



# GHRA In Action

OUR MEMBERS ARE OUR MISSION! VOL. 9 | NOVEMBER 2022

## Elevating the Customer Experience

Let's Get  
Serious About  
Foodservice

*Office & Warehouse  
Holiday Hours*



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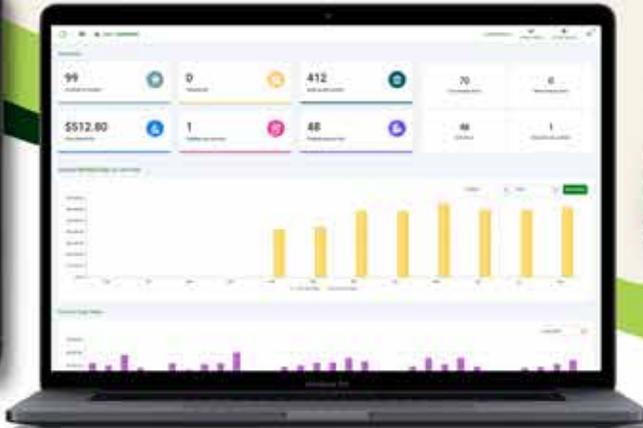
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# A NOTE FROM THE CEO

BRIAN TROUT, CEO

Greetings Members, and I hope you had a very Happy Halloween,

Exciting changes are under way at GHRA! Have you heard that GHRA is starting a new chapter in its history? We have officially launched our new convenience store brand, KUDOS, and are in discussions with numerous members to invest in upgrading and converting their stores. The amount of interest expressed by GHRA membership has been astounding. Furthermore, there has been significant interest expressed in this brand by other trade associations. Over the next couple of years, we expect to have hundreds and hundreds of KUDOS branded locations operating.

GHRA Fuels is up and running, and our first fuel deliveries will occur in November. This platform will help members acquire unbranded fuel (gasoline and diesel) at very competitive rates along with managed transportation support. We are also working on developing branded fuel programs and will update you on developments as they occur. Sign up today for our fuel program, and learn more by reaching out to our GHRA Call Center.

Hopefully, by now each of you have seen the new updated warehouse app in operation. There are significant improvements in the functionality to the old version, and new upgrades continue to be added. Make sure you have downloaded the latest version, and start experiencing the improvements today.

Our Big Madre business is growing rapidly in 2022, and sales are up over 30% versus last year, and will continue to grow even more so in 2023. The Big Madre menu will be expanding in 2023 to attract even more customers. Sign up for your very own Big Madre today.

2023 GHRA Membership renewal is underway, and I encourage you all to complete this as soon as possible. I am looking forward to our Town Hall meeting coming up in early December and hope to see you all there.

Finally, I want to wish you and your family a Happy Thanksgiving holiday.

Thank you for your trust and support, and as always, continued blessings!

Sincerely,

*Brian Trout*

OUR MEMBERS ARE OUR MISSION!



# Thanksgiving Holiday Hours

## GHRA WAREHOUSE & DISTRIBUTION

In Observance of the Thanksgiving Holiday, the GHRA Warehouse & Distribution "Cash and Carry" will CLOSE EARLY on Wednesday, November 23rd at 3 p.m.

GHRA Warehouse will be closed Thursday, November 24th.

We will re-open Friday, November 25th, at regular hours.

Your current order cut-off time will not change due to the holiday schedule, but your current delivery day will.

*All Thursday Deliveries will be delivered on Friday, November 25th.*

*All Friday Deliveries will be delivered on Saturday, November 26th*

## GHRA CORPORATE OFFICE

In observation of Thanksgiving, the GHRA Corporate Office will be closed on Thursday, November 24th, and Friday, November 25th.



# Smart Team Building

Your success as a manager depends on the effectiveness of your team. The people you recruit for your team are just as important as your leadership skills. When you focus on hiring and retaining the best employees, teamwork will improve. Easier said than done, right? The labor market is very competitive these days. When you're short-staffed, it might be tempting to hire anyone who meets the bare minimum requirements, but that's a short-sided team building strategy.

*By Ready Training Online*

Studies show that the average hiring mistake costs up to 30 percent of that employee's base salary. Not only does hiring the wrong person cost the company money, it also costs them in other ways too. A bad hire can bring down the morale of the entire staff and lead to breakdowns in customer service.

## Smart Hiring

Smart team building starts with attracting the right people. Don't wait for a staffing crisis to start recruiting good candidates. Recruit new employees all the time, and think outside the box. Offer incentives to your current staff, and even your most loyal customers, for referring applicants who are hired and stay on for at least 90 days. When you experience good service in your day-to-day life, hand that person your card and let them know you're hiring.

