2025

Pulse of Convenience

Trends, challenges, and opportunities for the convenience retail industry

Presented by PDI Technologies

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Executive Summary

Walk into any US convenience store and you'll find a snapshot of America in motion. Commuters grabbing coffee and gas before work. Travelers picking up snacks for the road. Neighbors stopping in for everyday essentials.

These small yet mighty retail hubs serve millions of shoppers on a daily basis, accounting for 35% of all brick-and-mortar retail sales. In fact, c-stores were the fastest-growing retail channel in the US from 2023 to 2024, with 1.5% year-over-year growth.

1. The average c-store serves 1,100 shoppers per day.
2. Those visits account for approximately 160 million daily transactions.

1.5%
YOY Growth between 2023 and 2024

But despite this rosy industry outlook, challenges remain for chains and operators. Inflation continues to be a concern, along with the potential impact of tariffs, supply chain disruptions, and other macro-economic factors—especially on fuel sales.

Data from 2023 to 2024 reveals a strong correlation between the average price of a gallon of gas and the number of fuel trips and in-store trips consumers make. As the price of fuel rises, so do the number of trips—and vice versa.

Disruption is also occurring inside c-stores, with consumers increasingly seeking healthier choices, expanded foodservice options, and payment flexibility.

Although c-stores experienced sales declines compared to 2023, one bright spot was their ability to maintain profitability thanks to average unit prices rising 4.1% for 2024.

Facing this landscape, c-store operators must increasingly evolve their business. This report will explore the current state of the industry and ways to adapt faster to shifting consumer habits.

Note: All data provided by PDI Technologies, GasBuddy, or NACS unless otherwise cited.

2025 Industry Snapshot

152,255
Number of c-stores in the US

121,852
Number of c-stores that sell fuel

63%
Percentage of c-stores that are independent

80%
C-store share of all fuel purchased by consumers in the US

43%
Percentage of Americans who live within 1 mile of a c-store

86%
Percentage of rural residents who live within 10 minutes of a c-store

38%
Percentage of US shoppers who visit a c-store twice a week or more

Note: Data provided by CSP and NACS

The Evolution of Convenience Stores

1927

Southland Ice Company in Dallas, Texas begins selling bread, milk, and other essentials alongside ice in stores.

1945

After World War II, suburban expansion and the increase in automobile ownership raises the demand for c-stores.

1946

Southland Ice Company's stores are rebranded as 7-Eleven to reflect extended hours of operations (7 am to 11 pm).

1973 & 1979

Fuel adoption at c-stores increases dramatically during the oil and energy crises, as consumers want a single stop to refuel and pick up essential items.

2000

C-stores increasingly embrace technology, offering ATMs, prepaid phone cards, and self-checkout systems.

2010-Present

Mobile payment systems and app-based rewards programs increase, along with the expansion of electric vehicle (EV) charging systems.

Industry Overview

At the beginning of 2025, there were 152,255 convenience stores in the US. This is a marginal decrease (141 stores) compared to the previous year.[1]

While the number of standalone stores slightly declined, the number of stores selling fuel increased by 1.5%, bringing the total to 121,852 stores. It's estimated these stores sell 80% of fuel purchased by consumers in the US.

With 16,416 convenience stores, Texas continues to lead all states, followed by California (12,169), Florida (9,732), and New York (7,704).[2]

While independent stores make up the majority of the industry, large chains are continuing to expand their footprint.

Number of C-Stores by Brand

1	7-Eleven	13,000
2	Circle K	7,146
3	Casey's General Stores	2,639
4	Murphy USA	1,733
5	EG America	1,578
6	GPM Investments	1,543
7	BP America	1,540
8	ExtraMile	1,070
9	QuikTrip	1,041
10	Wawa	1,040

58% of convenience store operators feel optimistic about business in 2025, but there are some pressing concerns:

- 46% of operators say hiring and retaining employees is their top business challenge.
- 41% say economic conditions and increased competition are their second and third concerns.

