

# Shopper Analytics Give Convenience Retailers Fuel to Increase Loyalty and In-Store Sales

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### **New approaches to familiar challenges emerge at the NACS State of the Industry Summit**

The state of convenience retailing may be strong, but it is also challenging and evolving as evidenced by key financial metrics shared during the [NACS State of the Industry Summit](#). The three-day gathering billed as the industry's most comprehensive data-focused event revealed [an industry with untapped opportunities](#) for growth and operational improvement powered by technological innovation and increased use of analytics.

Record in-store sales, driven by foodservice, were touted as a bright spot by NACS, The Association for Convenience and Fuel Retailing, however lower fuel prices caused total industry sales in the U.S. to decline 5.1% to \$860 billion in 2023 compared to \$906 billion in 2022. [The decline highlights a need to elevate merchandising](#), marketing and operations to ensure stores are destinations for purchases other than fuel and to persuade more fuel customers to make in-store purchases. The importance of doing so was evident from NACS data shared at The State of the Industry Summit:

- **Fuel price volatility persists:** [Total industry fuel sales fell 11.2% to \\$532 billion in 2023 from \\$603 billion](#) the prior year and represented 67.3% of total industry sales, but only 38.6% of profits.
- **In-store sales matter more than ever:** Offsetting the fuel sales decline and bolstering profits, in-store sales increased 8.2% to \$327.6 in 2023, to represent 38.1% of total industry sales, compared to \$302.8 billion or 33.4% of total sales the prior year.
- **Meals served is a key profit driver:** In-store profitability benefitted from continued growth of foodservice, which accounted for 26.9% of in-store sales, but 37.3% of in-store profits. Sales of prepared foods increased 12.2% and accounted for about two thirds of the foodservice category which also includes commissary-prepared items, hot, cold and frozen dispensed beverages.

This combination of factors underscores the urgent need to gain a complete view of shopper behavior to enable data-driven decision-making that can drive incremental growth. This is especially relevant for convenience retailers due to the unique operating challenges associated with fuel retailing and smaller stores that demand extreme precision when it comes to category planning decisions, inventory management and promotional execution.

For example, one of challenges highlighted at the NACS event that analytics helps solve relates to trip frequency and transaction size. Average monthly transactions in-store and at the pump declined 0.4% in 2023 after spiking 8.5% in 2022 and 8.8% in 2021 as pandemic conditions eased. Retailers with increased visibility of the shopper's journey would have been better able

to offset marketplace trends by unlocking fertile data sources to inform actions that increase in-store traffic, unplanned purchases and transaction sizes.

## **A Unified Site View is Essential**

Convenience retailers account for 80% of all fuel sales in the US, yet they have limited pricing power due to the highly commoditized nature of fuel. What retailers can control is how to extract maximum value from the data their operations generate. Retail attendees at the NACS Summit showed great interest in the concept of unified site view which gives them the ability to link data from fuel sales and in-store sales for a complete view of customer behavior.

With a unified view retailers are better able to assess the impact of rewards and incentives on behaviors. For example, with a unified site view retailers can identify loyalty programs or incentives that drive the greatest participation and value or determine which store locations have the highest loyalty penetration and why. This capability is of keen interest because the knowledge lets retailers activate strategies against their most valuable customer segments while nurturing those with growth potential.

Other benefits of a unified site view include the ability to evaluate total site spending among high frequency customers, sales analysis by daypart, strategic targeting of valuable customers at the pump, identifying top ranking stores based on KPIs, performing near real-time diagnostics and benchmarking across a network of stores with varying operating models.

## **Charging Stations Add Analytics Dimension**

A unified site view takes on new meaning when the fuel is electricity and site visits are extended to allow for vehicle charging. Although still relatively small, the proportion of electric vehicles is growing and drivers of those vehicles tend to be more affluent, higher value, and more inclined to make in-store purchases due to extended dwell times. It's a powerful combination and potentially good news for convenience retailers who are adding charging stations [to accommodate increased EV sales](#).

More than 1.4 million electric vehicles were sold in 2023, a 50% increase from the prior year, and cumulatively nearly five million electric vehicles have been sold, according to data from the US Department of Energy (DOE). As of January 2024, plug in electric vehicles accounted for nearly 10% of all passenger vehicle sales.

The charging infrastructure has been expanding at robust pace as well. From the fourth quarter of 2019 to earlier this year, the number of public and private electric vehicle (EV) charging ports nearly doubled from 87,352 to 170,000, according to DOE.

Participating in expanding the charging infrastructure is a major opportunity for convenience retailers who ended 2023 with 152,396 stores, of which 120,061 sell fuel. Regardless of the fuel type, analytics that closes the loop between customer behavior at the charger or fuel pump and in-store gives retailers much-needed visibility to impact sales and profits.

*See how SymphonyAI's connected retail approach can improve the performance of your convenience retail operations. <https://www.symphonyai.com/retail-cpg/get-started/>*