CATEGORY SOLUTIONS



LIQUID GOLD

Maximizing your cold vault

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New planogram boosts visibility Pg. 6

Member Profile

Service station operator works to build loyal customer base Pg. 18



SoBe lifewater Rebate p.2 Rockstar Rebate p.5

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Create more wins

We've stocked this issue with tools you can use.

e're out to help you create more wins for your store and we've loaded this issue with tips, tools, tactics and strategies to do just that.

Two segments receiving special emphasis this month are the cold vault and meat snacks. Both categories are important to c-stores and each continues to reinvent itself with new flavors and packaging.

Packaged beverages are a main driver of in-store traffic and rank among the fastest-turning categories in a convenience store. That makes effective cold vault management a must. We chatted with some experts this month (See Cover Story, p. 10) to give you a fresh take on managing cooler space. Use their ideas to help you fine-tune your cold vault strategy.

Meat snacks are another category that earns a key spot in c-stores. CBC's retail merchandising team recently re-examined this segment. We analyzed new products, reviewed the latest research findings and put together a new set that positions the segment to maximize sales. You can see a first peek at the set on p. 7, which includes insight into how the category is changing and continuing to grow. Full schematics are also available online on your buying group website.

Our goal, as always, is to provide added support for your operation. Consider how you can apply the ideas in this issue to your business. Not sure how? Jump to p. 30. We dug up the not-to-miss strategies that you can tweak and turn into your own win.

Much success,

Pam Romeli romeli@cbuying.com Vice President of Retail Division CBC



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New varieties spice things up

By Renee Pas

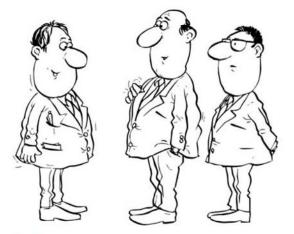
High protein, low-carb diet trends put these products on the map and they are here to stay. Follow CBC's new 2011 Meat Snack Planogram to create a powerful merchandising tool for this growing category.

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New Varieties Drive Meat Snacks

CBC 2011 Meat Snack Planogram capitalizes on high-margin, growing category.

[BY RENEE PAS]

eat snacks continue to prove a growing category, with new flavors and packaging varieties continuously hitting the marketplace. It's also a high-margin item with a long shelf life, making it a winner for convenience stores. Make sure your store is maximizing the potential of this c-store staple by following CBC's new recommended Meat Snack Planogram.

MORE FLAVORS

Meat snacks account for more than 50% of sales in the alternative snack category, according to data from the NACS State of the Industry Report. Its popularity continues to evolve through new flavor profiles, with a wide assortment now available.

Stronger, bolder flavors are taking center stage. Jeff Weber, brand manager for Old Wisconsin, Sheboygan, Wis., points to Old Wisconsin's "bold" products as the newest in the Old Wisconsin lineup.

"It hits home with the younger generation that grew up on extreme flavors in their candy, like the sour candies. Those kinds of extreme flavors have carried over to meat," Weber explained. He describes Old Wisconsin's Bold Sweet Heat meat snack: "It has a little heat and then backs off with a little sweet."

Oberto also has a new distinct flavor with its Southern Style BBQ Pork Jerky. "This jerky offers a tender bite and flavor that will transport consumers to an authentic BBQ in the South," said John Iams, senior associate brand manager, Oberto Brands, Phoenix. "American regional comfort flavors continue to be exciting to the consumer."

MORE PRICE POINTS

The increase in the number of flavors available today is matched by an increase in the number of price points in the meat snack category. "One thing that is very clear is that retailers need to have not only a variety of price points, but price points under three dollars," said Weber. "Two-for-\$1.00 is an extremely hot price point."

"The segment is seeing more affordable price points," said Weber, driven to a degree by the economy.

New alternatives in packaging are another contributing factor in pricing, said Iams. "Retailers continue to explore different size bag offerings," he said, "including single serve bags

WHAT'S HOT IN MEAT SNACKS

- ▶ Lower price points are attractive to budget-tight consumers. An extremely hot price point: 2 for \$1.00 offers.
- ▶ More snack sizes make products easier to eat. Women in particular like the smaller, bite-sized versions.
- ▶ New flavors are keeping the category vibrant. Use signage to draw attention to new arrivals at your store.



MEAT SNACK PLANOGRAM

Meat snacks are a low-cost snack that doesn't make a huge dent in customer's pockets. Even better, it's a high-margin item for retailers and new flavor varieties continue to drive sales. Here's some tips on how to maximize sales with the recommended set of meat snacks.

