Changes in Consumer Habits:
What the 'new normal' means for for Petro and Convenience Stores

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 businesses as they deliver on their brand promise. Leveraging our automated customer experience platform, brands are able to produce the high-value actions that **earn customers for life**.

Learn more:

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www.intouchinsight.com

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.

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Introduction & Update

There are many factors that affect and influence an individual's consumer habits. And although many changes were already underway, like the adoption of emerging shopping technologies and alternative modes of engaging with customers, COVID-19 has undoubtedly accelerated the transformation.

To better understand how consumer habits are changing, we launched a series of industry studies to understand the impacts of these changes through three Consumer Habits surveys conducted in **Spring 2020, Fall 2020, and Spring 2021**.

To continue understanding the long-term effects and trends on the petro-convenience sector, we are continuing our research with our fourth survey, reaching over 1800 survey respondents.

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Key findings

With ever-evolving rules and regulations, businesses have innovated and consumers have taken advantage of new ways of engaging with the businesses they love.

In this study, we will provide insights into the long-lasting effects of those changes, and how brands can meet and exceed their customer expectations moving forward.

What's covered in the report:

- What are the future trends impacting consumer behavior,
- What customers expect from the businesses they interact with, and
- Where businesses can focus their efforts to drive the greatest impact.

If this is as far as you go in the study, here's what you absolutely need to know:

- **Key Finding #1: It might be back to business as usual, but don't ignore future trends**
  - When it comes to shopping for essentials, in-store purchasing is back! As we will see in the initial findings, location, price of gas and loyalty programs are the top 3 influencers for choosing a petro-convenience store.
  - Consumers are quickly abandoning alternative methods for purchasing because they are simply not interested.
  - Looking ahead, overall retail trends predict an increase in online purchases, so when considering where to invest in alternative last-mile services, curbside pickup still has far greater adoption than delivery for convenience stores.

- **Key Finding #2: Pre-pandemic consumer habits and purchase drivers rise back to the top**
  - Respondents are less concerned with extra safety measures and more concerned with price, quality, and store location.
  - Cleanliness remains a top priority that can't be ignored.
  - When asked what the number one change consumers want businesses to make, cheaper delivery fees and easier online ordering topped the list, compared to more safety related aspects that we saw last spring.

- **Key Finding #3: Positive reviews can make or break your brand**
  - Positive reviews have the greatest influence on choosing a brand and having a positive experience was the greatest motivator for leaving feedback.
  - Majority of respondents are willing to leave feedback but only half of businesses are asking for it.
  - The number one driver for not wanting to give feedback is that it takes too long. Consider simplifying the feedback process to drive higher response rates.

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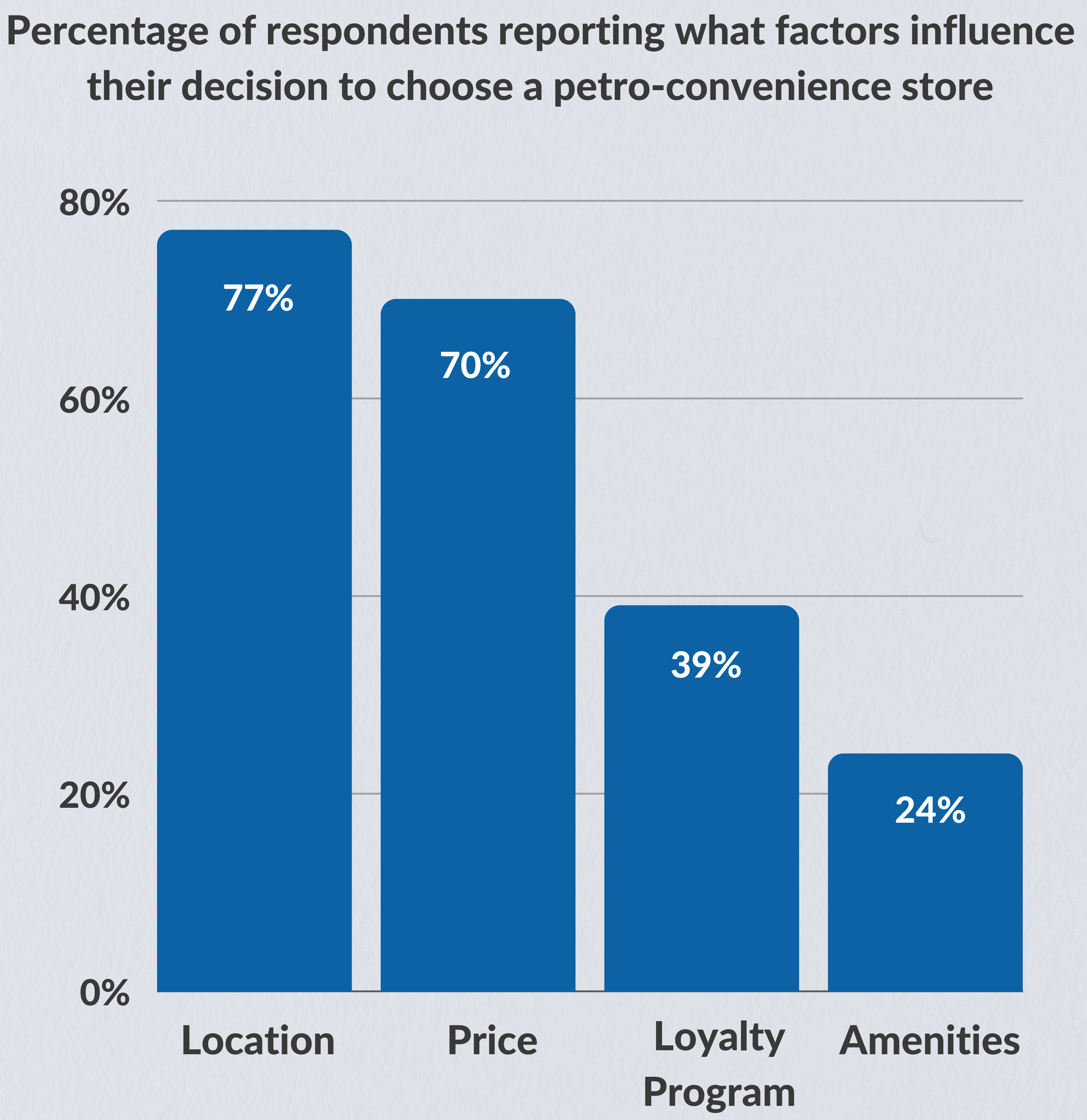
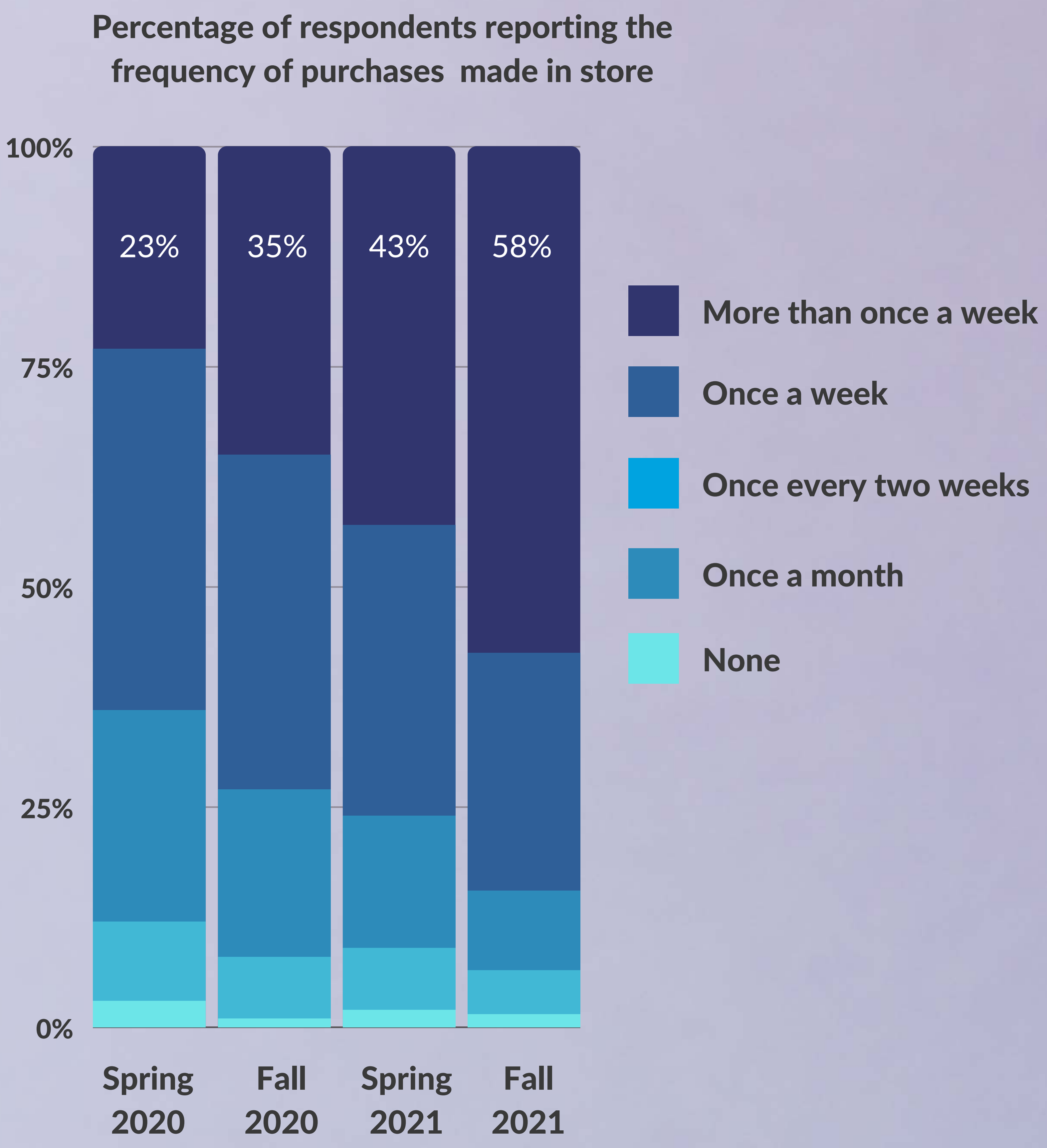
Initial findings

Our Fall 2021 consumer habits study looked at key motivators and purchase behaviors of respondents in regards to petro-convenience store purchases.

The top three influencers for choosing a petro-convenience store are **location, price of gas**, and **loyalty programs**.



Similarly, the number of people reporting that they have made a purchase in store **more than once a week** has continued to increase over the past 6 months, demonstrating increased comfort with the new normal.



