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## The Benefits of Having a Made-to-Order Food Service in a Convenience Store

In today's fast-paced world, convenience stores are evolving far beyond their traditional roles of selling snacks, fuel, and quick essentials. One of the most effective and profitable shifts in this evolution is the introduction of made-to-order (MTO) food service. Adding a fresh food program not only enhances customer experience but also positions the store as a true destination for quality and convenience. Here's a closer look at the key benefits of having a made-to-order food service in a convenience store:

#### 1. Increased Customer Traffic and Repeat Visits

Made-to-order food creates a compelling reason for customers to visit your store regularly—not just for gas or soft drinks, but for breakfast, lunch, or dinner. When customers know they can grab a hot, fresh meal on their schedule, your store becomes a part of their daily routine. It's not uncommon for loyal customers to return multiple times a week (or even daily) when their favorite meal is made just the way they like it.

#### 2. Higher Profit Margins

While packaged goods and fuel sales offer slim margins, fresh food typically delivers significantly higher profitability. With strategic pricing, lower food costs through vendor relationships, and minimal waste via made-to-order systems, your store can boost overall margin percentages and drive more revenue per customer visit.

### *3. Improved Customer Perception and Brand Loyalty*

Offering customizable, freshly prepared meals elevates your store's image from a quick stop to a quality food destination. Customers perceive the store as cleaner, more premium, and more invested in their experience. That brand lift often translates into deeper loyalty—not just for the food but for the rest of the store's offerings.

#### 4. Competitive Advantage Over Traditional QSRs

Fast food chains dominate the quick-meal market, but they also come with long drive-thru lines and rigid menus. Convenience stores with MTO food can offer faster service, easier access, and unique, flexible menu items tailored to local tastes. It allows you to stand out against both fast food and other c-stores in the area.

#### 5. Menu Flexibility and Seasonal Promotions

Made-to-order food programs are adaptable, allowing for

menu updates based on trends, seasonality, and customer feedback. You can promote limited-time offers, combo meals, and daily specials to keep interest high and build a sense of urgency. These strategies not only increase sales but also let you test and learn what works best for your market.

#### 6. Upselling and Cross-Selling Opportunities

Food service creates natural opportunities for upselling. Think combos, drinks, snacks, desserts, or add-ons like bacon, extra cheese, or specialty sauces. With the right point-of-sale setup and employee training, each order can drive up the average ticket and enhance the customer's experience.

#### 7. Community Engagement and Differentiation

Made-to-order food gives your store a personality. It can reflect the community's tastes, highlight local flavors, and support neighborhood preferences. Whether it's tacos, sandwiches, bowls, or pizza, this tailored offering helps differentiate your store from competitors while building deeper local connections.

#### 8. Operational Efficiency and Reduced Waste

Unlike grab-and-go programs that rely on pre-packaged meals and risk spoilage, MTO food minimizes waste by preparing items only when ordered. Modern kitchen equipment, streamlined prep systems, and integration with your POS can keep labor efficient while reducing product shrink.

#### Conclusion

Incorporating a made-to-order food service into your convenience store isn't just a trend—it's a smart business move. It creates value for customers, enhances store traffic, and opens the door to increased revenue and stronger community ties. As consumer expectations continue to evolve, the stores that embrace fresh, customizable, and fast food options will stand out—and thrive—in a competitive retail landscape.



#### **CANDY & SNACKS**



# Can Candy Relocate Its Sweet Spot in Convenience Stores?

Flat sales and units continue to be the trend for a category seeking to get on better footing.

By Steve Dwyer

To Minnesota retailer Josh Lund, packaged candy's place in his planogram hierarchy elicits a "meh"-type response from the c-store owner of 20 years.

Flat sales for both chocolate and non-chocolate—with kingsize chocolate driving tangible growth—are putting a drag on a once-prominent basket of confectionary options.

