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Dirty Secret

By Jerry Soverinsky

You might think your store is clean and safe—think again. Consumers rank convenience stores the dirtiest among 10 retail channels.

The number one attraction in Glenrio, an unincorporated community straddling the New Mexico and Texas border, according to vacation planner site Trip Advisor, is Russell's Truck and Travel Center. Granted, Russell's is the lone site reviewed in the ghost town where wild dogs and cats roam the abandoned downtown. Situated along historic Route 66 in a town featured in the 1940 Academy Award-winning film *The Grapes of Wrath*, one would think additional nearby locations might earn some recognition. Nope, only Russell's. And as much as the store's car museum and authentic Route 66 diner contributed to the store earning a perfect five-star rating, four of the six reviews specifically praised the store's cleanliness as a call-out attribute:

“Restaurant is worth a visit, clean restroom, all in all, highly recommended.”

“This travel center was incredibly clean [and] had a large selection of items for sale.”

“What a nice truck stop...it is big. It is clean...what a treat.”

“Once inside, it was a nice enough truck stop and super clean.”

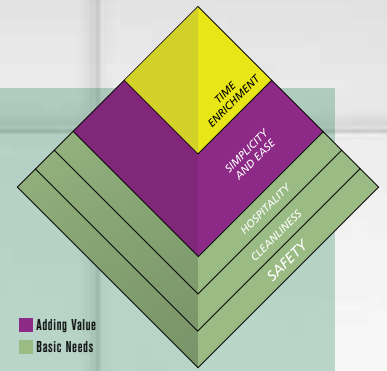


" Dirty gas station" yields more than 7 million hits on Google.

The cleanliness accolades continue at local search site Yelp, with a local resident praising Russell's as "an amazing place... restrooms were so clean — [with] fresh cut flowers."

FOUNDATIONAL ELEMENTS

It's not surprising that clean resonates strongly among consumers for an industry where the lack thereof is a common perception (a Google search for "dirty gas station" yields more than 7 million hits). And addressing that perception has been a recurring focus by the NACS/Coca-Cola Retailing Research Council (CCRRC), a group that "conducts studies on issues that help retailers respond to the changing marketplace." A 2009 study by the Council, "Finding the Way Forward: A Practical Road map for Capturing Emerging Opportunities in Convenience Retail," laid out bluntly what's at stake for operators: "The challenges facing the industry today cannot be overcome by simply doing what we already do more efficiently." (The report built off research developed earlier by a NACS/CCRRC companion study, "Fast Forward: Emerging Opportunities in Convenience Retail.") As a prescription, the study presented a pyramid of shopper needs, a spin-off from Maslow's hierarchy of needs that identifies five basic human needs that help explain the motivations behind decision-making. (Psychologist Abraham Maslow first proposed the hierarchy in his 1943 paper, "A Theory of Human Motivations.") The NACS/CCRRC pyramid stresses the need to build "a solid foundation of performance before moving up," with safety and cleanliness as the two foundational elements of the scheme (hospitality, simplicity and ease, and time enrichment are the remaining three). The premise is simple: neglecting the basics can negatively affect



HIERARCHY OF SHOPPER NEEDS

The NACS/CCRRC pyramid of shopper needs outlines best practices for safety and cleanliness with checklists that can help retailers address the fundamentals:

SAFETY

- Remove all signs that emphasize possible dangerous situations (no loitering, cars illegally parked will be towed).
- Upgrade lighting at the pumps and in the lot.
- Distribute safe-driving literature and promote partnerships with AAA and others.
- Arrange counters so customers and employees can easily see each other
- Ensure unobstructed views throughout the store and in and out of the store
- Greet customers when they enter the store.
- Add visible video surveillance of the pumps and entrance
- Create an entry vestibule with auto locks.

