



# AVANTI

NCA  
SEF  
National Coalition  
of Associations  
of 7-Eleven Franchisees

September/October 2014 THE VOICE OF 7-ELEVEN FRANCHISEES

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Website at [www.ncasef.com](http://www.ncasef.com)

## Managing Internal & External Issues



- Who Is The Customer Under BT?
- Recent Maintenance Rate Hikes
- Where's The Servant Leadership?
- Transparency Or Opacity?
- Moving Vape From Cool To Convenient
- The Minimum Wage Increase
- Good Intentions, Bad Results

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### GOAL

Increase distribution of Coca-Cola Refreshments Juice SKU's by 10% between November 1st, 2014 and January 31st, 2015.

### ELIGIBILITY

Each store that stocks a minimum number of Coca-Cola Refreshment Juices SKUs will gain entries into a drawing for cash prizes (eligible SKU's by Brand in priority ranking on opposite page.)

- Stores carrying 12 SKUs (two SKUs must be Simply Beverages 59 fl oz size) will receive 20 entries into drawing
- Stores carrying 10 SKUs (one SKU must be Simply Orange Pulp Free 59 fl oz) will receive 10 entries into drawing
- Stores carrying 8 SKUs will receive 5 entries into drawing

### MEASURE (7-Exchange Data)

Number of store entries into the drawing will be determined by using the Latest 12-Week ending 1/25/15 store level data for eligible SKUs.

### DRAWING

Coca-Cola Refreshments will complete the drawing among eligible franchisees in February 2015, winning stores announced in March 2015, and payout by April 30th, 2015.

### INCENTIVE KICKER

NCASEF will receive a payment of \$15,000 to be used at the boards discretion if total store SKU growth meets certain parameters.

## Payout Potential: \$75,000

Twenty (20) \$500 prizes available (\$10K)

Ten (10) \$1,000 prizes available (\$10K)

Ten (10) \$1,500 prizes available (\$15K)

Ten (10) \$2,500 prizes available (\$25K)

*\$15,000 to NCASEF for achieving 10% growth target.*

Note: Store level prize pool will be determined by overall growth % achieved for NCASEF. Every 1% = \$6,000

Questions: Contact Tim Zeigler at 972-740-0941

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Orange Juice  
(15.2 fl oz)  
SLIN #: 0240632



Apple Juice  
(15.2 fl oz)  
SLIN #: 0240630



Cranberry Apple  
Raspberry  
(15.2 fl oz)  
SLIN #: 0240955



Cranberry Grape  
(15.2 fl oz)  
SLIN #: 0241332



Tropical Blend  
(15.2 fl oz)  
SLIN #: 0247967



Berry Blend  
(15.2 fl oz)  
SLIN #: 0247976



Pineapple  
Orange Juice  
(15.2 fl oz)  
SLIN #: 0242447



Simply Orange-  
Pulp Free  
(11.5 fl oz)  
SLIN #: 0248051  
UIN #: 152405



Simply Lemonade-  
(11.5 fl oz)  
SLIN #: 0248027  
UIN #: 152173



Simply Lemonade-  
with Raspberry  
(11.5 fl oz)  
SLIN #: 0248028  
UIN #: 152264



Simply Orange-  
with Mango  
(11.5 fl oz)  
SLIN #: 0248029  
UIN #: 152314



Simply Cranberry-  
Cocktail  
(11.5 fl oz)  
SLIN #: 0248052  
UIN #: 152389



Simply Apple-  
(11.5 fl oz)  
SLIN #: 0248049  
UIN #: 152074



Simply Limeade-  
(11.5 fl oz)  
SLIN #: 0248050  
UIN #: 152249



Simply Fruit Punch™  
(11.5 fl oz)  
SLIN #: TBD  
UIN #: TBD



Simply Tropical™  
(11.5 fl oz)  
SLIN #: TBD  
UIN #: TBD

Simply Beverages

Simply 59 fl oz  
Multi-Serve



Simply Orange-  
Pulp Free  
(59 fl oz)  
SLIN #: 0242568  
UIN #: 650119



Simply Lemonade-  
(59 fl oz)  
SLIN #: 0243848  
UIN #: 443358



Simply Lemonade-  
with Raspberry  
(59 fl oz)  
SLIN #: 0244450  
UIN #: 733832



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# AVANTI

THE VOICE OF 7-ELEVEN FRANCHISEES

September/October 2014

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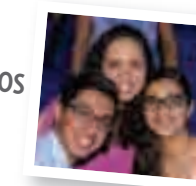
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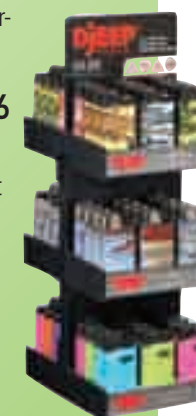
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AVANTI is published by the National Coalition of Associations of 7-Eleven Franchisees for all independent franchisees, corporate store managers, area licensees and interested parties. National Coalition offices are located at 740 Front Street, Suite 170, Santa Cruz, CA 95060. For membership information, call 831-426-4711, e-mail [nationaloffice@ncasef.com](mailto:nationaloffice@ncasef.com) or fax to 831-426-4713. AVANTI Editorial and Advertising Offices are located at 116 Bellevue Ave., Suite 304, Langhorne, Pennsylvania 19047. For advertising information, call Sheldon Smith at 215 750-0178 or fax to 215 750-0399; on-line, send messages to [sheldon.smith5@verizon.net](mailto:sheldon.smith5@verizon.net).



### NCASEF Launches Franchisee Survey

The National Coalition of Association of 7-Eleven Franchisees is conducting a confidential survey on issues and concerns affecting every 7-Eleven franchisee nationwide in order to better engage SEI and NCASEF members in discussions about these topics. NCASEF has contracted independent market research company FranchiseGrade.com to survey every franchised store in the U.S. to collect accurate, unbiased information for this purpose.

To ensure confidentiality, franchisees will receive a 6-digit code in the mail, along with the survey's URL. Once received, franchisees simply go to the survey website on their smartphone, tablet or computer, enter the code, and take the survey. The survey has 46 questions and should take approximately 15 minutes to complete. For more information about the survey, read NCASEF General Counsel Eric Karp's column on page 37 in this issue.



other things, SB 610 would require a franchisor that terminates an agreement without a material breach to compensate the franchisee for the fair value of their business, or to provide them an opportunity to sell. "It gives us a little bit of protection against termination and retaliation," he said. "The bill won't solve everything, but it allows us to sleep at night."

San Diego FOA chief financial officer Lucinda Keller wrote an article for the *San Diego Union-Tribune* encouraging the governor to sign the bill. She wrote that by signing SB 610, Governor Brown "can take a significant step to ensure job-creating enterprises like mine can survive and thrive. SB 610 restores the basic fairness that's been lost in the franchise sector of our economy as big corporate franchisers increasingly squeeze 80,000 small businesses that employ one million Californians."

Serge Haitayan, president of the Sierra FOA, countered claims by franchisors and those opposing SB 610 that the bill would limit franchise expansion in California, will cost jobs and will protect bad franchisees because it is poorly worded. In the *Business Journal*, he stated that the measure doesn't seek to change the basic rules of the franchise model, rather it helps protect the basic business rights of franchisees. He said short of bad business practices, franchisees and their franchisors are partners and the store-owners should be treated fairly.

### Rebelez Leaves SEI

SEI recently informed franchisees that Executive Vice President and Chief Operat-

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*"The NCASEF has launched a survey of franchisee attitudes and opinions on a variety of topics."*

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September/October 2014

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2

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## National Coalition Announces Dates and Location For 40th Anniversary Convention and Trade Show

The Sheraton Chicago Hotel & Towers has been chosen as the site of the National Coalition's 2015 convention and trade show, which is scheduled for July 27-31, 2015. The event is significant, because it is the 40th Anniversary of the first known meeting of 7-Eleven franchisees, and the incorporation of the Convenience Stores Franchisee Association, the earliest known 7-Eleven Franchisee Owner's Association, in

Seattle, Washington. The National Coalition today includes 43 FOAs throughout the 31 states in which 7-Eleven operates.

Franchisees, vendors and SEI management are all welcome at the event. The Sheraton Chicago is located in the heart of downtown, on the Chicago River, and within walking distance of Navy Pier, Magnificent Mile shopping, Millennium Park and the famous Loop business district.

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ing Officer Darren Rebelez is leaving the company to pursue other opportunities. His replacement has yet to be named. In the meantime, Rebelez's direct reports Brad Jenkins, Wes Hargrove, Bob Cozens, Greg Franks and Ben Tison will report to SEI President Joe DePinto.

*"The NCASEF 40th Anniversary Convention will celebrate franchisee unity since 1975."*

## Nearly All Baltimore, D.C. 7-Elevens Franchised

SEI has significantly increased its percentage of franchise operations in the Maryland and Washington, D.C. markets, reported NACS Online. Of the 781 stores in the Baltimore and Washington, D.C., markets, 85 percent are now franchise operations, with the remainder company-operated and available for franchise. The company said it now provides more than 6,000 jobs through its stores in the region. SEI said its impact in these neighborhoods is significant. In 2013, local 7-Eleven stores paid \$73 million to the Lottery for its share of tickets sold at store locations throughout the region. Also, in 2013 alone, 7-Eleven stores paid almost \$38 million in property, payroll, sales, use and excise taxes. There are presently about 30 stores available for franchise in Maryland and the greater D.C. area.

## Virginia 7-Eleven Tops On 'National Hot Dog Day'

A 7-Eleven store in Smithfield, Virginia beat out every other 7-Eleven in the country on National Hot Dog Day in July,

continued on page 20



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selling 1,083 quarter-pound hot dogs in 24 hours, reported *The Daily Press*. Franchisee Mike Smith, a huge wrestling fan, told the newspaper he was motivated to out-sell his colleagues when he heard the winner would hold a professional wrestling-style

champion's belt emblazoned with the 7-Eleven logo until the next friendly sales contest. Although his goal was to sell more hot dogs than the other 7-Elevens in his market, he ended up being the top seller in the nation by employing a strategy of

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selling the hot dogs by the box—a case of 40 hot dogs at a dollar a dog—to churches, school groups, restaurants, YMCAs and individuals. The runner up sold about half as many wieners.

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## FOAC Charity Golf Outing Raises Over \$100,000

Over 150 people attended the 24th Annual FOAC Charity Golf Outing in August, raising over \$100,000 to benefit the Ann and Robert H. Lurie Children's Memorial Hospital, Charles Tillman's Cornerstone Foundation, and Gift of Hope: Organ Tissue Donation Network. Once again, the spectacular St. Andrews Golf & Country Club in West Chicago, Illinois, set the stage for a fantastic day of networking and golf, including a "Meet & Greet" breakfast, a BBQ lunch, a cocktail reception, a buffet dinner, raffle drawings, prizes, and an award ceremony.

"We were extremely pleased with the turnout," said FOAC board member Pinak Patel, the Chairman of this year's golf outing. "Thanks to the participation of our franchisees, our vendor partners, and members of the community, we were able to exceed our financial goals," he added. "Their support was truly appreciated and our selected charities will benefit greatly from their generosity."

"Our golf committee did an excellent job from start to finish," said Ken Patel, president of the FOAC. "It was a true team effort and the results speak

for themselves," he said. "We've already started planning for next year's event and look forward to raising even more funds for our beneficiaries."



Enjoying a beautiful day of golf at the St. Andrews Golf & Country Club are (left to right) Mike Jezek, store manager, Damon Shareef, field consultant, Elizabeth Knoll, field consultant, and Jamie Mann, field consultant.



Welcoming franchisees and vendors to the 24th Annual FOAC Charity Golf Outing are (left to right) Ken Patel, Hetal Patel, Liaqat Ali, Mike Parikh, Manoj Solanki, Nick Patel, Hashim Syed, and Nizarali Ladhani.



FOAC Board members Nizar Ladhani, Ken Patel (FOAC president) and Pinak Patel prepare for the start of the Annual FOAC Charity Golf Outing.

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**Reese's**  
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## 7-Eleven Back In San Antonio

7-Eleven has reentered the San Antonio market after a 25-year absence with the opening of a franchise store at Stone Oak and Huebner, reported the *San Antonio Business Journal*. Tony Alabi, the franchise owner of the new store, also has the distinction of being one of the first local employees hired by 7-Eleven when it first entered the market in 1969. Back then he was a district manager for the company. SEI is currently offering franchise opportunities throughout San Antonio. The stores up for sale were part of the retail and wholesale assets the company acquired from San Antonio-based TETCO Inc. for an undisclosed sum in 2012.

*“SEI is looking for buyers for its newly converted stores in Ohio and New York state.”*

## SEI Franchising Stores In Ohio & NY

SEI has been holding franchising seminars in Northeast Ohio and Western New York to find buyers for its newly converted stores in those areas, according to multiple news reports. The majority of the 90 Buffalo-area stores in New York are former Wilson Farms stores that were acquired in 2011 and subsequently refurbished by the company, reported the *Niagara-Wheatfield Tribune*. The seminar for those stores was held on September 18 in West Seneca, NY.

On September 25, SEI held an open house in Cuyahoga Falls, Ohio in an effort to find franchisees to operate 37 of its stores in the Cleveland-Akron area, reported the *Norwalk Reflector*. Many of the stores were part of the company's purchase of 67 Easy Trip/BP convenience stores in 2012. The

stores previously were owned by EZ Energy USA, Inc. Prior to the purchase, there were fewer than a dozen 7-Eleven stores in Ohio. SEI followed the open house with a three-hour franchise seminar in Beachwood the following day.

## Congressmen Go To Work At C-Stores



SEI and Maverick Inc. put members of Congress to work behind their counters in August as part of a lobbying campaign by NACS to convince lawmakers to address retailers' concerns about menu labeling, data security and payment card swipe fees, reported *Corporate Counsel*. During the August recess for Congress, Republican Reps. Chris Stewart and Rob Bishop of Utah and Mike Coffman, of Colorado, spent time interacting with 7-Eleven and Maverick employees and customers and learned "first-hand how proposed legislation ... affects retailers," NACS stated on its website. NACS this year has lobbied against proposed menu labeling regulations and for efforts to improve payment data security and stop unfair credit and debit card swipe fees. The organization spent \$1.8 million on federal advocacy work during the first half of this year.

## Seven & I's First-Half Profits Fall Short Of Target

SEI parent company Seven & I Holdings turned in a first-half profit that came up short of its own expectations due to slowing growth at its core 7-Eleven convenience store chain points and weakening consumer spending across the country, reported

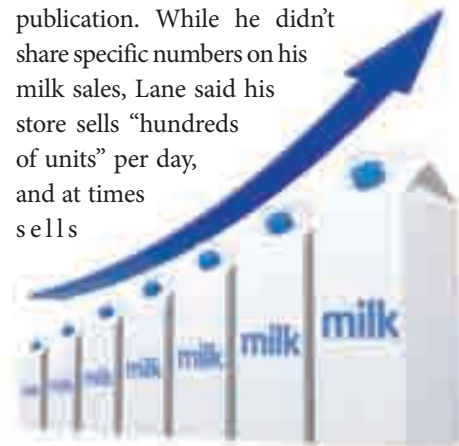
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*“7-Eleven has reentered the San Antonio market after a 25-year absence.”*

Reuters. While Seven & I said operating profit still rose 1.6 percent in the six months to August 31, the shortfall comes amid growing questions over consumer spending trends after Japan raised its sales tax to 8 percent in April from 5 percent. Seven & I also warned consumer sentiment was being hit as the weaker yen means Japan has to pay more to import fuel and power inputs. The first-half operating profit was 167.2 billion yen (\$1.54 billion), below the company's own estimate of 170 billion yen. Still, the retailer left its full-year forecast at a record 356 billion yen, which would represent growth of 4.8 percent from the previous year.

