



GHRA In Action

OUR MEMBERS ARE OUR MISSION! VOL. 10 | FEBRUARY 2023

U.S. C-Store Count Ticks Up Driven by Increase in Single-Store Operators

C-Stores Are
Elevating Their
Foodservice Game



*Skupos: Earn Cash Back
& Provide Value to Shoppers*





A NOTE FROM THE CEO

BRIAN TROUT, CEO

Greetings Members,

Depending on which economist or news station you listen to, the future of our economy in 2023 is uncertain. The inflation rate is down slightly from its 40 year high which is a good sign, but tech companies are laying off thousands of employees, and people are learning to adjust to the new cost of goods and services. Consumers are changing their buying habits as a result. Now is the time to start thinking about promoting deals that scream value to your customers.

We recently started the cooler resets to ensure our members have the best assortment of CSD and non-carb beverages which will drive increased sales and profits for your stores. Further, we have partnered with SKUPOS to bring members access to a broad range of manufacturer CPG promotions with performance tracking so you can grow your sales even more. Now is the time to train your staff to use this platform and leverage this awesome technology. This technology is included in your membership with GHRA – no cost for you to sign up.

GHRA is a great organization with a great history of service to the community, creating value for its members, and continually developing programs to enhance members' operational capability. We are continuing in that great tradition with our 2023 programs.

I want to thank everyone for attending the town hall recently, whether you were in person or joined virtually, it was great to spend time with you and discuss the plans for GHRA and to learn directly from members about the issues that are most concerning to you. Also, thank you for allowing us to serve you, and thank you for your trust and membership in GHRA.

Sincerely,

Brian Trout

OUR MEMBERS ARE OUR MISSION!



U.S. C-Store Count Ticks Up Driven by Increase in Single-Store Operators

This reverses a four-year trend of declining store counts for the channel.

By Convenience Store News

ALEXANDRIA, Va. — Convenience store counts reversed a four-year decline with a 1.5 percent increase in the number of locations operating in the United States, fueled primarily by an increase in single-store operators in 2022.

There are 150,174 c-stores open across the country, according to the 2023 NACS/NielsenIQ Convenience Industry Store Count. The number of single-store operators

grew by 1,087 stores to a total of 90,423 stores, or 60.2 percent of all U.S. convenience stores.

Total industry store count increases took place in 39 states and Washington, D.C. Georgia was the top state in store count growth with an increase of 271 c-stores. California's store count fell by 53 stores, the largest number in the seven states that saw their store counts decline.



Additionally, there are 13,346 gas station/kiosk locations that sell motor fuels but not enough of an in-store product assortment to be considered c-stores. This kiosk format is on a continual decline, falling 11.2 percent in the past year and 49.3 percent over the past six years, as consumers seek out c-stores with robust food and beverage offers.

One year ago, the 2022 NACS/NielsenIQ Convenience Industry Store Count reported that the U.S. c-store count had declined for a fourth consecutive year with a 1.5 percent drop in total c-stores and a 3.1 decrease in single-store operators.

By the Numbers

The 2023 NACS/NielsenIQ Convenience Industry Store Count found that c-stores sell an estimated 80 percent of motor fuels purchased by consumers in the U.S. and 118,678 c-stores (79 percent of all c-stores) sell motor fuels.

While c-stores saw a turnaround in growth, similar channels saw declining store counts with the exception of dollar stores:

- Convenience: 150,174 (2023) vs. 148,026 (2022)
- C-stores selling fuel: 118,678 (2023) vs. 116,641 (2022)
- Fuel kiosks: 13,346 (2023) vs. 14,826 (2022)
- Grocery: 45,380 (2023) vs. 45,687 (2022)
- Drug: 40,008 (2023) vs. 40,402 (2022)
- Dollar: 37,067 (2023) vs. 35,501 (2022)

According to U.S. Census Bureau data that shows the U.S. population at 334.2 million people, there is one c-store for every 2,225 people.

Texas is once again the state with the most c-stores at 116,018 locations, or more than one in 10 U.S. c-stores. The remaining top 10 saw no change in order despite California's decline:

- California: 12,000
- Florida: 9,596
- New York: 7,917
- Georgia: 6,719
- North Carolina: 5,749
- Ohio: 5,673
- Michigan: 4,879
- Pennsylvania: 4,728
- Illinois: 4,666

“The value of convenience continues to grow, and that’s a driving factor why every retailer, regardless of channel, seeks to provide it,” said NACS Managing Director of Research Chris Rapanick. “And it’s also clear that the convenience offer at convenience stores resonates with consumers, given the record in-store sales at convenience stores and increase in store count.”

