





ACTION REPORT #2

Use Restrooms as a Point of Differentiation to Drive Teen Business

Research findings – based on the previously conducted NACS / Coca-Cola Leadership Council study, Building Loyalty with the Next Generation – encourage convenience store retailers to develop relationships with teens as they establish lifetime purchasing behaviors. Although this important customer segment does not generally represent "heavy" convenience shoppers today, as Baby Boomers retire and core customers mature, teens grow up and take their place. Further, building loyalty with a single teenager could translate into \$50,000 dollars in sales over that individual's lifetime.

Action Report #2* translates research key learnings into actionable ideas for convenience store retailers.¹ The following tips showcase how restrooms can provide a point of differentiation, help attract and retain teen consumers², differentiate a store and, ultimately, increase sales.

Tip 1: Make Restrooms Accessible

Tip 2: Create an Appealing Restroom Experience

Tip 3: Address Sanitation Concerns

Tip 4: Make it Easy to Keep Restrooms Clean

Tip 5: Enhance Teens' Self-Esteem

In addition, this Action Report contains content adapted from select 2007 NACS Magazine case studies reflecting Council members' validation studies, and their meaningful insights into teen shoppers and the significance of store restrooms.

^{*} This document is part of a series of Action Reports developed by Clickin Research that reflects key findings of Building Loyalty with the Next Generation, research previously conducted by the NACS / Coca-Cola Leadership Council. The study was designed to better understand and serve the needs of "emerging" shoppers, focusing primarily on teens ages 16-20. The study and all Action Reports are available at no cost on the Council web page at www.ccrrc.org via the NACS/CCLC tab.





Tip 1: Make Restrooms Accessible

Restrooms are very important to teens. In fact, visiting a restroom is the second, most common reason – following refueling – teens go to convenience stores.

"I just wanted to go to the restroom while waiting for my gas to fill, but the woman cleaning the restroom was taking a good 20 minutes to do it and holding me up. Plus I REALLY had to go. I thought it was very rude."

— 20-year-old girl, West Virginia

Consider

• Make access to restrooms more convenient and the customer experience more pleasant.

Validate

- Observe teens to determine if they make purchases:
 - After using the restroom.
 - While waiting for their friends to use the restroom.
- Talk separately with female and male teens after they use the restroom:
 - Ask if they had any trouble finding the restroom or gaining access to it.
 - Learn what they suggest would make the restroom more accessible and easier to locate.

- Use visible and attractive signs to make restrooms easy to locate.
- Remove barriers such as keys and oversized key chains to using indoor restrooms.





Tip 2: Create an Appealing Restroom Experience

Teens perceive restrooms as "advertisements" for the store, communicating the outlet's standards. Cleanliness is crucial, and teens expect facilities to be maintained with zero defects.

"There are clean bathrooms. And, there are a lot of polite people." – Brittney, 19, Illinois

Consider

• Implement aesthetic enhancements that positively impact the customer experience in store restrooms.

Validate

- Talk separately with female and male teens after they use the restroom:
 - Learn if the store restroom is important to them and why.
 - Inquire about what additions or changes they recommend. How would they improve their restroom experiences?
 - Ask them to describe the best restrooms they've visited and share why they liked it.
- Talk with employees about their impressions of teens' experiences before and after restroom improvements.

- Implement one or more of the teens' suggestions, such as:
 - Install an automated air freshener.
 - Play music to eliminate uncomfortable silence and diffuse sounds generated by those using the facilities.
 - Install larger, better-quality mirrors.
 - Add more / bright light in restrooms to raise spirits and improve feeling of safety and more stalls to reduce waiting time.





Tip 3: Address Sanitation Concerns

One of the most surprising findings of the NACS / Coca-Cola Leadership Council study is just how germ-phobic teens are. Their rooms and cars may be messy, but they want the places they visit to be clean. Some teens even make decisions about where to purchase gas or ready-to-eat food based on how well restrooms are maintained.

"If the restroom is gross, I would hate to see the store room." - Cody, 20, Michigan

Consider

• Understand how teens define clean and sanitary and use this knowledge to influence restroom improvements.

Validate

- Determine how often teens use the facilities or wash their hands after using fueling equipment or before eating food they buy at your store.
- Talk separately with female and male teens after they use the restroom:
 - Ask them to define clean and sanitary.
 - Learn what measures they suggest to create a clean and sanitary restroom.
 - Inquire about how they "know" if a restroom is clean and sanitary, and determine what they are likely to notice.
 - Talk with employees about their impressions of teens' experiences before and after restroom improvements.

- Implement one or more initiatives, such as:
 - Display signed schedule of routine maintenance activities.
 - Hire professional cleaners.
 - Provide no-touch installations for toilet, sink, towel dispenser, garbage cans and door foot pulls.





Tip 4: Make it Easy to Keep Restrooms Clean

Teens view the restroom as an indicator of a convenience store's quality and as a brand-differentiator.³ They believe that if the store is cared for, they will be taken care of too. This impression impacts their shopping and purchase decisions.

