

A photograph of a convenience store and gas station. The store has a modern facade with large windows and a sign. The gas station has several pumps and a silver SUV parked. The entire image is overlaid with a large, semi-transparent green circle that frames the text.

Convenience Stores and Their Communities

The positive impact U.S. convenience stores have in providing jobs, growing the local economy and supporting community initiatives.

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NACS[®]

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Serving others

Convenience stores and their employees strengthen the communities that they serve.

Convenience Stores Are Community Stores

Convenience stores are the destination of choice for the 165 million U.S. customers who frequent their favorite location each day to refresh and refuel, whether it's to grab a quick snack and beverage or a fresh-prepared meal, or to fill up their gas tank.

A January 2018 NACS Consumer Fuels Survey found that consumers have a favorable opinion about convenience stores, which sell about 80% of the fuel purchased in the United States. Nearly two in three consumers (63%) say that convenience stores share their values, and younger consumers (18 to 34) are more likely (67%) than consumers age 50 or older (61%) to say convenience stores share their values.

One reason why these local businesses share the neighborhood's interests is because they are closely tied to their community, supporting local charities, youth sports teams or food drives. Convenience retailers have a positive message, and one that can help tell their story, whether it's before local business and philanthropic groups or at zoning hearings.

In rural areas, convenience stores are often the only place in town to buy grocery items, fuel or other products or services. More than 8 in 10 rural Americans (81%) say that a convenience store is within 10 minutes of their home. These stores are often the community gathering point, providing essential services for the nearby residents, whether food, fuel, financial services or even mail.

It's also not uncommon for many convenience store companies to be owned and operated by the or even sixth generation of family members.

Scope of the Industry

There are 154,958 convenience stores in the United States, per to the 2018 NACS/Nielsen Convenience Industry Store Count. The convenience store count is significantly higher than other channels of trade, accounting for more than one third (34.4%) of the brick-and-mortar retail universe tracked by Nielsen in the United States. Except for the dollar store channel, all other major channels had fewer units at year-end 2017 than 2016:

CHANNEL	2017	% Change
Convenience Store	154,958	0.3%
Drug	43,169	-1.07%
Supermarket	51,134	-0.11%
Dollar	30,332	5.20%

Single-store operators within the convenience retail space also increased by 139 units (0.14%), up from 97,504 stores at year-end 2016 to 97,643 stores at year-end 2017.

Convenience stores are a small entrepreneur success story: 63%, or more than 97,500 stores, are one-store operations.

Among the states, Texas leads in store count at 15,813 stores, or more than one in 10 stores in the country. California is second at 11,946 stores, followed by Florida (9,891), New York (8,725), Georgia (6,687), North Carolina (6,235), Ohio (5,686), Michigan (4,962), Pennsylvania (4,855) and Illinois (4,759). The bottom three states in terms of store count are Alaska (217 stores), Wyoming (355) and Delaware (344).

The U.S. convenience store count has increased by 55% over the last three decades: At year-end 1987, the convenience store count was 100,200 stores, at year-end 1997 the store count was 108,800 stores and at year-end 2007 the store count was 146,294 stores.

The average convenience store collects \$1.28 million in taxes for local, state and federal governments. This includes property taxes, payroll taxes, sales taxes and taxes that are assessed on a variety of products sold at convenience stores. Moreover, these taxes are collected in a small footprint—the average store is 2,951 square feet. But even factoring in a total lot size of 70,000

History of the Convenience Store Industry

1913

The first purpose-built gas station opened, a Gulf station in Pittsburgh, Pennsylvania, offering fuel and what was called TBA (tires, batteries and accessories).



1927

The Southland Ice Company opened the first U.S. convenience store on the corner of 12th and Edgefield Streets in the Oak Cliff section of Dallas, Texas. The stores were open from 7:00 am to 11:00 pm, seven days a week—thus the name, 7-Eleven.



1960

A patent is awarded for the first ICEE machine, which dispenses frozen carbonated beverages. The Slurpee debuts six years later.

square feet, convenience stores generate about \$17 per square foot per year in taxes, a figure that compares very favorably to even the busiest large-format stores.

Also, convenience stores create economic stability and growth. In 2017, U.S. convenience stores had sales of \$601.1 billion, representing 3.2% of the \$18.6 trillion U.S. gross domestic product and providing a total of 2.5 million jobs across the country.

