

How to Grow C-Store Sales with On-Premise Digital Experiences



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Gasoline purchases have long been a traditional driver of convenience store sales. However, as the industry faces volatile fuel sales volumes and fluctuating profit margins on fuel, the landscape of business drivers is changing.

In response, C-stores are changing too. Convenience leaders are developing innovative ways to attract customers, and to become a destination whether consumers need gas or not.

Retailers are making this transformation through differentiation: offering freshly prepared foods and beverages, highlighting local products, and focusing on speed of service while creating welcoming in-store environments.

94% of retailers report having used digital signage to enhance the customer experience.¹



¹ WBR Insights. (n.d.). The Customer-Facing Digital Signage Market in Retail.

One strategy retailers are adopting to improve their store experience is using on-premise digital technology platforms to engage with customers.

As an example, digital screens at the fuel dispensers can greet customers, drive loyalty enrollments, highlight products and services within the store, and then invite fuel customers inside. Once customers have entered the store, brands can use strategically positioned digital screens to continue featuring items of interest, to inspire impulse purchases of higher-profit products, and to enhance the overall customer experience.

Even though many C-stores may already have digital screens in their stores – including kiosks and menu boards to window signs and overhead displays – the most innovative retailers are maximizing their investment through a more strategic use of these technologies. Leaders are creating a cohesive brand narrative through an orchestrated customer experience, leading to increased revenue and profitability.



The C-store landscape: creating opportunities within

C-stores face several headwinds as they compete for share of wallet with other retailers and restaurants. From fewer miles being driven to increasing competition in foodservice and retail channel blurring, these factors and more all contribute to the challenge of getting customers into the store. That's why C-store leaders must make the most of their opportunities with customers to build bigger basket sizes and encourage repeat visits.

Retailers who stand apart from others in the industry are able to maximize their profitability, explained Brian Nelson, President and Founding Partner of Shep Digital Solutions, a retail technology company powering on-premise digital experiences in the convenience store industry.

“C-stores that can differentiate themselves from the ordinary fueling experience down the street will draw more customers inside. And if a convenience store offers more relevant products and services, like scratch-made biscuits, handcrafted pizza, or the largest, coldest beer selection in town, a customer will be much more willing to make a difficult left turn over an easy right.”



*Brian Nelson
President and Founding Partner
Shep Digital Solutions*





Nelson said Tri Star Energy is a great example of a differentiated retailer, pointing to its Twice Daily and White Bison Coffee brands. Their introduction of fresh, made-to-order food and barista-prepared beverages have made them a standout in their markets. "The bellwethers are leaning into investments in foodservice and technology, and there's a shift occurring across the country."

In addition to offering specialized foods, Eric Rush, Marketing Director of Tri Star Energy, said his company stands out from the competition by highlighting its mobile app ordering, offering delivery through DoorDash, and featuring promotions in partnership with their local professional sports teams.

Having the right products and services is just part of a successful strategy. Once customers are on the property, the next step is to engage and inform them about those offerings. Leveraging digital on-premise experiences to put a focus on these differentiators can spark impulse purchases, increase customer visits, and drive profitability.



Leveling up the impact of digital screens and in-store technology

C-stores are investing in on-premise technologies, especially as digital screens and signage have proven their impact on sales. For example, one recent study showed 61% of consumers said they purchased an item showcased on an in-store digital screen, and two-thirds of them purchased it immediately on that shopping trip.²

Impact to items featured on in-store screens:

61%

have purchased a featured item

66%

purchased the item on that trip



Nelson encouraged retailers to think bigger when it comes to ways to leverage digital screens across the store.



Fuel dispenser screens can be linked to loyalty programs, tailoring the content to display one-to-one messaging for loyalty members.



Connected window displays can replace printed paper posters, allowing retailers to rotate their messaging or adjust by time of day.

