

Convenience culture and the instant economy

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Scope

In a time-poor society consumers choose retailers that offer speed, simplicity and convenience. The digital age's on-demand and instant gratification culture means technology's immediacy is a revolutionary force in all aspects of our daily lives – from the kitchen to the gas pump – and is dramatically altering the spending and shopping habits of Australians.

Convenience food

Increased amounts of eating out due to busy schedules, changing family lifestyles and more women in the workplace has led to consumer demand for convenience with supermarkets promoting their ability to make cooking easy with competitively priced, pre-prepared ingredients. Bringing home these convenience products and putting them together doesn't mean that people can actually cook a meal though. A Marion's Kitchen survey found two in three Australians prefer to cook at home to save money. But despite the popularity of curries amongst home cooks, 82 per cent of respondents "would never make curry paste from scratch" and one in five couldn't name a single ingredient that goes into curry paste.[1]

The one-step convenience trend focuses on products that are easy to prepare and cook, but which offer consumers the 'feel good' experience of making the end product. Think of the Maggi So Juicy cooking mix, a seasoned oven bag that consumers add raw chicken and vegetables to before cooking. The sense of satisfaction comes from the preparation step they complete before the item goes in the oven.

Australian shoppers are also seeking a convergence of kitchen applications and items, with the smartphone as the central device. This can be seen in shopping behaviour amongst Gen Y with nearly 38 per cent of 18 to 34 year olds using smart phone apps when shopping for food (in comparison to only 12 per cent of those over 35).[2]

'At your convenience' expectation

As brick-and-mortar retailers use their physical locations for in-store pick-up of online orders, the ability to get your hands on an item quickly matters. Witness 3D printers that allow consumers to instantly print a product that solves a problem, which shortens the design and delivery cycle. This 'at your convenience' expectation is influencing all customer service-based industries with customised, on-demand access insisted upon – whether it's a video call with an expert online or a 3D-printer file that's ready for immediate download.

A 2013 study found that 35 per cent of Australians surveyed had already used some form of wearable technology – as opposed to just 18 per cent of US and UK respondents.[3] These smart devices promise convenience, control and

can be carried and used almost without thought. There's no need to use your hands or consciously pull your phone out of your pocket as glasses and smart watches can permanently be kept on and therefore integrate seamlessly into everyday life.

In the future this will, for example, make ordering 'on-the-go' incredibly easy for takeaway food consumers. As Google smart watches are predictive they can prompt you to order at a certain time or location and there's no need to stop whatever else you're doing as vocal commands tell the device what you want. And if you're wearing Google Glass as you walk by a digital menu in a restaurant window, it can display tailored meals according to your personal ordering preferences. And if you're a blogger, wearable technology means sharing with ease. There's no need to drop your chopsticks to upload to Instagram or live-stream to your blog. You can indulge in your passions – eating and sharing – simultaneously. The ultimate convenience.

'One-stop' shopping

Not only is Caltex Australia the leading oil refiner and marketer of petroleum products in Australia, but it's also the country's number one convenience retailer with a national network of over 500 stores.[4] As these stores centre around convenience, the average customer is not there to experiment and try out new brands; they only want 'known' brands that they trust through past experience and awareness.

Caltex Star Mart stores

<http://www.caltex.com.au/sites/StarMart/Pages/Home.aspx> are all about ease: from the layout (visual pointers to the location of regular product lines), product placement (soft lighting which makes the colour of the product offer stand out and attract the customer's attention) and obvious visual signage (i.e. a cow in the dairy section). Their customers are only in store for less than 110 seconds so the focus is on easy navigation and increasing the transactional basket size.[5] It's about customers standing at the front of the store and seeing the whole offer so they can decide where they need to go and helping them get there quickly.

Fresh, healthier food options have also been introduced to meet the needs of an increasingly health-conscious convenience customer. Another contributing factor to the focus on freshness is the loss of sales from restrictive legislation of in-store tobacco advertising (tobacco being a major convenience product category), which has forced the industry to consider new product categories. Focusing on the store's fresh credentials, the Caltex Star Mart teamed up with Caffè Aurora so 'freshly' ground beans with 'fresh' milk (not the milk powder it once used) would deliver the perfect coffee hit to a more discerning audience.

Caltex Star Mart also formed a strategic alliance with the Commonwealth Bank <https://www.commbank.com.au/> to further simplify customers' shopping experience. MasterCard PayPass

<http://www.mastercard.com.au/paypass.html> eliminates the need for PIN or signature verification and the brand is moving to deploy contactless payment

points directly to fuel pumps in the future. PayPass is seen as fast and ideal at venues where speed is essential. It's like having the exact change wherever you go, with no need for the time-wasting task of fishing for coins.

An interesting challenger in this space is Jack & Co, <http://jackandco.com.au/> a convenience store with a petroleum forecourt in Tarree, on the New South Wales central coast, whose mission is to put service back into service stations. The brand believes a modern day convenience store should reflect consumer trends and be a destination with quality products and a community atmosphere.

Jack & Co is less reliant on tobacco, confectionary and drinks and instead focuses on the fresh food category. Its point of difference is not only offering healthy food reminiscent of a café – rather than a petrol station – but also appealing to a female demographic by, for example, having hand washing stations positioned in store. It's also developed a mobile ordering application where the app allows customers to order coffee and food so that it's fresh and ready when they arrive to the store.

Insights and opportunities

Convenience is one of the best motivations businesses can offer potential customers, but does this make the best brand sense? Yes, manual processes can be laborious and a huge waste of time, but do all aspects of life need to be digitally streamlined to within an inch of their lives? With ease and immediacy can often come laziness and consumer unwillingness to express curiosity and venture beyond the known, and if brands want to engage in emotional connection, a 'get-in-and-get-out-quick' attitude won't really suffice.

Wearable technologies and their associated applications promise the most convenience – as the most effective devices are the ones that don't require you to change your habits – but while brands believe Australian consumers need speed, simplicity and convenience, is it really what they want?

Sources

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