1. Price

Make sure items are properly priced. Use shelf tags for every peg.

2. Face

Check daily that product is faced front.

3. Stock up

Keep merchandiser fully stocked with the correct SKUs. Work to eliminate out-of stocks.

4. Promote

Try bundling meat snacks with a fountain drink to tie into the idea of meat snacks being a high protein meal replacement alternative.

which retail for \$2-\$3 less than a standard size jerky and XL bags which offer the greatest value for the consumer on a cost per ounce."

MORE CONSUMERS

Consumers are also increasingly aware of the ingredients in their snacks. "Consumers are always on the lookout for great-tasting products that are a healthier alternative," said Iams.

The meat snack category can

give a nod of thanks to the low-carb Atkins diet trend for boosting meat snack's image as a healthy alternative. Atkins brought a lot of attention to the category—and a lot of women to the category. And while the initial Atkins craze may have subsided, Iams noted that high protein and low fat claims are still very relevant.

Weber said meat snacks are now even viewed as somewhat of a meal replacement for some people. He also credits women with contributing to the greater variety of snack sized meat sticks, noting that women would rather pop a snack-sized version in their mouth than tear of a hunk of meat with their teeth.

Make sure your store is well positioned to continue growing with this evolving category by following CBC's 2011 Meat Snack Planogram. Schematics can be found on your buying group web site.



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Bringing it Home

Seminar learning proves valuable by pushing one retailer to apply tactics back at the store.

[BY RENEE PAS]

he end of a CBC Learning Center seminar turned into the beginning for Tom Klaty. He attended Retail Management: Operating for Success with his dad, Jim. Klaty assists his dad with the Main Street C-Store in Deckerville, Mich.

The seminar closed with attendees forming their own action plans based on what was learned. Each person filled in at least two ideas that they would implement at their store, plus specific steps. After completing the form, attendees were asked to add in an end date so they could track their own progress.

"That was good," said Klaty. "It forced me to write down a list of things I wanted to change and define exactly what I was going to do within 24 hours of getting back to the store."

Additionally, Klaty got to hear what his peers were going to change. That peer-to-peer networking proved a huge part of the seminar learning for him. "I gained a lot of good ideas and suggestions from the other attendees," he said. "That was really beneficial, just getting to meet and talk to other store owners."

CLEANING OUT THE CLUTTER

So, what did Katy commit to changing at the Main Street C-Store? Less clutter for starters.

While cluttered stores have always been a pet peeve for Klaty, attending the seminar boosted his motivation to maintain a clutter-free store. "We're making an effort to have everything clutter-free," he said. That means no stickers on cooler doors and prices clearly labeled on all items on the shelves. "No one should be able to find an item without a price."

A clean front counter is another source of pride. If you walked into the Main Street C-Store, you would find very little on the counter. "On the counter right now is a display of regular-sized candy bars and some fruit," said Klaty. "Fruit might not have the best margin, but it changes the image of the store. Bananas always sell the best, although they are hard to keep fresh."

Because fruit sends a quality message to customers, it earns a spot on the front counter, Katy explained, even though it's a lower-margin item. Fruit is the only exception. "We want higher-profit items on the counter," he said. "I'd rather see a \$1.00 candy bar there—at 40%—than place 30-cent items there."

The seminar helped reinforce that kind of best practice strategy for stores. "There's always room for improvement," Klaty said.

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Packaged beverages are essential to convenience stores. These fast-turning items are prime traffic drivers, which allow operators to promote everything else as customers head back toward the cold vault. Quick turns and multiple product offerings mean managing the set is a must. Do it effectively and you earn the gold.

LIQUID GOLD

Maximizing your cold vault

[BY RENEE PAS]

pring marks traditional cold vault reset time for many convenience store operators. New products going in, slow movers coming out. It's a check up that serves to rejuvenate your cooler set in preparation for the busy summer selling season.

The goal is to make sure your cold vault translates into dollars. It's arguably the most valuable area of a store, the one spot that drives the most foot traffic. Maintain a stellar set to boost sales even more.

RESET PREP

There are several things retailers can do in preparation for a cold vault reset team. Having the product in the store is a must, said Greg Kemp, regional account executive, Dr. Pepper Snapple Group. That way reset teams can properly execute the reset.

Kerry Severson, director of space allocation for Pepsi, agreed that having products in-store at the time of the reset is the number one thing retailers can do to ensure a successful reset. "That way, when the crew is there, the set is complete," he said. "If there are a bunch of products missing, you're relying on other people to put things in later and you will be missing out on an opportunity."

