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MARCH/APRIL 2012

C SQUARE

MAGAZINE



WHAT HAVE YOU DONE FOR ME LATELY?

COLD VAULT BEST PRACTICES

Get ready.
The next big thing is coming.

FINDING AND FILLING THE VOID

Tricks of the trade from
an expert operator.



Ways to reconnect with
your wholesaler, create
a better partnership and
boost your business.

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All qualifying entry forms must be received by May 31, 2012 for drawing to be held on June 15, 2012. Entry forms received after May 31st do not qualify for rebate or drawing and will not be processed.

Limit one entry per store location.
Maximum one (1) \$10 rebate per store.

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STRENGTHENING BONDS

Welcome to the new C Square Magazine. The name change reflects a stronger connection with www.myCsquare.com to offer you the ultimate c-store package: print, web and in-person learning and program opportunities.

While we've done some cosmetic renovations, our main objective remains the same: to deliver strategies, tactics and tools you can use. Each issue we seek to bring you new ideas on how to make your store run smoother, with the end goal being to help optimize your business.

You'll find our first view on how to do that in our Cover Story on p.9. If you don't already have a solid connection with your wholesaler, now's a great time to strengthen that bond. It's actually something that should come easy: ask someone to help. Somehow, though, we get so wrapped up in our own to-do list, we forget to maximize what others have to offer. Today's wholesalers have a lot to offer.

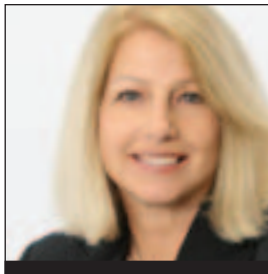
From newly developed custom tools, store resets to new products, wholesalers are more focused on c-stores, and independents specifically, than ever before. Know what is at your disposal—ask.

Ask what's new in the marketplace, what kind of planogram and reset opportunities exist, and what your rep sees that is working well for other stores. The more you ask, the more you know. They want to help you. Their business is only as good as your business.

The same philosophy holds true for beverage reps. Most are now in the midst of store resets, prepping for the busy summer selling season. Dive into the cold vault story on p.14 to learn all the hottest beverage trends first and then talk to your rep to see which products might be right for your store. Listen to what they have to say.

Two independent owners who are great at listening to their partners—and customers—are Sue and Tom Tibbits. Our featured members in this issue, they share great insights on customizing to the surrounding neighborhood. They have it down to a science.

We hope you find inspiration in all the stories in this issue and find some new energy for your store.



Much success,

Pam Romeli
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COVER STORY

What Have you Done for me Lately?

Today's business mantra is all about working smarter; getting more out of what's already at your disposal. Your wholesaler may just prove that one currently underutilized link to helping boost your business. The reps are already in your store regularly, know your operation and have huge potential as your business ally. Make sure you tap into all they offer.

FEATURES

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Cold Vault Best Practices

All eyes are on new beverage categories. As they emerge, the question becomes when to jump on the bandwagon. We've rounded up the latest beverage trends to ensure your cold vault is stocked up on the latest and greatest when summer selling season hits. The next big thing is right around the corner.

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Finding and Filling the Void

If there is anything lacking in the Washburn, Wis., neighborhood that surrounds Leino's Gas and Goods, you can bet Tom Tibbits will find—and fill—that gap. He and wife Sue have become experts on niche opportunities. Learn the tricks of the trade that keep them successful.

DEPARTMENTS

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28 View From the Field: *Terry Lambert*

