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Reasons Why Consumers Choose Convenience Stores for Food and Beverages Are Evolving

Convenience remains the top choice, but cravings is a close second, Robert Byrne of Technomic says at CSP's Convenience Retailing University

By CSP Daily News

Consumer reasons for choosing convenience-store foodservice and prepared beverages are evolving.

The top reason, up 2 percentage points to 31% from 2023 to 2024 is convenience, but a close second is cravings at 30%, up 1 point from 2023, said Robert Byrne, senior director of consumer research at CSP sister research arm Technomic, Chicago, who spoke last week at CSP's Convenience Retailing University in Nashville on Dispensed Beverages: A Regional Read.

Cravings are on the rise thanks to younger generations, primarily Gen Z, Byrne said, noting their habits and their cycle of increased dependence on foodservice just to get them through the day.

Many in these younger generations are not particularly inclined to learn how to cook, "but they love to learn how to prepare their own beverages because that's fun," Byrne said. "Each generation is increasingly reliant on foodservice, which is a good thing. What it means is that those need

states, particularly among the younger cohorts, they're looking for foodservice to solve for more diverse need states for a more broad type of occasion."

Placing third in c-store consumer need states is better for you/real, wholesome ingredients, at 17% in 2024, down 2 points from 2023. Fourth is comfort/a simple meal, at 13%, unchanged from 2023, and experience/social connection, at 8%, down 2 points from 2023.

Yearly changes from where c-store customers source beverages are:

- Cold dispensed: 44% in 2024, up 4 points from 2023
- Hot dispensed: 30%, down 1 point from 2023
- Frozen dispensed: 16%, down 1 point from 2023
- Made to order: 11%, down 2 points from 2023
- Name-brand restaurant: 6%, down 1 point from 2023
- Other: Unchanged at 3%

Byrne pointed out the regional differences in hot dispensed occasions:

“In the South and in the West, you have a younger guest,” Byrne said. “Hot dispensed beverage: younger guest. What’s going on? The simple fact is that they do purchase hot-dispensed beverages and are not exclusive to just the iced, nitro and cold-brew formats.”

Byrne added, “I would suggest that a lot of them who are doing this are probably parents of young children as well.”

In research for a presentation a few years ago, Byrne found that hot beverages are a better caffeine delivery mechanism than cold beverages.

“I think parents learned this pretty early on that hot coffee works way better than ice coffee when trying to keep up with kids,” he said, adding that people do age into hot coffee.

“It is absolutely true if you look at millennials 10 years ago and you look at millennials today, the proportion engaged with hot coffee has grown, so it is not necessarily specific to one generation,” he said. “There are life stages that play a role here.”

In hot dispensed, Byrne also noted:

Formats are in play across regions: Traditional drip rules in the Northeast and Midwest, with the South and West more open to expanded coffee types. Meanwhile, younger (primarily Gen Z) consumers in the West and South will leverage roller grill with hot dispensed in the a.m.

Be aware of “better for you-ish”: Healthy offerings continue to evolve as the primary morning need state. Protein-heavy morning options appeal to more than just males.

There’s a made-to-order food opportunity: Premiumization of customized items can boost check while differentiating a foodservice program. Customization also contributes to satisfaction and guest loyalty.

In cold dispensed, Byrne said:

Consider a notable female skew: Flavor variety plus clean, natural/nothing artificial will resonate. Monitor competitive developments: Women are more likely than men to seek innovative/unique drinks.

Have craveable positioning: Lean into unplanned/spontaneous occasions driven by cravings. Cold, sweet and carbonated are consistently most craveable. Promote craveable food items as a combination to further entice the impulse consumer.

Byrne also said that the importance of ice and cups at a convenience store cannot be overlooked. “I have been in so many meetings where people say they don’t know why people don’t like their drinks,” Byrne said, adding: “Your cups leak.”

Another problem: The lack of 30-ounce cups specific to a rewards promotion to get a discount were unavailable, so the customer couldn’t get the discount. “That’s a problem,” Byrne said. “That’s somebody who might not be coming back for a little while.”

