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Joe Sheetz, Sheetz, Inc
Kevin Smartt, TXB Stores
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FACILITATOR

The Skinny on GLP-1s and Their Impact on the Convenience Industry

CLVG VISION REPORT No. 10
MAY 2025

FEATURED SPEAKER

Sherry Frey
Vice President of Total Wellness, Nielsen IQ (NIQ)

VGN VISION GROUP NETWORK — sharing **today** to shape **tomorrow**

We are Convenience Leaders Vision Group (CLVG), a group of invited leaders of the convenience industry who has volunteered our time to help our fellow retailers, solution providers and product suppliers. The only reason we gather is to discuss, debate and share our experiences and ideas. Each of us is offering our personal opinions. We are not looking for "group think" — we are promoting problem solving and looking to the future. We make our conversations available to everyone in the industry through CLVG Vision Reports. These reports will help you better understand current challenges, solutions, and opportunities while giving you access to different opinions and perspectives, regardless of the size of your business.

Convenience Leaders Vision Group is part of the Vision Group Network, whose mission is to gather the best minds in the industry, put them in a virtual room, and let the ideas and opinions develop.

This **CLVG Vision Report** is comprised of three parts:

This CLVG Vision Report includes **CLVG Views**, a summary of the conversation with additional resources.

NEW!

In The Room With CLVG transcript and Sherry Frey's presentation, **"Understanding GLP-1 and Wellness Shifts Impacting C-stores"** are online and searchable by topics. The full meeting transcript is available, so that you can be "in the room" with us, rather than only having access to selected quotes and paraphrasing.

The main topics in this CLVG Vision Report:

Understanding GLP-1 Drugs and Their Impact

Changing Consumer Behavior Impacting Retail Strategy

Downsizing Packages and Loading Protein

Global Trends, Domestic Shifts

Health and Wellness Trends

Data Analysis and Manufacturing Changes

Lightning Round Review: AI's Growing Impact on Retail Operations

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CLVG VIEWS

A CONVENIENCE LEADERS VISION GROUP DISCUSSION

The Skinny on GLP-1s and Their Impact on the Convenience Industry

The April 2025 Convenience Leaders Vision Group (CLVG) virtual meeting centered on the impact of GLP-1 drugs on consumer behavior and retail strategies. The meeting featured a broad picture of the drug's usage and observed consumer behaviors, followed by a lively discussion by CLVG members who shared projections on how to adapt their businesses to this emerging trend.

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Understanding GLP-1 Drugs and Their Impact

The CLVG virtual meeting, held on April 24, 2025, was facilitated by **Roy Strasburger**, CEO of StrasGlobal, president of Compliance Safe, and Vision Group Network co-founder. He set the stage by emphasizing how GLP-1 drugs, originally developed for diabetes but now widely used for weight loss, represent a potentially transformative shift in consumer purchasing patterns. The featured presenter, **Sherry Frey**, vice president of Total Wellness at Nielsen IQ (NIQ), delivered a comprehensive analysis of GLP-1 drugs' current market penetration, projected growth, and implications for convenience retailers in her presentation, "Understanding GLP-1 and Wellness Shifts Impacting C-stores." Frey was joined by her colleague **James Hunt**, senior vice president - North American Retail from NIQ, who provided additional insights specific to the convenience channel.

"The GLP-1s are a big piece, but they are just a piece, of a catalyzing moment that we have right now, especially in the U.S., around how people are thinking about what they're eating and how they're looking at that.

***Sherry Frey**, Vice President of Total Wellness, Nielsen IQ*

The significance of GLP-1 drugs stems from their ability to target a deeply motivating factor for consumers: the desire to lose weight and feel better without significant lifestyle changes. Unlike other health trends that come and go, this fundamental motivation might make the impact of these drugs more enduring in the marketplace.

In her presentation, Frey offered a very detailed explanation of GLP-1s, including how they work, who is using them, and future product development, as well as side effects that are and will have a major impact on shopper behavior.

