



AVANTI

July/August 2017

THE VOICE OF 7-ELEVEN FRANCHISEES

Franchisees Celebrate 42 Years At NCASEF Convention

**DOUBLE
DOWN
PAYS
OFF!**



**Car Winners
Announced!**



**Diamond Elite
Sponsors
Anheuser-Busch
and Coca-Cola**

Product Offerings Key
To Attracting Customers

Register System Issues
Gas Stores

Billions For Acquisitions,
Pennies For Upkeep

Building On Food Service

Are We Profit Partners Only?

Balance In The Eyes
Of The Beholder

If You Don't Play,
You Can't Win!

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U.S. POSTAGE PAID
Philadelphia, PA
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GREAT TASTE

MEETS OVEN-BAKED



*OF 7-ELEVEN
PURCHASERS,
WHEN COKE® IS
PAIRED
WITH PIZZA...

75%
THINK THE PIZZA
TASTES GOOD

79%
THINK THE
PIZZA IS WORTH
THE MONEY

PLACE YOUR
COKE®
2L RACK
NEAR THE HOT
FOODS
AREA TODAY!

BEN & JERRY'S



**IT'S BEN & JERRY'S,
ANY WAY YOU SLICE IT.**



BEN & JERRY'S
PINT
slices



22451 ©Ben & Jerry's Homemade, Inc. 2017 Cows: ©Woody Jackson 1997.



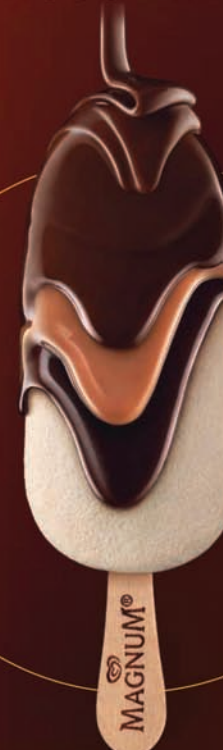
DOUBLE DIPPED FOR DOUBLE
CHOCOLATE PLEASURE



**HIGH QUALITY
SAUCES**
SOFT, LUSCIOUS LAYER
BETWEEN THE CRACKLING
CHOCOLATE LAYERS



**HIGH QUALITY
COCOA BEANS**
HAND HARVESTED &
GENTLY ROASTED
RFA CERTIFIED



MADE WITH
**BELGIAN
CHOCOLATE**



**SILKY VANILLA
BEAN ICE CREAM**
MADE FROM HAND-PICKED
MADAGASCAN VANILLA
BEANS

**MAGNUM CONTINUES THE
MOMENTUM IN 2017**

#1 SUPER PREMIUM BAR IN THE US
#1 ICE CREAM BRAND IN THE WORLD
#1 ADVERTISER IN FROZEN NOVELTIES

SLIN
190557



SLIN
190886



SLIN
190206



SLIN
190560



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THAN ANY OTHER SUPER PREMIUM FROZEN NOVELTIES BRAND

#1 BEST SELLING ICE CREAM BRAND* at 7-Eleven®!



Power Shelf



0 76840 10132 0 SLIN: 0190395
 0 76840 10015 6 SLIN: 0190001
 0 76840 10047 7 SLIN: 0190003
 0 76840 10058 3 SLIN: 0190002
 0 76840 10098 9 SLIN: 0190551
 0 76840 10207 5 SLIN: 0190556
 0 76840 48511 6 SLIN: 0191112



0 76840 40021 8 SLIN: 0190155
 0 76840 10035 4 SLIN: 0190004
 0 76840 10081 1 SLIN: 0190006
 0 76840 36395 7 SLIN: 0190351
 0 76840 10134 4 SLIN: 0191099
 0 76840 46285 8 SLIN: 0190737
 0 76840 52987 2 SLIN: 0190197

YOUR TWO MOST POWERFUL SHELVES!



SLIN: 0190875

SLIN: 0190888

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Refreshing mint combined with tart lemon and the tangy sweetness of mango is an exclusive that will keep your customers coming back for more. Only available at 7-Eleven, this exclusive Swisher Sweets Cigarillo is available in 99¢, \$1.49 and Save on 2 pouches to deliver fast turns for your store at an affordable price for your customers.

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SWISHER INTERNATIONAL, INC.



* Source: IRI, 7-Exchange Database; YTD Ending 12/27/15
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leading bargain
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and more
absorbent—
use up to
4x less!

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absorbent so the
roll lasts 50%
longer.



