February 2016

Convenience Store Decisions



Customers want fresh food fast, that's easy to eat on the go and features ingredients that excite. Quality sandwiches deliver fresh ideas that satisfy.

By Marilyn Odesser-Torpey, Associate Editor

As the demand for on-the-go foods with new and exciting ingredients continues, sandwiches are providing an efficient way for c-stores to provide new and customizable options in an easy-to-eat format.

A new consumer survey from Culinary Visions Panel, a Chicago-based market research firm, revealed that Americans are pretty much split down the middle when it comes to looking for lighter, more healthful sandwiches and ones that are fully loaded. Novelty and familiarity also run neck and neck when asked if they like to try new combinations or always order a favorite.

Keeping up with what customers want does not have to be a daunting task, said Rachel Tracy, managing director of Culinary Visions Panel. For the adventurous among your guests, offering some interesting condiments can make the difference between a same-old sandwich and something new and exciting. Limited-time offers (LTOs) are also an easy and cost-efficient way to test new combinations without incurring a lot of waste, she noted.

The one thing all consumers are looking for is a good quality sandwich, whether it is made in the stores, by a proprietary commissary or, as in the case of Alta Convenience Stores, by a trusted third party supplier.

"Even with something as basic as a ham and cheese wedge sandwich, the quality can be very different depending upon the supplier," said Chris Smyly, merchandising manager for the Denver-based chain, which has 57 stores in four states.

Until recently, Alta had its own brand of sandwiches produced for the c-stores by a supplier. But a number of issues, including price increases, out-of-stocks and lack of innovation brought the company to the conclusion that it should change supply partners. Sandwiches at Alta now bear the name of the new supplier.

"For us it was a matter of making a trade-off," said Smyly. "Either we could have our name on the product and contend with all of the issues with our original supplier or we could make sure we are giving our customers the best possible experience with a top-quality product."

A bonus is that the new sandwich supply system is more economical for the company "so it is a better value all around," he pointed out. The new supplier not only offers a greater variety of breads, meats and cheeses, it also has a chef on staff to keep new combinations coming for LTOs. Alta is in the process of rolling out the new sandwiches to 54 of its stores.

"When we tested the sandwiches in five of our stores last year, our sales went up 15% over the prior year," Smyly said.

On any given day, the stores offer between 12 and 18 varieties of sandwiches. Before, they could offer only between eight and 10.

With the new line, Alta can also offer more healthful varieties, including a choice of whole wheat bread. At least half of the LTOs are healthier choice items.

FULLY LOADED

While consumers may like to see "better-for-you" sandwiches being offered, fully loaded is what sells, said Stormy Williams, director of operations, foodservice division, for Midland, Texas-based Kent Kwik Convenience Stores.

"It's worth it for us to have some healthier varieties available because that shows our commitment to freshness and high quality," Weathers said.

When Kent Kwik first opened its proprietary commissary three years ago, it produced two varieties of sandwiches. Now it produces seven.

By tweaking a couple of its recipes, the company has significantly boosted its sandwich sales, Williams said.

By putting its tuna salad on wheatberry bread, it doubled the sales of this sandwich. And by adding nuts and cranberries to its chicken salad and using wheatberry bread, it became the top-selling salad sandwich.

LTOs also generate quite a bit of excitement. Two recent ones, a chipotle chicken and an Italian combo sub with peppers and onions, both made impressive showings. The company tries to offer a different LTO every quarter.

"Customers really seem to like sandwiches with fresh vegetables on them," Williams said.

The stores allow customers to add lettuce and tomato to their packaged sandwiches at no charge. On the condiment bar, sriracha and jalapeño ketchups and chipotle mayonnaise are among the top picks.

To give customers even more variety, Kent Kwik warms some of the turkey and cheese and roast beef and cheese sandwiches in a grab-and-go hot box.

In August, the company introduced a new made-to-order deli concept called Kwik Eats Café in its newest location. Williams explained that if Kwik Eats, which features a kiosk ordering system, is a hit with customers in the one store, Kent Kwik plans to roll it out chain-wide.

DASHBOARD DINING

Mad Max Convenience Stores, which has 10 locations in Wisconsin, offers five cold and six hot sandwiches for grab and go. Three of these sandwiches have been added over the past year. The stores also have a made-to-order option.

All of the breads, including the ciabatta and hot dog and hamburger buns, are made in the stores. Janiece Maxwell, Mad Max's CEO, said that since last year, sandwiches have been offered on whole wheat as well as white to satisfy customers' desire for more healthful options.

Green salads, especially the chicken Caesar, are available in wraps as well as in bowls for easy eating on the go. The salad wraps are particularly popular among suburban customers and truckers because they lend themselves to dashboard dining.

Whatever the sandwich or wrap, the No. 1 thing is customers want to be able to add fresh items to it, Maxwell noted. On the condiment bar are at least three types of peppers—jalapeños, yellow and green; lettuce; tomato; raw and sautéed onions and chili. The company also plans to up the ante by installing four-sided bars that will hold 14 different kinds of condiments.

Maxwell explained that the sandwich menu was last revamped about a year ago and is scheduled to be evaluated again sometime during the fall. The company also works closely with the chef from its distributor to determine what ingredients and flavor profiles are on-trend and make sense from a convenience store perspective.

"The chef even showed us how to layer the ingredients in a sandwich so that it won't get soggy," she said.

SOMETHING FOR EVERYONE

At Git 'N Go Market stores, which has four locations in eastern Tennessee that offer both grab-and-go and made-to-order options, packaged sandwiches are made multiple times throughout the day. With a clientele that is mostly rural and industrial workers, the main focus is on consistency rather than novel combinations, but LTOs are used to spice up the menu for those who are looking for something a little different, said William Baine, Git 'N Go's CEO.

The stores offer eight different packaged subs and six wraps. Baine has seen an increase of between 30-40% in sales of his top SKUs, including the ham hoagie and turkey sandwich, over the past year. Deli meats are sliced right in the stores.

"The most important thing is to know your demographics," Baine said. "We get lots of shift workers and dual income families who are crunched for time, so it's important for us to have a wide variety of fresh sandwiches out for them whenever they want them. We're competing with a lot of fast feeders, but we have the advantage of being nimble enough to keep up with what our customers want."

Convenience Store Decisions

February 2016