



GHRA In Action

OUR MEMBERS ARE OUR MISSION!

VOL. 11 | APRIL 2024

Customers Seek Novelty From Non-Chocolate Segment

Page 14

The 2024 Foodservice Report

Page 12

GHRA Warehouse 8th Anniversary Celebration

Page 10





BUILDING A BIGGER BRAND FOR



**FIRST 25
STORES ONLY**

Marketing fee - \$0.00
Licensing fee - \$0.00
Opening a KUDOS - PRICELESS

There's more!

Only 1% Usage Fee

**In addition to waiving the licensing and monthly fee,
you will enjoy a fee of only 1% of gross sales not to exceed
\$1000/month**

*The usage fee will remain unchanged over a period of sixty months from the date of execution of an agreement.

For more information email us at jreeder@ghraonline.com



A NOTE FROM THE CEO

BRIAN TROUT, CEO

Greetings Members,

The first quarter of 2024 has been very active, and the market conditions for retailers are mixed. The good news is the consumer is still spending money, and the convenience retail market has continued to grow. The growth is mixed, however. Fuel volume continues to decline month over month and year over year across the nation and in most markets within the US. Fuel gross profit has been relatively strong the past four years but is beginning to weaken against the trend.

The Convenience Retail operators that are growing are doing it with a focus on the consumer and the Convenience Store products they sell. Specifically, Prepared Foods and dispensed beverages are a driving force for companies. Additionally, consumer loyalty is a major focus for companies. The industry is moving away from punch cards to a loyalty app on mobile phones that gives consumers personalized offers based on consumer preferences. This loyalty idea has shifted over the years from manual “punch cards” to “omni channel” and is now moving into “unified commerce”. I encourage all our GHRA members to learn about Unified Commerce – it is the next step in the evolution of the consumer experience across retail stores, online shopping, digital marketing, and delivery.

Thank you to all the members who came to join us at the warehouse on March 7th to celebrate the 8th anniversary of the warehouse being in operation. During March, the warehouse has temporarily increased the member rebate on Grocery purchases to 5%. The selection of products in the warehouse is extensive and continues to grow.

Starting in April, we will be changing our rebate structure from a quarterly rebate to an on-invoice discount. This means the members’ price will reflect the 5% discount on groceries and the 3% discount on non-cigarette tobacco and snuff. This lowers your cost of goods substantially! We are excited to serve you and look forward to helping you grow your business.

The Annual General Body Meeting is scheduled for May 1st at the Stafford Center. Please plan on attending.

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

Sincerely,

Brian Trout

OUR MEMBERS ARE OUR MISSION!



Save money by purchasing fuels through GHRA Fuels

We're a fuel distributor specializing in high-quality, cost-effective **unbranded fuel**. By uniting the purchasing strength of all our members, we aim to expand our supply services to a broader customer base with the primary goal of passing on the benefits to our members.

To learn more and sign up for GHRA Fuels, please contact

Imraan Nabi - Director of Fuels

(281) 295-5342 | Inabi@ghraonline.com

Donald Taylor - Fuels Territory Manager

(281) 295-5378 | Dtaylor@ghraonline.com



Sign up now by scanning the QR Code

Warehouse Newsletter



Anees Burhani, VP of Supply Chain Operations

Dear Members,

We extend our gratitude to each and every one of you for celebrating with us our Warehouse and Distribution Center's 8th Year Anniversary Event. Your presence truly made the event a memorable and joyous occasion. Congratulations to all the price winners. I hope you enjoyed your gift.

I am very grateful for your support and loyalty throughout these years. Your trust in our products and services has been the cornerstone of our success, and we cherish the relationships we have built with each of you. As we reflect on the journey of the past eight years, we are reminded of the milestones we have achieved together and the challenges we have overcome. Your partnership has been instrumental in our growth and development, and we look forward to many more years of collaboration and shared success.

We are committed to continuously improving and innovating to better serve your needs and exceed your expectations. Your feedback and insights are invaluable to us, and we remain dedicated to delivering excellence in everything we do. In March, we increased the warehouse rebate to 5% on all grocery items. Starting in April, we're transitioning to an on-invoice discount. So, make sure to take advantage of the 5% on-invoice discount for grocery purchases and a 3% on-invoice discount for non-cigarette tobacco and snuff. Our warehouse now offers amazing new prices, and we're constantly adding new items across all categories every day. Be sure to explore our new low prices for Zyn products and other exciting additions in the tobacco aisle.

Once again, thank you for honoring us with your presence at our anniversary celebration. We are truly grateful for your continued support and look forward to many more years of partnership and prosperity together.

Warm Regards

A handwritten signature in black ink, appearing to read 'Anees Burhani'.





WAREHOUSE AND
DISTRIBUTION CENTER

GHRA WAREHOUSE 8TH ANNIVERSARY CELEBRATION





The 2024 Foodservice Report

C-Store retailers are capitalizing on growing foodservice trends in 2024 while leaning into popular flavors, efficient technology and expanded programs.