## Franchisee Crowned 'Dairy King'

Former NCASEF chairman and current New England FOA president Dennis Lane was recently featured in *CSP Daily News* for his extraordinary milk sales. "It's been known in the c-store industry that if you've got a healthy milk business, you've got a healthy store," Lane told the c-store publication. While he didn't share specific numbers on his milk sales, Lane said his store sells "hundreds of units" per day, and at times sells



continued on page 24

Exciting, NEW Frozen Novelty!

# Bursting with Flavor & Profit Potential

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STRAWBERRY Sorbet Bar

SLIN #190010

**Starburst Sorbet Bars**

**MARS**  
chocolate  
north america

**New STARBURST® Strawberry Sorbet Bars Will Expand the Category and Grow Sales**

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- This competitively priced item with high brand recognition, has the perfect combination for increased volume and sales.

<sup>1</sup>Q. Research Consumer Test, May 2013  
<sup>2</sup>Source: ADD Labsat 20+ W/E 8/12/14  
\*Final packaging is subject to change



12 times the national c-store unit average, regularly outpacing other 7-Elevens in his market. He also said his store leads in sales of take-home half-and-half and cream. "He dedicates the right amount of space to milk," said Frank Whorfe, director of c-stores for Garelick Farms and Lane's dairy supplier. "He recognizes milk as a destination item and uses milk to encourage the purchase of other items."



### Target Plans Smaller Format Stores In San Francisco

Target recently announced plans to open two new TargetExpress stores in San Francisco's Financial District and Berkeley, California, in March 2015. Target's first TargetExpress store opened this year in Minneapolis, and the San Francisco-area stores will mark the first time Target is expanding this format outside the Minneapolis area.

The San Francisco store will be approximately 18,000 square feet and the Berkeley store will be approximately 12,000 square feet. Target said its store teams have spent time understanding each local community to determine the right merchandise mix for each store, so both TargetExpress locations will be customized to fit the individual needs of the surrounding neighborhoods.

### One In 9 Americans Worked At A C-Store

One in nine American adults has worked in a convenience store and they

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Visit the National Coalition's website at [www.ncasef.com](http://www.ncasef.com)

## Legislative Update



### California Governor Vetoes Franchise Bill

California's Governor Jerry Brown recently vetoed SB 610, a bill that would have given franchise owners more power in business transactions, reported *The Fresno Bee*. In his veto message, Brown noted that franchisors and franchisees were far apart in the debate over the bill and suggested "it is in the best interest of all that a concerted effort be made to reach a more collaborative solution."

The measure sought to alter the relationship between parent companies and the franchisees who operate individual businesses, with supporters saying the bill would reduce franchisors' authority to rigidly dictate the terms under which franchisees operate. Among other provisions, SB 610 would have raised the standard for refusing to renew a contract from "good cause" to "substantial and material breach of the franchise agreement." Brown said he had doubts about the change: "While the good cause standard is common and well understood, the standard provided by this bill is new and untested."

"California's Governor Jerry Brown recently vetoed SB 610, a bill that would have given franchise owners more power in business transactions."

### Swipe-Fee Battle Again Heats Up

In the latest skirmish in the nine-year legal battle over interchange fees, SEI, Walmart and other retailers—joined by Senate Majority Whip Richard Durbin—recently filed several briefs with the U.S. Supreme Court seeking to change the Federal Reserve's cap on debit card interchange fees that took effect three years ago, reported the *Credit Union Times*. The retailers contend that the swipe-fee cap was set higher than Congress intended when it passed the Dodd-Frank Consumer Protection and Wall Street Reform Act of 2010. SEI and Wal-Mart, which opted out of the \$7 million antitrust settlement with Visa and MasterCard, filed separate amicus briefs recently, arguing the Fed misinterpreted the legislation's intent and the fee cap should be lowered.

### San Diego City Council Moves Minimum Wage Hike To Public Vote

The San Diego City Council voted unanimously recently to put the minimum wage increase issue to a public vote in June 2016, reported news station Fox 5 San Diego. The incremental hike to \$11.50 an hour was passed by the council in July, and in August the council overrode the mayor's veto to push the minimum wage increase forward. However, opponents collected enough petition signatures to force either a public vote or repeal of the ordinance. The three-stage hike would have resulted in the lowest pay in the city being set at \$11.50 an hour by January 2017. The or-

"Advocates argue that a higher minimum wage and other benefits can help low-wage workers make ends meet and can lift some out of poverty. Others say it's a job killer."

continued on page 54

# Get Ready for Cold and Flu Season With The Top Brand Consumers Know And Trust



Tylenol Cold & Flu SEVERE 24ct Caplet  
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UIN 051003

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Children's Tylenol 4oz Cherry Blast  
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Tylenol Sinus Congestion and Pain SEVERE 24ct Caplet  
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UIN 669879



Tylenol Extra Strength 10-Caplet Vial  
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UIN 274431

\*Source: FDA  
\*\*Source: Prescription Marketing Team, Market Research  
Consumer Health Care

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### Legislative Update 2014 Minimum Wage By State



The table below reflects state minimum wages in effect for 2014, as well as future increases, as provided by the National Conference of State Legislatures. Some interesting facts revealed by the data includes:

- 38 states introduced minimum wage bills during the 2014 session; 34 states considered increases to the state minimum wage.
- Connecticut, Delaware, Hawaii, Maryland, Massachusetts, Michigan, Minnesota, Rhode Island, Vermont, West Virginia and D.C. have enacted minimum wage increases during the 2014 session.
- As of August 1, 2014, 23 states and Washington, D.C. have minimum wages above the federal minimum wage.
- 18 states have minimum wages the same as the federal minimum wage of \$7.25.
- Three states have minimum wages below the federal minimum wage (the federal minimum thus applies).
- One state, New Hampshire, repealed their state minimum wage in 2011, but left the reference to the federal minimum wage.
- Five states have not established a state minimum wage.

### 2014 State Minimum Wages & Future Increases

State	Minimum Wage	Effective Date
Alabama	none	
Alaska	\$7.75	
Arizona	\$7.90	
Arkansas	\$6.25	
California	\$9.00	
Colorado	\$8.00	
Connecticut	\$8.70	
Delaware	\$7.75	
D.C.	\$9.50	
Florida	\$7.93	
Georgia	\$5.15	
Hawaii	\$7.25	
Idaho	\$7.25	
Illinois	\$8.25	
Indiana	\$7.25	
Iowa	\$7.25	
Kansas	\$7.25	
Kentucky	\$7.25	
Louisiana	none	
Maine	\$7.50	
Maryland	\$7.25	
Massachusetts	\$8.00	
Michigan	\$8.15	
Minnesota	\$8.00/\$6.50	
Mississippi	none	
Missouri	\$7.50	
Montana	\$7.90/\$4.00	
Nebraska	\$7.25	
Nevada	\$8.25 w/ benefits	
New Hampshire	repealed by HB 133 (2011)	
New Jersey	\$8.25	
New Mexico	\$7.50	
New York	\$8.00	
North Carolina	\$7.25	
North Dakota	\$7.25	
Ohio	\$7.95/\$7.25	
Oklahoma	\$7.25/\$2.00	
Oregon	\$9.10	
Pennsylvania	\$7.25	
Rhode Island	\$8.00	
South Carolina	none	
South Dakota	\$7.25	
Tennessee	none	
Texas	\$7.25	
Utah	\$7.25	
Vermont	\$8.73	
Virginia	\$7.25	
Washington	\$9.32	
West Virginia	\$7.25	
Wisconsin	\$7.25	
Wyoming	\$5.15	



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2/S4  
Nov - Dec  
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continued from page 24

say that the experience gave them valuable experience in how to work with people, how to manage processes and how to run a business, according to a national consumer survey released by the National Association of Convenience Stores (NACS). Overall, 11 percent of adult Americans say they have worked at a convenience store or gas station and 3 percent of all Americans say that it was their first job, according to a national survey of adult Americans.

Those who have worked at convenience stores found the experience to be valuable: 87 percent say they learned a

*“Eleven percent of adult Americans say they have worked at a c-store.”*

lot about how to work with people, 85 percent say the experience that they gained was valuable, 82 percent say that they learned a lot about the world of work and 80 percent say that they learned how businesses are run. Those who said their first job was at a convenience store were even more positive about the experience: 96 percent say that the work experience was valuable and 95 percent say that they learned a lot about the world of work.

## Uber Tests ‘Corner Store’ Delivery Service

Ride-sharing service Uber has begun testing a new same-day merchandise delivery service dubbed Corner Store in a few Washington, D.C., neighborhoods, reported the *Wall Street Journal*. The test thrusts Uber into the red-hot same-day delivery market now dominated by Amazon.com as well as Google, eBay and a host of startups like Postmates. Uber said for now the test of Corner Store will be limited to about 100 items like



batteries, shaving gel and Wrigley’s gum. The service will work through Uber’s mobile app, with drivers fetching the merchandise and bringing it directly to users, with no additional fees. Corner Store will only be available during weekdays. It’s not clear exactly where the goods are coming from, but a spokesman told the newspaper that Uber will be “working with a variety of vendors” to supply the products.

## Couche-Tard Announces Record Net Earnings

Canadian c-store retailer and Circle K parent company Alimentation Couche-Tard announced record net earnings of \$269.5 million for its first quarter of fiscal 2015—up 5.7 percent over the first quarter of fiscal year 2014. The company also reported store merchandise revenues increased 2.8 percent in the U.S., 1.2 percent in Europe and 3.3 percent in Canada. Additionally, Couche-Tard said merchandise and service gross margin stood at 32.8 percent in the U.S., at 41.9 percent in Europe and at 33.3 percent in Canada, for a consolidated margin of 34.1 percent, an increase of 0.3 percent.

## No More Free EBT Equipment For SNAP Stores

As of September 21, retailers that redeem Supplemental Nutrition Assistance Program (SNAP) benefits no longer receive free Electronic Benefit Transfer (EBT) equipment, supplies and related services, reported NACS Online. This is thanks to the Farm Bill signed into law on February 7. Under prior law, states were required to provide a no-cost option for retailers’ point of sale EBT equip-

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Visit the National Coalition’s website at [www.ncasef.com](http://www.ncasef.com)



According to the United States Census Bureau, supermarkets and grocery stores are a **\$466 billion industry** with nearly 65,000 stores nationwide, and they service everyone from those looking for convenient foods to those who want to cook everything from scratch. • **Convenience stores within one mile of a CVS drug store have gained sales of 1.5 cartons of cigarettes per week** since the chain began phasing out tobacco products, reported *CSP Daily News*. • Convenience stores and gas stations **lost \$250 million to credit and debit card fraud last year**, reported *NACS Online*. • E-cigarette sales are increasingly shifting to thousands of recently opened “**vape shops**” where consumers can buy refillable vaporizers that can pack more than five times the liquid and battery power of the smaller, sealed e-cig, reported the *Wall Street Journal*. • **Just over a year after Twinkies made their celebrated comeback** to store shelves, one of the four bakeries that make them has closed, reported *CNNMoney*. The closing of the Schiller Park bakery, located outside Chicago, put 400 employees out of work. • **UPS said a breach of computer systems at its retail outlets** may have exposed customers’ personal and payment data at some locations this year, reported *Bloomberg*. The company said **malware was found at 51 locations in 24 states**, and about 105,000 transactions were affected. • **Keurig Green Mountain has announced a partnership with Kraft Foods** to make Kraft’s branded coffees—including Maxwell House and Gevalia—for Keurig’s single-serve brewing systems. • Circle K has selected San Jacinto for its first new prototype in Southern California, reports *The Press Enterprise*. The prototype will feature a 4,500-square-foot c-store offering fresh food, a Mobil gas station with eight fuel pumps, and a

continued on page 34

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- 3 Musketeers Bites: SLIN 142930
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# Who Is The Customer When It Comes To BT?

BY JOE GALEA, EXECUTIVE CHAIRMAN, NCASEF

As SEI rolls out the Hybrid Business Transformation model, with its consolidated beer and soda deliveries and McLane deliveries to stores all set on designated days, many questions continue to arise about this new distribution program. One of the questions we've always asked is, "Who is the customer when it comes to BT?" Is it us as franchisees, or is it SEI, which has direct contact with our vendors and suppliers, and subsequently makes all the deals with them? Is it the guest who comes into our store to make purchases, or is it the vendors that are trying to adapt to our new business concept? It seems like we as franchisees are caught in the middle, not really understanding who the true customer is in this scenario.

Through Retailer Initiative we've always been able to merchandise our stores according to our customers' needs and wants. We've always had the opportunity to call McLane, for example, and add items to our order. We've also been able to set up new items in the system and order them. Since the rollout of BT, however, this is all more labor intensive, more difficult to do, and our suppliers are oftentimes caught in a tight spot of having to decide whether to make a product available to the store or go by SEI's guidelines.

This leaves the franchisee wondering what they need to do to get that product into their store. One solution some have found is to use a non-recommended vendor, but then you're going up against your 15 percent purchasing allowance, which could get tricky at times. To complicate

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matters further, if we want to add items to an order—even with our national vendors—we must now

pay by either COD, money order or we try to get our own credit line with the vendor. Also, the sales reps that come to our stores are not really sure about the sales promotions or what they can introduce to the store, because even if we want the product, we still have to apply for credit or pay for that product upon delivery, which some stores do not favor. So adding more items to an order or adding new items into the system is now more restrictive with BT.



**“Who is the customer when it comes to BT? Is it us as franchisees, SEI, our guests, or the vendors who are trying to adapt to our new business concept?”**

We, as franchisees, are caught in the middle between SEI and our vendors as we try to get merchandise into our stores so we can maximize sales and profits. We're being restricted on our ability to be truly independent contractors and satisfy the needs of our customers and deal effectively with our vendor partners. Previously we were able to work with our suppliers to set up delivery schedules that fit the store's needs. Now under BT it's all being routed. The store has no discretion

In short, we hope that somewhere down the line, as the Hybrid BT rollout is completed, we will all go back and remember who the customer is. Our customer is the guest that's coming into our store and our customer is our vendor partner that we rely on to bring us new merchandise and help us increase our business. Looking forward, we hope that this entire rollout will be reviewed and adapted to where a store can actually take charge of their own ordering and store deliveries. **AV**



**“Through Retailer Initiative we've always been able to merchandise our stores according to our customers' wants and needs. We've always had the opportunity to call McLane, for example, and add items to our order.”**

in changing delivery days, and this impacts the labor hours designated. Many times deliveries arrive during a store's prime sales time, which means guests are not being attended to in a proper manner, and of course our guest is the one person that has no knowledge of the tough situation we're in.



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# Questions Over Recent Contract Maintenance Rate Hikes

BY JIVTESH GILL, EXECUTIVE VICE CHAIRMAN, NCASEF

Most franchisees are aware by now that the cost for contract maintenance from SEI and FM Facility Maintenance has escalated. Every store should have received a packet from FM showing the new pricing summaries for each piece of equipment in your store. In the packet, FM mentions their continuing efforts to remain transparent in their partnership with us, and while we appreciate that they shared the new rates in advance, many questions arise about transparency. Who negotiated the new prices? How did they come up with the increases? What performance parameters did they look at before deciding on the rate hikes?

The maintenance price increases are different for every Zone, but in my Zone, the rates went up approximately 22.8 percent, and I'm wondering why we had such a huge jump. In most Zones the increase generally ranges from 15 to 25 percent. FM calls this "standardized scope and price"—they've standardized the scope nationally and then standardized the price by Zone.

Within the letter that came with the new pricing packet, FM writes: "We consider a productive partnership to be the key to everyone's success and have worked collaboratively to develop quality equipment coverage at a fair price." They talk about collaboration and partnership, but unfortunately during the whole exercise of coming up with the new rates, franchisees never had a seat at the table while negotiations took place. There was zero involvement from any franchisee or franchisee group, so naturally, franchisees are asking the aforementioned questions. In years past, when we negotiated maintenance contracts, FOAs were often involved and provided solid feedback in the negotiations process.