The 2023 NACS/NielsenIQ Convenience Industry Store Count is based on stores in operation as of December 2022.

Alexandria-based NACS is a global trade association dedicated to advancing convenience and fuel retailing. NACS advances the role of convenience stores as positive economic, social and philanthropic contributors to the communities they serve, and is a trusted adviser to retailer and supplier members from more than 50 countries. ■





How Goal Setting Impacts Sales

Is what you're doing today getting you closer to where you want to be tomorrow?

By Ready Training Online

That's the question you should be asking yourself as you evaluate your progress toward your business goals. On every shift, you and your staff have opportunities to get closer to your sales goals for the month, the quarter, and the year. Every time the door chime rings to announce a new customer, you have a brand new chance to impact your success. Goal setting is key. Set mini-goals that can be reached with each customer, and train your convenience store staff to focus on these smaller opportunities as stepping stones to big picture achievement. Here are some ideas to get you started:

Goal: Greet Every Customer and Invite Them Back for a Return Visit

Every customer interaction should start and end with exceptional customer service. Train staff members to acknowledge arriving customers. A simple "Hello" with a smile is okay, but whenever possible staff members should immediately offer assistance. As customers leave – whether they've purchased something or not – staff members should thank them for coming in and give them a reason to return, such as information about the upcoming lotto jackpot or next week's foodservice promotion.

Goal: Increase Sales of Promotional Items

Your customers most likely have a particular item on their minds when they walk in the door, but that doesn't mean

they're not open to additional purchases. In fact, many customers just need a little guidance to take advantage of special promotional items. Start with excellent merchandising, and test product placement by entering the store as a customer. What do you see? How can placement be improved? The second step is great sales dialogue. Train your staff to suggest promotional items to every customer. Use quick role-play exercises to give employees a chance to practice their suggestions and overcome objections.

Goal: Improve Participation in Loyalty Programs

Customer loyalty is critical to success in this industry. How many of your competitors do you pass on your route to work or on your way to pick up the kids? Your customers have the same options. From old-school coffee punch-cards to digital loyalty apps, make sure every customer not in your program already is encouraged to join.

Reward Staff Accomplishments

Did you notice what all these mini-goals have in common? The first is obvious: they all revolve around the customer, as all your goals should. The next is just as important: They can all be measured. Remember, what gets measured can be rewarded, and what gets rewarded gets done. When you're diligent about goal setting, you'll be able to track the achievement of mini-goals as well as progress toward your overall sales goal and recognize staff members accordingly. ■



National Average Gas Price Sees Late 2022 Spike

A winter storm and freezing temperatures prompted refineries to close temporarily.

By Convenience Store News

WASHINGTON, D.C. — The end of 2022 came with one more gas price bump to close out the year, as a cross-country, late-December winter storm and accompanying frigid temperatures prompted fuel prices to spike.

Refineries as far south as Texas and the Gulf Coast were forced to shut down temporarily, pushing the national average for a gallon of gas up 12 cents on the week to reach \$3.22., according to AAA.

“The cost of gas will likely rise a bit more before this surge stalls due to less expensive oil and a return to seasonal driving patterns,” said Andrew Gross, spokesperson for AAA. “But 2022 will go down as a record year with a national annual average of \$3.96. According to fuel expert Tom Kloza of OPIS, that’s 40 to 50 cents more than the previous peak years of 2011 through 2014.”

The latest data from the U.S. Energy Information Administration (EIA) shows that gas demand rose from 8.7 million barrels per day to 9.3 million barrels per day last

week, while total domestic gasoline stocks fell by 3 million to 223 million barrels. This combination of more demand and less supply pushed gas prices higher.

The current national average of \$3.22 per gallon is 20 cents less than a month ago and 6 cents less than a year ago.

The top 10 largest weekly increases in the country occurred in Delaware (33 cents per gallon), Florida (30 cents), Maryland (25 cents), Michigan (21 cents), Texas (20 cents), Ohio (20 cents), South Carolina (20 cents), Missouri (20 cents), Alabama (18 cents) and Wisconsin (17 cents).

