Quarterly Brief

Are Convenience Stores Becoming QSRs?

2026

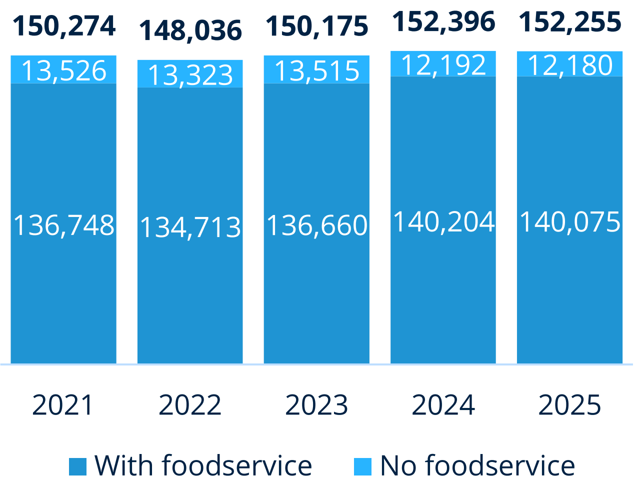
The convenience-store industry is typically considered a mature one with its more than 100-year history and, until recently, its dependence on a handful of revenue streams: fuel, tobacco, alcohol and lottery tickets. This is a business that has long been driven by single-unit operators, many in suburban and rural locations. Its customers have often been stereotyped as buyers of cigarettes and morning coffee drinkers.

But the reality is that the industry today has become more chain-driven, customer-diverse and foodservice-dependent. In many ways, today's convenience store more closely resembles a quick-service restaurant. It is important for those serving convenience stores to understand the c-store evolution and its strategic direction.

Image Source: Shutterstock

Convenience-Store Fundamentals

The National Association of Convenience Stores (NACS) 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." The unit count of convenience stores in the United States has been relatively flat for the past decade. Since 2021, the business has grown by approximately 1.3% in location count.



Source: Technomic Ignite Company

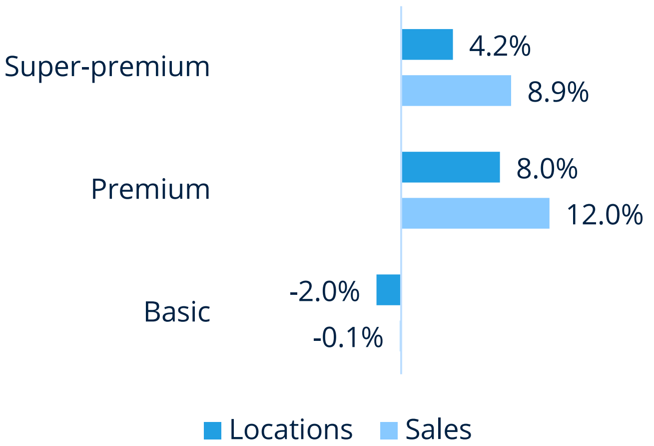
Importantly, 92% of the 152,000-plus convenience stores offer foodservice programs. Those foodservice programs can vary widely in physical footprint in the stores and in breadth of food and beverage availability. A super-premium food and beverage program would include cold grab-and-go, hot grab-and-go, made-to-order (MTO) items, self-dispensed cold beverages, frozen-dispensed beverages, roller grills and robust coffee programs with regular coffee and specialty coffee. This selection of food and beverage formats is more diverse than most other foodservice segments and these operators are serving customers for longer hours than almost any other segment, making this a complex segment to service.

Most c-store foodservice programs can be described in one of three ways: basic, premium or super-premium. Each is described below:

Basic Foodservice is minimal	**Premium** Foodservice is a key offering	**Super-Premium** Foodservice is the focal point
Limited selection	Broader selection	Extensive selection
Traditional offerings	Signature items	Extensive signature items
Standard equipment	Updated equipment	State-of-the-art equipment
Standard/ generic packaging	Quality packaging, branded	High-quality packaging
Minimal foodservice marketing	Prominent marketing	Prominent branding
No on-site prep/MTO	Some on-site prep/MTO	Prominent marketing of seasonal/LTO, signature items
No seating	May have dedicated staff	Extensive on-site prep/MTO
	May have ordering kiosks	Dedicated staff
	Limited seating	Ordering kiosks
		Varied seating options

Only five years ago, basic foodservice made up approximately 90% of all programs. But according to Technomic, by 2029, premium and super-premium will account for more than 30% of locations and more than 50% of c-store foodservice sales. This elevated foodservice means stores are becoming more sophisticated by the year and the foodservice programs have become more complex to operate. Technomic research shows that to manage that complexity, 55% of c-stores (and 72% of c-store chains) have hired experienced professionals from restaurants to build foodservice programs and sales.

