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## A NOTE FROM THE CEO BRIAN TROUT, CEO

Greetings Members,

Summer is in full swing, and the Texas heat is here. There is an old saying in convenience store operations, "As goes the cold vault, so goes the summer and the year," which means during the summer is when convenience stores do the most sales, and we need to be ready to serve the customers. It is very important for our GHRA member stores to be ready to serve the customers. Please know that GHRA is here to assist with any vendor service-level issues, and if you are experiencing any issues, please let us know. You can contact your MSR for help. You can log a ticket in the GHRA warehouse app, and you can call the Warehouse call center as well.

Progress continues with the warehouse management system upgrade, and our expected golive date is in September. We will also be upgrading our register system at the warehouse as part of the project. The result will be a much more robust and effective system.

I wish you a wonderful summer selling season, and if I or anyone at GHRA can assist you, please let us know!

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

Sincerely,

Brian Trout

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# In This Issue

#### JULY 2024



## 15 In Store IN ACTION

## 35 Partners IN ACTION

# Welcome Members

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

BLESSING COUNTRY MART TIME MART #7 HARVEST CORNER FOOD MART ANDERSON FOOD MART LIGER FOOD MART MAVERICK MARKET GROUP ONE STOP EXPRESS E-Z 1 FOOD STORE FIRST STOP FOOD STORE JACK'S #2 AIRLINE XPRESS MART URBAN MARKET JACKPOT #2 WHITTINGTON FOOD MART

FUEL EXPRESS 2 STAR MAXX INGO FOOD MART SWIFT FRANZ STOP N SHOP



mamat

Day Mubarak

On this special occasion of Imamat Day, the GHRA Board of Directors and Staff wishes you and your family Imamat Day Mubarak, with prayers for peace, happiness, good health, and barakat. Ameen.

REGARDS,

Riyazali Momin

PRESIDENT, GHRA



## The Current State of Snacking

While dayparts in the food-awayfrom-home ecosystem are blending and consumers are dismissing the idea of traditional mealtimes, the one constant has been snacking. Snacking is the only 24-hour daypart and younger generations gravitate to it more than previous ones. So, for players across the food-away-fromhome value chain, the opportunities for growth are clear.

By CSP Daily News

To help inform its members on this key daypart, IFMA recently conducted a survey to build understanding of the behaviors, habits and preferences for what consumers want to eat when they snack. The online survey of 5,000 consumers and more than 400 foodservice operators gives the food-away-from-home industry a snapshot of today's consumer and offers some guidance for increasing customer loyalty.

Here's what retailers should know.

#### Keep items available throughout the day.

Consumers prefer an all-day menu over one that changes based on time of day, and they show interest in both all-day breakfast and all-day lunch/dinner offerings. Although fullservice restaurants are more likely than other sites to offer an all-day menu, consumers believe that midscale, QSR and casual dining are the segments best equipped to offer items outside of traditional dayparts. Convenience stores, however, can play in this sandbox as well.

Sandwiches for breakfast and sweets for lunch are expected, but the blurring of daypart restrictions can ease back-ofhouse prep schedules and counter set-up. It's a win-win for operators and retailers as well as consumers.

#### Innovate with bakery goods at breakfast, handhelds at lunchtime and desserts at dinner or for a snack.

Balance taste and affordability when creating new products. Healthiness is also important for meals, but it comes as a lower priority for snacks, which are driven more by cravings. Convenience is key for all dayparts except dinner—dinner offerings should primarily be filling and comforting.

A treat is a treat at any time of day, but at breakfast and lunch, focus on items that are convenient to carry, hold and consume.

## Leverage snacking as an opportunity to fuel growth among younger generations.

Operators bring in the most business at lunch and dinner, but they may be overlooking the potential for snacking, as a quarter of consumers often purchase snacks away from home. Since consumers vary their snack times, this can provide incremental sales throughout the day. The awayfrom-home snacking opportunity is strongest with younger generations, and sweet and salty are the most desirable snacking flavors.

