



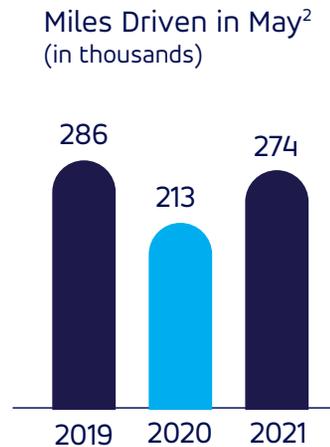
Back-to-School and Back on the Road

 **BlueYonder**
Fulfill your potential™

3 Ways C-Stores Can Make the Most of This Growing Opportunity

Americans are back out on the road again. According to AAA, travel was up 60% over Memorial Day this year versus 2020¹. And, with most schools re-opening with in-person learning this fall, road travel is trending back towards pre-pandemic levels. This May, the total number of miles driven in the U.S. was up 30% versus last year and on par with levels since May 2019². So, now's the perfect time for convenience stores (c-stores) to build brand enthusiasts with people as they get back into new habits. Let's look at three key areas of opportunity where c-stores can gain the most benefits.

- 1 Fast and Fresh Food Options
- 2 The Right Inventory In-Stock
- 3 Employees Ready to Serve



2021 Memorial Day
travel was up
60%
versus 2020¹

¹ "Memorial Day Travel Expected to Rebound," CSPDailyNews.com, May 2021.

² US Monthly Total Vehicle Miles Traveled, ycharts.com, June 2021.

1 Fast and Fresh Food Options

Foodservice remains one of the biggest opportunities for convenience retailers. While sales took a hit last year, it can be one of the most profitable categories. Over the past five years, foodservice has averaged approximately 17% of in-store sales, but makes up close to 40% of gross margin dollars³. But foodservice can be challenging. Without the proper systems, operators can suffer from high levels of food waste. Clipboards with printed prep sheets and inventory check-off forms are a thing of the past.

It's not enough to know how much food to make, you need to know when to make it. On-the-go food, which is expected to grow 32% this year, is very dependent on time of day and day of week⁴. Breakfast sandwiches are a big hit in the morning as people head to school and work, but you better sell out of them before 11 am or they suddenly turn to waste.

A holistic view of demand is key to maximizing profitable sales, especially for make-ahead, grab-and-go foods. This means understanding predicted sales by item by daypart, factoring in

required prep times, and knowing the ingredients needed for each recipe. Only then can everything be optimized — from buying the required ingredients at the right time all the way until the meal is enjoyed. Doing this well reduces throwaways, improves product freshness and delivers a higher quality of food to customers. This leads to a tremendous ROI opportunity — in 2019, data presented in the NACS State of the Industry report showed operators in the top quartile increased sales 7.7 times more than those in the bottom quartile.⁵

Ensuring food safety and traceability is also critical from an operational stand. Just one product recall mishandle can result in lost sales, lawsuits, reputational damage, and compliance penalty costs. All of those can be avoided with a solution that can track product lot number per store and within the store.

³ ["C-Stores See Record Inside Sales in 2020: NACS," CSPDailyNews.com, April 2021.](#)

⁴ ["Food to Go Market to Grow by 32% in 2021, Research Finds," TalkingRetail.com, April 2021.](#)

⁵ ["SOI 2020: Profit-Challenged," CSPDailyNews.com, May 2020.](#)



2 The Right Inventory In-Stock

According to NACS, fuel customers typically leave their cars for only 3 1/2 minutes to go inside the store and shop. And yes, this includes the minute or so it takes to walk to and from the vehicle⁶. Digging deeper into this time study, 71 seconds is how much time the average shopper spends selecting a convenience store item. That doesn't leave much time to make a good impression. The data suggests that if a shopper can't quickly find what they're looking for, they're probably going to leave without making a purchase. In today's competitive climate, one lost sale can easily become a customer who's lost forever.

We know that in 2020 many shoppers turned to c-stores for items they previously purchased elsewhere. Average basket size increased 19.5% last year, with non-edible grocery and health and beauty care items experiencing double-digit growth versus 2019⁷. More traditional c-store categories such as sports drinks, packaged beverages and snacks also grew by more than 10%.

