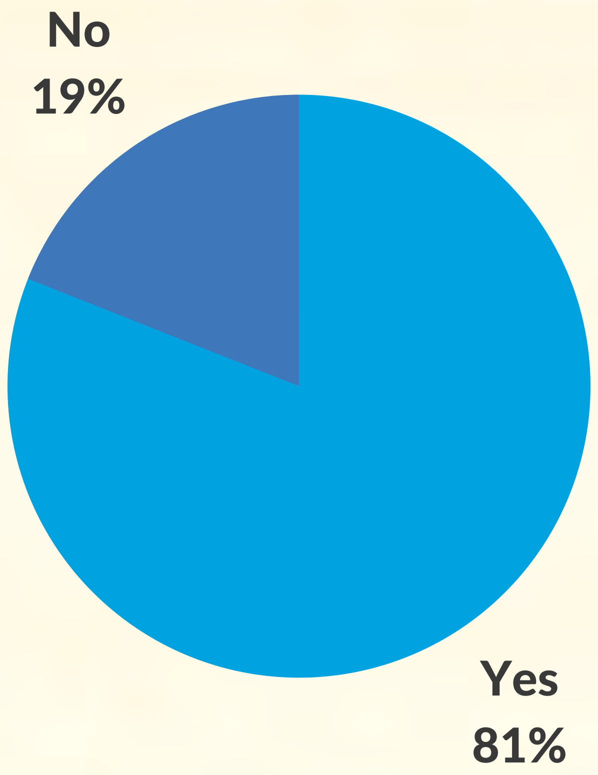
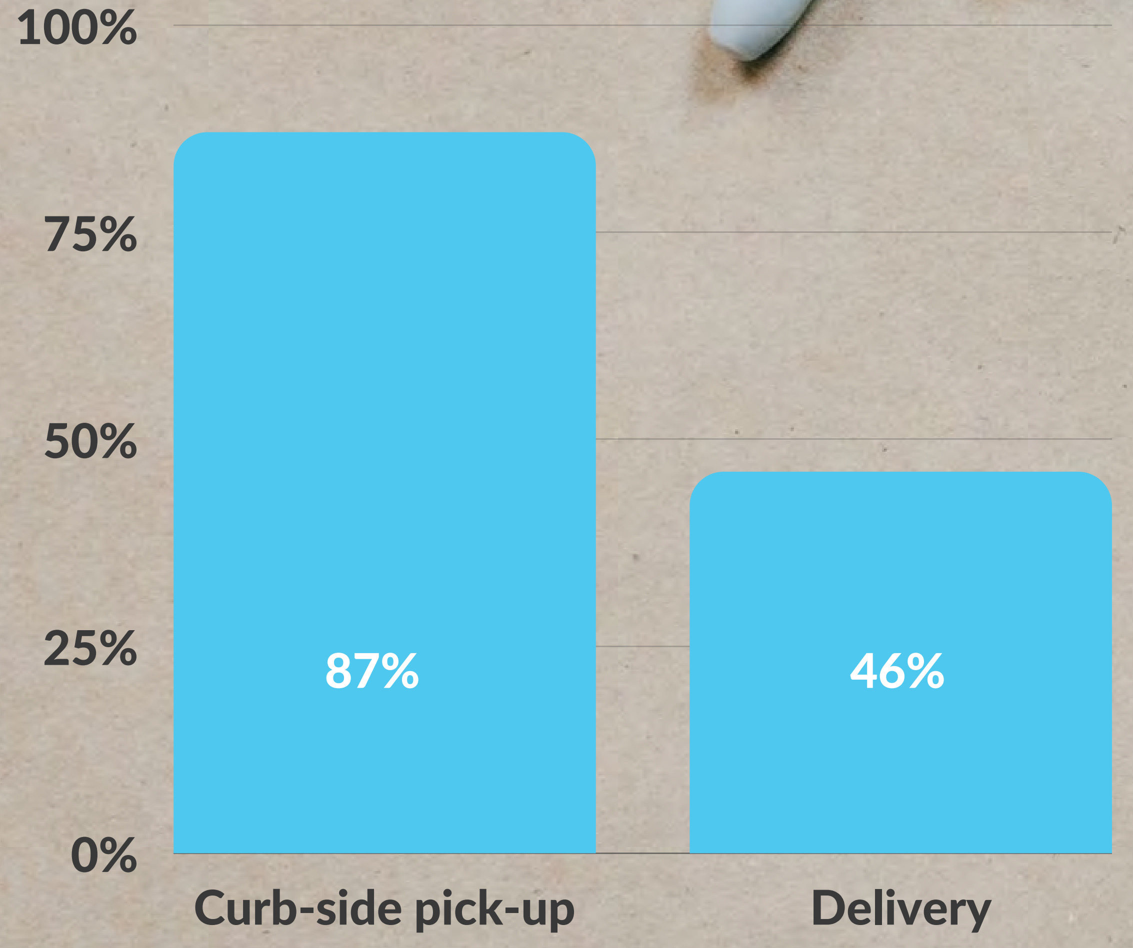
To address some of the **pain points** customers were facing due to **store closures** and **shelter-in-place restrictions, new services** were implemented across **convenience stores** and **gas stations.**

Some of these new services are **sticking (e.g. curb-side pick-up),** although **overall adoption is low.**

Almost **20% of respondents** say they have taken advantage of new service options offered by **convenience stores**, such as **curb-side pick-up** or **delivery.**

For those who have, **86%** of early adopters say they will **continue using these new services** in the future.





