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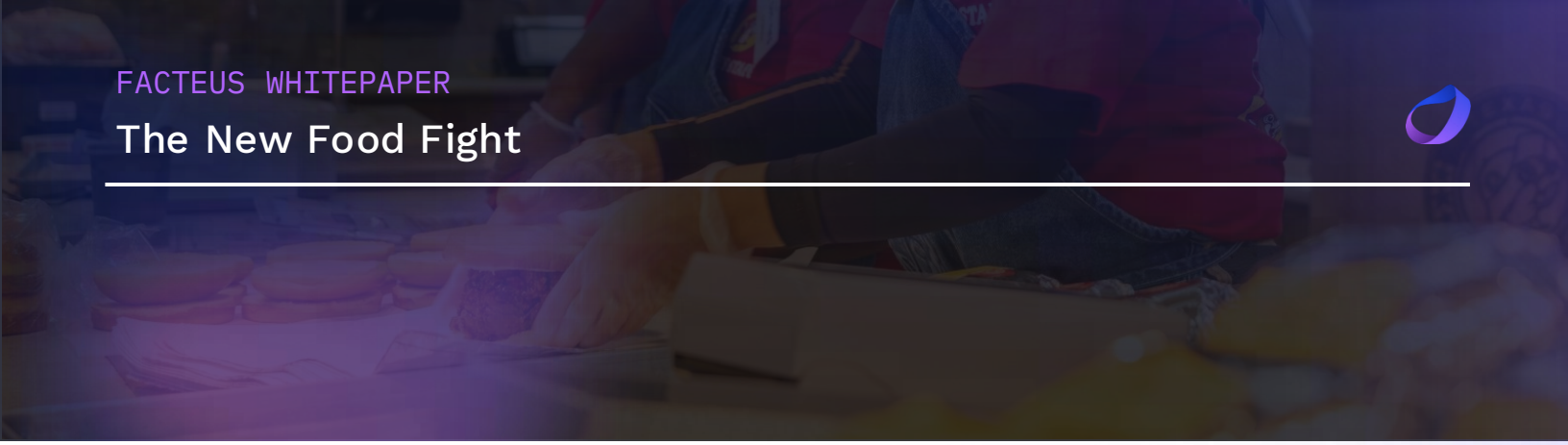
WHITEPAPER

THE NEW FOOD FIGHT

How c-stores and QSRs are battling for the same consumer – and what smart operators can do about it

MARCH 2026

Real consumer spend. Real competitor sales. ***Real answers – fast.***



INTRODUCTION

Here's a question that would most restaurant operators would have laughed at 10 years ago: Is a gas station your biggest competitor for lunch?

If you run a restaurant, the answer is increasingly *yes.* And if you run a convenience store, the question isn't whether you can compete with QSRs – it's how fast you can scale to keep winning share.

In 2025, convenience-store chain RaceTrac acquired fast-casual sandwich brand Potbelly for $566 million. Buc-ee's – a gas station – was ranked the #1 quick-service restaurant (QSR) in the country by Dunnhumby's Retailer Preference Index, outscoring every traditional QSR. And 72% of American consumers now say they view convenience stores as a viable alternative to fast-food restaurants for meals, up from just 45% two years prior.

The category lines aren't just blurring anymore. For a growing share of consumers, they've already disappeared.

In this whitepaper, we'll use Facteus transaction data – drawn from billions of real-world U.S. consumer debit and credit card transactions – to:

1. Show how the convergence between c-stores and restaurants is showing up in spending behavior.
2. Translate those patterns into actionable strategies that both restaurant and convenience operators can use to capture a larger share of the food dollar in 2026 and beyond.

The Evidence: Convergence by the Numbers

The Size of the Battlefield

Facteus transaction data across U.S. consumer card activity reveals a massive spending landscape. In the twelve months ending December 2025, grocery stores captured roughly $2.4 trillion in consumer spend. Restaurants, bars, and QSRs accounted for approximately $1.3 trillion. And gas stations – increasingly a food and beverage play – pulled in roughly $770 billion, a figure that includes a rapidly growing share of prepared-food and drink revenue.

When you look at year-over-year trends, the picture sharpens. In January 2026, restaurant spend was up 1.2% compared to the prior January, while gas station spend dropped 6.4% – partly a function of lower fuel prices, but also a signal that gasoline alone is no longer enough to sustain the business model. Grocery was essentially flat at +0.5%. For c-store operators, the margins (and the growth engine) have to come from inside the store – and that means food.