Another important item to add to your reset prep list is to make sure

that all products are tagged properly on the backside of the cooler, where the cooler is stocked. "When you have people in your store that are not familiar with your cooler, item tags help maintain the set," Kemp said. "The goal is to make sure every vendor is doing the same thing. If there is a hole and no label there, whoever is filling the cooler might just fill it with whatever. It also helps to avoid out-of-stock issues."

Mark Gill goes so far as to keep a complete planogram in the back for stocking purposes. The owner of the Wash N Go BP in Glen Ellyn, Ill., finds it much easier for his team to maintain the set that way. "I place a picture of every product into my Excel program. I start merchandising from the store view. I want to know how it looks from the customers' viewpoint first. Then I flip it around and reverse the image for stocking purposes."

Planograms are updated on an ongoing basis at the store. "We do resets constantly," Gill said. "I might do a shelf at a time, put a new line in or expand a product line that's doing well for us." For example, he started with only four SKUs of one product and later increased to eight SKUs because it was doing so well. "We make those decisions ongoing. I'm always looking for the next greatest thing to go in there."

RESET PREP POINTERS

Spend time organizing your cold vault before the reset team arrives at your store. That way you can gain the greatest advantage from having them on site. Use this four-step checklist:

✔ Pre-tag

Reset crews report that this is one of the biggest issues for them. Try to have all tags ready so they can tag as they go with prices. The more organized and easier you can make it for the reset crew, the better job they will do for you.

Clean

Wipe down the cooler area before your scheduled reset day. Write a list of any requests, such as new glides if you need some replaced.

Remove unwanted product

If there is something coming out of the set, take it out before the reset team comes. Develop a run-out strategy, such as discounting the item to get rid of them or merchandising them in a barrel so they are not occupying cooler space for new items.

Agree on the reset beforehand

That is especially important if you will not be at the store during the actual reset. Sign a copy of what you agreed to so it's at the store and approved for the reset team.





ONGOING COLD VAULT STRATEGIES

This shows what a typical seven-door set might look like. Tips for cold vault success:

Mega-manage smaller sets. The more modest your cold vault size, the better it needs to be managed. "If you have only three doors, you better make sure they are stocked with the most productive SKUs out there," advised Kerry Severson, director of space allocation for Pepsi.

Avoid stocking 12-packs in the cold vault. Multipacks are a take-home package and belong on the shelf or in a warm display. Don't allow them to take up valuable cold vault space. A better approach: stock warm 12-packs and promote ice—one of the more profitable items in the store.

Create a billboard effect. Keeping core products near the door handle, grouped together and faced front is an extremely effective merchandising method. It clearly showcases the top sellers and instantly draws attention to the cold vault. Additionally, vow to maintain the set for a while. Customers like finding their favorite item in the same spot.

Merchandise multiples. Consider multiple facings where justified. Retailer Mark Gill said he's not a big fan of single facings on anything. "If it doesn't justify two or three facings, It's probably not a line I'm interested in stocking," he said.

BREAKING IT DOWN

Because Wash N Go BP is a small store at just 800 sq.ft., space is at a premium. To maximize his profits, Gill chooses carefully what to stock in his five cooler doors. Low-margin items, like milk, do not make the cut. "It just doesn't make sense for us," he said. "We do carry Nesquick, though. Our target margin is 40%."

Gill's also not afraid to make room for new products with potential. "There's always something that needs to be replaced. If a product line is expanding, that's when I go through my order history to see what's not working. I can usually identify a slower mover that I can take out to make room."

Currently, Gill's five-door set breaks down like this:

Door 1: All carbonated soft drinks (CSDs)

Door 2: Ready-to-drink (RTD) Tea and coffee drinks

Door 3: Energy drinks and vitamin waters, etc.

Door 4: Isotonics, such as Gatorade and Powerade

Door 5: Water and juice lines, including Ocean Spray and V8, as well

as Nesquick.

The nearly full-door dedication to RTD teas is right on the money, according to statistics from The Nielsen Co. RTD iced tea was the only packaged beverage segment to show unit growth in c-stores in the most recent annual data. The category was up 4.7% in unit sales and 2.1% in dollar sales, according to Nielsen.

While RTD teas showed some gain, carbonated soft drinks continue to dominate cold vault space. And rightfully so: CSDs hold 42.6% of category dollar sales.

SCHEMATIC SCIENCE

Severson advised retailers to use a space-to-sales formula for determining their set. Pepsi works with other suppliers to build a planogram that maximizes the cold vault for retailers.

"We take a look at the category space and look at the history of the sales for that group," Severson said. "For instance, a 20-ounce CSD is 20% of the business."

