

# From drab to fab

## Store renovations really work

by Hugh Large

**D**eclining tobacco sales, disappearing grocery sales, increased competition, impending legislation affecting tobacco, the dramatic changes in product assortments, and the changing expectations of consumers are convincing more and more retailers they need to renovate and upgrade their stores to remain attractive to their customers.

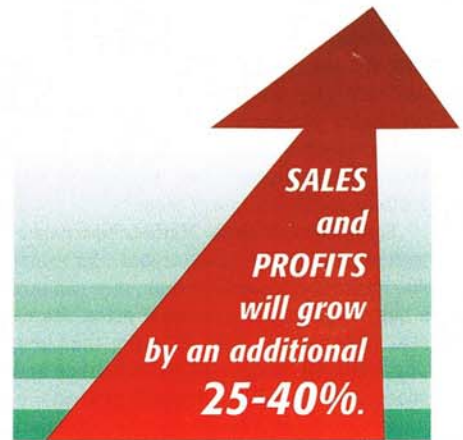
When asked about their intention to renovate, 70% of retailers indicated they were likely to undertake some form of renovation in the next two years.

Undertaking a successful renovation involves not only understanding what's happening in the marketplace and with the consumer, but making changes to how you operate your convenience business, understanding what you must do and what you want to accomplish.

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There are a number of trends making it essential that retailers upgrade their convenience stores if they want to survive, let alone prosper:

- The major gas/convenience chains are attracting consumers by investing millions of dollars in renovating their sites to include new and larger convenience stores, most of them with fast food offers.
  - The sales of cigarettes and tobacco in general continue to decline, affecting both sales and traffic. In addition, the coming changes in tobacco retailing legislation will affect store layouts, fixturing and merchandising.
  - As supermarkets open longer hours, the grocery category in convenience continues to decline.
  - More and more customers want and expect their convenience store to have fresh quality coffee and fresh, fast food.
  - Consumers have higher expectations of the standards of merchandising, cleanliness and housekeeping.
  - Product assortments across all categories are changing at an accelerating rate, so that it's more difficult for retailers to keep up.
  - Reduced fuel margins are making it almost impossible for fuel retailers to survive unless they develop "non-fuel" sources of revenue, like convenience stores and car washes.
- With all of these changes, it is critically important that before you undertake any renovation, you plan properly and answer the following questions first:
- Who are your current customers and why do they shop at your store?
  - Who are your competitors and what do you need to do to compete with them?
  - What is happening in your local area that will affect or change your business?
  - What happened to your business last year? What categories are growing and which are declining, and why?
  - What changes need to be made to your fixturing and layout to accommodate additional products or services that your customers want?
  - How are you going to change the way you operate to ensure you have the right products?
  - How do you need to change the outside appearance of the store to reflect the changes inside?
  - Will your municipality allow you to renovate? Will you need special permits and zoning?
  - How are you going to finance the renovation?



In working with dozens of independent retailers over the last few years, my experience has shown that when these questions are answered and the planning is done properly, c-store renovation projects can be very successful and rewarding.

When a good renovation is well planned and executed, it should accomplish the following:

- The environment within the store and the image of the store will be dramatically improved.
- The traffic flow in the store will be improved and categories will be positioned in the right location.
- Category space will be balanced against the category contribution.
- Growing and changing categories will be accommodated.
- The fixtures and the shelving will be matched to the merchandise for improved product presentation.
- Sales and profits will grow by an additional 25-40%.
- Your existing customers will be happier and you will attract new ones.
- Your staff will be happier and will take more pride in keeping the store looking good. **YCM**

*Hugh Large is a retail consultant with over 20 years of experience working with chains and independents to develop and implement successful merchandising and marketing programs for the gas and convenience channel. Contact him at [www.convenienceguru.com](http://www.convenienceguru.com).*