Finally, in frozen dispensed:

Vary flavors by region: Significant demographic skews are present. There are traditional, indulgent flavors in the Midwest, while young, affluent buyers in the Northeast and West will seek novelty. Hispanic/Latino parents in the West will seek tropical flavors.

Know that big spenders also are more satisfied: In addition to an above-average spend, overall satisfaction ratings are significantly highest among frozen purchasers. The intent to recommend is also significantly stronger among these customers.

Pair frozen dispensed with handhelds: A higher spend indicates a willingness to build the basket with any foodservice food. Also, frozen dispensed consumers are sourcing food items from across the c-store.

“Regional distinctions and the understanding of those things are going to allow for better targeting of your guests: specific flavor profiles, specific occasion dynamics, things that you can know about,” Byrne said. “They’re going to help you to build a better platform, and you want to begin by determining whether or not you are targeting that existing customer or whether or not you’re looking at trying to capture a new guest into your stores.”

There’s a big push to get folks into a c-store’s app, “and that’s great,” Byrne said, but “that’s a really hard way to reach that untapped guest, that person who isn’t coming in. So, you have to think about your marketing efforts a little bit more broadly. Digital is awesome and that gets your engaged guests a little bit more engaged if you’re doing it right, but what about those people who aren’t your digital guests already? What about those people who aren’t in your loyalty program? They’re in your stores, they’re pre-planning purchases. What’s your opportunity to continue to message, ‘Hey, we got it all, and we got it really good’ to those people? This is very important to think about.”

Byrne added that one size does not fit all.

“We all are very different types of consumers,” he said. “Just think about your brother, your sister, your mom, and think about how you share a lot of demographic characteristics—and you couldn’t be more different when it comes to your approach to food and beverage purchases.

“People want to individualize their experience, they want to go beyond customizing and personalizing, they want to individualize,” he said. “They want it to feel and look like them and authentically be that. It’s hard to kind of be your authentic self and try to appeal to everybody, so some of the brands that do really well don’t bother.” ■



Healthier Treats Take Big Bite Out of Snack Market

Taste is by far the most important influence on Americans' snack purchases.

By Convenience Store News

BOSTON — With an uptick in snacking in recent years, it's no surprise consumers love their snacks; however, they're increasingly searching for healthier options to do more than satisfy a craving.

From organic to gluten free to vegan, consumers say they have a wide range of tasty snacks to satisfy their hunger with 71% gravitating toward healthier snack options, according to a new survey from Shopkick by Trax. And while Americans love their chips (80% of respondents said it was their favorite), fresh produce options are closing in: fresh fruit came in a close second, at 73%.

In honor of National Snack Day on March 4, Shopkick by

Trax, surveyed more than 10,000 Americans to learn all about their snacking habits and preferences. Here's what was uncovered:

- **Health is wealth.** Seventy-one percent of Americans are gravitating toward healthier snacks in 2025, and they're willing to pay for it: 61% of respondents say they're willing to pay additional for healthy items.
- **America runs on snacks.** More than half of consumers said they buy snacks regularly: 48% purchase snack foods a few times a week, while 10% purchase them daily. Thirty-five percent buy them monthly. Only 7% rarely buy snacks.

Favorite Flavors

Despite Americans' sweet tooth reputation, salty flavors win out.

- 72% of consumers go for salty snacks
- 63% choose sweet treats
- 44% crave cheesy items
- 40% say fruity is their favorite flavor
- 26% of Americans are looking for spicy options
- Leaning on labels. When asked what labels influence snack purchases, 30% of consumers said “organic”; 26% said “sugar-free”; 18% stated “non-GMO”; and 7% said “plant-based.” Other sought-after labels include “GLP-1 friendly”, “keto-friendly” and “gluten-free” (6%).
- Pumped for protein. When it comes to which nutrients are most important to healthy snackers, protein is the overwhelming winner at 55%. Seventeen percent prioritize fiber content, while healthy fats and vitamins and minerals tie at 14%.
- Salt is king. Fifty-nine percent of snackers choose salty options like chips, crackers, popcorn, pretzels, nuts and jerky. Only about 20% go for sweet snacks like candy, cookies, granola bars and baked goods, while 13% choose fresh fruits and vegetables, and 6% crave dairy snacks like cheese and yogurt.
- Craving the crunch. Chips are the most popular snack, enjoyed by nearly 80% of people, followed by fresh fruit at 73%. Nuts and crackers tie for third place, both favored by 59% of respondents.
- Flavor trumps all. Taste was by far the most important influence on Americans' snack purchases at 47%. Price was the second most important factor (36%).



