

Our popular Convenience Store Report has been updated with 2012 figures (here is [our original Convenience Store Research Report](#)). Learn about the convenience store business and how to open your own convenience store. Don't forget you can receive free or low-cost training and **free professional business advice**, from [your local Small Business Development Center](#)!

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Convenience Store Business Overview & Trends, 2012

SIC Code: 5411, NAICS Code: 445120 (no fuel), 447110 (with fuel)



This [Convenience Store Business industry summary](#) is from [First Research](#) which also sells a full version of this report.

The US convenience store (“c-store” or “c store”) and truck stop industry includes about 120,000 stores with combined annual revenue of about \$355 billion. Major companies include 7-Eleven (the North American subsidiary of Seven-Eleven Japan), Circle K (a division of Canada-based Couche-Tard); and The Pantry. The industry is **fragmented**: the top 50 companies account for about 40 percent of industry sales.

The industry generally includes establishments that are gas station/c-store combinations, as well as c-stores that don't sell fuel. Gas stations that don't include c-stores are covered in a separate industry profile.

COMPETITIVE LANDSCAPE

Consumer and commercial driving trends drive demand. The profitability of individual stores depends on **competitive pricing, effective merchandising,** and the ability to secure **high-traffic locations**. Large companies have advantages in purchasing and finance. Small companies can compete effectively by acquiring superior locations or offering specialized merchandise or services. Average annual revenue per worker is about \$450,000 for gas station/c-store combinations and \$145,000 for c-stores without gas.

Because c-stores sell gas, food, and other types of merchandise, companies compete with a wide range of retailers, including gas stations, grocery stores, mass merchandisers, and warehouse clubs. C-stores that sell prepared meals also compete with restaurants.

PRODUCTS, OPERATIONS & TECHNOLOGY

Major products sold include **fuel** (about 75 percent of sales); **groceries and cigarettes** (about 10 percent each); and **alcoholic beverages** (3 percent). Fuel includes regular, mid-grade, and premium unleaded gas; and diesel fuel.

The [National Association of Convenience Stores highlights these trends](#) affecting Convenience Store business owners:

[Credit Card Fees a Growing Challenge for Convenience Stores](#): While convenience stores sought to rein in most of their expenses in 2008, a significant expense continued to grow: credit/debit card fees. In 2008, these fees again surpassed industry pretax profits, and are expected to grow even more in the coming years.

[Debit Holds for Fuels Purchases](#): As gas prices and the use of plastic at the pump have increased, consumers are increasingly concerned about the debit “holds” on their accounts.

[Foodservice at Convenience Stores](#): While convenience stores have offered fresh, prepared foods for years, it is only over the last decade that the trend has accelerated. The result is that convenience stores have continued to evolve from gas stations that happen to sell food to restaurants that happen to sell gas.

[Youth Access to Tobacco](#): Sales of cigarettes and other tobacco products to adults are important to the economic viability of the convenience store industry,

making up 36.6 percent of in-store sales in 2008. Therefore, the convenience and petroleum retailing industry works hard to ensure tobacco products are kept out of the hands of minors.

This [C Store market research report summary is from IBISWorld](#) which also sells a full version of this report.

...The industry's emphasis on accessibility and easy transactions helped it stay afloat even during the economic recession. From 2011 to 2012, revenue is expected to grow 4.9% to \$57.0 billion...slightly higher than the average annual growth rate of 2.8% over the five years to 2012... In the five years to 2017, revenue is forecast to expand at an average annual rate of 4.4% to total \$70.8 billion.

...As consumers become more pressured for time, the speed of convenience stores is proving valuable and in high demand for customers. In response to this trend, other types of retailers are competing with the industry for the convenience-driven customer. However, the ability of larger stores to maintain lower costs is forcing the industry to consolidate to remain competitive, resulting in a declining number of operators. In the five years to 2012, the number of operators is expected to decline at an average rate of 0.3% annually to 64,162...

...During the five years to 2012, profitability has only declined moderately (to about 1.5% in 2012 from 1.6% in 2007) due to the industry's ability to shift its product mix and appeal to time-poor consumers.

