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THE IMPACT OF NEW RETAIL TRENDS IN THE CONTEXT OF CONVENIENCE STORES

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Abstract

The convenience retailing sector is being challenged with the threat of new formats from existing competitors, a downward trend in demand and a new type of customer, which is more demanding, empowered and informed. The purpose of this thesis is to study how the newest trends in retail can be adapted to the context of convenience stores located in gas stations, thus increasing shoppers' intentions to purchase and to visit those stores.

To meet this dissertation goal, an empirical research was pursued, in which a Focus Group was conducted as an exploratory and qualitative method. Empirical research was complemented with individual questionnaires for each concept evaluated.

Findings show that from an initial bulk of seven trends, only three are positively accepted, two are partially accepted and other two are rejected. Concepts such as Payment with Smartphone, Interactive Screens with Storytelling and Tutorials and Pick-Up Point Lockers received the best feedback and evaluation from the Focus Group participants and proved that must be implemented by retailers in the convenience store sector.

Findings also revealed that new concepts to apply in convenience stores must contribute to an automatized store that is able to provide personalized and more convenient services to its customers – the convenience factor proved to be an obligatory factor when innovating in a convenience store. Moreover, concepts that contribute to bring closer the physical and digital world will be appreciated by customers. Today's customer no longer fears digital innovations in stores, in fact accepts and want stores to have digital features and processes.

Subsequently, retailers should acknowledge the impact that new retail trends have on customers' behavior and intentions toward convenience stores. Furthermore, they must keep in mind that despite the innovation intended, the main goal needs to be to provide convenient experiences and services to the customer.

Keywords: New trends in Retail, Convenience Store

JEL classification system: M31 Marketing; O3 Innovation

Resumo

O setor das lojas de conveniência está a ser desafiado com a ameaça de novos formatos de concorrentes existentes, uma tendência de queda na procura e um novo tipo de cliente, que é agora mais exigente e informado. O objetivo desta tese é estudar a forma como as mais recentes tendências do retalho podem ser adaptadas ao contexto das lojas de conveniência, localizadas em postos de gasolina, aumentando assim as intenções dos consumidores em comprar e visitar estas lojas.

De maneira a alcançar o objetivo desta dissertação, foi realizada uma pesquisa empírica, na qual um Focus Group foi conduzido, enquanto método exploratório e qualitativo. A pesquisa empírica foi complementada com questionários individuais para cada um dos conceitos avaliados.

Os resultados mostram que, de sete tendências iniciais, três são aceites, duas são parcialmente aceitas e outras duas são rejeitadas. Conceitos como Pagamento com Smartphone, Ecrãs Interativos com *Storytelling* e Tutoriais e Cacifos de Recolha de Encomendas receberam o melhor feedback e avaliação por parte dos participantes do Focus Group, provando que devem ser implementados pelos retalhistas no setor das lojas de conveniência.

Os resultados desta dissertação também revelaram que novos conceitos a serem aplicados em lojas de conveniência devem contribuir para uma loja mais automatizada, que seja capaz de fornecer serviços personalizados e mais convenientes aos seus clientes - o fator conveniência mostrou ser um fator obrigatório ao inovar numa loja de conveniência. Para além disso, conceitos que contribuam para aproximar o mundo físico do digital serão apreciados pelos clientes. O cliente de hoje já não receia inovações digitais nas lojas, na verdade aceita e quer que as lojas tenham processos digitais.

Assim, os retalhistas devem reconhecer o impacto que as novas tendências do retalho têm no comportamento e nas intenções de compra dos clientes em relação às lojas de conveniência. Além disso, devem ter em mente que, apesar da inovação pretendida, o principal objetivo deve ser fornecer experiências e serviços mais convenientes ao cliente.

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1. Introduction

The aim of this study will be to identify the future retail marketing trends that can be adapted to a Portuguese Convenience Store, located in a Gas Station. The identified retail trends will be studied to verify how they impact customers' perception and behavior in a convenience store. The emphasis of this study is to discover which of the studied retail trends are the most adequate for the Portuguese convenience store context and to understand if customers consider them as added value to the store and are positively influenced by those trends.

1.1. Theme

It is no novelty that nowadays companies in the retail setting need to be constantly reinventing themselves and be aware of the market development to adapt and survive in this highly competitive and fast changing economy. Not only the digital trends and innovative technologies, but also the increasing demandingness from customers – who are always changing their mind and want what they want when and where they want it – make the market immensely inconstant, creating the need for companies to test new concepts and be aware of current and future trends.

On top of this new breed of consumers, that are shaping the industry's future, competition in the convenience store sector is intense, whether from similar convenience stores or other retail formats that provide customers the same convenience items and services (NACS, 2017). Thus, retailers must adopt disruptive technologies and business models to keep up with tendencies and face the competition – they will need to be agile, as to continue to enhance customer experiences (World Economic Forum & Accenture, 2017).

Besides the growing competition, gas stations all over the world are facing the threat of the increasing popularity of electric cars. That, associated with the global concerns of fuel efficiency for regular vehicles and concerns with pollution and resources duration, constitutes a huge threat for this companies. Consumers' needs are shifting from what they once were, and gas stations need to accompany those changes. The true is that, other than for using the restroom and to grab some food, once people go electric, they will not need a gas station to charge their cars, because they will be refueling them everywhere (Baldwin, 2017).

Given the previously mentioned threats to their business, gas stations must find alternative ways of bringing people to their convenience stores, other than just to pay for gas. It is needed a change in the way people perceive convenience stores – they do not need to be a place to enter, pay and leave immediately. Gas stations already have the advantage of the convenient location, but they can add distinct concepts to their stores, attracting customers on purpose and making them linger around in the store.

1.2. Research Problem and Objectives

Firstly, it is important to understand that physical stores will continue to exist, but they will need evolved value propositions for customers. The application of new trends in retail can favorably influence discovery, engagement, experience and interaction in-store (World Economic Forum & Accenture, 2017).

As the new trends in retail are not largely implemented in stores, the prior literature available is still very limited. Moreover, when considering the retail trends in the context of a convenience store, the available empirical research is even fewer. The lack of empirical information is considered a gap in the literature. Thus, the research problem will be to explore the influence of the new retail trends on consumers, in the context of convenience stores located in gas stations, and create empirical evidence for companies to apply those trends in the future.

This thesis will take the form of a project, more specifically an in-company project. This type of thesis allows a close cooperation with the partner company and the constant exchange of feedback regarding the course of the study, in any stage of the project.

The partner company for this project is a Portuguese company in the energy industry named Galp Energia. Galp Energia positions itself as an integrated company of oil and natural gas, which develops profitable and sustainable businesses. Galp's convenience stores (Tangerina) provide high-quality products and services, and they represent, today, the future of the convenience stores (GALP Energia, 2017).

The fact that this company has high quality and reputation c-stores in their gas stations was a plus to partner up with them. Besides that, the company had interest in testing new concepts to possibly incorporate in their stores.

In the end of this dissertation, it is expected to reach conclusions regarding which of the studied trends create more value in the context that is being analyzed and if they influence customers positively – reflected in increased visits to stores and higher intention to purchase.

1.3. Structure

The dissertation is divided into five chapters, following a progressive approach of organized topics.

After this introduction, the first topic is the literature review **(Chapter 2),** which introduces the concept of convenience store (**Section 2.1**) and the different formats it can take. Henceforward it will spread into in-depth research of the new retail trends (**Section 2.2.**). In this section, there will be the definition of each trend and examples of their application/test in a retail context (when possible, in a convenience store context) in Portugal and/or around the world.

Besides the retail trends, there will be a section dedicated to Partnerships (**Section 2.3**) and their importance in retail.

Subsequently, the appropriate methodology used for the research purpose will be addressed (**Chapter 3**) to fill in the gap in the literature review and to comprehend the impact of the new retail trends in a convenience store context.

Consequently, research will be conducted, and the results obtained will be analyzed (**Chapter 4**). Finally, before concluding the dissertation, a general overview of the conclusions of this study will be outlined as well as some issues such as managerial implications, limitations of the research and suggestions for future research (**Chapter 5).**

2. Literature Review

Owning to the accelerated progress in technology and the changing consumer patterns, the retail shopping experience is being reshaped and it is expected to look vividly different by 2030 (Synchrony Financial, 2017).

It is a requirement that physical retail need to evoke emotion from customers and create an outstanding customer experience to form a greater bond between consumer and the brand or the store. Applying the freshest trends in the sector is becoming an obligation for players to remain competitive in the market.

While going through the literature review, it will be highlighted the relevance of the new trends in retail, in the context of convenience stores, and the examples will help to define and justify the research questions to be applied to the ambiance of convenience stores located in gas stations.

2.1. Convenience Stores

Due to time-pressed consumers the need for convenience, in many aspects of people's lives, is increasing and retailers in all channels are arranging tactics to get consumers what they want as conveniently as possible. Malison, M. (2016) refers that *"Millennials, in particular, value convenience in urban areas. Retailers across all channels are now competing on convenience, making the environment tougher for players in the traditional convenience/forecourt retail channels"*.

2.1.1. Definition of Convenience

Whereas academic efforts have often focused on isolated dimensions of convenience, on its article "A consumer definition of store convenience (finally)", Reimers (2013) concludes that consumers define store convenience across the entire spectrum of access, search and transaction convenience.

Reimers (2013) study confirms the proposition that store convenience is a multi-dimensional construct and must, therefore, be conceptualized as such. It also provides a universe of items from which the attributes necessary to operationalize store convenience can be drawn. The twenty-four attributes of store convenience, according to consumers' responses, are the following: air conditioning, clear prices, product return, payment options, store layout, check-out, signs/directories, parking, public transport access, product clusters, fitting rooms, trolleys/baskets, trading hours, car access, toilets, staff assistance, proximity to other stores, aisle layout, shelf height, one-stop shopping, seating, proximity to home/work, store entrance, store size.

Another definition that is important to highlight is the definition of “service convenience”, which refers to consumers' time and effort perceptions related to buying or using a service. Service convenience is affected by several factors that are related to the company that delivers the service. The physical service environment, the information made available to consumers, company branding, and service system design (Berry *et al.*, 2002), but also the store’s layout, design and visual merchandising (Seiders *et al.*, 2000) are parameters that can intervene with a costumer’s perception of convenience. It is important to highlight that these factors can either be promoters or obstructers of convenience, as do the availability and competence of the sales force (Seiders *et al.*, 2000).

Reimers (2013) defends that besides company related factors, there are also individual factors intervening in a person’s convenience perception. The individual consumer differences, such as a person’s overall time orientation, time pressure, empathy towards the service provider and prior experience, constitute factors that can also affect convenience perceptions.

2.1.2. Definition and Characteristics

The definition of Convenience Store, according to the American Marketing Association, is *“a retail institution whose primary advantage to consumers is locational convenience. It is usually a high-margin, high-inventory-turnover retail institution”* (American Marketing Association, 2018).

The NACS (National Association of Convenience Stores) also defines a Convenience Store as *"...a retail business with primary emphasis placed on providing the public a convenient location to quickly purchase from a wide array of consumable products (predominantly food or food and gasoline) and services"* (NACS, 2017).

By those definitions it is possible to affirm that two concepts are essential when defining a convenience store – its location and the type of products it provides to its customers. Thus, it is important to understand the meaning of Convenience Products – products that often appeal to a large target market and are defined as consumer products that are commonly bought by customers who give little thought or planning to them (Square Up, 2018).

According to the NACS "How Convenience Stores Work and Their Contributions to Communities" Report of 2018, *"convenience stores sell immediate consumption items: 83% of in-store merchandise is consumed within one hour of purchase, and 65% is immediately consumed, per NACS Convenience Tracking Program data. In fact, a beverage or snack are the two most popular items purchased by customers who also buy gas."* (NACS, 2018).

2.1.3. Types of Convenience Stores

Taking into account the trends in the convenience store industry, six convenience store formats can be identified (NACS, 2017):

- **Kiosk**: Kiosks are the smallest format of convenience stores, with less than 75 square meters, intended to provide some additional revenue beyond the gasoline sales. In kiosks, gasoline is always the focus, with the owner usually being an oil company. The store sells only fast-moving items found in traditional convenience stores (tobacco, beverages, snacks, and confectioneries). The only parking available is usually at the pumps. Typical customers of kiosks are locals stopping in to buy gasoline;

- **Mini Convenience Store**: This convenience store format (75 to 110 square meters) is extremely popular with the oil companies. The emphasis is still on gasoline sales; however, in such locations, the owners view store sales as a significant part of the revenue. Foodservice is limited to prepared sandwiches and the parking is usually at the pumps, with some locations having modest striped parking. The number of open hours usually ranges from 18 to 24 hours;

- **Limited Selection Convenience Store:** A limited selection convenience store ranges from 140 to 205 square meters and is often affiliated with an oil company. In this format, both gasoline and store sales are largely important parts of profitability. They differ from the "mini convenience store" due to the offering of a broader product mix and grocery offering. In this store format, some simple foodservice may be offered. Striped parking and extended hours are common;

- **Traditional Convenience Store:** Most convenience stores fall into this category. They are about 225 to 235 square meters and offer a product mix which includes dairy, bakery, snack foods, beverages, tobacco, grocery, health and beauty products and perhaps prepared foods to go, fresh or frozen meats, gasoline and assorted services. Most stores of this size have about six to twelve striped parking spaces or convenient pedestrian access. The majority of the stores falling in this category are open twenty-four hours per day;

- **Expanded Convenience Store:** The number of convenience stores of this size (260 to 335 square meters) is growing. These stores can accommodate more shelving for additional grocery products or room for significant fast food operations and seating areas. In terms of products and services, such stores usually convey the traditional convenience store items. Parking space is important, with most stores of this format having about 10 to 20 marked spaces. This stores usually not only attract the typical convenience store customer but also families, women, and senior citizens;

- **Hyper Convenience Store:** Hyper convenience stores are very large stores (370 to 465 square meters) usually offering an array of products and services through different departments. Many of these locations do sell gasoline and the number of parking spaces is substantial, especially since the amount of time the average customer spends in this store can be significant.

2.1.4. Portuguese Market

After the fiscal adjustment of 2011-2015, households in Portugal are experiencing income recovery, as unemployment falls and purchasing power rises (Euromonitor, 2018). This is likely to boost consumer confidence and spending, thus affecting positively the country’s retailing environment.

Portuguese shoppers tend to shop around, with 73% of the 500 families interviewed in a study published by in-Store Media and netsonda in November 2017, which examined consumer shopping habits in Portugal, stating to shop in more than one supermarket. Moreover, within all factors influencing where to shop, price is the most determinant one (according to 66% portuguese families). Range and shopping experience were the two other most cited factors (49% and 55%, respectively) (Wynne-Jones, 2018).

Still, the same report revealed that portuguese consumers value convenience substantially. They demand being able to find what they need quickly and easily (according to 63% of the families) and to complete purchases rapidly, preferably without having to wait in queues (66%) (Wynne-Jones, 2018).

