

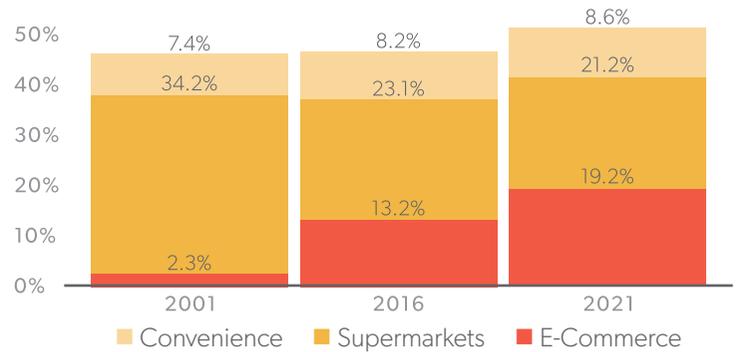


Is Your Convenience Store Still Convenient?

Top 3 pressing threats to convenience stores and how investors should respond

1 SHIFTS IN CONSUMER PREFERENCE

C-Stores Set to Survive the E-Commerce Takeover
SOURCE: KOUAPON MEDIA



Consumers now find c-stores more convenient but this means that c-stores must offer the experience and products that millennials want and need.

Barriers to Convenience Store Consideration
PERCEIVED VALUE & QUALITY, & NOT IN-STORE ENVIRONMENT
PERCENT RESPONDENTS - TOP BARRIERS



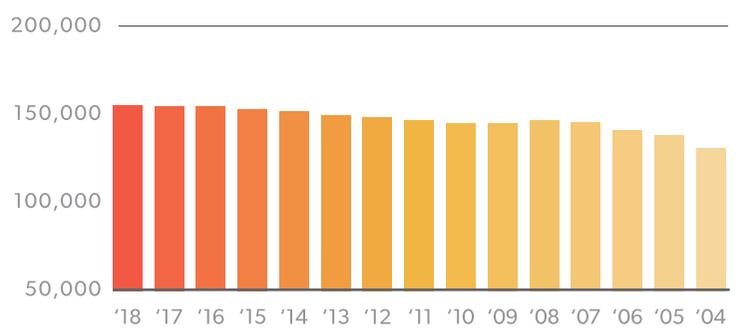
SOURCE: NIELSEN

Convenience store owners should make sure that their tenant takes advantage of the changes by offering a variety of quick, healthy, and fresh options to draw millennials.

Evaluating newly remodeled and developed c-store formats could provide owners insight into what upgrades may be necessary to keep their site(s) competitive and up to date.

2 COMPETITION RAISING THE BAR

US Convenience Stores

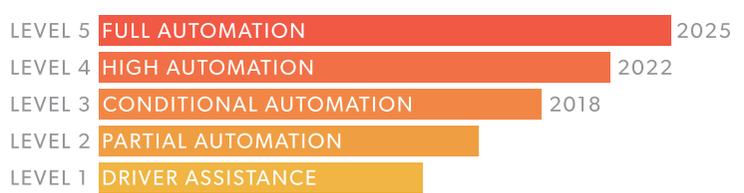


With the option to order food delivery or pick up from a cellphone, it's hard for a c-store to beat the convenience of these new competitors. BUT....

“Postmates enables partner merchants to grow 3.7x in sales.”

3 NEW MEANS OF TRANSPORTATION

- Convenience stores with gas stations can expect to see store sales increase by as much as 45%.
- 45% of consumers who fuel up also go inside to buy food and beverages or use the ATM or restrooms
- BUT, a dip in the demand for gas could be detrimental to many convenience store businesses.



SOURCE: CRUNCH BASE

154,958 c-stores in the United States

160M customers served by c-stores every day

\$140B in sales from in-store c-store purchases

\$6.75 average spent in a c-store shopping trip

SOURCE: KOUAPON MEDIA, NIELSEN

5 Key Components of Real Estate

EASE OF ACCESS
Raised medians, stop signs, and traffic lights all affect the ease of entry, and exit of a property

VISIBILITY
Experts recommend that the locations be visible from a minimum of 700 feet coming from either direction on the street
Most gas stations look to have visibility from 1/3 of a mile away, and corner locations are preferred

TRAFFIC
Higher traffic sites can help make up for poor visibility and access, therefore the ideal speed of vehicle traffic should be 20 - 45 mph

STORE SIZE AND LAYOUT
Intuitive layout to increase efficiency

PARKING
Extra parking and strategic layouts can help accommodate for backed-up vehicles

“As the retail landscape changes and the number of options for consumers grows, convenience stores are forced to innovate to remain competitive.”

What are the steps owners should take to evaluate their property?

- 1 Focus on innovative programs and strategies to capture new customers
- 2 Meet the needs of changing consumer preferences
- 3 Sharpen their competitive advantage against new threats and competition