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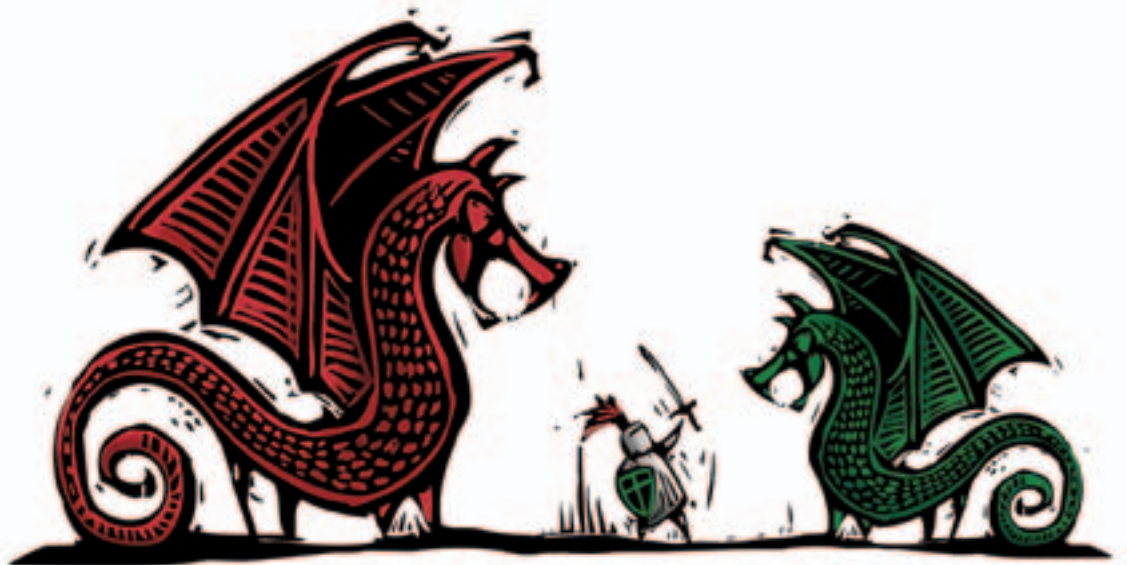


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THE QUEST FOR A BETTER DEAL



TOM TERRONO

CBC Learning Center
Instructor

Terrono@
cbclearningcenter.com

Tom Terrono's operational and financial management expertise stems from more than 42 years working in the convenience store industry as a manager, owner and consultant.

I was looking over questions and notes from retailers at my most recent seminar and noticed one question kept popping up more than any other: How can I get better deals from vendors?

Ahhhh, I thought, the quest for a better deal. I get that. The thought process is that if you can simply purchase product at a better price, you will make more money. Sounds like a simple enough approach to increasing profits.

It is the most obvious thing to ask for, but it is someone else's doing. Much of a retailer's buying price depends on volume purchases and getting a better deal may not be in the cards.

My advice is to make sure you do not mistake buying price as the only means to arrive at a profit.

What I mean is that gross profit isn't always about buying. Buying price is certainly important. Selling price is important. Even more important than both the beginning (buying price) and the end game (selling price) is what goes on in the middle—the in-between.

LANDING IN THE MIDDLE

The in-between is where things are often missed; where there is always room for improvement. You

have to manage your business in-between the buying price and selling price to maximize gross profits.

One key area to focus on, especially if you believe your gross profit is off-the-mark is SHRINK. Many people don't believe they have much stolen from their store, or don't want to admit it is happening. I am here to tell you it is happening. It even happened to me as an owner.

If you know the price is right and you know what you are buying it for and the math still isn't working, it is going to be theft. You may not want to admit it, but the problem has to be theft. Shrink will result in low profit.

Resolving shrink issues is one of the best places to focus. It's an excellent way for single store owners, who may not be able to better their buying price, to impact store profits. Above that, go back and review your buying group participation. Focus on increasing your level of participation to help lower buying price as well as concentrate on improving overall operations.

C Square's Community page connects ideas and talking points between C Square Magazine and www.mycsquare.com. Visit us online in the Community section to share your thoughts.



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C SQUARE



WHAT HAVE YOU DONE FOR ME LATELY?

Ways to reconnect with your wholesaler, create a better partnership and boost your business. Bottom line: Work smarter.

By Renee Pas

Wholesalers serve a vital link between retailers and products/services/goods. Use them wisely and they serve as your most dedicated employee. They are your eyes and ears in the field, helping your store remain properly set and ready to go with the right

products, full stock and great merchandising.

Don't quite view your wholesaler in that light? They may be an underutilized resource. Tap into the full resources wholesalers offer—it's a simple, effective way to upgrade operations.

WHY YOU CAN SKIP THE CLUB TRIP

A complete line is something retailers can expect their wholesaler to deliver better than club warehouse stores. “We offer a full line of items,” said John Dean at Dearborn Wholesalers, Chicago. “At a club warehouse store, you would choose from what was available. They might not have that box of Snickers. We offer a 97% fill rate on orders and we handle new products much faster.”