When working with supplier partners during reset time, Severson recommended retailers request factbased data if questioning space allocation, or even put in their own data.

His main advice: group categories. He noted that some things are noticeably synergistic, like water next to enhanced water, for instance, and then next to isotonics. If stocking by size, he recommended starting with 1 liters and getting smaller as you go up.

Some segments are still evolving and it is sometimes difficult to determine where to place a new category. Coconut water and muscle milk are two. "Where should it go? With milk? With energy drinks? There has not really been a sure spot for them," Severson noted. "You have to just evolve and keep moving with the trends."

STATIC CLING PROMOTIONS

One trend retailers definitely want to keep close control over is static clings and similar materials on cold vault doors. Both Severson and Kemp agree that less is more in that area.

"I don't typically care for them because they hide what's behind the doors," said Severson. "It just clutters things up." He cautioned that retailers pay attention to what they are covering up when they place something on the cold vault door. He's seen Red Bull covered up at c-stores, which is an item that is probably a better seller than what's promoted in the suction cup, he noted.

Kemp believes retailers are now

doing a better job limiting the number of suction cups and static clings. "One per cooler door is good," he said. "Too many and you cannot see what's in there."

You won't find an overload of static clings at Gill's store, but you will find manufacturers' instant coupons. "Those work well for us," he said. "I like those a lot." When it comes to promotions, he relies on his own signage. "It's easy to pull images off the Web and customize it for our store," he said. "We do a lot of combo pricing, which works well for us. If something's not a great mover, we might run a 3-for-\$1.29 special to get rid of it. People like that kind of pricing."





Are you Being Understood?

Master the art of communication in the midst of a diverse business environment.

[BY RENEE PAS]

e are a multicultural industry. Convenience store owners represent a multicultural group, which is matched by a diverse group of vendors, employees and customers. Combine that with the fact that many in our industry are non-native English speakers and you have the recipe for a communication disconnect.

Avoid common communication missteps by learning how to clearly communicate with everyone that you come in contact with, from vendors to employees to customers. Here's a round-up of communication tips from the experts.

LOOK FOR MISUNDERSTANDING

Pay attention to your listener to make sure that what you are saying is being understood. A Monster.com article, "Overcome Language Barriers," points to the following as signs that your message is being lost:

▶ The other person does not ask any questions. This is a clear signal that the other person does not understand what you said. Think back to a time in your own experience where you didn't ask questions, not because you understood

it all, but because you were so lost you couldn't formulate a question.

Solution: Make it easy for the other person to admit they do not understand. Talk in an environment where they are comfortable and where they can focus on what you are saying. Give them some time to process your message, then go back and ask them if there is anything they want to ask. Be sure to praise them for asking questions.

▶ The listener simply nods and smiles. They are probably struggling to understand and are instead just trying to appear pleasant. You know you are in trouble if you ask, "Do you understand?" and the response is something like, "Yes, I think so." If that's the case, you can assume your message has been lost.

Solution: Explain that you'd like to know now if there is a lack of understanding. Phrase your need as a request, not a demand: "The team cannot reach our goal if everyone is not fully on board. Please let me know what I can do to help you reach the goal we set." Follow-up by praising the person for admitting any lack of understanding. Thank them for asking questions. Your praise will encourage









them to ask additional questions the next time they are confused.

Keep working with the person until they have complete understanding. Having to explain something repeatedly that seems basic to you can try your patience. When that happens, take a breather or change communication styles—from talking it through to writing down specific instructions, for example.

SAY WHAT YOU MEAN

You'd think this would be second nature, but that isn't always the case when you're trying to get your point across. It's actually not as easy as it seems, according the "Better Communication: Tips," article on www. essortment.com. Here's their advice:

- ▶ Think before you speak. This is the golden rule to communication. It requires that you pause for a moment and analyze what you plan to say.
- ▶ Make eye contact. From humans to apes, all animals use eye contact to read intentions. Offer your full attention to others when speaking. Eye contact emphasizes sincerity, which is essential in order for others to understand your point.
- ▶ Keep it simple. Don't overload people with information. You can always add more details after the person has had a chance to digest what you've said. Follow the less is more rule.
- Avoid starting with a negative. Stop yourself from opening with "Now don't take this personally," or "I hate to have to tell you this, but..." When you open with a negative phrase, people tend to immediately tune out and go on the defensive. That's the opposite of

what you want. Focus on using positive words and phrases that point toward a solution. For example: "Let's come up with another alternative." Additional positive words include: recommendation, suggestion, option, idea.