While sales of cigarettes continue their decline, the product category is still a prominent economic factor for c-stores. Given the high percentage of c-store sales attributed to cigarettes, key concerns operators have about the category in 2025 include:

- Consumers smoking less (26%)
- Excise taxes (25%)
- Illegal vapor products (19%)
- Federal regulation (15%)

As for fuel prices, 27% of operators believe electric vehicles (EV) adoption will have the greatest impact on sales, followed by changing consumer behavior (24%) and fuel prices (22%).[3]

[1] 2025 NACS/NIQ TDLinx Convenience Industry Store Count
[2] "What's In Store for 2025," NACS
[3] "2025 Outlook Survey: Convenience Retailers Are Mostly Optimistic About Business Conditions," CSP

Consumer Trends

With 63% of c-stores belonging to independent operators, diving deeper into this pool of locations provides more valuable information than simply focusing on the large chains.

In 2024, 400,000 shoppers visited an independently operated c-store on average. Those visits translated into 160 million daily transactions.

All told, 43% of Americans live within one mile of a c-store, with 86% of rural residents living within 10 minutes of one.

67% of all US shoppers visit a c-store once a week or more, and 38% more than twice a week.

Before arriving at a c-store, 80% of shoppers have already decided what they are going to purchase, and the average spend per basket is $8.59.

53% of shoppers have visited a gas station—even one that was out of their way—because they like the station's convenience store, with loyalty programs (37%), ease of payment (36%), and food options (27%) being the leading drivers.

The preferred means of payment continues to be debit cards, which lead both in usage (49%) and preference (45%), followed by credit cards (26%) and cash (18%). Digital wallets like Apple Pay and Google Pay, meanwhile, only account for 5% of usage, and gas station apps account for 2%.[4]

Purchasing Trends

Beverages and packaged goods continue to be the most popular items among consumers visiting c-stores. Soft drinks (49%), coffee (33%), and bottled water (33%) are at the top, followed by packaged snacks (32%) and lottery tickets (30%).

When it comes to dining at a c-store over the past year, the generational splits are stark. While Gen Z and Millennials are relatively even in c-store dining (42% and 43%, respectively), Gen X (33%) and Boomers (26%) lag behind.[5]

Purchasing Trends (2023 vs. 2024)

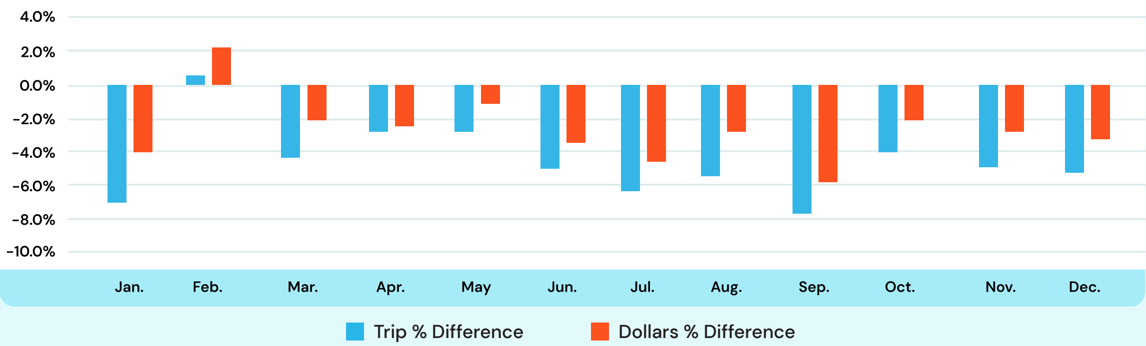
Outside of the month of February, in-store sales were down in 2024 compared to the previous year. This decline was volatile, ranging anywhere from 3.5% to as much as 7% during certain months.

Because of this, in-store purchases fell by 4.6% overall in 2024—even as average basket spend steadily increased month over month.