When FM was first awarded the maintenance contract what now seems like many years ago, SEI was able to save money by eliminating their entire Facilities Department.

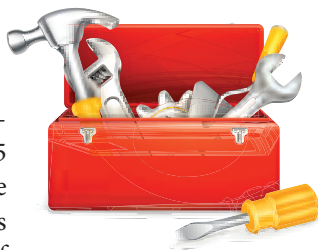
**"In some Zones the maintenance fee increase is as high as 24 percent, but generally the hikes range anywhere from 15 percent to 25 percent."**

ment. Now we are paying FM to manage the contractors that 7-Eleven used to pay for franchisees, and we are still not sure that these price increases are filtering down to our actual maintenance contractors. At that time SEI clearly stated that contract maintenance fees would not increase. In fact, we



**"The bottom line is that franchisees have no knowledge about our own maintenance contract. For transparency to be achieved, we should be part of the contract process."**

were told we would see some prices decrease over the years, because as we grew our store base SEI would build more efficiency into the maintenance process. Now FM is saying the reason behind the sudden, big jump in contract maintenance rates is that there hasn't been a price increase in years and inflation has increased substan-



tially. Yet to franchisees, a 15 to 25 percent increase in one shot seems like too much. If franchisees had been part of the negotiations, we could have provided input on the validity of the increase and how it could have been implemented to lessen the blow to our bottom lines.

Needless to say, the efficiency in the maintenance process that would have lowered prices has not materialized. The irony is that over the last few years, while SEI has added some 1,800 stores through growth and acquisition, the company has neglected to replace the very old equipment in existing stores. Much of that equipment has lived its lifespan three times over and requires constant repairs and maintenance, for which franchisees end up paying the bill.

Indeed, how SEI has neglected the physical plant and equipment of existing stores is a huge concern. After getting off to a promising start a few years ago with the launch of AQIP and the Consolidated Market Rollout program, the company snuffed out hopes for all stores to get the much-needed makeovers and new equipment when it cancelled AQIP first, then CMR last year. SEI said it was not seeing any return on investment from these programs in the form of additional sales, and now the company says it has no money to invest in upgrading our stores. The reality is the company shouldn't expect sales to magically increase hand over fist just because some cooler doors were changed or new

continued on page 34

## Questions Over Recent Contract Maintenance Rate Hikes



floors were installed or aging equipment was replaced that should have been replaced years ago. Upgrades to our stores allow us to better serve our customers and help lower our operating costs.

The bottom line is that franchisees have no knowledge about the new maintenance contract implemented in October 2014. We are spending \$1,300 to \$1,700 a month on maintenance costs that will continue to go up, and this does not even include non-contract charges that we end up paying. FM has responsibility for preventative maintenance (PMs), but they are also fixing the machines and keeping all the records on our machines. If transparency is the key, and franchisees are the customer, the FM contract should have been shared by SEI with franchisees, and the National Coalition should have been at least an observer in the contract process. Because this contract impacts

**“If transparency is the key, and franchisees are the customer, the FM contract should have been shared by SEI with franchisees, and the National Coalition should have been at least an observer in the contract process.”**

all franchisees nationally, the National Coalition has asked SEI management to freeze this increase until we have a chance to provide feedback and to be a part of that conversation. **AV**

**JIVTESH GILL**  
CAN BE REACHED AT  
209-481-7445 or  
j2jgill@aol.com

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**Contact:**  
To learn more contact **Tonya Laffall** or **Maria Martinez** at **1.800.527.9034**

E-mail address: [7-ElevenFranchiseProgram@aon.com](mailto:7-ElevenFranchiseProgram@aon.com)  
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Risk. Reinsurance. Human Resources.

continued from page 28

self-serve state-of-the-art car wash. • **Burger**

**King has acquired Canadian coffee-and-doughnut chain Tim Hortons** in a deal structured as a so-called **tax inversion** that involves moving the hamburger chain's base from Florida to Canada, according to the *Wall Street Journal*. • The country's three largest soda companies—**Coca-Cola Co., PepsiCo Inc. and Dr Pepper Snapple Group**—have pledged to **decrease calories** found in their beverages by 20 percent by 2025, reported *Tech Times*. • Wawa, Inc. recently opened its **400th fuel store** chain-wide, located in Frederick, Maryland. • As a measure to thwart security breaches like the ones experienced by Target and P.F.Chang's, **MasterCard is developing new credit cards that use computer chips** to better fight fraud, reported the *St. Louis Business Journal*. • Apple recently announced Apple Pay, a new service that the company claims will transform mobile pay-

continued on page 38



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Breyers® Chocolate® 48oz  
SLIN #190096  
UPCA 77567 - 25420



Breyers® BLASTS® Thin Mint® Girl Scout Cookie® 48oz  
SLIN #181332  
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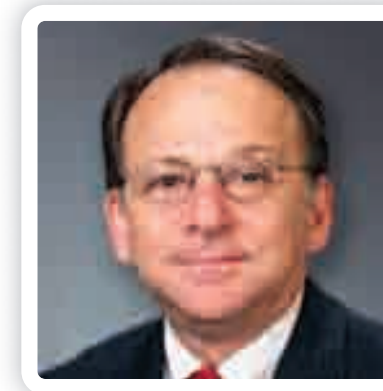


## Look For Your Franchisee Survey!

ERIC H. KARP, ESQ., GENERAL COUNSEL TO NCASEF

Among independent franchisee associations in the United States, the National Coalition stands out—not only because of its 41-year longevity, its remarkable accomplishments, and its role in safeguarding the rights of franchise owners—but also because of its open and democratic governance structure.

The Declaration of Independence, executed on July 4, 1776, serves as the foundation for the United States of America as a leading democratic nation. The Declaration of Independence asserts that the just powers of every government are derived from the consent of the governed. It has often been said that this principle represents the ideal and highest form of government. So it is with the National Coalition, which operates based on the



**“The National Coalition retained FranchiseGrade.com to create a comprehensive survey that would accurately and efficiently measure the concerns and opinions of all franchisees.”**

of all the franchised stores in the United States.

Second, the National Coalition consistently advances issues, concerns and positions that reflect the legitimate and deep-seated concerns of the franchisee community, in regard to policies and

tional Coalition actually reflect the opinions and concerns of the majority of the franchisee community.

For this reason, we asked FranchiseGrade.com and its president, Jeff Lefler, to conduct a preliminary test survey of a small number of 7-Eleven franchisees. Based on those limited

results, which were presented to the Board in Portland, Oregon this past March, we recommended to the National Coalition Board that the association undertake a professionally designed and implemented survey of all 7-Eleven franchisees on a wide range of issues. The Board approved this request, and we retained FranchiseGrade.com to create a more comprehensive survey, which would accurately and efficiently measure the concerns and opinions of all franchisees.

Information about FranchiseGrade.com's franchisee survey work can be found at <http://www.franchisegrade.com/index.php/surveys/>. (Full disclosure provided to the Board and repeated here: we are U.S. counsel for FranchiseGrade.com). The survey went through multiple carefully considered drafts as we attempted to make sure that we ask the

continued on page 38

**“The process will begin with a mailing to every franchised store in the system that includes information about how to take the survey. If you have not already received your mailing, it should arrive within the next two weeks.”**



support of its regional Franchise Owner's Associations (FOAs) and their franchisee members to serve the goals and aspirations of every 7-Eleven franchisee.

The legitimacy of any franchisee association stems from two primary factors. First, it must represent a substantial enough share of the independent franchisees in the system to claim to be a legitimate representative of the franchisee community. On this score, the

National Coalition passes with flying colors, because its FOA members represent more than 62 percent

initiatives of the franchisor, which may have an effect on both their short-term operating results and the long-term value of the goodwill of their stores.

Based upon its structure, with democratically elected FOA presidents and vice presidents sitting on its Board of Directors and providing information regarding the concerns of their members, the National Coalition has attempted to address issues and concerns that matter most to franchisees across the country. However, SEI has on many occasions questioned (without foundation from our point of view), whether the issues advanced by the Na-

**ERIC H. KARP**  
CAN BE REACHED AT  
**617-423-7250**  
ekarp@wkwrlaw.com

# Look For Your Franchisee Survey!

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right questions, and that the data generated through the responses would be useful to all concerned.

Among the subject matters covered in the survey are the DVR System, communication with SEI, product selection, franchisee input into system changes, Business Transformation, CDC and McLane product costs, selection and delivery issues, store profitability, the relationship with FM Maintenance, encroachment, relationships with Field Consultants and Market Managers, auditing and accounting issues, gasoline commissions, gasoline store profitability, and franchisee confidence in the future of the system and the financial return on their investment.

One of our primary objectives throughout this project was to create a survey structure that would ensure the confidentiality of every owner who responds to the survey. It is essential that each person who responds feels free to do so, openly and honestly, without fear that his or her answers will be shared with SEI or otherwise end up in the public domain. It is for this reason that we have designed a survey where each franchisee will receive a unique six-digit code by mail. The code is then used to fill out the survey on the FranchiseGrade.com website, via your Smartphone, tablet or computer. The website has a special landing page where you can insert your unique six-digit code, and then take

the survey in a completely confidential manner. The identity of the holder of each unique code will never be shared with SEI, the National Coalition or any FOA.

The process will begin with a mailing to every franchised store in the system that includes information about how to take the survey and the unique six-digit code. If you have not already received your mailing, it should arrive within the next two weeks.

The National Coalition's executive officers have all taken the survey on a test basis. Our best estimate is that it takes approximately 15 minutes to complete the survey. We hope you agree that this will be time well spent!

To add an additional incentive, the National Coalition Board is offering prizes that will be awarded to three randomly selected franchisees who complete the survey within three weeks after receiving the unique six-digit code: one \$500 first prize, one \$300 second prize and one \$200 third prize. The random selection will be carried out by my law firm in order to assure the continuing confidentiality of everyone's responses.

Once you receive your unique six-digit code, go [www.franchisegrade.com/](http://www.franchisegrade.com/) 7-Eleven and fill out the survey right away! Urge your fellow franchisees to do so as well, because everyone's opinion counts! **AV**



## THE FRANCHISEE SURVEY IS YOUR CHANCE TO BE HEARD!

1

Receive your **six-digit code** in the mail at your store. If you have multiple stores, the code will only work once.

2

Go to **FranchiseGrade.com** on your smartphone, tablet, or computer.

3

Complete the entire **15-minute survey** to be entered into a random drawing for \$200, \$300 or \$500!



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ments. **Apple Pay works with iPhone 6 and iPhone 6 Plus through a new NFC antenna design, a dedicated chip called the Secure Element**, and the security and convenience of Touch ID. • **Starbucks is testing a coffee/food truck concept** at three college campuses in Arizona, Virginia and South Carolina, reported *CNNMoney*. The trucks will offer a menu of food and drinks nearly identical to that found in Starbucks stores. • The California Lottery has announced a new program **allowing customers to buy lotto tickets at gas pumps**. The "Play at the Pump" program launched in September at 150 gas stations in Los Angeles and Sacramento. • A Calimesa 7-Eleven has **sold a jackpot-winning Mega Millions ticket worth \$180 million**, reported *The Press Enterprise*. The ticket was for the August 22 drawing. • Merchants have created more than 100,000 new jobs and **consumers have saved almost \$18 billion over the three years debit card reform** under the Dodd-Frank Wall Street Reform Act has been in effect, according to the Merchants Payments Coalition. • Having tested packaged McCafé coffee in select markets last year, **McDonald's is now planning to roll it out nationwide starting in early 2015**, reported *MediaPost.com*. • Texas-based convenience retailer **CST Brands, Inc.** announced it plans to acquire the convenience store assets, franchisor rights and associated trademarks of Nice N Easy Grocery Shoppes, which operates 77 corporate and franchise stores in Central New York. • **PepsiCo released its new low-calorie soft drink Pepsi True** exclusively on e-commerce Amazon.com in mid-October, reported *USA Today*. The beverage is **made with sugar and stevia** and has about 30 percent fewer calories than regular Pepsi. • It appears **millennials prefer using credit cards over cash**, according to a report by *CreditCards.com*. Fifty-one percent of adults under age 30 will use a credit or debit card, while **77 percent of Americans 50 or older prefer using cash**. • After nearly six years of multibillion-dollar losses, the **U.S. Postal Service has developed a new plan to help turn its finances around—daily grocery deliveries**, reported the *Washington Post*. Under

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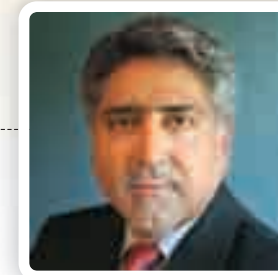
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## TRANSPARENCY OR OPACITY?

BY JAS DHILLON  
VICE CHAIRMAN, NCASEF

Opacity is defined as “the condition of lacking transparency or translucence, or obscurity of meaning.” If something is transparent, nothing is hidden from plain sight and everything is exposed—warts and all. If an object is opaque, then nothing inside is visible.

During SEI’s recent CEO roundtable discussion in Dallas with various franchisees, our CEO spent some time discussing the pressure on our business from external factors such as Walmart and other retailers. The popular phrase is “channel blurring,” where most retailers are engaging in sales activities not part of their typical strategy. For example, Walgreens and CVS are moving aggressively into the grocery business and convenience stores are pursuing the fast food customer. Additionally, many of the big box retailers like Walmart and Target are experimenting with smaller, convenience store-type locations as part of their expansion plans in urban areas.

This was presented by SEI senior management as newsworthy, yet this has been the case for nearly twenty years. I wrote about this in one of my articles stating that 7-Eleven franchisees are facing not only external, but also internal pressure. External is the outside competition that in many cases is adapting rapidly to the current retail landscape. Ask any franchisee who competes with a Wawa or Quik Trip about their daily challenges! Internal pressure meaning higher expenses on the franchisee’s side, encroachment, complexity in opera-

**“Walmart upper management folks are not allowed to accept a \$5 lunch from their suppliers, let alone Super Bowl tickets.”**

tions, an aging physical plant, and various other issues. Is it any wonder that many franchisees are in survival mode?

Let’s talk about transparency. This idea of transparency just does not seem to exist in Dallas on merchandising, contract negotiations and/or on procuring the lowest cost for products. If you don’t believe me, just ask your friends with other c-stores, restaurants and liquor stores if you do not already own one yourself. I can share with you my own personal experience: all of my Pepsi and Frito products are cheaper outside of 7-Eleven. In one enterprise, Coke supplied the entire chain with Turbo Chef Ovens free if the entire company switched to

Coca Cola, and still their cost on 20-ounce and BIBs is LESS than 7-Eleven.

On one of my recent trips, I found out that an independent chain—one of SEI’s potential acquisitions—receives monthly rebates in the thousand dollar range from a major supplier, yet I never seem to make the 90 percent on any given month to get that CPM from the SAME supplier. I don’t blame our vendor partners one bit! My purchase summary provided by SEI has always been more than the vendor invoices, so in Los Angeles the vendors were instructed by our franchisor not to provide us with invoices. I suppose this is one of the hidden benefits of BT.

Besides the fact they are building smaller stores to compete with us, why else should we be worried about Walmart? For one, their upper management folks are not “allowed” to accept a \$5 lunch from their suppliers, let alone Super Bowl tickets. Is that the case with our company? Forget the tickets; let’s look at our 7-Eleven Experience. Vendors mostly fund this event—and many times not by

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**“The idea of transparency just does not seem to exist in Dallas on merchandising, contract negotiations and/or on procuring the lowest cost for products.”**



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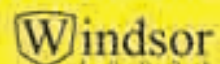
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Vice  
Chairs'  
Forum

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choice, from what I've heard. Some of the suppliers shared that the 2015 7-Eleven Experience will cost them all collectively over \$10 million dollars. Does Walmart or Costco demand such monies? Second, Walmart's supplier partners have full access to their respective product data from Walmart at ZERO cost. This was designed so that suppliers would be fully vested and engaged in achieving the highest velocity in sales of their products. Any idea what SEI charges for the sales data that is in YOUR ISP that you manage?

