

C-Store Breakfast Options

Owners in the Know Provide Great Meals to Go

by Michael Adkins



Nearly everyone has heard this at some point in his or her life: "Breakfast is the most important meal of the day." But it's not just an old cliché — especially for c-stores.

According to a 2010 study by NPD Group, a market research company, breakfast outshines all other meals in sales growth in the quick-serve restaurant industry. Breakfast products accounted for 21 percent of fast-food purchases in the 2010 fiscal year — up from 18.8 percent in 2005. In that same time period, consumers purchased 3.24 billion servings of breakfast sandwiches each year — a 19 percent gain over the previous five years.

In today's on-the-go society, with morning meetings conducted over a doughnut and coffee in the conference room, savvy c-store owners know that breakfast is where it's at for hungry consumers. Luckily, there are plenty of options available to help you create or expand this high-margin area of your foodservice sales.

Many distributors offer a wide range of breakfast-related products to MPCA members, including:

- Hot sandwiches
- Breakfast burritos
- Doughnuts and other pastries
- Biscuits and gravy
- Roller-grill items

Not surprisingly, convenience is key for breakfast items at c-stores, according to Chris Lang, director of marketing for Burkland Distributors, Inc. Consumers are searching for "grab-and-go items — dashboard dining, as we call it," he explains. "Everyone is in a hurry and eats on the way."

"Anything hand-held is at the top of the category," agrees Rick Vance, vice president of marketing

at AMCON Distributing Company. "Everything we sell has to be easy, quality, fast and priced right."

Breakfast sandwiches are a popular choice at c-stores because of their convenience. "Sandwiches are the big winner at breakfast," Vance says. "Stores that do full breakfasts are not doing as well, because the time-starved consumer has to sit down to eat it. Breakfast is all about grab-and-go."

Pastries are also a common choice of the morning crowd at c-stores. "They are fast, they're not as messy, and kids will eat them," Lang notes.

In addition to pastries and sandwiches, there is a growing availability of healthier options for c-store consumers who are watching what they eat — but, as Lang says, these healthier choices still need to be fast and easy for time-crunched customers. "We are trying a hot oatmeal program through our coffee company for the first season this year," he states. "We think it will be a great addition to our breakfast line because it is quick and nutritional."

On top of having the products your customers want, knowing how to entice them to buy more of them is a big part of success in foodservice. Bundling breakfast items with a drink is a sales strategy that works well to move product, and it has the added benefit of being familiar to consumers who visit fast-food restaurants. "I think any beverage goes with breakfast — coffee, cappuccino, fountain beverages and juices," Vance shares.

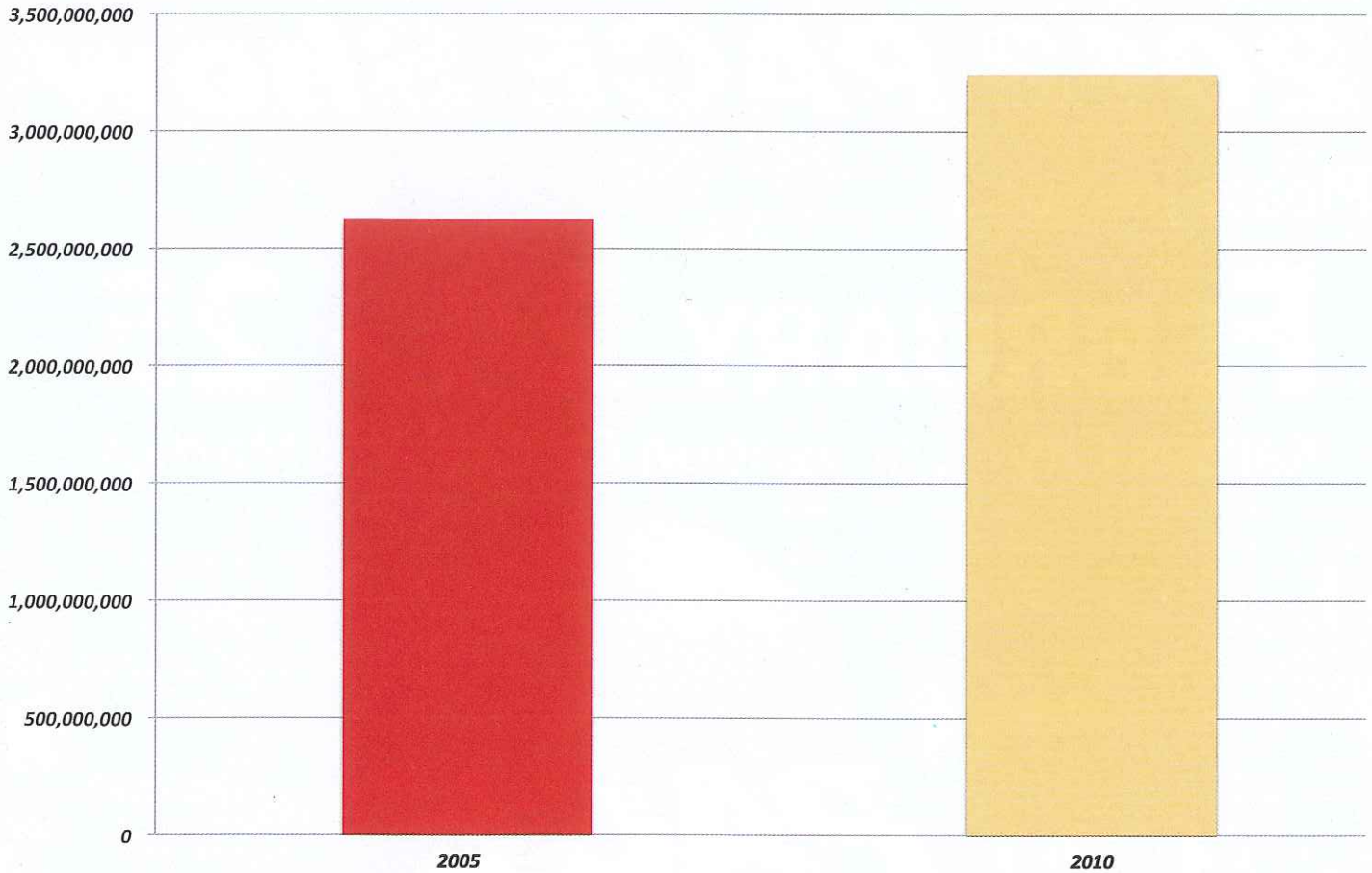
The real determining factor for the success of a c-store's breakfast products, however, is the commitment of the retailer. "If the retailer is managing his or her foodservice items, hot is more popular," Lang says. "If it appears as though the food has been there for a while or is old, then the customer will migrate to a 'safer' cold item, such as a pastry."

