

# Inside the Launch of Kudos Convenience Stores

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# **NAROZ** MUBARAK

On behalf of the GHRA Board of Directors and Staff, I take this opportunity to wish you and your family a very blessed Navroz Mubarak!

May the new year bring you and your family immense happiness, peace, prosperity, unity in your family, good health, and great success. Ameen.

REGARDS,

PRESIDENT, GHRA



### A NOTE FROM THE CEO BRIAN TROUT, CEO

Greetings Members,

Spring is here, and GHRA is well underway with our company's 2024 initiatives and plans to improve and grow. The Cooler Reset program is 60% complete, and the quality of the resets is best in class. I have personally heard from numerous members how well the reset went and is the best it has ever been. I am pleased to hear this.

This year, GHRA is undergoing large IT projects to improve our systems and increase the value of GHRA to you, our members. In January, we finished implementing our new Oracle NetSuite ERP system, and we just started the upgrade of our Warehouse Management System (WMS) to Made4net. The implementation project will take a good portion of the year, and we expect to be completed in September. These foundational changes are very important to GHRA as we increase our warehouse sales to \$1 billion. The focus of the warehouse is to serve the members, make it easy for you to get the products you want, and save you money along the way. The operational and product assortment improvements at the warehouse over the past year are impressive, yet some of the members are not using the warehouse. We are eager to serve you and want to hear from you about the products you want in the warehouse and ways we can better serve you. Your partnership will help us help the entire membership.

The team at GHRA is proud to serve you.

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

Sincerely,

Brian Trout

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#### **GHRA IN THE NEWS**



## **Inside the Launch of Kudos Convenience Stores**

The new-to-market brand provides licensees flexibility in their offerings, as well as marketing and structural support.

By Convenience Store News

HOUSTON — Starting a new business is always a risky venture, especially in retail. In fact, according to the U.S. Bureau of Labor Statistics, about 45% of all new businesses on average fail within the first five years.

Though to be fair, most of those ventures don't have the backing of a 2,000-member regional association to support them.

The Greater Houston Retailers Cooperative Association (GHRA) has been around for a quarter century and primarily served as an umbrella organization for smaller convenience store brands, allowing them to buy goods at bulk prices and take advantage of continuing education. Last year, the organization decided to enter into a new specialty: direct retail. In September, GHRA opened its first Kudos convenience store, a new-to-market brand that's focused on both serving customers in the southeast Texas region and supporting local community nonprofits and first responders.

While the move might seem surprising in the wake of so much upheaval in retail over the past few years, it's precisely because of that changing market that GHRA decided to make its move now, according to Jeffery Reeder, the association's vice president of retail.

"[Our] volunteer board of directors, all independent owners of member convenience stores, along with staff leaders, recognized the evolving ... retail landscape and consumer behaviors in recent years," he told Convenience Store News. "In response to the needs of GHRA members, [GHRA

#### **GHRA IN THE NEWS**

leadership] sought options to help them effectively compete with larger corporate convenience retail brands in the marketplace."

The Kudos brand is designed specifically to enable c-store operators who own only one or a few stores to easily access a licensing agreement, along with the support of GHRA's wider net of resources. The branding can be used to either convert an existing site or launch a new build, and comes with a host of wider materials such as marketing promotions, signage and store-specific planograms.

Above all, the brand is designed to be flexible.

#### A True Partnership

The Kudos concept is adaptable to a number of different location sizes and building designs, according to Reeder.

The first location to open was an existing travel center and truck stop in Huntsville, Texas. The store, including the kitchen area, is approximately 7,100 square feet and features 10 multiple product dispensers (MPDs), as well as high-flow diesel. The second Kudos location will be approximately 8,500 square feet and feature five MPDs.

The consistency across sites will lie more in the branding and a baseline of quality, with some basic requirements needed from licensees with existing locations, such as space for a 12head multibrand soda fountain and room for a bean-to-cup coffee station.





Other offerings, however, like a store's previous foodservice items or an existing fuel contract can remain alongside the new Kudos branded goods.

Community support is an integral part of the Kudos brand. The grand opening of the Huntsville store included not only the usual one-time donation to a local organization — in this case, the Sam Houston State University Rodeo — but also a direct grant to the Houston Food Bank.

Reeder explained that each individual Kudos store will engage with their local communities based on "who their customers and neighbors are and what their communities need." The engagement will be ongoing, such as the Huntsville store's new partnership with the H.E.A.R.T.S. Veterans Museum of Texas.