In the portuguese market, for a retail establishment to be considered a convenience store, it must have a maximum area of $250m^2$, operate a minimum of eighteen hours a day and distribute its offer in a well-adjusted way between food, household goods, books, newspapers, toys, gifts and others various items (Portal do Cidadão, 2018).

One trend that has been growing in importance in portuguese convenience stores is related with partnerships with the intention to modernise and bring new concepts to stores. Bigger players in the market have recognised the potential of convenience in the retail setting and are investing in the channel. Nowadays it is common to see popular concepts such as Meu Super, Amanhecer and, more recently, My Auchan but also petrol station operators such as Prio and BP that are investing in convenience stores in partnership with leading grocery retailers (Euromonitor, 2018).

The Gas Station Prio for instance has entered in a partnership with Recheio Cash and Carry, and its Amanhecer store is now providing Prio’s convenience store offer. Another example is the Gas Station BP, which partnered up with Pingo Doce, creating BP gas stations’ convenience store Pingo Doce & Go. Galp has also partnered up with Continente but in a different manner - by purchasing at Continente, customers gain discount coupons to use at Galp’s gas stations, accumulating the discounted money in Continente card.

2.2. New Trends in Retail

The retail spaces need to adapt new engaging trends, in order to remain trendy and provide experiences that the e-commerce cannot provide –in short, retailers need to give customers a reason to not shop only online.

Physical stores' value proposition will then evolve from being a distribution channel to being a platform for discovery, engagement, experience and interaction (World Economic Forum & Accenture, 2017). Thus, the experiences provided need to be so good that they keep customers coming back over and over again.

There are several new trends being tested and adopted by many players in the retail industry, with the goal of creating a unique in-store experience. Research and benchmark were conducted on seven major trends that are reinventing retail: New Products and Services; Hybrid Stores; Store Mood Zones; Retailtainment; Revolving Décors; New Payment Methods; and Interactive Screens.

2.2.1. New Products and Services

Today's consumer has a bigger interest in being more informed about the products and services they buy, which leads to a greater interest in the companies' production chain and in the brand's relationship with chain interveners. This trend, for the well-being of consumers, leads companies to have a higher level of processes transparency and to evolve customers in the production process (ConsumerTrends, 2018).

Companies are also understanding that building a sustainable supply chain increases the potential of attracting new customers but also that customers are willing to pay more for products and services deemed to be sustainable or from social and environmentally responsible companies (ConsumerTrends, 2018).

There has been a shift in consumer demands. Convenience stores are realizing that "*what people are consuming – fried foods and fatty snacks – is changing*" and that is because customers in general are much more conscious nowadays of their food consumption (Riell, 2013).

In Portugal, 60% of customers state that the concern with their health and well-being is reflecting in their daily-lives and choices – they are avoiding food products of less nutritional value and choosing instead organic or functional foods (Marketeer, 2017). C-store operators are the ones noticing this as a trend, as they sign that customers are focusing more on nutrition and in following an active lifestyle (Riell, 2013).

The reality is that industry leaders are embracing change and offering customers products that accompany the shift in their demand (Riell, 2013) and the amount of space in convenience store dedicated to better-for-you items (health-bars, nuts/trail mix, fresh fruit and vegetables, yogurt and cut fruit and vegetables) is increasing (NACS, 2018).

Besides the concern with products' quality and nutritional value, customers need products and services that can accompany their fast paced lifestyle – products and services that are convenient. That is one of the reasons that justify the success of e-commerce and take-away – they adjust to customers' routine (Marketeer, 2017).

Moreover, as the digital takes over in retail, the physical stores of the future will offer rich and dynamic interactions as well as virtual experiences. For instance, Augmented Reality and Virtual Reality are already becoming differentiating factors in the retail context by supplementing the product exploration and experimentation component (World Economic Forum & Accenture, 2017). Sometimes customers enter retail stores and are faced with several products, but not with much information to pursue an informed purchase decision. AR and VR technologies are being used by brands that perceive this issue, to encourage sales (Cooper, 2017).

2.2.2. Hybrid Stores

Especially due to the development and the increasing adoption, by customers, of e-commerce, retailers are struggling to attract shoppers to their physical stores. To cease that, some of them started to expose their customers to new concepts and offering multiple shopping experiences in their physical stores.

The concept of Hybrid Stores is based on the offering of diverse services, from different business areas, in the same physical store or location. The offered services can, or not, be complementary, but they have the aim of offering an outstanding experience to customers, creating bonds that go beyond a transactional link (Marketing FutureCast Lab, 2017). Even if it can be complex for retailers to apply this concept to their physical stores, the service offer diversification makes the store less vulnerable to market floats in the sectors in which it competes (Marketing FutureCast Lab, 2017).

One of the main advantages of service diversification in a physical store is the ability to attract and retain loyal clients, contributing to higher sales. This trend can be very useful in sectors where the e-commerce is hurting the physical store's sales, by offering something that online stores do not have the capability to offer (Marketing FutureCast Lab, 2017).

By turning their physical locations into hybrid stores, retailers make the most of every square meter of their stores to surprise, delight and attract consumers with products, services and/or experiences that either pair well together or surprise customers by being an astonishing combination (McQuarrie, 2014).

This new retail trend ultimately gives consumers another reason to visit the store besides shopping. Some stores have started to introduce services in-store and others are trying to create a sense of community with their stores, bringing people together outside of their homes (Ducard, 2016). As retail becomes more and more about lifestyle experiences and the role of the physical store diversifies, retailers must think about the services and offerings that can create immersive retail experiences and constantly bring people to the stores (Malin, 2016).

Hybrid Convenience Stores in the Taiwanese Context (2009)

In Taiwan, one of the two first Asian countries where convenience stores were introduced, due to lack of time for meals, people in urban areas require varied, fast and convenient dining establishments to choose from (Hung, 2005, in Cheng *et al.*, 2009). Therefore, some convenience store chains in Taiwan started to provide tables and chairs for people who require quick and convenient dining options (Liu *et al.*, 2004, in Cheng *et al.*, 2009). Cheng *et al.* (2009) defined a hybrid convenience store as "*a convenient shopping as well as dining environment*". Their definition of hybrid store, when applied to convenience stores, is narrowed to a combination of a convenience store and the offering of meals to eat-in as well as a dining area inside the store. According to the same authors, this mode of delivering meals is different from the grab-and-go food model in traditional convenience stores and the dining environment found in restaurants.

When studying the concept of dining in hybrid stores, Cheng *et al.* (2009), tested Rogers' five perceived attributes of product innovation (relative advantage, compatibility, complexity, trialability and observability). Compatibility is the degree to which an innovation is perceived as consistent with existing values and previous experiences; trialability is the degree to which an innovation may be experimented on a limited basis; complexity is the degree to which an innovation is perceived as difficult to apprehend; and, observability refers to communicability. The authors' conclusions demonstrated that compatibility, trialability and observability have a positive effect on the acceptance of dining in hybrid convenience stores, while complexity has the opposite effect (Rogers, 2003, in Cheng *et al.*, 2009). When attempting to create a hybrid convenience store it is then important to keep in mind that complex concepts will not ease its acceptance by customers - it is important that the hybrid store concept is easy to use and to understand.

The Eatery at American Natural, United States of America (2017)

The American Natural brand was introduced in the U.S.A. in 2011 and provides compressed natural gas fuel for vehicles. It has the main commitment of providing access to cleaner, more economic fuel and healthier food suited to today's modern consumer. (American Natural, 2017). The Eatery is American Natural's convenience store that provides hand crafted sandwiches, pizzas and salads, made with whole foods. The goal of The Eatery is to provide healthier alternatives without sacrificing taste (American Natural, 2017).

In the Convenience Store News "American Natural Aims to Be C-store of the Future" article of 2017, the founder and CEO of American Natural, Jennifer Pomerantz stated "*American Natural was driven to create a new culture of convenience, a more natural culture. An accessible culture built on the belief that, despite your busy lives, you shouldn't have to sacrifice what is important to you and your family.*" (Romano, 2017).

The new American Natural stores feature counters for dining and a lounge area for customers to relax and enjoy the barista-made beverages. Besides the new areas inside the store, there is also an exterior patio dining, offering more seats in a different environment. To provide the healthier food alternatives, The Eatery at American Natural has a variety of local partners that provide the freshest and highest quality ingredients (Romano, 2017).

2.2.3. Store Mood Zones

There has been ongoing discussion regarding the effects of store atmospherics and the role of the five senses on buying behavior. The concept of store mood zones is very recent and it aims to play with store atmospherics to create distinct spaces inside the same retail space, using different lightning, colors, furniture, music, etc. When using this trend, retailers are supposed to invest in creating a store atmosphere with zones capable of forming different moods. The mood transmitted by the atmosphere created can influence the time consumers spend in the store or determine if they will buy or just take a look at the products (Marketing FutureCast Lab, 2017).

The physical environment can influence shoppers' behavior, and the physical attributes in terms of retail atmospherics are important to characterize a retail space. However, if a retail setting is overstimulating, instead of facilitating approach and buying behavior, it can cause avoidance (Helmefalk & Hultén, 2017).

Shoppers' emotions can be influenced by retail atmospherics, with the goal of facilitating purchasing behavior (Turley and Milliman, 2000). Retailers can also use store atmospherics to transmit an image differentiation (McGoldrick & Pieros, 1998).

Turley & Milliman (2000) stated that store layout options should be examined to study their effects on time spent in the environment, crowding perceptions and sales. According to them, particular elements of the atmosphere do not always have to be ostentatious to have an effect on consumers. Sometimes, subtle changes to the retail environment are all that is required to change how shoppers behave inside a store.

When it comes to the effects of the five senses, for retailers, vision is unarguably one of the most prevailing of all senses. Lighting, in particular, seems to be one of the most discussed aspects to create a desired mood inside a store. Nell & Wiid (2014) noted that lighting has both a positive and a negative influence on consumers' buying behavior. A positive influence means that consumers will stay longer in the store and will most likely spend more money, whereas a negative influence means that consumers will not enter the store or they will reduce the time that they spend there, thus influencing sales negatively.

Moreover, wherever an eating-zone is located within a store, it is important to physically highlight the difference between that space and the remaining merchandising areas. According to Petrak (2016) one way to accomplish that distinction is through lighting. In the "traditional" part of a supermarket, shoppers are used to certain aesthetics such as bright lights and merchandising materials. Grocerant areas, however, offer a broad set of décor possibilities - here is where mood plays a crucial role. Traditional interior design elements like furnishings, flooring, color and decorative accents can provide a space where customers can sit down and have a cup of coffee or share a meal with friends, in a comfortable and pleasant environment (Petrak, 2016).

Regarding the non-visual cues, such as auditory and olfactory ones, these are perceived by shoppers to be more effective in a dominant visual atmosphere compared to only adding new visual cues. If a retailer's objective is to offer sensory experiences to shoppers and to increase sales, then multi-sensory congruent cues (visual, auditory and olfactory) are worth considering (Helmefalk & Hultén, 2017). Thus, consumers participate in a fuller shopping experience when retailers allow all of their senses to be engaged with other people and products.

Many authors have discussed the relationship between atmospheric stimuli and arousal. Groeppel-Klein (2005) noted that arousal (the basis of emotions, motivation, information processing and behavioral reactions) is an important construct for the explanation of buying behavior and according to Kusumowidagdo *et al.* (2011) atmospheric stimuli does have a considerable effect on human behavior.

Retailers worldwide are already using store mood zones as part of the in-store strategy. In Portugal, in the retail setting, Continente and Pingo Doce, two of the biggest hypermarket and supermarket chains are physically highlighting the different areas inside the stores, and creating a complete different environment, making people almost feel like they enter another store. Continente for instance is doing that through store atmospherics, using colors, lights, merchandising, furniture and displays. It creates distinct spaces inside the same store with different decorative styles: premium wines zone, nutrition and biological products zone, pet zone, beauty zone, book zone, among others (Monteiro, 2016).

Worldwide, it is possible to highlight some other examples. Inageya, a supermarket chain in Japan, has introduced high-quality sofas, tables and chairs in many of its lounge zones. The aim here is to use furniture and other store atmospherics to create a distinctive space, in which customers feel more at home (Osaki, 2015). Family Mart, a Japanese convenience store franchise chain, already has in some stores a zone in which customers can charge their smartphones. Not only it creates a space with a distinctive mood, in-store, as it can make customers stick around for a while longer (Osaki, 2015).

2.2.4. Retailtainment

According to White (2010), retailtainment is the concept of adding entertainment and experiences to the retail mix, encouraging shoppers to remain longer in stores. This relatively new term that combines the words retail and entertainment, describes a retail experience that is defined by the added element of emotion, sound, activity, or ambience to entice the interest of shoppers, and ultimately lead to a purchase (Thun, 2017).

Recognizing the significant impact of store environment on consumer behavior and trying to stand out from the competition, more and more physical retailers devote considerable resources to store design and merchandise presentation activities (Kaltcheva & Weitz, 2006).

The interesting thing about entertainment brands is the fact that they have the advantage of attracting millennials and other younger shoppers easily. More and more retailers appreciate the degree to which a strong and well-planned entertainment strategy can drive traffic and create valuable synergies with the traditional retail stores. Entertainment introduces a social element, presenting a new and different range of engaging activities and memorable experiences, that gives customers reasons to stay longer in stores (Gonsior & Brown, 2016).

According to the Synchrony Financial "The Future of Retail" report from 2017, entertainment in retailing is about providing genuine brand experiences. People are social by nature and enjoy gathering in places to share ideas and be entertained (Synchrony Financial, 2017). The importance of the social element was also reinforced by Muhammad *et al.* (2014): "*store design and social factors are the two essential elements of store atmospherics that influence shoppers' hedonic experience".* And it seems like consumers agree on this idea: 55% of the surveyed consumers chose "an in-store experience that entertains me" as one of the top three most exciting ideas for the future of retail (Synchrony Financial, 2017). In that same report, Ryan Mathews from Black Monk Consulting said "*So, the question then is, if you do not need to go to a place to get stuff, what do you need to go to a place for? And that's kind of what we call higher-engagement things: the experience, advice, consultation, fun. It's moved beyond transactions into real relationships.*". It is seen that stores will not exist only to sell products, but also experiences and entertainment, connecting with consumers on a more personal level.

Advanced technologies have also been considered to have interesting applications in this thematic. In their study, Pantano & Naccarato (2010) referred *"technologies introduce new enjoyable tools in the stores and, due to their innovative characteristic, they are capable to stimulate consumers' interests".* With the introduction of technology in stores, the shopping experience becomes more interesting and exciting, affecting positively the consumer buying behavior. In fact, the presence of advanced technologies in-store can influence customers' search, choice and comparison of products, as well as incite them to interact with the products. According to the same authors, the interaction between consumers and the technologies also provides information about consumers' preferences, which is useful for the management to understand customers' behavior and to improve the quality of the products and the store in general.