Lund, the owner of Beaudry Express, Elk River, Minnesota, located in the Twin Cities suburbs, can peer across various candy segments and cite a less-than-enthusiastic existence for the likes of seasonal confection, standard 3.5-ounce bars, limited-time offers, novelties, and more.

From a package standpoint, even reliable peg bags lost some shine, while bite-sized laydown bags, growing solidly in the c-store channel, offer some upside. Lund said another growth speed bump comes via prohibitive chocolate costs, namely for cocoa—at an all-time high and not expected to really soften until later in 2025, the National Confectioners Association (NCA) predicts.

"Our candy is flat," Lund said. "It's not just the cocoa prices but price increases of non-chocolate peg bags and gummies as well. Overall, a \$3 candy purchase makes or breaks a buying decision ... it's a psychological thing."

He said king-size bars continue to move briskly because people are willing to pay three bucks or more, "perceiving it as twice as much candy for only 50% greater price," said Lund, who offers 3.5-ounce standard-size bars for \$1.99 and \$3 for a king, adding "\$3.20 would even not sit well."

To compensate for these challenges, Lund lowers the bar on margins. "We've not increased prices for a few years and are inclined to take less," he notes. "As a whole, too, people are making healthier snacking choices these days and candy suffers."

#### Mixed Bag of Activity

Lund's Twin Cities marketplace is a small snapshot of the overall c-store category trendline based on demographics.

Chocolate and non-chocolate c-store data from Circana reveals that the aggregate chocolate candy segment saw dollar sales off 3.7%, while usually solid non-chocolate fell 1.1% for the 52-week period ending Feb. 23. Both segments amassed more than \$3 billion in sales for the measurement period, Circana reports.

Gum sales proved flat while breath fresheners were off 5.6%. On the seasonal front, Valentine's chocolate paced all segments with a robust 18.2% dollar expansion, although units were off 5.5%.

One chocolate segment trending north from a U.S. c-store perspective is bite-size chocolate, which grew dollars 94.1% and units 88.7% for the 52-week period, according to Circana. The bite-size format helps with portion control and aids in sharing with family and friends, helping to boost the category.

"When it comes to sizes, shoppers are interested in different pack size options and resealable packaging to help them with portion control," the NCA recently noted.

To that end, M&M's put a comforting twist on a classic favorite late last year with M&M's Peanut Butter & Jelly, the first new flavor innovation since 2022. The berry-flavored, bite-sized chocolates with peanut butter centers resonated with consumers, the brand team states.

"Peanut butter M&M's have always been a popular flavor with our fans, so we were excited to double down on their excitement with a twist," said Gabrielle Wesley, chief marketing officer, Mars Wrigley North America. "(The variety) taps into a cross-generational staple, turning a comforting snack into a bite-sized treat to be enjoyed and shared."

Other niche candy segments are delivering mixed results, including:

**Seasonal confection:** The big four candy seasons (Valentine's Day, Easter, Halloween and the winter holidays)

accounted for 62% of all confectionery sales in 2024, according to the NCA.

The numbers across the four core seasons are wide-ranging from segment to segment. With Valentines chocolate, an 18.2% growth of dollars was registered, while Halloween chocolate gained 7.2%, Circana states. On the non-chocolate end, Valentine's gained 3.9% for dollars, while Halloween (53.5%) and Christmas (30%) gained ground over the year period.

A binary existence occurred between AO (all other) seasonal chocolate and non-chocolate candy: chocolate lost 95.3% for dollars while AO seasonal non-chocolate gained a whopping 113%, according to Circana. Not specifically defined by Circana, OA seasonal candy reflects secondary seasons like Fourth of July, Memorial Day and Labor Day.

The big picture: c-stores have long not fully capitalized on the merchandising of seasonal candy as other channels, such as mass, drug, grocery and dollar, do.

That's how retailer Lund sees it. "Truthfully, we don't invest heavily in seasonal candy. We buy a few boxes, discount them and that's it. Mass and drug get far better results."