"The biggest issue on selling hot items is handling of the product and cleanliness," Vance concurs. "This is a big commitment for a retailer if they are going to truly be in the foodservice business. They need to commit the time and resources to make this successful."

Having enough product on hand to accommodate your customers is part of that commitment, Vance continues, adding that c-store owners who are looking to break into the breakfast market should make sure to have a warmer that's full of sandwiches and breakfast burritos. "They can also purchase a roller grill and feature breakfast items throughout the morning hours," he says. "The biggest issue with any of these programs is that they have to keep [the warmers and grills] full, and the product has to be fresh. The customer will not continue to shop a store for breakfast if the warmer or roller grill is all but empty. No one wants the last sandwich or roller-grill item. The retailer has to accept that they are going to throw some product away. Once they accept that, they will be able to build great morning traffic in their stores."

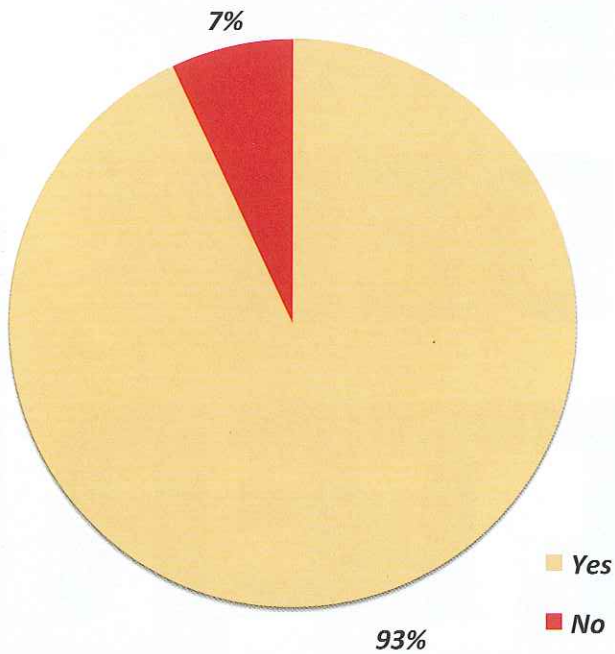
Consumers have long known that c-stores are their single source for life's necessities — and with a strong breakfast program in place, MPCA members can continue to provide convenience at the convenience store. "The great thing about a c-store is that they have everything the customer wants in the morning," Vance concludes. "If they are offering a full selection of breakfast items, [customers] are going to get the drink, the cigarettes, the fuel, etc., because the retailer has made their store a 'one-stop-shop' for the consumer." ■

Annual Breakfast Sales in Quick-Serve Foodservice



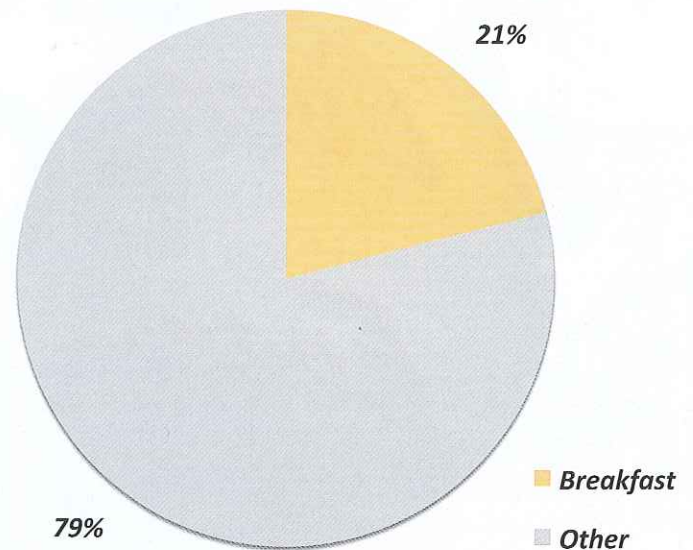
Data from NPD Group survey released May 23, 2010

Is Breakfast the Most Important Meal of the Day?



According to a recent survey from the International Food Information Council Foundation, 93 percent of Americans say that breakfast is the most important meal of the day.

Breakfast Sales as a Percentage of Total Fast-Food Purchases in 2010



Breakfast products accounted for 21 percent of all U.S. fast-food purchases in 2010 — up more than 2 percent from 2005.