Trip Frequency as a Leading Indicator

Here's where the convergence story gets even more interesting. Over the period analyzed, restaurants generated over 73 billion transactions – significantly more than grocery stores (roughly 59 billion), despite grocery capturing nearly double the total spend. Gas stations accounted for about 32 billion transactions.

The average restaurant order value of about $21 sits squarely in the range where convenience stores are now aggressively competing. With combo meals, grab-and-go sandwiches, and made-to-order food typically priced between $5 and $12, c-stores are undercutting many QSRs on price while matching them on speed. NACS data shows the average c-store trip takes just 3 minutes and 33 seconds from car to car – nearly half the time of a typical QSR drive-thru visit.

Share of Wallet Proof: Using Buc-ees as a Case Study

If you want direct evidence that c-store customers and QSR customers are the same people, look at wallet-level data. Facteus share-of-wallet analysis reveals that Buc-ee's shoppers – consumers who transact at one of the country's most food-forward convenience stores – allocate a combined 2.65% of their total spending to QSR brands. That share actually *grew* 2.2% year-over-year from 2024 to 2025.

In other words, Buc-ee's customers aren't choosing between a c-store and a restaurant. They're doing both – and their doing it frequently. And the QSR brands winning inside this wallet might just tell a story about what's working and what isn't.

Growth of Top 10 QSR Competitors by Share of Wallet

QSR Brand	YoY Change	Signal
McDonald's	+11.1%	▲
Chick-fil-A	+3.1%	▲
Whataburger	+3.5%	▲
Wendy's	-8.0%	▼
Domino's	+5.4%	▲
Raising Cane's	+4.5%	▲
Burger King	+4.8%	▲
Wingstop	+3.6%	▲
Subway	-14.9%	▼
Popeyes	+2.2%	▲

Source: Facteus share-of-wallet analysis, QSR transaction share among Buc-ees shoppers (Jan 2024 - Dec 2025)

McDonald's is the dominant QSR brand in the Buc-ee's shopper's wallet – and it grew its share by 11.1% year-over-year, likely driven by aggressive value promotions like the Extra Value Meal reboot in late 2025. Chick-fil-A holds the second spot and continues to grow, reflecting the brand's strength even in a market where c-stores are aggressively pushing fried chicken programs.

The QSRs losing share tell an equally important story. Subway's share dropped 14.9% – the steepest decline of any major QSR brand in the

Buc-ee's wallet. When a convenience store that makes its own sandwiches in-house is winning, the legacy sandwich shop that also competes on convenience and speed starts to see a real problem. Wendy's fell 8.0%, Pizza Hut dropped 10.8%, and KFC lost 6.9%. These classic brands are losing mindshare among the convenience-oriented consumers who used to be (and should still be) their core audience.

Meanwhile, brands that are differentiating on quality and experience – Jersey Mike's (+8.0%), Raising Cane's (+4.5%), and Wingstop (+3.6%) – are growing their share. The takeaway? When competing for the same wallet as Buc-ee's, generic convenience isn't enough – you need to provide quality and experience that consumers have grown to expect.

Generational Proof: Gen Z Living in the Converged World

Facteus data also shows that each generation allocates their food dollars very differently – and the younger the consumer, the more the old category lines have dissolved.

How Each Generation Allocates Food-Related Spend

QSR Brand	Restaurants	Grocery	C-Stores
Gen Z	47%	34%	18%
Millennials	38%	48%	15%
Gen X	30%	54%	16%
Boomers	23%	64%	13%

Source: Facteus generational spend analysis (Jan 2025 - Feb 2026)

Gen Z gives nearly half their food dollars (47%) to restaurants and just 34% to grocery. But here's the number that should stop c-store operators in their tracks: Gen Z also allocates 18.4% to gas stations – a larger share than Millennials (14.6%) or Boomers (13.1%). These aren't drivers logging more miles. These are younger consumers who are eating at places that also happen to sell fuel.

This is the generation growing up with Buc-ee's brisket, Sheetz MTO, and Wawa hoagies as normal meal options. For them, the distinction between "gas station food" and "restaurant food" is an artifact of an older generation's experience. That mindset shift is permanent – and it will only accelerate as Gen Z ages into peak spending power.

The Playbook: Strategies for Capturing Food Share

Strategy #1: Win the Morning (the Daypart Up for Grabs)

Facteus daypart data reveals that 12.1% of gas station spend occurs during morning hours (5 AM–11 AM) – that's 50% more than restaurants (8.2%) and nearly triple grocery (4.5%). Gas stations already over-index in the morning, driven by the commuter coffee-and-breakfast routine. But morning is also where the most wallet share is available to capture. The QSR breakfast market has ballooned in recent years, and the data suggests c-stores are well-positioned to take even more of it.