So you figure it out. Is the culture at SEI like the obscure cloudy glass in a bathroom window where the images on the other side are distorted and disfigured, or is it clear as the double pane window found in the mansions of the wealthy? Just think of the new and im-

**“Some suppliers have shared that the 2015 7-Eleven Experience will cost them all collectively millions of dollars. Does Walmart or Costco demand such monies?”**

proved maintenance contract and the lighting and equipment agreements, the costs of which have increased to double digits. Better yet, let's ask SEI to see those contacts or to see any agreement between SEI and a supplier. NO is the answer they always give us.

To paraphrase a famous saying, “For change to take place, first I must change!”

Has that change taken place in Dallas? I have sat in on those roundtable discussions many times, and we have gone round and round like the carousel at Disneyland. How many times have we seen SEI folks attend national meetings and listen and take copious notes? What happened to those guys? Better question: what happened to those notes, requests and suggestions? Do we start with a new CSA all over again, really? As one senior vice president at a National Coalition Board meeting stated, “SEI, instead of doing remodels has been spending money on acquisitions.” While they were watching the headlines, they forgot to look at the trend lines in franchisee income, expenses and morale.

These are my thoughts and as always I love to hear yours! 



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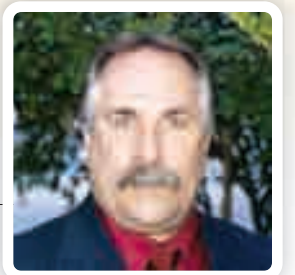
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## WHERE'S THE SERVANT LEADERSHIP?

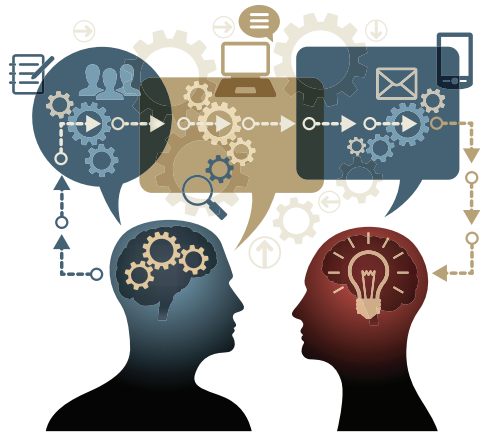
BY ROGER ST. GEORGE  
VICE CHAIRMAN, NCASEF

SEI has touted servant leadership as the organizational mantra for the past nine years. In the 1970s, Robert Greenleaf coined the term in his published essay "The Servant As Leader." Since Greenleaf's work was published, the topic of servant leadership has grown in popularity as a method for teaching management in the workplace. The basic premise of servant leadership is that the leader acts as humble servant, shares power, puts the needs of others first and helps people develop and perform as highly as possible.

When SEI first announced it was changing its corporate culture to one that embraces the servant leadership philosophy, it said the power pyramid would be flipped and the customer would be the point of focus. Everyone in the company—from the executives down to the field consultants—would work to support franchisees and their employees so they could better serve our customers. Is this the culture 7-Eleven storeowners see when they look to SEI?

Franchisees are still waiting to reap the benefits of this management style. Many believe nothing has changed at corporate, certainly nothing even remotely resembling servant leadership. In fact, one has to wonder how the franchisee's independent contractor status can manifest itself in the present culture within SEI, where many corporate folks seem to believe franchisees are there to serve SEI and its every whim. How many times have mistakes been made by SEI at the expense of franchisees, often in the

form of increased or lost labor hours? A recent example is the beer price change and confectionery price change on the same day. The confectionery price change was not even communicated in advance, and franchisees learned of it when our employees saw the two blue bars on the POS register. No time to plan



**"The basic premise of servant leadership is that the leader acts as humble servant, shares power, puts the needs of others first and helps people develop and perform as highly as possible."**

how to print the hundreds of shelf tags, but it had to done any way possible.

SEI seems to view franchisees as a commodity and not as business partners. Franchisees are fed up with the heavy-handed tactics used by some in SEI and are beginning to say, "I am mad as hell and I am not going to take this anymore!" (Peter Finch in the movie

"Network.") More than a dozen lawsuits have been filed by franchisees individually and collectively in order to stop the company from further working against our interests as independent business owners. Our CEO recently held a roundtable meeting with a group of hand-selected franchisees to learn about franchisee unrest, and claimed to be ignorant of the goings on within his organization. Whether change is forthcoming will be seen. The one thing that is clear is that franchisee morale is at its lowest point in almost twenty years.

It is time for all franchisees to stand together and hold SEI accountable. Our Quality Visits need to be about more than checking that week's boxes to kowtow to SEI's ever-changing demands. It is time to demand that SEI live up to its promises, like holding vendors accountable for out-of-stock items and not the franchisees. It is time SEI understands that the RIS BT system is not the be-all, end-all. There are too many great franchisees unable to meet their customers' needs because of the constraints of "the system."

Many franchisees already embody the servant leadership model. They know that it's about more than providing a paycheck to an employee. They understand that it is about creating a nurturing relationship to truly develop an employee to their full potential by not only mentoring them, but listening and understanding their personal needs, wants and desires. Maybe SEI could learn something from its franchisees about servant leadership. **AV**

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CHERRY 1 CARTON - 25 TWO PACKS SLN 321445 - UIN 554834 84762 07204 7	MELON 1 CARTON - 25 TWO PACKS SLN 321444 - UIN 555102 84762 07205 4	ORANGE 1 CARTON - 25 TWO PACKS SLN 320964 - UIN 214429 84762 07210 8
APPLE 1 CARTON - 25 TWO PACKS SLN 321447 - UIN 553828 84762 07202 3	STRAWBERRY 1 CARTON - 25 TWO PACKS SLN 321477 - UIN 74120 84762 07207 8	VANILLA 1 CARTON - 25 TWO PACKS SLN 320814 - UIN 214452 84762 07211 5
PEACH 1 CARTON - 25 TWO PACKS SLN 321443 - UIN 555201 84762 07203 0	STRAIGHT UP 1 CARTON - 25 TWO PACKS SLN 321478 - UIN 74633 84762 07208 5	TOUR BLEND TOBACCO 1 CARTON - 8 PACKETS SLN 320238 - UIN 555631 84762 07175 0

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## Moving Vape From Cool To Convenient

By John Geoghegan

Brand Planning & Research, Kretek International, Inc.



Turning into my condo garage a couple of weeks ago, I see our neighbor's daughter sitting in her car filling an oversized white enamel vape tank from a 10 ounce drip bottle of e-liquid. Being in the business this is interesting to me, so we chat a bit when she gets out of her car. She bought her vaporizer and her blended e-liquids at a nearby vape shop, formerly a nail salon, and her vaporizer choice was made based on style and battery power. She still smokes cigarettes, but not as often.

Why not a convenience store, I ask? "Vape shops are cool," she tells me. And that, in a nutshell, is the c-store dilemma as far as the new wave of vape shoppers goes. How and where do you build a c-store centerpiece for a vape section that increases your "cool" factor amid cigarettes, phone cards, batteries and lighters?

### Recent E-Cig Demographic History

Ninety-eight percent of adults who adopted electronic cigarettes were already tobacco cigarette smokers. For the most part, they discovered e-cigarette kits on the Internet. Retail price was driven down by volume and retailers profited from mega-growth. But consumer research told us that hidden underneath the growth surge, e-cig consumers were dropping out at a rate of around 17 percent a year. Some were going back to cigarettes, some were quitting tobacco entirely.

The total number of e-cigarette consumers is just under 3 million (out of 44

million cigarette smokers). Cartomizer purchases outnumber disposable purchases, but this is tricky because of multi-pack counts. E-cigarette trial and adoption by cigarette smokers who are trying to quit (again) is still taking place, so a full line at retail is still a good idea. Even so, category trial has slowed so growth had to slow down at some point, too. That point came this past spring.

with refillable tanks began with what I call "vaping purists." The purists came to the category with a different attitude and deeper involvement with

their products. Like e-cigarettes, this wave also started on the Internet. But this time it was driven by dynamic improvements in vapor technology. Who knew an Atlas Missile would be a fashion statement? E-pens and Mods with



**"Refillable personal vaporizers are the next wave, but will not replace e-cigs. A large majority of vape customers are new, a little younger, and spend more on hardware and e-liquids than e-cig consumers."**

### Enter Vape

Refillable personal vaporizers are the next wave, but will not replace e-cigs any more than bottled water might replace beer. For the most part, the vape consumer didn't graduate from e-cigs. A large majority are new. They are a little younger, and spend more on hardware

and e-liquids than e-cig consumers. Forty-six percent of them are women. In fact, only about 30 percent were prior e-cig consumers.

E-vaporizers

variable batteries and billowing vapor created a new subject of comparative conversation for enthusiasts. The resulting bond became the basis for movement into newly established vape shops, where cool conversations and group experiments with flavor and nicotine could continue.

### E-Vapor Consumers Are Different Than E-Cigarette Consumers

Ninety-six percent of the new wave of vape shop patrons already smoked tobacco cigarettes before they took their first vape puff (statistically similar to e-cig smokers). But very few refillable tank and

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**"Only interesting brands from trusted sources with proper labeling will survive the coming FDA fallout."**

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e-pen users were formerly e-cigarette consumers. They started with refillable technology because e-cigs weren't new anymore, and their desire to cut down on cigarettes was a lower priority than trying a new legal form of relaxation. While e-cig consumers are now facing restrictions similar to tobacco cigarettes, personal vaporizer users don't seem to care. They've created their own virtual club and vape together for social recreation and relaxation in cars, outside bars, and around picnic tables.

How fast did this happen? According to the Smoke Free Alternatives Tobacco Association (SFATA), the number of vapor shops and lounges has now tripled to more than 35,000 doors in just nine months. Even if I believe that the total number of vape shops is suddenly more than the combined McDonalds and Starbucks in America, the growth is still pretty phenomenal.

**“Vaporizer consumers want convenience, but most of all, they want your vape section not to be boring.”**

**What Do Vapers Want?**

Remember that vaporizer consumers also visit convenience stores. They want to fill up their cars with gas. They want to buy a pack of cigarettes or cigars. They want to buy beer. These

**JOHN GEOGHEGAN**  
CAN BE REACHED AT  
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or 800-358-8100

are three things they can't get at a vape shop. Even though their vaping habits are

**“A nice feature of the e-vapor category is that a tremendous number of SKUs will fit in a small space.”**

more dedicated to relaxation and escape, they still have the same basic needs as e-cig consumers and convenience shoppers.

What do they want from their convenience store vape section? They want it to be not boring. At the same time they want to feel comfortable that the c-store operator created a vape section just for them. Vaporizer shoppers spend more money. The median vapor purchase is \$18. They are averaging 2.4 vape items each time they shop. Thirty-three percent purchase more than twice a week.

A nice feature of the e-vapor category is that a tremendous number of SKUs will fit in a small space. A multi-level Voodoo acrylic counter set with as many as 30 SKUs of e-liquids, e-pens and accessories can easily fit into less

than 20 inches of space and welcome the aficionado. And don't assume that the vape section needs to be in the tobacco section. Put it where it 7-Eleven allows you to merchandise your commitment to that customer.

Making the most of the personal vaporizer craze means redirecting shelf space. There are tough decisions if the operator looks at each subsection as a profit center, but a half-baked commit-

ment to a vape section will shine right through and turn off a new vape customer also buying other items.

The key is to know what your vape consumers are looking for. They are experimenters. Consumer data indicates that e-liquid purchasers buy about three bottles per shopping visit. You can encourage blending (and don't call it “mix and match”). For example, Voodoo brand 10-ounce e-liquids are available in 20 flavors. Blending two and three flavors like chocolate cinnamon java, mint pink blueberry or double apple coconut quickly expands to more than 1,000 appealing Voodoo combinations. Also remember, vaporizers break and e-liquids need replenishing. The consumer may have a \$300 vaporizer, but he or she will still need e-liquids.

Brands that are intriguing to vapers are the brands that align with their personal sense of ritual and relaxation. Vape shops are currently creating private blends and buying from local micro-blenders. Only interesting brands from trusted sources with proper labeling will survive the coming FDA fallout.

Last but not least, don't abandon e-cigs. The category is still producing profit. Current consumers are a moving target, and vape is not necessarily the end of their journey. For some, the inconvenience of vaporizers will lead to purchase of flavored disposable e-cigarettes like EZ Cig, simply because they are easier to carry around and provide economical and satisfying enjoyment without the hassle. ■

*Consumer data referenced in this article was derived from ECH Solutions AAU Survey May-June 2014. Other data from Nielsen C-store Report June 2014 and MSAi 6 months ending June 2014.*



Visit the National Coalition's website at [www.ncasef.com](http://www.ncasef.com)



## Can We Survive THE MINIMUM WAGE INCREASE?

By Hashim Syed, FOA Chicago Vice President

Whether we like it or not, minimum wage increases are a reality, and there's very little we can do about it.

much more difficult to compete. Sadly, SEI has dropped the ball in these regards, and our stores continue to suffer.

**"MANY FRANCHISEES (SPECIFICALLY THOSE WITH LOW VOLUME STORES) WILL NOT BE ABLE TO PROVIDE THE BEST CUSTOMER SERVICE, BECAUSE THEY CAN'T AFFORD THE NEW MINIMUM WAGE."**

For years, SEI has promised franchisees the lowest cost of goods. What happened? I'll tell you what happened: nothing. Despite our huge combined buying power, we still aren't able to provide the lowest prices. Competitors like Target and Walmart are not only selling similar goods at cheaper prices than ours, but they are also building c-stores! We cannot ignore what's going on in front of our eyes. SEI must work harder than ever to keep 7-Eleven competitive. Where is their sense of urgency?

So, not only do we have old, run-down stores and higher priced products, but now many franchisees (specifically those with low volume stores) will not be able to provide the best customer service because they can't afford the new minimum wage. Yet, SEI still insists on running low volume stores without any major advertising to support them. It isn't right.

Are there solutions? Yes, I believe there are!

Number 1—SEI needs to be fair to franchisees and stop allowing the opening of low volume stores. SEI should not franchise a store if its annual sales are less than \$1.75 million. Period. No exceptions.

Number 2—SEI needs to commit to remodeling the older tired-looking stores.

Number 3—SEI must give franchisees the freedom to buy wherever they can in order to get the lowest cost of goods and remain competitive.

Number 4—SEI must commit to a mainstream advertising campaign on a national level to help increase awareness for all 7-Eleven stores.

Number 5—SEI must treat franchisees as independent business owners, just as it says in our contract. SEI needs to stop treating us like their corporate managers, because we aren't.

The time has come for SEI to open its eyes and make some changes. The minimum wage increase is only one part of the problem. There's much that needs to be fixed. I only hope it's not too late.

As always, I welcome your insights and feedback.

**HASHIM SYED**  
CAN BE REACHED AT  
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847-293-8551

If all goes as planned, the minimum wage in the state of Illinois will jump from \$8.25 per hour to \$10 per hour in January. Many 7-Eleven franchisees have expressed their concerns, and understandably so. How will this increase impact their business? How will they be able to survive when many are already struggling financially and doing everything possible to keep their heads above water? Will they be able to pay their employees? Will they be able to keep the employees they have?

