



# GHRA In Action

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

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# A NOTE FROM THE CEO

BRIAN TROUT, CEO

Greetings Members and welcome to summer!

As you know, in late April GHRA held our annual general body meeting and elected new members to the Board of Directors. Please join me as we welcome Imran Ali to the Board of Directors and thank all the Board for their service and sacrifice to GHRA and our great cause of supporting the membership financially and operationally. We had a great turnout of the membership to hear the Directors speak on the performance of the company in 2022, to announce the patronage payout of \$2.5 million, as well as the special announcement of the return of a portion of the Store Participation Deposit for each member.

June in the Houston area and Southeast Texas means hot weather, potential hurricanes, vacation, tourists, and, unfortunately, some increase in criminal activity. I want to encourage all members to take advantage of the increase in customers to drive your sales but to also keep a focus on the basics of keeping your stores well lit, clean and the windows clear so people can see in and out of the stores, and most importantly, keep your cash drawers levels low. Criminals will target convenience stores because the higher amount of cash transactions. Take the time to speak with your store teams and ensure their safety and your secure operations.

Thank you for your continued support and happy selling!

Sincerely,

*Brian Trout*

OUR MEMBERS ARE OUR MISSION!

# 4 Key Reasons Convenience Stores Should Outsource Their Fuel Transport

By Gaubert Oil Company

## The Importance of Reliable Fuel Delivery

Reliable fuel delivery is crucial for the success of any convenience store. Any supply disruptions, logistical hurdles or safety issues can have a significant impact on the bottom line. Customers expect fuel to be available whenever they need it, and any interruption to the supply chain could send them directly to competitors, potentially leading to a significant loss in revenue.

Furthermore, fuel transport comes with inherent risks such as spills, fumes or leakage. Such dangers can pose a considerable threat to customers, employees and the environment surrounding the c-store. If such risks were to occur, they could lead to costly litigations and irreparable reputational damage to a convenience store. Therefore, it's essential to use a petrochemical transportation company with a strong record of safety and industry standard compliance, insulating retailers from potential liabilities while ensuring timely and secure access to meet your store's changing fuel needs.

## Outsourcing Fuel Transport

Outsourcing fuel transport can offer significant benefits to businesses. Here are some of the key advantages:

- **Cost Savings:** Outsourcing fuel transport can lead to substantial cost savings for businesses. Firstly, it eliminates the need to purchase and maintain fuel trucks, which can be expensive and time-consuming. And, since c-stores only pay for fuel transport when it's needed, retailers will save money on overhead costs incurred by running a transportation department within the organization.

Moreover, fuel transport companies benefit from economies of scale, meaning they have greater buying power and can secure discounts and better deals on fuel. The financial benefits of outsourcing fuel management trickle down to customers, offering better pricing advantage than competitors.

- **Compliance with Regulations:** As convenience store decision-makers, retailers understand the significance of environmental, safety and transportation

regulations established by the fuel industry and community. Transportation regulations related to fuel transport include driver licenses, roadworthiness tests and specialized equipment for satisfying regulatory requirements and compliance.

Experienced fuel transport companies have already qualified for and meet all transportation regulations required in the industry. They have the necessary procedures already in place to ensure transportation compliance across all regions the convenience store decision-maker wishes to operate. By outsourcing liquid transport, retailers can rest assured that all legal and safety compliance measures will be taken care of promptly.

- **Improved Efficiency:** Hiring dedicated fuel trucks or drivers can be time-consuming, labor-intensive and costly. Outsourcing fuel transport removes the administrative and logistical burden of managing drivers and truck maintenance. Fuel transport companies have the teams, equipment, processes and systems in place to manage delivery schedules, invoices and other administrative and transactional activities, allowing retailers to focus on what they do best.

Furthermore, fuel transport specialists have significant experience that allows them to plan deliveries and routes effectively, efficiently and proactively. Their job is to ensure retailers have the right fuel, in the right place, at the right time. When this happens, workers can focus on serving customers instead of worrying about delivery schedules, allowing owners to focus on streamlining stores' efficiency and cutting significant operational costs.

- **Better Availability:** Most fuel transport companies operate within specific regions. Outsourcing fuel transport needs grants access to a wide range of vehicles servicing multiple regions. This flexibility is three-fold: It ensures customers always have access to fuel when and where they need it; it allows retailers to avoid shortages or delays in servicing should one of their vehicles go down in a time of need; and it curtails the need to purchase and maintain additional trucks. A reliable gas transport service caters to c-stores' distinct needs and specific customer base while allowing retailers access to on-demand fuel supply, avoiding any downtime associated with disruptions in fuel transportation.