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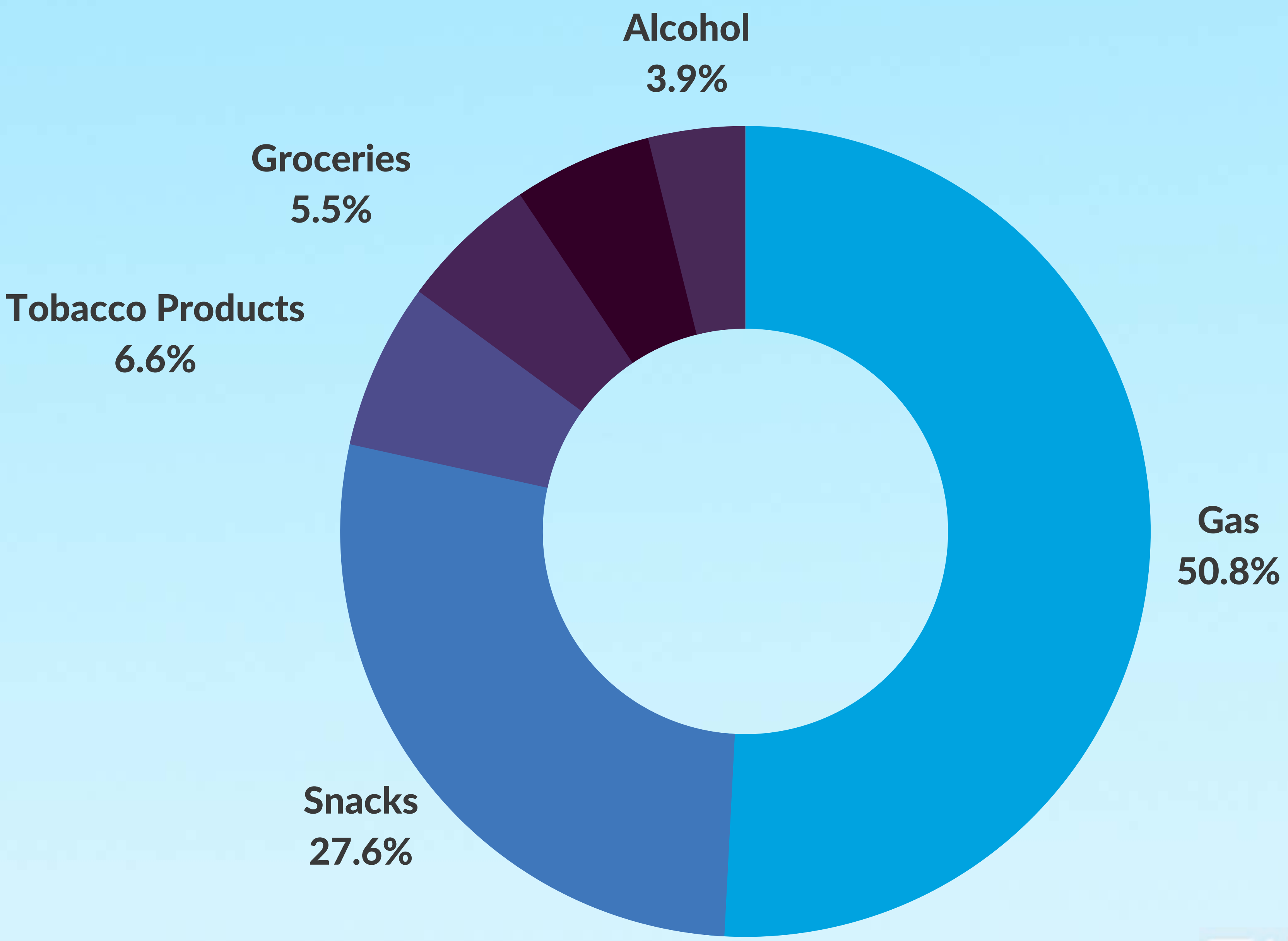
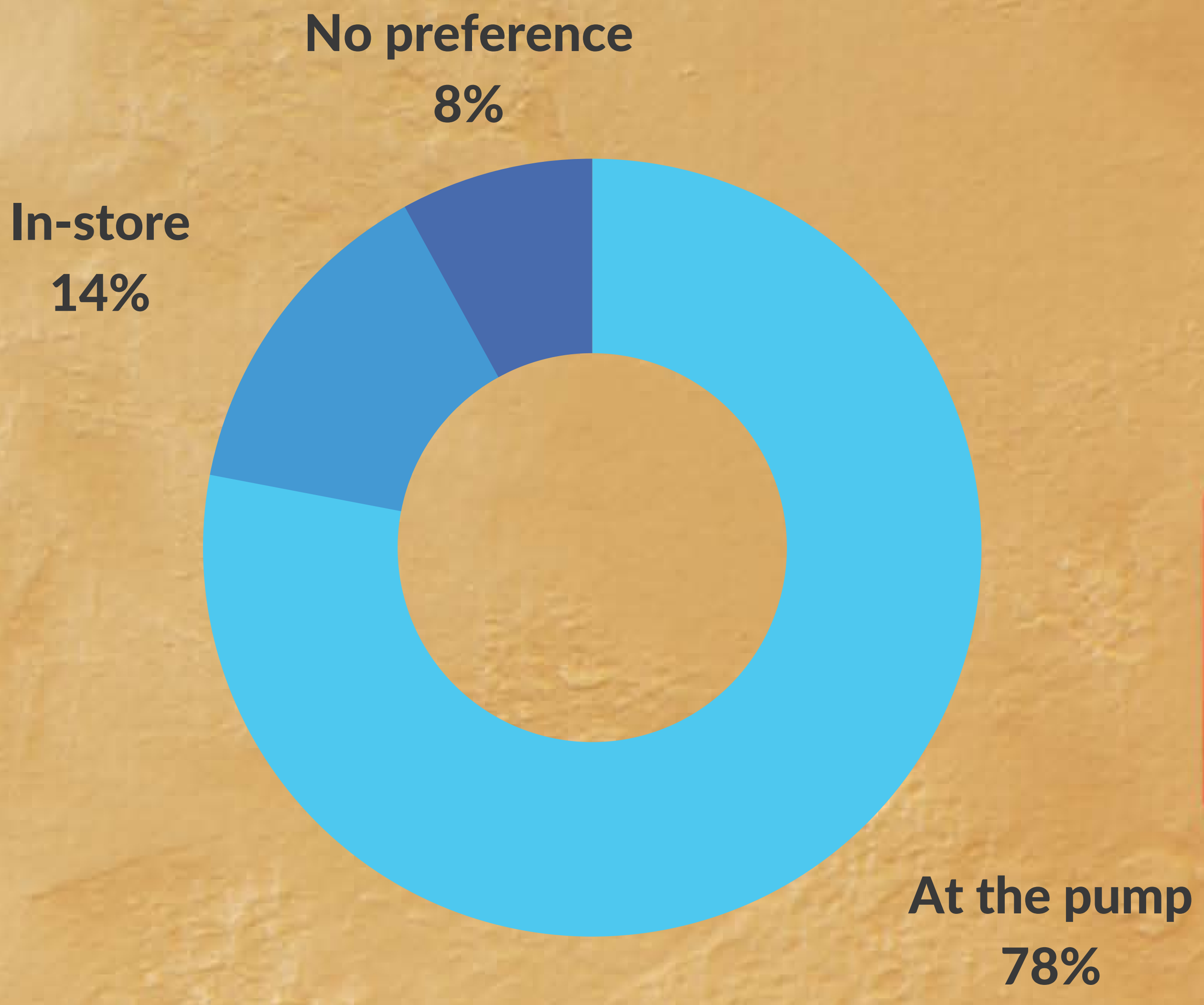
Items most typically purchased are **gas**, **snacks**, and **tobacco products.**

What items do you typically purchase from a petro-convenience?



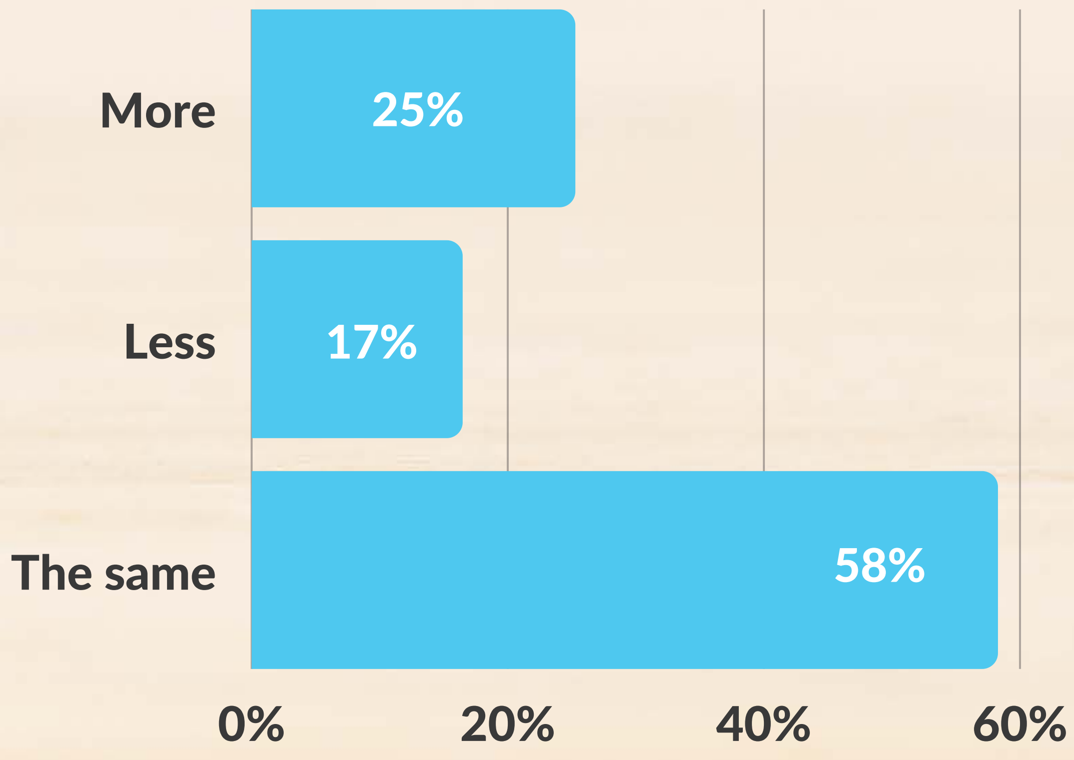
91% of respondents stated that they visit petro and/or convenience stores to purchase gas, and **78% prefer making this purchase at the pump.**

When buying gas, do you prefer to pay at the pump or in-store?

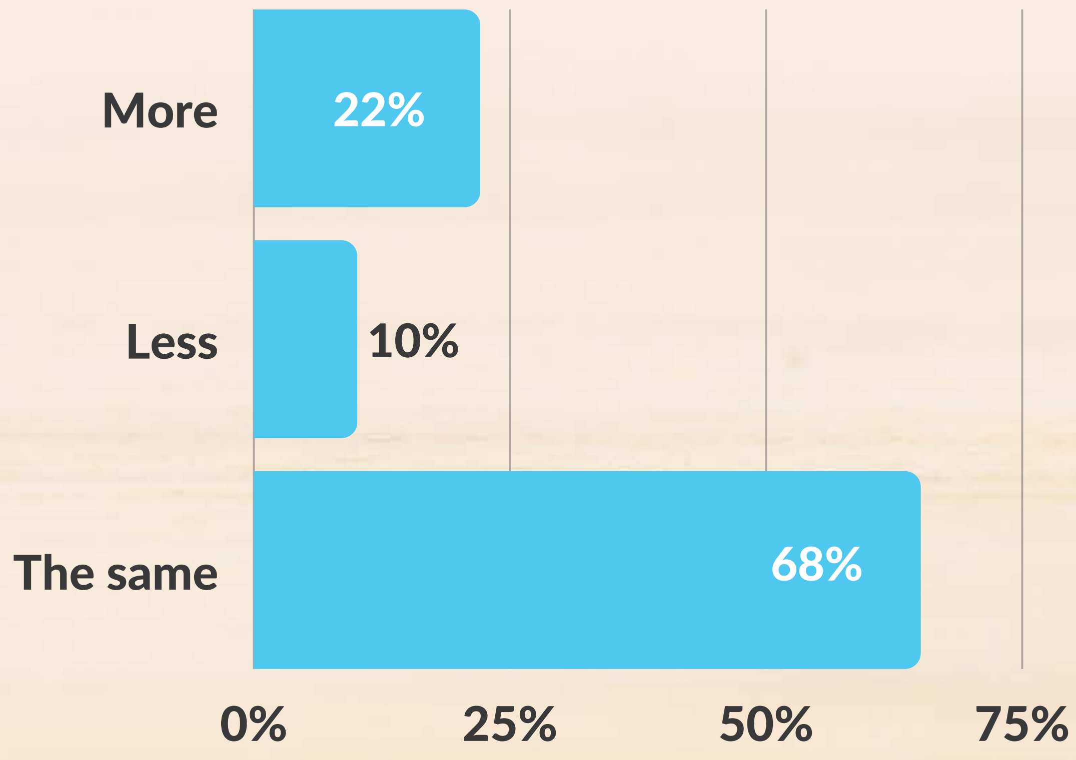


In our latest survey results, respondents continue to reinforce the importance of **localization and community engagement**, with 22% of respondents reporting an increase in shopping local over the last 6 months.

Spring 2021: Percentage of respondents reporting change in local shopping patterns compared to pre-pandemic.



Fall 2021: Percentage of respondents reporting change in local shopping patterns in the past 6 months.



Key finding #1

It might be back to business as usual, but don't ignore future trends.

