



August 2019

GHRA in Action

GHRA IS CHANGING THE CURVE

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PRESIDENT'S NOTES

Dear Members,

The U.S. economic outlook is healthy according to the key economic indicators. The most critical indicator is the gross domestic product, which measures the nation's production output. The GDP growth rate is expected to remain between the 2% to 3% ideal range. Unemployment is forecast to continue at the usual rate. There isn't too much inflation or deflation. The predictions are neither too hot nor too cold but "just right" for the future.

The announcement we made last month puts the future of our business in a better position than the prediction and "just right" for our company! Last month, GHRA announced its entry into the tobacco distribution business. We began stamping cigarettes on July 15th, 2019. This has been a long time in the making here at GHRA and an even longer time coming in the market. It just doesn't happen. There is a good reason why it did and a good reason it why it happened to us!

Tobacco companies already have distribution to 99% of retail outlets in our channel. They do this through a limited number of distributors and don't need new distributors to get it done. However, with your support of your warehouse, the distribution dynamics in the south Texas market changed. You began buying from us versus other sources of distribution and allowed us to match the matrix that other top tier distributors achieve. At the same time, we created our own tobacco plan which addressed our ideas on how to close those gaps and enhance those metrics. As hard as we worked on this, none of it would be possible without your support. The business model was the key to our success; your support was the proof that we could do what we said we could do and as a result, we were approved!

The convenience store business in south Texas is changing. We are positioned to support that change and meet the needs of our members and, in the very near future, the needs of other retailers in this market!

Congratulations Members!

Thank you for your support.

Firdous Ali



Bill Pitocco
CEO

great achievement at a luncheon on July 10th at the warehouse, together with all of the past directors and staff. We hope you had an opportunity to view the video communication we sent to all members on July 11th! Your commitment to this

Wow! What an accomplishment. GHRA was pleased to announce and is proud to be a tobacco distributor; a direct customer of the tobacco companies. We announced this

warehouse was the key to making this happen. No company has been granted a distributorship in Texas in the last 23 years. Time after time, you proved your commitment to your warehouse, which aligned with the plans and vision we were presenting to the manufacturers for some time. Our offering is solid and it is the future in this market. We are working hard, today, to establish the best practices, lock down the tightest processes and become the most efficient warehouse operation in the business. We've hired people that have vast experience in these areas and once they saw the vision and the proof that it is actually being done, they wanted to be a part of it, offering that experience and

their service to the community. Guided by the past and mindful of our hopes for the future, we are positioned to become bigger than we even thought we could!

As big as this accomplishment is, we continue to support you with tools to make your life a little easier and a great value on products and services in the convenience industry. Hard work and dedication have a destination, and that destination is success. This community, and as a result, GHRA, have been successful in every endeavor you all support!

Thank you so much for that support!
Our members our mission! ■

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FEATURE

GHRA is Changing the Curve

By Debbie Briese, GHRA Procurement & Marketing Manager

Convenience stores and gas stations remain the go-to place for consumers to buy tobacco products. Seventy-one percent of U.S. tobacco sales go through the convenience and gas channel.

The July feature article suggested that the c-store industry could maintain an edge by “leading some disruption.” The article ended with a statement about working together to “effectively change the curve.”

GHRA is officially changing the curve and is definitely causing some disruption in the convenience store distribution business in South Texas with the recent announcement that the GHRA Warehouse and Distribution Center was awarded direct purchase status from Altria and RJ Reynolds Tobacco, and is now stamping cigarettes.

This new venture solidifies the GHRA presence as a full-service distributor in Texas. A lot of learning will take place over the next several months – but we anticipate this to result in a benefit to members and a growth opportunity for GHRA.

Congratulations to all of you! Your support of the GHRA warehouse is changing the convenience store business in South Texas market. Your continued support will prove it.



Past directors were invited to a meeting at the warehouse at which time the announcement was made regarding the new venture.



It was an awesome sight to have the current Board of Directors, along with past Directors in attendance, cheering “Member are our Mission!” in front of the gigantic 48’ long banner that includes names of all past Directors as well as the store name for ALL 2000+ current Members.

FEATURE



The Warehouse Board of Directors were on site for the first carton of cigarettes stamped by GHRA.

Pictured above (left to right) Samer Ali, Warehouse Chairman; Arifali Momin, Sr. Vice President; Firdous Ali, President; Noordin Maredia, Warehouse Honorary Secretary; Sohail Ali, Director



The term "it takes a village" certainly applies to this effort. The warehouse had to be physically modified to create a secure space dedicated to receiving delivery of tobacco product and sufficient space for the new stamping machine, conveyor system and case cutting unit.



The efforts resulted in the first case of cigarettes stamped at GHRA!

Pictured above (left to right) are Khiruddin Haydri, Tobacco Production Specialist; Firdous Ali, President GHRA; Aaron Schutz, GHRA Operations Manager; Nad Noordi, Tobacco Production Lead; and Dilawar Momin, Tobacco Manager.

What Levers Can C-store Retailers Pull to Reenergize Their Foodservice Programs?