## Conclusion

Outsourcing fuel transport can provide several crucial benefits for convenience stores, including cost savings, compliance with regulations, improved efficiency and better availability. By partnering with a reputable fuel transport company, retailers can focus on growing their store and servicing their customers with complete peace of mind. Outsourcing fuel transport can be a crucial factor in giving a business the competitive edge it needs. ■

# Hitting the Road

by Convenience Store News

The need to fuel up remains a strong trip driver for the convenience channel

The forecourts at convenience stores are buzzing with activity once again. According to the *2023 Convenience Store News Realities of the Aisle Study*, which surveyed 1,500 consumers who shop a c-store at least once a month, purchase incidence of fuel significantly increased year over year, likely driven by heightened post-pandemic travel. Generation Z and millennial c-store shoppers, in particular, are driving the monthly trip average up.

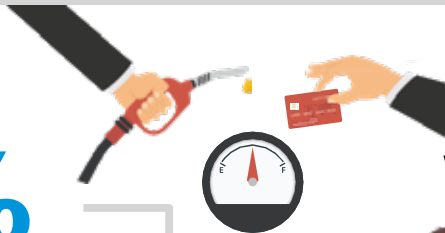


## FILL IT UP:



**58%**

of the consumers surveyed (aged 18-plus) said they purchased fuel at a convenience store in the past month – up 4 points vs. a year ago.



**5.8**

Among these shoppers, the average number of fuel purchases per month was 5.8.



**GENERATION Z AND MILLENNIALS**, however, make more frequent fuel purchases. The monthly average for Gen Z was **9.6 TIMES**, while the average for millennials was **8.4 TIMES**.



**MORE THAN EVER**, price is king when it comes to where consumers choose to fuel up. In this year's study, the percentage of shoppers rating price as an extremely important or very important decision factor jumped 5 points year over year to reach 86%.

**GENERATION X (89%) AND BOOMERS (89%)** put even more emphasis on price than other generations.



**A convenient location also greatly matters to more than three-quarters of fuel purchasers.**

**ADDITIONALLY**, the store or gasoline brand is growing in importance. While this strongly matters to fewer shoppers overall (44%), **THE NUMBER WHO RATED IT AS IMPORTANT ROSE 5 POINTS THIS YEAR.**

**25%**

A quarter of fuel purchasers choose to only buy from convenience store locations.



**AMONG THOSE WHO ALSO BUY ELSEWHERE, THE TOP THREE FUEL COMPETITORS TO C-STORES ARE:**

- Gas-only retailer
- Mass/supercenter retailer
- Wholesale club



# Food Service in a Convenience Economy

By Ready Training Online

We are living in a convenience economy, one in which consumers demand that their shopping experiences are quick, simple, and hassle-free. This should be a natural fit for convenience stores, right? Yes, of course – as long as you and your staff deliver what customers want, when they want it. One of the areas where this can be a challenge for convenience stores is with food service.

Research studies suggest that food service sales make up about 23% of sales in a convenience store, and that number is expected to continue to grow. To be successful with food service in a convenience economy, stores need to take a lesson from their quick-service restaurant competition. In that market, consumer expectations are met based on what's called the "Great Eight of Quick Service." Take a look:

1. **Speed.** This is the number one customer demand in a convenience economy. They chose your store to grab some food because they thought they could get in and out quickly. Disappoint them once, and they won't likely give you another try.
2. **Accuracy.** This applies the most to convenience stores with in-store food preparation, such as tacos, sandwiches, chicken, pizza, or salads. No matter what role you play in preparing an order, get it right the first time and every time.
3. **Quality.** The convenience economy doesn't mean consumers are willing to sacrifice quality for speed. In fact, demand for healthy food options in the convenience store food service market has never been higher.
4. **Value.** Today's consumers are willing to spend a little more to get quality items quickly. Loyalty programs that reward frequent customers can increase perceived value and allow you to offer products at profitable prices.
5. **Consistency.** If a customer gets a made-to-order salad at your store today, they expect the same quality and ingredients the next time they come in. This applies to grab-and-go items, too. Consistency generates loyalty.
6. **Service.** Service is your invisible product. Train your staff on specific sales and service strategies specific to food service.
7. **Atmosphere.** A clean, friendly, and inviting store makes customers feel more confident that your food service offerings are fresh, wholesome, and prepared with food safety in mind.
8. **Personalization.** Pay attention to food trends and make sure your food service offerings include options for the many different diets and healthy eating philosophies that are driving consumer decisions. ■



# Snacking on Their Terms Today

Consumers are willing to indulge in foods that spark joy and enhance their wellbeing.