However, retailers need to take into consideration that not every customer will find retailtainment a pleasant experience. According to Kaltcheva & Weitz (2006) two types of customers will react differently to high-arousal and entertainment retail environments. Task-oriented consumers view shopping primarily as a means for obtaining a needed outcome and wish to complete their shopping as efficiently as possible; therefore, task-oriented consumers find high-arousal retail environments to be unpleasant. On the other hand, recreational consumers derive intrinsic satisfaction from the shopping activity itself and therefore like high-arousal retail environments that create entertaining shopping experiences.

When searching for real examples of the application of retailtainment, it is more common to find retailtainment examples in shopping centers. In Chapman Taylor's (2015) article "Themed Retail: To Theme or not to Theme", some impressive examples are mentioned. There is the Madrid Xanadu Shopping, which embraced the sports theme in its design, and besides being an operating shopping center, also has Europe's longest indoor skiing track. The article also mentions Bangkok's "Terminal 21", described as a delightful shopping and dining experience, which is themed as an airport targeting tourists. It provides some global cities experience by placing several world-famous cities under one roof; for instance, The Golden Gate Bridge of San Francisco is down the mall from a London double-decker bus (Mackey, 2015).

In the c-stores setting, it was possible to find a convenience store in Japan, which incorporated a retailtainment action in the past. Family Mart is a Japanese convenience store franchise chain, the 2nd largest convenience store chain right behind 7-Eleven, with over 20.000 stores spread across several countries (FamilyMart, 2017). Family Mart, in a partnership with Yoshimoto, which is a major Japanese entertainment conglomerate, received performances by professional stand-up comedians in two of their convenience stores – one in Osaka and other in Shinjuku. The performances were free to watch and happened in the eat-in spaces of those convenience stores (Kirby, 2013).

2.2.5. Revolving Décors

In today's fast changing world, customers expect a novelty every day and have fluctuating desires. This is becoming a common condition but can prove to be troubling for many companies that are not able to innovate and surprise customers in every store visit.

The concept of revolving décors was first mentioned in 2010 and it is all about using flexible decoration and furniture, to allow quick and easy changes of the environment according to the existing needs (Marketing FutureCast Lab, 2017). When this system is used, the store atmosphere can be continuously reimagined and favorable conditions to surprise customers with each visit are created. The main objective of this retail trend is to create a live and dynamic store, able to be relevant for visitors and to satisfy their desire for constant novelty (Marketing FutureCast Lab, 2017).

The importance of the displays in the point-of-purchase was underlined by Johnson (2016). According to his report "How the Future of Retail Displays Affects Businesses", a strategically created point-of-purchase display *"can influence 75 percent of consumer buying decisions"* and its high-impact results in an evolving retail space.

PSFK "Future of Retail: Revolving Décors" report from 2010 states that retailers are building their whole spaces maintaining change in mind to keep stores fresh and relevant. The main objective is to implement displays and décor that are moveable and flexible so that they can be exchanged quickly. By doing that, the retail experience can be easily adapted and updated to keep up with prevailing tendencies.

There are several strategies that retailers can implement to achieve an easy and fast adapting environment (PSFK, 2010):

- **Creating decoration that stands on wheels:** This idea creates a lot of flexibility within the retail space because the wheels allow an almost effortless change of the environment and decoration, and it can be used for different purposes. MS Café, at the Muzeum Sztuki in Lodz, Poland, has some mobile wooden pods that both create flexibility in the environment and respect the historic nature of the museum. The wheeled boxes are used with the purpose of social gathering after the exhibitions;

- **Having modular furniture:** Retailers can also incorporate modular furniture in their stores' décor to achieve an environment that can be easily changed. Nike's pop-up London retail space has 12 modular wheeled units that look like tiered stadium seats. Those are versatile benches that can be used by customers to sit during events in-store or that can be arranged to create multi-level table-top displays for merchandise, which enables the store to easily update its look and feel;

- **Acquiring a secondary store/annex that changes regularly:** When retailers find it hard to rearrange their current spaces to achieve a friendly revolving décor environment, they can acquire a secondary store or an annex that changes regularly, instead of changing their current and already designed original physical stores. In New York, the Designer Jeff Staple runs two stores next door to each other. Reed Space, his main store, contains a mix of fashion and lifestyle products (e.g. magazines and t-shirts). A smaller unit next door changes its offering frequently with collaborations between Staple and other brands, art shows and new brand launches. By doing this, Jeff Staple can maintain his current store but still succeed in the revolving décors trend, by adding another store specifically developed for that effect;

- **Implementing specific rotating spaces:** When retailers cannot adapt their space in-store neither acquire a new one, they can implement a rotating space in the store, such as a wall or a shelf. A successful example of this strategy found in Supermarket Sarah, which is both a physical store and online shop from its creator stylist Sarah Bagner, that markets its collection of vintage clothing and objects. What Bagner creates is a rotating display of goods in a wall that works as the landing page for her site and function as an interactive web catalogue.

The implementation of these strategies implies an always changing scenario for stores' interiors. The important thing is to take into consideration that customers desire to see new thing every time they visit the same store. Hence, just like customers' demand is exigent and always changing, retailers need to be prepared to satisfy them with a flexible store environment that will surprise them every time they visit the store.

2.2.6. New Payment Methods

Technological advances have reinvented most things in commerce, including the way people pay for the products and services. Nowadays, consumers expect the checkout process to be frictionless – using technologies that remove the inconvenience of the process – and provide them the same level of security across all devices (Evans, 2017).

The frictionless checkout experience, using advanced digital payment technologies, is becoming a commodity in the commerce experience and is especially crucial in retaining the millennial shopper. For this generation, the smartphone is the new wallet and they will choose retailers that can provide them streamlined, user-friendly systems and processes (McGee, 2017).

Smartphones have become a key component of the consumer journey and retailers need to adopt a mobile payment solution that is of ease adoption and use for customers. Today NFC (Near Field Communication) is the predominant proximity technology, consisting of a small antenna within a smartphone that allows bi-directional communication with NFC readers, in order to perform contactless payment transactions. NFC provides a quick and easy user experience - retailers enter the amount to be paid and then customers approach their smartphone to the reader. In some cases, consumers need to enter a PIN or to use their fingerprint to validate the transaction (Barbero *et al.*, 2016).

In the American retail context, Walmart and Amazon are two of the main examples of a frictionless checkout shopping process:

- **Sam's Club App:** Sam's Club, an American chain of membership-only retail warehouse clubs owned and operated by Walmart, recently introduced a self-checkout app where customers scan the barcode of the products they want to buy as they put them in their cart. The app then keeps registering customers' purchases, until they finish shopping. The unique thing about this app is that customers can pay for the items directly in the app, instead of waiting in a queue. After finishing the payment and showing the digital receipt to the employee, the checkout process is finished and the customer can leave the store (Ufford, 2018);

- **Amazon Go:** Amazon's store is the best example of a frictionless shopping experience, because customers do not have to face neither lines or checkout. Amazon Go is a new kind of store that uses an advanced shopping technology (combining computer vision, sensor fusion, and deep learning), that requires no checkout. Amazon called it the "Just Walk Out" shopping experience because customers literally just need to walk out of the store in order to complete the payment process (Amazon, 2018). This is possible because customers use the Amazon Go app when entering the store – after that, the smartphone is no longer needed – and the virtual shopping cart keeps track of items (when they are taken from a shelf, or when they return to the shelf) and when leaving the store, the shopper's Amazon account is charged (World Economic Forum & Accenture, 2017).

2.2.7. Interactive Screens

In today's digital world, consumers wish to use technology to help them engage with the store. Thus, information displayed virtually is becoming a huge requirement and can be a powerful means to communicate complex information. Since many of today's customers have grown up using smart devices, store owners have no other choice than to stay exciting and innovative if they want to thrive in the retail industry and appeal to those customers (Whisbi, 2018).

All the recent technologies show immense potential for more creative and innovative uses of computing than ever before and large displays are increasingly more valuable (Ardito *et al.*, 2015). In the last few years, the retail industry has been faced with several successful retailers implementing interactive screens in their stores.

Stores using interactive displays – an innovative application of touchscreens deployed in retail - are adding an element of entertainment to the retail experience due to the capacity that these displays have to move customers' imagination and to transform what could be a static experience in a dynamic and entertaining one (Whisbi, 2018).

The remarkable thing about interactive screens is the fact that they can provide brand experiences inside or outside the stores with endless possibilities of uses. They can be used for inventory display, digital storytelling or even to enable stores to provide its customers 24/7 shopping service (Whisbi, 2018). The touchscreen surfaces usually take the form of a wall installation or a table fixture, which makes it possible for consumers to find out more about products in-store or even customize their experience with it (McQuarrie, 2015). But, nowadays displays are no longer limited to the conventional frame shape and size, they can now accommodate walls and even entire squares and streets (Kuikkaniemi *et al.*, 2011).

The uses are endless and so are the advantages for customers and retailers. From facilitating the entire buying process to bringing the store experience outside of the store, customers are faced with a new set of opportunities based on the use of interactive screens. Interactive displays can facilitate omnichannel sales since customers can have the same in-store experience (seeing and feeling the products) and then pick an item and pay for it via digital payment on the spot – it is a convenient scenario. When it comes to going out-of-store, interactive solutions help transforming window shoppers into customers, by sharing a unique and engaging brand experience with them, when they are not waiting for it (Whisbi, 2018).

For retailers, the main advantages are that these displays can teach customers about the company's products and services, facilitate brand activations and reduce the perception of waiting time (Samsung, 2018).

On his article about leading retailers that are using interactive technology to improve brand experiences, Lee (2013) refers the example of Build-a-Bear, which is reaching its young child demographic in an innovative way, through a partnership with Infusion. The retailer has implemented several interactive touch screen zones in some of its "future stores". The touch screens allow users to design their bears and define its color, pattern, species, outfit and even temperament. Although Build-A-Bear was already a successful and well-known retailer due to its innovative and entertaining stores, six months after the implementation of the touch screens areas, their sales increased by 30% (Lee, 2013).

Burberry, Tommy Hilfiger, New Balance and Alexander McQueen are some other retailers that have stood out in the interactive screens trend (Charlton, 2013):

- **Burberry:** Burberry's flagship London store features mirrors that double as video screens and has its staff armed with iPads. Besides that, they are using radio-frequency identification technology (RFID), which triggers related catwalk footage when some products are taken into a fitting room by customers;

- **Tommy Hilfiger:** Tommy Hilfiger's window shopping strategy from 2008 has proved to be one of the most successful ones. Their campaign encouraged shoppers to leave their images for use in a collage of images being shown in shop windows;

- **New Balance:** The New Balance iPad app is all about helping both customers and sales assistants with their experience in store, allowing them to access the entire product catalogue, consult stock information and help with sizing issues;

- **Alexander McQueen:** Alexander McQueen's flagship store in London contains touchscreen tables with images that customers can choose to project onto large video screens, transforming their experience in-store.

In their article, Kuikkaniemi *et al.* (2011) discuss how interactive screens will bring people together in public places and transform passive customers into involved ones, intensifying the social aspect of retail spaces and increasing customers' desire to spend more time in stores. So, if a retailer is struggling with ways to attract customers to its physical stores, applying this trend might prove to be a successful technique in attracting and retaining customers in a new immersive experience.

2.3. Partnerships

According to PwC's report "Strategic Partnerships: The Real Deal?", a strategic partnership *"involves some shape of formal agreement between two (a bilateral partnership) or more (a network partnership) parties that have agreed to share finance, skills, information and/or other resources in the pursuit of common goals"* (PricewaterhouseCoopers, 2009).

In the rapidly changing retail universe, partnerships may be more relevant than ever in this sector, either by allowing partners to make profitable use of excess space, increase foot traffic, develop new strategic competencies or to gain new insights into consumer behavior (Haslehurst & Randall, 2015). The right partnerships deliver value to both parts and create a whole that is much greater than the sum of the parts.

More recently, and according to Haslehurst & Randall (2015), retail partnerships have evolved and widened to assume distinct forms:

- **Traditional Brand-Retail Partnership:** In this kind of partnership, a renowned brand sculpts a "store-in-a-store" space inside a larger retail space. A good example is cosmetics and clothing brands inside department stores. A more specific and recent example can be Samsung inside Best-Buy, offering consumers a distinct, branded experience;

- **Retail-Retail Partnerships**: Happens when one retailer sets up a shop or takes over exclusive control of a category inside another retailer's store;

- **Digital Partnerships**: In these partnerships a small brand leverages the traffic, systems and/or logistics infrastructure of a larger e-commerce player;

- **Loyalty Partnerships**: Companies involve in the sharing of incentives and data across loyalty programs;

- **Marketing Partnerships**: Marketing partnerships are seen when brands targeting the same consumer demographic co-develop content for several communication channels (e.g. direct mail, ad spots, etc.), resulting in lower customer acquisition costs and better ROIs.

Usually, the most successful retail partnerships have in common the following aspects: the retailers' markets are similar (the pairing has to make sense); partners have clear expectations and support each other's' goals; and, there is a business plan designed to deliver maximum value (Haslehurst & Randall, 2015). It is fundamental that there is a congruence and a prior complementarity between the associated brands.

Depending on the goals and purposes of the retail partnership, some of the benefits that it can provide are: better use of store space, motivate foot traffic, improve customer experience, increase competitiveness and profitability in a specialized category, reduce costs, attract new customers and gain retail expertise (Haslehurst & Randall, 2015).

Worldwide, several examples are seen of convenience stores partnering up with diverse brands (Holtz, 2018):

- **Cumberland Farms & Sara Lee -** Cumberland Farm's convenience stores, in U.S.A. was suffering a huge decline in coffee sales in 2008. The store worked closely with Sara Lee to identify why customers were leaving the convenience store's coffee, who the c-store chain should be chasing and who was the key competition. Moved with the ambition of developing the stores into a top destination for coffee, the two companies closely developed a coffee brand that due to its success was later expanded to other products such as ice cream, snacks and shakes;

- **Maverik & Hershey's:** Maverik is regarded as one of the most dynamic chains in U.S.A. c-store industry. In 2017 when Hershey's announced the launch of a stuffed Reese's Peanut Butter Cup, Maverik wanted to get them first and introduce it to its customers. The two companies partnered-up and the c-store chain applied a "coming soon" approach campaign, building excitement via social media. The companies also worked together in developing television ads.

In Portugal, the main partnerships seen in convenience stores located in gas stations are between those convenience stores and major grocery retailers. Some examples are Gas Station Prio and Recheio Cash and Carry, Gas Station BP and Pingo Doce and Gas Station Galp and Continente.

2.4. Future Trends not matching Convenience Stores

Customers perceive the experience inside convenience stores as utilitarian, rather than hedonic (Berry *et al.*, 2002), which makes sense considering the goods and services usually sold in convenience stores. Therefore, not all of the previously studied trends should be applied in a convenience store context.

