

Foodservice at a Crossroads

Convenience-store retailers work to meet rising expectations and fight tough competition.

April 15, 2016 by Kelly Kurt

Younger consumers have little doubt that convenience stores can deliver on fresh, restaurant-quality food. The challenge now? They expect c-stores to keep getting better at it, says Donna Hood Crecca, senior director for Chicago-based foodservice research and consulting firm Technomic Inc.

TREND WATCH

CATEGORY COURSE FOR 2016
UPWARD

TO DO
Continually improve food and beverage quality, taste, freshness and healthfulness. Make convenient meal solutions top priority for the breakfast day-part as competition with QSRs heats up.

ON TREND
Peasant and simple comfort food give c-stores an edge in introducing hand-held items. Spicy foods are in demand among consumers, with flavors such as Sriracha drawing in younger consumers.

14% Jump in incidence of term "spicy" on c-store menus in 2015

72% Increase in Sriracha's menu incidence in past two years

“Continual improvement in terms of quality, taste, freshness and health of prepared food and beverage is key for c-stores in 2016, because while younger consumers are engaged in c-store foodservice, their expectations around those attributes are high,” she says.

In a competitive field of QSRs, cafés and other convenience stores, operators that want to do more than simply keep up have to make foodservice a priority from the top, Crecca says.

The breakfast day-part is drawing some fierce competition. Retailers from Starbucks to Taco Bell are pursuing consumers who increasingly make a breakfast stop part of their daily routine. Driven by busy schedules and interesting menus, more than one-third of consumers say they are eating breakfast away from home more often now than they did a year ago.

“This indicates that they need convenient breakfast solutions and are seeking both unique and familiar options,” Crecca says. Crecca points out some major trends.

“Better-for-you” and “better-for-the-planet” foods

Non-GMO, sustainable and additive-free score well with foodservice consumers these days. “This is an area where c-store operators can and should leverage supplier and distributor partnerships,” Crecca says.

Hot gets hotter

The term “spicy” saw a 14% jump on c-store menus last year, according to Technomic’s MenuMonitor. And while Sriracha poured on the heat (a 72% jump in menu incidence in the past two years), operators across foodservice are taking spice to a new level with ingredients such as ghost peppers, harissa and sambal.

The elevation of so-called “peasant foods”.

Simple comfort foods such as meatballs, sausages, cheesy breads, dumplings and bao buns are on trend, and that’s good news for c-stores. “A lot of these items lend themselves to hand-helds, so [they] are perfect for the on-the-go dining occasion and can give c-stores a competitive edge through innovation,” Crecca says.

Don’t overlook indulgence

Health and flavor trends may be driving menus overall, but “the dichotomy of the c-store foodservice consumer is that they seek both healthy and indulgent items,” Crecca says. “So innovation on both fronts is crucial today.”