*By Convenience Store News*

After contending with an unprecedented and tumultuous two years of the coronavirus and then shifting into a post-pandemic world, coupled with the economic pressures brought on by inflation, today's consumers want to live life on their own terms — especially when it comes to choosing why and how they snack.

Americans have increasingly turned to snacking to fulfill different needs in their lives, whether it's meal replacement, a sense of comfort or rewarding themselves. Taste, health and value are evergreen food needs, but these attributes are reflected differently today when it comes to snack choices and how certain food or snack choices impact consumers' wellbeing.

"Consumers seem to be bringing emotion into eating like we have never seen before," Dan Meyer, consumer insight manager for convenience stores at General Mills, told Convenience Store News. "As consumers have gone through

a health pandemic, they are more willing to indulge in foods that bring them joy. They are willing to forgive themselves and offset their indulgence somewhere else, e.g., skipping a meal or eating healthier at a different time of day."

As for what's currently trending, Meyer cites recent data that shows both the sweet snack and salty snack categories are growing, while better-for-you is on the decline. He relayed that there is less avoidance right now among consumers, who are curbing restrictions around what they perceive as "bad" for them, like sugar and carbs, and "unashamedly snacking on what they want" and "living for today."

By living life on their own terms, consumers are absorbing rising costs when it comes to enjoying their favorite snacks. But because they're probably cutting back in other areas, snacking is one indulgence that can be a quick, easy and affordable part of consumers' days.

"When you're hungry and want something quick, easy and

delicious, you grab a treat. You might be making sacrifices on the weekend when you're doing your major food shopping, but by Wednesday, when you're out and about and you want a quick snack, you're not willing to sacrifice that," said Liz Williams, CEO of Chicagobased Foxtrot, a retailer that marries the best of neighborhood retail and e-commerce technology to create a community of discovery.

## Snacking Around the Clock

During 2020 and into 2021, as living and working from home became more continuous, consumers partaking in three-plus snacks per day increased 3 percentage points to 45 percent of consumers, Circana's "2023 Snacking Survey" found.

Moving through 2021 to today, schooled kids have gone back to in-person learning five days a week, and many adults have returned to an in-person workforce. However, hybrid working continues for 60 million people and could be anywhere from one to five days per week.

"When this occurred, everyone thought that snacking would revert back to pre-COVID levels. However, we have seen an uptick in snacking consumption. Forty-nine percent say they are snacking three-plus snacks per day, which is up 4 percentage points in two years," noted Sally Lyons Wyatt, executive vice president and practice leader, client insights for Chicago-based Circana, formerly IRI and The NPD Group.

"Snacking is a lifestyle in the U.S. COVID didn't impede this fact, it accelerated it. Consumers are prioritizing snacking because it is how they eat and drink across the day, from early morning to late night," she explained.

Foxtrot's Williams refers to this circular lifestyle as "clockless eating."

"The snacking category continues to grow and COVID-19 didn't alter that in the sense that snacks have grown preCOVID, during COVID and post-COVID," she said. "Snacking is an occasion over the years that has grown into 'clockless eating,' whereby we're not eating squared meals and snacking permeates throughout the day."

## Feeding the Lifestyle

With the onset of the coronavirus pandemic, the biggest shift in snacking occurred around the draw of at-home consumption vs. on the go. But, as more consumers are out of the house postCOVID, this is influencing the way snacks are consumed.

"It used to be ease and convenience were the important factors — getting in and getting out or, during COVID, getting delivery was the key part of the experience. Now, speed and convenience are still important, but service and experience are also part of snacking more so," Williams pointed out. "Grabbing a snack in a place that has a good atmosphere, is welcoming, is clean and has good customer service is important as more consumers are out and about in the world."

One purchasing trend that was exasperated by the pandemic is consumers buying snacks online and getting them delivered to their doorstep at the click of a button. Consumers have more options online, such as pack sizes and perceived value, giving them the opportunity to choose larger count sizes to dole out their snack portions over time vs. the single-serve sizing that is most prevalent at convenience stores.

"This will likely shift again once consumers are more on the go," General Mills' Meyer predicts.

Still, as consumers continue to bring emotion into eating — particularly when snacking — c-stores are well positioned to offer options that spark joy or will surprise and delight them.

"It's like an individual treasure hunt where consumers can find snacks 'just for me' that they can't get anywhere else," Meyer said.

So much of today's shopping experience is hyper-personalized with mobile apps and online experiences that cue up offers and products to consumers that are "just for them." Consumer communication and partnerships with in-store apps and digital play into this and can help retailers capture that next purchase by the shopper, he added.