When considering where to focus **future efforts and investments**, our respondents are showing a significant uptake in **curb-side pick-up** over **delivery**.

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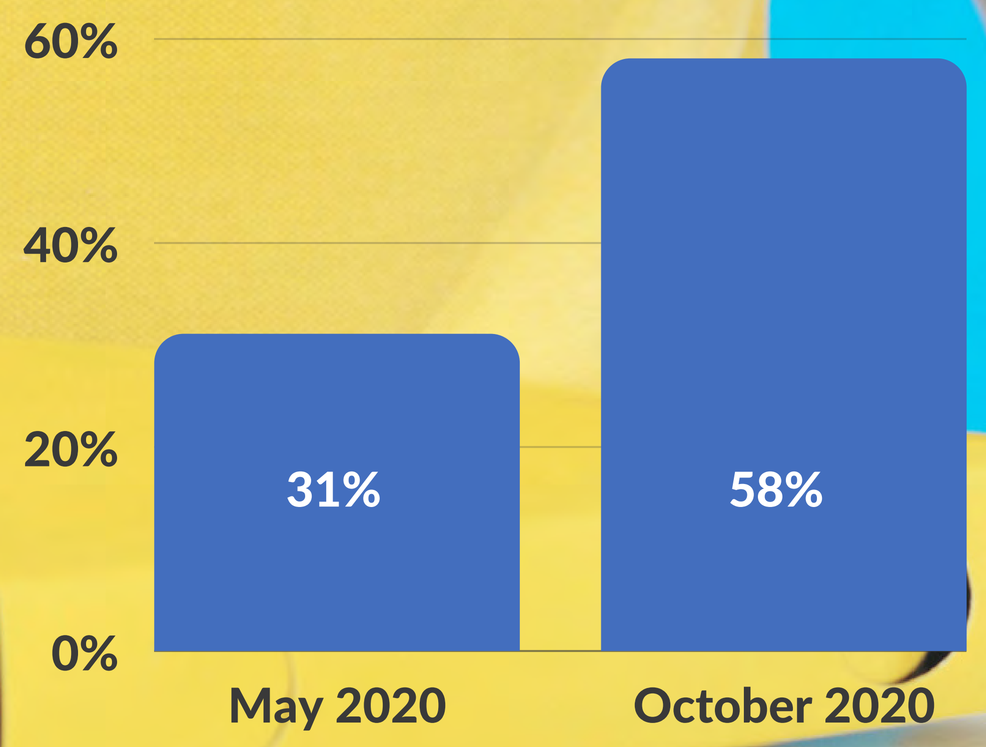
As you consider new ways to engage with your customers, keep in mind that **quality of service** is also of **increasing importance** to respondents. Since May, we have seen a **27% increase** in the number of of respondent rating **quality of service** as **extremely important.**

Percentage of respondents that consider quality of service extremely important.



Where do we go from here?

In May, it was all about **safety** and **cleanliness**. But today, things like **quality of food, service,** and **convenience,** matter more to customers than they did six months ago. We've returned to many of our pre-pandemic behaviors and needs, but have also observed significant long-term changes especially around **self-serve facilities** and **crew-service**.

Help your customers by identifying and resolving aspects of the **customer journey** prohibiting them from taking **advantage of your full offering**. By eliminating **points of friction**, and using the data in this study to improve your customer experience and operational performance, you can continue to meet evolving customer needs and the demands of a changing industry landscape.

Our October data suggests that consumers are more **willing** to shop **in-store**, prefer **crew-service** and expect to receive a **high quality of service,** are in **pursuit of convenience,** and **quality food**. As a business, it is critical that you continue to focus your efforts on:

- **Visibly reinforcing health** and **safety standards,** keeping **staff** well **trained** and well-versed in **safety guidelines,**
- Enhancing **online ordering capabilities** to make processes easier and more **user-friendly**,
- Going **contactless** whenever possible, using **curb-side pick-up, delivery, self-service,** and ensuring **quality of service** remains **high**,
- **Repurposing physical spaces** that aren't being used to meet new demands around **delivery** and **pick-up,**
- Providing **high quality prepared food** and **drinks,**
- Implementing **cleanliness** and **sanitation** procedures to avoid a drop in customer **comfort levels**;

These steps needs to be taken to ensure the safety of your employees and customers, as well as adding to their on-going comfort and trust in your business.

Download the reports

May 2020

- A Field Study on the Future of Retail
- A Closer Look at Restaurants and Food Service Establishments
- Implications for Convenience Stores and Gas Stations

October 2020

- Retail
- Restaurant
- Convenience-Stores and Gas Stations

About us

At Intouch Insight, our focus is on enabling businesses to collect insights that drive improvement and influence outcomes. Though a lot has changed over our past 40 years in business, our focus remains the same.

We are on a mission to be the leading software and services provider, offering an integrated solution that enables our clients listen to their customers, interpret the results, and act to align operations with customer expectations.

By leveraging our deep expertise and flexible software platform, our clients are empowered to delight their customers and improve their bottom line.

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Please note: For additional survey points and data insights please contact **letschat@intouchinsight.com.**

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