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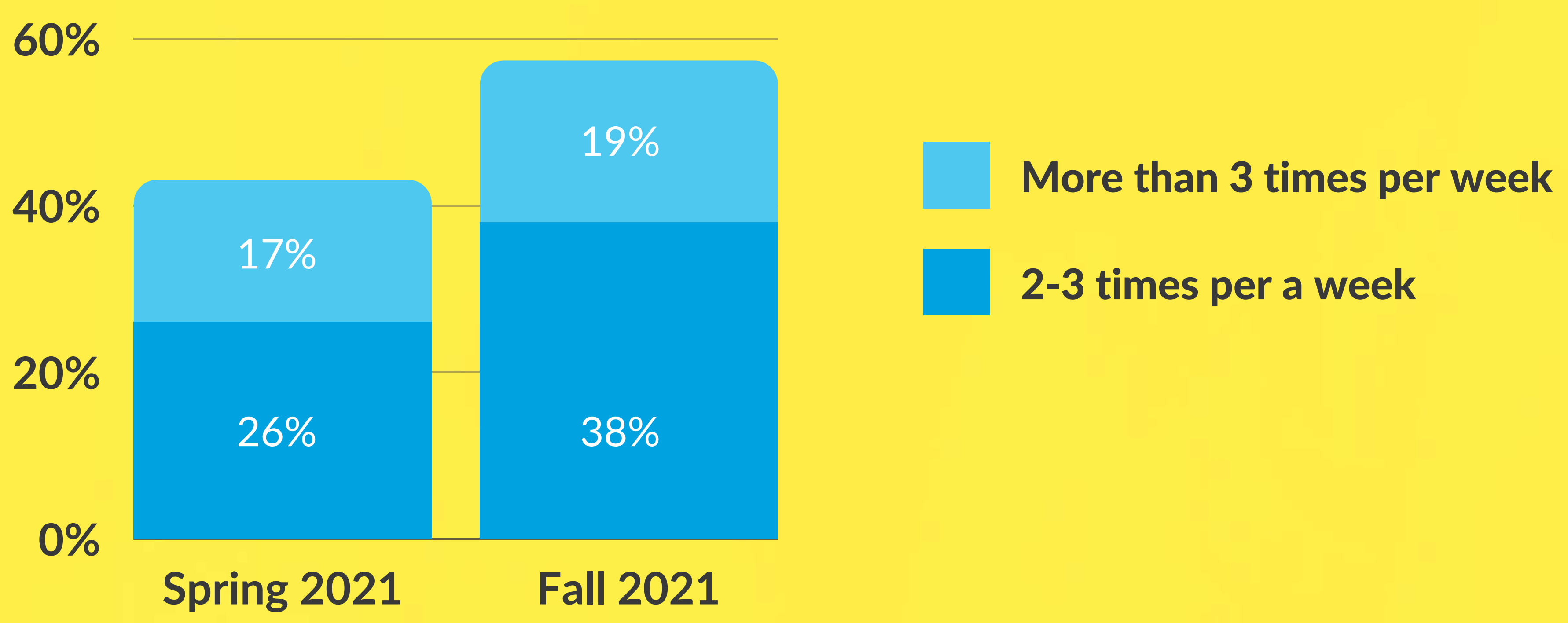
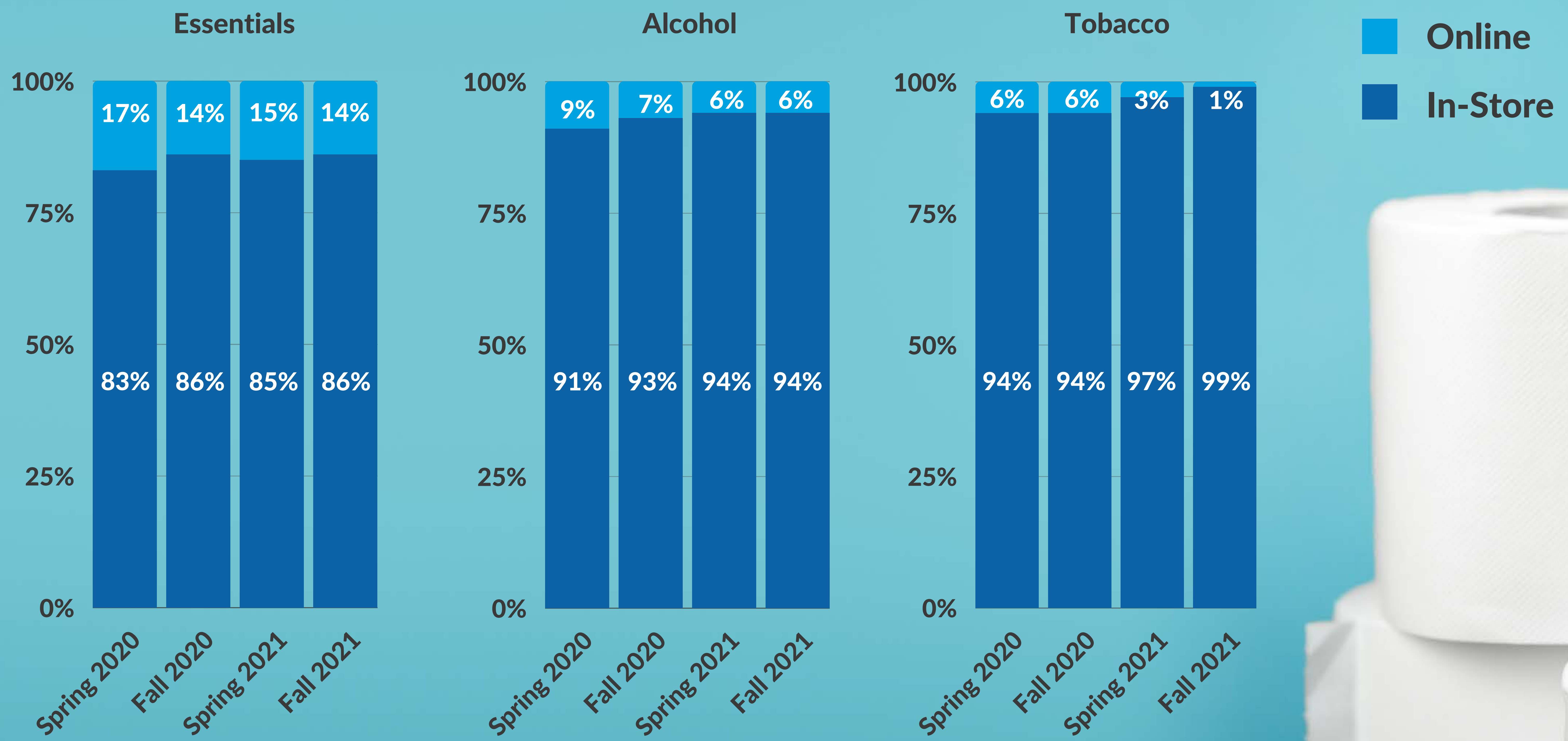
As we saw in the initial findings, the reported frequency of shopping in-store continues to increase. Not only is the percentage of respondents visiting a store more than once a week increasing, since Spring 2021 the proportion of those visiting **more than 3 times per week continues to grow** as well.

Percentage of respondents reporting the frequency of purchases made in store

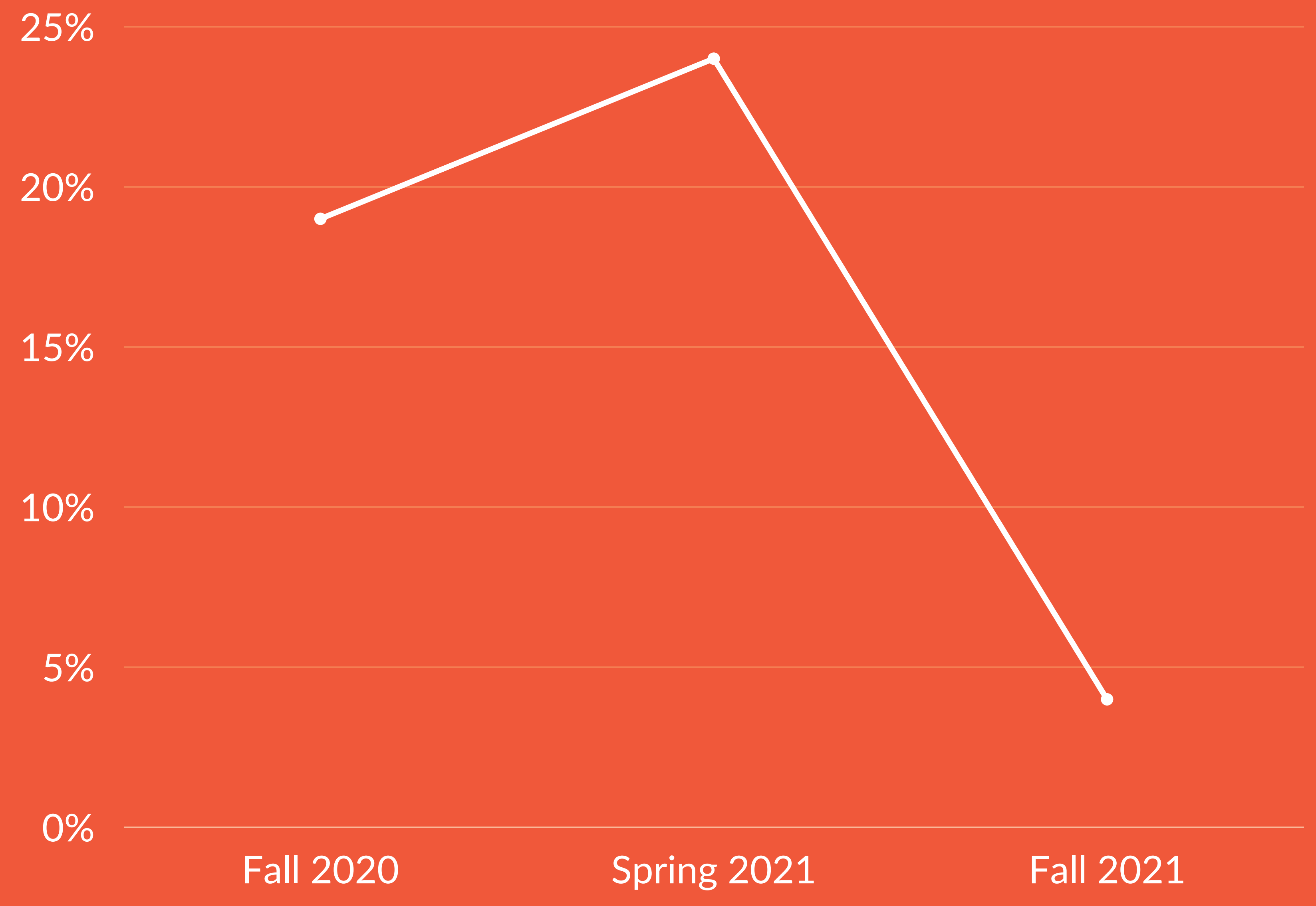


Essential goods, alcohol and tobacco continue to be purchased predominantly in-store.



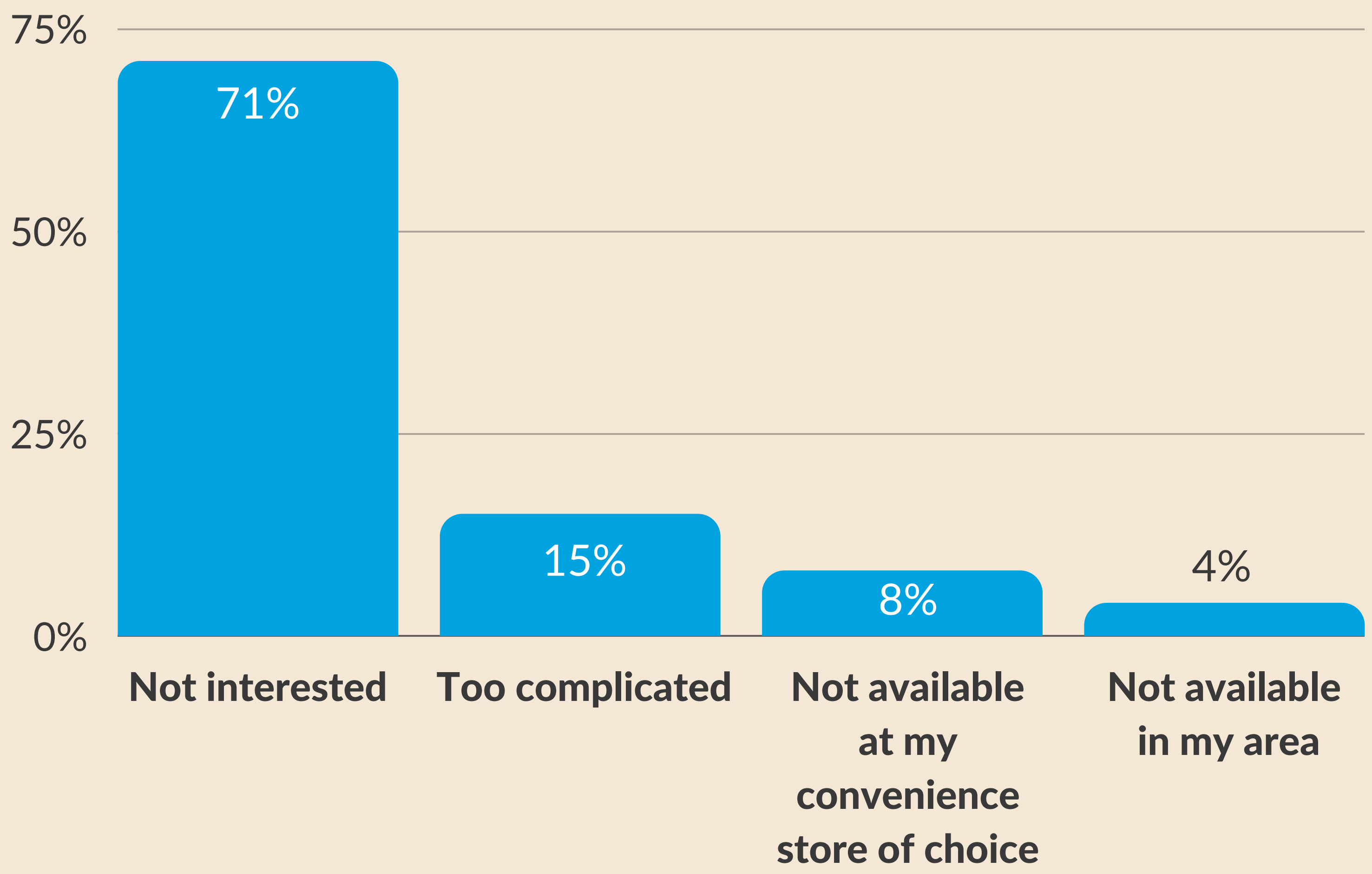
And, our latest results show a **drastic drop, from 24% to 4% of respondents** who say that they have taken advantage of last mile services, like curb-side pick-up or delivery.

Do you use an alternative shopping method such as delivery or curbside?