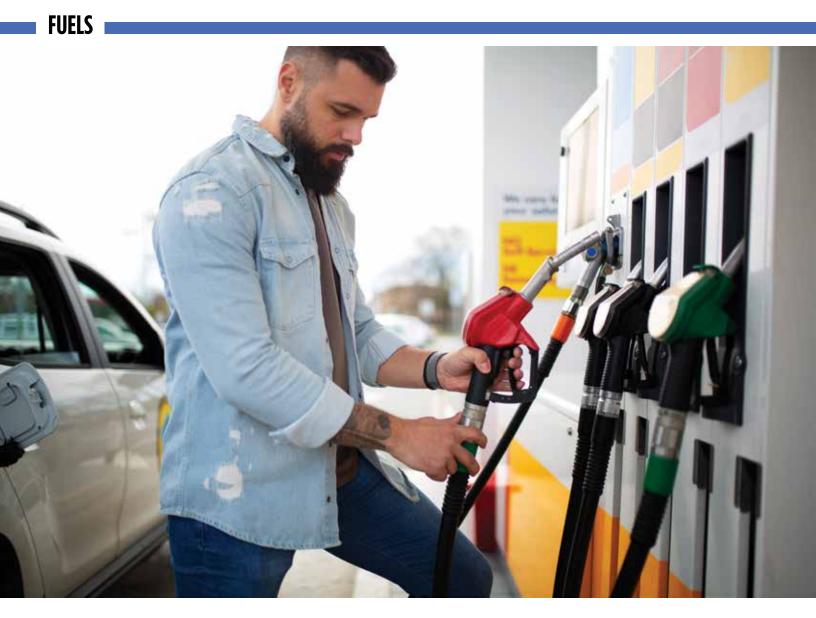
Be prepared to meet those cravings that pick up in the afternoon and late evening!

## *Provide single-serve, easy-to-eat snacks that grab attention.*

When purchasing snacks, consumers usually make a spontaneous decision to pick up items. The most common snacking sources are c-stores, grocery foodservice and QSRs. They're looking for convenience and prefer ready-to-eat items.

Micromarkets as a snacking source are getting more and more attention- three-quarters of consumers are interested in purchasing from a micromarket in the future. Cold drinks and ready-to-eat, shelf-stable foods will work best at these locations.

The IFMA research also revealed that snacking is definitely here to stay, but may be leveling off after the growth experienced during and just after the pandemic. That said, away-from-home snacking is still an undeveloped market that deserves attention. Consumers are making unplanned purchases for snacks at off-meal hours but they are looking for items all-day, allowing continued untapped opportunities for the convenience store segment. ■



## **Convenience Store Evolution:** *How to Become More Than a Filling Station*

Convenience stores today are more than a place to stop at to top off the tank. Over the years, c-stores have evolved to provide more of exactly what the name implies—convenience. Not only can customers fill up on gasoline, but they can also oftentimes pick up a quick dinner, get a car wash, grab a few household items or even have a place to sit down and reconnect with friends.

By CSP Daily News

In today's fast-paced society, consumers are looking for a one-stop shop to satisfy all their needs in one visit. Now the question retailers might ask is, "How can I transform my c-store to be more than just a gas station?" Store atmosphere helps.  $\mathsf{Cenex}^{\scriptscriptstyle (\!\!\!\!)},$  the energy brand of CHS, can help.

Thanks to the Cenex<sup>®</sup> LIFT initiative, a lighting, image and facilities transformation program, Cenex retailers can revamp

their stores to be in the best interest of their community. Through a multitude of interior and exterior upgrades, Cenex store owners can become their community's number one c-store destination. Best of all, store owners have the freedom to choose which renovations are best for their location—all with the resources and support from CHS.

As retailers think about ways to transform their c-store to meet the needs of today's consumers, consider the benefits that come with partnering with Cenex.

#### Select local vendors and partners

C-store retailers understand the importance of shopping local. Cenex values the power of supporting local businesses, and because of that, they make it easy for retailers to partner with local business owners in their area.

Through LIFT, Cenex retailers can choose which local vendors they'd like to work with when building or revamping their store. For example, Synergy Cooperative in Cumberland, Wis., didn't skip a beat when the opportunity to partner with local businesses presented itself. As part of their interior upgrades, the Synergy Cooperative team chose a total of four local vendors to provide various meats and cheeses in-store. But they didn't stop there. Locally made honey and syrup are also offered at their location.

"We wanted to incorporate upgrades that not only benefit the store itself, but the Cumberland community as well," said Kyle Knutson, CEO of Synergy Cooperative. "When we decided to partner with small businesses in the area, we were confident that we were doing our part in making a positive financial impact for our neighborhood."

It's important to embrace partnership rather than shying away from it. Joining forces with neighboring companies can be extremely important as it has the potential to provide towns the momentum they need to reach heights that never before imagined.

#### Attract customers through exterior upgrades

What stores looks like on the outside is arguably just as important as the offerings available inside. If the outside of a store isn't appealing to a consumer, why would they come inside to see what else is being offered?