I only wish I had the answers. Unfortunately, I don't. But, there are some things I do know to be true. Our competitors—like Target, Walmart, Walgreens, WaWa, Starbucks, Dunkin' Donuts, and Subway—are financially strong. Unlike the majority of 7-Eleven franchisees, I believe these companies will have no problem paying the new higher wages. They will surely attract the best employees because they will be able to afford the payroll. They certainly won't feel the stress and strain that many of my fellow franchisees are sure to experience come January.

Unless they are fortunate enough to run a good volume store, 7-Eleven franchisees throughout the U.S.—and Chicagoland franchisees in particular—are going to have a very hard time making ends meet once the minimum wage is increased. Their sales simply aren't strong enough to withstand the hourly increase. Low-volume storeowners have always faced difficult challenges, but the hourly wage increase could make it impossible for some to survive.

**"FOR YEARS, SEI HAS PROMISED FRANCHISEES THE LOWEST COST OF GOODS. DESPITE OUR HUGE COMBINED BUYING POWER, WE STILL AREN'T ABLE TO PROVIDE THE LOWEST PRICES."**

We've all seen what's going on in our communities. Our competitors are continuing to build beautiful new modern stores, many of which are within walking distance of our 7-Elevens. Our old, tired stores are no match for theirs, and their high profile advertising campaigns make it that



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\*MSA 13 weeks ending 5/25/14 compared with Kretek shipment data. Voodoo is a trademark of Kretek International, Inc.



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### Legislative Update

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dinance also required employers to offer five annual days of paid sick leave. Opponents contended that raising the minimum wage above the state standard would make San Diego's businesses less competitive with enterprises in neighboring cities.

#### California Passes Mandatory Paid Sick Leave Law

A bill entitling most California workers to three paid sick days a year was recently signed into law, reported the *Sacramento Bee*. The legislation, Assembly Bill 1522, affects roughly 40 percent of California's workforce, about 6.5 million people who currently are not paid if they stay home when sick. California is the second state in the nation, after Connecticut, to enact a statewide sick leave guarantee—long a source of controversy in statehouses across the country. In Sacramento, lawmakers had been trying for nearly a decade to pass a paid sick leave bill, after San Francisco voters passed a sick leave guarantee in 2006. Previous bills stalled in the midst of a recession. Proponents of the bill said providing employees paid sick days reduces employee turnover and the spread of illness in the workplace, a benefit to business. Business groups said small businesses may not have enough employees to fill in for sick workers, and they objected to other requirements in the law.

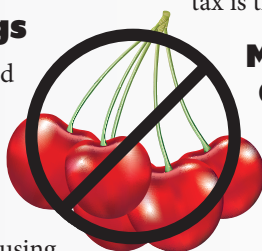


#### Philadelphia Raises Cigarette Tax

The governor of Pennsylvania recently signed into law a bill adding a \$2-per-pack tax on cigarettes sold in Philadelphia in order to help pay for the city's schools, reported *The Morning Call*. The new tax is now in effect and pushes the price of a pack of cigarettes sold in Philadelphia to about \$7.80. At that rate, the state Budget Office estimates, smokers will raise an additional \$55 million a year for the Philadelphia School District. It took two years for the tax to get through the Republican-controlled Legislature.

#### NYC Bill Would Ban Flavored E-Cigs

A New York City councilman recently introduced a bill that would ban the sale of flavored electronic cigarettes in the city, reported the *New York Daily News*. E-cigarettes are popular in flavors like green apple, vanilla and cherry. The councilman who introduced the measure said the flavors entice kids to start using



the devices. Flavored regular cigarettes were banned in New York City in 2009, and the city has already added e-cigarettes to its ban on smoking in restaurants, offices, and parks. E-cigarette proponents say the devices don't have the harmful health effects of real cigarettes and can help smokers quit, but critics say they do have health risks and the devices glamorize smoking.

#### Illinois City Moves To Raise Tobacco Age

The Evanston Human Services Committee in Illinois recently recommended that the City Council increase the city's required age to legally sell and buy tobacco and nicotine products from 18 to 21, reported *The Daily Northwestern*. If approved by the council, the city code would be amended to increase the age of sale, purchase and

**"Evanston was one of the first municipalities in Illinois to ban smoking in public places, work sites, bars and restaurants."**

possession of tobacco or liquid nicotine products in Evanston. It would also make Evanston the first Illinois community to raise the age for using tobacco. Evanston was one of the first municipalities in Illinois to ban smoking in public places, work sites, bars and restaurants. Evanston would be the first to increase the age if the ordinance passes council.

#### New Jersey Lawmakers Eye Gas Tax Hike

New Jersey lawmakers said an increase in the state gasoline tax is likely to be at least part of a plan to raise funds to fix the state's roads and bridges, reported NJ.com. During a September hearing on transportation funding, legislators said New Jersey's transportation infrastructure is in horrible shape and "there's essentially no money left to pay for any improvements." But while it was clear that the money to fix the state's crumbling infrastructure would have to come at least in part from an increase in the state gasoline tax, there were few specifics on how big a hike should be expected or where other revenues or cost savings might come from. New Jersey's 14.5-cent-per-gallon gasoline tax is the second lowest in the nation after Alaska's.

#### Massachusetts Residents To Vote On Gas Tax

If approved, Question 1 on Massachusetts's November ballot wouldn't lower the state's gasoline tax, but it could stop future increases that would other-

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## Legislative Update

wise occur automatically and without any say by lawmakers, reported the Associated Press. At issue is a provision in a 2013 transportation financing law that indexes the gas tax to inflation—meaning that as the Consumer Price Index (CPI) rises, so does the tax. The group seeking to repeal the provision says taxes should never go up without a recorded vote by the Legislature. But those urging a no vote on the question warn that passage would seriously undermine progress in fixing crumbling state infrastructure. Last year Massachusetts's gas tax was raised 3 cents to 24 cents per gallon, the first time in more than two decades that lawmakers increased the tax, which pays for maintaining roads and bridges. State transportation officials estimate that indexing will produce an additional \$1 billion in revenue over the next decade.

Including all state and federal taxes and fees, Massachusetts drivers pay a total of 44.9 cents per gallon in gasoline taxes, according to the American Petroleum Institute. That puts the state below the U.S. average of just under 49.3 cents per gallon in total taxes. Only a few other states,

including Maryland and Florida, currently index their gas taxes, according to the institute. Rhode Island lawmakers recently approved a plan for indexing the tax every two years, while the New Hampshire Legislature voted to raise the state's gas tax 4 cents per gallon, but without indexing.

### Plastic Bags Banned Statewide In California



**"California has imposed the nation's first statewide plastic bag ban."**

California recently imposed the nation's first statewide ban on single-use plastic bags as a way to address litter, reported CBS Los Angeles. SB 270, which was signed into law on September 29, prohibits large grocery stores from carrying single-use bags starting in July 2015, expanding to smaller stores the year after. It also allows businesses to charge 10-cent fees to provide customers with reusable or paper bags. It further provides up to \$2 million in competitive loans—administered by CalRecycle—to businesses transitioning to the manufacture of reusable bags, and preserves city and county plastic regulations already in place. **AV**

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the plan, the USPS would work with retail partners to deliver "groceries and other prepackaged goods" to homes. • **Two months after the mobile app Isis Wallet announced it would rebrand** to avoid association with the militant group in Iraq and Syria, the wallet has a new name—"Softcard," reported NBC News. • Home Depot recently confirmed that **hackers broke into its in-store payments systems** in what could be the largest known breach of a retail company's computer network with about 56 million credit/debit cards compromised, reported the *New York Times*. • **C-Store operator The Spinx Co. recently acquired seven 7-Elevens** from SEI located in and around Columbia, South Carolina, reported *CSP Daily News*. • **Dunkin' Donuts opened its first Southern California shop** on September 2 in Santa Monica, reported the *Los Angeles Times*. It is the first store of 200 the company plans to open in the Golden State in the next few years. • Iowa-based c-store chain **Kum & Go LC celebrated its 55th anniversary** in September by offering 55-cent coffee and 55-cent daily coupons via its mobile app throughout the month. • **Alcohol delivery company Drizly continues its rapid expansion** into new markets with the announcement of availability throughout Washington, D.C. The nation's capital is the 6th major metropolitan market served by Drizly. • **U.S. fast-food workers** from chains including McDonald's, Burger King, Wendy's and KFC **staged protests** in some 150 cities on September 4 in a fight for higher pay, reported Reuters. The workers are demanding wage increases to \$15 an hour. • Grocery retailer the **Kroger Co. announced that its family of stores is hiring to fill an estimated 20,000 permanent positions** in its supermarket divisions. • Walmart plans to extend the **Walmart Neighborhood Market** name to its smaller-scale Walmart Express stores, saying the two concepts serve similar missions for their shoppers,

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## Play The Name Game!

Look carefully at each page in this issue. Somewhere in this magazine a line is hidden that contains the words \$Name Game Winner + person's name + city\$. If you find this line, and it contains your name, call AVANTI's Offices at 215 750-0178 before the next magazine is published, and win this issue's total. NCASEF Members only.



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## COCA-COLA ANNOUNCES 2014 JUICES GROWTH INCENTIVE CONTEST

Coca-Cola has revealed details of its 2014 Refreshment Juices Growth Incentive Contest. The goal of the contest is to increase distribution of Coca-Cola Refreshments Juice SKUs by 10 percent between November 1, 2014 and January 31, 2015.



Each store that stocks a minimum number of Coca-Cola Refreshments Juice SKUs will gain entries into a drawing for cash prizes. See the contest ad on pages 10-11 of this Avanti Issue for eligible SKUs by brand, which include 8 Minute Maid 15.2oz SKUs, 9 Simply Beverages 11.5oz SKUs, and 3 Simply Beverages 59oz SKUs. Stores carrying 12 SKUs (two SKUs must be Simply 59oz size) will receive 20 entries into the drawing, stores carrying 10 SKUs (one SKU must be Simply 59oz Original OJ) will receive 10 entries into the drawing, and stores carrying 8 SKUs will receive 5 entries into the drawing.

Number of store entries into the drawing will be determined by using the Latest 12-Week ending January 25, 2015 store level data for eligible SKUs. Coca-Cola Refreshments will complete the drawing among eligible franchisees in February 2015, announce winning stores in March 2015, and payout by April 30, 2015. As an added incentive, NCASEF will receive a payment of \$15,000 to be used at the Board's discretion if the total store SKU growth meets certain parameters.

Prizes include: twenty \$500 prizes, ten \$1,000 prizes, ten \$1,500 prizes, and ten \$2,500 prizes.

### The National Coalition Office Has Moved!

The strength of an independent trade association lies in its ability to promote, protect and advance the best interests of its members, something no single member or advisory group can achieve. The independent trade association can create a better understanding between its members and those with whom it deals. National Coalition offices are located in Santa Cruz, California.



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reported *Supermarket News*. • **7-Eleven México**

**announced it has selected WeDo Technologies' RAID 7** software solution for its loss prevention needs. The software suite will be used to minimize risk, reduce theft, prevent revenue leakage and improve margins across the company. • British researchers say **electronic cigarettes could save 6,000 lives per year** for every million smokers, a claim that has reignited the debate over the health impact of vaping, reported *ABC News*. • **Global consumers spent \$374 billion on snack foods** annually between 2013 and 2014, a year-over-year increase of 2 percent, according to a new global report released by Nielsen. • **Solar energy is now powering half a million U.S. homes and businesses**, reported *Article3.com*. • Philadelphia recently celebrated the opening of its **first compressed natural gas fueling station**, reported *NBC10.com*. **The CNG station features full service natural gas fueling as well as a convenience store and Dunkin' Donuts**. • McDonald's has applied to trademark "**McBrunch**," signaling yet another possible approach to boost its late-morning business on the weekends, reported *Bloomberg Businessweek*. • **Amazon plans to open its first brick-and-mortar store** in New York City before the holiday season, reported the *Wall Street Journal*. The storefront will only serve as a **place for NYC customers to pick up goods** they've ordered and to make returns. • A new study by Market Force Information reveals that **QuikTrip is North America's favorite convenience store** chain based on customer satisfaction. • Nearly 25 percent of consumers will **abandon their local grocer for a competitor if the store is not clean** and lacks good lighting, neat displays and well-maintained checkout lanes and restrooms, according to a survey by Interactions. • Supermarket chain **The Kroger Co. recently announced that it donated more than 50 million pounds** of fresh



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Kayak Long Cut Straight  
McLane UIN # 226147

Kayak Long Cut Wintergreen  
McLane UIN # 226170

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LONG CUT GRAPE - LONG CUT APPLE - LONG CUT MINT - LONG CUT PEACH - LONG CUT WINTERGREEN - FINE CUT NATURAL - FINE CUT WINTERGREEN - LONG CUT STRAIGHT





ment, supplies and related services in order to process EBT SNAP transactions. In the new Farm Bill, section 4002 requires non-exempt retailers to pay for their own EBT systems. As a result of these changes, SNAP-authorized retailers utilizing no-cost EBT point-of-sale equipment, supplies and services had to arrange to lease or purchase EBT equipment in order to ensure their continued participation in SNAP.

## McDonald's Offers Free Coffee To Boost Lagging Sales

In September McDonald's offered free coffee for the third time this year in an effort to boost its lagging U.S. sales and gain momentum in a fierce battle for breakfast customers, reported the *Los Angeles Times*. The fast-food chain gave away a small cup of McCafé coffee during breakfast hours for several weeks through Sept. 29 at participating McDonald's restaurants across the country. It ran a similar promotion in March and April. The company is fighting with other quick-service chains—like Taco Bell and Burger King—and coffee shops for morning customers, one of the fastest-growing segments in the restaurant industry. In its second quarter, McDonald's said same-store sales in U.S. stores open at least a year fell 1.5 percent. Net income was roughly flat compared with the same quarter last year.



## Long Island Franchisees Plead Guilty

A Long Island, New York franchisee and his wife recently pleaded guilty to being among the leaders of a conspiracy that ex-

ploited undocumented immigrant workers at their 7-Eleven stores on Long Island and in Virginia, *Newsday* reported. Farrukh Baig is expected to receive up to 121 months in prison, and his wife, Bushra Baig, up to 12 months. The Baigs agreed to forfeit \$5 million in profit from the scheme, and repay the workers \$2.6 million in wages.

## Consumers Lose On Swipe Fees

A new report published by the Federal Reserve Board reveals further evidence that big banks continue to reap huge dividends from the fees they charge for debit card transactions, according to the Merchants Payments Coalition. The report found that the cost for debit card transactions in 2013 was as little as 4.4 cents. Despite this, banks continue to charge on average 24 cents per transaction, yielding a profit margin as high as 445 percent, the group said in a released statement. This huge markup, levied by the banks every time a consumer swipes a debit card, costs retailers and consumers billions of dollars every year. According to the group, this has a ripple effect that directly impacts the cost of goods and services as well as merchants' ability to keep their doors open and expand their businesses.

## Walmart Tests Drive-Thru Concept

Walmart has recently started testing a new concept called Walmart Pickup—Grocery, a service that allows customers to order grocery and household products online and schedule a pickup time, reported *Money Magazine*. The experiment is taking place at a Walmart warehouse in the northwest

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meat, produce, dairy and bakery items to local Feeding America food banks in 2013 through its Perishable Donations Partnership. • **Big Lots is boosting its grocery offerings in New York markets**, adding refrigerated cases for dairy items and frozen foods and creating an ethnic foods section, reported *The Buffalo News*. The discount chain also **now accepts SNAP and food stamp payments**. • Sears announced it has added returns and exchanges to its popular In-Vehicle Pickup service. The new service, powered by the **Shop Your Way mobile app, lets members pick up, return or exchange their purchases for free**—guaranteed in five minutes or less—from their cars. • C-store chain Sheetz has installed electric vehicle (EV) **charging stations at five of its locations** in central Pennsylvania, enabling EV drivers to travel more confidently between Harrisburg and Pittsburgh, reported *CSP Daily News*. • **The fine for illegally selling FDA-regulated tobacco products just went up 10 percent**—the agency increased the sixth fine in a 48-month period from \$10,000 to \$11,000. The lower level fines were not raised. • **Drinkos.com**—a website that offers home delivery of beer, wine and spirits—recently launched in Cincinnati, Ohio with plans to expand the service nationwide. • 7-Eleven stores in Calgary, Canada recently held a **"Slurpee Name Your Price Day," with 100 percent of the proceeds being donated to Food Banks Canada**, reported 660News. • Pabst Blue Ribbon and its parent company **Pabst Brewing Co. have been sold to Russian company Oasis Beverages**, reported *USA Today*. The companies declined to disclose the sale price, but beverage industry analysts estimate the sale at nearly \$750 million. • **Real Gaming**, the first company to receive an online poker license in Nevada, is now **offering players the chance to deposit money into their accounts** from any 7-Eleven and Family

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HARD APPLE CIDER  
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Enjoy Responsibly Over Ice.