The top 10 most expensive markets are Hawaii (\$5.02 per gallon), California (\$4.42), Nevada (\$3.97), Washington (\$3.86), Oregon (\$3.73), Alaska (\$3.71), Pennsylvania (\$3.63), Washington, D.C. (\$3.47), Idaho (\$3.43) and New York (\$3.41).

At the close of the formal trading session on Dec. 30, West Texas Intermediate increased by \$1.86 to reach \$80.26. A weaker dollar contributed to rising crude prices, which increased despite the EIA reporting that total domestic commercial crude stocks increased by 800,000 barrels to 419 million barrels, according to AAA. This increase indicates that oil demand could be weakening amid ongoing market concerns that a recession or economic slowdown could take place in 2023. ■





C-Stores Are Elevating Their Foodservice Game

Convenience retailers must create a fresh story and brand that customers can connect with.

By *Food Business News*

LAS VEGAS — Restaurant-quality offerings, better-for-you options and global flavors are trending in new foodservice offerings launching across the convenience channel.

Foodservice sales in convenience stores increased 20.5% in 2021 after falling 10% in 2020, according to the 2022 Convenience Store News Industry Report. Elevated offerings that go beyond the typical gas station fare are key to capturing a bigger share of shoppers' wallets.

"I think the messaging for the convenience channel has to evolve," said Bradley Borchardt, strategic account chef for convenience stores at Minneapolis-based Cargill. "C-stores still have the halo of 'cokes and smokes,' but a lot of them are doing food that is better than most quick-service restaurants. Getting that message out there is more prevalent than ever before."

Tyson Foodservice, a division of Springdale, Ark.-based Tyson Foods, is helping convenience stores compete in the "fast-food chicken sandwich wars" with its new Hot N'Spicy Chicken & Waffles Sandwiches, made with antibiotic-free portioned chicken breasts and Belgian-style waffles. The company also is gearing up to introduce Southern Style Chicken Sandwiches, made with soft brioche buns and a breading profile featuring notes of dill, onion and garlic.

Better-for-You Options

Convenience stores are challenging the channel's reputation as a purveyor of empty-calorie offerings with better-for-you options. Veggies Made Great entered the foodservice channel earlier this year with a range of vegetable-forward items in convenient formats. It has continued to expand its foodservice footprint with convenience stores as a key area of focus, said Elliot Huss, CEO of the Rahway, NJ-based brand.

"Convenience store offerings have dramatically evolved in the last decade," he said. "Today's c-stores are closer to quick-service restaurants with gas pumps. The core c-store foodservice consumer, Gen Z and millennials, are demanding better-for-you food options everywhere they shop, and the pandemic has only accelerated this expectation for healthier options."

Veggies Made Great offers individually wrapped sweet muffins made with zucchini and carrots, available in flavors like double chocolate, blueberry oat, banana chocolate chip and keto-friendly cinnamon roll. It also offers a range of savory frittatas, including a plant-based sausage, egg and cheese frittata made with Beyond Meat Sausage Crumbles, and a mushroom and three cheese egg white frittata made with cauliflower and kale.

“Breakfast and snacking remain the core dayparts for c-stores, with breakfast coming back strong as a growth area post-pandemic,” Mr. Huss said. “C-store operators have an opportunity to offer better-for-you on-the-go items in place of sugary baked goods and overly indulgent breakfast items.”

The brand recently introduced a line of Stuffed Cauliflower Bites. The healthier alternative to pizza rolls features a crispy cauliflower crust made with carrots, broccoli and spinach, plus alternative flours like chickpeas and rice, and are filled with a blend of vegetables and cheese. Varieties include margherita, stuffed with mozzarella, tomatoes and basil, and spinach and ricotta, stuffed with spinach, ricotta and Parmesan cheese.

“The Stuffed Cauliflower Bites are a great format for c-store customers who want a familiar, crave-worthy hot snack,” Mr. Huss said. “They satisfy consumers craving for convenient comfort foods while still appealing to health-conscious eaters since the bites are a good source of protein and fiber. They can go straight from the freezer into the convection oven, high speed oven, microwave or air fryer with zero prep needed, so they are a great option for c-store operators looking to elevate their warm snack options.”