▶ Recap. Bring your point to a clear end. You don't want someone walking away wondering what happens next or who's supposed to do what. Use a phrase similar to this: "Let's make sure we agree: You will do 'X' and I will do 'Y.' Is that correct?"

BE A MORE ACTIVE LISTENER

Communication is a two-way street. You have to be willing and able to hear others if you want them to hear you. One of the biggest reasons people fail in communication is that no one is listening.

Often our minds race ahead planning what to say next and we end up ignoring what is currently being said. Avoid that by becoming a more attentive listener.

The book "Managing Teams for Dummies," Marty Brustein, points out several ways we can all work on "opening the door" to better communication. Critical listening techniques you can apply:

- ▶ Offer your undivided attention. Constant interruptions are very offputting for people. Stop whatever you are doing and turn and face the person that is talking to you.
- ▶ Maintain eye contact. It shows that you are sincere, which is essential in understanding.
- ▶ Nod your head to let them know you are paying attention. It doesn't necessarily mean that you agree with what they are saying; it simply indi-

cates you're listening. It also helps prevent your mind from wandering.

- ▶ Say things like "I see," "okay," "right," even "uh huh" to keep the speaker confident that you are listening. It shows you are following along and want to hear more.
- ▶ Repeat key words silently as you hear them. It reinforces their message and helps you stay focused on what they are saying.
- ▶ Do not interrupt. It can be insulting to the other person. Keep a notepad nearby to write down your questions or comments for when the speaker is finished.
- ▶ Lean forward slightly if sitting down. That body language signals you are engaged in the conversation. Be careful not to cross your arms, which sends a message that you are closed off or critical.
- ▶ Remain open-minded. Remember that your background and beliefs may differ from others. Take a non-judgmental position and you will find others will extend you the same courtesy.
- ▶ Provide feedback. Our personal assumptions can distort what we hear. To make sure you understand what is being said, reflect back what you believe you are hearing. Use a phrase like this to summarize a point, "What I'm hearing is..." or "Sounds like what you are saying is..." Follow up with "Is that what you mean?" to further clarify.

KEEP WORKING IT

Old habits are hard to break, so don't be too hard on yourself if you slip back into your less-than-desirable communication habits. Keep concentrating on what you can do to improve your skills.

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Overcoming the Odds

Service stations might seem like a dying breed, but Manny Mancuso's making a go of it. There are lessons to be learned in his perserverence.

[BY RENEE PAS]

THE MANCUSO FILE

Store name: Elk Grove Marathon

Owner: Manny Mancuso

Location: Elk Grove Village, IL

Store stats: Service station with 3 service bays, 7 pumps, and 800

sq.ft. store

Employee stats: 3 full-time employees, 6 part-time employees

Signature Strategy: Honesty and

personal service

Buying Group: eMpowered Buying with Marathon

anny Mancuso's operation is a bit of an anomaly these days: A small gas station with three service bays and an attached c-store that's maybe 800 sq.ft. tops.

While repair shops might be the exception, Mancuso is not. He is everything you want in a store owner: honest, fair and hard working. And even though it's been a tough year and half since he's owned this store, he's making headway.

SET YOURSELF APART

Customer service is what sets the station apart from the competition. "We give people that warm, fuzzy feeling when they come to see us," said Mancuso, adding that his primary focus is on offering top-notch customer service.

"We go out of our way for customers," Mancuso said. "We want to exceed

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their expectations." To do that, he offers extensive personal service, from assisting the elderly with filling up their cars to offering complimentary rides to home and work for repair service customers.

Two full-time certified techs, plus one part-time tech keeps the 3-bay operation running smoothly. The team handles complete automotive repair service on all foreign and domestic cars.

"We're kind of a dying breed," Mancuso admitted. "You don't see this kind of service station at the corner anymore." He considers his store a one-stop shop, where customers can get fuel, have their oil changed, and pick up some milk at the same time.

"We do complete automotive repair, from cars to light trucks to SUVs: anything from a basic oil change to a complete engine repair," said Mancuso. "We have access to all the service bulletins and recalls just like the auto dealers do. If our customers prefer neighborhood service to a dealer service, we can assist them."

And he doesn't forget to say 'Thank You', sending out thank you notes to customers as well as reminders when it's time to come in to service their vehicle. "My job is to keep my customers that I have built up for the last year and a half," said Mancuso. "I want to make them stay loyal to us."

WORK THROUGH CONFUSION

Mancuso knows exactly how important loyalty is, since when he first acquired the store he had zero customers. The previous owner had been doing well at the location and actually took much of the business with him—including the phone number—and opened a new

repair shop just five miles west. It was a confusing period because customers thought they were calling their regular Marathon station on the corner, but the phone was being answered five miles down the road.