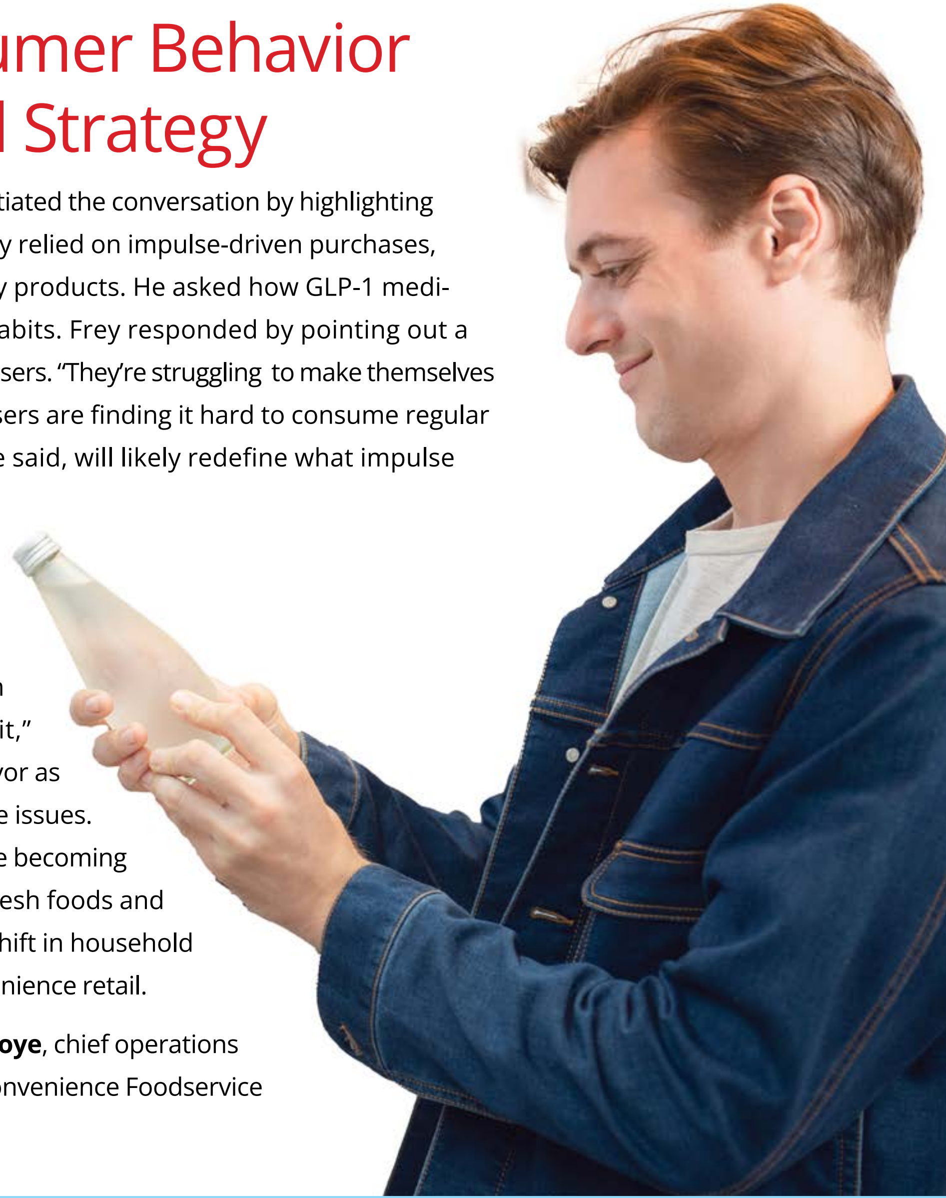
Data shows GLP-1 users demonstrate changing consumption patterns over time when using the drug, with initial increases in at-home eating followed by stabilization. Many users report side effects of nausea and lack of hunger and as such, tend to eat less and differently.

Frey suggested opportunities for convenience stores to serve these customers through high-protein prepared meals, low-sugar beverages, energy drinks, and meat snacks. Additionally, she noted that candy, gum, and mints might be sought for hydration and distraction. Lastly, alcohol purchasing is changing, trending down for single-household users, but the opposite for two-person households since they are staying home for drinks instead of going out.