By CStore Decisions

Year over year, convenience stores up their competitiveness in the retail market with refreshed store designs, new technology and, noticeably, expanded foodservice programs. C-stores have branched out from the typical roller grill fare of years past.

Now, customers can find different takes on the chicken sandwich, a plethora of pizza flavors, Hispanic options and even healthier meals at convenience stores.

This year is bound to see even more foodservice growth and innovation at convenience stores as retailers cater to emerging trends and try to set themselves apart.

Made-to-Order Meets C-Stores

One direction some retailers are taking is the made-to-order (MTO) foodservice option, which is showing up more frequently on c-store menu boards.

In fact, 66% of customers either agree or completely agree with the statement, “I wish I could get MTO food from a convenience store,” according to FoodserviceResults’ June 2023 foodservice consumer study “Understanding the Food-Focused C-Store Shopper,” commissioned by NAG Convenience and completed by 2,002 respondents who had purchased various foodservice, packaged food and/or beverage items in the last 60 days.

Seventy-two percent of those wanting MTO food from a c-store are members of Gen Z, a demographic many retailers aim to connect with as c-stores move forward into the future.

Tri Star Energy’s Twice Daily, which operates 82 locations in Tennessee, Alabama and Kentucky, with White Bison Coffee at 21 sites, recently launched an MTO menu in the second half of 2023.

“Twice Daily stores offer a variety of items through our MTO menu, such as subs, breakfast sandwiches and snacks,” said Twice Daily’s Rachel Saddler, category manager for food service. “The MTO program also allows guests to customize as they wish through the self-ordering kiosk.”

Grab-and-go items include sandwiches, wraps, salads, yogurt parfaits, pudding parfaits, fruit cups, grape-and-cheese cups, pepperoni-and-cheese cups and more.

Additionally, the chain offers MTO whole pizzas to its customers, as well as individual slices.

Possibilities for Chicken and Pizza

As c-stores debate which items to put on their menus, one option that many don’t need to question is pizza.

Ordering a slice of pizza is a quick and easy solution for a hungry customer on the go, and customers are taking advantage of the option when they can.

Eighteen percent of customers purchase pizza from a c-store multiple times a week, and 8% purchase c-store pizza every day, according to the FoodserviceResults study.

Thinking of Technology

Curating the menu and cooking the food does not complete the entirety of foodservice operations.

Establishing how the customer orders the food and how they receive it is also important.

“Integrating technology, such as mobile ordering, contactless payment options and loyalty programs, can enhance the customer experience and streamline operations,” said Almekies.

Thirty-six percent of people would make a purchase from a c-store more frequently if delivery were offered, according to the FoodserviceResults report.

Cliff’s is already taking advantage of the benefits of this by partnering with Vroom Delivery.

“We’re seeing an additional probably 100 Vroom customers a month as we continue to go with it, with pizzas, breakfast pizzas and whole subs being our top items on Vroom,” said Thurston.

Quality Dairy also partners with Vroom to deliver items to its customers, and it has its own QD Express delivery as well.

In addition to delivery, Quality Dairy installed new Anthem pumps with interactive screens that, as of December 2023, allow customers to order fresh food right at the dispenser. Employees then deliver the food to customers at the pump.

Moreover, Quality Dairy has a few locations with drive-through and has found this method of ordering and receiving to be successful. Customers can either order at the drive-through or order on the mobile app and pick their food up at the drive-through.

“One of the benefits of having that drive-through,

specifically for us, is not only do we have a drive-through on one side of the building, but we have a walk-up window as well,” said Wensel.

Customers can purchase ice cream and desserts at the walk-up window and pick up additional hot foods and groceries from the drive-through window.

Twice Daily, although it doesn’t currently offer delivery, has mobile ordering as well as drive-through at most of its White Bison Coffee locations.

Aside from delivery, drive-through and mobile ordering, c-stores are utilizing loyalty programs to market to their foodservice customers.

“Marketing and loyalty programs are driving sales and foodservice by fostering strong customer engagement, building brand loyalty and incentivizing repeat business,” said Almekies. “Through targeted marketing efforts, we effectively promote our foodservice offerings, create awareness about new menu items and communicate special promotions to attract customers.”

Datassential’s Davis noted that customers are most motivated by coupons, deals, discounts and loyalty programs.

“Utilizing these tools to advertise and push options consumers are willing to pay more for could be a way for operators to increase traffic and profits,” he said.

Staffing and Other Challenges

Like any endeavor, operating a foodservice program doesn’t come without its challenges. The bane of many retailers for years now — staffing — is one of them, especially as training foodservice employees becomes more specialized.

“Finding and retaining skilled and reliable foodservice staff can be a significant challenge,” stated Almekies. “It’s crucial to recruit individuals with culinary expertise, food safety knowledge and a strong commitment to providing exceptional customer service. Additionally, managing staffing levels to accommodate fluctuating customer traffic while ensuring optimal productivity is an ongoing balancing act.”

Cliff’s Thurston, too, finds hiring to be a hurdle.