# Legislation: Good Intentions, Bad Results By Jason Miko

In early September, fast-food employees across the nation protested their current wages and demanded an increase to \$15 an hour. Workers from franchises such as McDonald's, Burger King and Taco Bell were rallying for higher pay in the "Fight for 15" campaign and demanding immediate action from these companies. As franchisees, we need to be aware of these developments, how this demand for \$15 an hour could impact our stores, and the potential repercussions it could have if it moves forward.

*"Many people do not realize that the majority of recognizable, big-name companies—such as McDonald's or 7-Eleven—are operated by small business owners."*

In the midst of the rallying, McDonald's and Burger King both released statements regarding the protests, respectfully reminding the public that the corporations do not make decisions for the franchisees, and that issues such as wages are something each franchisee individually decides. In addition, McDonald's said that raising the minimum wage involves the entire workforce, not just fast-food chains. They believe in paying fair wages within a competitive marketplace, and that any increase should be performed gradually.

Many people do not realize that the majority of recognizable, big-name companies—such as McDonald's or 7-Eleven—are operated by small business owners. Franchises are run by people who are already dealing with thin profit margins without being forced to pay their employees \$15 an hour. McDonald's stated that approximately 90 percent of their restaurants in the U.S. are franchises, owned and operated independently. All franchisees take job-level as well as local and federal laws into account when setting wages.

The repercussions of being forced to pay

\$15 an hour, whether to a McDonald's cashier or to one of our own entry-level employees, are serious. Examining the fast-food industry, if the \$15-an-hour wage moves forward, a typical restaurant would need to raise their food prices by approximately 40 percent, which would cause a 33 percent sales decrease and a decrease of 75 percent in profits. Since fast-food restaurants already have small profit margins, the wage increase would ripple into a price increase that would cause a decline in business. As Matthew Haller, the vice presi-

dent of public affairs at the International Franchise Association said, "Raising the minimum wage will only hurt those it is intending to help. . . Increasing the cost of labor in the current economy would lead to higher prices for consumers, lower foot traffic and sales for franchise owners, and ultimately lost-entry level jobs."

The structure of many franchised systems is to encourage growth and offer the potential for employees to move higher in the company. Although the turnover rate is high for many fast-food places and other related jobs, franchisees are able to equip people with foundational work experience. President and CEO of the International Franchise Association, Steve Caldeira, stated that "the franchise industry is a proven job creator and career builder," and that "many franchises have developed successful

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*"Franchises are run by people who are already dealing with thin profit margins without being forced to pay their employees \$15 an hour."*

programs designed to help employees rise from entry level to management and ultimately, ownership." These foundational jobs would likely be given to a machine if the minimum wage jumped that drastically. McDonald's has already discussed the plan to adopt an automatic way to place orders. If they have to pay \$15 an hour for someone to stand at a register, McDonald's (and other businesses) will likely find ways to implement an automated plan sooner than expected.

While many have good intentions with wanting to raise the minimum wage, as is often the case, good intentions lead to bad results. In this case, it would be fewer people hired at the entry level, increased prices and lower profits. Fortunately, for now it appears unlikely that the \$15 per hour wage will be implemented by fast-food

chains or other franchises en masse across the nation. However, we need to pay attention as this campaign continues to gain traction among workers and certain "rights" groups; we need to continue to seek the best for our businesses, our employees and our customers.



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From Your Trusted Dairy  
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Arkansas town of Bentonville, where Walmart is headquartered. After customers place their orders and schedule a pickup time, they pull up to a large drive-thru area at the warehouse, then tap a touch screen kiosk to alert store staffers that they've arrived and are ready for pickup. By launching the concept, Walmart joins a long list of grocery services created with the common goal of basically eliminating the need to "go" grocery shopping by actually strolling through store aisles.

## DePinto Among 2014 Golden Chain Award Winners



Nation's Restaurant News (NRN) recently selected five top executives from some of the most successful foodservice brands in the world as the 2014 class of Golden Chain Award winners, and among them is SEI President and CEO Joe DePinto. NRN said the honorees lead companies exceeding the limits of today's unstable economy and provide strong, steady leadership that has positively affected associates, managers, employees and even customers. "As 7-Eleven chief executive, Joe DePinto has fostered growth in both the U.S. and abroad for the convenience-store chain in his nine-year tenure with the Dallas-based company. Today it leads the convenience-retailing category with 53,000 locations and worldwide sales that total more than \$84.8 billion," NRN wrote.

## Dollar Stores See Big Increase in Shopping Visits

Dollar store shopping visits were up 14 percent during the May 2014 to July 2014 retail quarter, in a brick-and-mortar market that was down 4 percent overall, ac-

ording to a report by The NPD Group. While the rate of decline for brick-and-mortar shopping visits was softened in the most recent quarter compared to the two previous quarters, the dollar store channel continued to see the largest year-over-year share increase in shopping visits, likely driven in part by new store openings.

The study also reveals that three-quarters of all shoppers in the dollar store channel convert to purchase on each visit, and the amount they spend is up 3 percent on average since last year. In the past two years, the dollar store channel shopper has become younger, with 50 percent under 45 years of age, compared to 42 percent two years ago.

## Supermarkets In Trouble, Experts Say

Industry experts say supermarkets are in the early stages of a massive shake-up, with rivals coming from all sides to siphon away customers, reported the *Washington Post*. Although major grocery chains like Kroger, Safeway and Publix still capture a huge share of our grocery dollars, players such as Whole Foods Market and Fresh Market are wooing customers seeking natural, organic foods. Meanwhile, Walmart and Target are using their huge store footprints to offer a vast assortment of items, and they are joining dollar stores in going after a price-conscious grocery shopper. Still more competition is coming from drug stores and convenience stores.

According to a Jones Lang LaSalle report, the real growth for the grocery sector is coming in the urban space, and there are plenty of retailers experimenting with stores that work well for city spaces: Walmart has launched its smaller-footprint Neighborhood Markets, while Target is piloting a similar Target Express concept. The report states that with the arrival of these fresh competitors and consumers' shifting shopping preferences, the traditional supermarkets have a major fight for survival ahead of them. ■

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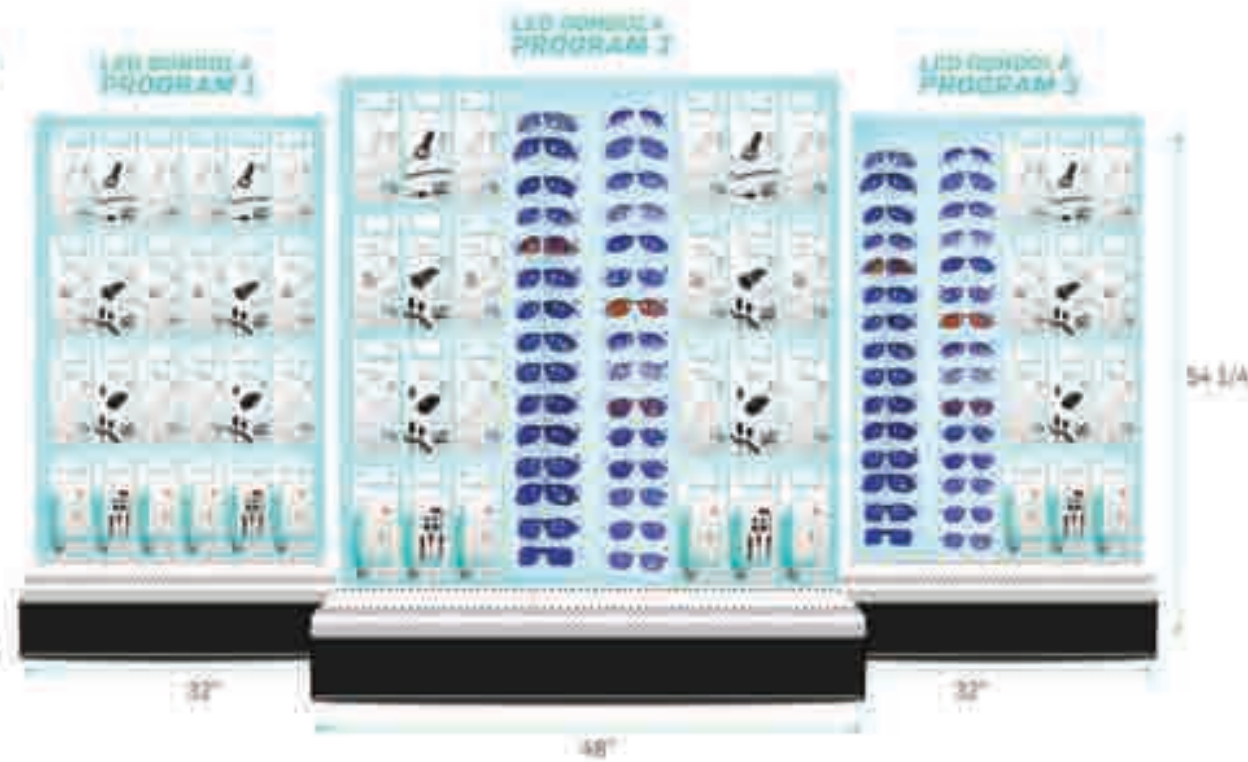
Dollar store in the state through the PayNearMe cash transaction network, reported PokerNews.com. • **Walmart** and prepaid card provider **Green Dot** recently announced the nationwide rollout of **GoBank**, which offers federally insured, low-cost mobile checking accounts and linked debit cards to the nation's under-banked. • **Fabricor**, an Australian startup co-founded by MasterChef mentor Adrian Li, is using a patented nanotechnology to create "hydrophobic" chef jackets and aprons that repel almost any liquid and stay clean longer. • Nancy Caldarola of **NACS CAFE** recommended retailers let the community know they are a great solution for weekday dinners by dropping menus and special coupons off at area daycares. Likewise, become known as a better-for-you destination by sponsoring local 5Ks or other run/walks. • **Orbit Gum** gave away one million pieces of sugar-free gum on September 29 to celebrate **National Coffee Day**. • Pleasant Kids Inc., supplier of **naturally balanced alkaline water** and all natural apple juice for children, announced it will begin distribution of Pleasant Kids products to 7-Eleven stores in South Florida. • **The 22nd edition of Monopoly at McDonald's** returned from September 30 to October 27, with this year's prizes including exclusive experiences like **attending a game and meeting a celebrity athlete, luxury vacations, and cash prizes up to \$1 million**, in addition to McDonald's menu items. • JCPenney, Macy's, Target, Home Depot and Rite Aid are among more than 100 companies that have **teamed with the New York City Police Department to form the Metropolitan Organized Retail Crime Alliance** in order to improve security at their stores, reported the *New York Daily News*. • Two new government forecasts predict that **Colorado and Washington could generate at least \$811.2 million from marijuana sales** before 2020, reported the *Washington Post*. Washington can expect \$637 million by 2019, while Colorado



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- CELLPHONE ACCESSORIES
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- GUARANTEED SALE
- TRY-ME-FEATURE PACKAGE
- COVERS 100% OF ALL PHONES
- OSU SERVICE
- HIGH PROFIT MARGIN
- LED LIGHTS IN DISPLAY WITH REMOTE CONTROL
- 24 DIFFERENT COLORED LIGHTS
- CAN ALSO BE ATTACHED TO WALL OR COUNTERS
- TERMS THROUGH TRANSCREPTA



- ▶ MILLIONS SOLD
- ▶ LIFETIME WARRANTY
- ▶ SUPERIOR QUALITY & DESIGN
- ▶ HUNDREDS OF PRODUCTS & DISPLAYS
- ▶ 25 PATENTS & COPYRIGHTS
- ▶ OFFICES AND DISTRIBUTORS WORLDWIDE



National Coalition of Associations of 7-Eleven Franchisees

2014 7-ELEVEN NATIONAL CONVENTION AND TRADESHOW



# Member News

## SEI News

### 7-ELEVEN FEATURES TONY HORTON KITCHEN FOODS

SEI has teamed with Tony Horton—the man behind the best-selling fitness program, Beachbody P90X—to co-develop a line of nutritionally balanced foods and cold-pressed juices for 7-Eleven's on-the-go customers. A lineup of sandwiches, salads, wraps and cold-pressed juices sold under the Tony Horton Kitchen (THK) brand made its debut in early October in 104 select 7-Eleven stores in the Los Angeles area.

SEI said in a released statement that Horton worked directly with 7-Eleven's Innovation Team, which spent more than a year creating, testing, tasting and

refining the recipes for each exclusive item. The goal was to create foods that were nutritious and delicious, and available at very affordable prices. A 16-ounce bottle of THK cold-pressed juice is a suggested \$4.99 in participating stores, and prices range from \$4.75 to \$6.50 for food items that are found in 7-Eleven stores' refrigerated, fresh-foods case.

THK-branded sandwiches, salads and wraps are made with all-nat-



ural ingredients by Fresh Grill of Santa Ana, the FDA- and USDA-certified commissary that prepares other fresh foods for Southern California 7-Eleven stores, and delivered daily to the participating 7-Eleven stores in this test.

With an average calorie count of 360, the lineup includes:

- Sandwiches: Grilled Chicken with Blueberry Mustard on whole grain sub; Stacked Roasted Turkey Breast on whole grain flat bun
- Salads: Spicy Quinoa Salad with Chimichurri Dressing; Curried Chicken Salad with Pomegranate Raita Dressing
- Wraps: Golden Roasted Turkey Breast Wrap with Chipotle Black Bean Hum-

continued on page 68

Visit the National Coalition's website at [www.ncasef.com](http://www.ncasef.com)



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Just in Time for the Holidays!

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Item 24873  
APPLE® 30-PIN  
CABLE  
1 00 24291 24873 3



Item 24871  
MICRO-USB  
CABLE  
1 00 24291 24871 9



Item 24913  
DUAL USB  
CAR CHARGER  
1 00 29291 24913 1



Item 24872  
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Item 24916  
SINGLE WALL  
CHARGER  
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Organic tobacco does **NOT**  
mean a safer cigarette.

No additives in our tobacco  
does **NOT** mean a safer cigarette.

CIGARETTES  
© SFTNC 2014



continued from page 66

# SEI News

mus; Spicy Black Bean Hummus & Vegetables Wrap

- Cold-Pressed Juices: Apple, celery, beet, ginger, parsley, spinach, lemon; Apple, coconut water, lime, mint; Celery, apple, cucumber, spinach, kale, romaine lettuce, lime, lemon, wheat grass, clover sprouts; Carrot, apple, celery, lemon, beet, spinach, lime, parsley, ginger

## 50-CENT COFFEE CELEBRATION

SEI celebrated 50 years of on-the-go coffee with 50-cent coffee September 3 through September 14, and kicked off an "Every 7(th) Cup Free" coffee-rewards program through its 7-Eleven mobile app. Every time a customer purchases

any size cup of coffee, the cashier scans the member's bar code in the app, which automatically punches the digital rewards card. After receiving six punches, or stars, a coupon for a free medium coffee appears in the app. The punch card process starts over once the free coffee coupon is redeemed.

