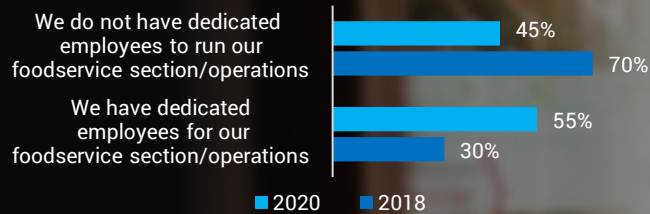


### Food Self-Serve Stations on the Decline

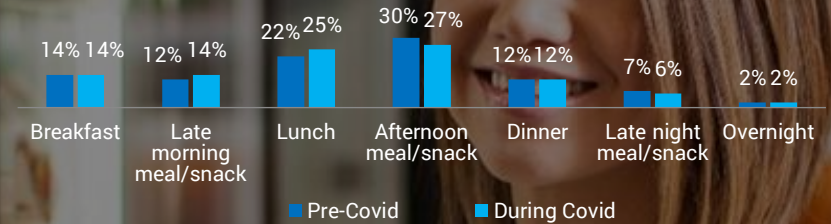
Q. Which best describes how your foodservice operations are staffed?



More than half of c-stores have dedicated foodservice employees (55%) in 2020, a big leap from 2018's 30% figure. Faced with covid-19 challenges, c-stores quickly moved away from self-serve stations to maintain better control over safety measures, while also boosting carryout/delivery sales to offset retail prepared foods losses.

### The Work-from-Home Effect

Q. What time of the day did you last visit a c-store for your food purchase?



According to retailers, late morning through late afternoon traffic has increased compared to the pre-Covid-19 period. The hours from 4pm to midnight, however, have experienced drops in traffic. These daypart shifts emphasize remote working and the reduction in evening traffic. If businesses allow for remote flexibility, look for these figures to remain.

### Commissaries Gain Momentum

Top Three Sources for Prepared Food in C-Stores



Commissaries (both third-party and company-owned) account for 36% (29% and 7%, respectively) of prepared food sourcing, a jump from about a quarter in 2018 and now the primary source. The importance of identifying and selling into central kitchens will only increase as the variety of prepared foods and delivery in c-stores expands.

### Customer Interactions Continue to Evolve

Q. Which temporary store changes due to covid might continue after the pandemic?

The layout of the store will definitely be more centered towards grab and go/ drive thru.

You can do everything with our app including ordering and scheduling a pickup.

We will move toward touchless tech and more self-serve kiosks.

Eliminating self-serve food has shown us there will be less of a mess.

A lot less interaction with the customers.

More single serve dispensers (coffee lids, creamers, sugar, etc.).

The primary concern with touchless and mobile is limited interaction with shoppers. However, loyalty programs can help bridge this gap, as well as increased hospitality training for drive-through and traditional retail areas that will maintain regular customer contact. Expect employee training costs for c-stores to increase due to these demands.

### FSIP'S TAKE

While the pandemic has accelerated trends already in motion (e.g., a heightened reliance on commissaries/central kitchens for prepared foods), some consumer behaviors (e.g., daypart visits) might return to "normal" once non-essential employees can begin working onsite again. Nonetheless, it seems likely that covid will leave a lasting mark in c-store foodservice, especially concerning labor, as retailers continue to remove self-serve areas and hire dedicated staff. Through this increase in staff-serving, retailers will require broad-based restaurant training which adds another cost element. Foodservice manufacturers looking to sell into c-stores can capitalize on these retailer needs by focusing on innovative offerings that are easily prepared by staff or dispensed in single servings. In addition, helping c-store retailers by sponsoring loyalty rewards programs could drive value-added partnerships.