Especially when it comes to new items, speed to shelf is critical, noted Dean. “Some things are only hot for a short period, so you want that hot item on the shelf as soon as possible. We help retailers get a jump on those new items by getting them in stores on a timely basis. Consumers look to c-stores for those hot new items.”

PRIME TIME PROMOTIONS

Most wholesalers have set promotional programs that offer discounted product to stores. For example, Dearborn releases the Dearborn Discounter every three weeks, with price promotions and new items on the market. Every Buying Group also offers special buy-down opportunities to retailers.

Promotions are a tool that is used a lot, Dean noted. It gives stores a chance to offer something to customers at a reduced price.

Buying better is an area Dean believes retailers could improve upon. “Most retailers could be even wiser about promotional programs,” he said. “It’s a smart thing for retailers to do: Buy product cheaper, so after the promotion ends, they have extra product that they bought cheaper that now sells for regular price.”

Savvy retailers take advantage of times when they can buy product cheaper: stock up during promotional buy downs

“Single store retailers that opt for club stores over a wholesaler may be missing out on all the advantages that wholesalers offer,” said Pam Romeli, vice president of retail division for Consolidated Buying Company, Oak Brook, Ill. “Much like the retail convenience business, wholesalers also face fierce competition, a loss of margins and the need to continuously up the ante. Wholesalers now offer more customized services than ever before. Ensure your business is taking advantage of what’s available.”

For retailers concerned about hitting minimums with their wholesaler, Romeli advised looking at what is purchased via a club warehouse that could be purchased through the wholesaler instead. Often times that can be the difference in reaching any minimum required.

Dean added that Dearborn reps continually focus on helping retailers see these kinds of ways to improve business. “It’s a plus to both of us if business improves.”

FACE TIME

Every store needs a little tweaking and some special attention. Work with your wholesaler to set up a regular schedule for store reviews. “Every retailer should demand face time with their wholesaler representative on a regular basis,” said Marty Glick, Harold Levinson Associates Inc., Farmingdale, N.Y. “We merchandise stores twice a year, no extra fee.”

Harold Levinson’s merchandising process includes a complete re-examination of all products and seeing how things could be better moved around the store. One goal that stores appreciate during the process is that all product already

BEST WHOLESALER PROGRAMS

Store Resets. Schedule reset and review sessions at least twice a year to walk through store layout in detail and plan necessary resets. Now is a key time for resets with the key summer selling season around the corner.

Promotional Programs. Savvy retailers take advantage of the times when they can buy product cheaper and stock up. That way even when the promotion comes to an end, the store keeps selling the product at the discounted cost, yielding a greater profit for the store.

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Buying group members could receive hundreds of additional dollars in rebates and incentives by participating in wholesaler partner programs. An easy way to get started is by viewing the list of wholesalers that serve your area at www.myCsquare.com. Click on the Marketplace section and go to the Regional listing to view the wholesaler information in your area.



purchased is kept; underneath that there may be a note about what is believed to be a better replacement item when that stock clears out. For example, switching from a 32-ounce size of ketchup down to a 12-ounce size.

Eby-Brown works with stores in a similar fashion, suggesting new items, refreshing planograms and helping stores stay on top of best selling items in their area. "Our category specialists call on stores every other week," said Mike McCormack, Eby-Brown Co., Naperville, Ill. "They spend time helping their customers look for ways to improve their business."

McCormack said staying up to date with new items and replacing discontinued items can prove

ship position, our foodservice category management team developed the programs and created the planograms, anchored by our Wakefield fresh sandwiches, that guided our customers into this very important c-store segment."

Several other wholesalers are focused on food as well, making wholesalers an easy go-to partner for retailers seeking new entry points into foodservice. That area was listed as a prime expansion push for wholesalers in *Convenience Store News'* Top 25 Convenience Wholesalers Report.

Foodservice topped the list for the 60% of wholesalers expanding product categories. Other areas included produce and fresh offerings, bread, milk,

Foodservice topped the list for the 60% of wholesalers expanding product categories.

to be a challenge. Eby-Brown helps retailers stay on top of this opportunity in many ways, including sending e-mail alerts for new and incoming products in a vehicle called Speed to Market.

FOODSERVICE

Foodservice is a big effort at Eby-Brown right now, said McCormack. "Early on, we recognized that many of our customers did not have the resources needed to enter into foodservice. Taking a leader-

ship position, our foodservice category management team developed the programs and created the planograms, anchored by our Wakefield fresh sandwiches, that guided our customers into this very important c-store segment."