Retailtainment focuses on an experiential and emotional connection that is counterintuitive with the fast pace and low effort that a convenience store's atmosphere transmits. When a retailtainment strategy is applied in a retail environment, it usually means that customers will stay in the store to be entertained, and they will spend more time in there. However, some of the attributes that convenience store customers value the most are speed, easiness and clarity of processes. Thus, by adding an entertainment element to the experience, the retailtainment trend does not fit in the context associated with convenience stores and will not be considered for the empirical study.

Consequently, the trends that will be studied to comprehend if they fit c-stores are: New Products and Services, Hybrid Stores, Store Mood Zones, Revolving Décors, New Payment Methods and Interactive Screens. Furthermore, the importance of partnerships in the industry also proved to be relevant in the research pursued and will be tested as well.

3. Methodology

The research in this study began with research of theory and moved to field investigations. The first phase of research initiated with the identification of the newest trends in retail. Seven trends seemed to be the most emerging and interesting in the Retail Industry and benchmark was conducted to understand the application of those trends in the retail industry and, more specifically, in c-stores around the world. Following to this, research was conducted regarding the role of partnerships in retail.

From the research and benchmark conducted on the previously mentioned trends and the research in partnerships, several innovative concepts to apply in portuguese convenience stores were created. Those innovative concepts were presented to the partner company (Galp) which, in order to filter out the best concepts only, evaluated each of them regarding a) level of disruptiveness; b) business impact; and c) easiness of implementation.

As the research theme is hard to conceptualize for the general population, and for some people these trends are new, the chosen approach was to run exploratory and qualitative research. A quantitative approach was not considered because the respondents could not easily understand and evaluate new concepts and that could prejudice the conclusions.

A qualitative research allows the innovative concepts being tested to be evaluated in depth and in detail, by providing information about customers' behaviors, needs, desires, routines, and a variety of other information that is essential in developing a concept that will fit into the customer's life (Madrigal & McClain, 2012). This type of research requires flexibility and allows to react to respondents' information as it emerges during a session.

Table 1 presents the proposed research questions for the innovative concepts to be tested.

Table 1 – Research Questions to test in the Empirical study

Research Questions to test in the empirical study	
Selected Trends to Study	**Research Questions**
New Products and Services (2.2.1.)	RQ1: Would a new assortment of products and services be attractive for customers and increase their shopping intentions?
Hybrid Stores (2.2.2.)	RQ2: Would convenience hybrid stores increase the number of visits to the store and shopping intentions?
Store Mood Zones (2.2.3.)	RQ3: Would distinct areas in the same store improve the in-store experience and attract more customers?
Revolving Décors (2.2.5.)	RQ4: Would the existence of thematic and revolving zones inside the convenience store be of great interest and increase customers' visits to the store?
New Payment Methods (2.2.6.)	RQ5: Would the implementation of payment with smartphones ease the checkout process and attract more customers to the stores?
Interactive Screens (2.2.7.)	RQ6: Would customers value the placement of Interactive Screens with storytelling content and featuring tutorials and information about products?
Partnerships (2.3.)	RQ7: Would the creation of several partnerships with renowned and established brands influence customers' intentions in visiting and buying in a convenience store?

Following **Table 1**, the second phase of research was based on collecting primary data through a Focus Group, where there was also an opportunity to apply individual questionnaires and, therefore, reach conclusions on the formulated research questions.

The choice of combining the Focus Group with individual questionnaires was pursued to make sure we had every participant's opinion and to demonstrate reliability of research findings (Mayer, 2015).

A Focus Group permits a richness and a flexibility in the collection of data, which is not usually achieved when applying an instrument individually. At the same time, it permits spontaneity of interaction among the participants. However, in some cases, peer pressure on Focus Group participants can lead them to tell only what they think the researcher wants to hear, causing a measurement bias. To combine individual (questionnaires) and group research (Focus Group) methods helps reduce this bias (Kennedy, 2009).

In social sciences, individual interviews and the observation of participants in group are the main methods used to collect qualitative data. Focus Group has the advantage of combining elements of these two approaches by interviewing participants in groups (Freitas *et al.*, 1998).

A Focus Group is especially effective when it is wanted information about people's feelings and thoughts about an experience or an idea. This effectiveness occurs due to the way this method works - it gathers people in a group, creates environmental conditions for everyone to spontaneously express themselves and facilitates the interaction between the participants (Freitas *et al.*, 1998).

3.1. Focus Group

The empirical part was co-developed with André Pinto da Costa, a student from the MSc in Marketing from ISCTE-IUL, who is also writing the Master Thesis dissertation about new retail trends in convenience stores.

Before conducting the Focus Group, the partner company (Galp) agreed with all the innovative concepts being studied and the selected method of study. The partner company also gave its opinion on the parameters that should be used in the individual questionnaires.

The Focus Group occurred in ISCTE-IUL with ten portuguese consumers, and was conducted by ISCTE-IUL professor, Pedro Dionísio. According to Marrelli (2008), one must use groups of moderate size (from five to twelve people) so that the group is small enough to allow all participants an opportunity to share its perceptions, and big enough to provide diversity of perceptions.

The participants were selected by Raquel Sousa and André Pinto da Costa and the requirements for the participants to be eligible to contribute in the study were to have a valid driving license and to have visited (at least once) convenience stores located in gas stations, in the last twelve months. When choosing the participants, a special attention was paid to choose consumers with different ages, backgrounds, professional occupations and buying habits; but still maintaining a reasonable homogeneity inside the group to encourage discussion and to make each participant comfortable speaking with the others (Morgan, 1988, in Freitas *et al.*, 1998).

When contacted, the participants were informed that the Focus Group was being conducted in the scope of research for a Master's Thesis related to new trends and innovative concepts in convenience stores.

In the Focus Group, the participants were seated at a u-shaped table. Each participant's name was visible for the others and the moderator was seated at the head of the table. In the beginning of the Focus Group, the moderator asked for permission to record (both video and audio) the session, as a fundamental means to assure the quality of the data and to facilitate its collection and analysis. The confidentiality of the participant's responses was assured, for other issues than not the Master's Thesis.

After that, the session was initiated with the moderator presenting himself and asking the participants to briefly present themselves as well. Then, the moderator moved to some introductory open-ended questions, regarding three themes: I. general buying and consumption habits; II. buying behavior in gas stations; and III. preferences.

Moving to the presentation of the innovative concepts, a script (**Annex 1**) with open questions was followed and every time the moderator presented an innovative concept every participant was asked to fill in a questionnaire evaluating the concept quantitatively. Depending on the concept, the questionnaires **(Annex 2)** were designed to quantitatively evaluate the concept's utility, attractiveness, appeal to increase sales and appeal to increase store visits, from 1 to 5. After collecting the questionnaires regarding each concept, the moderator initiated the discussion, repeatedly.

4. Data Analysis

In this chapter, the qualitative feedback obtained from the participants in the Focus Group will be analyzed. This chapter will be divided into several sections, starting with socio-demographic data on the participants, moving to insights obtained regarding the participants' buying behavior and convenience stores' opinion. Henceforward, it will be interpreted the information collected regarding the innovative concepts, where the participants gave their insights on the open questions asked by the moderator and evaluated the concepts in individual questionnaires. The participants' perspective on the concepts will be analyzed for convenience stores placed in gas stations in general, and not to a specific brand.

As mentioned before, the tested concepts fit in the following trends: New Products and Services, Hybrid Stores, Store Mood Zones, Revolving Décors, New Payment Methods, Interactive Screens and Partnerships.

4.1. Participants' Socio-Demographic Data

The Focus Group audience was composed of ten participants, six males and four females with an average age of twenty-nine years old, ranging from twenty-one to sixty-two years old. From those, six are still students (four are undertaking a master degree and two are finalizing the bachelor degree) and the remaining four are working. What the participants had to have in common was a driving license and have visited (at least once) convenience stores located in gas stations, in the last twelve months.

For the purposes of confidentiality and to facilitate future references and quotations of each participant, a letter (from A to J) was attributed to each of them **(<u>Annex 3</u>)**.

4.2. Participants' Buying Behavior and Convenience Stores Opinion

4.2.1. General Buying and Consumption Habits

To better understand the participants' response in certain concepts, it was important to comprehend, firstly, their general buying and consumption habits. For instance, it was important to understand if the participants eat outside of home on a regular basis or not, to better analyze their responses regarding the food concepts presented for the convenience stores.

The first question posed by the moderator was *"Besides shopping in supermarkets and hypermarkets, do you also buy home supplies in other stores? If so, in which kind of stores?"*. This question was important to understand if customers also use convenience stores to buy home supplies or not. **The responses showed distinct buying habits and no harmony between the participants' preferred type of store to shop for home supplies**: most participants said they shop for home supplies always in hypermarkets and supermarkets. Some participants stated to have preference for traditional markets when it comes to fresh products such as fruit and fish. Only Participant **F** said that when something is missing at home it is usual to buy what is missing in a convenience store.

The second question posed by the moderator was *"Do you usually have some meals out of home (from breakfast to dinner)? And in what type of establishments?"*. Participants **E** and **F** have similar routines - during the week, they usually take to university their meals from home and only in some days and weekends they have dinner outside of home. Participant **D** has dinner out about three times a week and Participant **A** always saves the weekends to have dinner out with friends, in several restaurants. Lastly, Participant **H** said *"During the week, when I work, usually I have lunch out of home. At weekends, usually I go to McDonald's because of my kids."*.

4.2.2. Buying Behavior in Gas Stations

Regarding the participants' buying behavior in gas stations, the moderator asked *"What do you enjoy the most and the least about convenience stores?"*. Here, several and distinct opinions were obtained. Participant **D** said *"I like the fact that I can pay for tobacco with credit card. The least positive aspect for me are the prices that are practiced in convenience stores – the prices are very inflated. Also, many times during the morning there is only one employee that is serving breakfast and attending people wanting to pay only for gas, and it takes a long time."*. Participant **C** agreed on the waiting time in lines and added that *"Many times the payment systems are down."* Regarding the most positive aspects the same participant stated, *"What I like the most about the convenience stores I go to, is the fact that they have Jogos Santa Casa and coffee."*.

Participant **F** shared the same opinion as the previous two participants regarding the payment lines: *"What I enjoy the least is when there are not many payment lines and*

I have to wait a long time just to pay for ten euros of gas. My favorite stores are those in which there is an employee who fills the car deposit for me and I do not even have to get out of the car.".

Participant **H** highlighted something not mentioned by the remaining participants: *"There are CEPSA stores in which I find the customer service to be amazing, and others in which it is terrible. And the same for Galp. I select the convenience stores according to the customer service quality, many times my choice is not even related with the price of the gas.".* Regarding the positive aspects, the participant said, *"The most positive aspect is the convenience itself – when I do not have water at home or I need tobacco, I go to the gas station by car and I buy it.".*

Lastly, Participant **A** brought a different insight to the group regarding the positive aspect of a convenience store. In the participant's opinion *"The positive aspect is related with the organization inside the convenience store. Every product category has its space well defined. The environment is organized and clean."* For the less positive aspects the stated was *"The negative aspect for me is related with the employees' knowledge regarding the products for sale in store.".*

Summarizing, **the positive aspects referred by the participants were related with payment convenience, products and services offering, organization and the environment in-store.** Regarding the less positive aspects there were mentioned factors such as customer service, waiting time in payment lines, unreasonable prices and employees' lack of knowledge on the products.

The second question posed by the moderator in this topic was *"How often do you visit convenience stores?"*. Participants **C**, **D** and **F** visit a convenience store on average two times a week. Participant **C** said *"Usually every Thursday and Sunday, because those are the days in which I register the Jogos Santa Casa. And because the store has the coffee area, I order coffee and spend there some time on my smartphone.".* Participant **F**, who is also an assiduous consumer said *"On a weekly basis, if not more than one time every week. Sometimes I do not have money with me, so I go to convenience stores to drink coffee and I pay with my credit card."*

Participant **J**, on the other hand, is less of an assiduous consumer *"Now, I do not visit convenience stores very often. But when I was in high school I used to go there a lot with my friends to eat something during school breaks.".*

The remaining participants only visit convenience stores punctually or when they need to put gas in their cars.

4.2.3. Preferences

Lastly, it was asked to the participants which portuguese convenience stores they have visited in the last year, and their preferred. The following table (**Table 2**) summarizes participants' responses. The participants who are not shown in the table below usually rather pay for gas outside of the store (**B** and **E**) or do not visit convenience stores that often (**A** and **J**), so they do not have a preferred one.

Table 2 – Focus Group Participants' Preferred Convenience Stores

Participant	Visited	Preferred
G	BP	*"**BP** because I have discounts and is the closest to my home."*
H	CEPSA and Galp	*"**CEPSA** but only because is the one closest to my home."*
D	BP and Galp	*"I prefer one of **BP**'s stores in particular because I already know some of the employees and I established a close relationship with them. When I choose Galp is more because of Frota discounts. Usually when I buy other things, rather than gas, I do it in the BP store close to my home."*
C	Galp and Prio	*"**Galp** because I have more choice options and variety."*
F	BP and Galp	*"I honestly prefer **BP** because I've been going there for a long time, I already know some of the employees and the customer service is good. I also like Galp but I consider BP to be friendlier and the store is more organized."*
I	Jumbo	*"Lately I've been going to **Jumbo** because of the prices."*

4.3. Innovative Concepts in Convenience Stores: The Perspective of Customers with Distinct Buying Habits

4.3.1. New Products and Services

Players in the convenience store industry focus mainly on being product sellers, but it is critical for them to evolve more into problem solvers (Riell, 2013), providing not only products but also services that address the changing needs and wants of their customers, offering them great value (Grewal *et al.*, 2017).

Nevertheless, one thing that is always maintained is convenience (Riell, 2013). Thus, the new offerings need to keep obeying to the primary goal of these stores - sell convenience and allow customers to quickly buy what they need.

4.3.1.1. New Food Assortment

The first concept proposed consisted on a change in the convenience store's current product assortment. As mentioned in the **Section 2.2.1.**, portuguese consumers are concerned with their health and well-being, which is being reflected in their daily-lives and choices (Marketeer, 2017).

It was suggested to add healthier food (such as fresh fruits, vegetables, salads and dry fruits), protein food (e.g. protein supplements) and free-gluten and free-lactose food products. All of this with the extra of on-the-go packaging features, to make it even more convenient.

As mentioned in **Section 3.1.**, for each concept proposed, a questionnaire with a scale from 1 to 5 was applied and the average punctuation will be considered when evaluating for the concepts' relevance and fit to a convenient store.