The Kellogg Co., Battle Creek, Mich. is bringing its MorningStar Farms plant-based portfolio into the foodservice channel. It is testing a variety of meat-free options for convenience stores, including chicken-style tenders, breakfast sausage alternatives, chorizo-style crumbles and spicy black bean burgers.

“MorningStar Farms is more common in other channels, but we see c-stores as a big white space opportunity,” said Daniel DeMeyer, senior director of commercial strategy, small format, at Kellogg. “We’ve been working on things like on-the-go breakfast sandwiches and other meal solutions that just need to be placed under a heat lamp or in a microwave.”



Flexibility and Versatility

Data from Cargill show millennials are the top indexing convenience store customers. Better-for-you foodservice offerings are key to capturing the demographic, as are Mexican-inspired flavors, said Jessica McMillan, strategic account lead for convenience stores at Cargill.

“When we look across the consumer base, millennials are actually the first generation to prefer Mexican flavors over Italian flavors,” she said. “If you look at Gen Z, Asian flavors are their top choice.”

With convenience stores facing a challenging labor environment and contending with small kitchens and prep spaces, operators are seeking flexible foodservice offerings that are easily incorporated into multiple dishes, Mr. Borchardt added.

“Finding ways to utilize products in multiple different applications is key,” he said. “You could use a crumble in a breakfast burrito or breakfast nachos, and then use the same crumble as a pizza topping later in the day.”

The company offers Charter Reserve, a lineup of fully cooked, prepared proteins. Featuring a variety of whole muscle proteins in on-trend Mexican- and Asian-inspired flavors, the “ready-to-heat-and-eat” offerings elevate menus in a convenient and labor-efficient way.

“The key with our cooked meats portfolio is that we do 80% to 90% of the heavy lifting and allow 10% to 20% for brand customization,” Mr. Borchardt said. “You could take a pork carnitas that is very neutral in flavor and add barbecue sauce for a barbecue pork sandwich or sour cream for a carnitas taco. That flexibility allows you to do different limited-time offerings throughout the year with the same product, just by changing the sauce.” ■



Snacking: The All-Day Opportunity

by Convenience Store News

Consumers are shifting toward "hometainment" activities and away from traditional mealtimes

Americans are spending less on out-of-home entertainment and eating out to mitigate the impact of inflation and rising bills, according to research from NielsenIQ. As they shift toward "hometainment" activities, such as watching streaming services and playing video games, sales of products that pair well with content consumption and gaming are growing. Namely, snacks. NielsenIQ research also shows that more Americans are moving toward snacking and eating smaller meals steadily throughout the day rather than following traditional mealtimes. Other findings include:



82%

of consumers surveyed for NielsenIQ's 2022 *State of Snacking* report indicated that they ate more at home than away from home in the last six months.



The days of three square meals are gone. Respondents said they consume three to four small meals steadily throughout the day from late morning to late afternoon, and snack to "recharge."

Small meals and snacking are perceived as healthier by consumers, who believe that 68% of the products they ingest are healthy.

Across all eating occasions, 42% of respondents claimed their eating habits have become healthier vs. 12 months ago.

Whether consumers are alone or with others impacts how and what they eat. Full meals are less frequent and saved for time with others; these occasions generally happen when they are happier and have more energy.

Alternatively, small meals are most often consumed alone and take place when consumers say their mood and energy are lower than during full meals.



NielsenIQ, an Advent International portfolio company, is a Chicago-based global information services company providing consumer packaged goods and retail companies with data, connected insights and predictive analytics to power their growth.



BIG MADRE IS PARTNERING WITH DOOR DASH

We are ready to launch the 3rd party delivery program through DoorDash for Big Madre members. Below are the details for the program.

WHAT'S IN IT FOR YOU

- 🔥 Member will get a \$200 credit for marketing for the first 30 days after signing up.
- 🔥 We will roll 10% commission into the retail of the Big Madre Menu.
- 🔥 GHRA Food services team will build the menu for all locations. You will get a Free Setup and a Free Tablet for your location.

WHAT'S IN IT FOR YOUR CUSTOMER

When a customer goes to the Big Madre website and places an order online for delivery or pickup they will enjoy saving the 10% doordash direct fee. As a store owner, you only have to incur 2.9% credit card processing fee + \$.30 transaction fee.