## Smart Interviewing

The interview process is critical in team building, so don't rush through it. The most common reason for new hires to fail is because of a problem with interpersonal skills,

not ability. This happens because traditional interviewing practices focus on experience and not personality. Set aside enough time to really talk to applicants and get to know them. A smart approach to staffing is to hire for attitude, then train for aptitude.

First, managers need to define the characteristics of an ideal employee. Identify the character traits that would best match the personality of your business and the needs of the specific position. Outline soft skills, like "detail-oriented," "outgoing," or "adventurous," rather than hard skills like "the ability to perform addition and subtraction."

## Smart Retention

Your employees are your most important resource, so your key to success is building a workforce that has a positive attitude and a willingness to learn. Once you hire the right people, capitalize on their eagerness with comprehensive orientation and ongoing convenience store training programs that set them up for a successful career with your company. ■

# Elevating the Customer Experience

Numerous factors are driving the need for more customer-centric experience.

By *Convenience Store News*

“Customer experience” has become an industry buzz phrase over the past year — and it has led many leading convenience store chains to enhance, and sometimes even reinvent, the experience their customers have when shopping their stores.

Data shows a move to improve is a smart one. According to an October 2020 study from Salesforce entitled the “State of the Connected Customer,” 66 percent of customers expect companies to understand their needs and expectations. “Understanding customers’ needs — and exceeding their expectations — are becoming table stakes for businesses to compete,” the study stated.

Other recent studies have found that customer-centric companies are more profitable compared to companies that are not focused on the customer, and companies with a customer-focused CEO at the helm are more profitable than their counterparts.

“Customer experience is everything,” said Bonnie Woods, convenience store loyalty strategist at Newton, Mass.-based Paytronix Systems Inc., a provider of software-as-a-service customer experience management solutions for convenience stores and restaurants.

“From interactions with associates and checkout speed, to online ordering, curbside pickup, skip the line and mobile pay at the pump, modern consumers expect each experience to be hassle-free and consistent,” she continued. “As c-stores expand into QSR [quick-service restaurant] and coffee-shop territory, they have the opportunity to serve their diverse customer set by creating a cohesive customer-centric experience that focuses on quality, convenience and lifestyle more than ever before.”

Retailers are eager for a return to normal when it comes to customer counts, noted Denise Jenkins, vice president of marketing, insights and loyalty at Cincinnati-based United Dairy Farmers (UDF), which operates nearly 200 convenience stores in three states.

“Customer satisfaction research has solidly proven that basic attention to guest interactions increases OSAT [overall satisfaction] scores and the guests’ likelihood of returning to

your store,” she said. “Over time, this creates loyalty and a brand advantage over the competition.”

## What’s Fueling the Focus?

Myriad factors are driving the need for more customer-centric experiences in the post-COVID marketplace, according to Cameron Watt, CEO of Intouch Insight, a leader in mystery shopping.

“The first is increased competition between c-stores and other types of retailers. Years ago, convenience and fuel retailers were mostly competing among other similar brands for patrons, primarily focused on location, price, and ensuring staple packaged goods were in-stock,” Watt explained. “Now, c-stores have become so much more than a pit stop and are actively competing with other industries like quick-service restaurants for prepared foods, coffee shops for morning joe, and even grocery stores for pantry items.”

As consumers’ options continue to expand, c-stores must enhance their customer experience to come out on top of the growing list of competitors, he added

Jenkins, too, believes an abundance of options is fueling a focus on the customer experience, especially where foodservice is concerned. “Consumers expect more from a customer experience when dealing with hot food than they would if they were just coming in for cigarettes or a beverage,” she said. “Our entire channel is changing to focus on food, and we want our guests to compare us more to QSR and fast-casual options.”

According to Watt, the fact that the pandemic caused alternative last-mile services to go from the boardroom to the street almost overnight is another factor. “At the height of COVID-19, consumers needed to feel safe while shopping, so having access to a variety of methods to buy and pick up merchandise became paramount,” he said. “Even as we exit the pandemic, alternatives like delivery and curbside pickup remain, and are picking up speed. When your brand promise is being delivered in so many ways, understanding your customer journey in each of them becomes a new and daunting task for many.”

Add rising inflation in-store and at the pump, supply chain disruptions and inventory inconsistency, and the need to improve the customer experience becomes clear.

“C-store brands need to be proactively innovating around and alleviating challenges to keep shoppers coming back,” Watt said. “In short, in a world with unlimited options and an ever-changing landscape, customer experience is not just a buzz phrase, but it is often the primary differentiator between brands. They can’t afford not to focus on it.”

