

# Data in Motion

Marketing & Insights



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## NACS 2023 Domestic Store Count Report

With the convenience store channel being such an integral part of the lottery business, we stay attuned to the various trends and market conditions that impact the c-store industry. In this issue of Data in Motion, we share some data on the health of the c-store footprint from the National Association of Convenience Stores (NACS) annual report for calendar year 2023.

### Store Census Shows Continued Growth

More than 152,000 c-stores were operating in the U.S. in 2023, a number that has remained relatively stable over the past decade. Last year the domestic network expanded 1.5%, representing the second consecutive year of growth after declines from 2018 to 2021.

Number of C-Stores in Operation by Calendar Year (U.S.)

| Year | Store Count | Growth Rate |
|------|-------------|-------------|
| 2023 | 152,396     | 1.5%        |
| 2022 | 150,174     | 1.5%        |
| 2021 | 148,026     | -1.5%       |
| 2020 | 150,274     | -1.6%       |
| 2019 | 152,720     | -0.3%       |
| 2018 | 153,237     | -1.1%       |
| 2017 | 154,958     | 0.3%        |
| 2016 | 154,535     | 0.2%        |
| 2015 | 154,195     | 0.9%        |
| 2014 | 152,794     | 0.9%        |

The bulk of convenience stores come from “A-sized” operators (1-10 stores) with 96,156 locations (63.1% of the total c-store count for 2023). Of these locations, 91,799 are single-store operators, up slightly from 90,423 stores in 2022. The second largest group belongs to “E-sized” operators (500 or more stores) with 32,864 locations (21.6% of the total c-store count).

## Number of C-Stores by Count (2023 U.S.)

| Store Size         | Store Count | % of Total Stores |
|--------------------|-------------|-------------------|
| A (1-10 stores)    | 96,156      | 63.1% of stores   |
| B (11-50 stores)   | 9,157       | 6.0%              |
| C (51-200 stores)  | 9,033       | 5.9%              |
| D (201-500 stores) | 5,186       | 3.4%              |
| D (501+ stores)    | 32,864      | 21.6%             |

Nearly every state increased its store count including Texas, which continues to have the most convenience stores in the U.S. at 16,304, or more than 1 in 10 stores in the entire country. After losing 53 stores in 2022, California added 177 to its store count in 2023. Only seven states saw a reduction in their store count in 2023: Alaska, Iowa, Idaho, Louisiana, Maine, Oklahoma, and Vermont.

While the convenience store industry grew its retail presence throughout the U.S. in 2023, not all brick-and-mortar channels were able to say the same:

## Number of Units Per Retail Channel (2023 U.S.)

| Channel               | 2023    | 2022    | % Change |
|-----------------------|---------|---------|----------|
| Convenience           | 152,396 | 150,174 | 1.5%     |
| C-stores selling fuel | 120,061 | 118,678 | 1.2%     |
| Fuel kiosks           | 13,065  | 13,346  | -2.2%    |
| Grocery               | 45,047  | 45,380  | -0.7%    |
| Drug                  | 39,752  | 40,008  | -0.6%    |
| Dollar                | 38,435  | 37,067  | 3.7%     |

## Final Word

Approximately 63% of lottery sales come through the c-store channel and the average retailer makes approximately \$24,000 in gross annual revenue selling lottery products. This is in addition to the increased foot traffic and other non-lottery products that players purchase in these retail locations. With our industries so intertwined, it is critical that lotteries continue to look for ways to understand and engage the convenience store industry. A deep understanding of how this important network sells, manages, and accounts for lottery products will ensure that we, as an industry, provide the products, services, and technology that assures our continued, mutual success.

Sources:

NACS 2023 U.S. Convenience Store Count

NACS 2022 State of the Industry

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