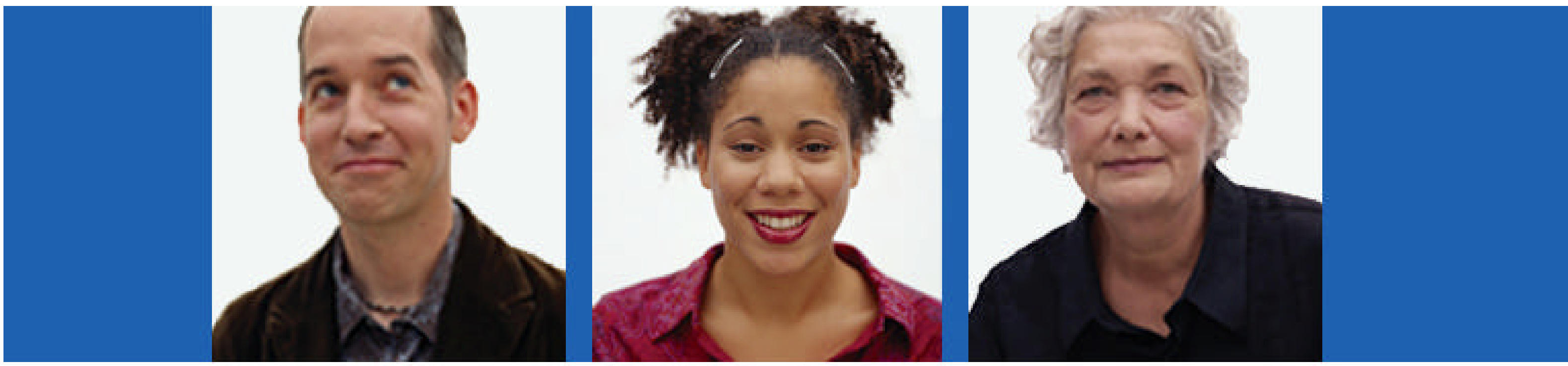

Marketing To Consumers In Fast-Paced Retail Settings: Adding Value to Wait Time

Awareness of consumer's mental distinction between "My Time" and "C-Store Time" is critical to creating a competitive customer experience.

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Almost overnight the competition to put convenience into the retail equation has heated to the boiling point. Convenience has moved beyond the convenience store. Retailers ranging from mass merchandisers to discount and dollar stores have begun to claim they offer convenience. It's open season for attracting the on-the-go customer.

To remain competitive, traditional fuel operators selling at convenience stores must not only install new technology but also enhance customer service [1]. To deliver competitive customer service, it is essential to understand the various dimensions of the convenience offer [2] [3]. Convenience has been conceptualized along five dimensions [4].

Selection convenience often means knowing what you want or knowing it's in stock at the store you're visiting. *Access* convenience is the consumer's time and effort related to getting to the store. *Transaction* convenience has to do with the method, ease and speed of payment. Benefit and post-benefit dimensions relate to when and how the customer takes possession, consumes the product, and gets follow-up.

One way to deliver additional value to c-store consumers is by enhancing the customer experience through speed in the *Access* and *Transaction* dimensions of convenience.

Intuitively, speed of access and service are two of the greatest values offered by the convenience store industry and by other fast-paced retail settings. Previously, however, there have been no established metrics of speed in the convenience store industry. Additionally, speed metrics in other fast-paced retail settings are loosely structured and not directly related to the customer experience. In his book *Why We Buy: the Science of Shopping,* marketing consultant Paco Underhill describes "waiting time", or speed of service, as the single most important factor in customer satisfaction [5]. He goes on to say that few retailers fail to realize that when this aspect of service is not delivered, the customer's impression of overall service diminishes.

Findings from this study reveal that consumers use distinctly different mental time clocks to measure their own shopping speed and the speed of the store personnel [6]. Additionally, findings also reveal that certain conditions can turn the time consumers spend waiting in line to complete a purchase into a window of opportunity for marketing communications at the point of sale.

Clearly, the concept of speed in terms of convenience is a complex benefit to deliver. There are several aspects to speed. There is speed of access. Speed of item selection. Speed of service and payment. Speed of consumption. And, the speed of the consumer.

To understand those aspects of speed that are most critical to fast-paced retail settings in the c-store industry, Clickin Research, Inc.[i] and the National Association of Convenience Stores[ii] conducted an exploratory study. Clickin observed and interviewed consumers in order to refine our thinking about convenience and speed and determine which aspects of speed are most important in determining a consumer's overall satisfaction with their particular store.

This study's findings about consumers' mental distinctions of time have contributed to the development of speed metrics – for convenience stores as well as for other fast-paced retail environments. Furthermore, insights on what influences customers' perception of time while waiting in line have provided important directions for marketing communications at the point of sale.

Much remains to be known about decision and purchase dynamics at the point of sale. According to one study, two-thirds of c-store shopping decisions are made at the point of sale [7]. Furthermore, previous studies have shown that customer service can have great effects on customer loyalty and trust and that both are important in reducing price sensitivity [8].