She also suggested that retailers can gauge these customers best by analyzing usage data in their market, with some areas in the U.S. having much heavier usage. Beyond GLP-1 users, Frey discussed broader consumer concerns about ultra-processed foods, food additives, and synthetic dyes. Recent legislative changes banning certain food colorings and additives represent additional challenges for retailers.

Changing Consumer Behavior Impacting Retail Strategy

After Frey's presentation, Strasburger initiated the conversation by highlighting how convenience stores have historically relied on impulse-driven purchases, often involving indulgent or less healthy products. He asked how GLP-1 medications might alter these purchasing habits. Frey responded by pointing out a significant behavioral shift among GLP-1 users. "They're struggling to make themselves eat," she explained, noting that many users are finding it hard to consume regular meals due to reduced hunger. This, she said, will likely redefine what impulse means in the c-store environment.



Frey added that while people are still purchasing indulgent items, there's a stronger emphasis on intentionality. "If I'm going to have something, I'm going to make sure that I really enjoy it," she noted. Fatty items are also losing favor as those have been seen to trigger digestive issues. Additionally, trips to the grocery store are becoming more frequent, driven by demand for fresh foods and unprocessed frozen meats, signaling a shift in household meal planning that may ripple into convenience retail.

Several participants, including **Richard Poye**, chief operations officer at Food Trends Think Tank and Convenience Foodservice

Vision Group (CFVG) facilitator, and **Hal Adams**, senior advisor, U.S. Proximity at FEMSA/OXXO, explored how these changes affect not just individual GLP-1 users, but entire households. Adams remarked on how habits like increased hydration and reduced sugar intake might be reflected in non-users.

Hunt and Frey noted that the grab-and-go nature of c-stores is especially well positioned to observe these changes firsthand. Frey closed the loop by reminding the group that while GLP-1's current user base is still relatively small, the market is growing rapidly. Knowing how heavily prescribed these medications are in certain regions can help retailers tailor their strategies accordingly, particularly as this new consumer mindset continues to take hold.

Downsizing Packages and Loading Protein

Strasburger emphasized the critical role foodservice will play in the future of convenience retail, noting that consumers are seeking smaller portions and there is an opportunity for foodservice to adapt with more flexible, intentional offerings. He observed, "We may have a fundamental change in how our category management works for those impulse sales," pointing to the prevalence of oversized products at the point of sale that may no longer meet evolving customer needs. Adams suggested that smaller snack package sizes could represent a new opportunity, proposing stores explore "smaller single size" options instead of large or king-size formats. This insight resonated with others, who drew parallels to past dietary trends and QSRs, which similarly shifted the offer to low-carb, high-protein snacks and sides.

OnCue President **Laura Aufleger** responded with curiosity about how foodservice operations might need to adapt, sharing her own surprise at the popularity of high-protein options like hard-boiled eggs, which once seemed like an unlikely hit. She expressed a strong interest in adjusting their kitchen's product mix to better align with these changes, especially as health and protein trends take hold.

Chris Stevenson, OnCue category manager and guest of Aufleger, shared that OnCue is already seeing results from a focus on high-protein snacks and smaller-size confectionery items, reflecting clear shifts in consumer behavior. **Tracey Hughes**, CEO of Wallis Companies, believes her category management team should brainstorm strategy around smaller portions, smaller packaged items, and menu assortment, appreciating the conversation for "setting that in motion" for her.

President/CEO of The Convenience Group, LLC **Don Rhoads** noted purchase shifts toward probiotic and low-calorie beverages like Poppi and Olipop and suggested hot food programs, such as rotisserie chicken, could be repackaged through a SNAP-friendly, protein-first lens.

Hunt suggested monitoring social media trends, particularly among younger consumers, to guide foodservice decisions. He pointed out how items like pickles in a bag and cheese-and-meat kits are now mainstream and reflective of demand for portable, high-protein snacks.

