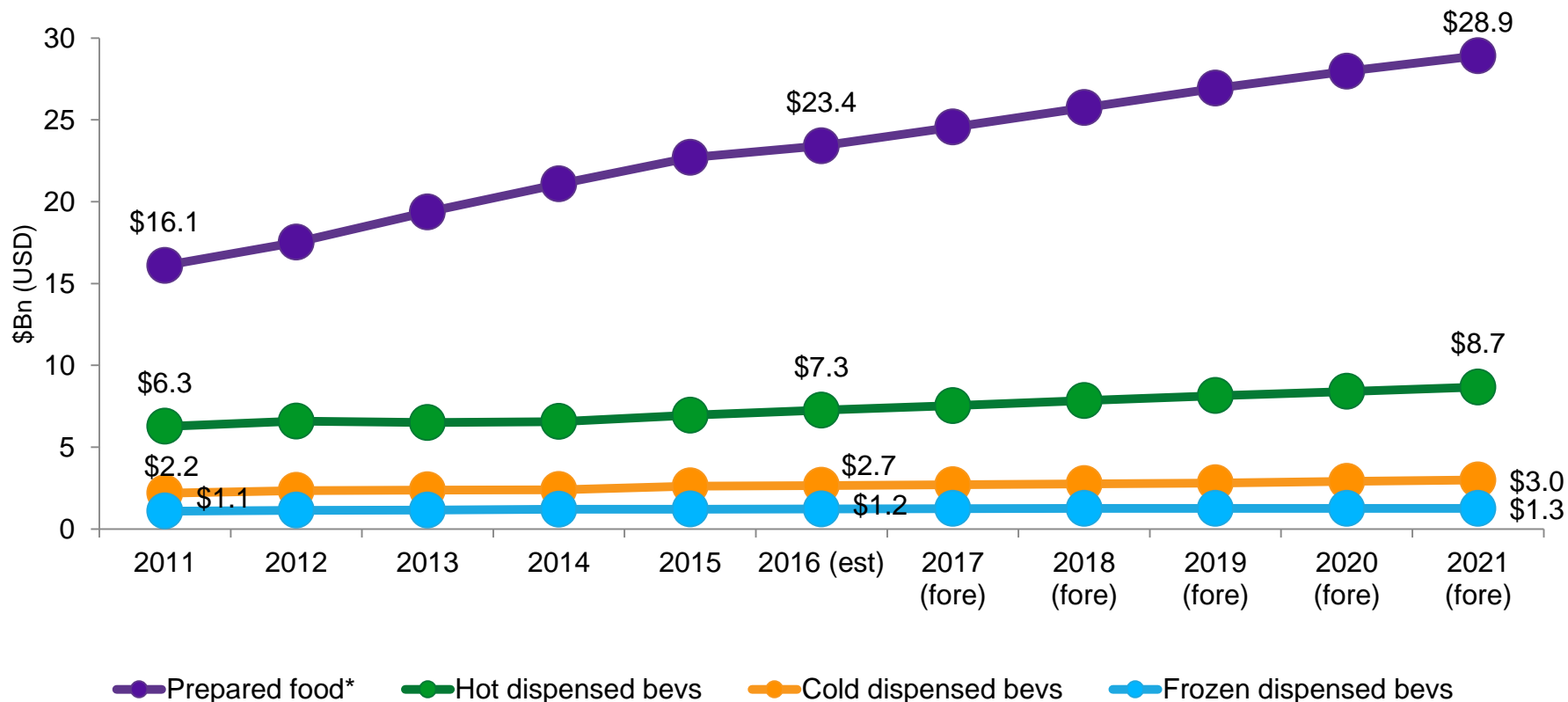


Prepared foods are an opportunity for c-stores

The overall c-store foodservice market is growing thanks, in large part, to sales of prepared foods. Prepared food sales are forecast to reach \$28.9 billion by 2021. Sandwiches represent the largest share of prepared food sales. Not only are sales of sandwiches growing, operators are adding more sandwiches to menus. Operators can look to c-store menu trends for opportunities within the sandwich category. For example, spicy flavors are trending on menus and menu claims are a clear white space opportunity.