CLEANLINESS

- Clean around the pumps and in the parking lot. Add recycling containers in the trash bin area.
- Keep the counter clean. Eliminate clutter and dated signage.
- Clean areas after restocking.
- Provide hand wipes at the pump.
- Provide clean uniforms. Keep the restrooms clean.

shopper behavior. If a store is not safe, shoppers won't demonstrate loyalty. And if a store is not clean, a shopper won't stay long when visiting. "For the last five years, we've focused on trying to really understand the shopper...and what we can do that we're not doing so well and that would generate more sales and profit," said Bill Bishop, director of research for the NACS/CCRRC and chairman at Brick Meets Click, a Barrington, Illinois-based firm that provides thought leadership on "how consumer technology use is influencing the future of shopping, reshaping retail business models, and realigning trade partnerships. "In order for shoppers to be satisfied with a c-store experience, [stores] have to have the safety, cleanliness, and hospitality components in place...these are preconditions," he stressed.

IN LAST PLACE

The problem, according to Bishop, is that while safety and cleanliness are common sense priorities for convenience stores, they are not being executed adequately.

A 2011 study by TNS Shopper Landscape surveyed 10,000 shoppers regarding their perceptions of cleanliness and safety at retail channels, and c-stores fared dismally. "The study covered nine other channels in addition to convenience retail," Bishop said (grocery, supercenters, mass, wholesale clubs, drug stores, dollar stores, home improvement, pet stores, and natural/organic health foodstores). "The results show that, on average, all the channels except convenience meet shopper needs for cleanliness and safety. This isn't a pretty picture but it does help dramatize the need to focus attention on execution against these issues."

POTTY BREAK

While NACS/CCRRC has not yet conducted a pilot test on the influence of store cleanliness on inside sales, anecdotal evidence from retailers reaffirms cleanliness — especially restroom cleanliness — is a key driver of inside traffic. "Clean bathrooms is definitely a plus for any business, and if someone can compliment you on your bathrooms then you are doing something right," said Mark Russell, director of operations at Russell's. "There are a lot of people who plan their stops because of the condition of bathrooms." To that end, the fresh cut flowers in the women's restroom at Russell's are a homey touch not lost on customers. "I have had many ladies come and tell me what a nice touch it is to have real, fresh cut flowers in the restroom," Russell said.

"It amazes me as to how many people have either emailed us or left comment cards...to tell me how nice and clean the bathrooms are." Additionally, Russell's has a second set of bathrooms, allowing the store to close one set for a periodic deep cleaning without interrupting traffic flow.

MONITOR AND REFRESH

For stores that don't quite measure up to Russell's obsessive order of bathroom cleanliness, it's not that their focus is misplaced; rather, it's the unique challenges of a c-store environment that make execution difficult, said Brent Blackey, president and COO of Holiday Companies and a

Clean bathrooms are a key component in becoming a food destination.

Survey results show that, on average, all channels except convenience meet shopper needs for cleanliness and safety. This isn't a pretty picture.

Safe and financially sound

For retailers focused on safety and cleanliness fundamentals, the resulting impact can be substantial with tangible bottom-line payoffs. In collaboration with the NACS/CCRRC, Speedway SuperAmerica LLC tested the sales-building impact of implementing enhanced safety measures at several of its stores. “It is important for all of us in the convenience store industry to dispel the stereotypes of the past by promoting an inviting atmosphere and by providing a safe shopping experience for our customers and fellow associates,” said Scott Hunkele, manager-HES, at Speedway SuperAmerica. Speedway recorded the effect of enhanced safety measures on shopper behavior over a nine-month test period in 2010, comparing the results to the six months before the pilot period. Its findings were incorporated into the NACS/CCRRC study, “Shopper Forward: Benefits of Emphasizing Safety at Your Store.” Speedway’s enhanced safety measures included:

- Replacing canopy lights with LED lighting; addressing parking lot and walkway dark spots.
- Ensuring two-way communication between the gas pump and checkout.
- Removing window signage and lowering window displays to improve sight lines into and out of the store.
- Realigning interior layouts to improve sight lines and ease of movement.
- Adding background music that included periodic safety messages.
- Placing safety messaging on entrance carpets (“Welcome. Where your safety matters.”).
- Removing negative messaging (“No loitering,” “Violators will be prosecuted,” etc.).
- Greeting customers at the pump via intercom.
- Thanking customers at the close of the sale.
- Extra effort cleaning and organizing pump islands.