What C-Stores Should Do

Double down on the breakfast bundle. The morning trip is already habitual – the task at hand is to increase ticket size. Pair a hot breakfast sandwich with a specialty coffee for a fixed price and make it faster than a drive-thru. C-stores like Wawa, Sheetz and QuikTrip have the real estate, the equipment, and the traffic to capitalize one the opportunity to convert the "coffee-only" trip into a full breakfast occasion – consistently and at scale.

Target the 5 AM–7 AM early commuter. This daypart is a white space for restaurants that typically open at 6 or 7 AM. C-stores that are already open 24 hours can own the pre-dawn worker crowd – nurses, construction workers, shift employees – with ready-made, grab-and-go breakfast items stocked and fresh before most QSRs have even turned on their grills.

What QSRs Should Do

Protect the breakfast daypart with speed, not just menu. The c-store's biggest advantage in the morning isn't necessarily food quality – it's speed and simplicity. A consumer can walk in, grab breakfast, pay, and be back in their car in under four minutes. QSR breakfast operations should obsess over reducing friction and increasing speed any way they can for morning commuters.

Strategy #2: Own Late Night (the Daypart QSRs are Missing)

While gas stations currently win the morning, restaurants capture nearly 25% of their total spend between 9 PM and 5 AM – compared to about 18% for gas stations. Late night is firmly restaurant territory today. But many restaurants are actually pulling back from late-night hours, citing labor costs and thin margins. This creates new opportunity. The c-stores that already operate 24/7 can become the default late-night food option simply by being open, stocked and ready to meet consumer needs.

What C-Stores Should Do

Curate a late-night menu, not just leftover hot case items. The late-night consumer isn't looking for a limp roller hot dog from six hours ago. They want something indulgent, hot, and intentional. Think: loaded taquitos, truffle fries, or boneless buffalo wings. QSR Magazine's 2025 Drive-Thru Report found that Gen Z and Millennials are the most active late-night food seekers – and they're looking for snackable, shareable items. C-stores that create a branded late-night food program (with signage, marketing, and menu identity) can capture an entirely new occasion and steal even more wallet share.

What QSRs Should Do

If you're cutting late-night hours, know what you're giving up. Nearly a quarter of restaurant dollars flow after 9 PM. Before reducing hours, understand your local competitive landscape. In markets dense with 24-hour c-stores like Sheetz, QuikTrip, or RaceTrac, closing early essentially cedes that revenue to a competitor who's already invested in food.

Strategy #3: Go Where the Money is (South and Midwest)

Facteus regional data shows that the convergence battle isn't evenly distributed. The South accounts for 35% of all gas station spend – the largest share of any region – along with 34% of restaurant spend and 32% of grocery. This is the region where food-forward c-store chains like Buc-ee's, RaceTrac, QuikTrip, and Wawa are most concentrated, and where the battle for food dollars is most intense.

The Midwest punches above its weight in gas station spend (24%) relative to its restaurant (17%) and grocery (17%) shares. This maps to the strongholds of Casey's and Kwik Trip – two chains with some of the strongest foodservice programs in the industry.

The Tactical Implication

For QSRs entering or expanding in the South and Midwest: Don't benchmark solely against other restaurants. Your competitive set in these regions includes c-stores with full kitchen operations, loyal customer bases, and lower price points. A franchisee opening a new sandwich shop in suburban Texas or rural Iowa needs to understand that Buc-ee's or Casey's may already be the go-to lunch spot – and their pricing starts below $8.

For c-stores expanding into the Northeast and West: these regions show smaller gas station spend shares (24% and 17%, respectively) and stronger restaurant cultures. Food-forward c-stores entering these markets will need to over-invest in food quality and branding to overcome the perception gap. Wawa's national expansion strategy offers a template: lead with food, not fuel.

Strategy #4: Stop Losing the Sandwich War

The share-of-wallet data uncovers that the QSR sandwich segment is currently the most vulnerable segment in the c-store convergence.

Among Buc-ee's shoppers, the sandwich category as a whole declined 4.3% year-over-year – the worst-performing QSR sub-category. Subway's share of wallet dropped 14.9%, while Quiznos fell 18.9% and Which Wich lost 18.1%. The logic seems straightforward: when a c-store can make a fresh hoagie or sub in front of you with quality ingredients, the proposition of a Subway across the street becomes harder to justify.

Yet Jersey Mike's grew its share 8.0% in the same period. The difference? Premium positioning, unique menu choices, and a brand experience that feels elevated rather than commoditized. Jersey Mike's competes on quality, not just convenience – and that's a lane c-stores are just now starting to crack.

