Industry Statistics

- More than 73,000 businesses in the United States and more than 3,600 businesses in Georgia are classified as convenience stores. According to the National Association of Convenience Stores, a convenience store is a retail business with a primary emphasis placed on providing the public with a convenient location to quickly purchase from a wide array of consumable products (predominantly gasoline and/or food) and services. (Sources: Dun & Bradstreet’s *Marketplace* data, October – December 2001, and *What is a convenience store?* http://www.cstorecentral.com/register/resource/resource/whatis.html).

- In the United States, nearly 513,000 persons are employed in the convenience store industry (NAICS 44711 and NAICS 44512). In Georgia, nearly 20,500 persons are employed in the convenience store industry. More than one-half (51.6%) of the convenience stores in Georgia have 5 or fewer employees. (Source: Dun & Bradstreet’s *Marketplace* data, October – December 2001).

### Top Ten Product Categories as a Percentage of In-Store Sales in the United States: 2000

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cigarettes</td>
<td>35.8%</td>
</tr>
<tr>
<td>Foodservice</td>
<td>13.3%</td>
</tr>
<tr>
<td>Packaged Beverages</td>
<td>12.3%</td>
</tr>
<tr>
<td>Beer</td>
<td>10.9%</td>
</tr>
<tr>
<td>Candy</td>
<td>3.9%</td>
</tr>
<tr>
<td>Salty Snacks</td>
<td>3.4%</td>
</tr>
<tr>
<td>Fluid Milk Products</td>
<td>2.8%</td>
</tr>
<tr>
<td>General Merchandise</td>
<td>2.7%</td>
</tr>
<tr>
<td>Packaged Sweet Snacks</td>
<td>2.3%</td>
</tr>
<tr>
<td>Other Tobacco</td>
<td>1.5%</td>
</tr>
</tbody>
</table>

Source: 2001 National Association of Convenience Stores/CSNews Industry Databank

### Convenience Store Sales Mix in the United States: 1990-2000

Trends


- The convenience store industry as a whole has been affected by the slowing economy, fierce competition from other retailers (particularly drug and grocery stores), and increasing wholesale prices for the industry’s core products—motor fuel and tobacco. These factors plus competitive pressures have cut into profit margins. Source: 2001 SOI Highlights, Highlights of the Convenience Store Industry’s 2000 Performance, National Association of Convenience Stores.

- In an effort to reduce their dependency on gasoline and tobacco, convenience store operators are increasingly turning to foodservice to drive traffic and improve profitability. Almost two-thirds of convenience stores offer food service—food prepared on site and hot, cold, or frozen dispensed beverages. Food service generates between 25 and 30 percent of gross profit margins for convenience stores. Branded food service restaurants (such as Subway within a convenience store/gas station) are seen as a good opportunity for convenience stores. For more information, see The NACS Foodservice Guidebook, Deciding on a Foodservice Strategy, May 1998, http://www.cstorecentral.com/register/resource/resource/foodservice2.2.html, and Deborah Silver, “A Matter of Convenience,” Restaurants and Institutions, August 15, 2001.

- Competitive advantage occurs when a convenience store knows when and where seasonal goods will start selling, and when sales volumes will be at their highest/lowest. Acting on this information ensures products are positioned in the right place at the right time. Service and product strategies for convenience stores include the expanded use of promotional programs, accepting competitor loyalty cards and matching discounts, improved customer service and store cleanliness, and expanding services beyond gasoline, car wash, and fast food. For more information, see Outlook for the Convenience Store Industry Through 2005, Beyond 2005, Consumer Outlook, http://www.cstorecentral.com/register/resource/resource/consumeroutlook.html and Category Outlook, http://www.cstorecentral.com/register/resource/resource/categoryoutlook.html. See also “Optimizing Inventory and Sales of Seasonal Products,” CSNews Online, October 30, 2001.

Resources

Convenience Store/Gasoline Stations Market Profile
http://sbdcnet.utsa.edu/industry/gas_stations.pdf

Convenience Store Survival Guide from National Petroleum News
http://www.petroretail.net/Cstore/Default.asp?

Redefining Convenience: Successfully Marketing to 21st Century Customers

National Association of Convenience Stores Resource List
http://www.cstorecentral.com/register/template/cscres.cgi/view?t=genrestp.html&adtag=STANDARD

The Convenience Store Industry in 2005, Who Will Be Minding the Store?

Valuation of Convenience Stores/Financial Ratios
http://www.hopkinsappraisal.com/ppt/

Internal Revenue Service

   Information for Gasoline Retailers

   Market Segmentation Guide for Gasoline Retailers

CSNews Suppliers Guide

Trade Associations

National Association of Convenience Stores (NACS).
(703) 684-3600
http://www.cstorecentral.com/

Georgia Association of Convenience Stores
(770) 736-9723
http://www.gacs.com/

Service Station Dealers of America (SSDA)
(301) 577-4956
http://www.sdda-at.org/
Publications

Convenience Store News
(646) 654-7673
http://www.csnews.com/csnews/index.jsp

Convenience Store/Petroleum
(630) 574-5075
http://www.cspnet.com/cgi-bin/csp/csp/home.jsp

Convenience Store Decisions
(847) 299-4430
http://www.c-storedecisions.com/

National Petroleum News
Keith Taunton, Convenience Store Specialist
(334) 263-6050
http://www.petroretail.net/npn/

PetroRetail News—Latest Petroleum Retail and C-Store Headlines
http://www.petroretail.net/daily/newslist.asp?a=9&b=1

Books


From the National Association of Convenience Stores, (800) 966-6227
2000 Convenience Store Guide to Price Management Systems
All’s Well: Smart Safety in Your Store (CD-ROM)
Cash Management and Control Manual