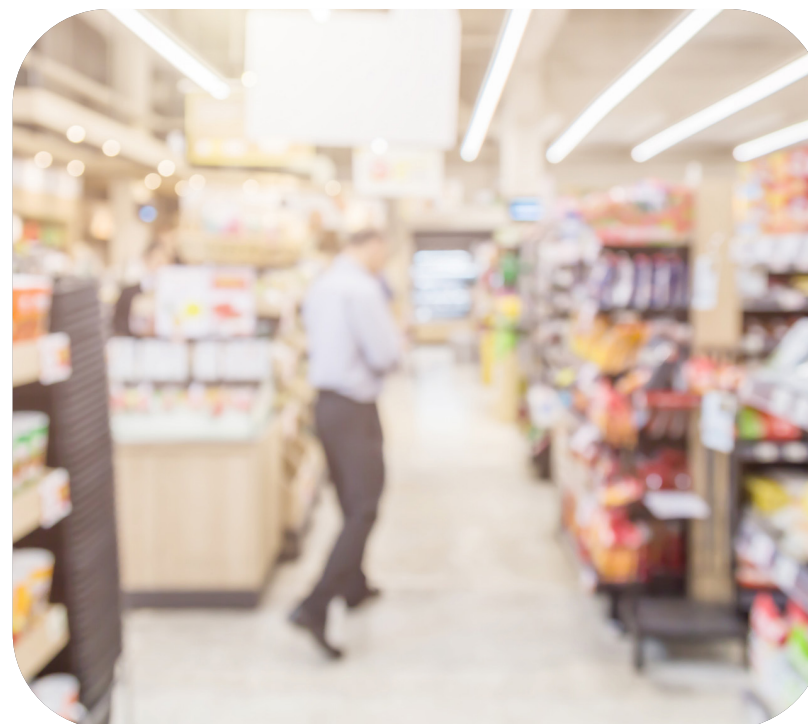


² EMARKETER. (2024, October). Consumers Embrace Digital In-Store Retail Media Formats.

To make the transition to seeing more impactful results from on-premise digital experiences, retailers must develop a strategy for a coordinated digital content management system. Often C-stores may have multiple systems in place to manage their digital experiences that don't integrate with each other – making it especially difficult to coordinate orchestrated campaigns.

“A big pain point for retailers is that each of their digital distribution channels operate using different content management solutions. They all require different formatting based on the requirements of the end device. Each technology varies in functionality as it relates to the capabilities for dynamic content. And there's no tie back to their point-of-sale system or sales data warehouse for attribution research.”

C-store retailers can see significant gains when they bring these siloed systems together, but they must be ready to meet the challenge of maintaining such a complex system, Nelson said – just like any other technology initiative. While it takes time and resources to manage a dynamic system that maximizes multiple screens and platforms, Nelson emphasized that those benefits pay off.



“The ability to drive all of those distribution channels and orchestrate your consumer experience in a cohesive way is the real opportunity for these retailers.”

*Brian Nelson
President and Founding Partner
Shep Digital Solutions*





How successful C-stores use digital technology in stores

With the significant upside that C-stores can gain by taking advantage of on-premise digital experiences, it's helpful to look at the commonalities among retailers that have successfully used in-store technology to build sales.

United Dairy Farmers and Pilot are two examples of brands with unique on-premise digital experiences. With digital screens at the pumps, multi-screen arrays above the cold beverage vault, and screens throughout the rest of the store, these retailers have activated all of their digital distribution channels. "Best of all, there's continuity of content across the screens, even though each element has been built for different digital displays," Nelson said.

Tri Star Energy is another retailer successfully using digital screens in stores. Rush agreed that the continuity of content is key and said that Tri Star uses its digital screens at the pumps and its made-to-order kiosks to tell a story of quality, value, and customization.

"Using these touchpoints has given us a more intimate way to connect with our guests and promote our new and exciting food offerings."

He added that Tri Star has seen measurable results from its on-premise digital network through A/B testing, menu tracking, and app download metrics.





Successful c-store retailers have leveled up their use of on-premise digital technology in a number of ways:

Leaders use digital distribution channels to drive incremental in-store sales and overall basket lift, increasing their stores' profitability. Instead of using printed window clings, shelf talkers, or other static pieces, these retailers use dynamic digital content.