The New Food Assortment concept received average evaluation and satisfactory comments. Regarding the likelihood of increasing purchase and store visits, the participants' average evaluation was 3.3 and 3.2, respectively. Different opinions were received in the discussion part: Participant **C** confessed that he could not imagine himself going to a convenience store to buy this type of products but Participant **D**, on the other hand, affirmed *"I see food as a great attractor to the store. If I am out of home and want to eat something fast and healthy, I will choose McDonald's and walk for 2, 3 or even 5 km to go there and eat something light (e.g. Salad). If that was available in a* *closer convenience store and with extended working hours, I would be a guaranteed customer.”*.

4.3.1.2. New Beverages Assortment

The second concept proposed consisted on a new assortment of made on the day healthier beverages (juices, smoothies, slushies, etc.) with different flavors, to sell in the Coffee Area inside the convenience store.

The evaluation received by this concept was similar to the evaluation on the food assortment – 3.1 for both the increasing purchase and increasing store visits parameters. Not many comments were made when this concept was presented, with the exception of Participant **C**, who had no interest in the proposed food assortment but evaluated greatly this concept and said *“I see myself buying slushies and smoothies, easily.”*.

4.3.1.3. Take-Away Meals

With the aim of increasing customers' options of food to grab-and-go in convenience stores (which usually consists of pre-made sandwiches), it was proposed to add take-away meals to the stores' assortment. **This idea was greatly received by the participants**, which evaluated it with 3.5 for both parameters applied in the questionnaire (increasing purchase and store visits). Participant **J** showed great enthusiasm in this option, especially due to her health condition *“For me, as a gluten intolerant person, if I want to eat something in a gas station the only option I have are pre-made sandwiches and I cannot eat them for obvious reasons, so it would be nice to have diverse meals that I could grab with my friends.”*. Participant **I** also shared its opinion by saying *“If I am on a highway and stop in a gas station, instead of going to the restaurant nearby it would be very nice to have something tasty, quick, fresh and easy to eat on-the-go.”*.

4.3.1.4. Automatic Vending Machines

The proposed Automatic Vending Machines concept had the intention of providing several types of products of urgent need (from food to baby and hygienic products), which would be available all day, but would probably prove to be more useful during the hours in which there is no service available in-store. The placement of the vending machines in the storefront window surged as a great opportunity to keep selling during late hours, without employees.

The acceptance of this concept was very high, reaching a score of 4.1 in the parameter "increase purchase" and 4.2 in "increase store visits". The participants' feedback was equally positive with suggestions for products which would be good to have in those machines. For instance, Participant **F** suggested products such as tampons and sanitary napkins: *"Awesome because I do not need to bother the worker to go and grab my stuff (when the store is opened) and it would be nice if the vending machine had tampons and similar hygiene items ready to buy.".* Participant **E** suggested to add stationary items to the vending machines: *"I would really enjoy it if it were to sell stationary items – like pens and erasers – because we need to constantly buy them and I do not like to wait in line to buy them.".* It also proved to be a great option for customers that do not like to go inside the stores, as it is the case of Participant **B** who stated *"As I usually do not go inside the store, a machine like this would be very good if I wanted to buy something, because I do not have to go to the line and talk to the employee.".*

Finally, Participants **C** and **G** considered this concept an appropriate alternative for food products. Participant **C** highlighted the convenience of the concept in late hours *"Due to the late working hours of my profession, this concept would clearly solve the problem of having to buy some food at 2 or 3 in the morning."* and Participant **G** affirmed *"I would use it to buy common stuff, such as bubble-gum, sodas and cookies. I like the fact that I do not have to go inside the store.".*

4.3.1.5. Automatic Laundry Service

The Automatic Laundry Service, which consists of a space where clothes are washed and dried without much personalized professional help, **revealed not to be useful for the participants in the Focus Group**, mainly because they have laundry machines in their houses. However, it was referred by some of the participants that the concept could be useful if a problem occurred (e.g. if the laundry machine malfunctions) or in the case of people that do not have a laundry machine at home. Overall, the concept was poorly evaluated in the individual questionnaires: average of 2 for the parameter increase purchase and 1.9 in increase store visits.

Most of the participants shared Participant **E**'s opinion *"I understand that it might make sense for people living alone, especially if they do not have a washing machine. As I live with my parents, for me the concept does not have interest.".*

Participant **C** rejected the concept by saying *"For me it does not have any interest. First, because I have one close to my house and I would not grab my clothes and go to the convenience store to wash them."*. Participant **D** also rejected it but left an advice *"Laundry service for me does not have any interest. But if it was a place with ironing service, I would be a client."*.

4.3.1.6. Ticket Selling Area

The Ticket Selling Area concept was explained to the participants as a small area inside a convenience store to sell tickets for concerts, theatre shows and other recreational/cultural events. **It had medium-high average evaluation on both parameters evaluated:** increase purchase - 3.3 and increase store visits - 3.5.

The concept received a positive feedback mostly because places that sell tickets usually do not exist in every city corner. Gas stations are more common and easy to get to, as Participant **G** affirmed *"I think it is a good idea because there are not that many physical locations to buy tickets for shows and gas stations are more common*.". Participant **I** agreed and added *"Everyone passes near gas stations. That way I would not have to go to Fnac, which does not exist everywhere."*.

4.3.1.7. Self-Service Printing Machine

The idea for the Self-Service Printing Machine concept surged to provide customers an extra convenient location to print or copy documents and pictures in extended hours and during weekends. This concept allows customers to use the machine and print or copy documents independently, without needing to rely on store staff to do it. In self-service printing machines, the only thing needed is a pen drive, a camera or a smartphone, containing the files to print, to connect to the self-service printing machine.

Overall, this concept received high evaluation and positive feedback. The comments made by the participants were favorable and demonstrated acceptance of the concept and the evaluation in the questionnaires corroborated with the qualitative feedback: the average evaluation of the parameter "increase purchase" was 4 and of "increase store visits" was 4.1.

Participant **E** highlighted the relevance of this concept for students *"I liked this idea because there are not that many places for us to print things and most of the stationary stores close early. There are occasions in which we need to print university* *reports later, for instance.”.* Participant **G** also focused on students, but especially on those living temporarily in Lisbon, *“I have some friends that live in rented houses in Lisbon, so most of them do not have a printer at home. I think it is useful for them.”.*

Participant **H** focused on the convenience on the concept even in the cases in which people have a printing machine at home, *“Also in situations in which people run out of inkwell or paper it might prove useful, especially in late hours.”.*

4.3.1.8. Shredding Machine

Following the previous idea, it was suggested another machine, but this time one that allows customers to get rid of papers (e.g. confidential or fiscal documents).

The concept was rejected immediately, receiving an average evaluation of 1.4 in the “increase store visits” parameter. No comments were made in this concept leading to the conclusion that this was not an interesting or convenient concept for the participants.

Table 3 – Evaluation of proposed concepts to understand the validity of RQ1

Proposed Concept	Increase Purchase	Increase Store Visits	Most relevant influences	Overall Evaluation
New Food Assortment	3.3	3.2	Availability during late hours	Accepted with mixed opinions
New Beverages Assortment	3.1	3.1	-	Inconclusive
Take Away Meals	3.5	3.5	Variety, Convenient for long trips, Freshness	Accepted
Automatic Vending Machines	4.1	4.2	Not having to enter the store, independency, availability during late hours	Accepted
Automatic Laundry Service	2	1.9	-	Rejected

Ticket Selling Area	3.3	3.5	More locations to buy tickets	Accepted
Self-Service Printing Machine	4	4.1	More locations; availability during late hours	Accepted
Shredding Machine	-	1.4	-	Rejected

Joining the outcomes from the questionnaires and participants' insights during the Focus Group, it was possible to conclude that **RQ1 was positively verified**. Of all the concepts, there were three that stood out the most: Automatic Vending Machines, Take-Away Meals and Self-Service Printing Machine.

4.3.2. Hybrid Stores

In the investigation conducted on Hybrid Stores, one of the advantages referred by the authors was that the appliance of this trend in stores can delight and attract consumers with products and services that either pair well together or surprise customers by being an astonishing combination (McQuarrie, 2014). Inspired on the food service examples found in the context of convenience stores, the research conducted on partnerships, and keeping in mind Roger's (2003) five perceived attributes of product innovation, three concepts were tested.

4.3.2.1. Salad Station

The Salad Station concept consists on a station in which customers can create their own salads, by choosing the ingredients in it. Customers can choose to take-away or eat-in (in the eating area inside the convenience store). To become a more attractive concept, it was proposed to create a partnership with one successful established salads restaurant in the portuguese market (e.g. Vitaminas) and a picture of Vitaminas' counter was shown to the participants.

In this concept, the Focus Group participants had distinct opinions: while some consider that salads are a complete meal, others consider that it is not enough. This was reflected in the negative evaluation given in the questionnaire parameters (2.5 – increase purchase; 2.3 – increase store visits).

Participant **B** confirmed the fact that having a partnership with an established brand would be a plus *"If the salads were associated with Vitaminas, which for me represents a brand with high quality salads, I would think about going there*." and Participant **H** showed great enthusiasm with the implementation of this concept in a convenience store *"For me it makes a lot of sense. Every time that I go to a shopping mall, if I have a restaurant that offers salad options, I always prefer it. If a convenience store would offer this, instead of those pre-made sandwiches, I would definitely prefer the salads."*.

As for Participant **J** a salad is a complement and not a complete meal, it would not be a concept that would either increase purchase or store visits: *"Salad for me is a complement and not a complete meal. If I eat a salad for lunch, I will be hungry in an hour, so I would not go on purpose to a convenience store to feel hungry again one-hour latter."*.

4.3.2.2. Sandwich Station

The logic behind this concept is the same as in the Salad Station – customers can personalize their sandwiches by choosing the ingredients. **The punctuation given to this concept was positive and higher to the one given to the Salad Station concept**: increase purchase - 3.4 and increase store visits - 3.3.

Participant **C** was the only one that gave its opinion on the concept *"For me, as I do not like salads, every time I want a sandwich I have to ask to take the lettuce and tomato off, for instance. I think that personalized sandwiches are always a better option than those that are pre-made."*.

4.3.2.3. Frozen Yogurt Station

The Frozen Yogurt Station inside the store follows the personalization logic of the concepts above, but it is a more fun and creative idea. It consists of an impulse product, but in a healthy and fun manner.

This concept received an average evaluation and good comments overall. The evaluation given for both the parameters increase purchase and increase store visits was 3.1.

One of the highlighted advantages was the location that frozen yogurt stores usually undertake - shopping malls. Participant **E** enhanced the advantage of c-stores' convenient location *"Usually those concepts only exist in shopping malls. If I had this available in a convenience store, I would not go to the shopping to buy the ice cream, I would rather do it in the gas station."*.

Participant **G** referred that this concept would be particularly attractive for families on the road *"Personally, I am not a big fan of ice creams, but I think this is a great solution for families on the road. A frozen yogurt is always a better and healthier option for the kids, than the usual ice creams available in the stores."*.

Another participant gave a different insight, highlighting the seasonality and the gracefulness of this offering *"I think that this concept, for its practical component, and specially its attractiveness during the summer time, would motivate me to buy. The concept is not only practical but also fun, and I think it would be very appealing for customers."* (Participant **A**).

Table 4 – Evaluation of proposed concepts to understand the validity of RQ2

Proposed Concept	Increase Purchase	Increase Store Visits	Most relevant influences	Overall Evaluation
Salad Station	2.5	2.3	-	Concept Rejected
Sandwich Station	3.4	3.3	Personalization	Concept Accepted
Frozen Yoghurt Station	3.1	3.1	Location, Attractivity	Inconclusive

Summing up, the RQ2 intends to conclude if having a hybrid convenience store would increase the number of visits to the store and shopping intentions. The Salad Station had a poorest evaluation than the other two proposed concepts, that received positive feedback and comments. Thus, this research question (**RQ2**) was partially verified. The Hybrid Stores trend has some potential in their application to c-stores that must be well explored so the chosen concept can please to most of the customers visiting the store.

4.3.3. Store Mood Zones

Exploring the five senses and their influence on shoppers' emotions and buying behavior, retailers can create outstanding experiences. Crafting distinct spaces in the same physical store with different atmospherics is one of the newest trends in retail. Inspired by what supermarket and hypermarket chains are already doing in Portugal **(Section 2.2.3.**), four distinct areas in the convenience store were proposed.

4.3.3.1. Kids' Zone

This concept consists of a space destined to children, so that they can spend some time entertained inside the store, while parents have the chance to relax and eat something, while watching over the children at the same time. **This zone was poorly received, with an average score of 2 for the parameter "utility"**. The parents who were present in the Focus Group commented that they do not like the idea of having their kids in areas with no special surveillance or cleaning care (comparing them to McDonald's kids' zones), preferring to let them play in specific places with the objective of providing fun to children (such as KidZania). One of the parents, Participant **H**, was absolutely against this concept *"I have kids and I have never even considered to let them go to the McDonald's kid zones, for instance. It is different if I go to KidZania or other place specific for that effect because in those places I know that the cleaning and the security issues are better."*.

Other participants think that the noise created by those spaces is very unpleasant and bothers them. This was the case of Participant **C** who said *"I scored it as a "1" because when I go, for example, to a Burger King with an area for kids, all the noise causes me confusion. I like it to be quiet when I am inside a store."*.

However, Participant **E** argued that in long family trips it could be a good concept to let kids relax and stretch their bodies, which is a positive point and could be tested in one of Galp's convenience stores located between cities: *"In long family trips when the parents want to eat something, this zone makes sense for the kids to spend some time."* and Participant **B** said it makes sense if the concept of the store changes *"If we associate this concept with the previously mentioned ones (for example, the Starbucks Coffee), and as long as it is a controlled and safe area for the kids, I think it makes sense."*.

4.3.3.2. Pet Zone

The Pet Zone was created with the aim of providing a store zone with a different mood and decoration, with several products (food, goodies, toys, accessories, etc.) for pets. This concept could also contribute to the store's diversification of supply.

The scores given to the concept did not show much enthusiasm: 1.8 for the parameter increase purchase and 2 for the parameter increase store visits - both below the average.

Many of the respondents do not have pets, so they do not see it as a useful concept and the only participant that has pets did not find any usefulness in the concept: *"I have one cat and one dog and I usually shop their food in big supermarkets and in big quantities, taking advantage of all the promotions and sales we get nowadays. To have it available in a gas station is not something that I would consider advantageous."* (Participant **H**).

4.3.3.3. Phone Charging Station

Inspired on the Family Mart idea presented in **Section 2.2.3.,** a zone for customers to charge their smartphones safely and for free, was suggested. With a phone charging station, consumers do not need to worry about a dead phone battery and while they charge their phone they spend more time in store, shop longer and spend more.

When evaluating this concept, **customers' comments were positive but the punctuation given in the questionnaires for the parameter "increase store visits" was average – 3.1.**

The convenience of this concept was corroborated by Participant **C** which, by professional experience, knows that many people would use it *"In my professional experience, most people (about 80% of my clients) when enter the car immediately ask for a phone charger."*.