ALL YOU HAVE TO DO IS FILL THE ORDER AND COLLECT THE MONEY!

For more information contact: Doug Boone - dboone@ghraonline.com | 281-295-5363

All information in this document is subject to change with notice.

EL SUPER BREAKFAST BURRITO

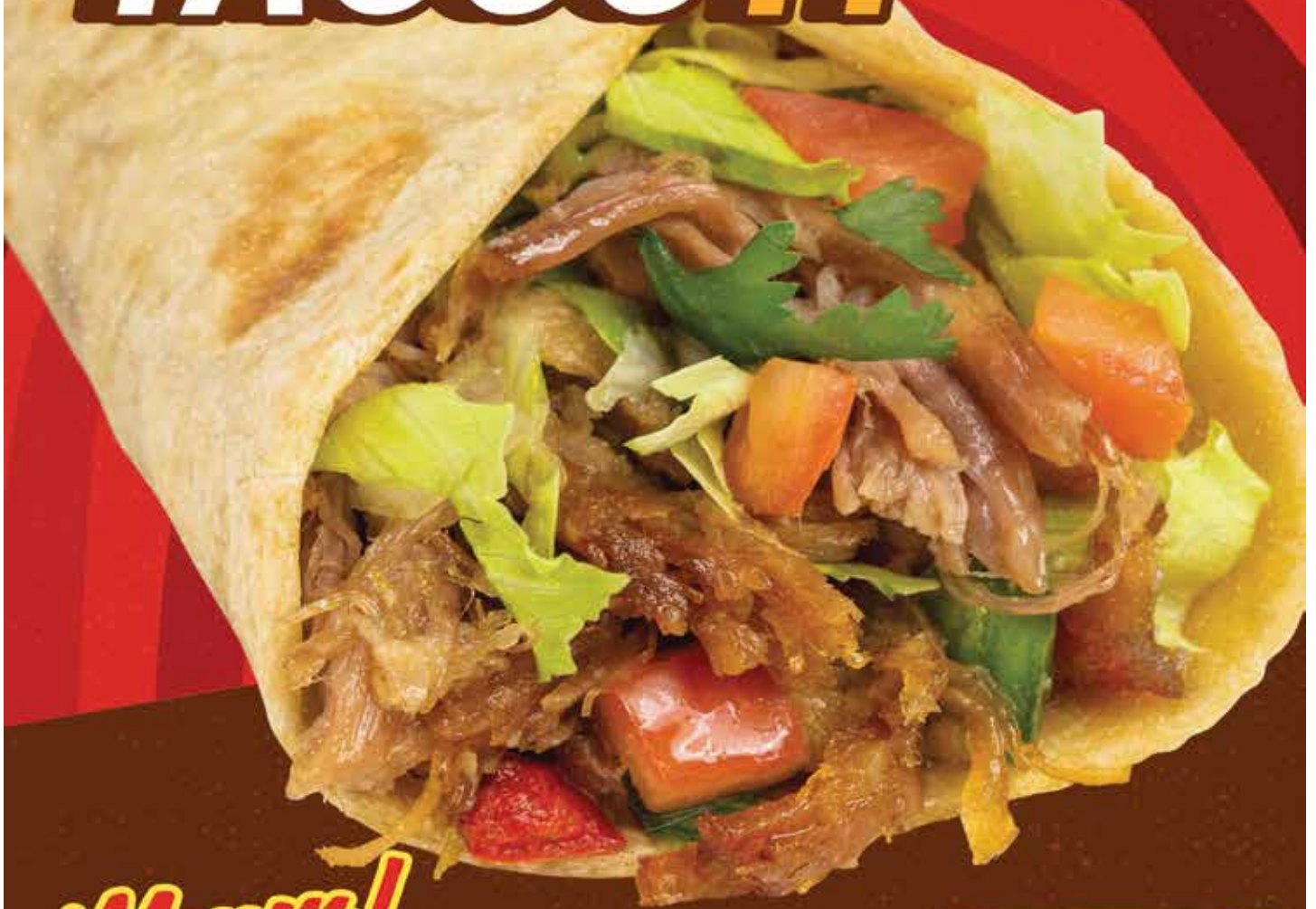
GRAB & GO!



*Every day is
burrito day.*

BIG MADRE
Tacos · y · Tortas

CRAVING CARNITA TACOS?!



¡Mmm!

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