Leaders get messages to the right customer at the right time. As an example, a retailer can avoid highlighting a car wash promotion when it's raining, and instead promote a fresh, hot bean-to-cup coffee. By adjusting prominent products and services that have a high propensity to sell at a given time and place, you can use digital screens to deliver a cohesive message.

"At the fuel pump they may be promoting a breakfast item or a coffee that has a high sales propensity in a given location at 10:30 in the morning. That prompt entices consumers into the store. Once inside they see the same breakfast or coffee item, but there's a baked good next to it to encourage them to add an extra snack. In contrast, an afternoon promotion might be for an after-school treat, something United Dairy Farmers leans into with their proprietary brand of ice cream."



Leaders maximize the retail media opportunity.

Nelson shared, "Retail media is a growing trend. Retailers are finding they can connect all of their on-premise distribution channels to create a retail media network, opening up the ability to generate ad revenue from their in-store assets."

When contrasted with digital-only audiences, the count of customers in retailers' physical stores can reach tens of thousands of unique visitors monthly. "Consumer packaged goods (CPG) partners are excited to be able to influence shoppers through in-store retail media because of the customer proximity to purchase," Nelson added.

Leaders collaborate with trusted third parties when they need expertise to help guide their strategy. Rush said that working with a partner like Shep Digital Solutions was instrumental in optimizing their digital screen usage. "Using capabilities like day parting, weather-dependent messaging, and tying into loyalty were very important to us. Shep works with us to make our digital content feel customized and relatable for guests."



Getting started with on-premise digital experiences

Digital screens and in-store technology present a great opportunity for retailers when implemented strategically. How can C-stores emulate industry leaders and drive profitable growth inside their business? Start with these five steps:

1.

Assess your stores' capabilities today.

What capital have you already invested, and what resources are available for the work ahead? Does your team have the bandwidth and expertise to build and manage an in-store digital network? It is critical to identify internal resources or determine if you need a trusted third party to assist with the process.

2.

Be very specific with the return on investment you're seeking.

Your focus may differ for each store. Examples might include an increase in sales, loyalty member growth, or an improvement in the lifetime value of key customer segments. Map these goals back to how you approach the on-premise opportunity.



3. Connect digital screens and messages cohesively.

With one unified, cloud-based content management system, retailers can ensure personalized messages and promotions are orchestrated to communicate with customers from the forecourt to the checkout. Nelson added that this connection is critical in helping C-stores deliver a consistent narrative both inside and outside the store in an operationally efficient way.

4. Expand retail media advertising opportunities with in-store placements.

Using dynamic messaging in the forecourt and throughout the store, CPG advertisers can influence shoppers in close proximity to the point of purchase. Since C-stores are a high impulse retail category, getting last-touch messaging in front of customers can increase unplanned purchases and basket size.

5. Get comfortable testing different digital distribution channels within the store.

With the rapid development of new technology to support on-premise digital experiences, C-store retailers should experiment when they can. Technology to consider testing might include transparent window displays, electronic shelf labels, digital endcap displays, self-checkout stations, or any pane of glass with the capacity to communicate a message can be connected to your digital platform.





In a world that is ever-changing, C-stores must always be considering new ways to engage customers, drive sales, and increase profitability. Dynamic digital messaging, delivered through on-premise digital experiences, provides an immense opportunity for retailers and CPGs to reach consumers in the store, right at the point of purchase.

To succeed with these digital experiences, retailers must build a strategy to synchronize messaging across screen types, including the fuel dispenser, window signage, or overhead displays, so that C-stores can drive awareness and trial of new products, highlight featured foodservice bundles, or respond to loyal customers at the fuel pump with a personalized promotion to invite them inside.

When equipped with an effective strategy that optimizes content coordination, impactful displays, and trusted partners, C-stores can elevate their on-premise digital experiences from the pump to the point-of-sale, enhancing their customers' brand experience and maximizing ROI.





Shep is a unified platform for on-premise digital experiences

Retailers use Shep's turnkey omnichannel platform to unify digital experiences across their stores, from the pump to the point-of-sale, enabling them to efficiently and effectively manage messaging for customers. Shep's proprietary technology has been built specifically for convenience stores, helping retailers drive sales, grow basket sizes, and increase profitability.

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