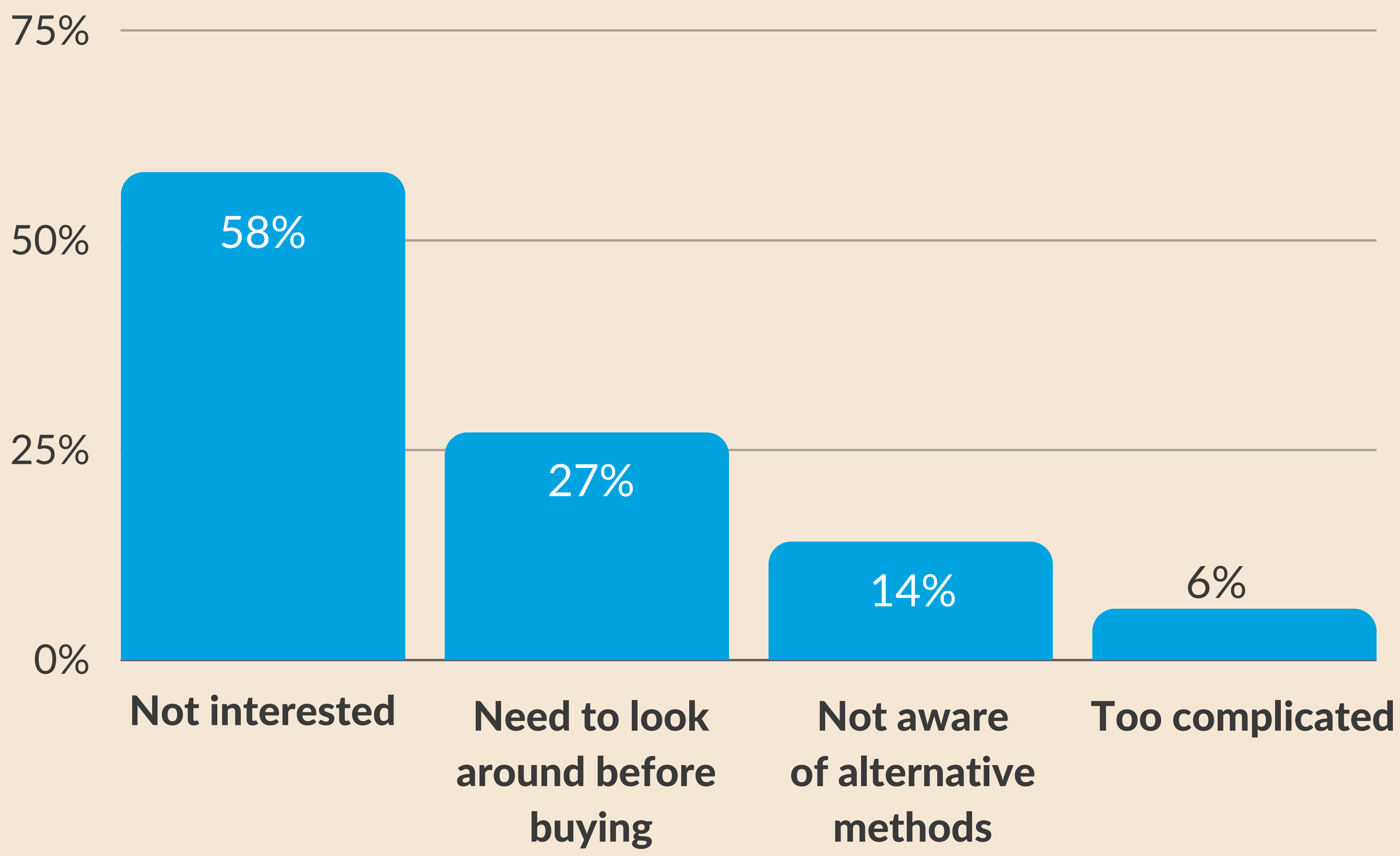


When asked why they do not use alternative methods, the majority of respondents report that they are **simply not interested**. However, this percentage has decreased since Spring 2021 and other drivers, such as needing to look around before buying, have increased, thus reinforcing consumers' comfort level with returning in-store.

Spring 2021: Percentage of respondents reporting why they don't use alternative shopping methods at petro-convenience stores



Fall 2021: Percentage of respondents reporting why they don't use alternative shopping methods at petro-convenience stores.



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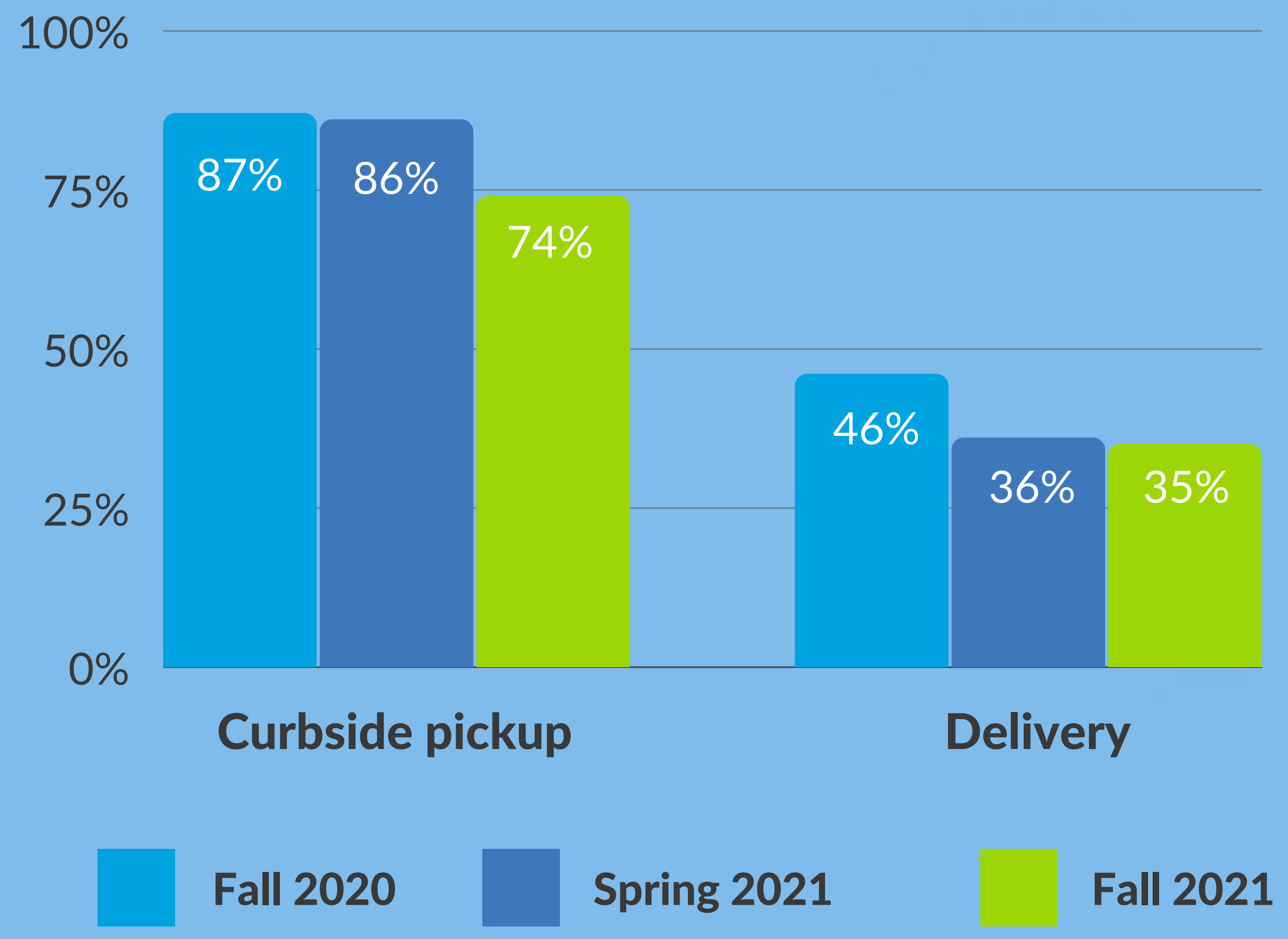
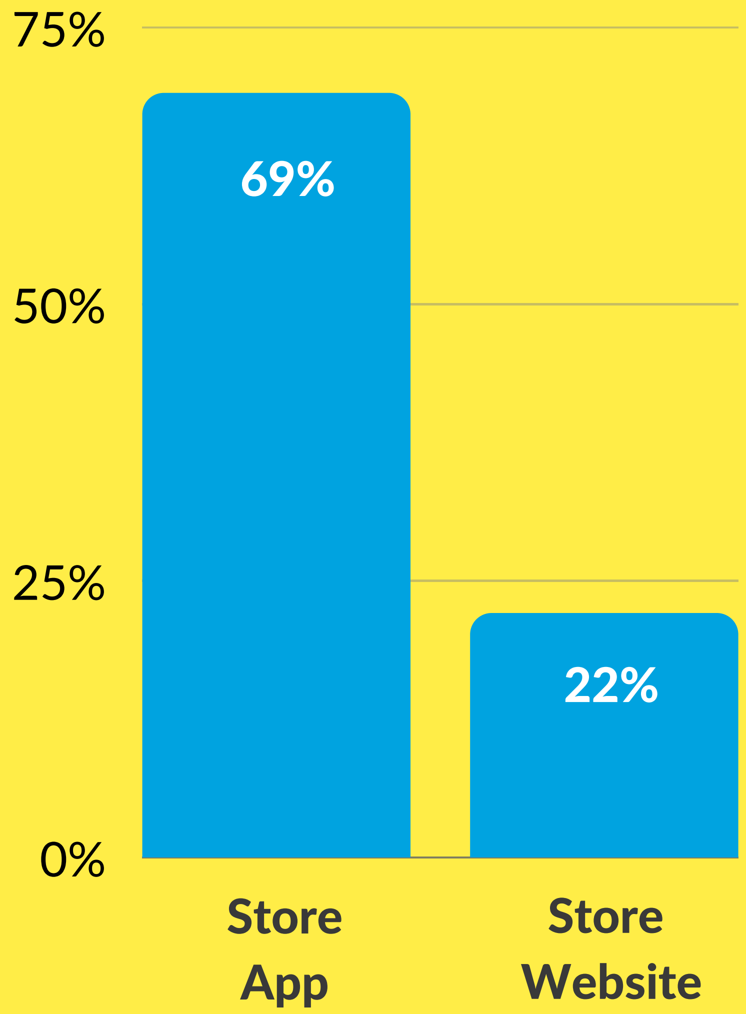
For those consumers who did use alternative methods, curbside pickup was by far the most popular.

Percentage of respondents reporting which alternative methods of shopping they used

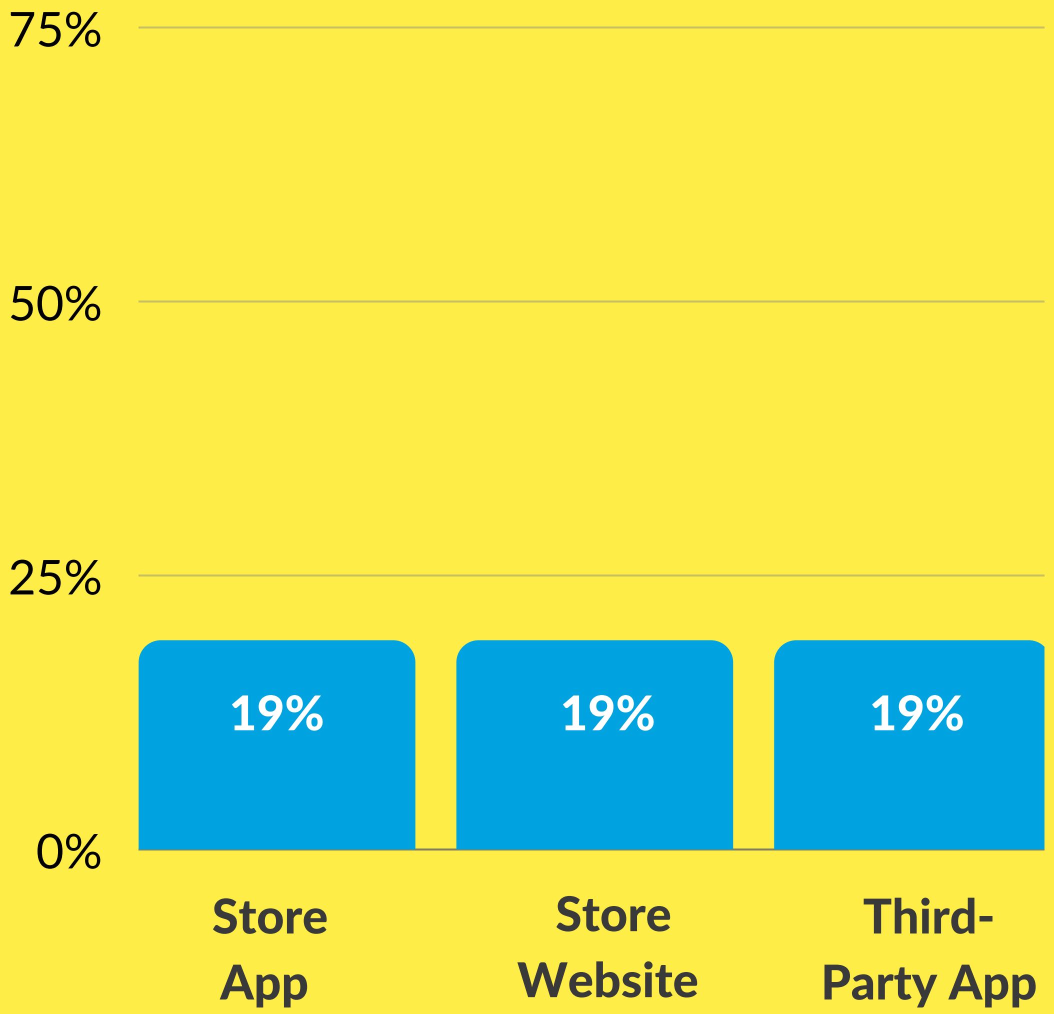


When investigating how best to offer these alternative methods, our respondents have shown a **preference towards using a purpose-built app for when ordering for curbside pickup**, but no preference when it comes to delivery.