Fueling America

Overall, about 79% of convenience stores (122,552) sell motor fuels, a decrease of 1.0% (or 1,255 stores) from 2016. The decline in the number of convenience stores selling fuel is reflective of retailers evolving their business models to focus more on the in-store, foodservice offer, as well as retailers embracing new store formats and establishing their brands in more urban, walk-up locations.

Some people may assume that retailers selling gas are raking in huge profits from fuel sales. However, the reality is that profits are pennies per gallon at the pump, and a store usually makes an average of about 50 cents total on a fill-up.

Gross margins (the markup before expenses are factored in) on gasoline have averaged 21 cents per gallon (8%) over the past five years. After expenses, especially credit card fees, the average pretax profit is around 5 cents per gallon.

Customers frequent convenience stores for other products and services beyond fuel and merchandise:

- **Lottery:** Convenience stores sell an estimated 68% of the lottery tickets purchased in the United States. (Six states do not have lotteries: Alabama, Mississippi, Utah, Nevada, Alaska and Hawaii.) Lottery customers also tend to have a higher basket ring than non-lottery customers (\$10.35 vs. \$6.29).
- **Car washes:** Car wash revenues were approximately \$69,000 per store but revenues can vary wildly per store based on location, weather and competition. Car washes and their significant water reclamation rates are considered a more environmentally friendly alternative to at-home washes in areas with water restrictions.
- **ATMs:** Convenience stores operate roughly one-third of all ATMs in the country. The average convenience store has ATM revenues of about \$8,750 per year, although an increasing number of stores are introducing no-fee ATMs. The premise behind this trend is that customers will reward the store with more purchases once they complete an ATM transaction.

NACS

1961

On August 14, 1961, NACS is founded and Harry Hunter is named the association's first executive director.



1964

Self-serve fueling is first introduced.
Coffee-to-go is introduced at a Long Island 7-Eleven.



1966

The U.S. convenience store industry first recorded \$1 billion in sales.



1973

The 1973 oil crisis led to gasoline shortages. Government price controls on domestic oil further exacerbated the problem and President Richard Nixon asked retailers to not sell gasoline on Saturday nights or Sundays, which resulted in long lines at the pumps on weekdays.

Fuel margins are slim because of consumer price sensitivity. Most consumers (58%) say that price is the most important factor in determining where they buy gas. The percentage of customers who say price is the most important factor has stayed consistent since 2007.

Consumers also will drive somewhere else to find a better price. Nearly two-thirds of consumers (61%) would make a left-hand turn across a busy road to save 5 cents per gallon and nearly the same percentage (63%) would drive five minutes out of their way to save five cents a gallon.

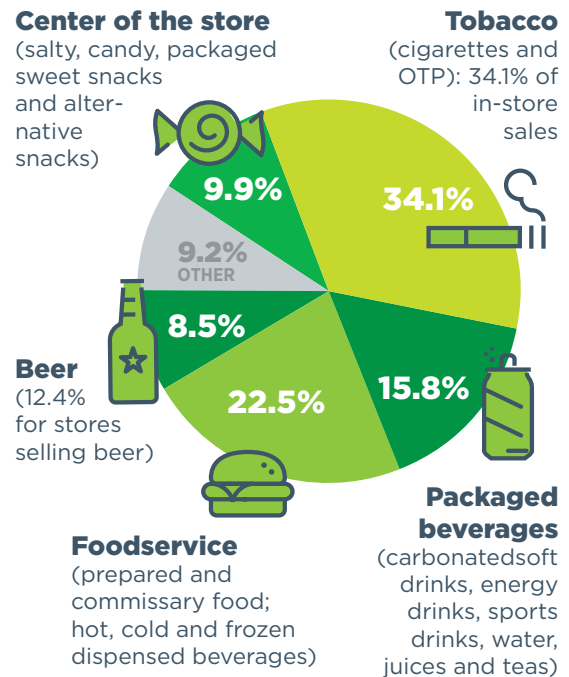
With these business factors in mind, convenience retailers strive to attract the gas-buying customer inside the store for additional purchases beyond the low-margin gas purchase. While fuel drive sales dollars for convenience stores, in-store sales drive profit dollars. On average, 58% of a store's total sales are fuel, but fuel only account for 40% of profit dollars. Among the 45% of consumers who went inside the store the last time they bought fuel, most of them made a purchase, per a January 2018 NACS consumer survey.

