

The Need for Healthy Products at Convenience Stores Is Growing

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NATIONAL REPORT — Make no mistake, consumers are buying healthier food products in all areas of retail, and that includes convenience stores. They are looking for fresh produce, plant-based products, better-for-you water, protein and snack bars, infused teas, and more.

“Today, healthier product offerings is not a nice to have, it’s a need to have,” Shelley Balanko, Ph.D, senior vice president of The Hartman Group, told *Convenience Store News*.

In one of the company’s recent studies asking consumers what is important when shopping for food, the top attribute cited was fresh (67 percent), followed by clean (55 percent), real (49 percent), pesticide-free (47 percent), natural (43 percent), and no artificial preservatives (43 percent). Consumers are avoiding chemicals and added sugars as well, and when asked what they are trying to add to their diet, fiber topped the list (62 percent), along with protein (60 percent), vitamin D (59 percent) and calcium (56 percent).

“Freshness to consumers is about perishability, a short ingredient list, recognizable ingredients, recyclable/minimal packaging, and the absence of artificial ingredients,” Balanko shared. “The numbers in sales speak for themselves. Consumers are buying more from the perimeter of the grocery store, while center store is struggling. We are seeing retailers do more with premium private label and boosting the perimeter categories, and even dollar stores are paying attention to this.”

In recent years, the convenience channel has been increasingly transforming around food and investing heavily in improving the food experience. Now, those with health and wellness at the forefront of their strategy are in the best position to increase brand equity and capture more share of food dollars spent by consumers, according to Jeff Williams, senior vice president of retail and U.S. industry relations for Nielsen, based in Chicago.

Kum and Go LC signed on with Partnership for a Healthier America (PHA) in October 2019, joining a number of other c-store partners, including Kwik Trip Inc. and Sheetz Inc. A PHA partnership means the retailer commits to offering healthier products to its customers, such as fresh fruit and vegetables, grab-and-go items, beverages, prepared food and more.

The nation’s largest convenience store operator, 7-Eleven Inc., also has made healthier options a focal point. 7-Eleven debuted nearly 100 new healthy products from 31 up-and-coming brands in May 2019. This includes plant-based, organic, gluten-free, keto, paleo and vegan items.

“In c-store dollar growth, organic claims less than 1 percent of the total dollar sales, so they have room to grow with organic products,” Williams noted.

C-stores should be looking to offer fresh produce, dairy, beverages, salty snacks and candy that are less processed, cleaner and with shorter ingredient lists, Balanko advised.

“Functional beverages like kombucha and kefir, as well as locally made sodas or roasted coffee, are modern notions of quality and fresh, as well as seaweed snacks or legumes in the salty snack category,” she added.

The Importance of Perception

Conveying fresh and healthy is not just about the types of products offered, but also how the customer perceives the offering.

Nielsen research around “choice drivers” shows the top five influences in terms of brand equity in c-stores are:

- Quality prepared foods;
- Good customer service;
- Variety of food;
- Being well stocked; and
- Good prices.

These drivers should be considered when layering in natural and healthy options, according to Williams, who also points out that two of the drivers speak directly to foodservice options. Today’s top retailers in the c-store space are leading with prepared foods, he noted.

“It’s about changing the perception that you can fulfill a quality, nutritious, well-served meal and receive that at a c-store as a destination,” said Williams.