The Best Places for Treats

The overwhelming majority of consumers purchase their snacks at grocery stores (84%) or big box stores (65%). Followed by:

- Convenience stores (16%)
- Online retailers like Amazon Fresh or Imperfect Foods (16%)
- Subscription services (1%)
- On the go. Americans overwhelmingly prefer prepackaged snacks, with 69% saying they choose convenience over homemade.
- Time for a treat. Nearly all snacking happens in the second half of the day. When asked what time of day they snack the most, 46% of Americans said the afternoon and 41% chose the evening. Late night only accounts for 8% of snacking, and morning is the least likely time at 5%.

“It’s clear that the snacking landscape is undergoing a shift as consumers increasingly prioritize healthier snack options. Consumers want healthier options and they’re willing to pay for them,” said Brittany Billings, chief marketing officer at Trax. “Brands need to understand consumer preferences and adapt to meet their evolving needs. At Trax, we’re committed to providing actionable insights that help brands navigate these changes and capitalize on emerging opportunities.”

Shopkick surveyed more than 10,000 Americans between Jan. 15–Feb. 3.

Trax’s AI-powered platform combines solutions that provide data-driven signals to leading global consumer packaged goods and retailers to deliver real-time data, retail execution and consumer engagement to increase return on investment.

Trax is a global company with hubs in the United States, Singapore, France, Hungary, China, Mexico, Brazil and Israel, serving customers in more than 80 countries worldwide. ■





Convenience Store News Launches Outstanding Independents Summit

The free virtual event on April 25 is open to all U.S. operators of one to 20 c-stores.

By Convenience Store News

Convenience Store News is launching a new one-day virtual event dedicated to educating and celebrating the convenience channel's single-store owners and small operators.

Of the 152,255 convenience stores currently serving customers in the United States, 63% are owned by single-store owners or those with less than 10 stores in total. Despite their lead in store count, though, the industry's smaller players are under increasing pressure.

That's partially because the convenience channel's largest players — those with more than 500 stores — keep expanding. Over the last three years, their ranks have steadily ticked up, going from 21.1% share in 2023 to 21.6% in 2024 to 22.4% this year. Meanwhile, the smaller players' share has ticked down bit by bit, going from 63.2% to 63.1% to now 63%.

In spite of their collective power, single-store owners and small chains must work harder than large operators to shield themselves from the impact of ballooning inflation and interest rates, increasing operational costs, and difficulties around labor hiring and retention.

To help the convenience channel's small operators not only navigate these challenges, but also elevate their businesses to better compete against large operators, *Convenience Store News* is launching the Outstanding Independents Summit. All convenience store retailers operating one to 20 stores in the U.S. are eligible to attend this free virtual event on Friday, April 25.

The quick-hitting four-hour agenda will tackle today's biggest pain points for small operators, and provide valuable insights, expert advice and actionable knowledge that attendees can immediately implement to upgrade their operations.

Kicking off at 12 p.m. EST, the event will feature four sessions:

- Session 1: Stand Out — Make Your Stores Extraordinary
- Session 2: Improving Labor Recruitment & Retention
- Session 3: Reigning In Operating Costs
- Session 4: Customer Engagement Strategies That Work



The summit will culminate in the presentation of the first-ever Outstanding Independents Awards, created to recognize single-store owners and small operators that are making a big impact in the industry despite their smaller size and more limited resources.

The inaugural Outstanding Independents Summit is sponsored by Altria Group Distribution Co. and Premier Manufacturing. For information on sponsorship opportunities, contact Sandra Parente, Group Publisher/SVP, NA Convenience, at sparente@ensembleiq.com. ■



Scan QR Code to register



The Harm Reduction Race

Smokefree products are picking up speed in the tobacco business.