While demand for some of these non-traditional items may revert back to supermarkets, convenience retailers have a great opportunity to capitalize on these new shopping behaviors

and maintain a portion of this business. The key is to maintain an assortment of high-demand items in stock, tailor assortments to local preference, get prices right, and make sure stores are easy to shop and items are easy to find.

There's a world of opportunity for convenience retailers. So far this year, pump to store conversions were up 12.5%, indicating that sales remain strong⁸. As more people get on the road more often, c-stores that can meet customer expectations could see record sales this year.

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⁶ "Time Counts," NACSMagazine.com, October 2020.

⁷ "Convenience Store News Industry Report 2021: Ready to Rebound," CSNews.com, June 2021.

⁸ "C-Store Sales Rebound Q1," CSPDailyNews.com, June 2021.

3 Employee Ready to Serve

Employees are essential to the customer experience. But after a challenging year, many are leaving the retail workforce. In addition to the 657K retail workers that quit their jobs in May 2021, 42% of those working today also plan to quit⁹. This has left many c-stores struggling to hire and retain quality workers, with some chains offering up to \$500 signing bonuses to fill certain store-level roles¹⁰.

Attracting quality workers goes beyond pay, it also means providing an inviting and engaging work environment where employees enjoy what they do and get recognized for hard work. One way to do this is to empower employees with mobile technology. There's no reason to require store associates to spend time in the back office to do their work. In today's environment, virtually any store-level task that needs doing can be done via a mobile device. This approach is not only more engaging to younger workers who grew up mobile-first, it also allows them to be on the store floor to serve customers. Even management tasks such as wet stock management or end-of-day reconciliation tasks can be done via mobile.

Across c-stores in the U.S., the average turnover rate is 151% for store associates and 42% for store managers¹¹. In today's tight labor market, when new hires are so hard to come by, these rates are unsustainable. Gallup found engaged workers are 18% more productive and 15% more profitable than disengaged workers¹². Mobile apps are seen as being a key driver to employee engagement and overall job satisfaction, which ultimately leads to better retention.

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⁹ ["Retailers Face a Reckoning in Tight Labor Market," RetailLeader.com, July 2021.](#)

¹⁰ ["\\$500 Signing Bonuses Help Recruit C-Store Staff," Convenience.org, July 2021.](#)

¹¹ ["Convenience Store News Industry Report 2021: Ready to Rebound," CSNews.com, June 2021.](#)

¹² ["Why Mobile Apps Matter to Workers on the Front Lines," FoodLogistics.com, March 2021.](#)



Luminate Store Execution



Blue Yonder's Luminate Store Execution

is a modern back-office system designed to help c-stores meet today's challenges. It's the back office of today's autonomous store journey with an API-first approach to deliver extensibility for tomorrow. The solution helps store managers gain visibility and control over the whole store, from inventory and pricing to foodservice and fuel. And it does so with a mobile-first approach that keeps associates on the floor to serve customers and help drive loyalty.

Advanced food production planning and recipe management ensures food is always fresh and ready, and at the highest quality. Demand forecasting and automated ordering takes inventory management from being a chore into a competitive advantage. The solution guides users to focus on exceptions and recommends corrective action before an item is even out of stock.

With Blue Yonder, it's easy to keep pricing consistent and in line with corporate strategy with store-level execution and price checks.

Store-level price changes used to occur just once every 5-8 months, so manually updating pricing wasn't hard. With growing competition from retailers of all shapes and sizes, it's important to take a more agile approach to pricing. Luminate Store Execution helps you easily execute prices throughout the store, including shelf labels, electronic labels and the POS to keep prices competitive without losing margin.

Store business processes and daily tasks are automated so associates can focus on exceptions and be more productive. Integrated forecourt tools help support services such as car washes and delivery lockers. Open APIs help extend the value of Luminate Store Execution across additional capabilities so the solution can grow with you as your business grows.





For more information about Luminare Store Execution,
please visit <https://blueyonder.com/solutions/store-execution>

blueyonder.com

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