Convenience Store Business Statistics

Major Convenience Store Chains

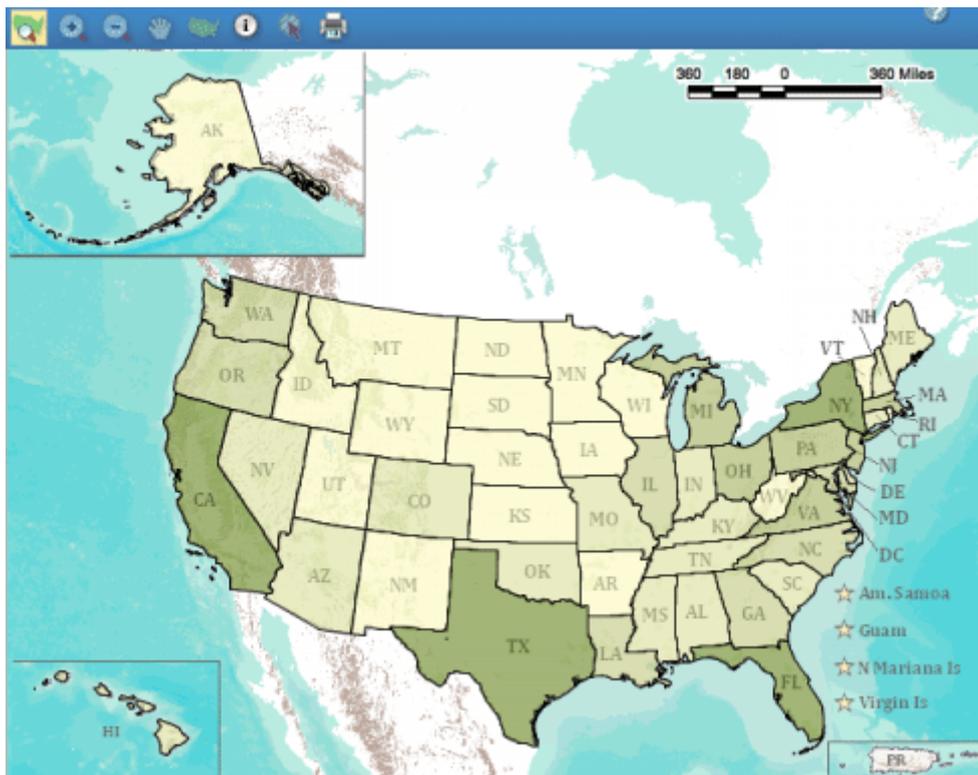
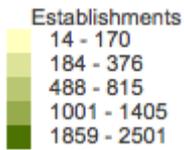
The [Top 100 C Store Retailers](#) are headlined by these top 10 major convenience store chains:

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Convenience Stores by State from County Business Patterns Data

Convenience stores are found throughout the U.S., according to the [County Business](#)

[Patterns data from the U.S. Census.](#)



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Convenience Store Business Customer Demographics

The [2012 Realities of the Aisle C Store Study](#) of consumer behavior identified [several key trends and behavior preferences](#). In particular, there are significant differences in preferences and habits between men and women convenience store customers, including:

- **Shopping Frequency.** Men are the most frequent convenience store shoppers, with 12% saying they shop at a convenience store “almost every day,” while 23% say it’s “two or three times a week.” For women, 7% reported almost daily trips and 11% estimated making two or three trips a week. Overall, the slow economy has reduced convenience store purchases by both women (34%) and men (26%).

- **Preferred Purchases.** The most popular items purchased by both women and men at c-stores are gasoline (71 percent), candy/gum (31 percent) and soda (29 percent). Men had distinct preferences for certain items relative to women, including prepared/fast food (32% vs. 26%), lottery tickets (30% to 24%), beer (20% to 11%), sports drinks (13% to 8%), and ice cream (10% to 6%). Women (23%) were not as keen as men (29%) to pick up a lottery ticket while at a c-store, but more women (16%) admitted going to the c-store to use the bathroom than men (10%).
- **Trip Purpose.** About half (46%) of those surveyed combined trips to c-stores while doing other errands. Women c-store shoppers did more of this multi-destination shopping (50%) compared to men (42%). Male c-store shoppers were frequent customers while traveling to/from work or school (50%) and on business trips (16%).
- **Loyalty Programs.** About 43% of women surveyed said they would be more likely to shop or increase spending at a convenience store if there were coupon offers available, while 35% of men agreed. Frequent buyer/loyalty programs are also of interest, but to a lesser extent (29% of women favored them vs. 23% of men).

According to [Cole & Weber](#), there are [Four Types of Convenience Store Customers](#):

Mr. Jones. ...your regulars...in the c-store because of life's simple addictions...store is a means to an end... They are unfailingly brand loyal...the experience is transactional and routine, but highly satisfying.