What Sandwich QSRs Should Do

Move upmarket and diversify. If your value proposition is "fast, cheap sandwich," you're now competing with 140,000 c-stores. The brands winning wallet share are the ones that have differentiated beyond convenience: Jersey Mike's with its deli-quality subs, Charleys Philly Steaks (+5.8%) with a focused, targeted menu. Sandwich chains must either elevate quality and experience or accept that c-stores will likely continue to erode their base.

What C-Stores Should Do

Sandwiches are yours for the taking. The data confirms what Wawa, Sheetz, and Buc-ee's already know: the sandwich occasion is increasingly a c-store occasion. RaceTrac's acquisition of Potbelly's 445 locations is the logical extreme of this trend. For operators without the scale to acquire a sandwich brand, investing in a proprietary sandwich program – with fresh-baked bread, visible prep, and a branded identity – is potentially the single highest-ROI food investment available.

Strategy #5: Lean Into the Chicken Boom

While sandwich chains are shrinking in the c-store shopper's QSR wallet, the chicken category grew 2.7% year-over-year. Chick-fil-A (+3.1%), Raising Cane's (+4.5%), Wingstop (+3.6%), and Popeyes (+2.2%) all gained share among Buc-ee's shoppers. The standout? Dave's Hot Chicken, which surged 46.5% – the fastest-growing brand in the entire dataset.

This confirms a broader industry trend. As the most consumed protein in America, chicken is a natural fit for c-store foodservice. Brands like Krispy Krunchy Chicken have built a business model entirely around supplying c-stores with turnkey fried chicken programs, and the NACS Show in 2025 featured more fried chicken vendors than any other food category.

What C-Stores Should Do

If you don't have a chicken program, get one. The data shows that Buc-ee's shoppers are spending heavily on chicken QSRs – meaning there's clear demand that c-stores can intercept. Turnkey third-party programs like Krispy Krunchy Chicken, which typically drives 15–20% incremental

sales lift for independent operators, offer a low-risk entry point. Larger chains should consider developing proprietary chicken tenders, chicken sandwiches, or hot wing programs that can become signature items.

What Chicken QSRs Should Do

Study why you're winning. Notably, KFC lost 6.9% share of wallet among Buc-ee's shoppers while Chick-fil-A and Raising Cane's grew. The differentiator isn't chicken itself – it's likely rooted in things like brand clarity, execution consistency, and overall consumer experience. The chicken brands gaining share are the ones that feel intentional and focused. C-stores are getting better at fried chicken every year, so QSR chicken brands can't coast on category tailwinds alone.

Strategy #6: Capture Gen Z While Their Spend is Malleable

The generational data carries a strategic urgency that shouldn't be overlooked. Gen Z allocates 47% of their food spend to restaurants and 18% to gas stations – more than any other generation cohort. And critically, these spending habits are forming now, during the years when brand loyalty hardens. The consumer who gets hooked on Wawa breakfast at 22 is still going to Wawa at 35. And the QSR that loses a Gen Z lunch customer to a c-store may never get them back.

What C-Stores Should Do

Build a digital-first loyalty engine aimed at 18–30-year-olds. A 2025 analysis by Dunnhumby shows that top-tier c-store retailers drive 33% app adoption and 51% loyalty enrollment – nearly double the bottom tier. Gen Z expects mobile ordering, personalized rewards, and frictionless checkout. Every c-store operator should be tracking what percentage of their loyalty members are under 30 and tailoring promotions (snack bundles, beverage customization, late-night deals) to this cohort.

What QSRs Should Do

Don't cede the value consumer to c-stores. Much of the traffic leakage from QSRs to c-stores in 2025 was driven by price sensitivity. Facteus data shows that middle-income consumers traded down from fast-casual and QSR to c-stores, value grocers, and warehouse clubs.

McDonald's fought back effectively with targeted value promotions, reintroducing their Extra Value Meal – and the wallet data shows it worked, with an 11.1% share gain among c-store shoppers. QSR brands that let c-stores own the "value" lane risk permanent defection from price-conscious younger consumers.