METHOD

This study involved two phases of research. The first phase consisted of focus group discussion with typical c-store customers. Information on their appreciation for convenience products and services began the discussion. Additionally, the group shared ways in which they conceptualize and perceive time while at the c-store – in comparison to other fast-paced retail venues. Suggestions on improving the amount and quality of the time spent at the store were also gathered. Lastly, participants were asked to discuss the significance and overall meaning of convenience stores in their lifestyle. Focus group insights were incorporated into the field study methodology.

The second phase of the study involved field observations, time recordings, and customer intercepts at a number of different c-stores across a mid-sized Texas city. Time was recorded on personal digital assistants (PDA's) from the moment the consumers entered the convenience store premises to the point they left these premises. Furthermore, customers were approached, after completing their transactions, with a short list of questions assessing their perception of time spent at the c-store, the ideal time to be spent at a c-store, and their general satisfaction with the speed of the store. Supplemental demographic information was also observed.

RESULTS

Focus Groups [iii]

Participants readily revealed that they made a very clear distinction in their minds between "My Time" and "C-store Time." "My time" was described as the time the customer took to drive to and from the c-store, the time to travel between their car and the c-store, and the time it took the customer to select items. "C-store Time" was defined as the time it took the customer to wait in line before paying and the time it took the customer to actually pay. The "c-store time" was the more critical of the two in the minds of customers.

Although they clearly distinguished between My Time and C-Store Time, focus group participants were generally content with the speed of service at their c-store.

"We now make routine stops at Walgreen's instead of Wal-Mart. I can get in and out without having to get to into that big store. It saves me time, plus they have the same convenient hours. The same reasoning applies when I go to the convenience store instead of the grocery store. The convenience store just takes less time."

They estimated their average c-store trip to last between 2 and 7 minutes, and this amount of time was seen as acceptable. However, if a wait was inevitable they believed there were a few key variables that could affect their perception of the time they spent waiting.

The perception of speed was in the participants' minds greatly affected by customer service, store layout, and the presence of distraction. Participants were strong believers in good customer service. They believed that if the clerk was pleasant and friendly, then the overall visit to their c-store was more pleasant, and even minimized from the perceived amount of "c-store time." Also, they felt that acknowledgments of the inconvenience of the wait from the c-store employee altered their perception of time and added "value" to the time they spent waiting.

Store layout also influenced customers' perception of time. Participants felt that if the c-store register area was laid out in a way that made them feel they were obstructing the path of other customers or that their personal space was being invaded, this condition made them more aware of the time they were spending in line. "C-store Time" seemed faster to them when there was ample room around the register than if the space felt crowded.

Three Things That Make a Wait in Line Seem Longer:
"No 'Sorry for the wait.'"
"Inattentive clerks"
"Lack of Space around the Counter"

Customers recognized that there would be times when a line at the c-store was inevitable. They were accepting of this inconvenience, but provided some suggestions on what would help them keep a positive perception of the time they spent in line.

Three Things That Make a Wait in Line Seem Shorter:
"Sorry for the wait. I'll be right with you."
"Complimentary treats"
"Reading or viewing materials"

Some of these suggestions included television sets tuned to news networks, flat screens flashing news tickers or advertisements, magazines or publications to read while waiting, and complimentary candy or mints to enjoy in line.

Overall, participants value the convenience that their c-store provides and cherish the relationship they have fostered with "their" c-store. Some view "their" c-store as a place to begin and end their day. Although there may be moments of idleness in their visits to a c-store, they like to feel in control of their visit. They are aware and appreciate the uniqueness of their relationship with the c-store they consider "My C-store."

Field Observations[iv]

The average recorded c-store trip lasted 3.96 minutes (median = 3.38 minutes). Due to insights gained from the focus group research, time recordings were divided into three primary time segments. Mean times are shown in the following chart, with medians in parentheses.

Time to park	15 sec	(12 sec)
Time to park and begin fueling	37 sec	(25 sec)
Time to pay at the pump	28 sec	(21 sec)
Time to pump gas	117 sec	(112 sec)
Time to walk from vehicle to c-store or repark	35 sec	(18 sec)
Time to select item(s)	60 sec	(31 sec)
Time to wait in line before paying	42 sec	(30 sec)
Time to pay	20 sec	(11 sec)
Time to leave store	44 sec	(35 sec)

Customer Time Segments comprised of the time the customer enters the premises of the c-store to the time they make their item selection. C-store Time Segments comprised of the time a customer waits in line before paying to the time at the end of the payment transaction. Pumping Time Segments comprised of the time it takes to fuel a vehicle. The average Customer Time recorded was 3.67 minutes, while the average C-store Time recorded was 1.03 minutes. Clearly, the bulk of the time spent on a c-store visit is under the control of the c-store consumer and only less than a third of this time is under the control of the c-store and its employees.

Perception of Speed

The majority of respondents (37%) believe the ideal c-store trip should take between 3 and 4 minutes. Thirty-one percent (31%) believe it should take even less, and 27% believe it could take between 5 and 7 minutes.