Frey added another layer by encouraging operators not to overlook fruits and vegetables, highlighting the popularity of smoothies and the growth of protein shake consumption as part of daily routines, both of which might present fresh foodservice opportunities. Adams and Poye both mentioned how the Atkins diet led to a massive low-carb product wave and emphasized that calling out macronutrients, especially protein, can be a powerful tool for guiding customer choice.

Global Trends, Domestic Shifts

Joris van Brussel, CEO Shell Mobility and Convenience, Shell USA and guest of CLVG Member **Barbara Stoyko**, SVP Shell Mobility Americas for Shell USA, added his regional perspective given his broad operational portfolio. van Brussel, speaking from experience in both U.S. and international markets, noted that while current GLP-1 adoption may be limited among traditional convenience store customers, broader accessibility could shift that landscape significantly. He emphasized that as these drugs become more mainstream, they may drive demand for healthier offerings. Drawing from European models, he proposed that enhancing foodservice could not only improve customer reach but also attract new demographics who currently don't see convenience stores as food destinations. He also noted that European markets, with their focus on fresher, commissary-prepared foods, might serve as a model for how U.S. convenience foodservice can evolve.

Greg Parker, executive chairman of Parker's, took a look inward at domestic policy shifts citing that he thinks "there's going to be a change in what the Food and Drug Administration does under the (Robert) Kennedy administration." He asserts, "Like most things, when government made changes like that, we as an industry tend to be very nimble and we look for other opportunities. And I think there's going to be huge opportunity for the retailers who are prepared and are being innovative to differentiate themselves from other people in the industry and to take advan-tage of what these new opportunities are going to be."

"In places like Europe where I've worked, it is already more customary for customers to come and expect a healthy offer in the convenience store. And I think that's an opportunity that we've got as a channel to be more considered for food.

***Joris van Brussel**, CEO Shell Mobility and Convenience, Shell USA*

Health and Wellness Trends

There are, of course, growing health concerns and broader implications of GLP-1 use. Poye raised questions about muscle loss and cycling on and off these drugs, which Frey confirmed are top concerns in the medical community. She noted some compounding pharmacies provide better education for users than those using traditional prescriptions in terms of side effects and things to avoid or alleviate them. Frey indicated her team is studying exercise habits alongside diet and may learn more on users' behaviors.

Eva Strasburger, president of StrasGlobal, CEO of Compliance Safe, and Vision Group Network co-founder, asked about serious side effects like stomach paralysis and blindness, which Frey acknowledged are real concerns, though some, like hair loss, may stem from rapid weight loss, not the drugs themselves. Strasburger also referenced a projected GDP increase tied to healthier consumers reentering the workforce, and Frey agreed there could be long-term economic benefits.

In terms of lifestyle and retail implications. Strasburger noted that GLP-1s may disrupt relationships, consumer behavior, and even health systems, citing changes in emotional connections around food, shopping habits, and national healthcare costs.

Donnie Rhoads, director of business development at The Convenience Group, LLC and guest of Don Rhoads, echoed this, noting shifting customer demographics and higher interest in "better for you" products like non-alcoholic beer. He pondered how stores could market these products, perhaps through high-protein signage or GLP-1 specific messaging. Surprised by how significant the trend has become, Plaid Pantry's CEO **Jonathan Polansky** said his team may expand their planned wellness section to include broader categories like hair-loss supplements (a side effect of the drug that Frey mentioned during her presentation), which hadn't been previously considered.

Download these other Vision Reports to read more on GLP-1 implications:

GCVG Do You Want Chips With That?, April 2025

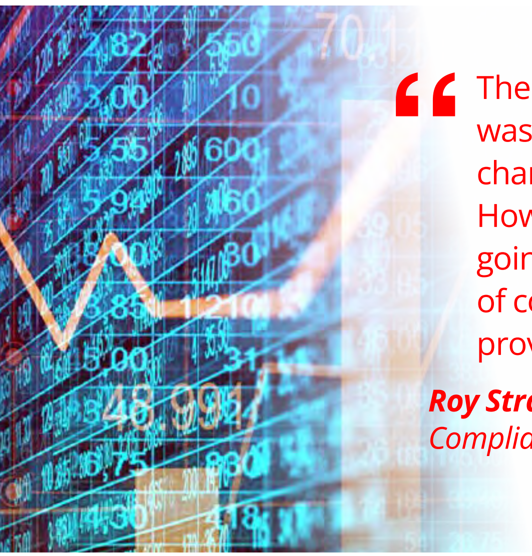
CLVG Expecting the Unexpected: Foreseeing Potential Disruptions, November 2024