Wholesalers are also more focused on expanding their business with single stores, according to the report. It stated that while the majority of a wholesaler's business is convenience chains, wholesalers are increasing their sales to single stores. The current split is 53% chains vs. 47% single stores, compared with 46% for single stores the year prior. ■



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*Source: MRI Convenience Stores for the 52 Weeks Ending March 6, 2011
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COLD VAULT *best practices*

CLIFF NOTES on COLD VAULT

Make the most of current trends in
your summer beverage line-up.

By Renee Pas



How do you figure out what's worth the space in your cold vault? When to jump on the latest new products? We've researched the latest product data, category trends and overall beverage stats to help you decide what's worthy of a spot in your cold vault this summer.

THE BIG SQUEEZE

Category management is key to maintaining the perfect cold vault set. Since the quantity of new products continues to rise, establishing a solid plan for rotating in new beverages is a must.

Beverage-makers plan to launch even more new products this year than the year prior, according to Beverage Industry's New Product Development survey. Nearly 60% of beverage-makers reported expanding new releases for 2012, with water and juice products ranking high on the list.

While the new products continue to roll in, retailers like Clifford Lowe of Sabetha Ampride in Sabetha, Kan., are busy figuring out where to put it

all. "We look for 'dead' items," said Lowe, "and try to see if a new item might fit in that spot."

New items rotate in and out all year, with an annual beverage reset occurring in February. In partnership with their primary beverage vendor, Lowe and the Sabetha Ampride team work to fine-tune the cooler set.

They remain open to tweaking for new products. "We try anything," said Lowe. "If it doesn't go, we take it out and put something else in. If it's a really hot item, we generally can tell within a few weeks."

PEAK POPULARITY

One that many feel may just prove that hot new item for this year is coconut water. Coconut water continues to beat year-after-year sales records, with some brands nearly quadrupling sales volumes in the past two years according to industry reports. It's a hot item in the cold vault and one that many feel is just reaching its stride as a mainstream product.

The category began growing in the United States in 2009, mostly in health and natural food stores. Some

CHART TOPPERSFastest Growing
Single Serve Beverages

Dollar Analysis

CATEGORY	PCYA*
Energy Drinks	16.1%
Sports Drinks	15.3%
RTD tea/coffee	10.8%

Unit Analysis

CATEGORY	PCYA*
Sports Drinks	18.7%
Energy Drinks	16.9%
RTD tea/coffee	14.2%

*percent change vs. year prior
in c-stores.

Source: CSP Magazine



wondered if coconut water would grow as fast and furious as vitamin water when that category peaked and went mainstream, noted Ed Thomas with O.N.E. Coconut Water, Los Angeles, Calif. All the major beverage companies took notice of the segment; some even made investments in brands. PepsiCo is invested in O.N.E. Coconut Water, while Coca-Cola took a stake in Zico Coconut Water, Hermosa Beach, Calif.

That kind of quick interest and buy-in of an emerging category emphasizes the importance of jumping on new beverage growth. “That never would have

something new a chance. C-store operators have a huge opportunity here.”

Coconut water is still at the infancy stage, said Thomas. “There is still time to get on board. This is still a lot of upside and it’s a fantastic opportunity. Data now shows males are heavy users of coconut water, drinking it as a post-workout sports drink. “This is the same guy who’s drinking Gatorade,” he said. “It’s a perfect consumer for c-stores.”

The other bonus Thomas pointed out during a C Square Ask the Expert session is that customers will

Getting in front of new products means capturing higher profits early in the life cycle.

happened 10 years ago,” said Thomas. What’s different today is that when a new category starts to emerge, all industry eyes are on that segment to determine the right timing to jump in. C-store owners play their own role in that game, trying to determine the right products to stock, when to add them to a set and when to opt out.

“C-store operators tend to be shy going into these types of niche beverages,” noted Thomas. “My advice is to leave some space available for new, emerging brands. Don’t tie up all your flexible space. Give

begin to make your store a destination for innovation if you dedicate a shelf in the cold vault to emerging product segments, such as healthy beverages. Getting in front of new products means capturing higher profits early in the life cycle.