Curbside pickup: Percentage of respondents reporting which alternative method they have used

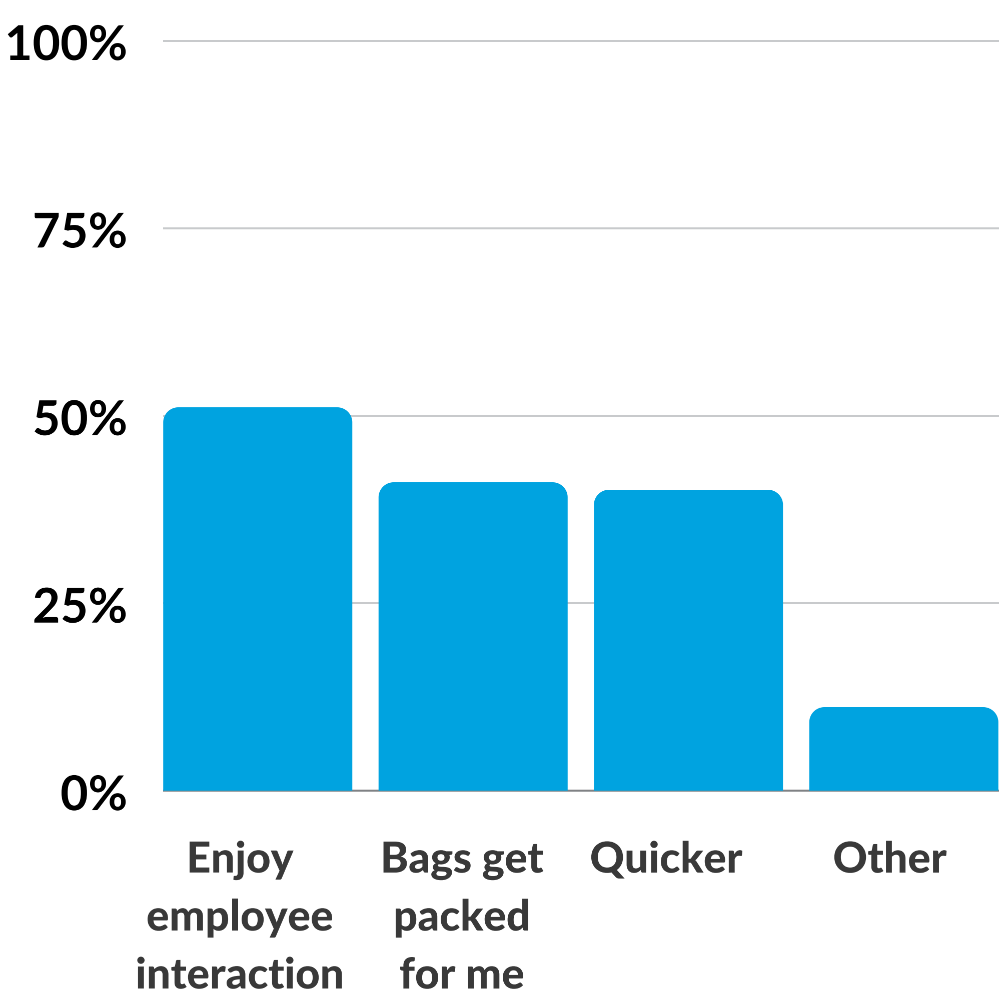


Delivery: Percentage of respondents reporting which alternative method they have used

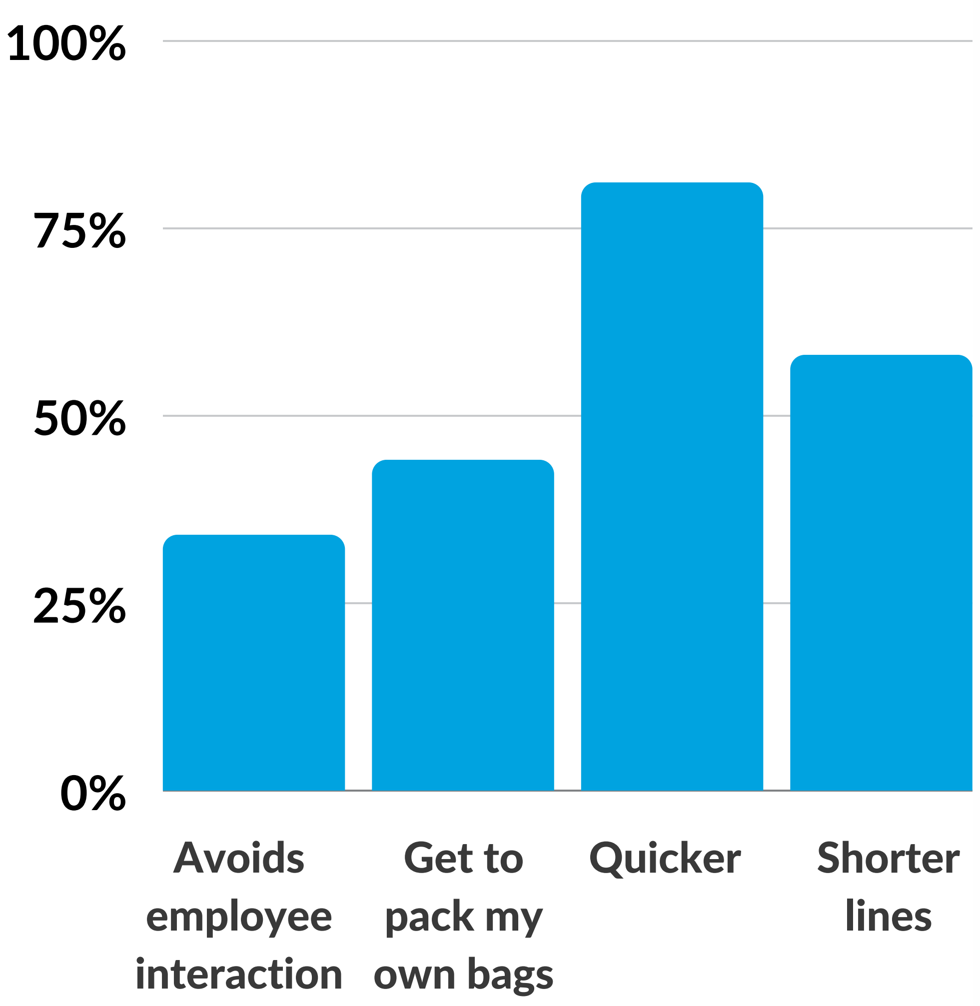


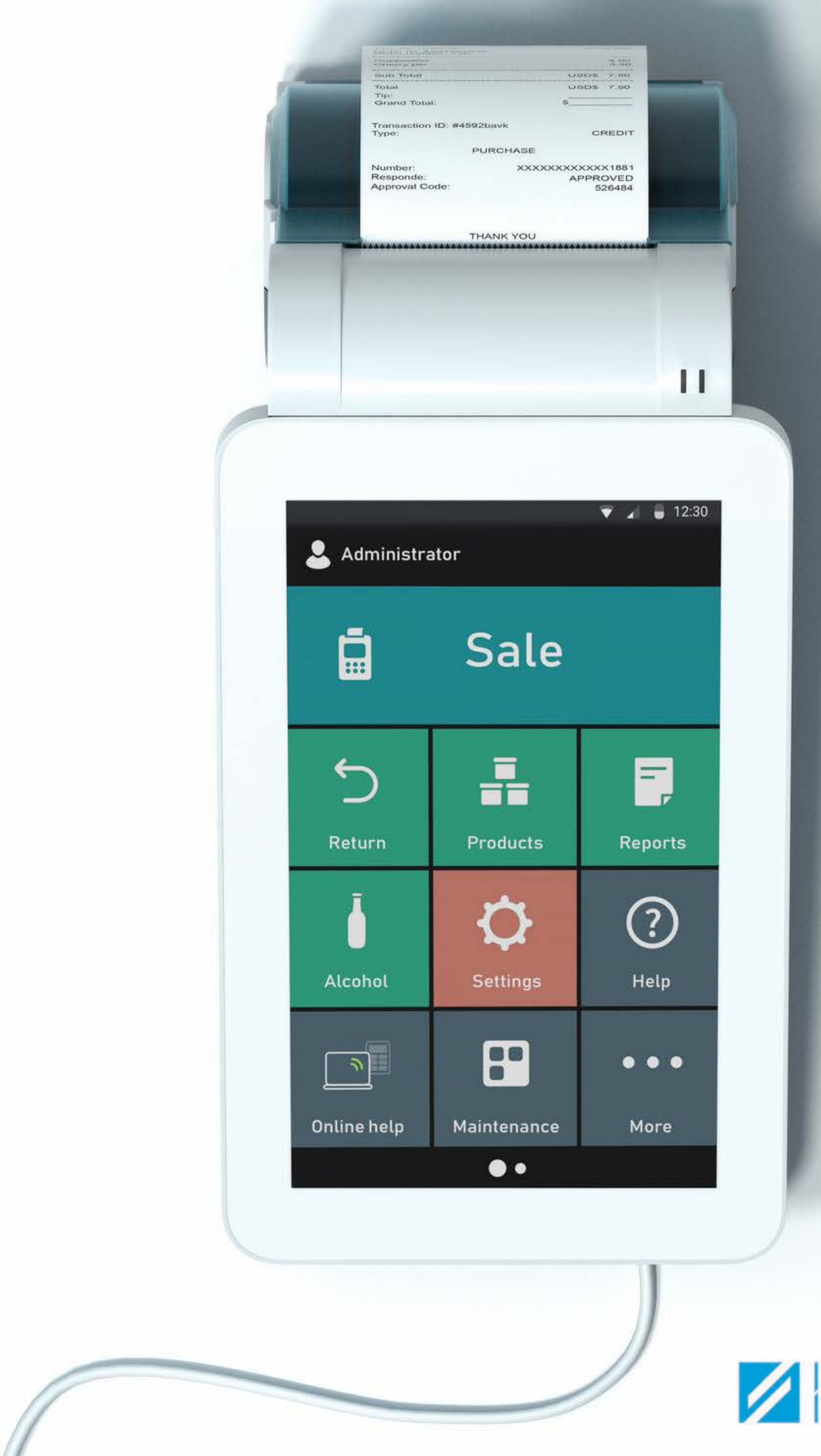
When in store, research shows that consumers are **split 50/50** on whether or not they prefer using a cashier or self-checkout, and the reasons why are interesting.

Why cashier?



Why self-checkout?





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Key finding #2

Pre-pandemic consumer habits and purchase drivers rise back to the top

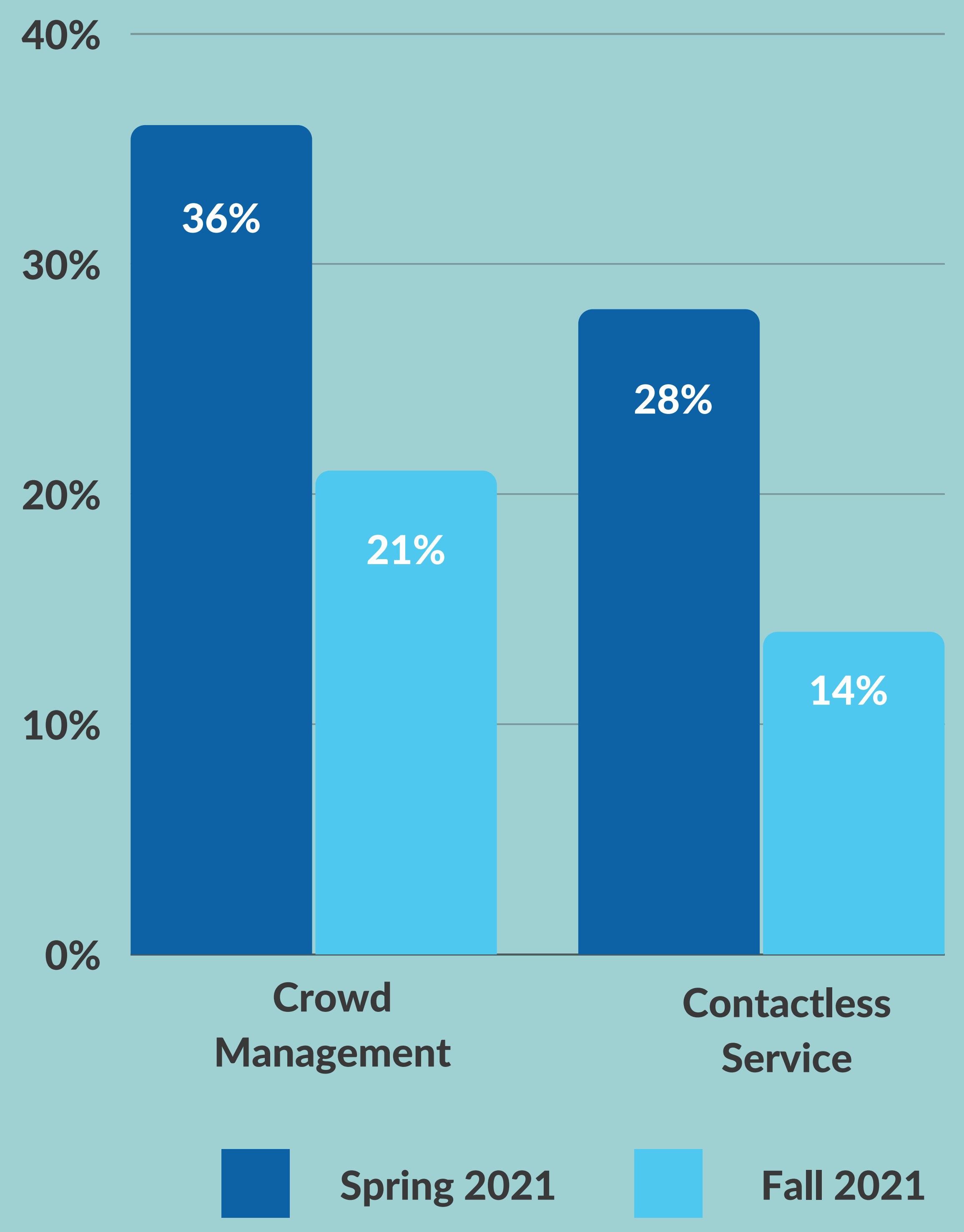
Over the course of the pandemic, we have seen a return to pre-pandemic drivers of comfort for consumers.

Respondents are increasingly less concerned with extra safety measures and more concerned with **pricing, quality, and store location.**

Top 3 aspects considered extremely important when making a decision to visit a store

Aspects that respondents find extremely important when choosing to visit, COVID-19 related safety measures such as **contactless service and crowd management** have become less important.