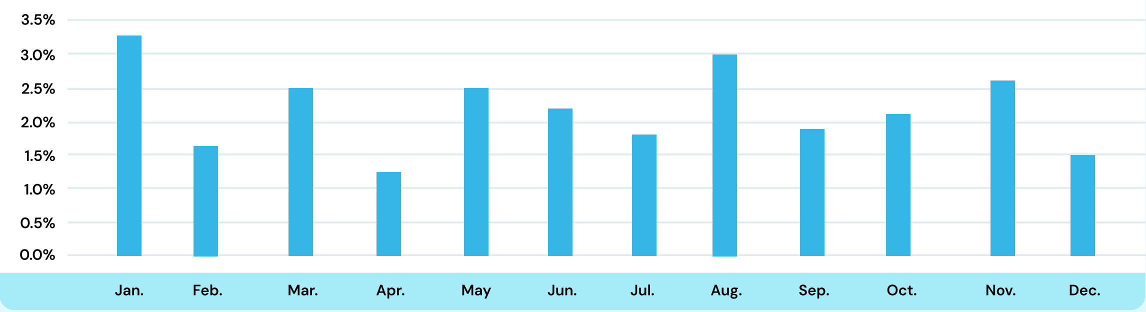
[4] "2025 Commerce Experience Report," NCR Voyix

[5] "2025 Commerce Experience Report," NCR Voyix

Monthly Sales and Transactions: 2023 vs. 2024



Monthly Average Basket Spend: 2023 vs. 2024



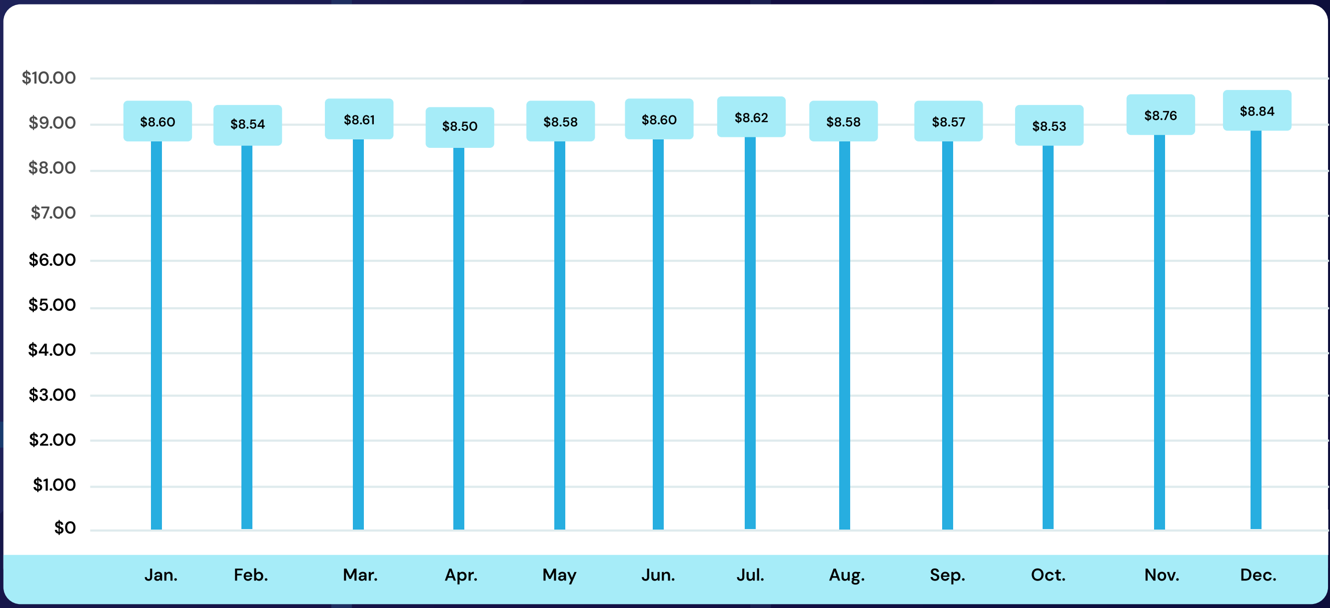
On average, purchases of foodservice prepared at c-stores were up 16.3% in 2024. Product categories that were on the rise over the previous year included:

- ↑16.3% Foodservice prepared meals
- ↑8.1% Frozen dispensed beverages
- ↑6.8% Health and beauty care
- ↑6.2% Cold dispensed beverages
- ↑5.2% Store services

Meanwhile, product categories that were down from 2023 included:

- ↓4.1% Cigarettes
- ↓5.9% Other tobacco products
- ↓11% Non-edible grocery
- ↓13% Perishable grocery
- ↓33% Lottery sales

Average Basket Spend 2024



What's Hot?

