

Case study

National convenience store chain capitalizes on consumers' impulse buys to triple ice cream sales

Solid-state innovation from technology company, Phononic, expected to drive more than \$200 million in new revenue over seven years



The challenge

According to NACS, the average convenience store [C-store] visit lasts only three to four minutes, with consumers selecting their purchases even faster – in just 71 seconds. For one of the largest C-store chains in North America, customers' impulse buying behaviors had become a source of inspiration – and the cornerstone of an innovative new store design strategy aimed at driving more sales at checkout.

The C-store industry has always catered to its customers' impulse buys – the industry invented the 'grab-and-go' concept. Yet as customers' tastes change season-to-season and day-to-day, the national chain challenged themselves to bring more versatility to checkout lines, where most impulse purchases are made.

Some of the highest-margin frozen foods, like ice cream, had been relegated to the back of the store where they were less likely to grab customers' attention in the precious-few seconds available to drive a purchase.

Ice cream sales have been in decline, and the team was looking

to refresh the category and explore new ways to draw customers to ice cream freezers. The only option seemed to be larger freezers with the intent that larger freezers would be more visible. The team then met with Phononic, a technology company based in North Carolina that specializes in solid-state cooling solutions, who brought the opposite approach: a point-of-sale freezer.

The solution

While they knew that high-margin frozen foods presented a strong revenue growth opportunity for them, the national chain had not considered leveraging them in checkout strategies. The technology didn't exist to allow them to place these items at the front of the store – or so they believed.

Phononic had just launched its F200 Merchandising Freezer when it met with the team in North Carolina. The F200 Freezer's compact countertop design and near-silent operation made dynamic placement of novelty ice cream at checkout a

possibility for the first time ever. With Phononic's solution powered by sustainable solid-state technology that replaces loud, bulky compressors, they now had a product to drive impulse sales that fit in every store format.

The company quickly launched a field trial with Phononic, installing freezers across 29 of the chain's North Carolina locations. Installations were seamless – place the unit on the checkout counter and plug it in. Stores were up and running within 60 minutes.

The result

Incremental sales growth

Within days, multiple stores had sold more ice cream in 24 hours than was typical over two weeks. By tapping into customers' impulse buying behaviors at checkout, the C-store was able to sell three times as many frozen candy bars, such as Twix and Snickers, and single-serve ice cream favorites like Drumsticks and Nestle Crunch Bars, across the region.

Sustained sales of "seasonal" items

All of the C-store's participating locations sustained higher ice cream sales throughout the trial, and are now transitioning into an expanded deployment – continuing the momentum beyond "peak" ice cream season and key holidays like the 4th of July. Stores saw sustained growth of 109% more ice cream than control stores, indicating that by placing frozen items like ice cream at the point-of-sale ice cream seasonality all but disappears.

"Our goal in running a field trial was to help this C-store's regional team drive incremental ice cream sales, while demonstrating how seamlessly our freezers fit into the convenience store footprint," said Keith Lewis, Director of Sales, Food and Beverage, at Phononic. "Many of our customers are surprised by how simple the installation process is, how intuitive our freezers are to use, and how versatile they can be when it comes to branding and product placement."

"The results are very exciting, but not entirely surprising," said Lewis. "A recent survey we conducted of 1,000 U.S. consumers found that 67% purchase fresh and frozen groceries on impulse, and many shoppers report making impulsive food and beverage purchases as often as five times per month. Moving these items to the checkout counter has made these impulse purchases much more likely, and we expect consumers will demand these options in the future."



For more information about Phononic's F200 Merchandising Freezer or to purchase for your store, visit: <https://www.phononic.com/solid-state-products/food-and-beverage/f200-merchandising-freezer/>.