In 1964, a new 7-Eleven franchisee, looking for creative, everyday conveniences to offer his customers, began selling coffee by the cup in his Long Island store. Previous to this, U.S. coffee-drinkers enjoyed their java either at home or while seated at a restaurant. The test proved wildly popular, and by

the late 1960s, all U.S. 7-Eleven stores were in the brew. Today, 7-Eleven sells more than a million cups each day.

continued next page



# SEI News

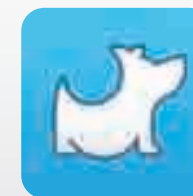
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## SANTA BARBARA 7-ELEVEN HELP LOCAL FOOD BANK

In California, Santa Barbara area 7-Eleven stores united to raise money for the Food Bank of Santa Barbara County, according to KCOY News. During the month of September, coin boxes were set up on counters and customers were encouraged to put their extra change inside. The donations, while seemingly small at the time, have added up to a big contribution. SEI told the news station the cash raised will pay for over \$15,000 worth of food when purchased by the Food Bank through its suppliers, which will help thousands of families locally.

## SEI EXPANDS PARTNERSHIP WITH BELLY

Industry-leading digital loyalty platform Belly and SEI recently announced an expanded partnership in 2,600 7-Eleven stores. 7-Eleven customers can now use Belly's universal loyalty program to earn points and redeem rewards at 7-Eleven locations in the Northeast, along with parts of Austin, Los Angeles, Chicago, and Vancouver, B.C., Canada. The expansion



builds upon the initial installation of Belly at 85 7-Eleven stores in downtown Chicago and a subsequent pilot of 350 locations across Chicago, Austin and Los Angeles. In August, 465 locations in New York and Vancouver started implementing Belly's program. By the end of this year, loyalty programs in 2,600 7-Eleven stores' will be powered by Belly's digital marketing platform. This will bring the total participation to one-quarter of 7-Eleven's locations in the U.S. and Canada. **AV**

7-Eleven teamed with fitness guru Tony Horton to develop a line of healthy foods and juices.



Wintergreen Flavor  
McLane UIN# 498543  
SLIN # 320027



Classic Flavor  
McLane UIN# 498535  
SLIN# 320028



**Brendan Gaughan**  
NASCAR Nationwide Series  
Smokey Mountain Snuff  
& 7-Eleven Chevrolet Camaro



WINE & BAR ACCESSORIES  
GET IN THE HOLIDAY SPIRIT!

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Barcode: 2429115018
- B** 15012 - WAITER'S CORKSCREW  
Barcode: 2429115012
- C** 11738 - DELUXE HAND GRIP CORKSCREW  
Barcode: 2429111738
- D** 10901 - POURER/STOPPER  
Barcode: 2429110901
- E** 10902 - POURER  
Barcode: 2429110902
- F** 10918 - CAN & BOTTLE OPENER  
Barcode: 2429110918
- G** 10905 - DELUXE PIERCE CAN & BOTTLE OPENER  
Barcode: 2429110905
- H** 11236 - DELUXE WING CORKSCREW  
Barcode: 2429111236
- I** 10929 - LIGHTWEIGHT FLASK  
Barcode: 2429110929
- J** 10908 - OLD WEST COLLECTION FLASK  
Barcode: 2429110908

10954 - 36CT SALUTE™ FLAT KOMATEX POWER WING  
Barcode: 1 00 29291 24168 5



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For information on Liggett Vector Brands' products and promotions please call 1-866-286-9190 (press 1 for information).



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Red King Box	687848
Menthol Gold 100 Box	687808
Menthol Gold King Box	687798
Blue 100 Box	687780
Blue King Box	687830
Menthol Silver 100 Box	687772
Menthol Silver King Box	687749
Non Filter Box	298499
Orange 100 Box	687897
Orange King Box	687863

ZOOM®	McLane UIN
Tobacco Bold 1 Pack	288112
Tobacco Smooth 1 Pack	285557
Menthol Bold 1 Pack	288881
Menthol Smooth 1 Pack	288012
Tobacco Bold 3 Pack	286104
Tobacco Smooth 3 Pack	288148
Menthol Bold 3 Pack	285882
Menthol Smooth 3 Pack	288203

EAGLE 20's®	McLane UIN
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Red King Box	306696
Menthol Gold 100 Box	306415
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Menthol Silver King Box	306795
Non Filter Box	308431
Orange 100 Box	306464
Orange King Box	306472



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Zoom is not a smoking cessation product. Nicotine is addictive and can be harmful. It gets on skin or is swallowed, but for children, women who are pregnant or breast feeding, persons with or at risk of heart disease, high blood pressure or diabetes, or persons taking medication for depression or asthma.



## The Affordable Care Act Open Enrollment Is Just Around The Corner

### It's Time to Put This Law to Work Helping You and Your Store Employees

Since the Affordable Care Act was passed in March 2010, consumers and employers alike have had a lot of confusion about the new law. For many franchisees this led to a lot of uncertainty and stress, when in reality the law is good news for the franchisee community. Regardless of whether you're for or against the Affordable Care Act, the Affordable Care Act is a win-win for the 7-Eleven franchisee community.

#### HOW CAN THIS BE?

Win #1: As a franchisee you have the ability to easily and quickly shop for health insurance coverage for you and your family during the open enrollment period starting on November 15, 2014. You may evaluate and select the plan that best fits you and your family needs. Even better, you can't be turned down for health insurance regardless of your health history!

Win #2: In the past it may have been very difficult for you to offer an affordable group health insurance plan for your employees. With the Affordable Care Act, most 7-Eleven franchisees are not required to offer medical coverage under the Affordable Care Act. This actually benefits your employees because many hourly employees are eligible to enroll in Medicaid. Their incomes will likely allow them to enroll in the health insurance plans available through the Exchanges and receive not only heavily subsidized premiums, but also heavily subsidized coverage for out of pocket costs. In short, the Exchange plans offer better coverage with premium and protection subsidies beyond anything an employer could likely afford.

#### HOW DOES THIS HELP MY BUSINESS?

If you are an employer with less than



100 employees in 2015 and less than 50 full-time employees in 2016, then you have a significant advantage over larger employers because:

1. You are under NO obligation to offer a health insurance plan
2. The Exchange plans will be a better deal for you and your employees than if you offered a group health plan.
3. Because you are a small employer, you can offer a full time employee a 40 hour work week, where larger employers have to aggressively cap the amount of hours to keep them below 30 hours per week. This should help you become the employer of choice, compete with larger employers and select better employees in the labor marketplace.

## Having issues in your area?

Have a problem with a vendor or with local management?

*Want to talk?*



The National Coalition has Franchise Owner's Association member organizations in all 31 states in which 7-Eleven operates.

Want to find the closest FOA to you? Visit [www.NCASEF.com](http://www.NCASEF.com) to contact one of the 42 local Franchise Owner's Associations nationwide. Want to talk to someone at the national level? Call the NCASEF Vice Chairman in your area:

- Jas Dhillon, East Coast, Chicago, Kansas, Florida  
jasdhillon@rocketmail.com  
818.571.1711
- Jay Singh, Seattle and Midwest  
jksingh2003@yahoo.com  
702.249.3301
- Roger St. George, California  
rdsaint@comcast.net  
360-500-1248
- National Office  
nationaloffice@ncasef.com  
831-426-4711

National Coalition offices are located at 740 Front Street, Suite 170, Santa Cruz, CA 95060; 831-426-4711; nationaloffice@ncasef.com.

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Source: Time News Feed, Time Inc.,  
January 14, 2014

The #1 Selling Frozen  
Cheeseburger Nationwide!

According to Nielsen and IRI

The #3 Selling Freezer Door Item  
at 7-Eleven Nationwide!

According to 7-Eleven



# GIVE YOUR CUSTOMERS THE BEST!



Freezer Case 6-packs (ISLIN #180139)



Grab N Go 2-packs (ISLIN #171585)

For more information about White Castle,  
Contact Steve Ording at 614-559-2473 or [ordings@whitecastle.com](mailto:ordings@whitecastle.com)

# VENDOR FOCUS

## DJEEP Merchandiser With New Worn Denim Lighters

Kretek International, Inc. has announced the rollout of its new DjEEP 108-count combo merchandiser featuring new award winning Worn Denim lighters (SKU DPPP7), along with the Hot Body and Camouflage sets. The Worn Denim series of lighters features photo-images of the most comfortable jeans on the planet from the most dependable and durable lighter on the planet, nominated as a finalist for CSP Product of the Year. The new DjEEP display is a companion unit to DjEEP's popular Marilyn Monroe combo display (SKU DPPP5), which also carries popular Classic and Chrome Luxury designs. All DjEEP lighters have proper DOT and HAZMAT certification. Your Kretek sales representative has the detail on opening order promotions. Call 1-800-358-8100, or email [salesinfo@kretek.com](mailto:salesinfo@kretek.com).



New DjEEP 108-count  
combo merchandiser  
displays popular Worn  
Denim, Camouflage and  
Hot Body lighters.

leaving a comment about how they steal a moment. The campaign will also be brought to life with creative print executions in key entertainment and lifestyle outlets, through exciting programs and partnerships and via new sparkling Fruitwater tasting vehicles, which will be cruising through cities like Boston, Chicago, Los Angeles, San Francisco and Miami. To see the campaign and the new bubbly design and packaging for Fruitwater, click over to [www.fruitwater.com](http://www.fruitwater.com) and follow fruitwater on Instagram (@fruitwaterbev) and Twitter (@fruitwater).

## New Stride Sour Patch Kids Gum Flavor

The "sour, then sweet" experience of Sour Patch Kids will now be available in a new flavor of gum—Orange. This new flavor of Stride Sour Patch Kids gum provides consumers an exciting new product offering that delivers upon intense flavor via this unique "sour, then sweet" experience. It's a citrus mouth slap, with a sweet tongue-soothing chaser!



Orange flavor extends  
Stride Sour Patch Kids gum line.

continued on page 74

## Steal A Moment With Fruitwater & Christina Applegate

The makers of Fruitwater are launching a new campaign with brand spokesperson and partner, Christina Applegate, that encourages people to find a few stolen moments for themselves to enjoy the great-tasting, naturally fruit flavored, zero calorie sparkling water beverage. Digital videos are at the center of the campaign and feature Christina stealing some moments for herself. In one video, Christina uses a less-than-perfect decoy to take over her daily duties and in another, she uses an umbrella to dodge everything life throws at her. When she finally has a quick break, she takes a pause to fully enjoy her stolen moment: a sip of her favorite sparkling and refreshing Fruitwater.



New Fruitwater  
campaign features  
Christina Applegate.

In addition to the digital videos, Fruitwater lovers will have the chance to win helpful, time-saving prizes by becoming a fan of Fruitwater's Facebook page ([facebook.com/fruitwater](http://facebook.com/fruitwater)) and



## MARUCHAN'S TWO NEW BOWL FLAVORS

Maruchan has introduced two new items to its line of top-selling Ramen Bowls:

- Beef Flavor—All the flavor of a hearty beef stew with tender Maruchan ramen noodles and vegetables.
- With Shrimp—One of Maruchan's most popular cup products, now in a bowl of tender Maruchan ramen noodles and vegetables.

Beef Flavor, and With  
Shrimp, new to  
Maruchan's line of top  
selling Ramen Bowls.

Maruchan is America's top-selling ramen noodle brand. Seven out of every 10 ramen noodle products sold in the U.S. carry the Maruchan brand name. Maruchan ramen noodle products have the flavor profiles American consumers are familiar with and prefer. So it's only natural that Maruchan's new Bowl products will be the Ramen Bowl your customers will choose to buy for their families.

New products and services for 7-Eleven Franchisees

continued from page 73

The Orange flavor of Stride Sour Patch Kids gum is the third flavor in Stride's Sour Patch Kids gum line-up, joining the Redberry and Lime flavors. New Stride Sour Patch Kids gum Orange just became available

## LOGIC'S NEW CARTRIDGE VAPOR SYSTEM

LOGIC Technology recently announced the launch of LOGIC PRO Advanced Vapor Systems, the first-of-its-kind e-vaporizing technology ever to hit the market. Representing the next generation of vaporizers in both technology and format, LOGIC PRO Advanced Vapor Systems are designed with high-quality metals and work in conjunction with pre-filled, vacuum sealed eLiquid capsules. The result is a heightened level of taste, consistency and value to consumers, as well as an enhanced profitability for retailers by allowing them to recapture sales that have migrated to online stores.



LOGIC PRO Advanced Vapor Systems advantages include:

- One 5-count package of LOGIC PRO eLiquid Disposable Capsules provides 25 percent more inhales than one standard 10 ml bottle.
- Great industry leading margins.
- Significantly more vapor than traditional e-cigarettes.
- LOGIC PRO eLiquid Disposable Capsules designed to allow for seamless flavor changes, with no pouring to fill tanks.
- Intelligent lock system serves as safety measure to stop accidental activation.
- LOGIC PRO Advanced Vapor System starter kit includes a USB charger and wall charger.
- Available in LOGIC's signature flavors: Black and Platinum Tobacco, Black and Platinum Menthol.

LOGIC PRO Advanced Vaporizing Systems will hit retail shelves in Winter 2014, accompanied by strong retail support programs.

LOGIC Technology is #1 in unit share in convenience stores nationwide according to the latest results from Nielsen's C-Track Database, and continues to maintain a strong hold on the #2 dollar share rank nationally. For more information on LOGIC PRO Advanced Vapor Systems and LOGIC Technology visit [www.LogicEcig.com](http://www.LogicEcig.com).



to 7-Eleven stores nationwide and is sold in a 14-piece count pack. Give your fun-seeking customers another reason to shop in your store!

## Swisher's Hand-Rolled King Edward VII Cigarillos

Swisher International recently introduced the new King Edward VII Cigarillos. Named for the extremely popular and fun-loving ruler of early 1900s Great Britain, these cigarillos are hand-rolled in a natural Connecticut shade wrapper and have a rich, royal taste. Adult smokers can treat themselves like kings with premium tobacco tastes in a choice of two enticing blends—Vanilla and Natural. The cigarillos are offered at an affordable Buy 2, Get 3 price, and are packed in resealable foil pouches to ensure freshness. For more information or to place your order today contact your Swisher representative at 1-800-874-9720.



Swisher's King Edward VII Cigarillos at an affordable Buy 2, Get 3 price.

## New Voodoo Displays Offer Variety

Kretek has announced a new series of Voodoo acrylic displays and pre-packed merchandisers, with choices ranging from a complete line of 6-count e-liquid and disposable e-vaporizer display cartons to 74-count and 144-count permanent acrylic Voodoo merchandisers with up to 17 different SKUs of e-liquids, e-pens, and accessories. A 12-count refillable acrylic cube of Voodoo disposable e-hookahs is also available. The Voodoo brand is captivating e-vapor consumers who are turning to mainstream retail channels for affordable personal vapor devices and premium flavor e-liquids. (See ad page 53.)

As the vaporizer section expands in mainstream channels, the Voodoo brand offers the



The new Voodoo merchandisers offer the variety to build e-vapor sales.

continued on page 75

variety and flexibility that grows sales. For example, E-vaporizer purchases add an average of \$18 per retail transaction. Voodoo disposable e-vaporizers offer around 800 puffs. Six-pack counter displays allow retailers to show maximum flavors in minimum space. Voodoo 10 mg e-liquids are also available in space-saving 6-packs in 12 blendable flavors. Larger acrylic displays can carry a custom assortment of flavors and personal vaporizer items.

Each Voodoo e-pen and disposable e-vaporizer is powered by a SuperLast Lithium-Ion battery, featuring an automatic shutoff. Ask your Kretek sales representative for details. Call 1-800-358-8100, or email [salesinfo@kretek.com](mailto:salesinfo@kretek.com).

