



GHRA In Action

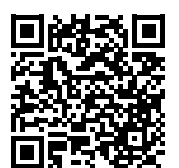
OUR MEMBERS ARE OUR MISSION!

VOL. 11 | FEBRUARY 2024

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A NOTE FROM THE CEO

BRIAN TROUT, CEO

Greetings Members, and welcome to February,

The US economic forecast for 2024 is expected to show slowing growth versus 2023 with a softening of consumer demand. Gross Domestic Product (GDP) is expected to slow versus 2023 with forecasts in 1% growth rate in the first half of 2024. Interest rates are expected to remain between 5.0 and 5.5%, inflation is expected to continue at 2.5% - 3.0%, and the labor market is expected to continue to show low unemployment with Houston expecting to add 57,000 in 2024. Consumer credit card debt has been rising.

The impact of these factors means the consumers are looking for value and ease of shopping. Promoting value in your business will be important as well as targeted investment in fresh food and beverages.

Speaking of beverages, I want to take a moment to talk about the 2024 Cooler DSD Program. GHRA has negotiated with the different DSD suppliers on behalf of our members to maximize the rebates, shelf payments, cooler payments, and the revenue share incentives. 2024 will be the best rebate program year GHRA has ever had. GHRA has also developed the monthly promotional activity to help drive customers looking for value to your store. For those members looking to try a few different items in their cooler vault than what the planogram calls for, GHRA has listened to you, and the member option space has been increased from 5% to 10%.

The cooler vault reset program is in full swing, and each week, hundreds of stores are being reset. We are trying to get all 2100 stores reset by the end of March. To achieve that goal and help all members maximize their rebates, it is very important that each store be ready for the scheduled reset and accept the reset the day it is scheduled. The planograms are on the Member Portal for your review. Please take the time to review the planograms, reduce your current inventory of items not being carried in the new set, and be prepared for the reset. Should you have any questions, please contact your MSR.

The team at GHRA is proud to serve you, and we look forward to a fantastic year.

Thank you for your commitment to GHRA, and I wish you all continued blessings!

Sincerely,

Brian Trout





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- GHRA members using Heartland typically pay effective rates under 2%

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■ FEBRUARY 2023



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Welcome Members

On behalf of the Board of Directors and staff at GHRA,
please welcome our new members:

STOP-N-IN	CYPRESSWOOD FOOD STORE	TIME MAXX #11	CIMARRON CROSSING
MORE 4 LESS #4	FUEL TIME	FALCON EXPRESS JENSEN	CIMARRON EXPRESS
LITTLE BUDDY #1	CHEVRON FOOD MART	JFK BUZZY BEE	CIMARRON JUNCTION
TIME MART #31	SHELL FOOD MART	FASTSTOP 1	FUEL MAXX #88
ALVIN FUEL RUN #2	TOWN & COUNTRY EXXON	FASTSTOP 2	FUEL MAXX #94
ICE BOXX 4469	JR FOOD MART	FASTSTOP 3	CHEVRON HILLCROFT
BOUDREAUX EXPRESS MART	FULSHEAR TRAVEL CENTER	FASTSTOP 4	PITSTOP EXPRESS #29
	SMILEY’S EXPRESS #12	FASTSTOP 6	



Top 10 Merchandising Mistakes for Convenience Stores

Today's convenience store customers expect efficiency, value, and, of course, convenience. How you merchandise your products directly impacts your ability to exceed those customer expectations. Avoid these top 10 merchandising mistakes.

By Ready Training Online

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 perspective 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. ■



Creating a Positive First Impression

By Ready Training Online

Like a field in baseball, the condition of your store affects how well you and your team perform. Think of it this way – your success depends on the perceptions customers form about your operation. Like the saying goes, you never get a second chance to make a positive first impression. With effective training and proper maintenance, you can make sure every first impression is a good one.

Outside Your Store

Your parking lot, pump area, and the outside your store are the first areas your customers will come in contact with. If these areas are unkempt or unattractive, customers may lose their motivation to make the trip inside for a bite to eat or other items. To make a positive first impression outside your store, train your staff on cleaning the fuel pump, sweeping the parking lot, and other general exterior store care. On a regular basis, inspect the outside of your store for problems such as:

- Weeds, dead flowers, or litter in landscaped areas.
- Broken or non-working lighting, including in lighted signs.
- Outdated or unauthorized signage.

- Full trash cans on fuel islands.
- Empty or dirty squeegees, solvent, and paper towel dispensers.
- Hazards in pavement, such as cracks or holes.
- Dirty windows.
- Doors that stick or don't open properly.

Inside Your Store

When customers enter your store, what do they see? A clean and uncluttered store will make customers feel comfortable as they shop. To keep a positive first impression going on inside the store, train your staff on sales floor care, cleaning the shelves, and keeping the restroom clean. Keep an eye out for issues inside your store that will turn customers off and potentially cost you sales, such as:

- Shelves that are messy or poorly stocked.
- Items that are placed on incorrect shelves.
- Cluttered or disorganized checkout counters.
- Outdated or damaged promotional signs.
- Crowded or dirty aisles.