Inside the Store

Convenience stores sell immediate consumption items: 83% of in-store merchandise is consumed within one hour of purchase, and 65% is immediately consumed, per NACS Convenience Tracking Program data. In fact, a beverage or snack are the two most popular items purchased by customers who also buy gas.

U.S. convenience stores sales overall surged 9.3% to \$601.1 billion in 2017, led by a 14.9% increase in fuel sales, with in-store sales increasing 1.7% to a record \$237.0 billion. The last time the U.S. convenience store industry reported a decrease in in-store sales was 2002, when sales dropped 2.4%.

SALES IN-STORE REVENUES FROM PRODUCTS SOLD IN STORES (not including the sale of fuel and services that generate fees: car wash, lottery, ATM, etc.):



Source: NACS State of the Industry Report of 2017 Data



1976

The first point-of-sale canister donation campaign is launched at convenience stores for the Jerry Lewis MDA Telethon.

Majik Market in Atlanta reportedly became first c-store to install an ATM.



1986

Pay-at-the-pump is introduced in the United States (it was introduced in Europe in 1982).



1988

U.S. Environmental Protection Agency passed stringent underground storage tank regulations requiring operators to upgrade their USTs with spill-prevention and leak-detection equipment.



1990

Congress passes the Clean Air Act Amendments of 1990, which stipulates summer-blend fuel in certain areas beginning in 2000.



Convenience stores provide quick access to hydrating beverages for on-the-go consumers, selling nearly 50% of all single-serve bottled water.

Consumers are recognizing the continued growth in sales of healthier, better-for-you foods in convenience stores. A NACS consumer survey found that more than three in five Americans (63%) say that convenience stores offer food they feel comfortable eating.

Convenience stores are growing foodservice sales, particularly in the prepared food category, which is the largest component of the broader convenience store foodservice category, accounting for 67.1% of total foodservice sales. Sales are largely from traditional items, such as sandwiches, hot dogs, pizza and chicken. However, an increasing number of convenience stores also offer high-end foodservice, such as Joe's Kansas City Bar-B-Que (Kansas City, KS), Chef Point Café (Watauga, TX), Tioga Gas Mart (Lee Vining, CA), and El Carajo International Tapas and Wines (Miami, FL).

There are also a number of better-for-you options that can be found in convenience stores. Since 2007, convenience stores have more than doubled produce sales, increasing 126%. To continue the move towards healthier choices on store shelves, the industry has also partnered with health-related organizations to help redefine how fresh food is delivered to stores and merchandised, from the Partnership for a Healthier America to the United Fresh Produce Association.

Convenience retailers are also helping customers stay hydrated with water through Drink Up, a campaign that encourage everyone to drink more water more often. U.S. convenience stores sell nearly 50% of all bottled water in the country and according to NACS data, cooler door signage that encourages customers to hydrate with water has helped increased bottled water sales by 11%.



1995

Convenience store industry helps fund the Coalition for Responsible Tobacco Retailing, which launched the widely recognized *We Card* Program.



2010

Congress votes for the first time to limit "swipe fees" on debit transactions as part of the Dodd-Frank financial reform legislation.



2017

NACS creates unique partnerships with community-focused groups including the American Red Cross, Keep America Beautiful and the Partnership for a Healthier America.



2018

NACS continues to create partnerships with charitable groups making it easier for members to connect with their communities.

Community Engagement

From sponsoring youth sports teams to conducting food drives, convenience stores strengthen the communities that they serve, contributing \$1.03 billion to charitable and community groups. Being a good neighbor is not just a good business practice, as convenience stores are champions for their communities.

A 2018 NACS retailer member survey found that most convenience stores (95%) support charitable causes, with 66% of these stores supporting five or more charitable causes. Nearly all companies support local charities (91%) such as church groups, shelters, food banks and other non-sports groups. And approximately half of all retailers (47%) also support national charities. In addition, more than three in four retailers (76%) contribute to youth sports groups and more than two-thirds (69%) contribute to local schools via PTAs and other fundraising activities.

Here are a few survey highlights:

- + **Four in five convenience store companies (75%) say they've made donations** when there was a specific emergency or crisis in the community.
- + **More than three in four (76%) retailers make local product/food donations to food banks** and other

groups to support those in need; of this group, 67% donate food and 76% donate beverages.

