

Customers can still pump gas at Sheetz, just as they could when the chain opened in the 1950s. However, the Altoona, Pa., company has evolved well beyond its original mission to adapt to today's and tomorrow's customers' needs. Chairman Steve Sheetz explains that foodservice is the company's new emphasis. Before the new prototype stores opened in Raleigh, N.C., and Altoona, Pa., Sheetz units sold food, but never with extensive, made-to-order offerings.

New Sheetz units offer a sophisticated menu – with made-to-order food such as grilled paninis, tossed salads, sandwiches, pizzas, fresh carved deli meats, even crême brulee. If the thought of a gasoline station conjured up images of junk food and dirty bathrooms, the newly opened stores shatter that image.

"We felt we could be unique in our segment in our food and beverage offerings, really distinguish ourselves. It's what we call a 'combined mission,'" says Sheetz.

Throughout the industry, there is no category into which the new Sheetz fits neatly. Sheetz calls the new stores "convenience restaurants" where customers can one-stop-shop for gas, grab-and-go groceries, a tasty meal, and even provide a local spot where

Fill 'Er Up Takes on New Meaning at Sheetz

Would you ever want to hang around a gas station/c-store? Sheetz is reinventing the image of these establishments with high-quality food and in-store seating.

By Martha O'Connell

families can go for breakfast, lunch or dinner.

A family-owned company, Sheetz is a \$2.8 billion-a-year chain business, ranked 87th on *Forbes* magazine's list of the largest privately-owned U.S. companies. Currently, it has 10,000 employees in 313 stores located in Pennsylvania, Ohio, Maryland, Virginia, West Virginia and North Carolina. All stores are open 24/7.

The 10,400-square-foot Raleigh store has checkouts on both sides of

the store with some integration between placement of restaurant offerings and convenience store goods to promote crossover purchases. Food stations for made-to-order items run along a 40-foot line and there are other stops for grab-and-go items.

The menu, developed by Keith Boston, culinary development director, includes hand-tossed pizza baked on premises, toasted subs, four varieties of grilled paninis, hand-tossed salads, a kids menu, and 14 flavors of gelato made at the store. Carverz sandwiches include hand-carved roast beef or turkey cooked at the store. All items are prepared in a food "theater" in front of customers.

With its heavy emphasis on freshness, Sheetz had to bring in equipment that made food storage, preparation and holding possible. For pizza, an entirely new item for the chain, Sheetz uses Lang ovens. For gelato, virtually unheard of in a convenience store until now, Sheetz stores the mixes in electronically controlled Carpigiani machines with dry cooling systems, to prevent bacteria contamination, and digital temperature displays. The finished gelato is displayed for customers in Continental freezers.

Like several other large fast-food chains, Sheetz is expanding its coffee



choices. Coffee has long been in Sheetz stores, available as a self-serve item. The new Sheetz offer customers made-to-order specialty coffees such as lattes, mochas and cappuccinos made with the chain's proprietary blends, Sheetz Bros. Coffeez. They are made by baristas using Fetco and Bunn extractors and Nuova Simonelli espresso makers.

Rolling the new menu into every Sheetz store is a huge undertaking. Sheetz says that not all units are ideal for conversion. The colossal Raleigh and Altoona stores are testing grounds to see what works and what doesn't.

"These are almost going to be 'sandboxes' for us to go in and play, watch, evaluate and learn," says Sheetz. "They will shape our thinking on all new stores and also take sure-fire winners and bridge them back to existing stores."

One element that holds tremendous sales potential is drive-thru access. Sheetz took the existing touch order screens it has inside stores and introduced a weatherproof version from Radiant Systems for a drive-thru. Drivers pull up under a canopy, input their orders, and also have access to a confirmation screen and intercom. The screen offers 27 combo meal purchases, put together because Sheetz felt it would speed the order and

delivery process. However, customers can order anything offered inside the store through the drive-thru, even grocery items or cigarettes.

Another feature is really breaking the c-store mold – seating. Although customers can get in and out quickly if they want, large, round booths inside invite onsite dining, as do umbrella-covered tables outside. In another area, bar stools belly up to an inside counter for single seating. Free, wireless connection is available, targeted mainly to young and business travel customers.

All this comes packaged in a brightly colored, hip interior, a far cry from classic gas station/convenience stores. Sheetz also is targeting families on the go, and has put in kids attractions – even child-height toilets. A "Nickelodeon" area includes children's books and activities, and candy in bulk holders can be dispensed into plastic cups instead of bags to make it convenient for little hands and car travel. A Kidz menu also was developed. On the grab-and-go end of the store, Sheetz expanded the number of refrigerated cases from 14 to 20 to make room for a broader beverage selection.

Sales at the Raleigh store have soared. The goal was to double the food and beverage sales at average stores – which run about \$25,000 per week. By June, weekly sales exceeded \$50,000.

With groceries, made-to-order food, seating, and yes, gas, Sheetz is not your average gas station/c-store.

Sheetz says the company will take the best features or scaled-down features from the two test stores and put them into its new generation of stores with the new Sheetz logo that proclaims the food offerings. The new stores will be 5,800 sq. ft. and 12 are under construction.

With shrinking profit margins in gas and other product sales, such as cigarettes, Sheetz's promised land lies in food and beverage. However, Sheetz says his company is not converting into restaurants or abandoning any of the products it has sold for more than 50 years. In fact, space constraints at existing locations will make it tough to retrofit many of the older stores with the expanded foodservice. But at new stores, the food will be impossible to overlook. Customers will even be able to order food from the touch screens outside at the pumps and pick it up inside. ☞

At A Glance

Operator:

Sheetz Inc., Altoona, Pa.

No. of Units: 313

Avg. No. of Customers/Week: 5,000 at Raleigh test store and 6,000 at Altoona store

Avg. Check: \$8

Menu: Made-to-order pizza, salads, sandwiches, gelato, paninis, kids' meals

Equipment Sampling: Toasted sub oven, specialty coffee machines, pizza oven, gelato prep and holding machines, carvery station equipment

Other Products Sold: Gasoline, tobacco, limited groceries, convenience store products