“It’s a high-turnover industry. So I’d say labor is my biggest challenge to foodservice because foodservice is more labor intensive,” he said. “If you’re going to be making food, you need people to do it. Robots can’t make a sandwich yet. (It’s also) finding that skilled labor who will also be friendly to your customers.”

Staffing is not the only issue for which c-store foodservice operators need to find solutions. For Twice Daily, organizing the kitchen space can be difficult.

Saddler noted that some Twice Daily stores have smaller

footprints, and a big challenge is determining how best to manage and rearrange the kitchen space appropriately for these stores.

Working in smaller kitchen spaces is a feat Almekies, too, agreed can be challenging, particularly maintaining food safety and quality standards while dealing with high traffic.

“Ensuring proper food handling, storage and preparation practices is essential to upholding the integrity of our offerings and safeguarding the health of our patrons,” she said.

Maintaining these practices involves guaranteeing employees are properly trained, which Almekies noted can be time consuming and resource intensive.

Beyond staffing and spacing, one challenge c-stores should always keep in mind is customer perception — an ongoing task for marketing teams.

However, this challenge can over time become an important opportunity.

Once more customers start associating convenience stores with fresh, quality food, retailers can make their stores foodservice destinations.

Opportunities for Growth

Despite any potential challenges, the possibility for advancement through foodservice is high.

A greater assortment of fresh food would motivate 36% of people to visit or make a purchase from a c-store more frequently, based on the FoodserviceResults report.

And, a customer stopping inside the store for food is likely to make an impulse purchase as well, such as a candy bar, a bag of chips or a pack of gum.

“(Foodservice) differentiates you from some of the other retail businesses out there that we are competing against,” said Thurston.

Additionally, c-store foodservice offers convenience.

“Consumers are increasingly looking for convenient, on-the-go meal and snack solutions, and convenience stores are well positioned to meet this demand,” Almekies said.

Together with convenience, c-stores can provide quality meals, as well.

Foodservice gives employees a different way to interact with customers, and good impressions can lead to repeat visits, which allow customers the chance to try new menu items.

“By capitalizing on these opportunities and staying attuned to evolving consumer preferences, stores can enhance their foodservice offerings and attract a broader customer base,” Almekies said. ■



Customers Seek Novelty From Non-Chocolate Segment

Flavor innovation has proven to be a major driver for non-chocolate sales.

By CStore Decisions

Non-chocolate candy, gum and mints are expected to continue to see strong sales in 2024, powered by old favorites, novelty candy and seasonal items.

Non-chocolate candy saw dollar sales of \$3.34 billion, up 13.4%, for the 52 weeks ending Dec. 31, 2023, per Circana. Unit volume dipped 3.1% to 1.41 billion. Novelty candy stood out with a 67.6% rise in dollar sales and a 32.6% rise in unit sales, despite a 26.4% price jump, which shows customers are gravitating toward fun, new and adventurous options.

Gum dollar sales hit \$1.18 billion, up 20.5%. Unit volume rang in at 470 million, a gain of 6.5%, despite a 13.1% price-per-unit increase. Sugarless gum saw big gains, up 23% in dollar sales and 15.6% in unit sales.

Hungry for Innovation

“Sales on non-chocolate candy, gum and mints have been very consistent year over year,” said Ryan Fasel, director of

marketing for Valparaiso, Ind.-based Family Express, which operates more than 80 convenience stores. “It is basically flat in units and slightly up in revenue. There has not been a lot of innovation in terms of flavors compared to chocolate candy items. There has also been a shift from smaller to larger packages as consumers look to get more bang for their buck.”

Increased flavor innovation from manufacturers would help drive sales, Fasel suggested.

“Any time there is an influx of new flavors it draws interest to a category,” he said. “For gum and mints, purchasing is trending towards ‘bottle packs’ or ‘car cups,’ so focusing on proper merchandising and assortment of those package sizes helps grow revenue and profits.”

Nissan Koroghli, a 7-Eleven franchisee in Las Vegas, agreed with Fasel about the category’s lack of innovation, but considers it a strength. Established, familiar brands like SweeTarts, Starburst, Mentos, Ice Breakers, Ice Breakers Sugar Free Mints, TicTacs, Polar Ice, Breath Savers, Mamba Fruit Chews and others continue to be his top sellers.

“We just redid our categories for the year, so this is what it will be for 2024,” Koroghli said.

Seasonal candy could offer some novelty and impulse buys for c-stores.

Lottie Watts, senior manager, media relations for the National Retail Federation (NRF), said NRF’s latest consumer survey found candy sales explode during the lead-up to Valentine’s Day. Total spending on significant others for the holiday expected to reach a record \$14.2 billion this year. Within that total, candy remains the single most popular gift. ■

Let's Connect on Social Media



Scan QR code to join us on LinkedIn



Scan to follow
us on Facebook



Scan to follow
us on Instagram



Scan to follow
us on Facebook



Scan to follow
us on Instagram

**FOLLOW, SHARE AND
LIKE NEWS AND POSTS
FROM GHRA AND OUR
FAMILY OF BRANDS ON
SOCIAL MEDIA:**

