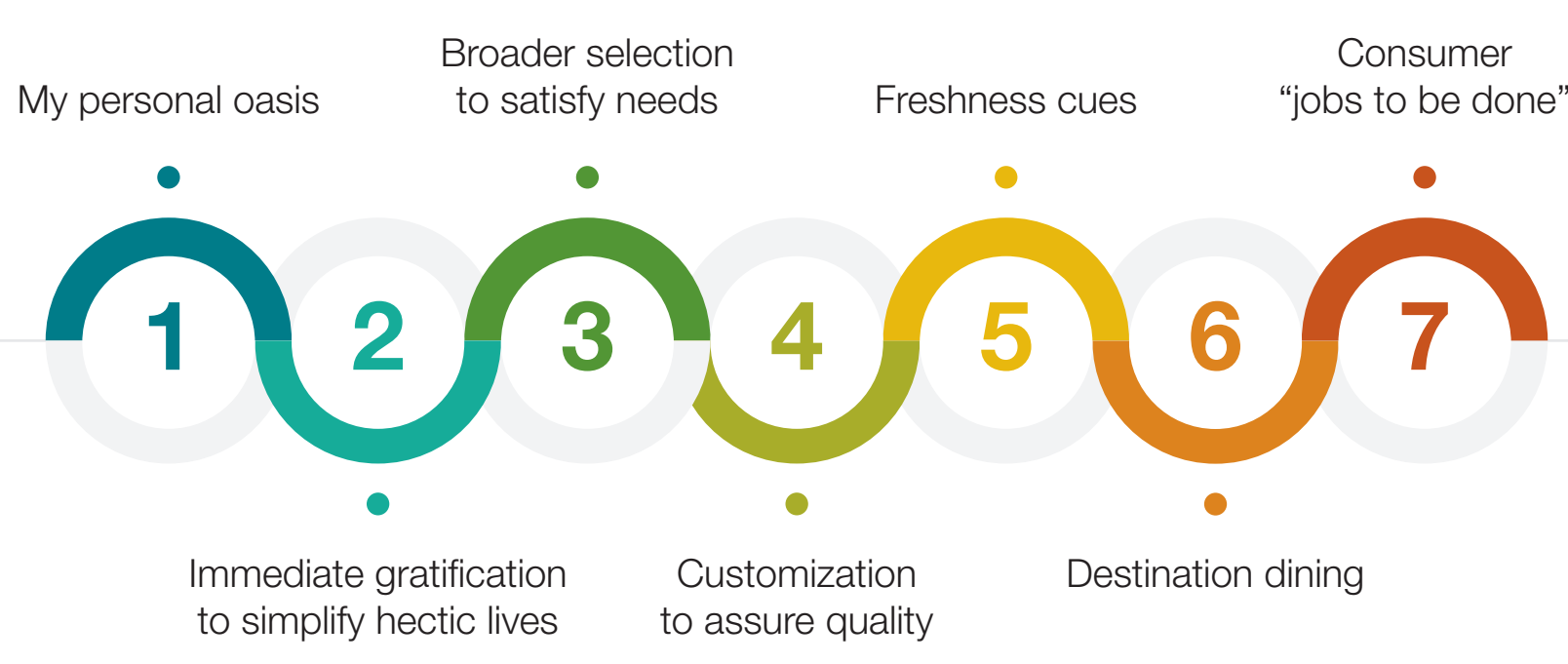


Winning with Today's C-Store Customer



Proprietary C-Store Research

KEY INSIGHTS TO WIN OVER CUSTOMERS



IMMEDIATE GRATIFICATION TO SIMPLIFY HECTIC LIVES



Portability is essential; c-store food is often eaten in the car, with one hand.



Easy for kids to eat; avoid messy items.



Consider smaller (bite-sized) versions of current products.



Extend beyond the product; how can packaging help?

IMPLICATION: Explore ways to facilitate on-the-go eating through bitesized offerings or packaging that supports dashboard dining.



CUSTOMIZATION GIVES ASSURANCE OF QUALITY

Customization gives shopper assurances of quality, freshness and a "healthier" option.



"Preparatory theater," being able to see the product being made, provides credibility about freshness.

Create a freshness halo through customizing and making to order.



"Throwing in" a veggie every now and then provides an opportunity for the perception of freshness and healthfulness.



IMPLICATION: Offering customization to whatever extent possible – from creative condiment bars to fully made-to-order offerings, is a huge driver of satisfaction.

FRESHNESS CUES MATTER



The option to choose something felt to be just a little bit healthier matters a lot to c-store consumers (whether it's acted upon or not).

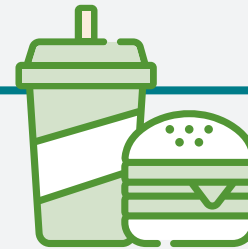


Customization, made-to-order, just for me and seeing things made in front of me are all cues that indicate "freshness."



C-store shoppers are sufficiently satisfied that prepacked items turn fast enough to trust that they're fresh, but made-to-order is always better.

IMPLICATION: Provide product solutions that deliver on "fresh."



OPERATORS ADDRESSING KEY INSIGHT WIN WITH LOYALTY AND GROWTH

NEW RULES MOVE C-STORES INTO PREMIUM

BASICS +

90% OF UNITS

RULES

- Cramped
- Functional
- Pre-made
- Less control
- Less fresh
- Lack of consistency
- Less clean
- Less variety
- Grab n' go
- Outdated
- Less safe
- Less family oriented

PREMIUM

7% OF UNITS

RULES

- Traffic growth of 4% is far outpacing other FS channels (total channel growing 1%)
- Food-forward, premium chains are increasing both traffic and dollar share

SUPER PREMIUM

3% OF UNITS

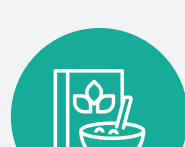
RULES

- Spacious
- Experiential
- Customized (MTO)
- More control
- More fresh
- High consistency
- More clean
- More variety
- Sit awhile
- Modern
- More safe
- More family oriented

WHAT'S NEXT



Expanding the focus of **food**, including remodeling to increase **time-spent** and **higher checks**.



Innovative breakfast items and **extended** breakfast hours to **compete** with all-day breakfast QSRs.



Loyalty programs to **entice** gas-only customers to enter the store for **discounts**.



Healthier, fresh **options** to become available as consumer **confidence** in made-to-order foods rises.



To learn more, visit www.cargill.com/foodservice