Customers' perception of speed was assessed in a number of questions focusing on comparison between current visit and previous visits to the same store, comparison between c-stores and other vendors of gas, as well as a comparison between estimated time and ideal time.

Forty-six percent (46%) of respondents reported that the current trip had taken less time than previous trips to the same store, while 42% reported the current trip took about the same time as previous trips, and very few respondents rated their current trip as longer than on previous visits.

A correlational analysis revealed no statistically significant relation between the actual trip time recorded and the time customers as is ideal for a c-store visit. It seems that customers have a set standard in their mind regardless of how long the trip actually takes, and then use this standard as a benchmark when evaluating their current customer experience.

When asked to rate c-store speed in comparison to other retail venues that sell gas, such as grocery stores, buying clubs, and hypermarkets, 62% rated the c-store as faster than c-store competitors. Only 8% of respondents rated the c-store as slower than other vendors of gas.

Estimated visit time was evenly dispersed among answer choices with 30% estimating 1-2 minutes, 31% 3-4 minutes, and 31% 5-7 minutes. Furthermore, customers generally seemed to have an accurate perception of the time they had spent at the c-store, as seen in the high correlation between the actual time recorded in observations and the time estimated by the customers.

Overall satisfaction with the speed of service of the current visit was also recorded. An overwhelming 89% of respondents reported having their speed expectations met by the c-store during their current visit. Another 8% reported being somewhat satisfied with the speed of service, and only 4% reported not having their speed expectations met.

DISCUSSION

C-store consumers perceive the c-store to be the speediest of gas vendors, and an overwhelming percent of our sample was very satisfied with the speed of our test sites. Similarly to Hess et al.'s findings on service recovery and customer satisfaction and Berry et al.'s understandings of service convenience, customers with higher speed expectations were more understanding, and at times attributed cause to themselves, when they encountered longer waiting periods at the c-store [4] [9].

Furthermore, actual time does not seem to concern the consumer to a great extent. It is the perception of the time spent at the c-store that is more critical to them. Specifically, it is the distinction between My Time and C-Store Time that is most important in the c-store consumer mindset. In the customers' minds, c-store trips should last under 7 minutes or 1-4 minutes ideally.

Additionally, C-Store Time is greatly influenced in their minds by customer service, store layout, and the presence or absence of distractions at checkout.

This study has a number of implications that overlap different arenas in fast-paced retail settings. First, findings from this study suggest that customers use distinct mental time clocks to measure their behavior and retail personnel behavior. They allow themselves the indulgence of perusing around a store for any desired amount of time; however, when they are ready to complete a transaction, the customer expects the quickest service available and uses a more conservative clock in measuring this time. Awareness of consumer's mental distinction between "My Time" and "C-Store Time" is critical to creating a competitive customer experience.

Participants of the Clickin study expressed an interest in having distractions at the point of purchase to alleviate their perception of the passing time. Distractions they deemed to be more appealing included television sets that flashed local or national news, LCD screens that provided information on store promotions or advertisements, magazines and publications to be skimmed while in line, and gum or mints to enjoy while waiting.

All of these suggestions present great opportunities for marketing communications. Retailers could greatly benefit by seizing this opportunity and presenting customers in line with free trials of new store products, news of up-coming sales/events, local and community news, or trials of new telecommunications services available at their location.

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[i] For additional information on this and other Clickin studies, contact Dr. Martha Russell, President (mrussell@clickinresearch.com) or Lila Valencia, Director of Research (lvalencia@clickinresearch.com) 512-236-9161.

[ii] For additional information, contact Teri Richman, Vice President Public Affairs and Research, National Association of Convenience Stores, 1600 Duke Street, Alexandria, VA 22314.

[iii] A group of typical c-store customers was recruited to participate in a discussion of speed in the context of convenience. Customers were asked questions relating to types of services they used for the sake of convenience, their perceptions of c-stores in relation to other fast-paced retail settings, and their perceptions of speed in terms of convenience at c-stores. Recruitment focused on gathering respondents that were representative of the typical, profitable c-store customer. Therefore, the group was composed primarily of males between the ages of 18-35 with some college education, who usually purchased gas at a c-store and who had visited a c-store at least once within the previous week. Additionally, we focused on recruiting heavy c-store users, defined as anyone who visited a c-store between 3 and 4 times a week. The final sample included five men and one woman. All were between the ages of 18-35, some with college education. Also, all visited c-stores between 3 to 4 times per week.

[iv] Field observation data were collected on 440 respondents, 68% male, 32% female at c-store locations. The majority of respondents ranged in age from 26 to 50 years old. Seventy-five percent (75%) of respondents visited the c-store unaccompanied. Most of the observed c-store visitors reported visiting the c-store 1 to 2 times a week. However, there were a substantial number of daily visitors (24%) and those who visited 3 to 4 times a week (22%). Respondents' transactions – gas only, in-store products only, and gas plus in-store products – occurred at similar rates.