Percentage of respondents who consider contactless service and crowd management important factors that influence what store they visit



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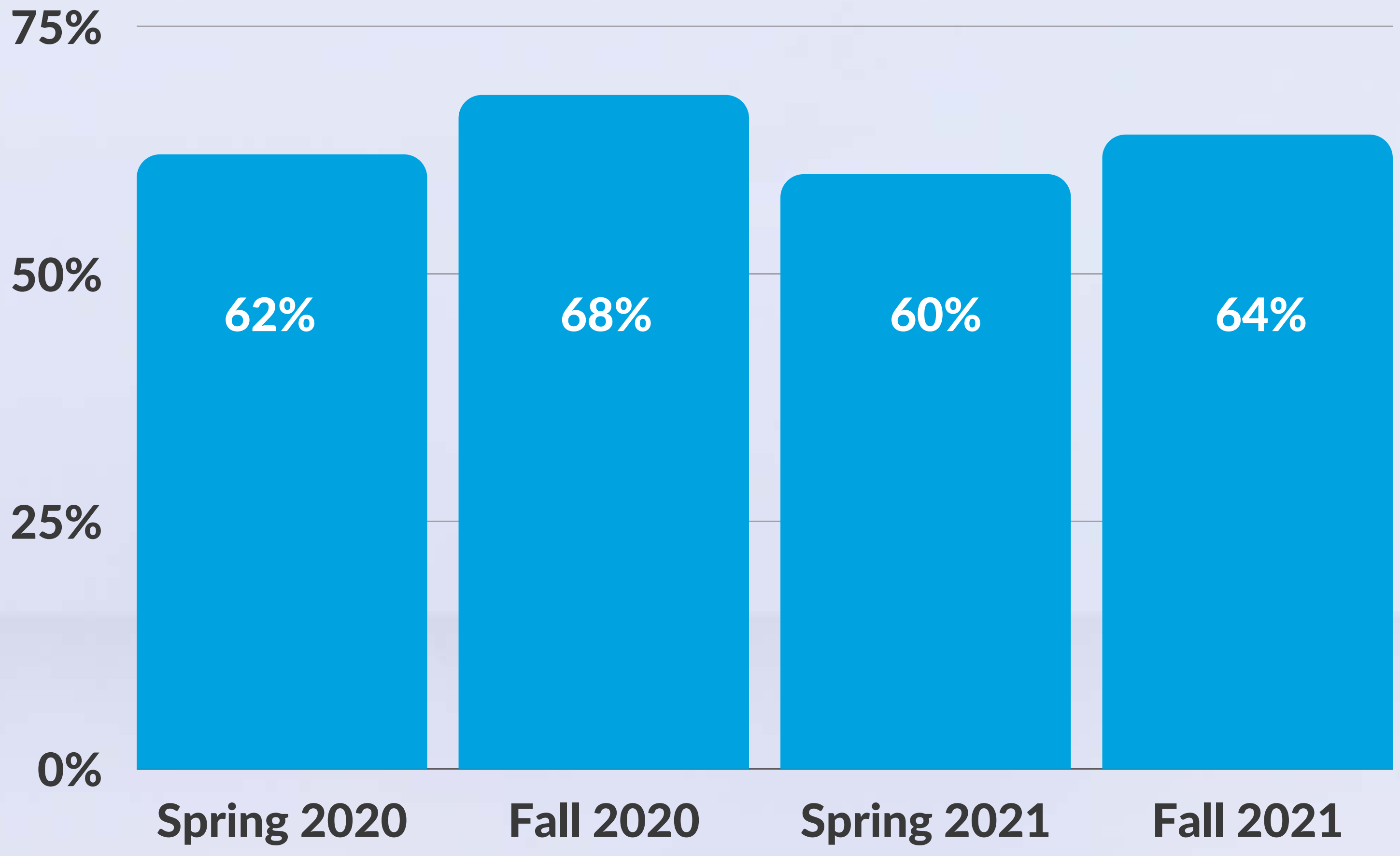
Expectations around cleanliness have seen little fluctuation over the past two years and remain an important factor for consumers.

Percentage of respondents rating cleanliness as extremely important when making the decision to visit a store



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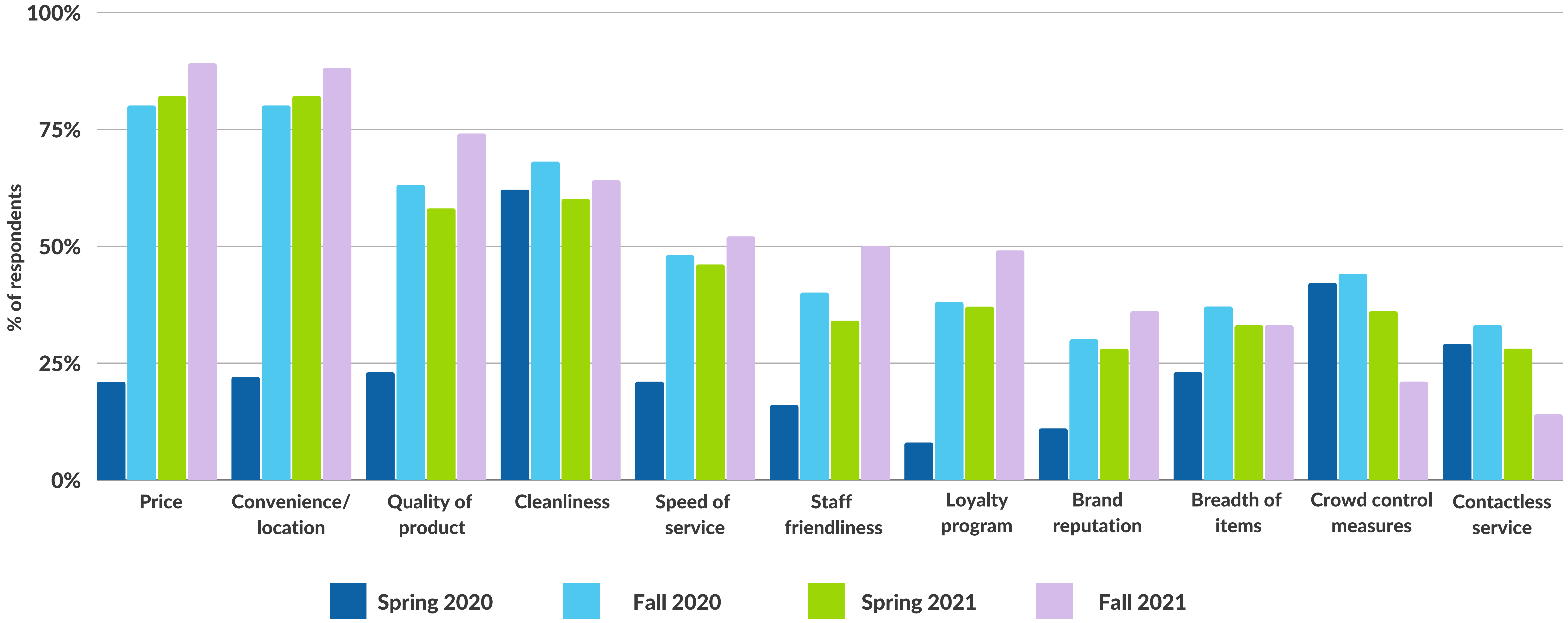
Which of the following aspects do you consider **extremely important** when making a decision to visit a store?



Note: results from May 2020 survey were taken from two questions: What aspects do you consider EXTREMELY IMPORTANT when making the decision to visit a store? and What aspects do you consider EXTREMELY IMPORTANT when making a decision to purchase in-store?

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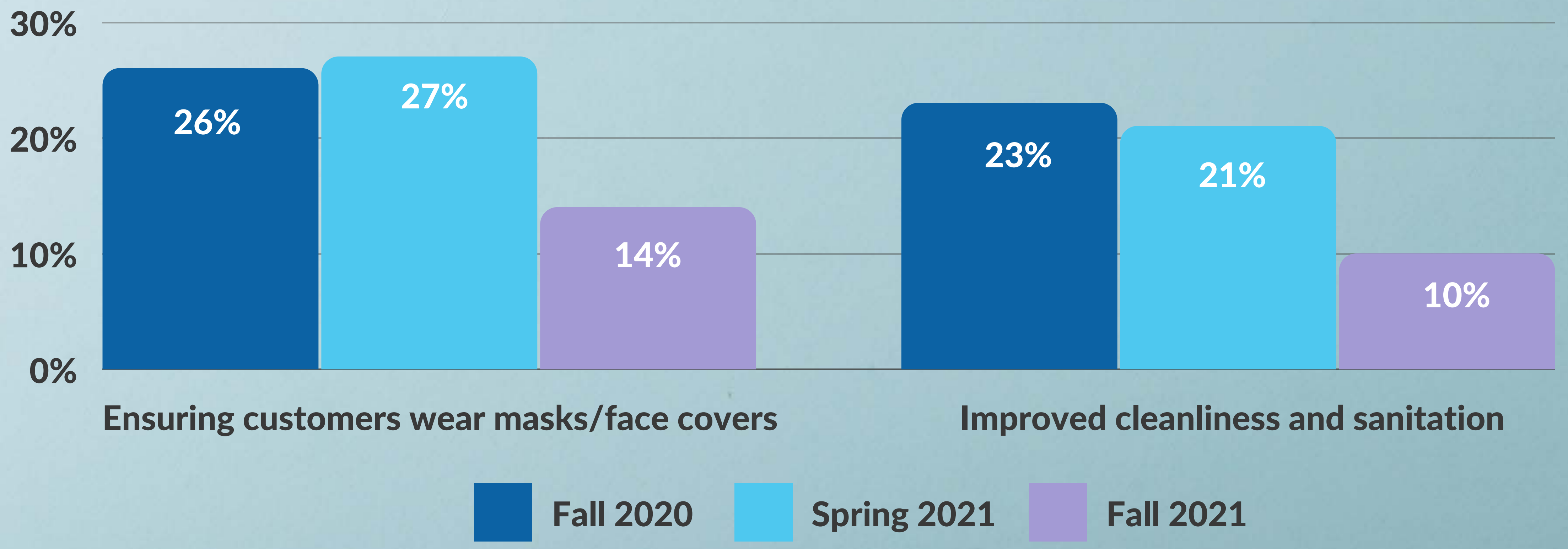
When asked: **What is the number one change you want to see businesses make?** Ensuring customers wear masks and improved cleanliness and sanitation have both decreased.

This decrease reinforces consumers are starting to become more comfortable with the stores they are shopping at.

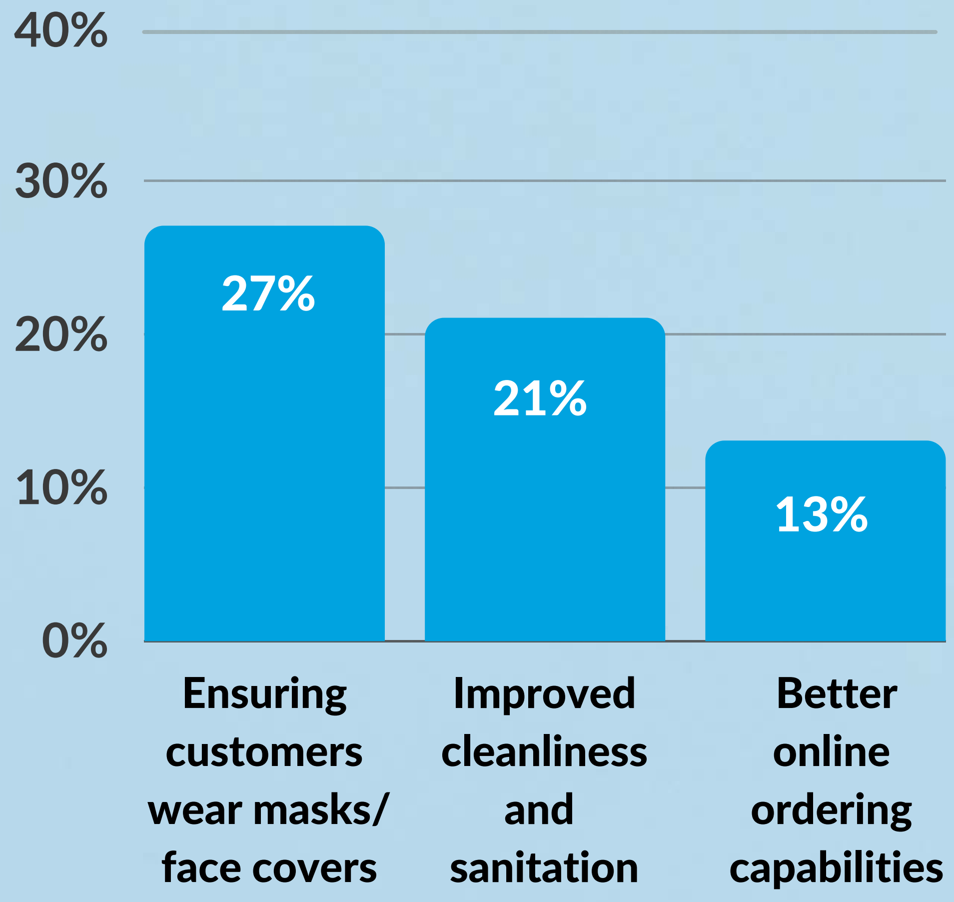
Percentage of respondents reporting the number one change they want to see businesses make



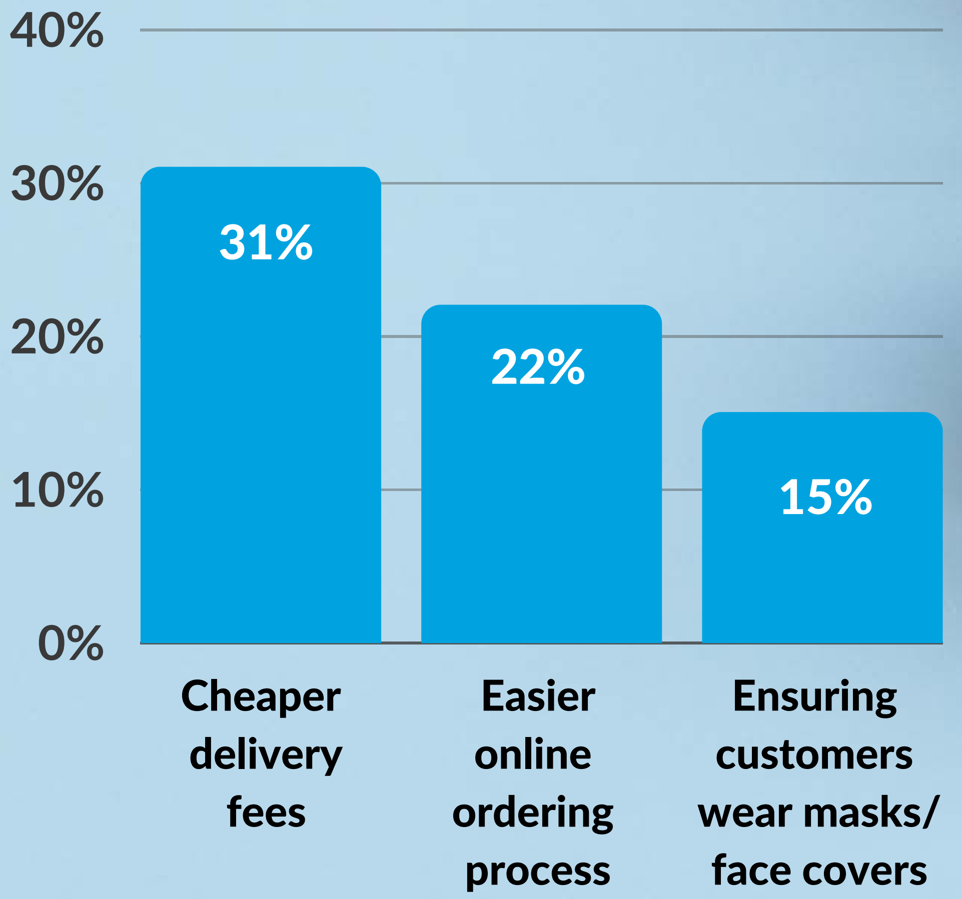
And when comparing the three top rated changes requested by respondents, **ensuring customers wear face masks drops to the third spot**, behind cheaper delivery fees and easier online processing, compared to first place in Spring 2021.