TOTAL US CONVENIENCE STORE FOODSERVICE SALES, AT CURRENT PRICES, BY SEGMENT 2011-21



*Prepared on-site or off-site

Source: Historical data (2011-15) reprinted with permission of convenience store news, www.Csnews.Com; 2016 estimate and forecast developed by Mintel

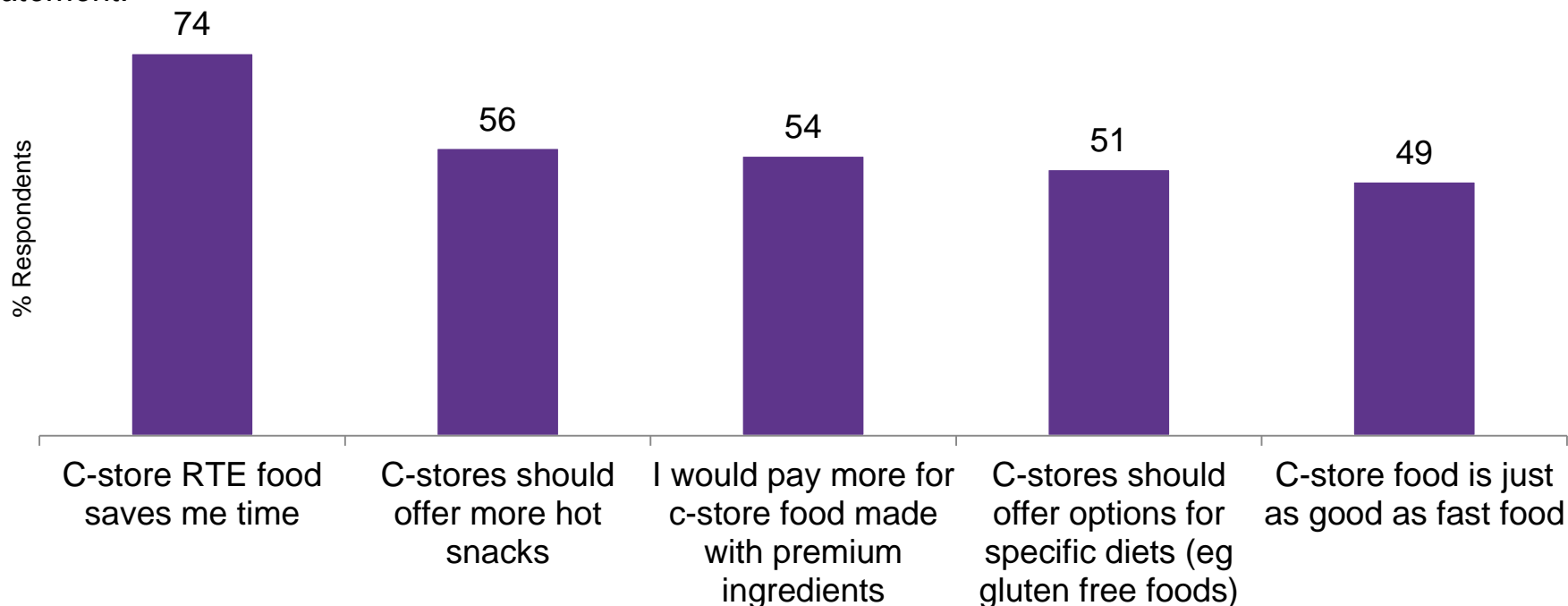


Focus on what c-stores do best while experimenting with new opportunities

Consumers today lead busy lives and c-stores satisfy those consumers with convenient, affordable meals. Operators cannot lose sight of this as many consumers are likely unwilling to wait an extended period of time for foodservice items. Innovation is certainly an opportunity for c-stores as many consumers express interest in foods made with premium ingredients, meals without artificial ingredients, and even meals designed for specific diets. Convenience needs to come first, but innovation can be built upon convenience.

C-STORE FOODSERVICE ATTITUDES, ANY AGREE, DECEMBER 2016

“How much do you agree or disagree with the following statements? Please select one response per statement.”



Base: 1,193 internet users aged 18+ who have purchased a MTO/prepared foo/drink from a c-store in the past three months

Source: Lightspeed/Mintel



What it Means

- C-stores have come a long way from the time they were only good for “smokes and cokes” but there is still plenty of opportunity for growth. Healthy/clean label foods, premium sandwiches, coffee variety, and clean stores are all clear areas of improvement for c-stores. Operators must continue to focus on changing the perception of c-stores among those consumers who avoid c-store food altogether.