C-STORE FOODSERVICE 2024-2029 CAGR
BY TIER



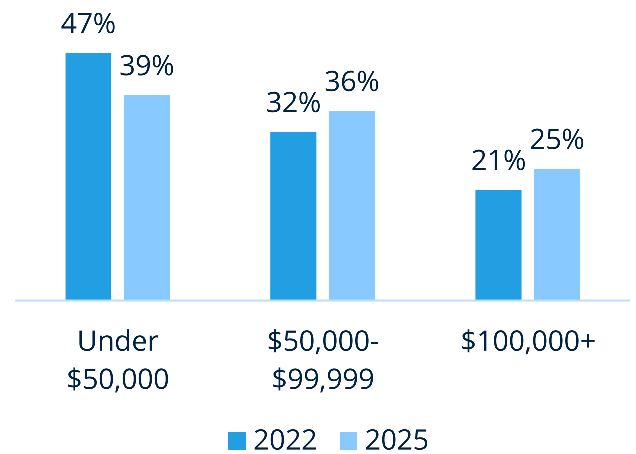
Source: Technomic Ignite Company

Recent Convenience-Store Evolution

With the changes being implemented by convenience stores, consumers have taken notice of today's foodservice offerings. That has led to a shift in c-store patronage. Technomic surveying of more than 21,000 consumers shows that millennials (ages 30-45) are far more likely than other age groups to order foodservice from c-stores on a weekly basis. Forty-three percent (43%) of millennials who buy foodservice items from convenience stores do so at least weekly. That percentage is more than double any other generation. This is important because millennials are the foodservice consumers who are in their prime earning and spending years.

We've also seen that convenience stores are attracting consumers with higher incomes in recent years. The chart to the right shows how significant the shift in higher income consumer usage of convenience stores has been over the past three to four years.

HOUSEHOLD INCOME
% OF ONCE A MONTH+ C-STORE PATRONS



Source: Technomic Ignite Company

Another shift in convenience-store customer behavior is when they are frequenting the stores for foodservice items. This beverage-centric segment has always been seen as a strong breakfast performer given the number of coffee options in the morning. But the afternoon and evening have become common times for visitation in recent years. Since 2022, lunch, afternoon snacking, dinner and evening snacking are all capturing a higher percentage of visits. Afternoon snacking, in particular, is in growth mode. According to Technomic, 54% of customers bought an afternoon foodservice snack at least monthly from c-stores in 2025, up from only 46% in 2022.

The bottom line is that many consumers indicate that convenience stores have certain advantages over restaurants, including more convenient locations, convenient parking, faster speed of service, lower prices, a wider variety of foods and beverages, and the ability to shop for other necessities while in the store.

Convenience Stores vs. Quick-Service Restaurants

Because more convenience stores' foodservice programs are now run by restaurant veterans, it stands to reason that the stores and offerings will eventually look similar to quick-service restaurants (QSRs). According to surveys of both commercial and noncommercial operators, convenience stores are expected to become more like QSRs with respect to menus, innovation, limited-time offers and the use of third-party delivery.

On the other hand, convenience stores can never become laser-focused on foodservice like restaurants because there are other important departments fighting for resources, space, labor and merchandising. Therefore, convenience stores are unlikely to fully resemble QSRs in terms of prep lines, seating, drive-thrus and advertising.

That said, it should be expected that more c-stores will add branded QSR concepts inside of their stores. Today, only 7% of convenience store locations have a branded QSR concept—like Subway—on-site. Please note, recent developments suggest that dynamic could accelerate quickly. In 2025, RaceTrac, an 800-unit c-store chain with a footprint across 14 states, acquired Potbelly, the 550-unit quick-service sandwich chain. RaceTrac will be folding the Potbelly concept into existing stores and new builds. More of this activity is quite possible in the segment.

Convenience-Store 'Asks' of Partners

With more foodservice manufacturers and distributors engaging convenience stores in recent years, c-store leaders are adamant that companies new to the c-store segment become more educated about their requirements. Perhaps the most important thing is that they are not foodservice-only companies. They want partners to understand that foodservice has to effectively coexist with other aspects of the business, meaning flexibility is an imperative. Consider that a multiunit convenience-store operation may look very different from one store to another because they are part of a company that values accommodating customers' local interests.

C-store leaders also want partners to take into consideration that the consumer "basket" is much different compared to foodservice-only operations. Convenience stores are trying to earn customer spending on items ranging from food and beverages to gasoline, auto parts and vape products.