Meyer advises c-store operators to have attractive offers in place to drive traffic, including signage, co-promotions and reformatted packaging to make products stand out on the shelf.

***"As consumers have gone through a health pandemic, they are more willing to indulge in foods that bring them joy. They are willing to forgive themselves and offset their indulgence somewhere else."***

— Dan Meyer, General Mills



"Retailers can work with manufacturer partners, like General Mills, to promote snack brands on-shelf. For instance, we regularly work with retailers on temporary price reductions and item bundling to help promote and drive trial on new items or flavors within existing product lines," he said.

Circana's Lyons Wyatt encourages c-store retailers to also leverage social media. These platforms provide opportunities to engage, delight and surprise current and future convenience store shoppers.

"Get creative — find influencers and/or create content that will influence. Message the many different snack occasions that convenience can provide the snacks of their choice," she said. "Once [consumers] are in the store, find ways to interrupt via promotions, signage and/or displays." ■



# Consumers Come Back for the Brands They Love

By Kellogg's

Most on-the-go shoppers looking for a quick snack already know what snack brand they want before setting foot in a convenience store. Since their c-store trips average only 3-minutes, shoppers want those favorites to be easily accessible. When shoppers have a specific craving, generic alternatives simply don't satisfy. By prioritizing space on shelves with the items shoppers really want, you can attract a wider, more loyal customer base amid clustered competitors.

## Shoppers Have Eyes On Their Favorites

Over 60% of shoppers are willing to go out of their way to buy their favorite snack brands<sup>2</sup>. And, if a c-store doesn't carry their favorites, shoppers aren't willing to settle for a generic replacement<sup>3</sup>.

## The Snacks They're Looking For:

### **Salty Snacks Are Still #1**

Given its near 17% increase in sales from last year<sup>4</sup>, salty snacks are a favorite choice for c-store shoppers. Since crave-worthy flavors and brands are most important to them<sup>5</sup>, they're reaching for options like potato crisps and cheese snacks<sup>6</sup>. More specifically, people want Kellogg's® brands like Cheez-It®, the #1 cracker brand<sup>7</sup> and Pringles®, with its expansive variety of flavors in a resealable, portable can.

### **Variety Also Matters**

Even though salty snacks are #1, today's consumer wants c-stores to offer a mix of options – from better-for-you snacks to more indulgent treats<sup>8</sup>.

When people look for better-for-you options when they want something that doesn't compromise on taste (and easily fits into their routines)<sup>5</sup>. Kellogg's® RXBAR®, with its original mix of nuts, dates and No B.S., is perfect for anytime snacking, while RXBAR® A.M. provides that perfect morning crunch, providing shoppers with a variety of tastes and textures.

But consumers also say a top element that makes up their 'perfect' snack is 'sweetness'<sup>9</sup>, and they're looking for sweet, indulgent treats for many reasons – whether it's a mood-boost during a slow day or as a reward... and who are we kidding? You don't really need a reason to treat yourself. Kellogg's® Pop-Tarts®, the #1 brand in repeat purchases<sup>10</sup>, is a clear favorite with options like Pop Tart® Bites. Rice Krispies Treats®, the #1 bar<sup>10</sup>, continue to satisfy a shopper's sweet tooth with options like Rice Krispies Treats® Dunk'd. Just as importantly - shoppers say generic imitations of Kellogg's® Pop-Tarts® and Rice Krispies Treats® simply don't cut it.

## Stocking Consumer Favorites Stop Them From Going Elsewhere

By prioritizing shopper's favorite brands, c-store retailers are more likely to win a shopper's business over their competitors. They will come to your store because they know and trust that you can satisfy their cravings. The average consumer will shop at a c-store at least once-a-week<sup>11</sup>, so the potential incremental sales add up significantly.

And, since c-stores are often clustered together, being known for having your shoppers' favorite snack brands can be the point-of-difference that builds your customer base and separates you from your competition. Consistently stocking their favorite snack brand can be the difference between shopping at your store, versus the one across the street.

Knowing your shoppers' purchasing habits can go a long way to driving traffic. By stocking the top Kellogg's® snack brands your shoppers know and love, like Pringles®, Cheez-It®, and RXBAR®, you can bet they'll be coming back time and time again. ■





**GHRA CORPORATE OFFICE**

12790 South Kirkwood Road  
Stafford, Texas 77477  
844.777.4472 (GHRA) Phone  
281.295.5399 Fax

**GHRA WAREHOUSE**

7110 Bellerive Drive  
Houston, Texas 77036  
844.777.4472 (GHRA) Phone  
281.295.5347 Fax