



REPORT

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Four trends shifting the fuel and convenience industry



Contents

- 3** Introduction
- 4** Brand partnerships
- 5** New format designs
- 7** Personalization and loyalty
- 8** Rise of the electric vehicle (EV)
- 9** Conclusion

Introduction



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As you drive by stretch after stretch of scenery, you feel it's time to take a break. Your stomach growls and it seems like it could be the perfect time to charge the car. Hopefully the next local gas station can accommodate. When you arrive, you're greeted with not only a row of electric chargers, but also a full-service restaurant attached to the convenience store. You think to yourself *this* is the perfect place to rest and recharge.

Whether on an hours-long road trip or a quick run across town, consumers are increasingly looking for more flexible and convenient options no matter the time of day. Convenience retail stores, also known as c-stores, are constantly adjusting to cater to the consumer's evolving needs.

Some c-stores are expanding their food options to capture more on-the-go needs and others are becoming eating destinations. Some are forming strategic fuel plans and strategizing for the shift into the new age of electric vehicles (EVs). Others are revising ownership and creating partnerships to address both. This range of tactics could mean many different directions for the industry in the coming year and the top trends reflect a willingness to adapt.

Here are current trends in the fuel and convenience industry:

- Brands are teaming up to meet the full range of consumers' needs
- Brands are testing new formats to reach more consumers on more occasions
- C-stores look to add a personal touch to drive consumer value
- The increase in electric vehicles has c-stores watching a growing market

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Brand partnerships

Brands are teaming up to meet the full range of consumers' needs

Traditionally, gas station food has served separate occasions from QSR takeout, but now, consumers are beginning to consider food on-the-go and fuel-station restaurants as equally viable options to visiting a fast-food quick-service restaurant (QSR).

Driven by a desire to offset high operating costs, find different ways to interact with consumers and address the demand for more full-service restaurant dining options on-site, c-stores are forging mergers, acquisitions and partnerships. Add this to the growth trajectory of the electric vehicle market, and lengthy electric vehicle charging times only open more on-site opportunities to eat.

As more c-stores host restaurants on location, the lines between QSRs and c-stores begin to blur. Today, more c-stores see consumers visiting primarily for food and

dining that can be found at a variety of price points, a compelling driver for growth as fuel retailers aim to get consumers inside their backcourt.

Restaurants and c-stores are converging, and Circle K is a good example. Circle K Stores and Krystal Restaurants have previously partnered to create locations that combine c-store and restaurant. They are now **taking the partnership further** with new builds that cater to consumers who want to dine on-the-go. Offering items from the standard Krystal menu alongside products available at Circle K, it is designed to maximize restaurant square footage, increase guest accessibility and accommodate operations flow between the two brands.

Although these collaborations are mutually beneficial, the partnership process is not yet entirely frictionless. Data sharing and technology stack differences, particularly loyalty technology, can create challenges. Still, success in cross-industry partnerships will show that the right partners can be highly synergistic to growth and can be powerful enough to compete across multiple industries.



New format designs

Brands are testing new formats to reach more consumers on more occasions

A quaint neighborhood bodega or a traditional convenience shop connected to rows of gas pumps might be what most people picture when hearing “convenience store.” But that antiquated notion is shifting and will give way to new store designs and formats that offer a faster and tech-enabled shopping experience.

From designs that are smaller versions of their parent stores to locations that can be run with little to no human interaction, two key qualities stand out among the trending formats:

Optimized footprint: C-stores are reassessing their space to make sure every square foot is serving its purpose. A smaller store, for instance, aims to provide consumers with a quick shopping experience while also increasing brand reach into geographical locations where larger formats would not normally fit.

For example, [Urban Value Corner Store](#) plans to open and operate multiple unstaffed and autonomous locations by the end of 2024. Sized to be about 300 square feet, it’s much smaller than the company’s legacy stores which can be up to 1,500 square feet. This format enables the company to reach key locations they couldn’t cater to previously, support the local economy and can be added to densely populated areas full of consumers looking for a quick trip.

Technology enabled: As with other industries, technology is embedding itself into c-stores. Some c-stores are using technology for labor benefits, with locations having more kiosks than team members, while other stores are not staffed at all. Technology like kiosks support labor goals but also tend to reduce order queues, improving customer experience.

Others use tech integration to further customer comfort — particularly if a consumer is waiting for a charge — with free Wi-Fi access and free on-premise entertainment, streaming on platforms consumers may not have memberships for. Whichever level of technological integration used, the goal is to provide a convenient, frictionless experience for consumers and financial savings for the brand.



Consumer technology is also leveraged in traditional web and app to enhance order experience. For example, [Wawa](#) allows consumers to order ahead on their app, select the pickup time, and just grab and go at their convenience. [7-Eleven](#) has their 7NOW app, where with a subscription to their Gold Pass, consumers can get delivery on over 3,000 products with fees waived. In both cases, user experience is highlighted, allowing them a faster, more seamless checkout and pickup experience.