#### **Future Growth**

According to Reeder, the customer response so far to Kudos has been positive, with guests praising the inaugural store's friendly staff and clean restrooms. Customer intercepts also showed good feedback on Kudos-specific items, including its chicken and Tex-Mex food options.

With that solid foundation in place, GHRA is laying out an ambitious growth plan for the brand. Since much of the growth can be driven by rebranding rather than relying on new construction, the organization is looking to launch 250 stores within the next several years.

"Initially, our focus is on the greater Houston and southeast Texas regions, where our GHRA members operate their businesses and where we have a state-of-the-art regional warehouse and distribution organization to support brand execution," said Reeder. "We remain open to the possibility of expanding the Kudos brand beyond, provided there is similar market interest and the infrastructure can be established or built to support the brand."

The second Kudos location in New Caney, Texas, will be opening in early 2024 as a new build. It will incorporate some additional elements beyond what the Huntsville store offers, such as an onsite kitchen that will prepare madefrom-scratch meals and sandwiches, alongside a menu from GHRA's other brand, Big Madre Tacos y Tortas. ■

#### **FOOD SERVICES**



# **The Enduring Allure of Mexican**

Restaurants and caterers who specialize in this popular cuisine find success with traditional recipes and quality ingredients

By Catering & Foodservice Events

Whether they're craving quesadillas, longing for elote or pining for pozole, consumers' appetite for Mexican cuisine shows no signs of abating.

According to market research firm CivicScience, a third of U.S. adults name Mexican food as their favorite cuisine and it's the top choice for those under age 55. Meeting the demand are more than 80,000 Mexican restaurants across the country, which foodservice research firm Datassential says represents nearly 10% of U.S. restaurants.

On ezCater, the online platform for corporate catering, "Mexican food has always been incredibly popular and is one of our top-ordered cuisines," notes Giliah Librach, director of merchandising operations. In fact, the number of Mexican restaurants joining ezCater jumped 20 percent in 2023.

Mexican cuisine works well for office catering because it can be served in different ways, notes Librach—from buffets and build-your-own stations to individual boxes. Plus, Mexican accommodates dietary preferences well. "It is so customizable, allowing eaters to mix-and-match proteins, vegetables, and sides for things like build-your-own tacos or fajita bars," she says.

Given the flexibility and popularity of Mexican cuisine—and the growing number of foodservice businesses serving it—how are caterers and restaurants distinguishing their offerings from the competition? To find out, we asked proprietors in three states that boast a high percentage of Mexican restaurants: California, New Mexico and Texas.

#### Big Madre Tacos y Tortas - Houston

With 38 locations opened since 2017, Big Madre Tacos y Tortas has proven to be a very successful concept for the Greater Houston Retailers Cooperative Association (GHRA), an organization of independent convenience store owners in the Greater Houston area. "Through its own research in 2016, the GHRA recognized the growing popularity of Mexican cuisine within the foodservice industry, identifying it as the fastest-growing segment," says Doug Boone, director of operations for GHRA Food Services. "In response, GHRA strategically developed the Big Madre Tacos y Tortas foodservice program to provide its members with an authentic Mexican-style food offering, aligning with market trends and consumer preferences."

Customers appreciate Big Madre's made-to-order menu, notes Boone, which includes a wide assortment of tacos, burritos, bowls, tortas and quesadillas. Homestyle tortillas are pressed and cooked right in front of guests, who can choose from such protein options as grilled carne guisada, slow-cooked carnitas, and specially marinated chicken and beef fajitas.

"Every recipe—from the marinades to the salsas, beans and rice, and the handmade flour tortillas—was perfected over decades by GHRA's chef, 'Captain' Glenn Cates," says Boone. "An executive chef with over 50 years of experience, Cates learned from the very best—his madre!"

Since only one in 10 Mexican restaurants is a fast-casual concept, Big Madre has a lot of room for growth, says Boone: "This statistic underscores a unique advantage for Big Madre, positioning the brand to capitalize on and further expand within this specific sector of the market." After opening 13 convenience store locations in 2023, seven more are in the pipeline, and the brand is expanding to towns beyond southeast Texas.

"As the country continues to grow and diversify, the widespread appeal of Mexican food attracts a broad audience and transcends cultural boundaries," says Boone. "In the current landscape, where consumers increasingly crave authentic and varied dining experiences, the enduring allure of Mexican cuisine is not only here to stay but poised to intensify in the coming years." ■



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