"Customers weren't looking for the previous owner, specifically; they were looking for the Marathon station. Eventually, they found me," Mancuso said. "But I started out with zero customers, a new phone number, a crappy economy and empty shelves."



My job is to **keep my customers** that I have built up for the last year and a half.

Manny Mancuso Elk Grove Marathon

He started to do a lot of advertising for the store. Then a lucky break came and he was featured as a new business owner on a local cable TV show.

"I took advantage of that opportunity," said Mancuso. "After the show aired, people would come in and say they saw us on TV." That extra boost of attention helped the business and also provided a boost of encouragement to Mancuso and his team.

KEEP WORKING IT

Another challenge Mancuso continues to work through is gasoline pricing. His Elk Grove Marathon station rests on the border between two counties—Cook County and DuPage County. Because his store is housed on the Cook County side, part of Chicago, the sales tax is a lot higher. "People routinely drive the extra mile to go into DuPage and save 10 cents a gallon. It becomes a habit. They just think that way," he said.

For a while he tried to match the pricing and chase those customers, but found the other operator just drops his price to match. "My goal is to stay within five cents," he said. "I want to be fair. We do our best to stay competitive for our customers."

He's also looking for additional ways to drive sales, such as adding a car wash. "The stations across the street do not have them," Mancuso noted. "It would give me a way to discount fuel and change the buying habit of people.

"Fortunately I have room for a car wash behind the station. And it would allow me to capitalize on all areas with an added profit center. A car wash would be a good complement to the gas pumps and repair shop," he said.

The only hold-up? Financing. "It's a long shot right now," Mancuso admitted, but one that still remains on the horizon.

"I know I need to be patient," he said. "I keep reminding myself of where I started and where we're at now. It stresses me out when there are no cars at the pump; then I get excited

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when cars are filling up and the repair shop is filled up. It's a continued work in progress."

It's also about loving the business. Mancuso has been in the gasoline business for more than 20 years, starting out as a cashier and working his way up to manager before becoming an owner/operator. He spent seven years at another Marathon station prior to purchasing the Elk Grove Village Marathon. The other site was in need of new underground storage tank equipment, lines, and a new canopy. The investment he needed to make in the property outweighed a buyout offer, so he took the offer and spent a year away from the industry. Eventually, his



ASC-certified technicians John Berti (left) and Dan Bryjowski perform a diagnostic test on a car. The auto repair shop is the bread-and-butter of the Elk Grove Marathon.

passion for this industry led him back to Illinois.

"I missed the gas station atmosphere," Mancuso said. "The everyday customers coming in for newspapers, lottery ... I grew up around gas stations. I enjoy the environment and the people." That kind of pride and enthusiasm is certain to keep Mancuso's business growing.

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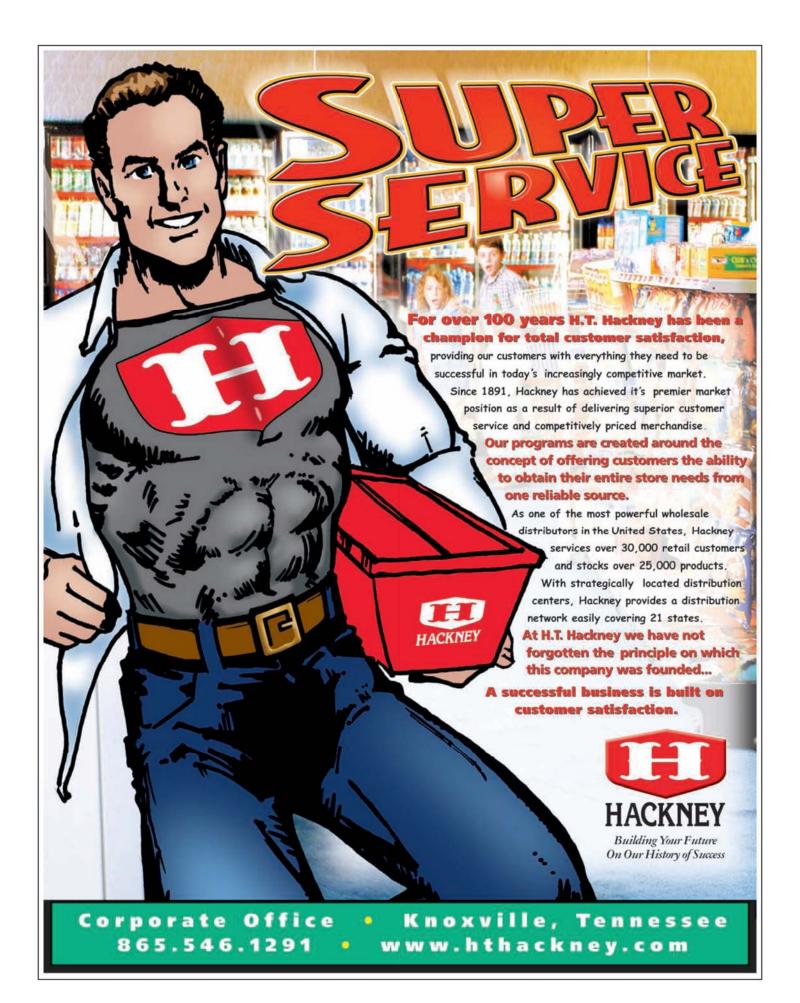
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Power Promotions