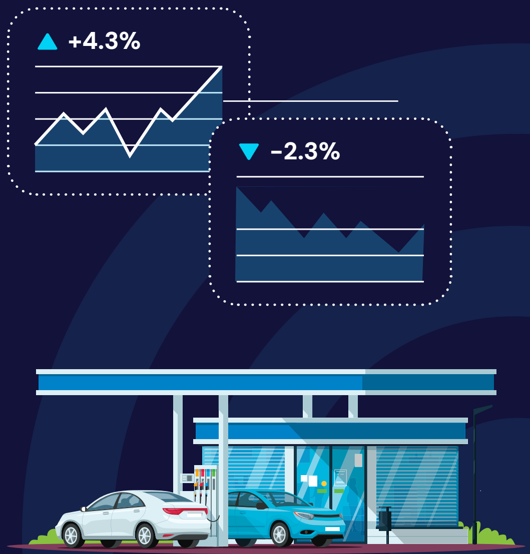
Category (YOY Growth 2023 vs. 2024)					
Candy	Sour Patch 24%	Nerds 19%	Snickers 18%	Extra 12%	Skittles 11%
Salty Snacks	Chesters 26%	Bigs 22%	Takis 10%	Doritos 4%	Cheetos 4%
Packaged Sweet Snacks	Grandmas 33%	Hostess 9%	Bimbo 8%	Nabisco 6%	Bon Appetit 2%

Fuel Trends

Fuel prices can be volatile due to various factors, including geopolitical tensions, US policy shifts, seasonal disruptions, and industry challenges. These elements often intersect, amplifying their impact on the economy and consumers.

Data suggests a strong positive correlation between gas prices and the number of c-store trips (both for fuel and in-store purchases). As the price of fuel rises, so do the number of trips—and vice versa. In all, the correlation is 0.79 for fuel trips and 0.78 for in-store trips.

While seemingly counterintuitive, this correlation may be due to a couple of factors.



When gas prices rise, people might be more conscious about refueling, leading to more frequent trips but smaller fill-ups.

Since many customers make in-store purchases when they stop to fuel, an increase in fuel trips also drives up in-store visits.

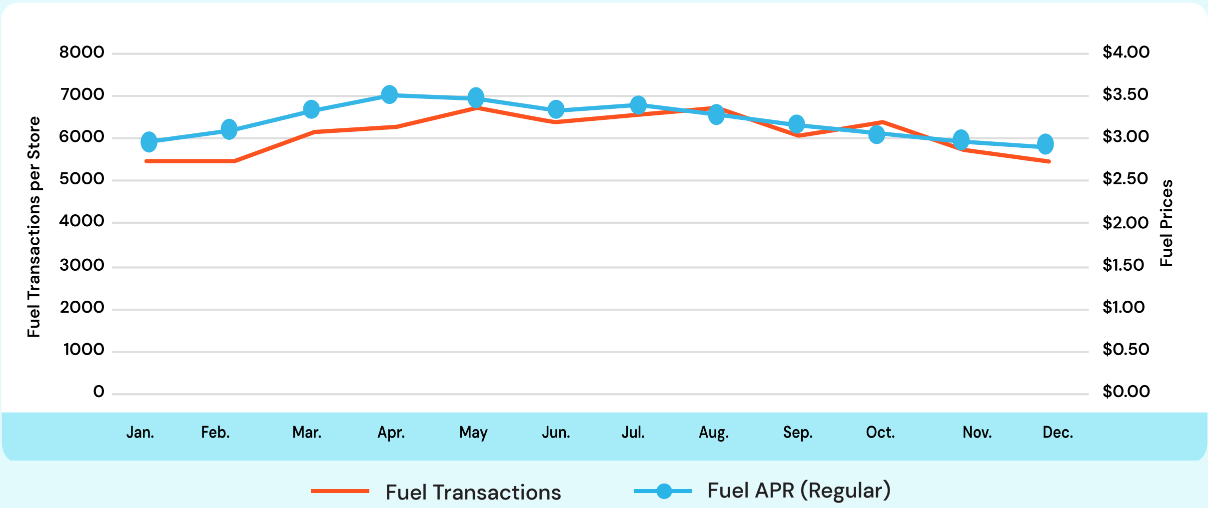
When gas prices remain relatively stable, consumer habits generally follow a predictable pattern. However, when gas prices become extremely high or low, the relationship between them and trips inverts:

Extreme price increases lead to fewer trips but larger in-store purchases as shoppers stock up to avoid making frequent stops.

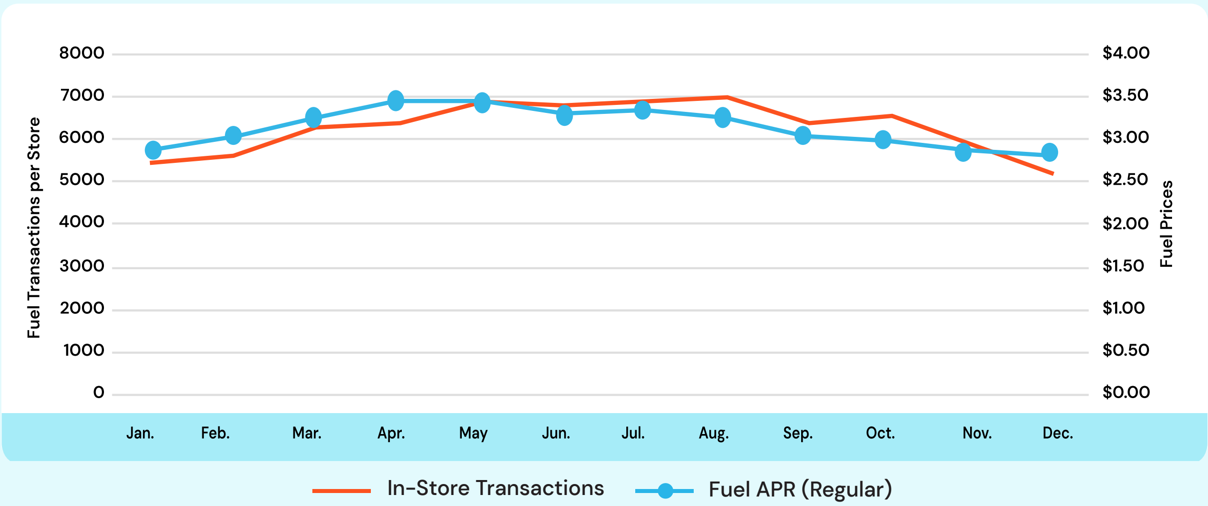
Similarly, extreme drops in gas prices tend to encourage more frequent trips but smaller basket sizes per visit.

In essence, a rise in gas prices usually leads to more trips for customers. But there's a breaking point. When gas prices fluctuate extremely, customer behavior shifts as they consolidate trips but buy more at one time.

Fuel Trips and Fuel Prices



In-Store Trips and Fuel Prices



2025 Fuel Forecast

The potential impact of tariffs on US trade partners could disrupt critical supply chains and create significant economic consequences for fuel prices in 2025.

In this situation, releasing or replenishing the US Strategic Petroleum Reserve (SPR) will offer only temporary relief, as its capacity is limited and its impact on global prices diminishes over time.