Product Merchandising

Your merchandising efforts will be more effective when the inside and outside of your store is well taken care of. Merchandising is more than just stocking products. It's about creating appealing displays that motivate a shopper to purchase an item on impulse or because it's being offered at a great value. Merchandising displays also help you highlight seasonal and new products. Pay attention to the details, and track sales of targeted items to ensure your merchandising efforts are paying off. ■

Knowledge is Power! Inside the Consumer Mind! by Convenience Store News

Eight Consumer Insights to Guide Your 2024 Strategy

From foodservice to loyalty programs, new opportunities abound

The new year is an ideal time to take stock of your business, and consider areas for improvement and new growth. Take into account these consumer insights as you formulate your plan of attack for 2024.



The perception of prices being too high at convenience stores is the leading reason shoppers say they do not purchase certain items from the channel. The highest incidences for this are:

Nonedible grocery **65%**
General merchandise **64%**
Health & beauty care **61%**

Packaged beverages **60%**
Edible grocery **59%**
Packaged snacks **54%**



Source: Convenience Store News Realities of the Aisle Study

35%

More consumers are integrating their favorite snack products into meals, up 35% over previous years. Once a week, more than half of consumers use snacks as a key ingredient in no-prep dinners.

Source: U.S. Snack Index



More than half of Generation Z grocery shoppers say they always/frequently choose a place to shop because of its store brands. Additionally, 56% are extremely likely/likely to experiment with store brands to find the best value.

Source: Private Label Manufacturers Association



A nationwide study of millennial and Gen Z consumers that delved into the cohorts' dining perspectives found that 77% say they like convenience stores that have café seating.

Source: Y-Pulse



Convenience store loyalty programs generate the highest increase in check sizes across all restaurant segments, with loyalty member checks 12% higher.

Source: Paytronix Loyalty Report 2023



41%

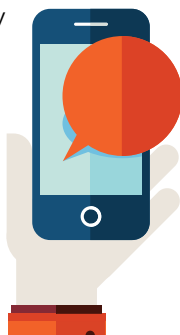
For of U.S. consumers, affordability is the most important thing when looking for an electric vehicle charging station.

Source: PDI Technologies

The top five factors that influence the pump-to-store decision are:

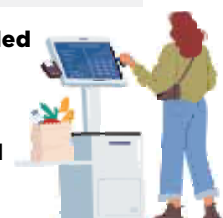
1. Was feeling hungry/thirsty
2. Loyalty program
3. Mobile app promotion
4. Promotional signage
5. Banners/window signs

Source: Convenience Store News Realities of the Aisle Study



A new study on self-checkout stations revealed that 15% of respondents admitted to having purposely taken an item while supposedly scanning and among them, 44% plan to steal items again when using self-checkout.

Source: LendingTree





Gulf Coast Currently Offers Some of Nation's Lowest Gas Prices; See *What's Expected in 2024*

By Orange Leader

After a brief hiatus, the national average price of gas has moved off its recent high, again falling closer to the \$3 per gallon mark, setting up a potential second attempt at slipping below \$2.99 for the first time since 2021. Patrick De Haan said while gas prices have risen in some areas, other states have returned to declines. “The Great Lakes and Gulf Coast offer some of the nation’s lowest gas prices, with the window of opportunity holding for the next few weeks to potentially re-test some of the levels seen a few weeks ago,” the head of petroleum analysis at GasBuddy said.

“The good news continues for average diesel prices, which slipped below \$4 per gallon again and stand at their lowest level since the summer.” Average gasoline prices in Texas have fallen 1.7 cents per gallon in the last week, averaging \$2.63/g today, according to GasBuddy’s survey of 13,114 stations in Texas. Prices in Texas are 8.4 cents per gallon lower than a month ago and stand 20.6 cents per gallon lower than a year ago.

The national average price of diesel has fallen 4.5 cents in

the last week and stands at \$3.96 per gallon. According to GasBuddy price reports, the cheapest station in Texas was priced at \$2.23/g Monday while the most expensive was \$3.99/g, a difference of \$1.76/g. The national average price of gasoline has fallen 1.6 cents per gallon in the last week, averaging \$3.06/g today.

The national average is down 17.3 cents per gallon from a month ago and stands 12.6 cents per gallon lower than a year ago, according to GasBuddy data compiled from more than 11 million weekly price reports covering over 150,000 gas stations across the country.

Neighboring areas and their current gas prices:

- Midland Odessa – \$2.83/g, down 1.8 cents per gallon from last week’s \$2.85/g.
- San Antonio – \$2.69/g, up 13.7 cents per gallon from last week’s \$2.55/g.
- Austin – \$2.70/g, up 7.5 cents per gallon from last week’s \$2.62/g. ■



C-Store Retailers Cook Up a Game Plan for Foodservice Success

The category has experienced two years of roughly 20% sales growth.

By Convenient Store News

NATIONAL REPORT — It's no surprise that foodservice is critically important to success in the convenience store industry today — some even say it is the channel's most

important category. But as more retailers invest in prepared food and dispensed beverages and competition heats up, c-store operators everywhere are being pushed to define

and refine their foodservice identities. Do they stand out from the crowd? Are their goals realistic? What's the plan for the future?