FAST GROWTH

The coconut water niche fits right into what continues to be a growth-driven segment in the beverage cooler: energy, sports drinks and ready-to-drink teas. Thomas recommends stocking coconut waters with sports drinks, since it most aligns with that

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Limit one entry per store location. Maximum one (1) \$10 rebate per store.

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category as a body-fuel replacement versus placing it in the water door.

Energy drinks and sports drinks rank as the fast-growing beverage segments, both in terms of dollars and units. Ready-to-drink coffee/tea products come in a close third. According to Symphony/IRI Group data published in CSP Magazine, energy drinks had a 16% dollar sales growth in c-stores versus one year ago. Sports drinks rose 15% and RTD tea/coffee rose nearly 11%.

Those strong double-digit increases continue when looking at unit sales. Sports drinks topped energy drinks in unit growth, with nearly 19% growth; compared to energy drink's 17% growth and the 14% growth attributed to RTD tea/coffee.

The positive dollar and unit growth in these segments makes it an even more important area to merchandise properly.

ANTI-ENERGY

On the flip side of the energy market rests "relaxation beverages." This still up-and-coming wave of products are said to take the edge off of stress and anxiety through herbal, plant or hormonal ingredi-

ents. More than 100 new relaxation beverages have hit the market in the past few years, according to market-research firm Datamonitor.

With names like Vacation in a Bottle, Mini Chill and Dream Water, the niche is an interesting complement to energy drinks. There are also relaxation "shots", billed as offering a non-alcoholic way to reduce stress.

Just under 400 different types of relaxation drinks are expected to be on the market in 2011. It's an already established category, according to industry research firm IBISWorld, which predicts the segment will continue to grow as an alternative to sleep aids.

CORE CONNECTION

While new items certainly drive interest, it is wise to never forget about your core. It's really the same principle driving all the "core" workouts at the gym as of late. The key is to focus on the main area for optimal performance.

And the backbone of any cooler set is a solid lineup of carbonated soft drinks (CSDs). Even though CSDs have been losing share to other cold vault subcategories, like energy drinks, CSDs remain the cold vault frontrunner with nearly a 41% share of packaged beverage dollar sales, according to Nielsen Co. data. The next closest category is alternative beverages (fueled by energy drinks), with a 19% share.

CSDs remain must-haves and chief among them is Mountain Dew.

DEW IT

Mountain Dew may be the most powerful carbonated soft drink (CSD) in c-stores. The c-store sales behind this product make it a key item to review the facing counts in your cold vault set. www.wwwww

Sales of 20 oz. single-serve Mountain Dew at c-stores easily outrank all other 20 oz. items. The numbers show that during the first quarter of 2011 20 oz. Mountain Dew sales hit \$157 million at c-stores, according to SymphonyIRI Group data published in CSP Magazine. That's compared to \$99 million in sales for the next closest 20 oz item—Coke Classic. ■



WANT MORE ON COCONUT WATER

Read the full commentary about coconut water trends posted at www.myCsquare.com. Just click on Ask the Expert. Then add your take on the subject.

STOCK-UP MARCH REBATE OFFER

REFRESH and ENERGIZE



Earn a \$20 Rebate* when you stock-up on qualifying Starbucks products.

Plus, qualify for a chance to WIN a Sony Alpha NEX-3 Camera!

Simply purchase a minimum 10 cases of 15 oz., 13.7 oz. and 12 oz. qualifying Starbucks products on a single invoice during the month of March, 2012 and get a \$20 rebate. Purchase must include a minimum one (1) case of each Refreshers flavor, and one (1) case of 15 oz. DoubleShot White Chocolate. (Maximum one (1) \$20 rebate per store)

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All 15 oz. DoubleShot Energy, 13.7 oz. Frappuccino, and 12 oz. Refreshers, in all flavors, both regular and light, count toward your qualifying purchase.

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Limit one entry per store location.
Maximum one (1) \$20 rebate per store.

FINDING *and filling* THE VOID



Leino's Gas and Goods excels at carving out niche opportunities. It's an art form owners Sue and Tom Tibbits have perfected.

By Kathryn Barnack

Single-store owners like Sue and Tom Tibbits are used to hearing advice on how to make their store a success: Connect with the core customer. Appeal to the local community. Capitalize on being small. Focus on niche marketing.