Some participants talked about the fact that nowadays there are power banks to solve the issue of running out of battery during the day, but for Participant **F**, the consumer-type of this service, it is also not a solution: *"I have the particularity of always running out of battery. Any charging spot idea for me is always a great idea. And even if I have a power bank, I usually also forget to charge it."*.

4.3.3.4. Stands and Promotional Actions

The main goal of this concept is to attract and present customers with several products and services with samples/free trials. Some examples are food tastings or, in the long-distance roads convenience stores, lounge areas, branded by gaming brands, with consoles and games for people to try out.

The concept did not cause many enthusiasm and received a score of 2.2 in the parameter increase store visits. Participant **J** said *"I do not consider this concept to be relevant."* and Participant **E** said *"I would not like to be called to try or test anything. I would not go."*. So, not only the concept did not cause enthusiasm as for one of the participants it would be senseless and inappropriate.

The only positive comment received was from Participant **I** which said "*I liked it because my father and brother, for instance, are always looking for promotional actions and test-drives. I think it would be nice to have some events and actions."*.

Table 5 – Evaluation of proposed concepts to understand the validity of RQ3

Proposed Concept	Increase Purchase	Increase Store Visits	Utility	Most relevant influences	Overall Evaluation
Kids' Zone	-	-	2	Adequate for long family trips	Rejected
Pet Zone	1.8	2	-	-	Rejected
Phone Charging Station	-	3.1	-	Utility	Inconclusive
Stands and Promotional Actions	-	2.2	-	-	Rejected

Except for the Phone Charging Station concept, which only received average punctuation but had some positive comments, the remaining concepts proposed to create Store Mood Zones inside the convenience store were rejected. Hence, this research question (**RQ3**), which intended to conclude if store mood zones in a convenience store would improve the in-store experience and attract more customers, ranked low in the majority of the concepts and was rejected.

4.3.4. Revolving Décors

Remembering Johnson (2016), point-of-purchase displays offer retailers the unique opportunity to catch the attention and induct a positive retail experience for the consumer. Inspired on the examples presented in PSFK "Future of Retail: Revolving Décors" report from 2010, two concepts were created with the aim of adding some renovation and dynamism to Galp's offering assortment. Either in corners or in shelves, the main idea is to change, from time to time, the overall theme/category of products displayed, causing a feeling of curiosity in customers.

4.3.4.1. Revolving Corners

The first concept proposed was adding revolving corners to the stores, which basically would consist on reserving a corner in the store to sell products related to a specific theme, which would be changed frequently - for example, during the summer the store could have a corner with products for the skin and hair. **The punctuation given to the parameters in the individual questionnaires was below average** (increase purchase: 2.5 and increase store visits: 2.6).

In the discussion part no main comments were made, with the exception of Participant **C**, who had a particular suggestion for this concept: *"I am very supportive of those areas. I would like, for example, to find some ethnic food (I was born in India) and we only have a few locations to buy them. Since many people enjoy that, and it is hard to find, some thematic corners would be nice and a win-win situation."*.

4.3.4.2. Revolving Shelves

This concept follows the logic of Revolving Corners but would be a dynamic shelf, with several products related to seasonal and often altered themes. **The concept received exactly the same punctuation as Revolving Corners** - mostly because the concepts are similar, in terms of rotating the products being demonstrated. However, no main comments were made.

Table 6 – Evaluation of proposed concepts to understand the validity of RQ4

Proposed Concept	Increase Purchase	Increase Store Visits	Most relevant influences	Overall Evaluation
Revolving Corners	2.5	2.6	-	Rejected
Revolving Shelves	2.5	2.6	-	Rejected

The participants' contributions to the concepts presented towards reaching conclusions on the **RQ4** and the evaluation in the questionnaires were not enough to lead to the acceptance of this research question. Hence, this Research Question was rejected.

4.3.5. New Payment Methods

The digitalization of the retail sector is a reality and so is the fact that the "mobile first" generation is the one setting the pace for the evolution of the sector trends. Because this is a strongly digital generation, mobile first consumers like to have instant responses to their demands. Due to that, this generation believes that physical stores would be more attractive if they offered easier payment methods with no waiting time in line (O Observador Cetelem, 2018).

4.3.5.1. Payment with Smartphone

The option to pay with smartphone in convenience stores was one of the best punctuated concepts. It follows one of the main trends in retail and customers seem to support this new payment method a lot. Regarding the parameter "utility", the score obtained was 4.6. The parameter "increase store visits" received a score of 4.1.

By offering a solution to pay that is effortless and facilitates the shopping process, customers not only feel like this is a useful concept but also that it can increase their visits to the stores that have this payment method available.

Participant **B** highlighted the easiness that this concept brings to the shopping process *"I liked the idea, off course. Once again it is about facilitating the entire process."*. Participant **D** corroborated with the idea, being himself a supporter of any method that facilitates the payment *"I like everything that makes the payment easier. For instance, I always use the contactless on my credit card*.". This participant had previously stated, in **Section 4.2.2.,** that one of the positive aspects of convenience stores is the fact that it is possible to pay for tobacco with credit card, thus showing that payment method is an important part of the shopping process.

For participant **A**, it is all about needing only one thing that is always with us nowadays - *"Everything will be more practical, and we do not need anything else than what is always with us – the smartphone."*.

Table 7 – Evaluation of proposed concept to understand the validity of RQ5

Proposed Concept	Utility	Increase Store Visits	Most relevant influences	Overall Evaluation
Payment with Smartphone	4.6	4.1	Easiness, facilitates checkout process	Accepted

This concept was well accepted and shows that retail stores need to adapt to the mobile-digital world that today's society is heading to. Both the punctuation in the questionnaires and the feedback from the participants were very optimistic. Thus, **RQ5** was positively verified, with customers stating that only needing what is already always with them – the smartphone – facilitates the checkout process and is very useful.

4.3.6. Interactive Screens

Stores are one of the locations usually chosen to measure the impact of interactive displays in a commercial context, being used to evaluate the benefits for merchandising, advertising and communication (Ardito *et al.*, 2015). Reminding Grewal *et al.* (2017), retailers must consider how to best engage customers in stores using visual cues contained within digital displays.

4.3.6.1. Interactive Screens with Storytelling and Tutorials

This concept allows customers to use an interactive screen in-store, to access content about the company, the products and promotions available. Moreover, in this displays there would be available for consultation various tricks and suggestions for the use of various products (mostly the ones to be used in cars) and other useful tips for car owners.

This concept was rated as very useful (utility - 4.1), but would not interfere much with the frequency of visits to the stores (increase store visits - 2.8).

In the discussion part, the participants highlighted the tutorials the most. Participant **E** said *"What I liked the most was the idea of having tutorials in those screens. The other day I needed to increase the car's tires pressure and it was a challenge for me. It would be very useful to have tutorials in a gas station about those things."*.

Table 8 – Evaluation of proposed concept to understand the validity of RQ6

Proposed Concept	Utility	Increase Store Visits	Most relevant influences	Overall Evaluation
Interactive Screens with Storytelling and Tutorials	4.1	2.8	Tutorials	Accepted

Even though this concept would prove to be more useful than to increase the frequency of visits to the store, it is important for a brand to apply concepts that help engage and connect with its customers. Interactive screens not only grab customers' attention, can be flexible and informative but are also a great tool in achieving customer engagement, which creates more confidence and loyalty towards the brand, making it more likely for the customer to remember the brand and the store (skytechnology, 2017).

Consequently, combining the qualitative feedback and the punctuation given by the participants, this research question (**RQ6**) was positively verified.

4.3.7. Partnerships

When businesses embed in a partnership mindset and culture of collaboration, the consumers' needs and demands will be met effectively (World Economic Forum & Accenture, 2017). Conjugating the benefits and characteristics of a successful partnership and some of the trends and examples approached in other chapters of the literature review, several ideas surged and were presented to the participants in the Focus Group.

4.3.7.1. Coffee Area

For the coffee area of the convenience stores (in the case of Galp the coffee area is named "Tangerina Cafe", a concept created by Galp itself) it was suggested that some coffee shop, already established in the portuguese market, would be applied in the c-stores to evaluate if that would be a plus for customers. Inspired in the partnership pursued by Cumberland Farm's convenience stores, in U.S.A. (presented in **Section 2.3**) with Sara

Lee, to boost the coffee sales, it was suggested a partnership with other brands to enhance the coffee area.

That said, five coffee shops were suggested and evaluated regarding three concepts: attractivity, ability to increase purchase and ability to increase store visits. The average evaluation of the responses is in the table below (**Table 9**).

Table 9 – Results from the individual questionnaires for the concept Partnerships in the Coffee Area

Proposed Concept	Attractivity	Increase Purchase	Increase Store Visits
Padaria Portuguesa	3.9	3.8	3.9
Confeitaria Lisboa	2.9	2.6	2.7
BAGGA	2.4	2.2	2.2
Starbucks	4	3.7	3.8
Costa Coffee	3	2.5	2.2

Summing-up the table, Starbucks was the best evaluated partnership in terms of attractivity and Padaria Portuguesa received the best punctuation in the parameters "Increase Purchase" and "Increase Store Visits".

When presented with the idea of a Starbucks in a convenience store, two participants had opposed opinions. For Participant **H** "*Starbucks is the most appetizing option due to its store concept and also for the fact that there are only a few locations of it. (...) if we could have a Starbucks in a gas station, it would make it a more frequented and desired place to go to. In my perspective, this concept is about changing the vision about a convenience store - it does not have to be a place to enter, buy something and leave immediately.".* However, the perspective of Participant **J** was the opposite: *"For me, Starbucks and the concept of having long and elaborated beverages, is the opposite of what I consider a gas station to be like. It does not make sense for me to go to a gas station and stay there a few hours drinking a coffee.".*

Regarding the partnership with Padaria Portuguesa, some participants made observations. For Participant **B**, this concept would be advantageous if expanded outside the capital city: *"In my case, since I live in Leiria and Padaria Portuguesa does not exist* *there, if they implemented this concept I would obviously start frequenting the convenience stores much more times.”.* In the case of Participant **C**, breakfast is the highlight *“For me, there is a simple reason why I gave a good score to Padaria Portuguesa – their breakfast menus.”.*

Still, Participant **F** explained why Padaria Portuguesa in a convenience store might not be that attractive: *“As there are many Padaria Portuguesa in Lisbon, it would not exactly make the convenience store more attractive to me. However, if a gas station near my house, where there is no Padaria Portuguesa, had one I could go there for breakfast.”.*

The coffee shops that received lowest punctuations were Bagga and Costa Coffee. Bagga belongs to the company Sonae MC and the first shop was created in 2015. It is, however, a concept that many customers might not be familiarized with yet. Costa Coffee, on the other hand, is very popular amongst other countries and in Portugal there are only two coffee shops, in Porto and Algarve, making it a concept not very familiar in Lisbon. The only participant making a comment was Participant **E** *“I would enjoy to have a Costa Coffee in the convenience stores because Costa does not exist in Lisbon. I lived a few time abroad and there was a Costa in every corner, and I used to go there several times.”.*

4.3.7.2. Stationary Items

In this concept it was suggested to add a section for stationery items in convenience stores to sell items such as paper, scissors, pens, etc. As Note! is Sonae’s property and has available a wide range of school material, stationery items, presents, books, services and tobacco, a partnership with Note! was suggested.

The concept received low-average evaluation: 2.9 for the parameter increase purchase and 2.8 for the parameter increase store visits, yet no comments were made.

4.3.7.3. Equivalenza

Equivalenza is a portuguese brand that conquers its consumers with a combination of a wide range of perfumes and aromas of high quality, with intelligent prices (Equivalenza, 2018). The brand started developing a line of air fresheners, after some years in the market, both for the house and for the car. What was proposed in this concept was a partnership with this brand, to sell air fresheners for the car in a shelf or a stand branded Equivalenza, in c-stores.

The proposed concept received low-average evaluation on the parameters analyzed: increase purchase - 2.7 and increase store visits - 2.4.

4.3.7.4. Virtual Reality Actions

As seen in **Section 2.2.1.**, Virtual Reality is a concept gaining relevance in retail and is predicted to be one of the main trends for the future of this sector. By allowing retailers to immerse their customers in custom-created virtual worlds, virtual reality is a tool that enables to merge traditional shopping elements with digital 3D experiences (Cooper, 2017).

It was suggested a partnership with a technologic brand and others that allow to provide customers Virtual Reality actions in three different business areas: automotive, real estate, and tourism. The average evaluation of the responses is in the table below (**Table 10**).

Table 10 – Results from the individual questionnaires for the concept Partnerships in Virtual Reality

Proposed Concept	Utility	Increase Store Visits
Virtual Test Drives	2.4	1.9
Virtual House Screening	2.4	2.1
Virtual Travel Preview	2.9	2.5

Overall, the feedback from the participants was that the virtual reality ideas are good, but they do not seem appropriate for a convenience store setting.

Participant **G** commented "*I think these ideas are useful and fun but it is weird to have them associated with a gas station.*" and Participant **F** agreed and highlighted the attractiveness of two of the presented concepts *"The idea of virtual reality for both the real estate visits and the vacations are really interesting, I just do not see it in a gas station."*.

On the other hand, participants **B** and **J** did not approve the concepts and said, respectively, *"I do not like the idea of doing a test drive in virtual reality. If I want to test a car I need to drive it."* and *"I would not do it because I do not like the idea of being in* *a gas station and not seeing my car (due to the virtual reality glasses). I would not feel safe.”.*

4.3.7.5. Parcels’ Pick-Up Point

The Parcels’ Pick-Up Point, which consist of a pick-up point that is located in a convenient place and offers easy packages drop-off and pick-up (even during evening hours and weekends), was the most successful concept presented to the participants of the Focus Group. The concept screams convenience, and the participants’ evaluation proves that. **In terms of utility, this concept received the highest score (5) and regarding the parameter “increase store visits”, the score was 4.8 - also very high.**

When faced with this concept, participant **E** commented *“Sometimes we order stuff to come to our house but we know that we will not be there and there will be no one else to receive the order, and then we have to go to the post office. It is much easier if we have an option like this.”.* After this comment, participant **I** added *“And there are not that many stationary stores offering post office services.”, w*hich proves why the punctuation given to the parameter increase store visits was high. As there are not many stores providing this service, for a convenience store to implement it would cause more visits to the stores.