## José Olé Sausage & Egg Breakfast Burrito

The flavor and fiesta of today's leading premium frozen Mexican brand is now available to 7-Eleven stores nationwide in a third delicious flavor. Wake up your breakfast sales in the frozen food section



Wake up your breakfast sales with the new José Olé Sausage & Egg Breakfast Burrito.

with the new José Olé Sausage & Egg Breakfast Burrito 4oz. José Olé is a proven brand at 7-Eleven that is building momentum with a breakfast meal solution that your customers are sure to crave. José Olé takes

scrambled eggs, sausage, real cheddar and American cheeses, diced potatoes, zesty green chiles, and authentic seasonings and spices and wraps it all in a freshly baked flour tortilla to deliver a premium, restaurant quality breakfast burrito that will keep your customers coming back to your frozen food case all day long. Now available from McLane, the José Olé Sausage & Egg Breakfast Burrito 4oz offers another opportunity to add more OLE to your frozen food section.

continued on page 76

**DON'T MISS THE CHANCE TO INCREASE SALES & PROFITS... WITH A NEW FRONT END MERCHANDISER**

**NO COST TO YOU**  
JUST ASK YOUR FRITO-LAY REP!!

Replace Your Old 4-Shelf F.E.M. With A New One!

Place The New Unit Across From The Register And Increase Snack Sales Upwards Of 30%!



## VENDOR FOCUS

continued from page 75

### Duracell Quantum Long-Lasting Power

Duracell Quantum is the world's #1 most advanced alkaline battery. It's the only battery with Hi-Density Core Technology for unbeatable long-lasting power, and with PowerCheck, you can instantly check your power level at any time. Duracell Quantum also contains Duralock Power Preserve Technology, which guarantees battery performance for 10 years in storage. Quantum batteries are



New Duracell Quantum, the most advanced alkaline battery.

ideal for use in many battery-powered devices, including portable electronics, wireless mice, toys, remote controls, flashlights, calculators, clocks and radios, keyboards and more.

### Mountain Dew & Doritos 'Call Of Duty' Promo

Mountain Dew and Doritos, the ultimate fuel for gamers, have joined forces with Activision Publishing, Inc. for its highly-anticipated Call of Duty: Advanced Warfare, the new Call of Duty set in the year 2054, where Power Changes Everything. With the Mountain Dew and Doritos "Fuel Up for Battle" promotion, gamers in select markets around the world will have the opportunity to customize their Call of



Mtn Dew Game Fuel Citrus Cherry and Lemonade will be available for a limited time only.

Duty: Advanced Warfare multiplayer gaming experience by accessing exclusive (until February 15, 2015) in-game gear through the title's exciting, brand new "Supply Drops" reward system.

Mountain Dew is also bringing back tried and true gamer-favorite Mtn Dew Game Fuel Citrus Cherry and a bold new flavor—Mtn Dew Game Fuel Lemonade—for a limited time only. Both products hit shelves in the U.S. beginning October 6, and codes on specially marked packages of DEW and Doritos products will unlock in-game gear, double XP and rapid supply rewards.

### Navajo Adds New Items To Dispensit Program

Navajo, Incorporated has recently introduced new products to its Trial & Travel Dispensit program. 7-Eleven franchisees will have the opportunity to see new offerings at the 2015 SEE conference in Las Vegas. These items will further enhance the appeal of the display and attract more customers.

The Dispensit is a unique gravity-fed merchandising program that has been extremely successful since its launch in 2010. The Dispensit is an inner carton that goes straight to the shelf, cutting down on labor costs because employees don't have to take additional time to stock individual bins. They simply remove the boxes from the shipping carton and place them on the shelf. Plus, it creates an attractive billboard-style display that is convenient for consumers to see and reach products.



Navajo's Trial & Travel Dispensit program attracts customers.

Navajo continues to improve the Dispensit box and display trays. The packaging was already recyclable, but now it is made out of 100 percent recycled materials. Approximately 128 tons of recycled materials are used each year to manufacture the Dispensit boxes. One recycled ton of cardboard saves 17 trees—that's approximately 3,400 trees per year. Navajo continues to explore more packaging and manufacturing options to further its conservation efforts.

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can expect \$174.5

million through the fiscal year that ends in 2017. • C-store retailer **RaceTrac held a Free Coffee Week** October 12-18, during which customers were able to grab a free cup of coffee, any size, no coupon needed. • A consumer survey conducted by GreenPrint, LLC reveals that **83 percent of respondents named "price" as being an important consideration in their gasoline purchases**, while only 29 percent considered "brand" to be important. • In the seven months since GMO Inside launched its **campaign pressuring Starbucks to ditch conventional milk from cows fed GMOs** in favor of organic milk, more than 150,000 consumers have for-

continued on page 78

# WINTER IS OUR SPECIALTY

MAKE SURE YOUR SHELVES CARRY THESE WINTER DRIVING ESSENTIALS FROM PEAK



BLUEDEF™ DIESEL EXHAUST FLUID DEF003 McLane VIN# 014332	BLUEDEF™ DIESEL EXHAUST FLUID (2.5 GAL) DEF002 McLane VIN# 014456	PEAK™ LONG LIFE™ PRE-MIXED ANTIFREEZE PRA053 McLane VIN# 630764	PEAK™ LONG LIFE™ ANTIFREEZE PRA063 McLane VIN# 630756	PEAK™ 20" WASH & WAX PW003 McLane VIN# 055541	PEAK™ GLOBAL LIFETIME PRE-DILUTED ANTIFREEZE PXA053 McLane VIN# 358002

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(847) 559-2057

facebook.com/peakauto.com

# PEAK RUN TRUE™

# VENDOR FOCUS

## VENDOR FOCUS

continued from page 76

### Mars Buy 2 Sharing Size Get 1 Free

Mars Chocolate has pumped up the value for franchisees with its "Buy Any 2 M&M's, Milky Way or 3 Musketeers Sharing Size/King Size Candies, Get 1 Free program." The promo runs from November 3 to December 27, 2014, and includes all the most popular M&M's, 3 Musketeers and Milky Way sharing sizes, including bites, king size and 2 to Go:



- M&M's Milk Chocolate Sharing Size (SLIN 140028)
- M&M's Peanut Sharing Size (SLIN 140027)
- M&M's Peanut Butter Sharing Size (SLIN 140538)
- M&M's Pretzel Sharing Size (SLIN 140416)
- M&M's Almond Sharing Size (SLIN 141765)
- 3 Musketeers King Size (SLIN 140914)



- 3 Musketeers Bites (SLIN 142930)
- Milky Way King Size (SLIN 40026)
- Milky Way Bites (SLIN 140458)



continued from page 76

mally petitioned Starbucks CEO Howard Schultz to do just that. • By 2023, **online grocery sales are projected to range between \$80 billion and \$123 billion**, according to new statistics released by Brick Meets Click (BMC). Online grocery sales in 2014 are estimated by BMC to be about \$27 billion. • **In just two years, the number of shoppers making purchases on their mobile devices jumped to 35 percent from 25 percent**, according to an ongoing shopper behavior study conducted by The Integer Group and M/A/R/C Research. • Economic optimism held steady in October, with **46 percent of gas consumers saying that they were optimistic about the economy**, according to the latest NACS Consumer Fuels Survey. One of the major reasons for high optimism is falling gas prices. ■

**Make a Muscle Make a Difference**

Put your muscle, your strength and your commitment behind MDA. Together, we can provide help, hope and greater understanding in the fight against muscle diseases that affect children and adults.

*Alison Sweeney*

ALISON SWEENEY  
Proud member  
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(800) 572-1717  
mda.org

**MDA** Muscular Dystrophy Association  
Fighting Muscle Disease



## The FASTEST GROWING Segment In The Coffee Industry Today!

**Billions** of single serve coffee cups will be sold this year. Make sure your store is a part of what is the fastest growing segment in the coffee industry.

100% VENDOR FUNDED

## BUY ONE GET ONE FREE!\*

Order 2 cartons of Authentic Donut Shop Blend and get billed back for only 1!

\*Get unlimited BOGOs while supplies last, for a limited time. Offer ends October 15, 2014.

### Order From McLane Today!

With its great taste and cool retro look, Authentic Donut Shop Blend is our best selling coffee, loved from coast to coast.



SLIN: 211095  
LDU: 1 x 12ct Box  
Retail: \$9.99  
Cost: \$5.44  
Margin: 45.5%





## FOA EVENTS

### SAN FRANCISCO/ MONTEREY BAY FOA THE GUARDIAN TRADE SHOW

Santa Clara Marriott  
Santa Clara, California  
April 11, 2015  
Phone: 510-754-1113

### FOA OF GREATER LA GOLF TOURNAMENT

(date & location to be announced)  
June, 2015  
Phone: 619-726-9016

### 7-ELEVEN FOAC FAMILY PICNIC

(location to be announced)  
June 13, 2015  
Phone: 847-971-9457

### 7-ELEVEN FOAC CHARITY GOLF TOURNAMENT

(date & location to be announced)  
July, 2015  
Phone: 847-971-9457

### 7-ELEVEN FOAC HOLIDAY PARTY & TRADE SHOW

(location to be announced)  
November 6, 2015  
Phone: 847-971-9457

### FOA OF GREATER LA HOLIDAY PARTY

(date & location to be announced)  
December, 2015  
Phone: 619-726-9016

### CENTRAL FLORIDA FOA HOLIDAY PARTY

(date & location to be announced)  
December, 2015  
Phone: 407-715-9998

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## FOA BOARD MEETING DATES

### 7-Eleven FOAC

Phone: 312-944-5392  
December 11—General Meeting  
January 22, 2015  
February 19, 2015  
March 19, 2015—General Meeting  
April 23, 2015  
May 14, 2015  
June 18, 2015  
August 20, 2015  
September 17, 2015  
October 22, 2015—General Meeting  
November 19, 2015  
December 17, 2015

### Cal-Neva FOA

Phone: 775-826-7111  
November 19  
December 17

### Central Florida FOA

Phone: 407-715-9998  
December 4—Lakeland  
January 15, 2015—Board Meeting Orlando  
February 5, 2015—General Meeting  
Lakeland  
April 23, 2015—Board Meeting Lakeland

May 21, 2015—General Meeting Orlando  
July 16, 2015—Board Meeting Orlando  
August 20, 2015—General Meeting  
Lakeland

October 22, 2015—Board Meeting  
Lakeland  
November 19, 2015—General Meeting  
Orlando

### Columbia Pacific FOA

Phone: 503-984-1398  
December—Board Meeting & Elections

### FOA Of Greater LA

Phone: 951-766-7490

November 18  
December—No Meeting  
January 13, 2015  
February 17, 2015  
March 17, 2015  
April 21, 2015—w/Mini Trade Show  
May 19, 2015  
June 16, 2015  
August 18, 2015—w/Mini Trade Show  
September 15, 2015  
October 20, 2015  
November 17, 2015—w/Mini Trade Show  
December 2015—No Meeting

### Greater Bay FOA

Phone: 707-328-3960  
November 18

### Greater Seattle FOA

Phone: 425-308-1216  
November 12—Board Meeting  
November 19—Dinner Meeting  
December 06—Board Meeting

### Metro New Jersey FOA

Phone: 908-232-1336  
November 13—Vendors Welcomed

### Pacific Northwest FOA

Phone: 253-861-6737  
November 12—General Meeting

### Southern California FOA

Phone: 818-357-5985  
November 12  
December 10

### San Diego FOA

Phone: 619-713-2411  
November 20—Monthly Board Meeting



### South Florida FOA

Phone: 954-465-6896  
November 13—Board Meeting  
November TBD—General Meeting

### San Francisco/Monterey Bay FOA

Phone: 650-996-9479  
November 11

### Southern Nevada/Las Vegas FOA

Phone: 702-249-3301  
November 6—Board Meeting  
November 20—General Meeting/  
Elections

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Employees simply:

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2. Determine their eligibility for tax credits.

3. Compare insurance plans that best meet their needs and budget, and enroll in a plan they'll love.

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- ✓ Last year, Americans paid an average monthly premium of just \$82 per month after tax credits.

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## FOA EVENTS

### 7-ELEVEN FOAC HOLIDAY TRADE SHOW & PARTY

Holiday Inn North Shore  
Skokie, Illinois  
November 7, 2014  
Phone: 847-971-9457

### SOUTHERN NEVADA/LAS VEGAS FOA HOLIDAY PARTY & TABLETOP TRADE SHOW

(location to be announced)  
December 5, 2014  
Phone: 702-249-3301

### SOUTH FLORIDA FOA TABLETOP TRADE SHOW/ HOLIDAY PARTY

(location to be announced)  
December 5, 2014  
Phone: 954-465-6896

### EASTERN VIRGINIA FOA ANNUAL CHRISTMAS PARTY

(location to be announced)  
December 5, 2014  
Phone: 757-247-6152

### SAN FRANCISCO/MONTEREY BAY FOA HOLIDAY PARTY

Santa Clara Marriot  
Santa Clara, California  
December 5, 2014  
Phone: 510-352-2324

### PACIFIC NORTHWEST FOA HOLIDAY CRUISE PARTY

(location to be announced)  
December 6, 2014  
Phone: 253-861-6737

### SOUTHERN CALIFORNIA FOA ANNUAL HOLIDAY PARTY

Disneyland Resort  
Anaheim, California  
December 6, 2014  
Phone: 818-357-5985

### GREATER BAY FOA HOLIDAY PARTY

Marriott Oakland City Center  
Oakland, California  
December 6, 2014  
Phone: 707-327-2989

### SAN DIEGO FOA HOLIDAY PARTY

La Gran Terraza  
San Diego, California  
December 6, 2014  
Phone: 619-713-2411

### FOA OF GREATER LA HOLIDAY PARTY

Diamond Bar Center  
Diamond Bar, California  
December 12, 2014  
Phone: 619-726-9016

### GREATER SEATTLE FOA HOLIDAY PARTY

(location to be announced)  
December 13, 2014  
Phone: 425-308-1216

### CENTRAL FLORIDA FOA HOLIDAY PARTY

(location to be announced)  
December 13, 2014  
Phone: 407-715-9998

### VIRGINIA FOA HOLIDAY PARTY

(location to be announced)  
December 15, 2014  
Phone: 301-568-9216

### FOAGLA & SAN DIEGO FOA TRADE SHOW VENDOR APPRECIATION RECEPTION

Appreciation Reception  
Pechanga Resort and Casino  
Temecula, California  
January 20, 2015  
Phone: 619-726-9016

### FOA OF GREATER LOS ANGELES & SAN DIEGO FOA TRADE SHOW

Trade Show  
Pechanga Resort and Casino  
Temecula, California  
January 21, 2015  
Phone: 619-726-9016

### CENTRAL FLORIDA FOA GOLF TOURNAMENT

Orange County National Golf Center  
Winter Garden, Florida  
March 4, 2015  
Phone: 407-715-9998

## NCASEF BOARD MEETINGS

### NATIONAL COALITION AFFILIATE MEETING

Hilton Sandestin  
Sandestin, Florida  
February 16-17, 2015

### NATIONAL COALITION BOARD OF DIRECTORS MEETING

Hilton Sandestin  
Sandestin, Florida  
February 18-19, 2015



### NCASEF 40TH ANNIVERSARY CONVENTION & TRADE SHOW

Sheraton Chicago Hotel and Towers  
Chicago, Illinois  
July 27-31, 2015  
Trade Show: July 30-31, 2015

### CENTRAL FLORIDA FOA TRADE SHOW

Orlando World Center Marriott  
Orlando, Florida  
March 5, 2015  
Phone: 407-715-9998

### TRISTATE FOSE TRADE SHOW

Martin's West  
Baltimore, Maryland  
March 25, 2015  
Phone: 301-572-6811

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