And partners should understand that food and beverages requirements are unique. C-stores, for example, are likely to need products that can handle long hold times, can be assembled with little labor and have high margins to offset other less-profitable convenience staples.

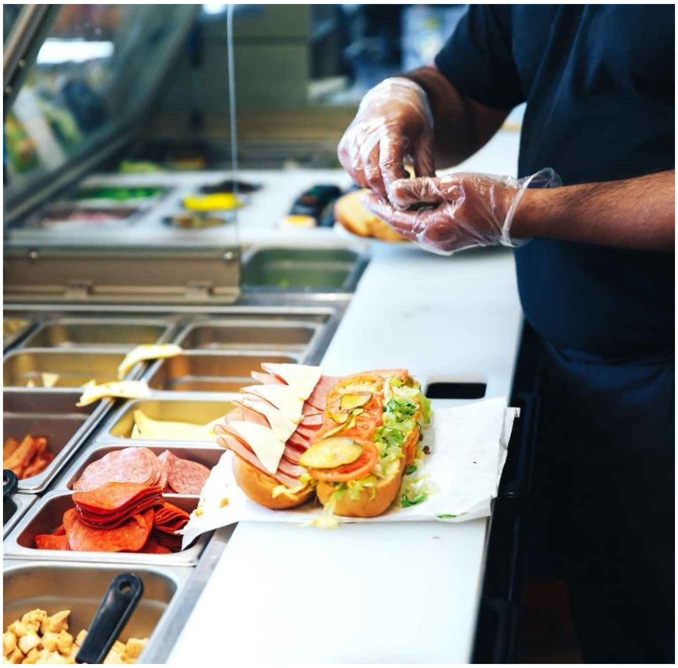


Image Source: Shutterstock

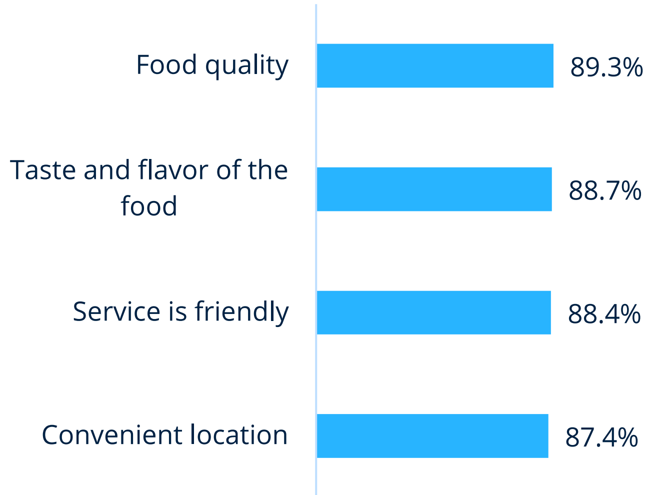
Future Strategies

The strategic direction of the convenience-store segment is changing course. There are multiple aspects of the business that should be watched.

The business has always been predominantly driven by single-store owners, but multiunit convenience-store operators are expanding dramatically and quickly. Merger and acquisition activity has been on the rise, with chains buying small independents and large chains buying other chains. The chart below highlights major M&A activity since 2024.

BUYER	ACQUIRED
nouria	enmarket fresh choices, friendly faces
Casey's	CEFCO
MAVERIK	Kum & Go
OXXO	Delek US
bp	TA
	getGo CAFE + MARKET

A recent Technomic survey of nearly 22,000 convenience-store patrons also shows interesting developments in decision-making. For the first time, consumers did not indicate that convenience is the most important attribute in selecting a c-store. Food quality, taste and flavor, as well as friendly service, now rank higher than convenience. Convenience operators are often trying to accomplish quality objectives through made-to-order offerings. This is another sign that the consumer is viewing c-store foodservice similarly to that of quick-service restaurants.



Source: Technomic Ignite Company

For distributors who service quick-service restaurants extensively, it is an imperative to track developments in the convenience segment of foodservice by observing strategies, positioning, food and beverage offerings, and consumer behavior. A recent Technomic consumer survey shows 68% of consumers agree that c-stores are “just as capable” as restaurants in offering fresh, quality food. This level of consumer acceptance suggests a very real opportunity for convenience stores to take share from traditional foodservice operators.

Summary

In short, convenience stores will not become quick-service restaurants in the future because of their dependence on revenue streams other than foodservice. But with foodservice taking on far greater importance, convenience stores will pose more of a threat to QSRs. Consumers are recognizing c-store foodservice advancements, and many now consider convenience stores to be a viable alternative to restaurants. The industry should expect heightened competition in the years ahead.

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