He adds: "One thing I noticed about the season packages is that suppliers seem to make them smaller each year. So, a little candy heart or a candy tree priced at \$1.99—or the price of a standard-size bar—is not perceived as worth it, customers notice. These seasonal offerings that come through our door are designed with odd seasonal shapes that offer less candy at same price," he said.

**Novelties:** The non-chocolate novelty segment is a \$489-million c-store market that grew a modest 4.6% in dollars for the measurement period, Circana said. But novelty chocolate, on a much smaller sample size (\$1.2-million c-store market), increased dollar growth almost 40%.

Regardless of the growth disparity across the two segments, retailer Lund said many of the novelty candy releases come equipped with value-added fans and toys. It's tough to compete with other retail channels such as mass, drug and grocery, which have more in-store space and promotional power behind these offers.

In fact, Lund said his definition of "novelty" are the nostalgic candy brands that customers, such as baby boomers, are prone to flock to. "Nostalgia is one of candy's long-time built-in advantages—we continue to draw a handful of folks seeking hard-to-find iconic brands," he said, which might include Payday, Clark, Mallo and Charleston Chew.

Available for Easter, CandyRific debuted items around Gabby's Dollhouse—part of a licensing agreement with DreamWorks Animation's Gabby's franchise. Designs feature light-up bracelets, mini backpacks and light-up candy fans.

The Louisville, Kentucky-based marketer also recently introduced several items inspired by Disney's Lilo & Stitch

series. Items include Sticker Stampers, Mini Backpacks, Candy Cases and Candy Fans. Sticker Stampers feature depictions of Stitch in two different poses (available in four, 12-count displays per case.)

**Non-chocolate limited-time offers:** One release, Ferrera Nerds Gummy Clusters in Grape Strawberry Blitz and Berry Punch Rush, leveraged the start of the 2024 football season.

"We have seen social media conversations asking if there will be new flavors, from everyday consumers to professional athletes, influencers and more," said Joey Rath, Nerds brand director, Ferrara.

Kit Kat and Jolly Rancher brands (The Hershey Co.) partnered with Nintendo of America on limited-edition Kit Kat bars and Jolly Rancher gummies featuring characters from the Super Mario Bros.

**New shapes, textures:** With some confectioners, it's been a stated goal to step outside the box and leverage iconic brands in new and intriguing ways. One came in the form of Skittles Pop'd, a crispy and crunchy freeze-dried candy twist on the brand's classic candy. The release also capitalizes on the continued popularity of freeze-dried candy.

"We're constantly looking for innovative ways to deliver new experiences based on flavor profiles and texture trends that we know consumers are seeking," said Ro Cheng, marketing vice president, Mars Wrigley North America. "Skittles Pop'd trades (the brand's) traditionally chewy lentils for a crispy, crunchy texture."

Reinforcing Minnesota retailer Lund's bullishness on king-size candy is seen with other recent releases outside the realm of traditional king-size candy bars.

One from Hershey's is a line of oversized gummy candies from Shaquille O'Neal. Shaq-A-Licious XL Gummies are shaped like Shaq's legendary nicknames of Diesel, The Big Cactus and Big Shamrock. The candy is available in pineapple, mixed berry and watermelon flavors.

Lund said king-sizes equate to value. And consumers on tight budgets are treating themselves while paying attention to the value payoff: 71% reported that they rank price as a top-three purchasing factor and 59% reported they appreciate "buy one-get one" promotions when buying candy, according to Washington, D.C.-based NCA.

For such an iconic category as candy, there is a ray of hope for suppliers and retailers to see better growth ahead. NCA reveals that "across the board, consumers are concerned about the price of groceries, which has led to widespread shifts in food and beverage spending."

However, 98% of shoppers reported that they had purchased confectionery products at some point in 2024, "demonstrating that they continue to leave room in their budgets for treats like chocolate and candy that enhance special moments," the Association states. ■



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