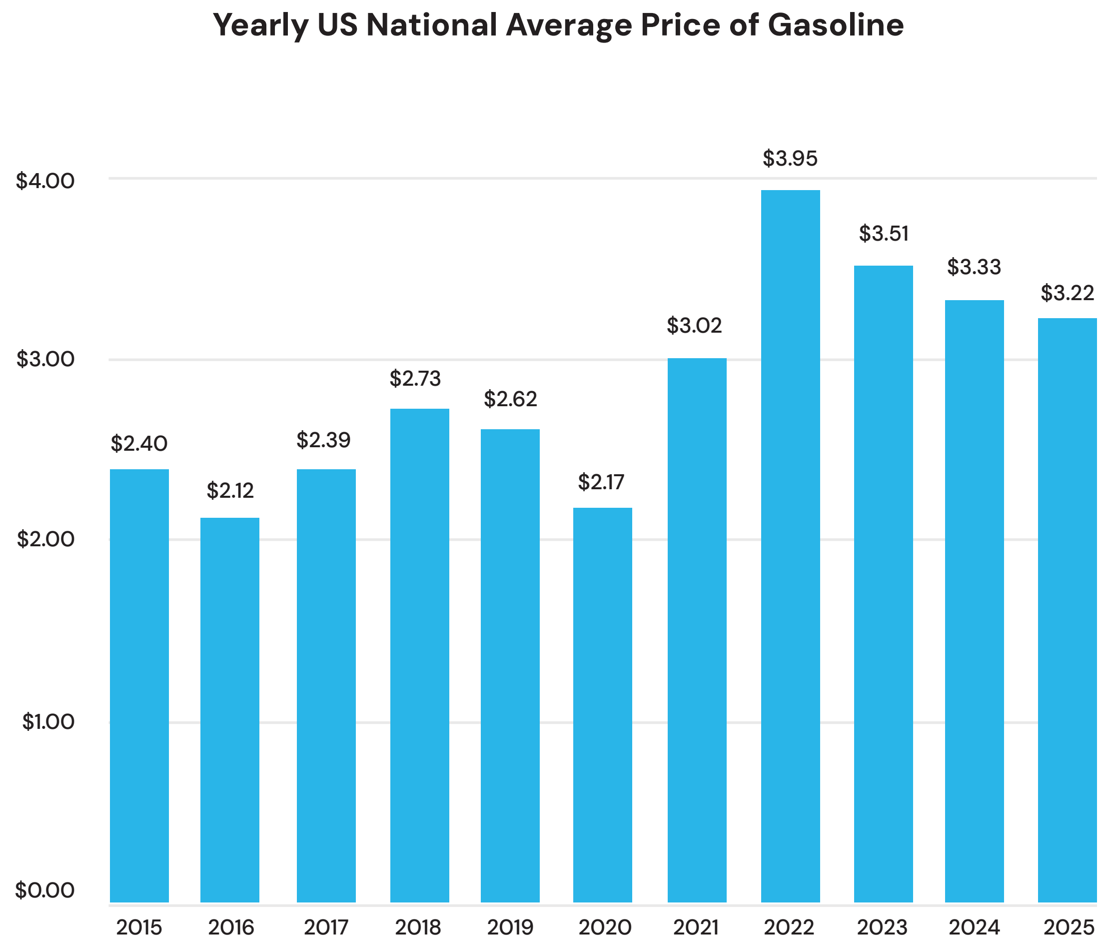
In addition, seasonal disruptions due to weather—especially hurricanes—could further add to fuel price volatility. The US Gulf Coast, a key hub for oil refineries, is vulnerable to storms that can shut down operations and disrupt supply.

Data insights from PDI Technologies and GasBuddy project the yearly national average fuel price in 2025 will be $3.22 per gallon, with the possibility for a brief uptick to $3.67 per gallon before receding.

$3.22 per gallon

Projected National Average Fuel Price in 2025

All told, an expected $411 billion will be spent on gasoline in the US this year, down more than $12 billion from the $423.1 billion spent in 2024—and $115 billion less than in 2022, when the economy was surging following the global pandemic.



Forecast for 2025 and Beyond

We asked PDI Chief Executive Officer Jimmy Frangis to provide his expert perspective on what c-store owners and operators should watch for in 2025 and beyond. Here are his responses.