"I'm guilty of missing a few three-point shots into the trashcan. I use the paper towel to open the door, and if I walk across the room to throw the towel away the door closes...kind of defeats the purpose." – Ben, 16, Georgia

Consider

• Design the restroom experience so customers are more likely to help maintain its cleanliness.

Validate

- Observe the condition of a restroom after it is frequented by teens to determine behaviors /
 activities likely to have been engaged in by visitors. Speculate about what conveniences (such
 as containers, wrappers, or devices) could be provided in the restroom to help maintain a clean and
 appealing environment.
- Talk separately with female and male teens after they use the restroom:
 - Inquire how its layout, equipment, and supplies made it easy to help keep the facility clean.
- Talk with employees about their impressions of teens' experiences before and after restroom improvements.

- Implement one or more improvements recommended by teens.
- Consider trashcan improvements such as:
 - Place the trashcan near the door, enabling customers to use a paper towel as a hand cover before properly disposing of it.
 - Get a larger trashcan or one that's easier to use.





Tip 5: Enhance Teens' Self-Esteem

A positive restroom experience contributes to a customer's self-esteem, while a poor experience can undermine a teen's confidence and negatively impact their perceptions of the store, its staff, and its merchandise.

"When the store's restroom is clean, it makes me feel better about the products they sell." - Ariel, 19, West Virginia

Consider

 Understand how a restroom experience can impact a teen's self-esteem and the potential bottom-line implications on a store's profitability.

Validate

- Observe teens to determine if after using the restroom they:
 - Look refreshed and relaxed.
 - Purchase a beverage, food, or other products.
- Talk separately with female and male teens after they use the restroom:
 - Ask for suggestions about how the store could improve its restroom environment and improve teens' experiences.
 - Inquire about how important the restroom is to their overall satisfaction with the convenience store.

- Implement one or more improvements recommended by teens.
- Encourage employees to share their observations with management and brainstorm ways to improve the restroom environment / experience.





Insights into How Restrooms Provide a Point of Differentiation

Adapted from "Taking Care of Business; Spinx Adapts to Appeal to Teens" NACS Magazine, May 2007

Stewart Spinks is founder of The Spinx Company

- The restroom better be spotless, since clean facilities strongly influence where teen customers purchase gas.
- Spinx focus group participants made numerous remarks about being repelled by "smelly restrooms," dirty conditions, and unattended mop buckets. They expressed a preference for sensor-operated toilets that automatically flush so they wouldn't have to touch the equipment. Several teens mentioned that they carry and use hand sanitizers.
- Although teens want access to clean facilities, they do not want to call attention to themselves by requesting a key and parading through or outside the store. The oversize key chains many establishments use to prevent loss or theft seem to create embarrassment and discourage customers.
- Spinx is upgrading or creating restroom facilities with access from inside the store at 20 of its new or existing stores. The new design is similar to the layout of an airport restroom. There is no door at the entry point, and there are three stalls within.





Insights into How Restrooms Provide a Point of Differentiation

Adapted from "Taking Care of Business; Spinx Adapts to Appeal to Teens" NACS Magazine, May 2007 (cont.)

Stewart Spinks is founder of The Spinx Company

- Spinx is installing the most advanced technology for a completely touch-free experience there is
 no need to manually flush the toilet, handle sink fixtures, or make contact with the trash bin, which
 not only automatically opens and closes, but also compacts the contents. Remembering the power
 of the mirror, Spinx will install a mirror that stretches from floor to ceiling. If the restroom needs
 attention, a customer can press a wall switch to alert employees at the cash register or office.
- The company does not expect a direct payoff on its capital investment but will invest in the
 equipment because Spinx knows it will provide added convenience and, therefore, value. It will
 enhance the operator's reputation for providing leading-edge services and differentiate Spinx
 stores from competitors. This is important because competition isn't just other convenience retail
 establishments; it also includes other channels such as drug stores, dollar stores, supermarkets,
 and mass merchandisers.



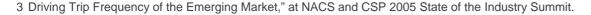


Insights into How Restrooms Provide a Point of Differentiation

Adapted from "Parker's Has Designs on Teens" NACS Magazine, March 2007 Greg Parker is president and CEO of The Parker Companies

 Parker's is taking teens' concerns about bathrooms to heart and designing facilities traditionally found in luxury accommodations featuring geometric German sinks, stalls with metal louvered doors, automatic flush valves, plants that will grow with virtually no light, and floor-to-ceiling tile reminiscent of Italian limestone. Parker's will also institute diligent cleaning routines and plans to incorporate many more restroom improvements over time.

² For suggestions on how to appeal to teens, visit http://theclickinfoghorn.blogspot.com/2006/10/talking-to-Teens-r-u-ready-2-engage-ur.html#links





¹ Recommendations were developed through a process of data mining, fieldwork with customers from a nationally representative sample of convenience stores and validation studies conducted by members of the NACS / Coca-Cola Leadership Council. Each recommendation is endorsed by the Council and validated by teen panelists.