By Angela Hanson - Convenience Store News Magazine

AUSTIN — The 2019 Convenience Store News Foodservice Summit featured multiple presentations from industry experts, designed to help the retailer attendees rethink their approach to the category.

"The food business world is evolving rapidly," Brad Barnes, director of CIA Consulting & Industry Programs at The Culinary Institute of America, said during his presentation entitled "The Evolution of the Food Transaction."

Evolving a foodservice program, though, can be particularly tricky for larger chains; members of larger organizations tend to protect what already exists, and less than 1 percent of internally generated new business ideas ever affect the bottom line, according to Barnes. If leadership prioritizes the right initiatives and cultivates the right capabilities, however, successful innovation is more likely, he said.

"It's not going to look like what you're doing today or last year," Barnes advised.

Key priorities include:

- Building great teams, without which retailers are "lost";
- Selling food, the way customers need, expect and want;

- Creating experiences;
- Anticipating future direction; and
- Expanding one's own view.

C-store operators who are ready to start making changes are in a good position to do so because a certain percentage of c-store visitors are aware of all the work the convenience store industry has put in to become a foodservice destination, noted Chris Wolf, senior vice president of insights at the Marlin Group. A percentage of visitors even call c-stores better than quick-service restaurants, he said during his presentation titled "Growth Strategies for Transforming Convenience."

"I think that's a great base to work off of," Wolf said.

He identified a series of levers that retailers can use to transform their foodservice programs:

- Technology and "effortless" convenience transformers, including cashier less shopping and digital ordering;
- Touchpoints, such as loyalty programs and people connections;
- Environment and experiential cues that indicate freshness, atmosphere and more;
- Menus and "really good food";



- Dayparts and a program designed to maximize the potential of each time period; and
- Assortment and relevance to location, generations, multicultural and price/value.

Ten executives from leading food-forward convenience store chains participated in the eighth-annual Foodservice Summit, held April 16-18 in Austin. The Summit, hosted in partnership with Tyson Convenience, is designed to foster innovation and the growth of fresh foodservice in the convenience store industry. This year's program included information-filled presentations, roundtable discussions and visits to some of Austin's top culinary destinations. ■

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SO MUCH FUN.**

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BIG MADRE

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The Big Madre brand will be marketed to Houston area consumers who shop at GHRA Member stores.

- The brand will drive traffic to your store through shopper loyalty.
- The loyalty will be to the brand and to your individual store.
- Excellence in food service builds greater revenue and better overall margins.



Footprint requires 120 square feet, with 12' counter space

**For more information
Contact Doug Boone, Food Service Manager
281-295-5300**

Top 10 Merchandising Mistakes for Convenience Stores

By Ready Convenience

Recent convenience store industry reports suggest that while fuel sales are strong, they may not always stay that way. As vehicles become more fuel efficient, customer demand for fuel may decrease. That makes in-store sales and merchandising efforts more important than ever. Today's customers expect efficiency, value, and convenience. How you merchandise your products directly impacts your ability to exceed those customer expectations. Avoid these top 10 merchandising mistakes.

1. Mismanaging first impressions.

Effective merchandising starts with how customers perceive your business. Make sure your exterior and interior store care communicates a message to customers that your products are worth buying.

2. Misusing (or not using) displays at the fuel pump.

Convenience stores are in a unique position to reach a captive audience of customers who are fueling up their cars. Update and maintain promotional areas of your fuel island to drive in-store sales and merchandise appealing products.

3. Falling short on exterior signage.

Your windows are, literally and figuratively, a view inside your store. Make sure window promotions and signage are current and inviting.

4. Not following planograms.

Your category management team goes to great lengths to map out your store with detailed planograms. The proper implementation of your planograms will make or break your merchandising efforts.



5. Unclean or disorganized displays and self-serve areas.

Customers aren't going to want to browse for additional in-store items if they encounter disorganized store shelves or a litter-cluttered beverage fountain. Monitor your store constantly for cleanliness and order.

6. Doing what you've always done.

Be creative with your in-store merchandising and go beyond traditional displays. Consider the view of your customer when they first walk in the door and make sure you're capturing their attention wherever their eyes may go.

7. Ignoring your specific customers' needs.

To merchandise effectively, you must find out what your customers want on a few different levels. First, explore national trends in product offerings. Then, compare those trends to the needs of customers in your neighborhood. You might find a big gap that your

merchandising efforts must address.

8. Making customers search for what they need.

You're a convenience store, so keep high-demand items easy to find. Use cross-merchandising to increase add-on sales.

9. Under-utilizing point-of-sale opportunities.

Counter displays and other point-of-sale promotions cater to the impulse shopper. For them to work, they must be value-oriented and prominently displayed.

10. Ineffective convenience store training.

When you tell employees to "face the shelves," do they know what to do? You can't expect your employees – especially employees new to the industry – to instinctively know how to merchandise in a convenience store. Start with industry-specific convenience store training online, and follow it up with ongoing on-the-job training and mentoring. ■

Texas New Law



Minimum – Age: 21 years old

Effective Date: September 1, 2019

Minimum Age Restrictions

Texas Law Summary



NEW MINIMUM-AGE Law effective September 1, 2019 is 21 years old. Customers must be 21 years or older to purchase tobacco products, e-cigarettes and e-vapor products (See Restricted Products section). It is illegal to sell, give or cause to be sold or give a cigarette, e-cigarette or tobacco products to anyone under the age of 21, or to sell or give tobacco products to a person who intends to deliver it to someone who is under 21.