For nearly 35 years, convenience stores and distributors have been engaging employees and customers in campaigns to support local children's hospitals throughout the United States and Canada. Brands like Speedway, McLane Company, Love's Travel Stops & Country Stores, Corner Store, Circle K, Stripes have partnered with Children's Miracle Network (CMN) Hospitals and have raised more than \$250 million since the founding of CMN Hospitals in 1983.

In 2017, NACS became the first retail-focused association to partner with the American Red Cross to advance community giving in stores and assist in disaster recovery efforts. Convenience stores are in every community and often the only business open in times of an episodic event, able to provide food and fuel to those in need. Similarly, the Red Cross is a community-based

U.S. convenience stores collect or contribute **\$1.03 billion** to charities annually



network of nearly 270 chapters and 36 Blood Services regions that respond to an emergency every 8 minutes. Since 2017, NACS members harnessed their compassion to donate more than \$34 million for disaster relief and nearly \$48 million to Red Cross relief overall.

Because convenience stores have longer hours of operation, public restrooms and ease of access, this increases the likelihood that convenience store employees are in a unique position to help customers in need of a safe haven.

While individuals in need of help can appear in any community or location, truck stops, travel centers and gas stations near highways tend to see frequent use by traffickers and their victims. There are organizations and agencies that assist store employees identify and help victims of human trafficking.



The U.S. Department of Homeland Security's (DHS) Blue Campaign created NACS-branded training and awareness materials for download, including posters, handouts and other materials, free of charge. Post materials in rest rooms or near doors that provide victims with phone numbers they can call to get help as well as in employee breakrooms and offices to promote awareness.



HUMAN TRAFFICKING
IN OUR BACKYARD
www.inourbackyard.org

Another organization that works closely with convenience stores to bring awareness to human trafficking issues in their community is Convenience Stores Against Trafficking (CSAT), a program of the national nonprofit In Our Backyard. CSAT raises public awareness, safely



RESPONSIBLE SALES

Convenience stores are responsible retailers in the community, creating store-level sales practices for “age-sensitive products” like tobacco and alcohol. The industry helped create and adopt the use of the **We Card** tobacco training curriculum and the Techniques of Alcohol Management sales training curriculum. Beyond the classroom training, convenience stores have extended their ongoing employee training in the store, using The BARS Program to monitor employee carding practices (ID under 30).



Convenience stores embrace responsible sales training, conducting 4.5 million ID checks for age-restricted products every day. By comparison, the Transportation Security Administration (TSA) conducts 2 million ID checks a day.

reaches out to victims, and trains convenience store employees to recognize and report trafficking. NACS and several individual state associations have announced partnerships with the organization to offer free training and access to freedom stickers to provide victims with a phone number to call for help.

NACS also works with National Safe Place, an organization to help youth (under 21) in peril to get help from their current situation. Safe Place provides professional training to convenience store employees to identify and aid children who seek assistance. In tandem with school and community awareness programs, a store would display signage to alert those in need that the store is a designated Safe Place.

Convenience Store Careers

Convenience stores provide 2.5 million jobs in the United States, offering career opportunities for many residents of local communities.

Working in a convenience store has been a rite of passage for millions of people in the United States, either as a first job, an early job or as a career. Nearly one in five Americans (19%) say they have worked in a convenience store and most of them found their experience to be valuable as a career opportunity, or in gaining workplace experience, per an October 2017 national consumer survey by NACS.

The survey found that 84% of those who worked in a convenience store agree the job experience helped them develop a foundation for their careers, and more than three in four (77%) said that they would recommend working in a convenience store to others, particularly as a first job. Most (53%) said they worked at convenience store while in high school (24%) or pursued higher education like college (29%).

In terms of business value, most consumers (89%) agree that learned a lot about how to work with different people while working in a convenience stores, and 70% appreciated that their employer offered a flexible work schedule.

Convenience store chains like Whitehouse Station, New Jersey-based QuickChek; Tulsa, Oklahoma-based

QuikTrip; and Altoona, Pennsylvania-based Sheetz Inc., appear often at state level and national “Best Places to Work” lists, another positive indicator of how convenience stores offer quality jobs.

Costs of Doing Business

In today’s labor environment, where unemployment is low and the labor pool continues to shrink, many industries are challenged with recruiting and retaining talented employees.