By Convenience Store News

The race is on for success in harm reduction: encouraging smokers to switch completely to reduced risk alternatives. Evidence of this rapidly evolving trend can be seen from all lanes — consumers, manufacturers, retailers, the government and even public health.

Citing the “2024 Surgeon General’s Report,” Kellsy Booth, chief legal officer for Black Buffalo, the Chicago-based maker of tobacco alternative chew and pouches, said: “Adult smoking and youth tobacco use are at all-time lows, which is a major public health milestone. The growing body of science and evidence around novel nicotine products supports the important role these products can play as acceptable alternatives for adult smokers to reduce the harm associated with current tobacco use.”

According to Booth, the widespread and growing availability of these products at retail has led to not only adult consumer awareness, but also interest and acceptance, as demonstrated by the rapid growth of the e-cigarette and modern oral categories in the United States. The modern oral (pouch) market has grown significantly over the past several years with some industry reports indicating a \$1 billion increase in U.S. retail sales between 2022 and 2023.

Every major tobacco manufacturer — Altria Group Inc., Reynolds American Inc., ITG Brands LLC, Japan Tobacco International USA Inc. and Philip Morris International Inc. (PMI) — now has a reduced-risk tobacco/nicotine product strategy as a significant, if not primary, commitment that is immediately apparent upon a visit to their website home pages.

These reduced-risk strategies are playing out domestically through modern oral nicotine pouches and e-cigarettes (vapor). Globally, heat-not-burn devices are out in front in countries such as Japan, where smoking formerly dominated.

“Millions of adult smokers are seeking new options, including those that reduce risk, and their preferences are evolving rapidly,” Davien Anderson, a spokesperson for Altria, told *Convenience Store News*. “We believe it is our responsibility to create the conditions for harm reduction to succeed — through education, awareness and advocacy — as we build a strong portfolio of smokefree products that satisfy adult smokers’ evolving interests and preferences. We know that millions of adult consumers 21-plus are interested in completely switching from cigarettes to a smokefree tobacco product.”

At Reynolds American, its vision of “Building a Smokeless World” means becoming a predominantly smokeless

business with 50% of its revenue from noncombustible products by 2035. “We have already started our transformation journey and year by year, we will continue to actively encourage adult smokers who are uninterested in quitting tobacco products altogether to transition to smokeless alternatives,” a company spokesperson said.

The U.S. Food and Drug Administration (FDA) and other public health experts agree that there is a broad continuum of risk among tobacco products, with cigarettes at the highest end of the spectrum and complete cessation at the lowest end.

“While there may be differences in risk profiles between specific smokefree products, it will take years of epidemiology to quantify those differences. The body of evidence does, however, indicate a profound risk differential between combustible and smokefree product categories,” Anderson stated.

The FDA authorizes reduced-risk alternatives via a limited number of premarket tobacco product application (PMTA) and modified risk tobacco product (MRTP) classifications.

On Jan. 16, for the first time ever, the FDA authorized the marketing of a nicotine pouch product. Following a scientific review, the agency approved 20 ZYN products through the PMTA pathway, giving the greenlight for them to be marketed in the U.S. ZYN is part of the Swedish Match portfolio, which is owned by PMI.

The FDA’s evaluation showed that, due to substantially lower amounts of harmful constituents than cigarettes and most smokeless tobacco products — such as moist snuff and snus — the authorized products pose lower risk of cancer and other serious health conditions. The agency also noted that the company provided evidence from a study showing that



a substantial proportion of adults who use cigarette and/or smokeless tobacco products completely switched to the newly authorized nicotine pouch products.

“To receive marketing authorizations, the FDA must have sufficient evidence that the new products offer greater benefits to population health than risks,” said Matthew Farrelly, director of the Office of Science in the FDA’s Center for Tobacco Products. “In this case, the data show that these nicotine pouch products meet that bar by benefiting adults who use cigarettes and/or smokeless tobacco products and completely switch to these products.”

