

# ***When Worlds Collide - When Convenience Meets Gasoline***

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# ***When Worlds Collide - When C Meets G***

- † What Happened When C-Stores and G-Stores Collided
- † Importance of Convenience Retailing to Petroleum Marketers
- † How do C/G-Stores Differ in Approach to Convenience Retailing
- † Differences in C/G-Store Retailers Expectations



# *When Did C Met G*

† Definitions

† History

† Why Did C and G Meet

† Current Status of C and G Stores



# **Why Did C and G Meet**

- † Customer Profiles Very Similar
- † Historical Marketing Emphasis Was Not
  - c-stores
    - » heavy market penetration
    - » emphasis on convenience
    - » sold pre-sold items
  - g-stores
    - » concentration on distribution networks
    - » building brand equity
    - » emphasis on car repair



# *Why Did C and G Meet*

- † Trend Drivers Towards Meeting
  - additional investment for entry small
  - customers needs
  - rising real estate cost
- † Began Slowly
  - g-stores
    - » carrying cigarettes - then soda - then beer - then
    - » self service gas



# *When Did C Met G*

## † 1989 Watershed Year

- 1st year ave. c-store mdse. sales declined since 1978
- 1st year c-store mdse. margins declined in 7 years
- 1st year gasoline sales were greater than c-store mdse. sales



# **Impact of C and G Meeting**

- † View of Each Other Products
  - c-store on gas
    - » minimize investment required
    - » use as a draw for traditional products
    - » compete on price
    - » brand less important than price
  - g-store on convenience retailing
    - » ancillary sales/sales “other than gasoline
    - » off-set to cost of selling gasoline
    - » not that difficult to do



# ***Impact Of Worlds Colliding***

- † Use Other's Core Products as Traffic Generator
- † Lower Prices/Margins/Profits
- † Net Effect --Meeting Detrimental to Both Industries
- † May Not Understand Each Others Approach to Business, But Today Each Needs the Other to Survive



# ***Importance of Convenience Retailing to G-Stores ?***

- † In a Word - **VERY**
- † Examples Everywhere
  - C-Store News Top 10
  - NACS membership
  - attendance at NACS Annual Trade Show
  - articles in trade press
- † The “Hot” Topic (next to foodservice)



# **Why Is It So Important?**

- † **Survival**
- † **Leveraging Primary Asset - Location**
  - cost of land continues to increase
  - can no longer afford “dirt” based on single revenue stream
- † **Cost of Operation Increasing**
- † **Enhance Existing or Develop New**
- † **How To Participate in Additional Revenue Streams**



**For More Information On  
When Convenience Meets Gasoline**

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