Speedway reported that its test stores incurred fewer incidents of shoplifting and generated an increase in merchandise sales and margin dollars (“the difference was small, but encouraging”). “Because the sales increase became evident only in the latter part of the test, it’s possible that tangible benefits may lag behind actions taken by six to nine months,” the study suggested. Additionally, it speculated the results might be more dramatic in stores where safety performance was already low. (“Speedway Super America was already showing strength in this area,” the report noted.) Read “Shopper Forward: Benefits of Emphasizing Safety at Your Store” at ccrrc.org

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member of the NACS/CCRRC. “The setting and use of convenience stores lend themselves to frequent restroom visits by customers. In fact, we are often a destination for the purpose of restroom use. This presents a big challenge not experienced by other retailer venues,” Blackey said. “Why people come to a c-store is much wider in range than what they do at a QSR or drugstore chain. “We strive for consistent cleanliness, but without an attendant in the bathroom, it’s difficult. Our focus on frequent monitoring and refreshing is how we ensure that our standards are kept,” he continued. Blackey said Holiday takes a two pronged approach to cleanliness: first, making the space clean, and second, making it home-like. “There’s a combination of clean and well-stocked; that’s the traditional approach,” he said. “But decor and lighting make it a pleasant experience, akin to what you have in your home.”

DIRTY BATHROOM = DIRTY FOOD

“I won’t eat in a restaurant with filthy bathrooms,” writes chef Anthony Bourdain in his bestselling book, *Kitchen Confidential*. “This isn’t a hard call. They let you see the bathrooms. If the restaurant can’t be bothered to replace the puck in the urinal or keep the toilets and floors clean, then just imagine what their refrigeration and work spaces look like.” These sentiments are shared by LaCrosse, Wisconsin-based Kwik Trip, which believes foodservice excellence and cleanliness — restrooms and otherwise — go hand-in-hand. “Clean bathrooms are a key component in becoming a food destination, just as important as outside cleanliness,” said Steve Loehr, vice president of operations support for Kwik Trip. “Both are crucial.

“If a customer constantly sees dirty bathrooms, they start to feel the prep areas are probably the same way.” Ed Krause, vice president of operations for Omaha, Nebraska-based

Loehr said complaints are minimal (maybe two a week) and that Zietlow personally calls each customer to assure them their problem has been addressed. Lawrence, Kansas-based Zarco 66 shares Kwik Trip’s approach, and president Scott Zaremba provides his personal email address via bathroom signage, encouraging customers to report any cleanliness concerns. “If I get any feedback, it comes right to my phone and I give instant feedback,” Zaremba said. “So if a message comes in at 5:01, by 5:02, I’ve responded. They appreciate that so much.” According to Zaremba, cleanliness requires an ongoing commitment, one that continually seeks to improve the customer’s experience. And with a clear focus on delivering that basic shopper need, the rewards are substantial. “We’re known for having clean restrooms,” Zaremba said. “My customers tell me one of the reasons they go to my stores is because of that.”

Jerry Soverinsky is a NACS Magazine contributing writer and a NACS Dailywriter. This article was reprinted with permission from NACS Magazine, the monthly magazine of the Association for Convenience and Fuel Retailing, nacsonline.com.

What are your customers telling you?

Kwik Trip bathrooms display a cleanliness promise — and contact info — from the company’s owners.



Fresh-cut flowers in the women’s restroom at Russell’s add an appealing homey touch.

Fantasy’s Food N Fuel agrees and includes “clean” as an integral part of the company’s motto (along with “fast” and “friendly”). “We place a high priority on the cleanliness of our restrooms,” Krause said. “A customer will judge the balance of your operation based on the importance they feel you place on cleanliness... If a customer has a positive feeling about our dedication to cleaning, they will be more apt to purchase a freshly made food product.”

TOP-DOWN DEDICATION

Whatever measures a store undertakes to enhance restroom cleanliness — installing hands-free equipment, implementing a more frequent cleaning schedule, replacing paper towels with air dryers — any best practices checklist will fall short of its goal without a top-down commitment. To that end, Kwik Trip provides a toll free number in each store’s restrooms with CEO Don Zietlow’s pledge to address any cleanliness concerns.