Guess what? The Tibbits are proving that all those things that are supposed to be an advantage to running a single store actually are an advantage. Tom and his wife Sue are testament to the notion that establishing a local connection pays off.

HOW THEY DO IT

The primary rule at Leino's Gas and Goods is to give customers what they want. "If someone comes in and asks for a particular item, we say OK," said Tom. "Then we go and get it."

He recognizes that ability to deliver exactly what customers want as a key advantage over competition. There is no complicated system of corporate approvals, no hierarchy or various levels to seek permission to stock something. Tom's ability to control and act on those decisions means the store can stock items for customers much faster than chain competitors.

That's a big bonus in the small town of Washburn,

Wis., where the store resides. The population is 2,500 and the nearest Wal-Mart is 20 minutes away. It's a little town in northern Wisconsin surrounded by lots of state forest land. "You kind of have to want to be here," Tom said.

"Our business is very, very local," Tom added. "One of the ways we are able to keep our customer base is by catering to that niche. That has been key."

So when a customer wanted a specific beer brand, Tom talked to the beer rep and was able to stock that brand for the customer, saving them the round trip drive time to the nearest big town and at the same time earning a loyal customer in return. "That is the advantage we have over the big guys," said Tom. "People are aware of it."



LEINO'S GAS AND GOODS C-STORE KEY STATS

LOCATION

Washburn, Wis.

WEBSITE

leinosgasandgoods.com

STORE HOURS

5:30 a.m. – 10:00 p.m.
weekdays

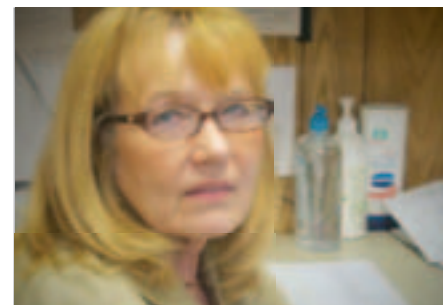
6:00 a.m. – 10:00 p.m.
weekends

NUMBER OF EMPLOYEES

4 full-time and
4 part-time

BUYING GROUP WINS

The Tibbits' actively participate in C-Buying Group, which yields them consistent quarterly rebate checks. They recently signed on for the Frito-Lay shipper program, rely on Core-Mark as a wholesaler partner and use Morrison, Ribbons & More for receipts and printer-related supplies.



STORE SNAPSHOTS

From cappuccino to quick eats, Leino's Gas and Goods strives to give customers what they want. Sue Tibbits (top right), a second-generation store owner, has also perfected the art of building strong local partnerships.

UNDERSTANDING THE COMMUNITY

Tom describes himself as more of the front man at Leino's Gas and Goods, giving much of the credit to his wife Sue for keeping the business successful. He likes to say he simply married into the business.

Sue grew up in the business, having worked at the store since she was 12 years old. She now has two grown children of her own, who both occasionally work at the store. As the owner, she has a unique perspective for the business as well as the community.

"She understands the community so well," said Tom. "The business would not succeed without her."

The expansiveness of categories means that even people who get their gas somewhere else may stop in at Leino's for a different need. The store serves as that kind of small town phenomenon where the community relies on it as their video store, candy store, fishing bait store and more.

In fact, the kids at the elementary school were upset when they thought their Leino's was going away back in the early 1990s. That was when the store changed hands and the Union 76 brand changed to Amoco. That kind of local passion for the store is why Sue and Tom stuck with the Leino's name.

People do business with people they know, like and trust.

It was Sue who decided to get into more whole food offerings at the store, something many would feel is a bit of a stretch for a small store in a small town. But that is exactly the kind of product that Sue enjoys being able to offer the community—niche items that are otherwise not easily available.

As gluten-free items are becoming a bit more mainstream, the store has received positive feedback on stocking them. An even bigger win comes with the fact that people are willing to pay more for these kind of niche items, noted Tom.

"We are part of the community, we decided to continue with the Leino's name," said Tom.

The Leino name stems from original owner Melvin Leino, Sue's father, who started the company in 1952. Melvin, who recently turned 90, started as a bulk oil distributor. He eventually bought a one-bay gas station, which he converted to a c-store in the 70s.

BRANCHING OUT

The Tibbits continue to work hard at maintaining their role in the community. That role includes supporting local businesses, manufacturers and



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TIPS ON CREATING MORE LOCAL CONNECTIONS

Small stores can create a competitive advantage by tuning in with the surrounding community. Two ways to create more local connections:

Focus on special interests.