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SLIN 221095



037000132585



Bargain-brand
paper towels always
disappear. Bounty Paper
Towels are in it for
the long haul!

The
Quicker
Picker
Upper

Bounty Single Roll

SLIN: 203447



37888

95828

7-ELEVEN EXCLUSIVITY
OCTOBER–DECEMBER 2017

2 CIGARS FOR 99¢

RESEALABLE FOIL POUCH



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2-for-\$1.49 Pouch



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CIGARILLOS



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SAY
OLÉ!

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Deliver sales growth within
your frozen section while
satisfying customer cravings.

NEW LOW PRICE
\$1.49

Steak and Cheese
Chimichanga



SLIN: 180177

McLane Single Pick UIN:
10538

McLane Full Case UIN:
552026

Chicken and Cheese
Chimichanga



SLIN: 180005

McLane Single Pick UIN:
176024

McLane Full Case UIN:
4509768

Egg and Sausage
Breakfast Burrito



SLIN: 129312

McLane Single Pick UIN:
129312

www.JOSEOLE.com

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Something to Delight
Every Ice Cream Lover!

M&M's®, Snickers® and Twix® Ice Cream Bars
featured on 7Rewards App for 99¢ 8/30-11/17*

99¢
FULLY
FUNDED

- When using the 7Rewards App, your customers will save \$1 on all Ice Cream Bars featuring M&M's®, Snickers® and Twix®. 8/30-11/7 while supplies last*
- 7-Eleven stores selling M&M's® Bar are growing the Category +4%, stores without the item are declining -10% **7-ELEVEN.**
- M&M's Cookie Sandwich is on fire at 7Eleven, same stores sales +77%



FREE
M&M's® Ice Cream
Cookie Sandwich
Stock up for the 7Rewards
Free Offer 9/1 to Kick Off
Labor Day weekend*

**FREE
OFFER
FULLY
FUNDED**



MARS
ice cream
north america

*While Supplies Last.
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YOU BET YOUR GLASS IT'S PLASTIC

36% of c-store customers said they would be more likely to buy Snapple in the PET packaging because of its ability to be taken anywhere versus glass.

Veraquest Omnibus Study 2015



NEW PLASTIC BOTTLE!

SAME GREAT TASTE
SAME LOOK
UNBREAKABLE BOTTLE

SNAPPLE
PEACH TEA PET
SLIN 241319

AVAILABLE IN ALL TOP FLAVORS. ORDER WITH SAME GLASS SLIN.

SOMETHING BIG IS COMING TO 7-ELEVEN NOVEMBER 2017



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Three Fully Funded Nesquik Milk Promos!

The #1 Selling Flavored Milk In 7-Eleven

AVAILABLE
VIA MCLANE
OR DSD



1

FREE NEW Nesquik Protein Milk on the 7Rewards App

Consumers love NEW and FREE!
Drive units and increase profits!
National Chocolate Milk Day,
September 27!

2

Buy One Get One Nesquik Milks, ALL 14 oz. Flavors On the 7Rewards App! September 28-December 31

All purchases support Nestle's #Quikstache Campaign and Partnership with the Movember Foundation, a global charity that advocates and raises funds and awareness for men's health.

3

Buy 1 Get 2nd for \$1, ALL 14 oz. Flavors Nesquik Milk No App Necessary! September 28-December 31

All regular 14 oz. Buy 1 Get 2nd for \$1 Fully Funded!

Increase sales by over 25%

NEW Nesquik Protein Plus Chocolate Milk 14 oz.

McLane SLIN 150494
DSD SLIN 150168

Nesquik Strawberry Milk 14 oz.

McLane SLIN 150899
DSD SLIN 151794

NEW Nesquik Protein Plus Vanilla Milk 14 oz.

McLane SLIN 150180
DSD SLIN 150055

Nesquik Strawberry Banana Milk 14 oz.

McLane SLIN 151125
DSD SLIN 151137

Nesquik Chocolate Milk 14 oz.

McLane SLIN 150891
DSD SLIN 151796

Nesquik Vanilla Milk 14 oz.

McLane SLIN 151127
DSD SLIN 150725

ALL FULLY FUNDED AT RETAIL!

November - December
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pop-tarts®

Buy 2 Get 1 Free!

Treat Your Customers and Sales to a Seasonal Favorite!

Get Your Pop-Tarts® Pumpkin Pie Counter Shipper Today!