CLVG Near and Far: Looking at Global Convenience Retailing, August 2024

Data Analysis and Manufacturing Changes

Kevin Smartt, CEO, TXB Stores, shared that his company is tracking GLP-1 usage closely, citing a report that 12% of Americans were on a GLP-1 drug by the end of 2024. He asked about projections, especially with consumers cycling on and off. Frey noted a 10-point increase in usage between September and February in her own survey data, with access through compounded pharmacies and telehealth visits driving adoption. However, as access tightens, cycling is expected to increase, particularly with seasonal motivations (e.g., weight loss for summer). She also pointed to adherence challenges with oral versions, despite their convenient appeal.

Smartt also asked how major food and beverage manufacturers are adjusting. Frey suggested that manufacturer slowdowns aren't solely due to GLP-1s. Broader macroeconomic trends such as tariff confusion and the "Make America Healthy" agenda are impacting manufacturers reaction time. That said, large manufacturers are beginning to collaborate on health-forward innovation, considering changes to ingredients and formats. The main thing that I took away from the conversation today was that the expectations of our customer base are going to change and we need to be able to meet those expectations. How we meet them may still be a little bit up in the air, but it's going to be a question of portions, it's going to be a question of content, it's going to be a question of availability that we provide our consumers.



> "The main thing that I took away from the conversation today was that the expectations of our customer base are going to change and we need to be able to meet those expectations. How we meet them may still be a little bit up in the air, but it's going to be a question of portions, it's going to be a question of content, it's going to be a question of availability that we provide our consumers.
>
> ***Roy Strasburger**, CEO, StrasGlobal, President, Compliance Safe, Vision Group Network Co-Founder*

Final Reflection

GLP-1 medications, originally used for diabetes and now widely adopted for weight loss, are rapidly changing consumer eating habits and reshaping the retail landscape. Users of these drugs are eating less, seeking high-protein, low-sugar, and prepared meal options while cutting back on impulse purchases like alcohol and large snacks. These shifts are prompting retailers to rethink product offerings, store layouts, and marketing strategies to align with evolving health-conscious behaviors. As adoption grows, the ripple effects are expected to influence not only individuals but entire households and broader food industry trends.

LIGHTNING ROUND Review

AI's Growing Impact on Retail Operations

In the Lightning Round, Facilitator **Roy Strasburger** asked participants to share their thoughts and new experiences since the January 31st CLVG meeting which featured a presentation about successful AI implementation.

Kevin Smartt shared that TXB has tested AI camera vision systems for over two years with strong benefits, though cost remains a barrier to chain-wide deployment. That technology offers advantages in safety monitoring, customer service enhancement, and inventory management. Smartt also detailed using AI for fuel pricing and admin tasks. However, he is conscious of "data overload." He states the challenge is sorting out "what's actionable data for us and what's meaningful data? What are we going to have return on investment on?"

Greg Parker and his colleague **Scott Smith**, Parker's vice president of IT and Convenience Technology Vision Group (CTVG) member, shared that their successful "Smart Kitchen" system, developed and implemented in-house seven years ago, uses AI to enable just-in-time food preparation. By analyzing traffic patterns, weather data, and other variables, the system achieves 94-95% accuracy in predicting short-term food sales, such as forecasting how many chicken tenders will sell in the next 15 minutes. The technology stack supporting these initiatives includes multiple AI models. Parker's utilizes ChatGPT, Claude, and custom Azure implementations to power their food forecasting software. Applications extend beyond foodservice to fuel pricing forecasting and delivery logistics.