Knowing that the curb appeal is usually the first reason why a customer wants to stop by a store, the new Cenex image called Halo elevates the appearance of Cenex branded locations and drives consumer preference. Take Orton Oil Co. in Audubon, Minn. for instance. Just months after implementing the Halo image upgrade and finishing renovations, store owner Frank Orton saw a substantial increase in traffic and business at his location. The team at River Country Co-op in Merrill, Wis., also saw a difference after the Halo renovations were complete. Once the main entry way was modernized with stone siding and improved LED lighting from the canopy and forecourt was incorporated, they saw more than a 30% increase in in-store sales.

"The Halo image upgrade helped us to create a more approachable, inviting atmosphere. The improved lighting in the forecourt and canopy have especially made a difference," said Bruce Mlsna, general manager and CEO of River Country Co-op. "Thanks to the Halo image, customers are drawn in to see our many great features, like the beer cave and in-store bait shop."

## Incorporate features the community will appreciate

No one knows their community better than local retailers. So, when it comes to selecting the right upgrades for a store, the choice is personal. Whether that means partnering with a local restaurant chain or incorporating special offerings that align with the community's interests, LIFT gives retailers the freedom to choose what items and features make the most sense for their store.

Several retailers, including the examples below, took it upon themselves to identify their customers' needs and worked to satisfy them by adding various features throughout their stores.

- Petro Serve USA in Harwood, N.D. went all in on instore upgrades, focusing on the customers' needs to expand their food and beverage offerings. Upgrades included new coolers with LED lighting, an assortment of refrigerated products, a walk-around deli counter and its Hot Stuff line of personal-sized pizzas, cheese bread, croissant sandwiches and more. The team at Petro Serve USA also knew that their location was a common meeting place for the community. So, they made sure to include an improved seating area where people could sit down and chat over their morning coffee.
- Northern Star Coop in Grand Rapids, Minn., embarked on a new build, wanting to create a store that reflected the town's rich history. This included a log cabin theme with log beams and hardwood flooring, along with four murals that represent significant Grand Rapids landmarks.
- Sioux Valley Coop knew that Harrisburg, N.D. was a small but vastly growing town that had limited options for food. So, they partnered with Godfather's Pizza, Flyboy Donuts and Caribou Coffee to give its community more food and beverage options.

"We encourage all of our retailers to go all in when deciding on which upgrades to include in their stores," said Erin Wroge, senior director of energy marketing at CHS. "We know every community is different and has its own distinct needs. The store owner knows best, so we leave it up to them to decide what makes sense for their community."

For retailers thinking about taking on a renovation project, Cenex provides the freedom to choose specific upgrades and the support needed to see the project come to fruition. ■



## Federal Menthol Ban Faces Indefinite Delay

The Biden Administration hits the pause button due to "an immense amount of feedback."

#### By Convenience Store News

A federal ban on menthol cigarettes has been delayed again and this time, the Biden Administration is pointing the finger at the amount of feedback received on the proposal.

The proposed ban was first delayed in December 2023, with plans to finalize pushed back. In a statement issued on April 26, U.S. Health and Human Services Secretary Xavier Becerra said the proposed ban "will take significantly more time."

"This rule has garnered historic attention, and the public comment period has yielded an immense amount of feedback, including from various elements of the civil rights and criminal justice movement," Becerra explained. "It's clear that there are still more conversations to have, and that will take significantly more time."

In published remarks, administration officials stated that they are still committed to implementing a ban. Menthol cigarettes account for approximately 34% of cigarette sales, according to NACS.

In early May, the African American Tobacco Control Leadership Council, Action on Smoking and Health and the National Medical Association filed a lawsuit against the U.S. Food and Drug Administration (FDA) in response to its inaction on the proposed ban. This is the second suit the groups have brought against the administration, after an initial filing in June 2020 that specifically sought to compel the FDA's determination on whether to add menthol to the list of prohibited characterizing flavors.

The pending menthol ban has received opposition from other groups, including NACS. The association argues that prohibition does not rid these products from society, but instead pushes current users to the illicit market, creating an issue for society as a whole and undermining the compliance efforts and investments made by responsible tobacco retailers. In addition, prohibition leads to an influx of these products on the illicit market and illicit sellers do not comply with laws limiting sales to minors, NACS noted.

"We appreciate the willingness of the Department of Health and Human Services to give more consideration to its policies relating to menthol cigarettes," said Doug Kantor, general counsel at NACS. "Real-world data and results have shown that prohibition of menthol cigarettes does not reduce smoking or advance public health. Instead, like the experience with prohibition of other entrenched products, it simply leads to more illicit sales. We hope the weight of evidence showing the ineffectiveness of what was originally proposed leads the department to change course entirely."



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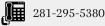
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