Percentage of respondents reporting the number one change they want to see businesses make

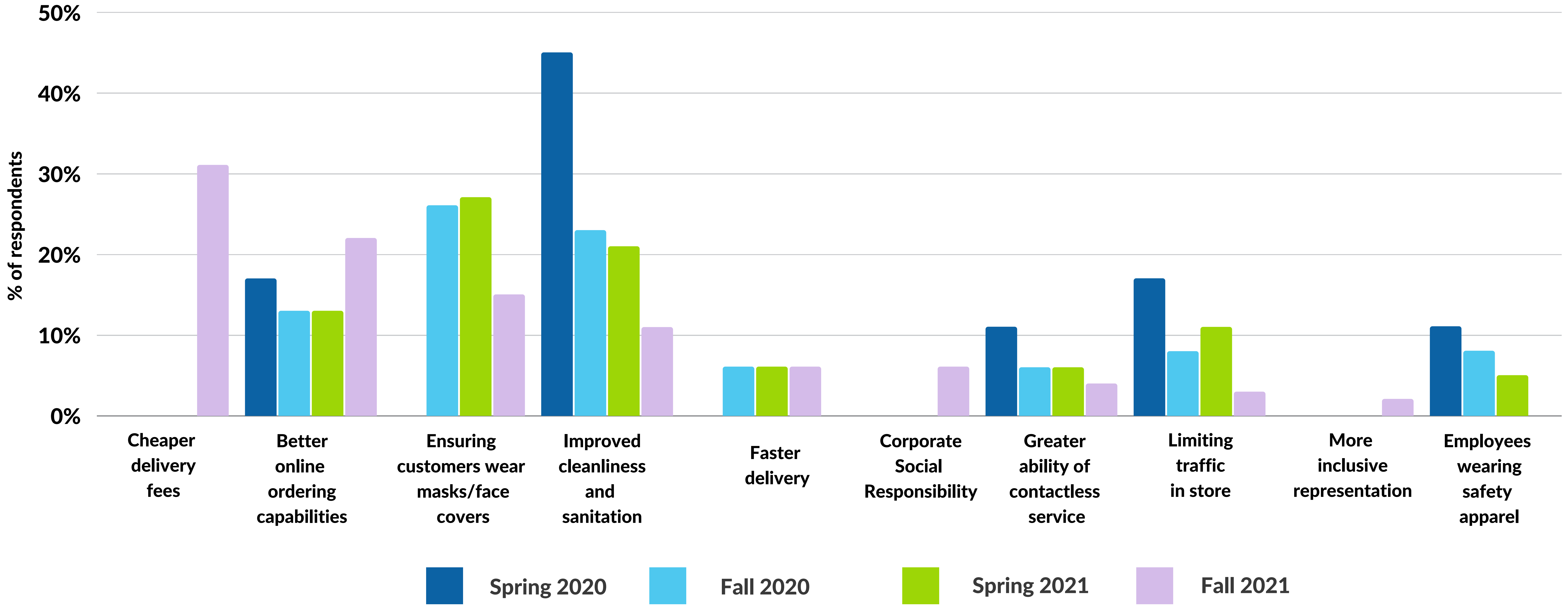
Top 3 selections: Spring 2021



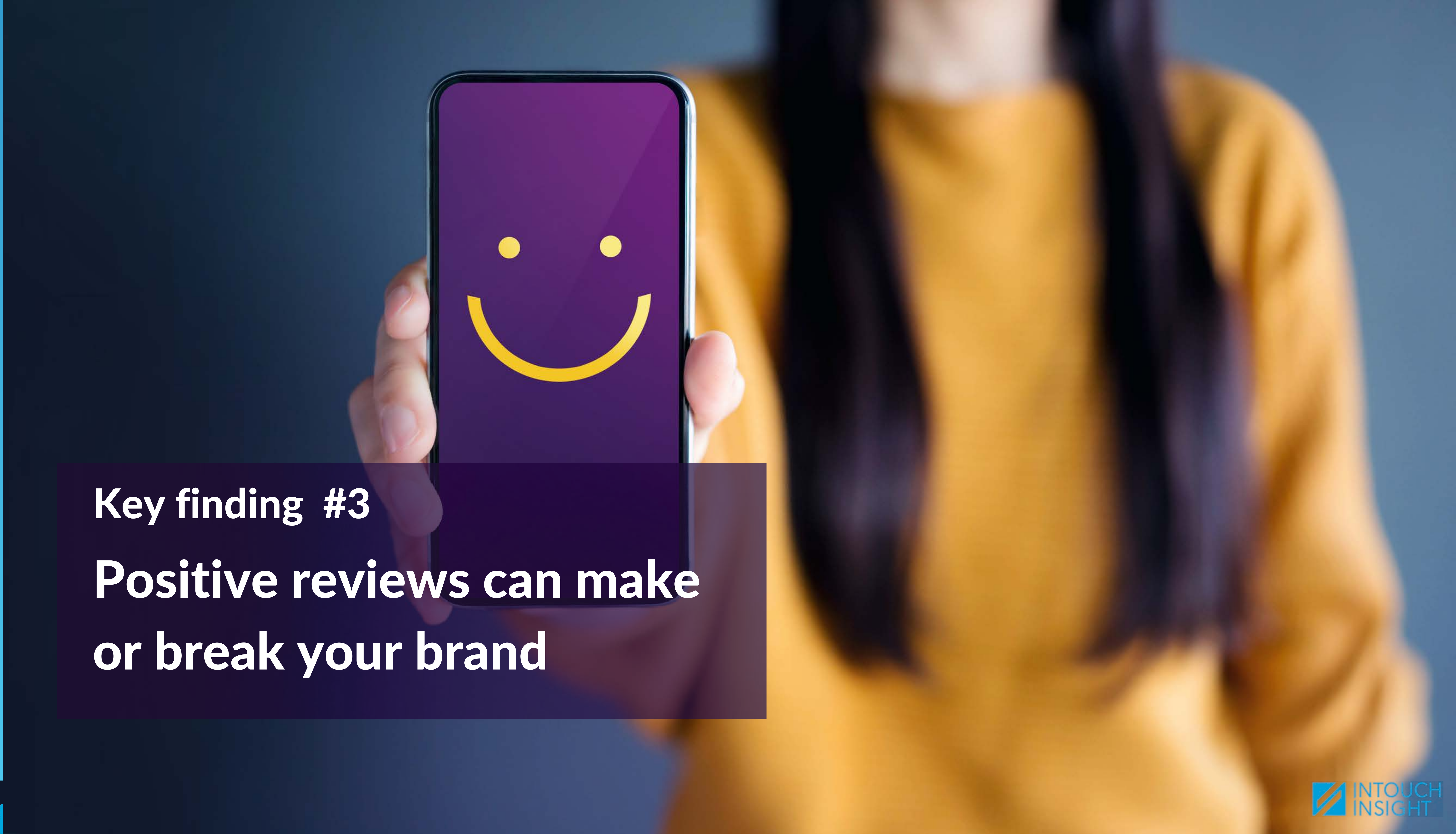
Top 3 selections: Fall 2021



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



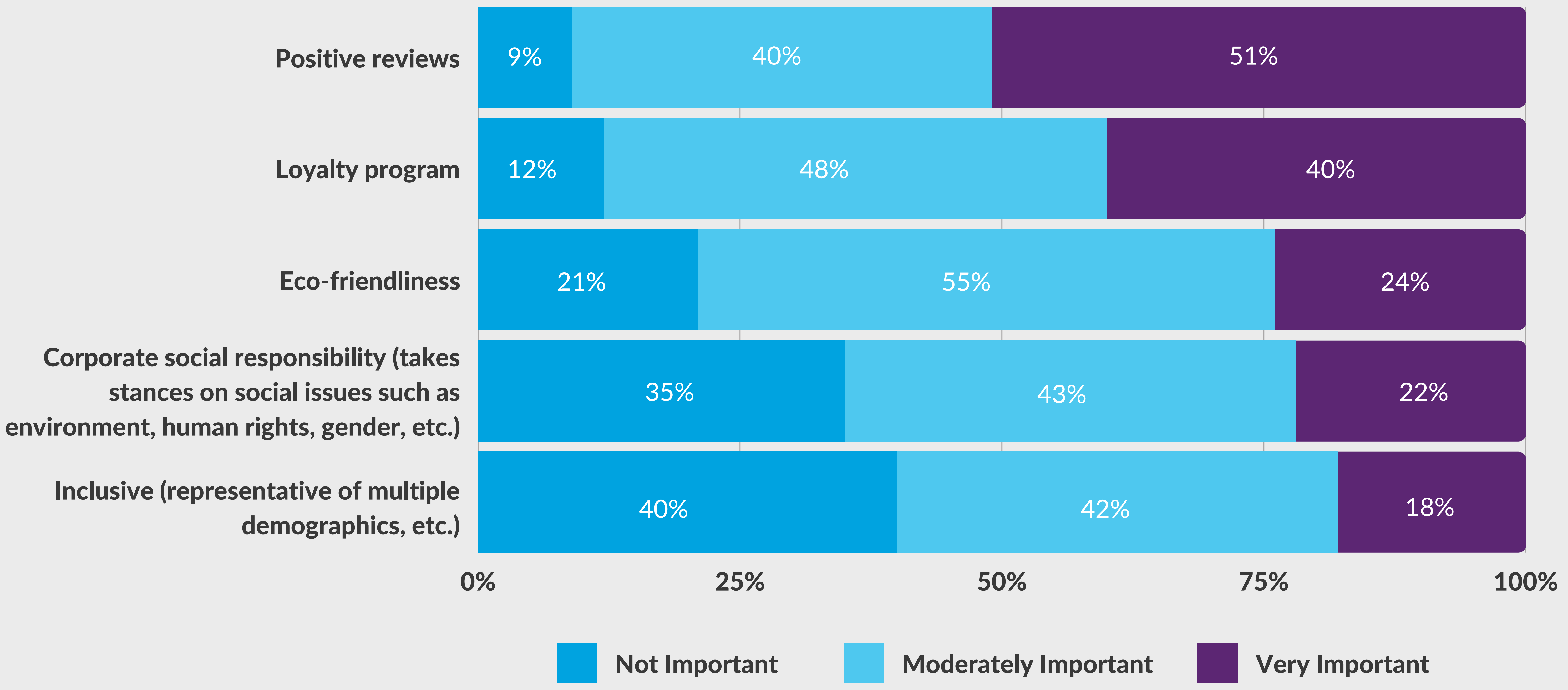
Note: As businesses experienced rapid change early on in the pandemic, new items were added to this question between May and October 2020, therefore no data was collected in May 2020 for certain aspects displayed above. As the situation has continued to evolve, new items were added again in Fall of 2021.



Key finding #3

Positive reviews can make or break your brand

When asked to report the level of importance each factor had in influencing a respondent's decision to choose a brand, **51% of respondents said that positive reviews were very important**, followed by loyalty programs at 40%.