Use these promotional planning tips to create a big win for your store.

[BY TERRY LAMBERT]

hat do you need to do in order to execute a successful promotion? Follow these four fundamentals:

- Identify what you want to promote.
- 2. Establish your pricing.
- Decide how you will market the promotion.
- 4. Measure your success.

Following those four steps will keep your promotions on track. And once you build up confidence in your promotional strategy, you can continue to build out a year-long plan. It's a sure-fire way to boost business. Let's walk through each of the steps in more detail.

STEP 1: IDENTIFY PROMOTION

This might be a special on products or something new that's coming out or maybe a promotion centered around a holiday, such as Memorial Day. Choose something that you believe will work for your store.

STEP 2: ESTABLISH PRICING

Determine your retail price—a price where you will still make a decent margin. As the owner/operator, you decide.

I'm a fan of 2-for-1 pricing strategies for my store. I believe they work a lot better than half-priced strategies. For instance, a 2-Snickers-for-\$1.00 promotion will move twice as much product than a half-priced Snickers offer and increase your register ring.

Bundling promotions also work well for me. I typically include three items in a bundle: a donut, a newspaper and coffee. I like that customers are buying three items and that I'm moving three different vendor products. And the customer gets a better deal too. An added bonus is when the bundling promotion moves customers through multiple areas of the store. Or an area of the store they may not visit frequently, such as the fountain machine.

One of our mainstays in bundling is to include a fountain drink. For example: a sandwich, chips and a fountain drink for a special price. It encourages our customers to visit the fountain area. If you want to start pushing your fountain area more, you may want to consider a bundling promotion that forces them to buy a fountain drink as part of the promotion. People start to develop the habit of using the fountain machine that way—and keep using it after the promotion ends.

STEP 3: MARKETING

Define the right tools to promote your deal. It is essential to reinforce the offer with signage. If it's a bundling promotion, consider a pump topper outside the store or a sign in the front window. Would a freestanding in-store

TERRY LAMBERT Lambert@cbclearningcenter.com



Terry Lambert is a CBC Learning Center seminar instructor as well as an active convenience retailer, operating two suburban Chicago locations

and a jobber partnership.

Terry is 100% focused on helping retailers just like you overcome today's business challenges by learning how to identify and embrace opportunities. His diverse background and deep understanding of the retail and wholesale environment allows him to provide proven solutions to owners and operators.



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CHANGE BUYING HABITS

Lower-than-usual pricing promotions work to get customers to start buying a common item at your store. The goal is to get customers to buy a product at your store instead of where they usually buy it. Milk is a prime example.

Say you offer a gallon of milk for \$2.99. The idea is that these customers will then buy other products at your store at a higher margin, or will become regular customers. It's one way to try and permanently change your customer's buying habits.

display with a price card work? How about point-of-purchase signage?

When we run a sandwich-chip-fountain promotion, we place signs on the sandwich cooler, on the fountain and on the chip rack. We also put something on the front counter. That has proven a great prompt for cashiers—especially those that might be a little shy when it comes to suggestive selling. The sign helps them quickly and easily tell customers that they can save 40 cents, for example, on their purchase if they add a fountain drink. Front counter signs are a great reminder for both cashiers and customers.

STEP 4: MEASURE SUCCESS

Always take a look at your sales at the end of a promotion to see how you might want to change things next time. Remember that to evaluate sales after a promotion you'll have to know what your sales trends were before the promotion.

Continue to track sales after the pro-

motion ends. That way you'll see

if there was a lasting effect. For example, if you offer hot dogs at a special price for a week, you may continue to sell 20 more per day at the regular retail price once the promotion is over. If you ran a promotion that included a fountain drink, check if cus-

tomers are now coming back and paying full price for that fountain drink. Gaining an uptick is a sure sign of a successful promotion.