The Tibbits began stocking more whole foods after becoming familiar with gluten intolerance via a family friend. They take every opportunity to order specific items based on customer requests.

Understand where your store fits in.

Even those who don't purchase gas at the Tibbits' store end up with another reason to stop in, such as developing pictures or renewing their license plate. The store fills a need for customers that don't want to drive outside the local town if it's not necessary.

vendors. The store sells milk and ice cream from the dairy in town, family-owned Tetzner's Diary; gourmet sandwiches from the local upscale eatery Good Thyme; pizzas, lasagnas and soups from nearby Racheli's Deli; and specialty brats and meat snacks from Sixth Street Market, an old-world style meat market in a neighboring town.

Customers can also find beer from the local brewery, South Shore Brewery, in the cold vault and even purchase a CD from local musicians.

The community-centered approach continues with the variety of services the store offers. Visitors

A photo processing machine also went into the store a couple of months ago. That saves customers from driving the 20-mile trip to Wal-Mart, the next closest spot to print photos.

In the summer, customers welcome the sight of the Giant Panda, a Chinese food truck that shows up once a week from nearby Hayward, Wis.

"We try to jam every corner of the store with something," said Tibbits. "We have to do that to survive." He takes a serious look at all areas at least monthly, asking: What are we doing wrong? What can we do different?

We try to jam every corner of the store with something.

can also stop in at Leino's to register their boat, ATV or snowmobile, and pick up information about area trails.

The idea is to fill whatever voids they can find, said Tom. "The more income streams, the better."

They fill whatever voids they find. "The more income streams, the better," said Tom.

ADD-ONS

They have found some unique ways of adding to their business, such as recently taking on license plate renewals for the state of Wisconsin.

AHEAD OF THE GAME

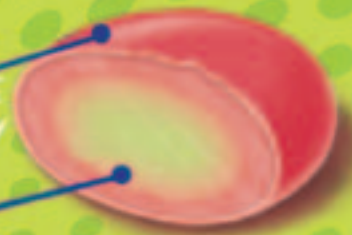
Because both he and his wife are at the store six to seven days a week, he feels on top of what's happening at store level. It also easily creates strong ties with customers. There is an old adage that readily applies to the Tibbits approach to business. It goes like this: People do business with people they know, like and trust.

The Tibbits have all three qualities, which is certain to continue to work in their favor to keep their business a success. ■

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MOVE OVER, BUBBA

...and make way for Healthy Habit Females and other secondary customers in convenience

Convenience stores aren't built on truck drivers, Joe six packs and smokers alone. Just ask any of the 37% of Healthy Habit Females age 25 and under, 60% of Young and Active Males under age 25, and 60% of Busy Bee Families with kids younger than 18 years old who visit c-stores once a week or more, according to data from Schawk Inc. and Mintel.

"C-store retailers know that they cannot simply rely on 'Bubba' for their future sales," said Steven J. Montgomery, president of b2b Solutions, LLC, Lake Forest, Ill. "The cigarette category that Bubba is known to be a heavier buyer

"Females are more likely to be interested in healthy foods and snacks than their male counterparts," said Montgomery.

One particular subset of the Health Habit Female worthy of attention are young Latino women, typically age 24, which are the fastest growing c-store customer segment, according to David Brewster, president, David Brewster Design, Wadsworth, Ohio.

EATING HEALTHIER

Research from NPD Group/Crest indicates that over 70% of Americans are trying to eat healthier, which makes a

Test the new Special K line of Cracker Chips in both the main snack area and healthy snack area—see where it sells best.

in is declining. They have to appeal to a broad range of customers. And in order to keep them coming, retailers have to change their historic positioning to broaden that appeal."

SHOPPERS TO AIM FOR

One of the most important secondary shopper categories to aim for is Healthy Habit Females, Montgomery said. Among this young demographic, 40% purchase hot foods and 75% buy sweet and salty snacks—and that makes them an ideal target for tasty, guilt-free treats like Kellogg's new line of Special K Cracker Chips, now available in Sea Salt and Cheddar flavors.

snack like Special K Cracker Chips attractive: They represent a good source of fiber and contain only 110 calories per bag. Plus, they generated over \$100 million in sales in their first 7 months, per Nielsen FDMx data.