A newly-created Parker's Business Intelligence department is tasked with analyzing the data and quickly bringing learnings to the team with the goal of receiving instant answers about store performance rather than waiting on formal reports.

To read the complete presentation and discussion from the January 2025 meeting, download the CLVG Vision Report, **CLVG Lead the Future: Transformative AI Strategies**.

AI has been the topic of numerous Vision Group meetings. Download these other Vision Reports to read more

GCVG Do You Want Chips With That?, April 2025

CxVG Owning the Numbers: Data-Driven Decisions from Strategy to Store, May 2025

CLVG Lead the Future: Transformative AI Strategies, January 2025

CTVG Generative AI and Retailing: Real Results and Real Challenges, January 2024

CLVG AI: Predictive Fuel and Dynamic In-Store Pricing, December 2023

NOTABLE AND QUOTABLE

“There could be two or three other people in those households that are listening to the new habits of the user and transferring those habits to themselves, possibly—eating higher protein, eating less sweets, more hydration.

***Hal Adams**, Senior Advisor, U.S. Proximity FEMSA/OXXO*

“One thing I would say, and probably most of you are doing this, is really looking at data for your market. The markets that your stores are in, in terms of GLP-1 prescriptions. There are markets in this country that are much heavier in terms of penetration of prescriptions.

***Sherry Frey**, Vice President of Total Wellness, Nielsen IQ*

“There’s going to be a huge opportunity for the retailers who are prepared and are being innovative to differentiate themselves from other people in the industry and to take advantage of what these new opportunities are going to be.

***Greg Parker**, Executive Chairman, Parker’s*

“My hunch at the moment is that the usage of these drugs is still underrepresented in our customer audience where we cater towards the more blue collar, less health conscious consumer because we’re selling a lot of beer and cigarettes, right? But as this starts moving down and becoming cheaper, it’s for sure going to be a trend to watch.

***Joris van Brussel**, CEO Shell Mobility and Convenience, Shell USA*

“I agree with people who say this could be the biggest lifestyle disruptor in our lifetime because of the effect it’s having on relationships between people who are choosing to go on GLP-1s.

***Eva Strasburger**, President, StrasGlobal, CEO, Compliance Safe, Vision Group Network Co-Founder*

“Remember there are so many people that are scared of the GLP-1s. They’re nervous about hearing that people rebound and gain their weight back. They’re nervous about the side effects and the cost is high. So there’s an addressable market of people that are interested in a GLP-1 but not going to go on it.

***Sherry Frey**, Vice President of Total Wellness, Nielsen IQ*

“One of the things I think is going to be really interesting about this impact on our industry is that many times outside influences, specifically in buying habits, tend to be very trendy...One of the really big motivators in using these GLP-1 drugs is the goal of people wanting to lose weight and for them to feel better about themselves, theoretically, without having to do any work. It’s the ideal way of people trying to lose weight and to become the people that they want to become. It’s the motivation and the motivating factor that I think is maybe much more enduring than what we’ve seen in the past.

***Roy Strasburger**, CEO, StrasGlobal, President, Compliance Safe, Vision Group Network Co-Founder*

TRANSCRIPT AND PRESENTATIONS

In The Room Transcript

The full meeting transcript is online and can be searched by keyword so that you can be "in the room" with us, rather than only having access to selected quotes and paraphrasing

Meeting Presentations and Demonstration Videos

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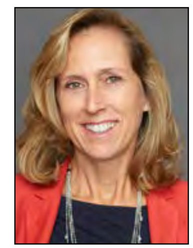

Barbara Stoyko
SVP Shell Mobility Americas, Shell USA

The Convenience Leaders Vision Group (CLVG) brings together convenience retail icons and trailblazers for quarterly virtual meetings. During these sessions, members identify trends, challenges and disruptions in retail as well as present possible solutions and opportunities. The group is committed to sharing its views and perspectives in order to advance the convenience retailing and mobility industry. CLVG operates under and is part of the Vision Group Network, which gathers the collective knowledge and ideas of its members to create a legacy of sharing within the retail community. For more information and to sign up for future Vision Reports, visit our website: **vgnsharing.com/vision-report-library**

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