Convenience stores offer competitive wages, and most companies offer hourly wages well above the federal minimum wage (\$7.25 per hour). Per NACS Compensation and Benefits data, the average hourly wage for a convenience store associate is \$10.19/hour.

The U.S. convenience store industry has experienced sharply rising direct store operating expenses (DSOE). In 2017, DSOE outpaced inside gross profit dollars for the second consecutive year. Total DSOE and facility expenses were up 7.3%, and wages and benefits were up 8.3%. This trend has signaled a need for convenience retailers to explore new opportunities that will help grow their business.

Embracing tech

More retailers are embracing technology and social media to engage their younger employees. For example, Snapchat is being used to attract newer employees, and the social media platform is also being used to help train store managers.

For example, if a manager finds a new way to set up an end-unit display, they’ll take a Snapchat video and send it to their local Snapchat manager group—a new and fresh way to share instant ideas.



Like most industries, people productivity is a top issue retailers grapple with. Per NACS Compensation and Benefits data, the average cost within the convenience store industry to recruit, hire, train and equip an hourly store associate can cost anywhere from \$938 (1-10 stores) to \$1,960 (51-200). For a store assistant manager, costs can be anywhere from \$2,541 (1-10 stores) to \$7,400 (200+ stores).

Controlling the costs of doing business like DSOE requires a hyper focus on optimizing operational efficiencies—all the while striving to become a widely recognized employer of choice.

For convenience retailers like Sheetz Inc. (Altoona, Pennsylvania), competition for quality labor and wage pressures have guided many of the workforce enhancements Sheetz has undertaken in recent years. The company has changed its store management structure, revamped employee uniforms, introduced higher wages, enriched employee training and development, and defined leadership competencies.

New employee development implemented at Sheetz has been designed to free up store managers so they can move beyond task training and focus more on career development. Sheetz recognizes that to have a healthy store culture, hiring management personnel with the competencies required to manage a Sheetz store is essential. Core competencies also help during the hiring process as a guide to identify certain skillsets, experiences and conflict resolution.

Atlanta, Georgia-based RaceTrac Petroleum Inc. continues to invest in its key its employees as a competitive advantage over other industries within its 12-state operating area. RaceTrac focuses on development at the store level and its store support center. From the hiring state to orientation, employee training is designed to excite new hires about being immersed in the RaceTrac culture and team. RaceTrac also enhances its training and development to grow current employees into future managerial and leadership roles. Managers can nominate future leaders in their stores for promotion, and those selected are given the opportunity to sharpen their skills through weeklong field training.

The United States is roughly at full employment in 2018 with a 4% unemployment rate, while also experiencing a low labor force participation rate. For most industries, low unemployment means even greater demand for skilled, engaged employees.

Convenience Store Operations

NACS defines a convenience store as a retail business that provides consumers with a convenient location to quickly purchase a wide variety of consumable products and services, generally food and fuel.

While not fixed requirements, a convenience stores generally have the following characteristics:

- + Building size of less than 5,000 square feet
- + Off-street parking and/or convenient pedestrian access
- + Extended hours of operation, with many stores open 24/7
- + Offer of at least 500 stock keeping units (SKUs)
- + Product mix that includes a significant selection of beverages, food, snacks, tobacco, candy and other grocery items.

For most convenience stores, inside sales from foodservice and merchandise generally drive profits. In 2017, prepared food and beverages contributed 33.9% of gross profit dollars, per the *NACS State of the Industry Report® of 2017 Data*.

C-Store Business Model

The 154,958 convenience stores in the United States are like small businesses, both in terms of size of the store and the company. More than 6 out of 10 convenience stores (97,643 stores, or 63% of all stores) are owned and operated by an individual with one store. Of these one-store operators, about 24% (23,000 stores) are either franchisees or dealer arrangements where a jobber (fuel distributor) contracts with a retailer to

A daily resource

The average convenience store has 1,386 transactions per day. Of that total, 322 are at the pump, and 1,064 are inside the store.



operate the store. Common franchise companies include 7-Eleven, which operates only a few hundred of its more than 10,000 North American stores, and Alimentation Couche-Tard, which owns Circle K stores.

In the franchising model, store owners typically pay an upfront franchising fee plus monthly royalty and advertising fees or a percentage of sales dollars to the franchisor. In exchange, the franchisee gains the benefits that a larger company can provide a small business, such as market intelligence, training, purchasing power for products, proprietary products and services, marketing support and name recognition.