EXCEPTION #1: For Active Duty military, the minimum-age is 18 years old. A valid military identification card of the U.S. military forces or the state military forces shall be accepted as proof of age for this exception.



EXCEPTION #2: A person who was born on or before August 31, 2001. In other words, the minimum-age is 18 years old for persons who were born on or before August 31, 2001.

Adult-for-Underage Person Purchase is Illegal. It is illegal for a retail employee to sell, give or causes to be sold or give a cigarette, e-cigarette or tobacco product to another person who intends to deliver it to someone who is younger than 21 years of age.

FDA Summary (Federal)

You must follow the Texas's 21 year minimum-age since it is higher than FDA's 18 year minimum-age requirement.

Minimum Age to Ask for ID

Texas Law Summary

Retailers must ask for ID from any person that **appears to be under 30 years old**, and verify the person is 21 years of age or older by examining a valid proof of ID.



FDA Summary (Federal)

Note: Follow the Texas requirement of **Under 30** because it is higher than FDA's **Under 27** requirement.

You must **Check photo ID of everyone appearing under age 27** who attempts to purchase FDA regulated products and verify the customer is of legal age to purchase. This is an each-and-every time requirement (even if you know the person to be of legal age.) If you "carded" them yesterday, you must "card" them again today!

Decline a sale when the customer is underage, has no photo ID, the photo ID contains no date-of-birth or the photo ID has expired.



NEW MEMBER INTRODUCTIONS

Welcome Members

On behalf of the Board of Directors and staff at GHRA,
please welcome our newest members as of August 2019:

STOP N SAVE
B & J QUICK MART
SHAWN'S MART
HARDIN GROCERY & MEAT MARKET
BUDDY'S MINI MART

PHEASANT CREEK PRIMETIME
FUEL ON TIME
SWIFT TRIP
FUEL DEPOT # 29
COUNTRY BOY'S COUNTRY STORE

LOS VECINOS DOLLAR STORE Y MAS
TIGER MART # 4
ROADSTER # 15
SHAH FOOD MART
ROAD TRIP

The following is a paid advertisement





"Individual commitment to a group effort—that is what makes a team work, a company work, a society work, a civilization work."

- Vince Lombardi

**THANK YOU FOR
YOUR SUPPORT!**

Quote of the month submitted by: Jaimin Maknojia

Use this calendar to plan special marketing promotions this month



AUGUST 2019

SUN	MON	TUE	WED	THU	FRI	SAT
				1 POST AUGUST SPANNER & POSTERS	2 National Water Balloon Day	3
4 National Choc Chip Cookie Day	5	6	7	8	9	10 National Smores Day
11	12	13 National Left Handers Day	14 SCHOOL STARTS Conroe ISD Magnolia ISD	15 SCHOOL STARTS Montgomery ISD	16	17
18	19 SCHOOL STARTS Klein ISD	20 SCHOOL STARTS Tomball ISD	21 Spring ISD Willis ISD	22	23	24
25	26 SCHOOL STARTS Cyfair ISD Houston ISD	27	28	29	30	31 National Trail Mix Day
BUY-IN FOR SEPTEMBER SPANNER & POSTER PROMOS						

Back to School! Is your store ready?



Hamna Siddiqi
GHRA Marketing Assistant

As summer break comes to an end, students and teachers are back in school, thrilled to begin the new school year. This gives retailers a great opportunity to stock their c-stores with the right products to create a one-stop-shop for their customers. GHRA Warehouse and Distribution Center has valuable seasonal products for our members all year around, including school supplies, back to school snacks and lots of summer savings items!

Be sure to merchandise the right products during this time and keep store shelves stocked with notebooks, folders, highlighters, pens, pencils and erasers, which can all be found at the GHRA Warehouse. According to National Retail

Federation, parents spend approximately \$26.5 billion on school supplies from K-12. That's an average of \$669.28 per student. And these numbers have increased by 5% since 2017 where the average cost per student for school supplies was \$634.78.

Breakfast and lunch are an essential part of the day, so making sure you have the right snack option is important as well as, having a variety of selection for parents and students to choose from.

Football fans all over the nation are impatiently waiting for the 100th season of NFL to begin September 5, 2019. To cater to the football fans, it's important to have the following products in your store such as charcoal, disposable utensils, cold beverages, chip and dip and various snack items. With the dedicated support the NFL teams receives from their fans,



novelty products such as t-shirts, hats, coffee mugs, key chains, are all ways to increase your sales and a great way to market the right products to all the supporting fans!

Be sure to check out our weekly new items announcement in your email to get insights on What's New at GHRA warehouse along with hot promotional items! Be sure to check the GHRA App for product updates and monthly deals! Stay tuned for more with GHRA! ■

The following is a paid advertisement

A WINNING COMBINATION!

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Mobile: 832.390.7308
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