Jimmy Frangis
Chief Executive Officer - PDI Technologies

Q. How can c-store owners diversify their revenue streams beyond traditional fuel sales?
A. Foodservice has been huge over the last couple years, and it's only getting bigger in the convenience space. It's a great way to differentiate your stores and drive more frequent visits. In that way, c-stores are becoming more like restaurants—a destination point. I think we're going to see c-stores investing in more mobile technologies for ordering, payments, and even deliveries, essentially following the restaurant model.

Q. What are some innovations being made in the loyalty programs space?
A. Retailers are seeking ways to incentivize more visits to their sites through sophisticated loyalty programs and other retail media networks. In addition to discounts and rewards, they're really focusing on personalization more than ever before. That higher level of personalization requires better data and advanced tools to deliver the type of customized omnichannel experience that consumers now expect.

Q. How can c-store owners leverage AI and automation to streamline operations?
A. Our customers want more AI, because they've already seen how it has shortened processes and handled complex tasks. It's all about increasing efficiency and freeing people up for more strategic roles. Pricing, inventory management, and logistics are three areas that can really benefit from AI and machine learning. However, you still need a strong human element to make sure you're using AI effectively and continually tracking your results.

Q. How can c-store owners attract and retain employees in a competitive job market?
A. Employee retainment is a big challenge, because we're still in a difficult labor market and turnover remains super high. But employee retention is also key to long-term success. Setting up an employee engagement loyalty program with clear incentives is a great way to improve retention. In turn, stronger employee engagement leads directly to higher customer engagement, which also enhances customer loyalty.

Q. How much industry consolidation do you expect over the next few years?
A. With about 60% of c-stores being independent sites, the convenience retail channel is still highly fragmented compared to other industries. Consolidation was really strong for a while, but it tapered off the last few years because of the higher interest rates. If rates come down a bit more, I think we'll see consolidation continue to pick up over the next two to three years.

Opportunities for Growth and Innovation

2025 presents key opportunities for growth and innovation among c-stores. Some of the biggest areas owners and operators can capitalize on include:

- **Technology-enabled convenience**
- **Expanded foodservice and healthier offerings**
- **Enhanced loyalty and subscription programs**
- **Alternative revenue streams**
- **Improved cybersecurity and network management**

Technology-enabled convenience

The integration of digital solutions continues to reshape the c-store experience, making it more efficient and customer-centric. Frictionless checkout systems that leverage AI and mobile applications can replace traditional cashier-based transactions, reducing wait times and improving operational efficiency.

In addition, mobile ordering and delivery services via partnerships with platforms like DoorDash and Uber Eats can provide greater customer convenience and additional revenue streams.

Operators can consider AI-powered analysis of sales data, foot traffic, and weather patterns, which can support more accurate sales predictions and inventory management. Moreover, data-inspired personalization can make ad targeting much more effective in loyalty programs.

Expanded foodservice and healthier offerings

Consumer demand for high-quality food options continues to increase. Many operators are investing in made-to-order meal programs and premium grab-and-go selections, including fresh sandwiches, salads, and specialty coffee. These offerings position c-stores as viable alternatives to quick-service restaurants.

The market for healthier and functional foods is also expanding. Products such as plant-based snacks, organic offerings, and high-protein options are becoming standard in response to consumer health consciousness.

C-stores that cater to diverse tastes by incorporating local and ethnic food options can further differentiate themselves and attract a broader customer base. Partnerships with regional food suppliers and local brands can enhance authenticity and boost customer loyalty.

Enhanced loyalty and subscription programs

Advanced loyalty programs powered by AI and data analytics make it possible for c-stores to deliver personalized promotions and discounts based on individual purchasing behaviors. These programs foster customer retention and lead to higher basket sizes.

Subscription-based models are also gaining momentum, with offerings such as monthly coffee subscriptions, snack box deliveries, and car wash memberships driving recurring revenue. Such programs provide customers with added convenience while creating a steady stream of predictable income for store operators.