Remember to ask for feedback from cashiers as well. Ask them how they felt customers reacted to the promotion. Jot down what worked well and what didn't so you can make positive changes for next time.

If you offer hot dogs at a special price for a week, you may continue to sell 20 more per day at the regular retail price.

NEXT STEPS

Once you've taken the first step with one promotion, build out additional promotions. Ultimately, you should strive to always have a 'deal' in your store, or something on special. It keeps your customers interested in what you have for sale and keeps things fresh so your employees don't get tired of promoting the same things.

If you don't already have a yearlong promotion schedule set in place, take small steps and develop a schedule for the summer months.

Schedule in promotions through

your buying group, vendors, and those you create on your own. Record overall sales and profits for the promotion period; set it up in a way that is easy for you to track results either daily or weekly. Maintaining a chart will help remind you of all your promotional opportunities.

One to start thinking about now is a Memorial Day promotion. It signals the start of summer for many and offers a prime promotional opportunity.

Some areas to consider promoting for this holiday:

- ▶ A bundled offer with chips and soda. Talk to vendors about getting special pricing on a larger bag of chips to bundle with a take-to-the-BBQ offer along with a 12-pack of soda. Consider even keeping some 12-packs cold just for this offer.
- ▶ Turn that into a 3-way bundle offer by adding dip to the promotion. Make special signs in the store reminding customers to stock up for the Memorial Day weekend.
- Consider a special you can easily stock outside, such as charcoal for grilling out.
- ▶ Create a promotional endcap with buns, chips, tablecloths, mini flags and other Memorial Day celebratory items.

You don't need to run a promotion in every category in your store, just pick one area to focus on and watch what happens.

WANT MORE?

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Top Takeways

Ideas and strategies we didn't want you to miss from this issue.

[BY RENEE PAS]

STOCK MULTIPACKS OUTSIDE



Mark Gill carries almost no multi-pack soft drinks, largely due to limited floor space at the 800-sq.ft store Wash N Go BP in Glen Ellyn, Ill. That strategy changes come spring

and summer. He takes advantage of outdoor space and markets the product outside. Diet drinks stay inside, however, because they don't hold up well in hot temps.

For more on Gill's approach to beverage marketing, see our Cover Story on p.10.

QUESTION WHAT YOU COVER



Keep in mind that customers tend to look over the products in the cooler before reaching to open the door handle. Check your set from the customer's viewpoint. Is valuable merchandise being

covered up by static clings? Think twice about what you are hiding—don't make an in-demand product difficult for your customers to find.

Want more cold vault tips? Flip back through the Cover Story on p. 10.

PERFORM A COUNTER CHECK



Two approaches that help retailers Tom and Jim Klaty keep counter items in check: Vendors are not allowed to drop stuff off on the front counter and managers know that everything on the

counter has to first be approved.

For more ideas on keeping things tidy, read the Attendee Spotlight story on p. 9.

MUSCLE UP YOUR MEAT SNACKS

New flavors, pricepoints and packaging make it a great time to add some oomph to your meat snack set. Follow the new CBC 2011 Meat Snack Planogram, which includes the latest in this growing category.



You'll find details of the new CBC 2011 Meat Snack Planogram on p. 7. Complete schematics can also be found at www.powertocompete.com.

HOT PRICE: 2 FOR \$1.00

Two-for-\$1.00 bundled offers came up a couple of different times in this issue, making it the No.1 promotion to consider incorporating at your store. Retailer Terry Lambert said it helps increase the register ring (See story, p. 26); and Old Wisconsin's Jeff Weber reported it's ultrasuccessful with meat snacks right now (See story, p. 6). Consider how you can work it into a promotion at your store.

HAVE YOU THANKED SOMEONE TODAY?

Sending out thank-you notes to customers has proven a win in helping retailer Manny Mancuso maintain his customer base. It helps keep his service station



top-of-mind for people. He also sends out reminders when it's time for customers to service their vehicle. Both methods work to increase loyalty.

Find out more on Mancuso's operation on p. 18.

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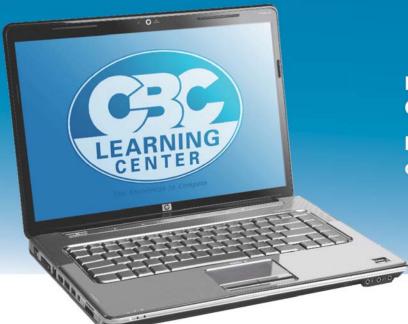


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