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FOOD & DRINK

Welcome to the New Convenience Store

Once a late-night last resort, mini marts now offer far more than Cheetos and cigarettes. Kombucha on tap, anyone?



TURNING THE TABLES At Foxtrot in Chicago, customers have space to linger over a drink. PHOTO: LUCY HEWETT FOR THE WALL STREET JOURNAL

By Jane Black

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YOU CAN GET a fine sandwich at Choice Market in downtown Denver. The meatball sub uses local ingredients, while the “corned beet,” layered with non-dairy mozzarella, is a hearty vegan option.

But you can also get a lot more—and that’s the point. In 2,700 square feet, about the size of a Chipotle, Choice is open 24 hours a day and sells staples like pasta, milk and yogurt, specialty items like quinoa, and an array of fruits and vegetables. You’ll also find beer and kombucha on tap, and snacks that skew toward multigrain chips and seaweed but also include Doritos. The interior sports white subway tile, reclaimed wood and other design codes that telegraph hip sustainability.

What is Choice? A restaurant? A grocery store? Neither, said founder Mike Fogarty. It’s a convenience store.

Really? The c-word? Convenience stores, or c-stores, as they’re known in the trade, have traditionally been defined by size; the classic one is 2,400 square feet (versus a conventional supermarket’s 40,000 square feet). America’s 150,000-plus c-stores are typically understood as places you go for Slim Jims and cigarettes, not delicious (let alone vegan) food.

Yet new upstarts like Choice Market, Green Zebra Grocery in Portland, Ore., Foxtrot in Chicago, the Goods Mart in Los Angeles and Amazon Go in Seattle are open long hours (if not 24) and use the same small spaces to offer a wider range of options. You could meet a friend for coffee, pick up a few reasonably wholesome items for dinner or even fill up a growler of beer. At Amazon Go, customers



needn't even pull out their wallets to pay, thanks to an app that tracks stock and charges their accounts automatically. Traditional players, too, are adding hardwood floors and more attractive lighting. Wawa, the mid-Atlantic chain famous for its hoagies, is rolling out customizable salads across their 790 stores and testing delivery.

"People will come in and say this isn't a convenience store," said Lisa Sedlar, the founder of Green Zebra Grocery. "And I say, 'Of

A salad from Foxtrot in Chicago. PHOTO: LUCY HEWETT FOR THE WALL STREET JOURNAL course it is.' We are

redefining what it means to be a convenience store in America."

Several trends are driving change, according to research firm the Hartman

Group. In the era of fast-casual restaurants, customers of all ages aren't willing to sacrifice good taste or a pleasant experience for fast and easy. And despite claims of being time-starved, they don't seem interested in a one-stop shop. Primary shoppers report making more frequent trips to buy food at a range of outlets, from traditional grocery stores to specialty shops: The average number of grocery trips made per purchaser, per month jumped nearly 30% between 2014 and 2017. Finally, snacks—the raison d'être of convenience stores—are supplanting meals. Of all "eating occasions," 50% are now snacks.

Green Zebra's Ms. Sedlar first imagined a better convenience store almost 20 years ago. She was living in Boulder, Colo., and saw people head up to the mountains to hike or bike on their lunch hour. "They'd come down and stop at a mini mart and come out with a Big Gulp and a Snickers," she said with a laugh. "I remember thinking: 'Wouldn't it be cool if that mini mart had organic salads and delicious sandwiches?'"

Ms. Sedlar went on to work as a buyer for Whole Foods, then as president of New Seasons, a West Coast grocery chain. But she never gave up on the idea. In 2013, she opened the first Green Zebra in Portland, then two more. A fourth store will open in early 2019.

Green Zebra targets frequent shoppers: customers who need to pick up a few things and don't want to wind their way through a 40,000-square-foot store. Produce sells well, making up 8% of sales, compared to about 11% at a traditional grocery. While the offerings skew local and sustainable—this is, Portland, after all—Ms. Sedlar has no interest in being the food police.

(Craving a Coke? No problem.) The 4,000-square-foot Green Zebra on the Portland State University campus serves 1,400 customers a day; the average bill is \$8.

At Chicago's Foxtrot, delivery was the focus at the start. CEO and cofounder Mike LaVitola started the company in 2014 while he was in business school because "no one was putting the corner store on your phone." The idea was to provide better versions of classic conveniencestore items: beef jerky instead of

Slim Jims; a turkey sandwich with goat cheese, avocado and turmeric aioli, instead of a pre-wrapped stack of gelatinous meat; and, of course, local coffee and beer.



It turned out that, for legal reasons, Foxtrot needed a brick-and-mortar location. So a year later, the company opened one in Chicago's up-and-coming West Loop neighborhood. "We put in couches, and soon we had to bring in more seating. People were doing meetings there," said Mr. LaVitola. "We realized the online corner store was an opportunity, but the real-life

BREW LOOK Choice Market in Denver offers beer on tap. corner store could also be rethought." Today, Foxtrot has

four locations. Its business is divided evenly between in-store and delivery.

Could these upstarts replace old-school convenience stores? To fund expansion, Foxtrot has raised \$6 million, and Green Zebra is in the process of raising \$10 million to expand. Both are setting their sights on hundreds of stores. Choice Market, meanwhile, plans to open its second store, in Denver's Mariposa neighborhood in 2019. Mr. Fogarty said that the product mix may change to meet the needs of the less-affluent neighborhood. He may stock conventional fruits and vegetables instead of organic. But "we're not going to be a 7-Eleven just because it's lower income," he said. In fact, disrupting the chain that's heretofore defined convenience appears to be a common goal.

Top 5 sellers: Corvus drip coffee, Coca-Cola, organic bananas, daily soup, everything bagels

By the Numbers

How do people shop the the new convenience stores? We dived in at Choice Market, Denver

Local beers, wines and kombucha on tap: 8



Sales delivered to customer: 30%



Vegan dairy products for sale: 22



Sales between midnight and 5 am: 13%



Local bakeries that deliver breads and pastries daily: 3



Tobacco products sold: 0



Top 5 sellers: Corvus drip coffee, Coca-Cola, organic bananas, daily soup, everything bagels

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