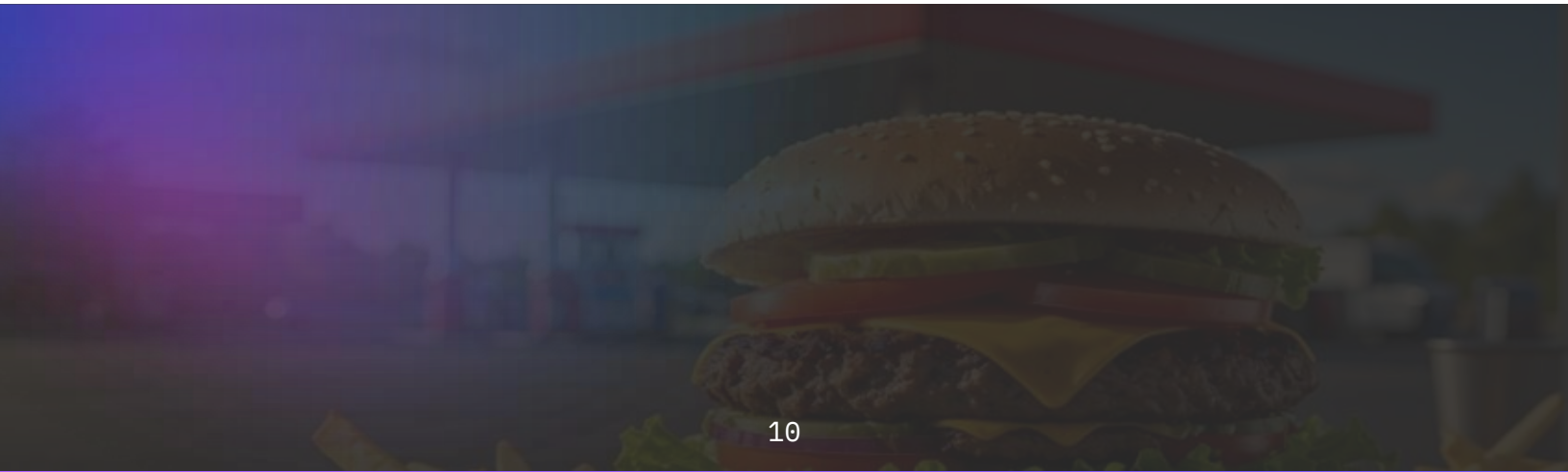
Strategy #7: Rethink the Weekend

Facteus day-of-week data reveals a clear divide in how shoppers spend their weekends. QSRs see their heaviest spend on Saturdays (19%) and Sundays (17%), reflecting dining as a social and leisure activity. Gas stations, by contrast, peak on Fridays (16%) and drop to their lowest share on Sundays (13%), consistent with commuting and errand-running patterns.

This means c-stores are winning the *functional* food trip (weekday commuting, quick lunch) but largely missing the *experiential* food trip (weekend dining, social occasions). That's a large pool of spending to leave untouched.

What C-Stores Should Do

Create reasons to visit on weekends that go beyond routine. Buc-ee's seems to have cracked this code: its barbecue, expansive food halls, and destination-store experience generate dwell times significantly longer than the industry average and turn a fuel stop into a family outing. Not every operator can build a 50,000-square-foot store, but the same principle can be scaled down. Weekend-only specials, family meal deals, seasonal food events, and sampling programs can shift the c-store from a weekday utility to a weekend option.



LOOKING AHEAD

The "Category" Is Dying. Long Live the Consumer.

The traditional labels – "restaurant," "gas station," "grocery store" – still appear on earnings reports. But consumers don't think in categories. They think in moments / occasions: I'm hungry, I'm in a hurry, and I want something good. Whoever wins that mental moment wins the transaction – regardless of what kind of building they're standing in.

The Facteus data tells us a few things with incredible clarity. First, the convergence is real: Buc-ees shoppers are McDonald's shoppers are QuikTrip shoppers are Chick-fil-A shoppers – and they allocate their wallets fluidly across all formats. Second, the consumer is segmenting by generation, by daypart, and by region in ways that create distinct strategic openings for operators willing to dig into the data. And third, the brands winning – whether convenience stores or QSRs – are the ones focused on experience and refusing to be defined by their category.

RaceTrac didn't buy Potbelly because it wanted to sell more gas. Buc-ee's didn't outrank In-N-Out Burger because it had better pumps. McDonald's didn't grow 11% in the c-store shopper's wallet by ignoring value. These are operators that understood the consumer – not just the category – and built their strategy around real-world spending behavior. The data is there. The question is whether you're using it.

ABOUT FACTEUS DATA

This analysis is powered by Facteus transaction-level consumer spend data covering U.S. debit and credit card activity from more than 185M cardholders. Category-level spend, transaction, AOV, daypart, generational, and regional data spans January 2025 through early March 2026. Share-of-wallet analysis for Buc-ee's shoppers covers January 2024 through February 2026. Additional industry research from Dunnhumby, InTouch Insight, NACS, QSR Magazine, C-Store Dive, and Restaurant Business were included for this analysis. All Facteus data is anonymized and aggregated from a nationally representative panel of consumer transactions.

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