Table 11 – Evaluation of proposed concepts to understand the validity of RQ7

Proposed Concept	Utility	Increase Store Visits	Increase Purchase	Attractivity	Most relevant influences	Overall Evaluation
Padaria Portuguesa	-	3.9	3.8	3.9	Breakfast menus	Accepted
Confeitaria Lisboa	-	2.7	2.6	2.9	-	Rejected
BAGGA	-	2.2	2.2	2.4	-	Rejected
Starbucks	-	3.8	3.7	4	Increase the locations	Accepted
Costa Coffee	-	2.2	2.5	3	Does not yet exist in Lisbon	Rejected

Stationary Items	-	2.8	2.9	-	-	Inconclusive
Equivalenza	-	2.4	2.7	-	-	Inconclusive
VR - Test Drives	2.4	1.9	-	-	-	Rejected
VR - House Screening	2.4	2.1	-	-	-	Rejected
VR - Travel Preview	2.9	2.5	-	-	-	Inconclusive
Parcels' Pick-Up Point	5	4.8	-	-	Increase order picking options	Accepted

The results in **Table 11** suggest that partnerships are a good fit for convenience stores, but not all kinds of partnerships. The concept Parcels' Pick-Up Point for instance, was the most successful one reaching the maximum evaluation of 5 for the parameter utility. However, the proposed concepts for Virtual Reality were not that successful. It is possible to understand that both concepts provide convenience, but the Virtual Reality concepts presented evolved three areas (Automotive, Real Estate and Tourism) that are not directly connected to convenience stores. So, even though the concepts were evaluated as good, they are not appropriate or convenient in a convenience store.

On the other hand, customers found the placement of a parcel pick-up point in a convenience store the most useful and convenient solution because it increases their options of places and schedules to pick up parcels (and there are not many options available). Another concept that proved to be advantageous was a partnership for the coffee area (with the options Padaria Portuguesa and Starbucks standing out the most). The remaining two concepts were inconclusive.

Summing up, the **RQ7**, which intended to evaluate if the creation of several partnerships with renowned and established brands would influence customers' intentions to visit and buy in a convenience store was partially verified.

4.3.8. Other Concepts

During the ideas invention phase, in which the convenience store customer role was interpreted, two additional concepts surged and were exposed to the participants in the Focus Group, even though they did not fit in a particular studied trend.

4.3.8.1. App Improvement

Galp already has an app called "EvoDriver", which was analyzed and some ideas were created and presented to improve the app, allowing customers to access their own personal hub and perform a number of additional actions:

- Consult past purchases on any Galp store;
- Aggregate discount coupons from Continente (instead of a ton of papers);
- Consult every discounts and promotions available in specific stores;
- Prepay for gas (so that customers can refuel directly their cars without needing to go inside the convenience store or pay in the gas pump).

The concept received the punctuation 3.9 in the parameter utility and 3.5 in increase store visits. The participants' opinion was also favorable: Participant **B** highlighted the utility of having information about discounts in the app: *"Sometimes we have discounts associated to other cards, but we do not remember. If we had that information in the app it would be much easier.".* For participants **F** and **C**, the main advantage would be to control the expenditures. Participant **F** said *"I think that the purchases historic it is a great way to monitor expenditures on gas."* and participant **C** corroborated: *"I usually have difficulties in controlling my expenditures. I use to do it on my laptop but to have it registered on the app would be more advantageous.".*

4.3.8.2. Pedestrian Access Improvement and Signalling

Lastly, during the project Galp explained how their convenience stores are categorized regarding their location in four different ways: localities, metropolitan, roads and long course. The stores that are located near residential areas (localities) usually have some kind of pedestrian access. This concept intends to improve and signal the access to stores in this areas, not only by making them more visible but also by adding some signalling indicating what customers can expect to find in the convenience store (e.g. WC, ATM, Wi-Fi, Phone Charging Station, among others).

In the individual questionnaires, this concept was only evaluated regarding the parameter “utility”, receiving an average score of 4.

Despite all participants using the car to get to convenience stores, they found it useful for those who walk to get there. Participant **D** said *“For me it is not useful because I always go to gas stations by car. But I do believe it to be advantageous for those who have to walk to get there.”* and Participant **B** added *“In those cases with residential areas nearby, in which people do not need to use the car to go to the gas station, it makes complete sense.”.*

Table 12 - Evaluation of other proposed concepts

Proposed Concept	Increase Store Visits	Utility	Most relevant influences	Overall Evaluation
App Improvement	3.5	3.9	Expenses control	Accepted
Pedestrian Access Improvement and Signalling	-	4	-	Accepted

These two concepts received good evaluation and comments overall. They do not fit in the studied retail trends but are two ideas that can be implemented to improve the customer experience in the convenience store. The App Improvement concept, especially due to the relevance that smartphone has nowadays in the shopping experience, should be improved. The second idea is also very relevant to make sure the store offers the best experience possible for everyone, regardless of how they access the store.

5. Conclusions

Almost on a daily basis we are faced with new store concepts and trends implemented by several brands in their physical stores worldwide. However, few empirical research is found concerning the effects of the new trends in distinct store formats and in the customer experience.

In this dissertation it was conducted a Focus Group discussion, where there was an opportunity to approach the participants with individual questionnaires, to understand the impact of new trends in a specific retail context – convenience stores – and to apprehend how they can impact customers' behavior and intentions towards the store.

The concepts evaluation was assessed by the Focus Group participants' opinion and overall qualitative feedback and also by the average punctuation given in individual questionnaires. Gathering all of the participants' inputs during the Focus Group and the quantitative data gathered in the individual questionnaires, it is now possible to establish the validity of the formulated research questions **(Chapter 3)** and conclusions can be drawn from the research. Thus, the current chapter will outdraw conclusions about the research objective and summarize the results achieved.

5.1. General Overview

Retail is crossing an era of dynamism and digitalization, at the same time that a new type of customer, more empowered and demanding than ever before, emerges. The challenges are plenty, and only the most flexible and revolutionary companies will have the strength to remain in the market. Convenience stores, in particular, face the threats of intense competition from existing competitors' new smaller formats (Euromonitor, 2018) and the decreasing need to fuel cars in gas stations in the future (Baldwin, 2017).

In order to keep relevant and offering outstanding experiences to customers, stores need to adapt the freshest trends in the market and manage to succeed at those. This study leaned on seven new retail trends with the intention of testing different concepts and their application in convenience stores. It was expected to understand if the chosen trends can be applied in convenience stores and improve the shopping experience, leading to an increase in customers' intentions to buy and to visit the store more often.

The **New Products and Services** trend exposed a pattern of preference for services which enable customers to do things on their own. This was notable because the two best evaluated concepts were Automatic Vending Machines and Self-Service Printing Machines and one common feature between these is the fact that a sales assistant is not needed in the process and customers have complete freedom in the buying process. Moreover, customers perceived both concepts as very useful and convenient, confirming Riell's (2013) assumption that in innovating in convenience stores it is important to keep in mind the convenience factor.

Still regarding this trend, it was also possible to outline that both new products and services to add to convenience store's assortment must fit customers' fast pace of living. The feedback received on the Take-Away Meals concept shown that products that are fresh and have on-the-go features are more favorable. Beyond this, services that allow a bigger autonomy to customers are also key when deciding on increments to the store's assortment.

Hybrid Stores concept has potential to result in a convenience store if the chosen approach allows customers to have a personalized experience/service/product and, when talking about a food service, having a partnership with established brands on the market is a plus.

The Frozen Yoghurt Station for instance only received average evaluation in the questionnaires but was referred to as having a practical but fun component and being very appealing. Remembering what was seen on the Literature Review, the implementation of hybrid stores can result in outstanding experiences that can go beyond a transactional link (Marketing FutureCast Lab, 2017).

When talking about **Store Mood Zones,** the results were not positive as it was expected. This retail trend, already successfully applied in many stores worldwide, proved not to match convenience stores' ambiance. This zones inside the store have their own atmosphere and their main objective is to get customers feeling "in the zone" and linger around longer. However, this study allowed to understand that in a convenience store, customers will prefer concepts that help speed up the shopping process.

Another retail trend that proved not to influence customers' buying intentions in a convenience store was **Revolving Décors.** Customers did not add much inputs in this trend but it seems that being convenience stores perceived more as a last minute visit decision, having revolving zones in the store does not add much to the experience. And even though some of the participants visit convenience stores on a weekly basis **(Section**

4.2.2.), it is not always the same convenience store **(Section 4.2.3.)**, which might also help justifying the little importance given to this concept.

Customers' opinion regarding a **New Payment Method** exceed the expectations. The feedback proved what was drawn in the empirical research – today's customer is a digital fan, mobile first, impatient and, therefore, adept of new alternatives that help accelerating the checkout process in stores. Millennials, in particular, grew up with mobile technology and require to use it in every aspect of their lives (McGee, 2017). For the participants in the Focus Group, the main advantage of this method is the fact that they can have a technologic and faster experience and they do not need their wallets to buy products and services in a store. Thus, implementing a technological checkout process, with the use of smartphone, evidenced improved customer experience in a convenience store, especially because it helps accelerating one of the most time-consuming processes in the shopping experience.

Interactive Screens can be used in various ways and for several purposes. In convenience stores, their application showed great potential in creating more useful and valuable experiences, even though it might not reflect in customers' intention to visit the store. Regardless of the business outcome not being immediate as it would be desired, since customers ranked the chance of increasing store visits (as a result of implementing interactive screens) with 2.8 (slightly below average), it is still significant to understand that customers value the experience provided by this trend, ranking the utility of the concept very high (4.1).

Lastly, **Partnerships** have innumerous applications. Based on the benchmark conducted, five distinct concepts based on partnerships were tested in the Focus Group. From those, two of the concepts were accepted, one was rejected and other two were inconclusive, leading only to a partially verification of this trend. The best evaluated concept in Partnerships was the Parcels' Pick-Up Point, which received a punctuation of 5 for its utility and 4.8 for its ability to lead to more store visits. The punctuation but also the exciting comments made in the Focus Group when this concept was presented showed real enthusiasm for this service due to its convenience but also due to the fact that it simplifies the online/offline experience.

Remembering the defined research questions in **Chapter 3**, and taking into account the results retrieved from the individual questionnaires and participants' qualitative feedback during the Focus Group, it is possible to summarize the outcomes of this research in **Table 13.**

Table 13 – Summary of Research Questions Validation

Selected Trends to Study	Research Question	Result after Focus Group
New Products and Services	**RQ1:** Would a new assortment of products and services be attractive for customers and increase their shopping intentions?	**Positively Verified** Should be implemented
Hybrid Stores	**RQ2:** Would convenience hybrid stores increase the number of visits to the store and shopping intentions?	**Partially Verified** Implementation should be tested
Store Mood Zones	**RQ3:** Would distinct areas in the same store improve the in-store experience and attract more customers?	**Rejected** Should not be implemented
Revolving Décors	**RQ4:** Would the existence of thematic and revolving zones inside the convenience store be of great interest and increase customers' visits to the store?	**Rejected** Should not be implemented
New Payment Methods	**RQ5:** Would the implementation of payment with smartphones ease the checkout process and attract more customers to the stores?	**Positively Verified** Should be implemented
Interactive Screens	**RQ6:** Would customers value the placement of Interactive Screens with storytelling content and featuring tutorials and information about products?	**Positively Verified** Should be implemented
Partnerships	**RQ7:** Would the creation of several partnerships with renowned and established brands influence customers' intentions in visiting and buying in a convenience store?	**Partially Verified** Implementation should be tested

From the observation of **Table 13**, it is possible to fathom that five of the seven research questions were verified (three of them positively and two partially) and two were rejected. Hence, it was possible to clarify which of the retail newest trends are a good fit to convenience stores and have the potential to influence customers' buying decision and which would not bring any added value to convenience stores.

The insights gained during the empirical research and the feedback from convenience store customers led to the realization that a convenience store will mandatorily evolve to an automatized store that is able to provide personalized and more convenient services/products/experiences to its customers. Furthermore, physical stores have to cohabit with online commerce so it is important that experiences and services are created thinking about the new customer that also has experiences online.

5.2. Managerial Implications

Considering the results of this study, retailers in the convenience store sector should aim to create c-stores that provide customers with digital experiences, methods for a more autonomous shopping process and innovations that contribute to turn the experience inside the store even more convenient (from the services/products provided, to the shopping process and the checkout phase).

A convenience store, as it was understood during the empirical research, has a perceived utilitarian experience (Berry *et al.*, 2002) and this research verified that proposition since the trends that "forced" customers to linger around had worst outcomes and the most successful concepts and trends were the ones enabling customers to hurry and have a fast and easy shopping experience. That way, implementing concepts such as **Self-Service Printing Machines** and **Automatic Vending Machines** should be in retailers' top priorities when thinking about innovative concepts to implement, because they allow customers to complete their entire shopping process without having to rely on staff or having to wait in checkout lines.

Another important contribution of this research for retailers is understanding that the digital and the physical world are merging. For the new type of customer referred in the literature review, digital is becoming a major part of the shopping experience but there is not a complete transference to the digital (O Observador Cetelem, 2018). Therefore, retailers should think about bringing the digital and online world into their physical stores, investing in concepts that join the physical stores with the attributes and interests of the new emerging customer (which is mobile first, digital savvy, and adept of e-commerce). The concepts **Payment with Smartphone, App Improvement, Parcels' Pick-Up Point**

Lockers and Interactive Screens with Storytelling and Tutorials meet this requirement and have proven to be extremely valuable for convenience store customers.

Lastly, besides being aware of market innovations and trends, retailers must be aware of their customers' needs and wants. Retailers can implement innovations in their stores but if they do not take into account weather those trends meet customers' needs or not, then it is not worth it to implement them. Considering the results of this study it was possible to understand that customers' concerns with eating habits, well-being and food restrictions (which reflects in daily-live choices) were fundamental to the acceptance of concepts such as **Partnerships for the Coffee Area**, **Take Away Meals** and personalized **Sandwich Station.**

5.3. Limitations of Research

Regardless of many attempts to escape bias, every study has its own limitations and it is crucial that every constraint is clarified.

The first limitation of this dissertation began with the amount of variations that can be created within a single topic. When we look at a specific retail trend, there are many concepts that can be created. The idea generation phase was a joint work with a master's degree colleague and was also mostly based on the inspiration gained during the research phase. Even though there was an attempt to get inspired by either portuguese or international use cases and it was also attempted to have several and distinct concepts following the same trend, there are always some concepts of a specific trend that are not tested, otherwise the empirical research would be way too extensive. However, in order to try to ensure that the concepts chosen for testing would be most appropriate to the context of convenience, they were run by the partner company which agreed on the final concepts to test in the Focus Group.

Secondly, considering this dissertation leaned on new trends in retail, there was few scientific literature conducted by renowned researchers focusing on new trends. That is why it was also needed to resort to non-scientific websites, which could impact the formality of the research literature review.

Furthermore, a real life experiment, by putting the concepts into practice (e.g. implementing interactive screens in a convenience store) would have been better to study the impact of the trends in a real convenience store context, but it would be more time and money consuming and, for Galp, this would imply changes in stores and several risks and costs associated with it.

Lastly, the empirical research was merely exploratory and qualitative. Hence, the results taken from it were more subjective than a quantitative research would have been, however the research method was chosen taking into account the flexibility that it would allow in explaining concepts, pursuing questions and interpret opinions and feelings regarding concepts that are not very objective or familiar to the participants. Thus, the data collected is valid and contributes to gather new insights on the topic of this dissertation.