There's no turning back when it comes to foodservice, which has experienced two years of roughly 20% sales growth. But that growth won't automatically benefit retailers that only make a token effort. C-store operators should already be strategizing for the future of their foodservice programs and if they haven't yet started, the next best time to do so is right now.

"The future belongs to those who prepare for it today," National Restaurant Association (NRA) President and CEO Michelle Korsmo said during her keynote speech at the 2023 NRA Show, which highlighted themes that apply equally well to retail foodservice as a whole and c-store foodservice in particular: Where is the industry now? Where is it going? How will it get there?

Convenience stores everywhere — from small operators to large chains, from rural to urban markets — face numerous challenges as they seek to make a foodservice name for themselves and compete not just with each other, but also with fast-casual, quick-service and other foodservice retailers for share of stomach. These challenges only grow when taking into account a tight labor market, rising ingredient costs and other difficulties.

No c-store chain is above these challenges, but industry leaders have built their identities by identifying what they're good at and leaning into that hard. This can be seen in the winning lineup of *Convenience Store News*' 2023 Foodservice Innovators Awards, honoring a slate of retailers that carefully developed and decisively executed their foodservice plans.

Foodservice Innovator of the Year Kum & Go, headquartered in Des Moines, Iowa, crafted a creative, cohesive new menu that met its goals for freshness and health before its acquisition by Salt Lake City-based Maverik — Adventure's First Stop, while Prepared Foods Innovator of the Year Dash In Food Stores, based in La Plata, Md., pursued innovation across all dayparts while working within its operational limits.

C-store operators that haven't yet determined what they want their foodservice identity to be can look to a reliable source of inspiration: their customers.

"Retailers who are looking to develop a distinctive foodservice identity should always start with the consumer," said Kevin Smartt, CEO of Spicewood, Texas-based Texas Born (TXB). "You will quickly identify community needs, preferences, and ultimately gain their trust."

Ongoing Innovation

Advancing a foodservice agenda requires both clever strategy and operational practicality as c-stores balance what they want to do with what they currently can do and

what their customers want them to do.

One way that Tulsa, Okla.-based QuikTrip Corp. achieves this is through careful pursuit of innovation, which the company defines as "the process through which we turn strategy into new products or services," Stephanie Hurt, head of food innovation and development for the convenience store chain, shared at the 2023 NACS Show.

Hurt discussed how operational innovation can prompt "deep change" that can serve as a powerful competitive weapon in a way that mere operational improvements can't.

"Excellence in execution can win a close game, but it can't break the game wide open," Hurt said. She advised c-store retailers to start new projects at the top, identifying overall purpose and vision before moving to specific goals, strategic plans, department strategy and objectives.

"If you think about how you build a house, your house needs to be on a sturdy foundation and whenever you work on a project, you really need to link it all the way up, right? Because if not, when you get down to the end and it doesn't fit your company's strategy and sometimes it feels like it's a little off, it's probably because it is," she said. "So, start high when you're working on a project like this."

C-stores also can build their foodservice identities by focusing on offering a concise selection of high-quality, popular products rather than a menu that tries to be everything to everyone. Utilizing effective inventory management practices not only reduces waste and controls costs, but also reduces operational complexity and ensures faster service, Chad White, foodservice category manager at York, Pa.-based Rutter's, said during the same NACS Show session.

White offered a three-step approach to evaluating a c-store foodservice menu:

- 1. Reduce** — Look at items in the top and bottom 20% of sales. Even popular items may not be worth keeping if they are overly complex to prepare and could be replaced by simpler, quality products.
- 2. Reuse** — Proper cross-utilization of ingredients, such as deli meat in a Caesar salad, can both add sales and reduce waste.
- 3. Repurpose** — Consider that certain ingredients might fit better in a different menu item than where they were originally introduced.

In addition to their permanent foodservice offerings, c-stores can benefit from occasional limited-time offers (LTOs) and seasonal specials to generate excitement, customer interest and trial. These temporary menu items can be tests for permanent additions as well, but that isn't necessary to achieve positive results. LTOs use urgency and scarcity to generate higher average checks and boost brand loyalty as consumers associate a c-store with novelty and variety. ■



Estimated Package Price Breakdown

License Agreement \$7,500
 Equipment \$65,000
 Smallware's \$4,650
 Graphics \$2,400
 Tile \$1,300
 Tv's for Menu Boards \$3,000

POS (POS, Scanner, Star Printer, FireSticks) \$2,750
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 Permit \$800
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FOR MORE INFORMATION EMAIL US AT
Jeffrey Reeder - jreeder@ghraonline.com

The background is a soft pink watercolor wash. It is decorated with several hand-drawn gold circles of varying sizes and a cluster of small gold dots on the right side. There are also some faint, larger gold circles and dots scattered throughout the design.

“Setting goals is the
first step in turning
the invisible into
the visible.”

— Tony Robbins

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In honor of Presidents' Day, on Monday, February 19, 2024

- **GHRA Corporate Office will be CLOSED.**
- **GHRA Warehouse & Distribution Center will be OPEN**





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