Alternative revenue streams

To remain competitive, c-stores can expand their revenue streams beyond traditional retail. For example, micro-fulfillment centers for last-mile logistics are emerging as a profitable use of store space, enabling rapid delivery of goods while leveraging existing infrastructure.

Additionally, gaming and entertainment options—including lottery ticket vending, e-sports lounges, and gaming stations—can be effective in attracting younger shoppers and increasing dwell time within stores.

In-store co-branding and pop-up collaborations with well-known brands or quick-service restaurants can enhance the customer experience and create new revenue opportunities. These partnerships allow c-stores to capitalize on trending products and drive higher foot traffic.

Improved cybersecurity and network management

As theft and cybersecurity concerns continue to be a challenge, c-stores are adopting advanced surveillance and theft prevention technologies. AI-powered security cameras and biometric authentication systems help reduce shrinkage and enhance employee safety.

Automated cash-handling solutions, such as smart safes, also improve operational security by minimizing human intervention in cash management. These solutions mitigate the risk of theft while increasing efficiency in store operations.

On a smaller—but no less important—scale, ensuring c-store cleanliness can be a major differentiating factor for operators. Stores with above-average cleanliness ratings receive 21% more visits than below-average ones, and nearly 23% of consumers frequently make a purchase after using the restrooms at a c-store.

The growing risk of sophisticated cyberattacks such as ransomware remains a key concern in the convenience retail space. Many operators with limited IT staff or technical expertise are engaging Managed Security Service Providers (MSSPs) to handle network management and cybersecurity in order to protect their systems and prevent business disruption.

Final Thoughts

The c-store industry continues to evolve in response to changing consumer preferences, technological advancements, and economic pressures.

As convenience remains a top priority for consumers, stores that invest in digital transformation, diverse product offerings, and enhanced customer experiences are well-positioned for growth.

Key industry trends—such as the expansion of fresh and healthy food options and increased utilization of data—are shaping the future of convenience retail. Additionally, strategic partnerships and innovations in last-mile delivery are redefining how customers access everyday essentials.

Despite challenges such as fluctuating fuel prices, labor shortages, and regulatory changes, the industry remains resilient. By leveraging data-driven decision-making, optimizing supply chain operations, and prioritizing customer engagement, c-store operators can continue to thrive in an increasingly competitive landscape.

Looking ahead, the ability to adapt to shifting market dynamics and embrace emerging trends will be crucial for long-term success. Those who proactively invest in innovation and operational efficiency will not only meet consumer expectations but also drive sustained profitability and industry leadership.

To learn more about the latest fuel and convenience retail industry trends and data insights, visit **www.pditechnologies.com**.

PDI TECHNOLOGIES

About PDI Technologies

With 40 years of industry leadership, PDI Technologies, Inc. resides at the intersection of productivity and sales growth, delivering powerful solutions that serve as the backbone of the convenience retail and petroleum wholesale ecosystem. By "Connecting Convenience" across the globe, we empower businesses to increase productivity, make informed decisions, and engage faster with their customers. From large-scale ERP and logistics operations to loyalty programs and cybersecurity, we're simplifying the industry supply chain for whatever comes next. Today, we serve over 200,000 locations worldwide with solutions like the Fuel Rewards® program and GasBuddy®, two popular brands representing more than 30 million active users.

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GasBuddy

About GasBuddy

GasBuddy is the leading fuel savings platform providing North American drivers with the most ways to save money on gas. GasBuddy has delivered more than $4 billion in cumulative savings to its users through providing real-time gas price information at 150,000+ stations, offering cash back rewards on purchases with brand partners, and through the Pay with GasBuddy™ fuel card that offers cents-off per gallon at virtually all gas stations across the US. As one of the most highly rated apps in the history of the App Store, GasBuddy has been downloaded over 100 million times. Acquired by PDI Technologies in 2021, GasBuddy's publishing and software businesses enable the world's leading fuel, convenience, QSR, and CPG companies to shorten the distance between the fueling public and their brands.

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