

# Convenience Store News

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MEDIA

## A Fine Line

Consider demographics, competitors when selecting foodservice product mix.

Putting together a profitable foodservice menu mix is almost akin to starting up a new business, say industry experts. "Adding foodservice is much different than deciding to carry a new line of snacks, or even changing your gasoline brand,, says Larry Miller, president of Sanford, Fla.-based Miller Management Consulting Services (MMCS), Inc., who has worked with leading convenience store and foodservice clients. "Food is much more intimate to people, and if you don't handle it right, the harm done can be irreparable."

And the first step in creating the right menu is knowing your prospective customers and competitors, according to Sharon Olson, executive director of the Culinary Visions Panel in Chicago, which provides insight about new products, menu development and emerging trends.

### EXPLORE YOUR MARKET

"Understanding your area's demographics is only the beginning of understanding the c-store customer," Olson notes. "It is also important to understand what motivates their purchase decisions."

A recent survey of c-store foodservice consumers by Culinary Visions Panel shows 18- to 35-year-olds rank convenience/speed (62 percent), value (59 percent), and taste (48 percent) as the top three reasons they buy hot food at c-stores. The same study showed members of that demographic group are willing to pay a premium for a product that looks appetizing (47 percent), is fresh (46 percent), is high-quality (44 percent), is a product he or she likes (44 percent), and looks appealing (44 percent), Olson reports.

Determining what Miller calls "your true competition" is also imperative. "While anyone in your market area who sells same day-part foods is a competitor, be realistic in whom you can truly compete against," Miller cautions.

"Look at your core categories and decide if there are traditional c-store values and service that you can execute, and be best in class at those," he adds.

Assessing your competitors' cuisine is key, Olson agrees. "C-stores and QSRs often play in the same space," she says. "So it's important to consider what competitive operations are serving the customers you want, and what the gaps are that can make your store distinctive. There has to be something that makes your store a desired destination."

### BUILDING A BILL OF FARE

Basic coffee and fountain programs are the launching pads for any c-store foodservice menu. "Those programs must be running efficiently before you build on them," Miller says.

That means coffee and fountain drink areas must be neat, with items always 100 percent in stock and all equipment clean and in optimum working order. "Coffee should never be older than 30 minutes in glass pots, or over the time suggested by manufacturers of the hot-hold vessels you have implemented," Miller notes.

If those areas are top-notch, intermediate foodservice is the next step. That can encompass everything from grab-and-go sandwiches, salads and fruit cups, to a prepackaged bakery rack program, to a roller grill with hot dogs and other hand-held items and partnerships with local bakeries, caterers or delis, Miller says.

Moving into more complex foodservice programs complete with custom-made food is an option after the intermediate program is perfected.

"The more complex your offer, the more labor required," says Miller. "Once you cross the line from presenting and serving pre-prepared food, the complexity and the execution require much more focus." The potential rewards, he notes, are greater- but so are the potential pitfalls. "You have to ask yourself if you want to risk your core business and brand," he says.

"Foodservice is an important business decision that requires consideration of the investment in equipment, valuable space and employee training to do it right," adds Olson. "Limited offerings that are distinctive and desirable to customers and can be done well are often much more successful than a little bit of everything in an undifferentiated way."