## Digital Interactions Increase Loyalty

Focusing on the customer experience can take many forms. Adding opportunities to interact with customers via digital platforms is an increasingly important one, industry experts maintain.

“Digital guest interactions are becoming of more significance, with retailers relying on apps and loyalty programs to serve as major marketing channels and [to provide the] opportunity to meet guests where they are,” said UDF’s Jenkins

She also notes that shoppers look for a product or type of retailer via apps or the internet before they make a trip or purchase decision. “Their experiences in this pre-shop step will also determine their experience at the brand level and can be a differentiator,” she added.

Whatever digital experience a c-store creates, consistency across platforms is key.

“Because there are more ways in which customers can interact with a brand today, consistency is king,” stressed Woods of Paytronix. She suggests c-store operators consider these questions: Are the web and app experiences similar? Do my email communications match my social media voice? Am I balancing my digital investment with associate training and support?

“C-stores must be consistently aware of how customers are experiencing their forecourts, stores, apps, and purchases via third-party vendors to ensure they know where and how they’re stacking up against the competition,” Watt added. “Too often, brands focus on making a big splash or quickly rolling out a new offering, but fail to quantify how it may affect their customer experience across all offerings.”

For better or worse, Woods notes that the “digital age” brings with it an increased opportunity for customers to interact with brands. “It opens the door to both successes and blunders,” she cautioned. “For example, if a customer places an online order, but submits a review saying the wrong product was delivered, rectifying this by immediately offering the guest an apology and replacement or refund turns what would be a negative interaction into a positive one.

## Improving Interactions to Succeed

Enhancing the customer experience might sound like an overwhelming task, especially considering everything else that is on a c-store operator’s plate. But as Woods points out, creating a positive customer experience doesn’t have to be complex.

“Start with the basics in-store: clear, consistent and deliberate communication from both signage and associates. Then, make it simple and appealing for the guest to join your loyalty program: QR codes for app download, text-to-join, simplified loyalty registration forms,” she suggested. The next step, she says, is knowing where each guest is in their customer journey and tailoring communications to meet their individual needs.

Woods and Watt offer the following tips on how to create a customer-centric experience:

### Create or enhance a loyalty program

A recent Intouch Insight survey revealed that 94 percent of consumers have some kind of loyalty program, but only just

over half have one with a c-store. “The study also indicated that having a loyalty program was third behind location and price for selecting a store to visit, which means there is an opportunity here,” Watt said. “Once you have a loyalty program in place, it allows you to combine it with your customer surveys to drive ongoing two-way communication with your customers, which is a very powerful tool.”

Woods calls a strong loyalty program “the cornerstone on which the digital customer experience is built,” and explains that 1:1 AI-driven marketing allows c-stores to personalize communication in ways that are optimal for each guest.

“Not only is this beneficial for both the guest and the brand by improving relevancy, but many consumers also have come to expect it,” she says. “Just like any relationship, it’s the little things that matter. This can be a thoughtful birthday treat in the customer’s best category, a message delivered on their best day of the week, or a badge showcasing their achievement of a particular milestone.”

### Talk to your customers

“Chances are your customers have a lot to say. Whether it’s thoughts on an LTO [limited-time] offering or general satisfaction with the loyalty program or the launch of a new technology, you should be talking to your customers through surveys and other digital channels,” Woods urged. “Survey results should be actionable, so be deliberate with each question and tell the guest why their participation matters. ... [Also,] let guests choose how they want to be communicated with and how they want to be rewarded.”

Brands need to proactively seek direct customer feedback to understand how individual locations are delivering against customer standards, Watt echoed.

“Typically, a simple web-based survey is utilized through which you can also incent your customers to provide their contact information for additional follow-up. Providing that you do not abuse the access and use the communication to motivate a response, the interactions can be not only positive, but also loyalty building,” he said. “Motivating someone to give their opinion can be as simple as being clear that their opinion will shape the future of the store. Motivation also can be more direct, such as providing loyalty points or an in-store discount.”

### Understand your customers

Segment customers based on frequency, likelihood to lapse, category preference and spend.

Knowing what makes each guest unique can help a retailer tailor its communications, and offers the opportunity to thank customers for their loyalty and incent behavior change.

“RFM and k-means clustering are two common segmentation methods we frequently use at Paytronix,” Woods said. “But the power of segmentation really comes in when layering segments to create meaningful and actionable customer profiles.” ■



# Let's Get Serious About Foodservice

Strategies that convenience brands must embrace to grow their foodservice business.