It is important to note that many oil company brands (Shell, BP, Chevron, Citgo, Mobil, Exxon, etc.) operate as jobber or dealer license arrangements. These arrangements are much different than the traditional franchise model and relate largely to the brand of fuel that is being sold. While branded fuel (fuel that contains additives by an oil company) is sold at about half of all retail fueling stations, the major oil companies own and operate about 0.3% of U.S. fueling outlets.



Location Is Key

Convenience stores are intensely local businesses that offer an ever-growing range of products and services. Most of all, they sell convenience, allowing customers to quickly buy what they need and get on with their day.

There is one convenience store per every 2,100 people, a key reason why traffic patterns can play a big role in how consumers shop stores. As a result, stores directly across from each other on the same road can both thrive, because they serve different traffic patterns and consumer demand. Consumers prize convenience, so for many a left-hand turn across a busy road is inconvenient. Most customers generally come from within a 2-mile radius, as opposed to 10 miles for grocery stores and as much as 40 miles for big-box retailers. In fact, 51% of Americans say that there is a convenience store within one mile of their home, and 86% say there is a store within three miles of their home.

Before convenience store owners approach a zoning commission, they carefully examine whether an area is oversupplied or undersupplied with convenience stores. They conduct a location quotient analysis, a simple calculation that considers the population of the market and region with the number of operating convenience stores in those areas. Retailers can only be successful if there is enough business to justify the costs of buying/building and operating a store. If the area is oversaturated, it's unlikely that a retailer will consider a specific location unless there are unique growth opportunities.

Most of all, convenience stores sell time—time that benefits the community, whether this time is spent living in, working in or supporting that community. And this is a commodity that consumers value; 79% of consumers nationwide say that they would be favorable to a convenience store being built or opened near their home.



TIME COUNTS

The average time a convenience store customer spends from the time they leave and return to their car with a purchase is 3 minutes and 33 seconds. This transaction speed is less than one-tenth the time spent in grocery stores, where the average is 41 minutes, which doesn't include the time spent driving to and from the store. Convenience store parking lots are large enough to accommodate peak traffic patterns, but overall these footprints are smaller than those of other formats, like grocery stores.



Keeping Communities Clean

Litter can be a significant challenge, carrying a cost for businesses, the community and the environment. In 2017, Keep America Beautiful and NACS partnered to help convenience stores improve their customers' experience, help the environment and, ultimately, enhance their reputation and bottom line.

Casey's General Stores (Ankeny, Iowa) has been a strong, long-time founding supporter of the Keep Iowa Beautiful work to build stronger communities. In addition to serving on the Board, Casey's promotes the statewide hotline to report littering by placing the Report Littering decals on trash receptacles at front doors and fuel islands.

Rutter's (York, Pennsylvania) has been voluntarily recycling since 2008. It partners with local hauler Penn Waste to include recycling messaging on on-site digital media, in-store messaging, billboards, and signage. It is also focused on environmentally friendly packaging. "Recycling is part of our culture," says Derek Gaskins, chief customer Officer at Rutter's. "When customers see the recycling bins and the packaging changes, we raise our brand profile."

At Kum & Go stores of West Des Moines, Iowa, store managers rely on standard operating procedures and formal shift checklists that indicate how and when associates should take trash to the dumpster (including the appropriate frequency), inspect the parking lot and maintain trash receptacle areas.

At QuikTrip of Tulsa, Oklahoma, store employees remove trash from the interior and exterior of the store at least three times daily. "We want to keep the store as clean as possible, and a lot of that is removing trash," says Mike Thornbrugh, manager of communications and public affairs.

RaceTrac of Atlanta, Georgia, takes a hands-on approach to keeping stores clean, with team members regularly walking the stores and parking lots during the first and second shifts and removing litter.

U.S.-based 7-Eleven stores have vowed to reduce packaging by 20% by 2025, a goal that would also reduce litter. According to the 7-Eleven website, the chain has already redesigned its hot dog carton, which cut consumption of paperboard by 2%, eliminating an estimated 50 tons of paper on an annualized basis.

According to Keep America Beautiful research, approximately 85% of littering is the result of people's attitudes. People who see litter are more likely to litter.