C-stores must continue to adapt their formats to maintain competitive positioning. Grocers like [Whole Foods are launching c-store concepts](#), like the Whole Foods Market Daily Shop, which will have a café and a selection of grab-and-go options along with some traditional grocery offerings. On the fuel side, retailers must continue to be vigilant against big box retailers who may offer incredibly discounted fuel rates for loyalty program members, potentially driving away traffic from c-stores.

As brands continue to refine their footprint strategy, they are using tools like business experimentation to see what works best in terms of number of stores, different sizes, styles and locations. Only time will tell which format best meets consumers' needs and expectations.

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Personalization and loyalty

C-stores look to add a personal touch to drive consumer value

Personalization

Ultimately, the goal of any fuel and convenience store is to get the consumer to go beyond the forecourt and into the backcourt retail store. While linking the technology and platforms across the forecourt and backcourt can be challenging, a singular view of a consumer unlocks more ways to reward and incentivize cross-shopping behavior. Whether it's through their website, app or even their own retail media network, c-stores are personalizing messages and experiences, and building loyalty on a new level.

Retail media networks are a rising concept that is already being deployed by the likes of [7-Eleven](#), [Wawa](#) and [Casey's General Stores](#). These networks use their consumer-permissioned data to personalize relevant offers and content to grow connections and loyalty to their consumers while building basket size. At [7-Eleven](#), consumers are reached on platforms they frequent and can even be shown videos at the pump about rewards and deals that would likely interest them right then and there.

Personalization is shifting beyond merely capturing engagement to delivering a deeper, relevant experience. It encourages consumers to try new brands and easily find the products they frequently purchase. Relatively new to the industry, retail media networks are a concept that shows a lot of potential and is catching the eyes of many.

Loyalty

A unified loyalty program across the site can act as a bridge between the brand and the consumer. Some brands are going beyond the traditional route of spend-and-discount on gas to providing non-fuel incremental customer value.

For example, several c-stores are boosting their assortment of private label brands to offer shoppers unique incentives to transact in the backcourt. Others leverage loyalty offers tying fuel discounts to in-store transactions to drive consumers in.

Whatever the method, the opportunity for better personalized and unique messages and offers continues to be high. As c-stores start to serve more purposes, including potential for fuel to groceries to even banking, merchants can begin to get a 360 view of each consumer. For consumers, once they realize the level of convenience a c-store can bring, they will have no problem coming back again and again.



Rise of the electric vehicle (EV)

The increase in electric vehicles has c-stores watching a growing market

The electric car market is gaining attention. According to [BloombergNEF](#), of all global vehicle sales, the EV share is expected to be around 20% in 2024, up from about 17% in 2023. Some 16.7 million global passenger EV vehicles are expected to be sold in 2024, a 21% year-over-year increase. With this level of growth and an [increasing numbers of government sustainability initiatives](#) — including one that strives for over half of all new vehicles to be electric by 2032 in the United States — the EV market is making itself seen.

But how does this impact the fuel and convenience industry? With governments making sustainability promises and consumers starting to push back on the traditional ways, brands are looking at their locations and fueling strategies differently. Many are hesitant, but some c-stores have started to take action.

The first obvious move is to add more charging stations. The more EVs on the road, the greater the need for chargers. This brings in potential consumers both to charge and to shop or eat while they wait. While less of a consideration for the industry a few decades ago, EV owners are spending more time at stations and stores are now looking to capitalize. [Citgo](#), for example, has a program where they work with interested franchised stores to model and implement their own chargers. With this move, Citgo reduces lift on their ecosystem and partners with experts to implement faster speed to market.

Other c-stores are taking sustainable energy a step further. Viva Energy has entered into a [co-funding agreement](#) with the NSW Government that repositions them to be a premium solution for the future of all energy. This provides consumers with sustainable fuel and energy charging sources — including hydrogen.

While the EV market has yet to make its way into the industry fully, it's making enough noise that it can't be ignored.



Conclusion

When stepping back and looking at the fuel and convenience industry, it's clear that it's poised for progression. Traditional core business and mindset will continue to serve as the backbone, but brands are looking towards innovation to adapt to new consumer behaviors and landscapes. While still relatively early on the journey, early adopters may prove to be trailblazers, chartering a new path to meet consumer needs. For others, they may wait to follow.

Change will come. Partnerships will be formed to increase reach and strengthen brand affinity. New formats will be designed and, more importantly, tested for growth. Deeper personalization will lead to a growing base of loyal ambassadors. And the EV market has so much more to come as different regulations demand different things, the paths for this industry seem almost limitless.

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