The Neighbor. ...the c-store is their community center...first-name basis with the clerks ... have their regular purchase as well...the experience of being in the store matters...all about familiarity...want to feel important...cherish the sense of community and neighborhood.

The Last Minute Shopper. ...driven by the home front and a need for a last-minute and very specific item...on a mission and can often seem uncomfortable in the store environment...want to get in and get out.

The Thrillseeker. ...every marketer's dream...want products that tap into their desire for emotion, uniqueness, personalization and ... excitement... brand drifters and will try anything once...consistently keeping them intrigued is your biggest challenge and opportunity.

Convenience Store Business Startup Costs

- [Entrepreneur.com estimates the start-up costs for C Store Business](#) to be: \$10,000 to \$50,000.
- [Guide to Getting Started in the C-Store Business](#) (help with Location, Business Plan, Design/Store Construction, Selling Motor Fuels, Employee Training, Workplace Safety/Compliance)

Convenience Store Business Articles

- [National Association of Convenience Stores State of the Industry Report and Technology Report](#)
- [How to Open a C Store](#)
- [Convenience Store Study - 2012 Realities of the Aisle](#)
- [Convenience Store Industry Forecast from CSNews](#)
- [Top 100 Convenience Stores Report](#)
- [Top 25 Wholesalers Report](#)
- [Top 10 C-Store Business Predictions for 2012](#)

Convenience Store Business Media Outlets

- [Convenience Store Decisions Magazine Online](#)
- [CSP Magazine](#)
- [CSPnet.com](#)
- [Convenience Store News Online](#)
- [Convenience Store News for the Single Store Owner](#)

Convenience Store Business Associations

Trade associations often are excellent sources of information on an industry. Here are some relevant industry associations:

- [National Association of Convenience Stores - The Association for Convenience and Fuel Retailing](#)
- [NATSO - Representing America's Travel Plazas and Truckstops](#)
- [List of State, Regional and International Convenience Store Associations](#)

Convenience Store Licensing Requirements

- [SBA Guide to State Business Licenses](#)
- To sell alcohol at a convenience store you will need to get a license. Here are links to state licensing authorities:

[Alabama](#) [Alaska](#) [Arizona](#) [Arkansas](#) [California](#)
[Colorado](#) [Connecticut](#) [Delaware](#) [Florida](#) [Georgia](#)
[Hawaii](#) [Idaho](#) [Illinois](#) [Indiana](#) [Iowa](#)
[Kansas](#) [Kentucky](#) [Louisiana](#) [Maine](#) [Maryland](#)
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[South Dakota](#) [Tennessee](#) [Texas](#) [Utah](#) [Vermont](#)
[Virginia](#) [Washington](#) [West Virginia](#) [Wisconsin](#)
[Wyoming](#)

Convenience Store Business Social Media Outlets

- [LinkedIn Group: Gas Stations & Convenience Stores](#)
- [LinkedIn Group: National Convenience Store Association](#)
- [LinkedIn Group: Convenience Store News](#)
- [Facebook: Convenience Store Decisions](#)

Convenience Store Business Employment Trends

Here is a [Convenience Store Business labor market summary from the Bureau of Labor Statistics](#).

The median hourly wage of cashiers was \$8.89 in May 2010. The median wage is the wage at which half the workers in an occupation earned more than that amount and half earned less. The lowest 10 percent earned less than \$7.56, and

the top 10 percent earned more than \$12.40.

Many cashiers start at the federal minimum wage, which is \$7.25 an hour. Some states set the minimum wage above \$7.25 an hour.

Work hours vary by employer, but cashiers typically must work nights, weekends, and holidays. Employers may restrict the use of vacation time from Thanksgiving through early January, because that is the busiest time of year for most retailers.

Employment of cashiers is expected to grow by 7 percent from 2010 to 2020, slower than the average for all occupations. Retail sales are expected to grow, leading to increased need for cashiers over the projections decade. However, employment growth will be limited by advances in technology, such as a rise in the number of self-service checkout stands in retail stores and increasing online sales that may decrease the need for cashiers.

Job Prospects

Job opportunities should be good because of the need to replace the large number of workers who leave the occupation for a variety of reasons each year.

Historically, workers under the age of 25 have filled many of the openings for cashiers. In 2010, about 46 percent of all cashiers were 24 years old or younger.

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