Bringing Self-Service to the C-Store:
What's Now, What's Next

The role of the c-store is changing fundamentally. Consumer preferences have shifted towards more efficient, leaner and convenient ways to shop, and c-stores play a pivotal role in meeting these preferences. Self-service solutions contribute to this as they expedite the last step of each store visit, by streamlining the checkout process even further. We talked to convenience retail experts from Intel and Diebold Nixdorf to learn how retailers can best prepare themselves to provide new self-service journeys in their c-store.

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Q&A

IS THERE A FUTURE FOR C-STORES AT THE PUMP?

Yes, but their role is changing, and they need to reinvent themselves. The pandemic allowed us to see that more convenient services—with less interaction and faster transactions—is a trend that's not going away. Retailers have to meet those expectations head on. If they do, they'll be able to drive higher-margin sales by providing personalized offers directly at the pump, which allows the c-stores to provide a better consumer journey, and propel an increase in food service orders and in-store upsells.

Yes, definitely! We're witnessing a "c-store renaissance" with customers looking for hyperlocal stores that serve as a community hub. It's the resurgence of convenience and speed-of-service in your own neighborhood, combined with new services. Depending on where the store is located—downtown, the suburbs or just off a highway—it may offer specific services to commuters and locals. That could mean anything from collecting parcels and pharmaceuticals to top-up grocery shopping on the way home. The electrification of vehicles only adds to the importance of the c-store, as people will spend more time waiting for their car to charge.

WHAT WILL BE THE IMPACT OF "SELF-SERVICE" ON THE C-STORE?

I believe it will help the consumer see the c-store more as a destination, than just a place to get gas and a quick snack. The shift in labor involved would allow one employee to oversee 4-5 self-checkout stations, allowing other employees to focus on other areas. As for restricted inventory, one individual could be assigned to oversee the lanes when it comes to age verification, so the experience for other consumers doesn't suffer. Knowing this, consumers will be more likely to return, and through the traffic that comes through the c-store, business revenue will increase as the consumer knows they can get in and out of the c-store much faster.

The fastest growing category with significant margins is made-to-order food; self-service kiosks have increased ticket size, for example, at McDonald's, thanks to enhanced speed and convenience. C-stores can gain the same benefits with these food ordering kiosks. And if your c-store is also positioned as a venue where people can quickly go in-and-out to get their groceries for the evening, a fast and convenient checkout experience is indispensable. Self-service reduces time waiting in line. Self-service also alleviates staff from more mundane tasks of checking out customers, so they have more time to keep the store neat, clean and stocked.

WHAT SELECTION CRITERIA SHOULD RETAILERS APPLY WHEN EVALUATING SELF-SERVICE SOLUTIONS?

The key criteria that retailers should employ is proper integration. It is also important that the c-stores work with companies that offer what they need, to keep the experience seamless for the consumer. Having knowledge available when problems occur is also critical.
One other key factor in evaluating the criteria is: can the store make the self-checkout look like a self-checkout, so the consumer knows exactly where to go? One should also look at the types of payments received, (credit card, tap and pay, and even cash) to determine how many stations they would like in the store. Finally, the c-stores need to evaluate the needs of the consumer. Is there a convenience factor when it comes to the person driving up to the c-store, is it faster, does it allow for less human interaction, and do the stores carry the products that consumer desires?

It's important to consider what "role" the self-service solution will play in the store. Is it meant for checking out a few items while saving time for staff and customers alike? Or is it meant to assist customers in choosing their made-to-order sandwich (including the right toppings and condiments)? Different purposes will have different selection criteria, like payment types supported, touchscreen yes/no, or the use of AI technology for automated age checks, for example. On top of this, the level of integration of self-service stations within the existing store ecosystem, flexible configuration (as different stores may have different functional requirements) and ease of maintenance should also be included as evaluation criteria.

WHAT WOULD YOU RECOMMEND FOR SUCCESSFUL ADOPTION OF SELF-SERVICE SOLUTIONS BY CONSUMERS?

The largest component for successful integration of self-service solutions is commitment. This is the ability of the c-store to go all in, perhaps in one region, so consumers can have the same experience in other local area stores. It is also important to show the advantages to everyone, not only the consumer. It is important that store staff does not feel left out or worry their job is in jeopardy, so transparency is a must. Looking for the right vendor to meet the c-store's needs is also key. The c-store should look to vendors that are not just cost efficient but also have hardware and software that will integrate seamlessly into their environment. They also need to know that the vendor has service engineers available immediately if any large-scale problems occur. And the c-store should always have a staff member available in-store to help with issues in the self-service environment for simple problems to be rectified.

Staff plays a crucial role in smooth adoption. Customers should "get it" the first time they use it, if you want them to keep using it. Staff should promote it and guide them through the first time and point out where to click or what to do next. Offering loyalty incentives when using self-service can be a positive trigger, and it also helps to focus on "low-hanging fruit" first rather than offering it to ALL customer and product segments at once. And of course, high availability and up-times (>99%) are also crucial, which can be achieved via adequate service and support from the technology vendor.

DO YOU THINK FUEL RETAILERS ARE READY TO EMBRACE ADVANCED SELF-SERVICE TECHNOLOGY?

Yes, they are. At one point in time, we would have assumed the "older" generations (those who grew up before the digital world) would have no desire or no ability to utilize this technology; however, the pandemic showed us that they are ready to embrace it along with the Gen Z'ers. Also, the pandemic brought about other changes that effected the c-store; there is less travel and more electric and hybrid vehicles on the road, so the retailer must look for alternatives to increase revenue, and since food has now surpassed fuel in sales percentages, the experience of food purchase must be convenient and quick.

Absolutely! It has so many advantages for them, that it will be hard not to embrace it. C-stores typically experience "micro bursts" of activity, and self-service enables proper labor planning by shaving off peak loads. Research shows that male millennials prefer fast checkout, as their #1 frustration is waiting in a line. So, with self-service you may attract a new customer segment with above-average spending levels. Self-service devices also let you collect and share valuable customer data regarding loyalty incentives, payment preferences, preferred shopping days and times, or which items they bought. This information can help you customize the experience for these customers, which will lead to higher share-of-wallet. And of course this also perfectly fits with the trend of putting the customer in control while personalizing their shopping journey step-by-step.

THE TAKEAWAY

Fuel & convenience retailers are at a critical reflection point: either reimagine consumer journeys to include self-service options and make c-store visits more efficient and convenient for their customers, or risk being outperformed by other convenience retailers and local grocery stores nearby. We encourage retailers to do an assessment across their business and IT teams, and explore **how to innovate consumer and staff journeys**, so they can become more flexible in their store setup to meet post-COVID changes in consumer behavior while improving margins at the same time.