Investing in the Community

In addition to serving communities, convenience store operators invest in them. On average, a convenience store operator invests \$4.27 million to open a new store in a rural neighborhood. With this large investment, they have a valuable stake in the community's success.

The costs to open a convenience store in an urban market are typically higher, averaging \$4.87 million, mostly because of higher real estate costs. Store operators are twice as likely overall to own the stores than lease them; 66% of new stores built in 2016 were owned, and the remainder were leased.

There are very few old or historical convenience stores, although there are exceptions. Reighard's (Altoona, Pennsylvania) claims to be the oldest existing gas station in the United States, dating to 1909, and a former Big Top (Denver, Colorado) that first opened in 1965 may be the oldest convenience store that has continually sold gas.

Today's convenience stores are more contemporary, and owners regularly upgrade stores to add modern conveniences, especially as stores continue to add new services and foodservice programs. The average interval between store remodels is 10 years. Overall, 19% of all convenience stores were remodeled in 2016, with the average cost of a remodel around \$450,000, up sharply from an average of \$293,000 in 2011. Cumulatively, the convenience store industry commits more than \$13.2 billion to improving stores in neighborhoods across the country.

BEER/GAS BANS

In the mid-1980s, the enactment of numerous California ordinances prohibiting the sale of alcohol beverages and gasoline in the same location—known as beer/gas bans—threatened the convenience store industry’s ability to compete against other retail channels that sold licensed beverages. NACS aggressively sought to fight the spread of these bans and conduct research to determine if the sale of both products at one location did indeed cause problems.

NACS demonstrated to the public and to legislators that the industry is a responsible one, and served as the voice of the industry on the problem of drunk driving by implementing a “Don’t Drive Drunk” program that received a Presidential Citation from President Ronald Reagan. NACS held its first national press conference to announce the kick-off of a responsible alcohol retailing campaign titled “ID Please, It’s the LAW” and produced an audio-visual training program called Techniques of Alcohol Management (TAM).

Occasionally, similar concerns that percolated decades ago are raised about convenience stores selling both gasoline and alcohol. The assumption being that a customer who fills up their gas tank and buys a six-pack will consume the beer onsite or in their vehicle while driving. However, data does not support this theory. The National Highway Traffic Safety Administration recommends that every state track and maintain a “place of last drink location” (POLD) database, which reveals where DUI/DWI offenders consumed their last drink before driving. Per the National Liquor Law Enforcement Association, studies that show that most people driving under the influence consumed their last drink at a licensed establishment (bar/restaurant) or at a residence, as opposed to a store where they purchased their beverage.

Property Values

Homeowners are a major political force in most local decisions, and for good reason: Purchasing a home is the single-biggest investment most people make. Homeowners also make their voices heard, whether in elections (they are twice as likely to vote as renters) or at local hearings, which means they will often oppose new development if it is perceived as a threat to their property investment.

While the argument is often made in zoning hearings that convenience stores can decrease property values, there is no evidence that the building of a convenience store has led to the deterioration of nearby business or personal property values. In fact, the opposite may be true. Legal rulings (including Middlesex, Connecticut, Superior Court, 2007) have noted that “any project that would remove an existing eyesore (empty lot, closed or under maintained business, empty building, etc.) and replace it with a modern facility which would fit in well” ... [would] “enhance the value of the properties in the vicinity.”

In addition to a successful business potentially increasing property values, convenience stores also can decrease the tax burden related to residential property taxes.

The average convenience store collects \$1.28 million in taxes for local, state and federal governments. This includes property taxes, payroll taxes, sales taxes and taxes that are assessed on a variety of products sold at convenience stores. Moreover, these taxes are collected in a small footprint—the average store is about 3,000 square feet. But even factoring in a total lot size of 70,000 square feet, convenience stores generate about \$17 per square foot per year in taxes, a figure that compares very favorably to even the busiest large-format stores.

Also, convenience stores create economic stability and growth. In 2017, convenience stores provided 2.5 million jobs across the United States and had sales of \$601.1 billion.

Store Safety and Security

Per Federal Bureau of Investigations data, roughly 6% of total robberies occur at convenience stores. It is worth noting that convenience stores account for roughly 14% of the 1.1 million retail locations and restaurants/bars in the country, according to data from Nielsen and The NPD Group. Overall, most robberies in the United States occur on the street or at home: street muggings account for about 40% of all robberies, and robberies at a residence account for about 17%.