By Convenience Store News

For some time now, the convenience store industry has been transitioning toward a foodservice focused business model. The reasons are clear. Foodservice is currently the second largest revenue category after tobacco. In addition, the average profit margins are higher on foodservice items than general merchandise.

Clearly, foodservice is a serious business growth area.

Some convenience brands have improved and expanded their foodservice menu offerings. Some have created signature food and beverage offerings. Some have added “kitchen,” “eatery” or similar terminology to their name to signal their shift to a foodservice focus.

A few have upgraded their store designs to better support their foodservice offerings. And some have experimented with off-premise offerings, such as delivery, curbside pickup, and even drive-thru.

These are all positive things to do. But for convenience brands, these changes have been *evolutionary* (beneficial, useful, but gradual). In contrast, major competitors in the foodservice arena, including quick-service restaurants and fast-casual brands, have been making *revolutionary* changes in foodservice (innovative, dramatic and fast).

## What's Holding Up Revolutionary Changes?

The reality is there are roadblocks preventing convenience brands from truly equaling and surpassing what the QSRs and fast casuals are doing.

Consider the following barriers to making revolutionary changes:

**Cultural Resistance to Change**—Deep-seated ideas about how to run a c-store business can clash with what's needed

to successfully run and grow a foodservice business. Stop thinking like a c-store and start thinking like a restaurant. That's who you're competing with.

**Perceptions of Disadvantages**— Some in the convenience channel are put off by a belief that there may be more drawbacks associated with building a foodservice business than there are advantages to making the effort. Perceived disadvantages can be lost sales of add-on items and impulse sales; increased labor costs; the need for more space for foodservice; and the impact on store operations.

**Lack of a Crisis** — For many convenience brands, there has been no stunning crisis to drive revolutionary improvements in foodservice. Even during the COVID years, c-stores did well while many QSRs lost 50 percent of their business. That's the kind of crisis that has stimulated dramatic and revolutionary changes in that segment of foodservice. So, for those frustrated c-store managers who don't see top management moving fast enough, pray for things to get worse.

## How to Get Serious About Foodservice

There are six absolutes to follow if you want to get serious about growing your foodservice business. Embrace as many of these as possible. Your key foodservice competitors (the leading QSRs and fast-casual brands) have already done so.

### 1. Brand Your Foodservice Business

Let there be no question in the consumer's mind that a critical part of your business is the food and beverages you offer.

One way to go about this is to create a foodservice identity. One of the fastest and easiest ways to communicate your foodservice focus is to create nomenclature for your

brand that lets consumers know that you are more than gas, snacks, groceries and smokes. For example, Enmarket has its Eatery, there's Parker's Kitchen, and so on.

Another method is to design a foodservice environment. From the moment a customer approaches and enters the store, the space itself should reinforce that "this is a great place to get great food." American Natural, a Pennsylvania based c-store operator, developed a new foodservice-centric store design inspired by a vision to "be the Panera Bread of convenience."

The food and beverage aspect of the brand dominates the 2,800-square-foot interior. Branded as "The Eatery at American Natural," the store features an open kitchen design; counter, table, lounge and outdoor seating; made-to-order gourmet sandwiches; and barista prepared beverages.

## 2. Develop a Proprietary/Signature Menu

You will need more than new roller grill recipes to stand out from the "sea of sameness" that is typically associated with c-store food. A key distinguishing element is to develop something craveable that your brand can be known for.

Some examples of convenience brands that have nailed this strategy are: Parker's, where the star of the show is the chain's "always fresh, never frozen" chicken tenders; Wawa, where the centerpiece of its foodservice offer is built-to-order hot and cold hoagies; Texas Born (TXB), where customers line up for the freshly made, locally sourced tacos, quesadillas and tenders; and Buc-ee's, the destination those who crave beef jerky and freshly smoked Beef Brisket BBQ.

## 3. Create a Menu Strategy

Do you have a documented menu strategy?

There's no menu strategy if you can't score 100 percent on this simple test:

- Each menu item has been prioritized based on its importance to the brand.
- There is a specific action plan for how each key menu item and/or category will contribute to the brand's business performance.
- The tactics needed to execute the plan are clearly in place.
- There are specific goals and measures in place to evaluate results.
- The menu strategy has been shared throughout the organization.
- The menu strategy is understood throughout the company.

The leading QSR and fast-casual brands develop a well-documented menu strategy linked to high-level business objectives. This is a document that sets forth how the products on the menu are prioritized and how they help the

brand realize its business objectives.