Montgomery recommends testing the new Special K line of Cracker Chips in both the main snack area and healthy snack area to determine where it sells the best.

Brewster further suggests placing Special K Cracker Chips "at the food service counter, so it's associated with fresh foods."



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* Nielsen FDMx, YTD ending 7-16-11



ADVANTAGE: Small Store



TERRY LAMBERT
CBC Learning Center
Instructor

Lambert@cbuying.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.

The latest c-store data shows that single-store operators are growing faster than overall c-stores. In case you didn't know, we dominate (doesn't always feel like that, I know).

The reality is that single-store operators account for 62.9% of stores in the convenience retailing industry according to the latest NACS/Nielsen Convenience Industry Store Count.

That's a lot of single operators.

WHAT IT MEANS

It's important to realize that we have strength in numbers; independent operators are strong, resourceful businesspeople. Sometimes we need to remind ourselves of that.

Look around at all the advantages you have as an independent.

A big one, I think, is the ability to adapt to trends quickly. As an independent, there are few layers of corporate red tape to sort through if you want to make a change. For most of us, if we want a new product, we make the decision and add it.

I push myself to keep trying new things. It's great when it shakes out in your favor and proves worth doing. I'm always on the hunt for the next new thing. Good ways to do that are reading magazines like

this one, pulling out ads and information when you see something that interests you or something that's working at another store.

It's just as important to watch and judge when to pull back.

Watch the turns on new items. See how many cases a week you are selling of the item. Is it in the Top 10? It's sometimes a hard thing to know when to scale back, but each product needs to generate enough dollars out of that square footage to justify it being in the store.

GUT CHECK

First, however, be willing to try new things.

Ask yourself, do you take advantage of being able to implement change fast? Do you jump on new products when they become available, or are you slow to try new things?

Look to see where you can capitalize on being an independent operator. Maybe customize more to your neighborhood or try not to be so quick to say "no" when that next new product comes your way ... give it chance.

Be the store that's known as a trend-setter, not a trend follower.

Want to hear more ideas, tips and tactics? Check out Terry's Retail Tips on www.mycsquare.com. Simply click on Retail Tip Videos and choose from 20 different episodes.

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THINK SHRINK

You know your product buying price. You know the selling price. If the math still isn't working to your favor, the problem is going to be theft. That is the No.1 spot to focus on if you want to impact store profits.

MORE ON P. 9

STAY TIMELY

Rely on your wholesaler to make sure you get a jump on new items. Consumers look to c-stores for what's hot and trendy.

Some items are only hot for a short period, so you want that hot item on the shelf as soon as possible.

MORE ON P. 9



MONTHLY CHECK-UP

Ask yourself every month: What are we doing wrong? What are we doing right? Pausing regularly to take a serious look at all areas will keep you on top of what's happening at the store level.

Another tip to staying ahead: keep reading C Square magazine and check out additional tips and trends online at www.myCsquare.com.

MORE ON P. 24

ACTION ITEMS

RESET REGULARLY

Set up a regular time to have your wholesaler come in and review and reset your store. This generally free service gives your store extra attention, offers you face time with people in-the-know and ensures you re-examine products at least twice a year. A re-examination of products allows you to see how things could be better moved around the store.

MORE ON P. 10



BUY PROMOS

Stock up on wholesaler promotions. That way even when the promotional period ends for customers, you keep selling product at the discounted cost. It's an easy way to bring greater profits to your store.

Wholesalers now offer more customized services than ever before. Ask to make sure your business is taking full advantage of what's available.

MORE ON P. 10

FOOD PUSH

Thinking of expanding into foodservice? Many wholesalers are placing a greater emphasis on food programs for c-stores. Even better, they are focused more on independents now as well.

MORE ON P. 12



LOCAL, LOCAL, LOCAL

It is so simple. Just listen to what customers want and give it to them. Independent operators Tom and Sue Tibbits have that strategy down to a science. When a customer asks for a specific beer brand, they stock it. The customer buys it. Win-win.

They also strive to stock locally. There is milk and ice cream from the locally-owned dairy, gourmet soups and sandwiches from a local eatery and specialty meats from the local deli.

MORE ON P. 22

What if you could trade a counterfeit for **THE REAL THING?**

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