Convenience retailers strive to operate a business where employees and customers feel safe from potential crimes by implementing a thoughtful security and safety program in their stores, which begins with store layout and design. For example:

- + Proper store maintenance is a major deterrent for criminals.
- + Curb appeal, such as clean stores, parking lots and landscaping can help discourage criminals from entering the property.
- + A well-lit store is a major deterrence for criminals. Effective lighting and security cameras are strong indicators—and visual cues to customers—that a store is vigilant about providing a safe environment, both on the lot and inside the store.
- + By removing signage and decals from windows and doors, and utilizing low shelving units, convenience retailers provide an inviting atmosphere for their customers as well as clear lines of sight for employees throughout the store and on the lot.

Security experts also encourage retailers to minimize cash on hand at stores by using time-release drop safes or other means to limit the amount of money available. Safety is the No. 1 priority for convenience stores, and retailers significantly invest in employee training, giving them guidance and resources to remain vigilant about detecting suspicious patrons and potential crimes.

Hours of Service

Convenience stores are one of the few 24/7 businesses that provide much-needed food, fuel and refreshment for millions of Americans, especially first responders, police officers, firemen, factory workers, hospital workers and restaurant employees.

Increasingly, Americans working later shifts depend upon convenience stores, which are often the only stores open



to serve them. Today, more than one in seven workers (15% of all full-time wage-earners) are defined as “shift workers” (those who work between 6:00 pm and 7:00 am), according to the U.S. Bureau of Labor Statistics.

For some professions, shift work is much more common. More than half (51%) of all protective service workers (police, fire, EMT, etc.) work either second or third shifts. More than one in four (28%) health-care support workers (hospital, home care, etc.) work second or third shifts. Workers supporting other critical services also are more likely to work later shifts. Approximately three in 10 (29%) of transportation workers (truckers, delivery, etc.) work second or third shifts, as do four in 10 (40%) of those involved with food preparation and related occupations.

First responders and shift workers rely on convenience stores, and many retailers say these types of professionals are served during the overnight hours of operation. Overall, 68% of these retailers say that the sales justify keeping the stores open. Late-night and early-morning customers depend upon stores for essential items that are not readily available elsewhere, and top reasons for a visit are shopping for a snack or meal, coffee or beverage, gasoline and cold medicine or to use the ATM, according to NACS member survey results.

As 24/7 operations, convenience are in a unique position to assist at-risk youth through programs such as National Safe Place. Through this community outreach program, agencies, local businesses and local government partner with to create a network of “Safe Places,” where youth in crisis can seek immediate help. Safe Place sites are identified by the bright yellow and black diamond-shaped “Safe Place” signs or decals. Since 1991, Tulsa, Oklahoma-based QuikTrip has been a designated Safe Place, and provides grants to local Safe Place agencies.

Resources

NACS State of the Industry Report®

The convenience store industry's most comprehensive collection of data on financials, store operations, merchandising, fuels sales and quartile analysis.

www.convenience.org/soi

NACS Compensation and Benefits Report®

A benchmarking snapshot of compensation levels, turnover and benefit metrics.

www.convenience.org/compreport

NACS Ideas 2 Go

More than 150 videos showcasing the industry's best practices and most innovative operators. The online videos are searchable by topic.

www.convenience.org/ideas2go

Fuels Resource Center

A collection of resources relating to fuels-related topics.

www.convenience.org/fuels

NACS Community Toolkit

An interactive guide with ideas for numerous community-focused areas that retailers of all sizes can implement.

www.convenience.org/communitytoolkit

Convenience Matters

A weekly podcast by NACS that talks about what's happening in the convenience and fuel retailing industry.

www.conveniencematters.com

Being a Good Neighbor

A guide to reducing litter, managing trash and encouraging recycling at convenience stores.

www.convenience.org/KAB

Site Approval Toolkit (PDF)

Designed to help convenience retailers better understand the planning process and address community concerns.

www.convenience.org/siteapproval

About NACS

NACS advances the role of convenience stores as positive economic, social and philanthropic contributors to the communities they serve. The U.S. convenience store industry, with more than 154,000 stores nationwide selling fuel, food and merchandise, serves 165 million customers daily—half of the U.S. population—and has sales that are 10.8% of total U.S. retail and foodservice sales. NACS has 2,100 retailer and 1,750 supplier members from more than 50 countries.

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