5.4. Suggestions for Further Research

Considering the limitations of this study, researchers can deepen their studies on the impact of new trends in convenience stores by applying them in a real context and witness their influence in customers' behavior and intentions. During the Focus Group customers gave many suggestions for additions and improvements to the concepts presented (e.g. what products they think would be useful in an automatic vending machine available 24/7), so it would be a plus if when customers are experimenting the concepts in a real context they are also giving their feedback and ideas for improving the concepts.

In the real context experiment, a bigger sample would be recommended to collect more data, thus helping to gather more precise conclusions. The next study could also expand to other countries so that the range would be bigger and conclusions more diversified. Furthermore, a bigger variety of concepts for each trend should be created and tested in order to get more accurate results on each trend.

Lastly, it would also be interesting to analyze in a further research if external variables (e.g. implementing some innovations in the outside area of convenience stores) have influence in customers' desire to enter the store.

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7. Annex

Annex 1 – Focus Group Script

<table>
<tr><th>Concept</th><th>Question</th><th>Methodology</th><th>Metrics</th></tr>
<tr><td colspan="4">I. Introduction</td></tr>
<tr><td colspan="4">Convenience stores are primarily intended to provide a convenient location for quick purchases, of a variety of consumable products (predominantly food or food and gas) and services. When talking about convenience stores, it is important to mention that there are several types of stores according to their size and supply and that, in the context of this study, we will refer to convenience stores located at gas stations (e.g. Tangerina and Pingo Doce & Go).</td></tr>
<tr><td>Knowledge and Opinion regarding Convenience Stores</td><td>In what situations/contexts and times of the day do you go to convenience stores (excluding for gas)?</td><td></td><td></td></tr>
<tr><td rowspan="2">General Opinion and Buying Behavior</td><td>What do you like more and less in convenience stores?</td><td></td><td></td></tr>
<tr><td>How often do you visit convenience stores? And why?</td><td></td><td></td></tr>
<tr><td rowspan="2">Preferences</td><td>What convenience stores did you visit in the last 12 months (1 year)? And which one do you appreciate the most?</td><td></td><td></td></tr>
<tr><td>What makes you prefer one convenience store brand instead for another?</td><td></td><td></td></tr>
<tr><td rowspan="2">Products and Services</td><td>What products and/or services do you usually buy at a convenience store?</td><td></td><td></td></tr>
<tr><td>When you refill your car with gas, do you use the self-service payment option or do you pay inside the store? Why?</td><td></td><td></td></tr>
<tr><td colspan="4">II. New Products and Services</td></tr>
<tr><td>New Food Assortment</td><td>What is your opinion about the introduction of a new assortment of healthy foods, such as fresh fruit, vegetables, salads, nuts, protein foods and supplements, and food products without lactose and gluten?

If some of these new items had "on-the-go" packages (e.g. packaging with lid that recloses and packs food, etc.), would that be advantageous to you?</td><td>Show image and apply the questionnaire, adding questions for discussion</td><td>Scale from 1 to 5 for each of the parameters</td></tr>
</table>

New Beverages Assortment	Would it be nice for the cafeteria area to introduce new drinks with various flavors, prepared daily, both to be consumed in the store and to take away (such as juices, milkshakes and slushies)? Would you visit the convenience store more often?	Show image and apply the questionnaire, adding questions for discussion	Scale from 1 to 5 for each of the parameters
Take-Away Meals	Like many supermarkets and hypermarkets in the country, would you like to have Take-Away meals available at the convenience store? What kind of meals/foods would you like to have available to take away?	Show image and apply the questionnaire, adding questions for discussion	Scale from 1 to 5 for each of the parameters
Automatic Vending Machines	What do you think of the introduction of vending machines on shop fronts with a variety of products of urgent need (such as food and baby products, toiletries and other products of urgent need) to buy when there is no service in the store?	Show image and apply the questionnaire, adding questions for discussion	Scale from 1 to 5 for each of the parameters
Automatic Laundry Service	What do you think about the implementation of automatic laundry service with washer and dryer in convenience stores? Would you use this service?	Show image and apply the questionnaire, adding questions for discussion	Scale from 1 to 5 for each of the parameters
Ticket Selling Area	Instead of having to go to Fnac, Worten or any other physical retailer to buy tickets (concerts, theatre, etc.), you can now do so at a convenience store. What do you think of this scenario?	Show image and apply the questionnaire, adding questions for discussion	Scale from 1 to 5 for each of the parameters
Self-Service Printing Machine	Nowadays it is possible to print documents and photos on self-service machines, quickly and easily without the help of an assistant. Discuss the existence of these machines in a convenience store. If so, would you use them?	Show image and apply the questionnaire, adding questions for discussion	Scale from 1 to 5 for each of the parameters
Shredding Machine	Assess the usefulness of having a machine that destroys paper documents (e.g., confidential, tax, and other documents) in convenience stores.	Show image and apply the questionnaire, adding questions for discussion	Scale from 1 to 5 for each of the parameters
III. Hybrid Stores			

	Consider the possibility of having several food offers inside the convenience store (like a store inside another store), what do you think about the following ideas? - **Salad Station** (e.g. partnership with Vitaminas) where you could choose the ingredients to create your salad and your wraps; - **Sandwich Station** (e.g. partnership with Vitaminas or Companhia das Sandes) where you could choose fresh ingredients to make your sandwich; - **Frozen Yoghurt** DIY (Do It Yourself) station that gives you the opportunity to create a yogurt ice cream with the flavors and toppings of your choice (the price will be calculated by weight) from scratch.	Show image and apply the questionnaire, adding questions for discussion	Scale from 1 to 5 for each of the parameters
	IV. Store Mood Zones		
Kids Zone	Would a space for the children to spend some time inside the convenience stores (while parents relax and eat something, while watching children at the same time) be of added value?	Show image and apply the questionnaire, adding questions for discussion	Scale from 1 to 5 for each of the parameters
Pet Zone	Do you think that a zone in the convenience store dedicated to products (food, toys, accessories, among others) for animals makes sense?	Show image and apply the questionnaire, adding questions for discussion	Scale from 1 to 5 for each of the parameters
Phone Charging Station	Assuming the convenience store creates a mobile charging station inside, where you can safely leave your smartphone while visiting the store or enjoying something to eat, would you use this service? Do you think you would prefer these stores over others?	Show video and apply the questionnaire, adding questions for discussion	Scale from 1 to 5 for each of the parameters
Stands and Promotional Actions	In the free space of the c-store, evaluate the possibility of the existence of stands of different brands with promotional actions (such as food tastings or similar). One possible example for long-distance convenience stores is the creation of a lounge area, by a gaming brand, with consoles and games for people to try out. What do you think?	Show image and apply the questionnaire, adding questions for discussion	Scale from 1 to 5 for each of the parameters
	V. Revolving Décors		
Revolving Corners	The convenience store will reserve a place to sell products related to a specific theme, which will be changed frequently - for example, during the summer	Show image and apply the questionnaire,	Scale from 1 to 5 for

	the store will have a corner with products for the skin and hair, and some representatives of the brand of products to explain and promote some of them. It could also have a health corner with free screenings and awareness actions against, for example, cholesterol. Do you think it would draw your attention?	adding questions for discussion	each of the parameters
Revolving Shelves	Do you like the idea of a dynamic "shelf", with several products related to seasonal and often altered themes? Would it make you feel curious? What themes would you like to see? What do you think about being connected with the Portuguese tradition (e.g. Summer, Popular Saints, Easter, Christmas ...)?	Show image and apply the questionnaire, adding questions for discussion	Scale from 1 to 5 for each of the parameters
VI. New Payment Methods			
Payment with Smartphone	Following the new payment trends, the store could implement a new and easy method in which consumers could pay for the products and/or services through their mobile phone. Do you like these new payment methods?	Show image and apply the questionnaire, adding questions for discussion	Scale from 1 to 5 for each of the parameters
VII. Interactive Screens			
Interactive Screens with Storytelling and Tutorials	While standing in line to make the payment, what is your opinion about accessing an interactive screen with content about the company, products and promotions, among others? And an interactive screen that puts at your disposal various tricks and suggestions for the use of various products for your car as well as application tutorials of these same products and other useful tips for who owns a car?	Show image and apply the questionnaire, adding questions for discussion	Scale from 1 to 5 for each of the parameters
VIII. Partnerships			
Coffee Area	Assuming that the company will rethink its cafeteria area and create a partnership with a brand already established in the national market. We ask you to comment on each of the following partnership options: - Padaria Portuguesa; - Confeitaria Lisboa; - BAGGA; - Starbucks; - Costa Coffee. Would you go more often, or even on purpose, to convenience stores if one of these partnerships were established?	Show images and apply the questionnaire, adding questions for discussion	Scale from 1 to 5 for each of the parameters

Stationary Items	Do you know Note! owned by Sonae? If the store established a partnership with Note! and set up a convenience store area for stationery, last minute gifts, and some CTT services, would you visit the convenience store more often?	Show image and apply the questionnaire, adding questions for discussion	Scale from 1 to 5 for each of the parameters
Equivalenza	The Portuguese brand "Equivalenza", in addition to perfumes, sells air fresheners for the car and the house. What is your perspective on the existence of these products in convenience stores? If the store had a space destined to the sale of products of this brand, would you buy them? Would you also like other products (e.g. perfumes and creams) to be marketed in this space?	Show image and apply the questionnaire, adding questions for discussion	Scale from 1 to 5 for each of the parameters
Virtual Reality Actions	Considering the existence of several Virtual Reality actions inside the convenience store, evaluate the following ideas: - Test Drive, in virtual reality, of a new model of car, motorcycle, or other vehicles. - Visit homes for sale/lease in virtual reality, so you can narrow down your options before going to visit the house physically. - Before choosing your destination for the next vacation, would you like to be able to observe, in virtual reality, the main attractions of your next destination and even the accommodation site, before you make your choice and buy the tickets?	Show images and apply the questionnaire, adding questions for discussion	Scale from 1 to 5 for each of the parameters
Parcels' Pick-Up Point	Nowadays, Pick-Up Lockers systems are already quite common: instead of receiving your order in your own place, you can choose lockers to store your order until it is convenient to pick it up, using a personal and non-transferable code. Given the difficulties encountered with the collection of orders (e.g. location, hours of operation and different operators), consider collecting them in these pick up lockers (located in convenience stores). What do you think about the use of these self-service systems?	Show image and apply the questionnaire, adding questions for discussion	Scale from 1 to 5 for each of the parameters
IX. **Other Concepts**			
App Improvement	How attractive would it be for you if the app would allow you to have a personal hub in which you could check previous purchases, join discount coupons and pre-pay for gas? Would you use the app more often?	Show image and apply the questionnaire, adding	Scale from 1 to 5 for each of the parameters

	Is there any other functionality you would like to have in this app?	questions for discussion	
Pedestrian Access Improvement and Signalling	Knowing that many of convenience store clients use the pedestrian access to go to the stores, comment the investment in improving this access areas. Additionally, do you find advantageous the existence of signaling regarding what you can find in the convenience store (e.g. WC, ATM, Wi-Fi, phone charging station, etc.)?	Show image and apply the questionnaire, adding questions for discussion	Scale from 1 to 5 for each of the parameters

Annex 2 – Focus Group Questionnaires

For the following concepts, we ask you to evaluate the ideas from 1 to 5, for the respective evaluation parameters:

- **Utility** (being 1: Not useful, 2: Hardly useful, 3: Some utility, 4: Useful, 5: Very useful);
- **Attractivity** (being 1: Not attractive, 2: Hardly attractive, 3: Some attractiveness, 4: Attractive, 5: Very attractive);
- **Increase Purchase** (being 1: Not probable, 2: Unlikely, 3: Some probability; 4: Probable, 5: Very probable);
- **Increase Store Visits** (being 1: Not probable, 2: Unlikely, 3: Some probability; 4: Probable, 5: Very probable).

1. New Products and Services

	Increase Purchase					Increase Store Visites				
	1	2	3	4	5	1	2	3	4	5
a) New Food Assortment										
b) New Beverages Assortment										
c) Take-Away Meals										
d) Automatic Vending Machines										
e) Automatic Laundry Service										
f) Ticket Selling Area										
g) Self-Service Printing Machine										

h) Shredding Machine	-	-	-	-	-					

2. Hybrid Stores

	Increase Purchase					Increase Store Visits				
	1	2	3	4	5	1	2	3	4	5
a) Salad Station										
b) Sandwich Station										
c) Frozen Yoghurt Station										

3. Store Mood Zones

	Increase Purchase					Increase Store Visits					Utility				
	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5
a) Kids Zone	-	-	-	-	-	-	-	-	-	-					
b) Pet Zone											-	-	-	-	-
c) Phone Charging Station	-	-	-	-	-						-	-	-	-	-
d) Stands and Promotional Actions	-	-	-	-	-						-	-	-	-	-

4. Revolving Décors

	Increase Purchase					Increase Store Visits				
	1	2	3	4	5	1	2	3	4	5
a) Revolving Corners										
b) Revolving Shelves										

5. New Payment Methods

	Utility					Increase Store Visits				
	1	2	3	4	5	1	2	3	4	5
a) Payment with Smartphone										

6. Interactive Screens

	Increase Store Visits					Utility				
	1	2	3	4	5	1	2	3	4	5
b) Interactive Screens with Storytelling and Tutorials										

7. Partnerships

	Attractivity					Increase Purchase					Increase Store Visits					Utility				
	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5
a) Coffee Area																				
- Padaria Portuguesa																-	-	-	-	-
- Confeitaria Lisboa																-	-	-	-	-
- Costa Coffee																-	-	-	-	-
- BAGGA																-	-	-	-	-
- Starbucks																-	-	-	-	-
b) Stationary Items	-	-	-	-	-											-	-	-	-	-
c) Equivalenza	-	-	-	-	-											-	-	-	-	-
d) Virtual Reality Actions																				

- Test Drives	-	-	-	-	-	-	-	-	-	-										
- House Screening	-	-	-	-	-	-	-	-	-	-										
- Travels Preview	-	-	-	-	-	-	-	-	-	-										
e) Parcels' Pick-Up Point	-	-	-	-	-	-	-	-	-	-										

8. Other Concepts

	Increase Store Visits					Utility				
	1	2	3	4	5	1	2	3	4	5
a) App Improvement										
b) Pedestrian Access Improvement and Signalling										

Annex 3 – Focus Group Participants List

Name	Gender	Age	Occupation
Participant A	M	23	Assistant Brand Manager
Participant B	M	25	Management Graduate
Participant C	M	62	Driver
Participant D	M	30	Sales Representative
Participant E	M	22	Teaching Assistant and Math's MSc Student
Participant F	F	22	Communication Design Graduate
Participant G	M	21	Architecture Student
Participant H	F	43	Marketing Professor
Participant I	F	22	Management MSc Student
Participant J	F	22	Human Resources MSc Student