More Action & Information Needed

Many in the industry want the FDA to move faster and say it’s necessary for true progress.

“We are seeing increasing interest in and pressure from lawmakers to expedite reviews for the hundreds of thousands of product applications that remain in process, which is crucial to get to a fully regulated and compliant diversified marketplace,” said Black Buffalo’s Booth.

Altria’s Anderson agrees. To make true harm reduction a reality, he believes there needs to be faster progress from the FDA in three key areas:

1. Authorizing smokefree products
2. Informing adult smokers about the benefits of switching to smokefree alternatives
3. Enforcing the law to eliminate illicit e-vapor products

“A strong course-correction is needed to protect the harm reduction opportunity for the 30 million adult smokers in the U.S.,” said Anderson, explaining that consumers are misinformed about the role of nicotine, for starters. “The FDA has authorized only a handful of smokefree products, woefully insufficient to meet the growing adult tobacco consumer demand. And the marketplace is being overrun by illicit disposable e-vapor products that are flouting FDA regulation and contributing to underage use.”

Some progress was made this past summer when the FDA, jointly with U.S. Customs and Border Protection, seized more than 50,000 unauthorized vapor products from China at the Chicago port of entry. In August 2024, the FDA issued a proposed rule requiring all imported vapor products to include a PMTA submission tracking number.

“Closing this loophole is something for which we have long advocated,” Anderson said, adding that Altria provided comments in support of the rule and encouraged additional action, such as extending the rule to cover nicotine pouch products.

Booth pointed out that the FDA has an excellent model in Sweden, which declared itself officially “smokefree” in November, with fewer than 5% of its adult population using combustible cigarettes. “This landmark is a direct result of the Swedish government [being] focused on harm reduction

rather than prohibition, by employing adult-focused advertising that increases awareness and encourages uptake, as well as enacting a proportionally lower tax on risk-reduced products to drive adoption,” Booth said.

New Zealand and the United Kingdom also have seen significant declines in smoking rates thanks to successful harm reduction strategies, according to Chris Howard, executive vice president of external affairs and new product compliance for Swisher, which operates Swisher Sweets Cigar Co., Helme Tobacco Co., Hempire, Rogue Holdings and Drew Estate.

Howard told CSNews that research has solidified the role of lower-risk products such as e-cigarettes and heated tobacco devices in reducing smoking prevalence. “Public Health England and organizations such as the Society for Research on Nicotine and Tobacco have highlighted that these alternatives are significantly less harmful than smoking. For instance, vaping is estimated to be 95% less harmful than combustible tobacco,” he said.

Future Factors

Convenience store operators looking to stay ahead of the harm reduction trend should keep in mind that the term is evolving. “In sum, it now encapsulates not only the use of safer alternatives, but also the broader framework of innovation, public health policy and greater access to less harmful nicotine products,” Howard explained.

Despite the fact that U.S. markets are “still hampered by the FDA’s regulatory scheme and the long delays from submission of PMTAs to market order,” he maintains that the future of reduced harm products is encouraging. “Both domestically and internationally, the tobacco industry continues to make significant investments in reduced harm products,” he said.

The launch of heat-not-burn devices in the U.S. by PMI in October 2024, as well as the expanded consideration of other tobacco harm products internationally, will factor into the future success of harm reduction, Booth stated.

“These are important developments because every adult consumer has different needs and subjective preferences, and we must meet them where they are, both in their risk reduction journey and in the places and occasions that require this widened scope of products,” she said.

Within the next few years, Reynolds expects to see a correction of the public misperceptions around the health effects of nicotine and potentially reduced risk products.

“We know that sustained and lasting changes to adult consumer behavior requires access to evidence-based information concerning alternative products. Our focus will be to correct these misperceptions by educating and engaging key stakeholders on the benefits of potentially reduced products, which is supported by scientific evidence,” the company’s spokesperson said. ■



GHRA CORPORATE OFFICE
12790 South Kirkwood Rd
Stafford, Texas 77477
Phone 844.777.4472 (GHRA)
Fax 281.295.5399

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