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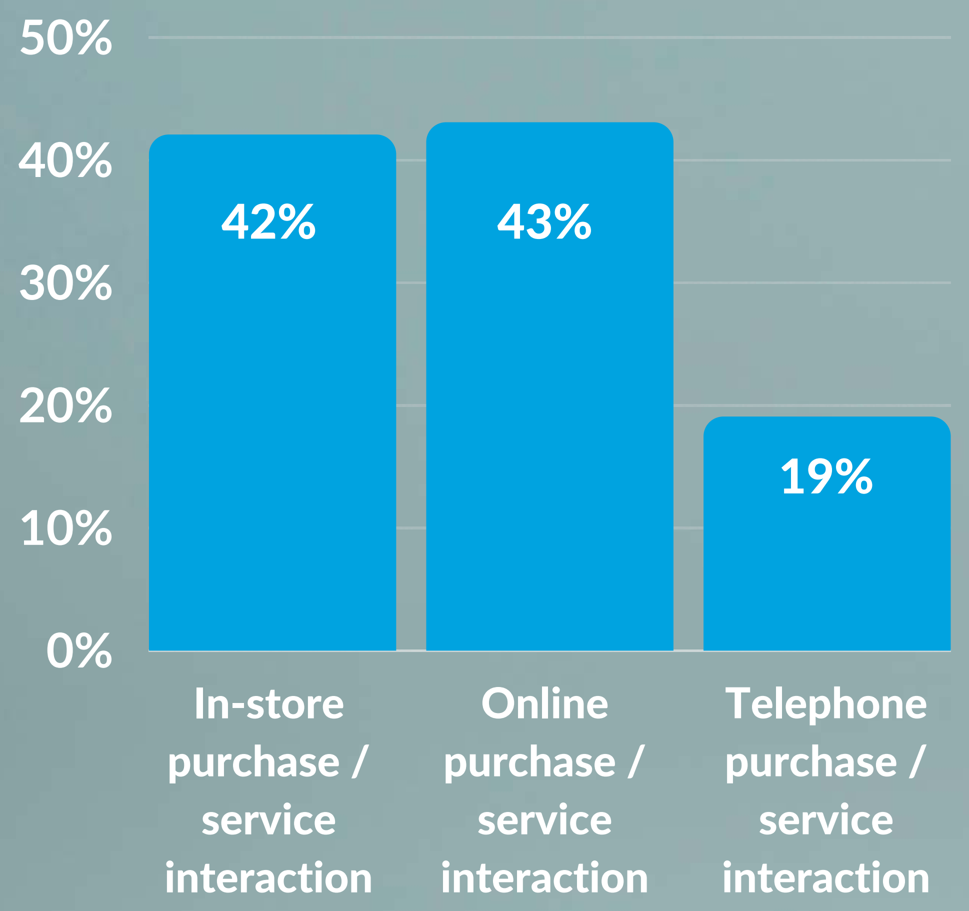
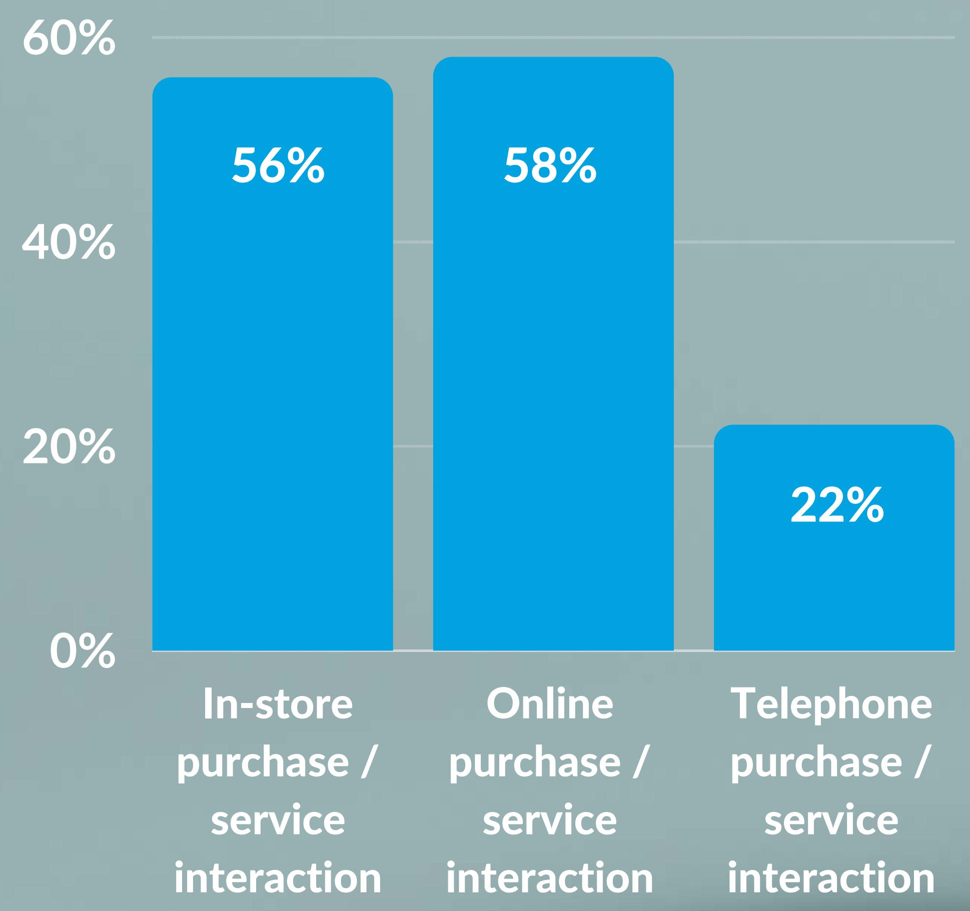
Results show **an increase across the board over last spring** in the frequency that businesses ask for feedback. But with feedback for online interactions topping out at 58%, there's definitely still room for improvement!

Spring 2021: Percentage of respondent reporting they were asked for feedback.



Fall 2021: Percentage of respondent reporting they were asked for feedback.



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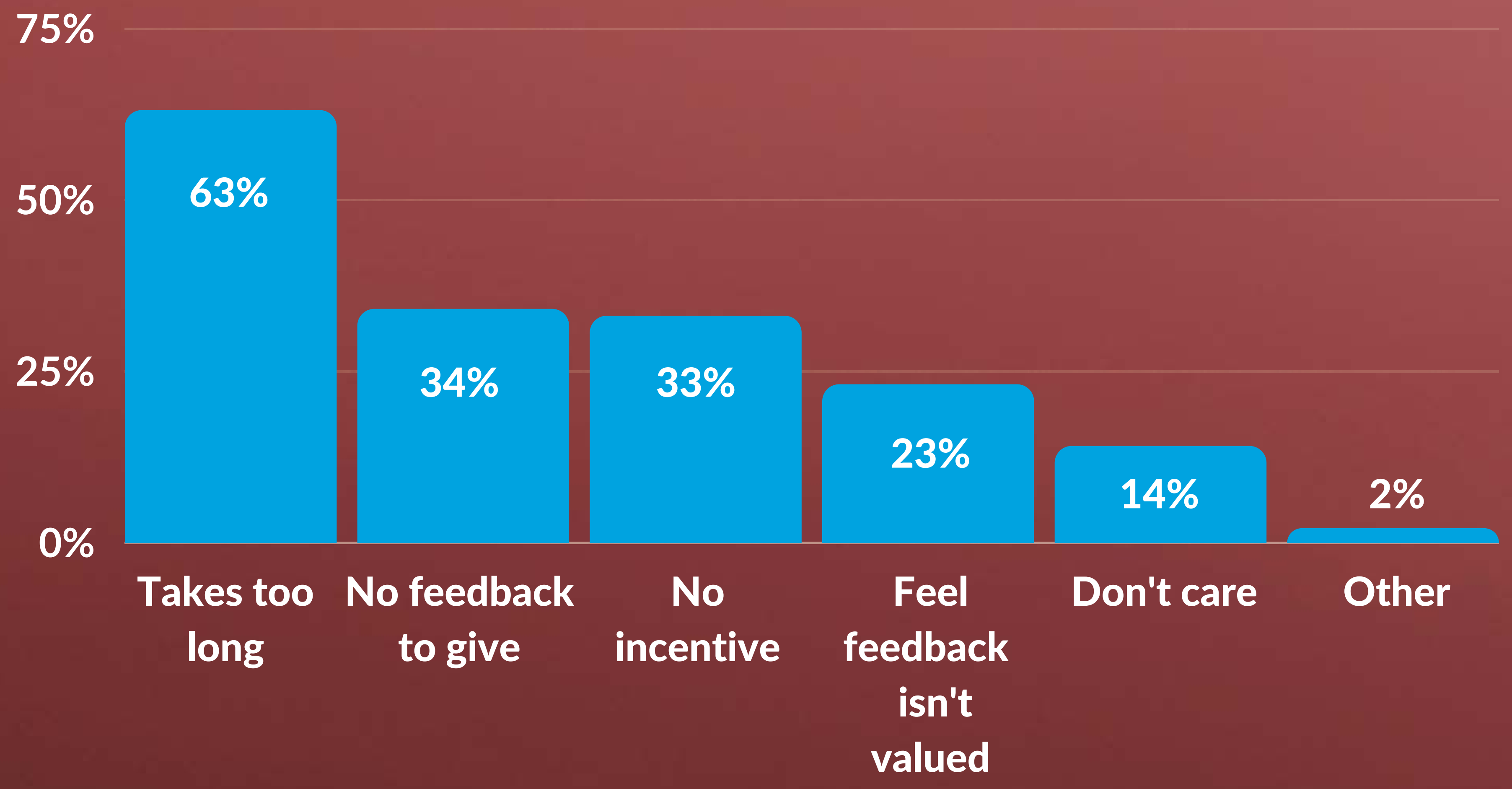
When considering which method to use to solicit feedback, efficiency is key.

Our findings show that time is the top reason for not providing feedback, with **63% of respondents reported it takes too long**.

Percentage of respondent reporting what prevents them from providing feedback.



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The next chapter

The good news for petro-convenience operators, where location and price are king, the world is shifting back to normal. Consumers are shopping in-person, the importance of pandemic-related concerns has dropped, and customer feedback and reviews remain an important way for businesses to grow.

A few key things to keep in mind as you look ahead:

- Petro and Convenience stores have seen a steep drop in the adoption of last mile services, indicating that consumers in this industry are returning to in-person shopping. Based on these findings, focusing on in-store experiences will have a greater impact for businesses today. Operators wanting to continue offering last miles services should consider investing more in curbside pickup rather than delivery, which has seen greater adoption.
- Cleanliness and safety, while no longer top of mind, have become established expectations. Continue vigilance when enforcing these measures and adhering to these standards to continue delivering a safe and comfortable experience for your customers to keep them coming back.
- Look for ways to turn your customers into advocates - a positive review can go a long way! Streamline how you ask for feedback, make sure positive feedback is shared publicly, and learn from feedback to improve experiences and attract new customers.

Check out our other reports

Latest Reports: Fall 2021

To download all past reports, visit: **www.intouchinsight.com/consumer_habits_reports**

Spring 2021

- Changes in Consumer Habits: Looking back over the last 12 months of retail
  BONUS! Special feature on grocery and convenience included
- Changes in Consumer Habits: Looking back over the last 12 months for restaurants and food service establishments

Fall 2021

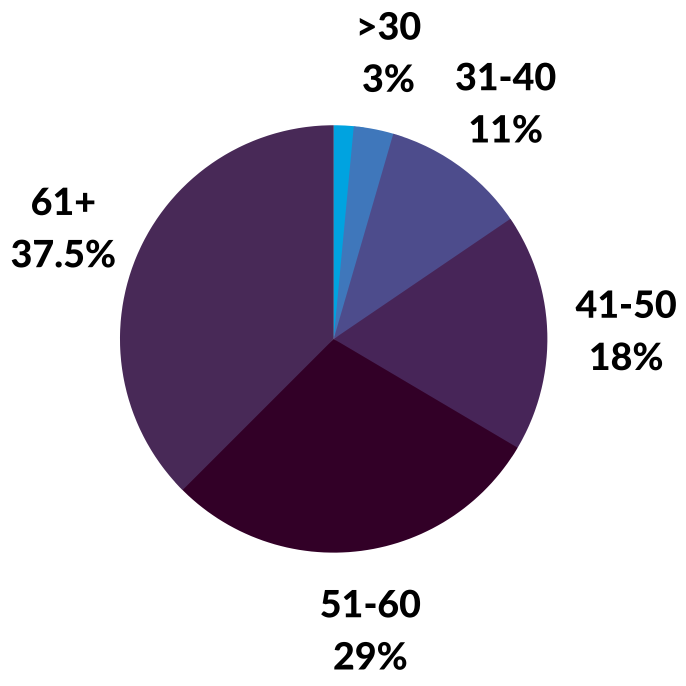
- Changes in Consumer Habits: A Six Month Comparison on the Evolution of Retail
- Changes in Consumer Habits: Looking ahead, learnings for restaurants and food service establishments
- Changes in Consumer Habits: A Six Month Assessment on the implications for Convenience and Gas Stations

May 2020

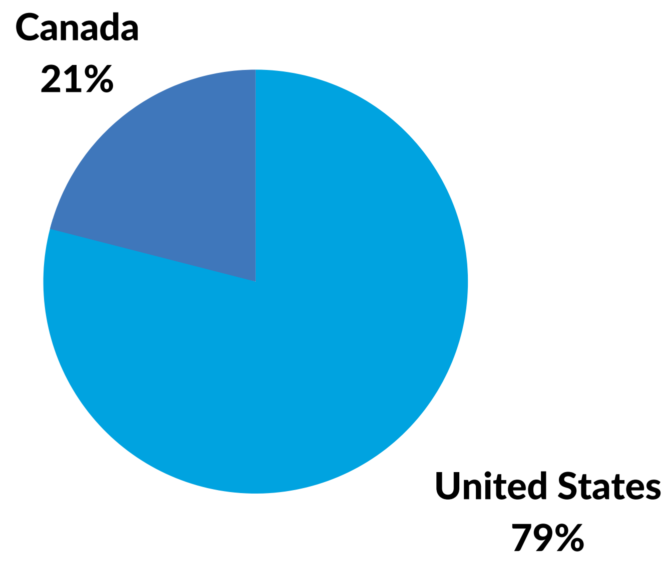
- Changes in Consumer Habits: A Field Study on the Future of Retail
- Changes in Consumer Habits: A Closer Look at Restaurants and Food Service Establishments
- Changes in Consumer Habits: Implications for Convenience and Gas Stations

Survey Demographics

AGE



LOCATION



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 to 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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