The menu strategy is used to guide all in-store foodservice merchandising — posters, banners, window clings and, of course, the menuboard itself. A menu strategy also can help identify what new menu items should be developed, and which current items can be eliminated.

The menu strategy establishes product and category priorities, and helps the brand decide how communications should be developed to get the desired business results. Creating and agreeing on a menu strategy is how world-class foodservice communications are developed.

## 4. Offer Off-Premise Solutions

QSR consumers have made it clear that they find the greatest convenience when using off-premise solutions, such as drive-thru, curbside pickup, digital ordering, and delivery.

QSR and fast-casual brands derive more than half of their food and beverage sales via off-premise options. These brands are continually finding ways to optimize their off-premise strategies. And yet, many convenience brands seem on the fence as to whether they should fully embrace off-premise foodservice strategies.

## 5. Develop a Foodservice Culture

Convenience brands need to start thinking more like a restaurant than a traditional c-store. That takes a shift in culture. There are things you can do to make cultural change a reality, such as establishing a commitment at all levels, starting at the top.

Nothing happens in any organization without the demonstrated support and commitment of senior management. If top management is not yet convinced, prototype ideas at select locations and communicate successes and opportunities using the language of top management (the language of money).

Additionally, identify and prioritize foodservice objectives in the annual business plan. Linking your foodservice business objectives to the business plan — with clear measurable objectives, responsibilities and rewards — is a dependable way to shift the company culture to foodservice.

## 6. Embrace Continuous Improvement

QSR and fast-casual brands are not standing still. They are continuously making improvements to their menu, menu communications, and foodservice operations. They are finding ways to leverage technology to make the customer experience easier, faster and more enjoyable.

Starbucks, for instance, has assigned improvement teams to each of the customer touchpoints along its entire foodservice path to purchase. The teams are continually making improvements to all of these touchpoints.

How many of these six absolutes has your brand implemented? ■

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# Higher Gas Prices Haven't Moved the Needle on EVs

Drivers are concerned about convenience, reliability, and difficulty of charging away from home.

By Convenience Store News

ALEXANDRIA, Va. — Higher gas prices are prompting consumers to reconsider their everyday household purchases, but they aren't yet looking to switch to electric vehicles (EVs), according to the latest NACS Consumer Fuels Survey.

Just 36 percent of drivers who say they intend to buy or lease a new car within the next two years would consider purchasing an EV, with convenience listed as a concern. Additionally, 60 percent of drivers think charging an EV would be difficult outside of their home and 54 percent believe EVs are less reliable than traditional gas-powered vehicles.

These consumer perceptions help explain why only 50 percent of all drivers say they have a positive attitude toward EVs while 39 percent say their opinion of EVs has improved in recent years, according to NACS.

"EVs are undoubtedly an important part of our future, but there is debate about the timeline for adoption. Today's drivers of gasoline-powered vehicles express range anxiety because of uncertainty around charging infrastructure availability," said Jeff Lenard, NACS vice president of strategic industry initiatives. "This is a valuable opportunity for retailers and others to address and educate future EV consumers."

Consumers are looking elsewhere to save money, with 88 percent reporting they have grown more price sensitive when purchasing groceries (88 percent) and buying gas (87 percent). They are also cutting back on snacks and drinks (80 percent) and dining out less often (74 percent). These figures reflect an across-the-board increase since the NACS Consumer Fuels Survey in February, when gas prices were

approximately 20 cents less per gallon.

More than nine out of ten (91 percent) consumers say grocery prices have increased during the past few months; 84 percent say gas prices have increased; 82 percent say vehicle prices have increased; and 82 percent say the cost of dining out has risen.

Price concerns also affect where consumers purchase gas, as 66 percent of survey respondents say price is the most important factor and 24 percent say location is most important. Just 10 percent choose to fill up at a location that offers a specific brand.

Drivers also care about their experience when visiting convenience stores, as 93 percent say it is important to get in and out quickly, 87 percent say friendly employees matter and 74 percent want to know that c-store retailers care about their local community.

"Value in all senses of the word is increasingly important to customers. It's not just about price but also how you make people's lives and their communities better. Retailers who do this best and tell that story to their customers are best positioned for future growth," Lenard said.

The national NACS Consumer Fuels Survey was conducted Sept. 10–13 by Bold Decision, a national public opinion research firm. A total of 1,200 American adults were surveyed online, including 1,049 who said they were regular gas customers.

Alexandria-based NACS is the global trade association dedicated to advancing the role of convenience stores as positive economic, social and philanthropic contributors to the communities they serve. ■



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