PRODUCT DESCRIPTION	MCLANE UIN #	SLIN #
Pop-Tarts® Pumpkin Pie Display (Holds 24 - 2ct.)	940189	210654

For more information, visit www.KelloggsSpecialtyChannels.com

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Kellogg's®



THE BOMB & Breakfast Burritos

"Top Selling Burritos In C-Stores Nationwide!"



Whole Egg, Bacon
& 3 Cheese - 12/7oz

SLIN #170394 • UIN #610170 • DCMS #732551



- Restaurant Quality Ingredients
- Filled End to End (60% fill - 40% tortilla)
- Authentic Hand-Stretched Tortillas
- Fast & Easy to Prepare
- Don Miguel will provide all necessary POP • Static Clings • Shelf Talkers • Trays



Whole Egg, Sausage
& 3 Cheese - 12/7oz

SLIN #170425 • UIN #070359 • DCMS #733246



7-Select Chicken Fajita
Chimichanga - 12/6oz

SLIN #839415 • UIN #178680 • DCMS #437065



7-Select Steak, Black Bean
& Rice Chimichanga - 12/6oz

SLIN #839407 • UIN #178679 • DCMS #437064



7-Select Spicy Beef, Beans & Cheese
Bomb Burrito - 12/7oz

SLIN #174033 • UIN #272625 • DCMS #433312



7-Select Chicken Chile Verde & Beans
Bomb Burrito - 12/7oz

SLIN #174030 • UIN #272633 • DCMS #433313



Beef & Bean Chimichanga (Bulk)
6.0 lbs/case

SLIN #176406 • UIN #149468 • DCMS #433309



Mini Breakfast Empanada Bites (Bulk)
6.0 lbs/case

SLIN #178842 • UIN #385047 • DCMS #473543



Beef Mini Tacos (Bulk)
5.25 lbs/case

SLIN #171164 • UIN #540757 • DCMS #435688



AVANTI

THE VOICE OF 7-ELEVEN FRANCHISEES

July/August 2017

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Franchisees Celebrate 42 Years At NCASEF Convention



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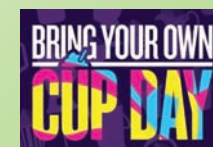
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we make good exciting



who said the healthy choice was the boring choice?

Graze was founded in 2008 when seven friends couldn't find wholesome snacks worth getting excited about. They got inventive in the kitchen and combined the best ingredients with classic flavors to make good-for-you food taste just as delicious as your favorite treats. Thousands of recipes later, graze has helped millions of snackers everywhere feel good about snacking by getting their favorite snacks in the mail. Now graze is in stores! Give your shoppers a better choice.

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- ✓ no GM ingredients
- ✓ no high fructose corn syrup
- ✓ no artificial colors
- ✓ no artificial flavors

custom 2 oz pack for
7-Eleven stores!

exclusively at



NEW

50% retail
margin
\$2.99 SRP



Salted Caramel
Chocolate Cookie



Sweet Memphis BBQ



FOD
8/21/17



Veggie Protein Power



find us at NACS
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graze



Member News

Confronting Industry Disruption

CSP Daily News recently ran a feature examining how SEI is managing to stay ahead of the ongoing disruption being created by big-box and online retailers. According to the article, while Amazon, Wal-Mart and other companies fight to become the fastest, easiest and cheapest retailer in America, many battles are occurring directly on c-store turf, and 7-Eleven has the potential to meet this disruption perhaps more than any other retailer. That's because SEI has a "technology-savvy C-suite, a Japanese parent company willing to invest in American growth, deep saturation across key markets throughout the United States, and a brand that resonates with its core customer."

"I don't see [disruption] slowing down; in fact, it's going to be the absolute norm," CEO Joe DePinto told CSP. "We need to be fully part of that value chain." DePinto said the company's strategy is "first and foremost to understand the customer." SEI is also expanding aggressively. Citing 7-Eleven's recent purchase of 1,100 Sunoco c-stores, the article also reiterates SEI's goal to have 10,000 U.S. stores by 2019 and 20,000 stores by 2027.

To read the CSP article in its entirety, visit www.cspdailynews.com and look for "7-eleven-fights-remain-above-fray."

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"SEI's stated goal is to have 10,000 U.S. stores by 2019 and 20,000 stores by 2027."

Get Avanti Online!

The National Coalition is proud to announce that vendors and franchisees can now read *AVANTI*, the digital version, online at Issuu.com before you receive the printed copy! To join the *AVANTI* distribution list and receive a link to the latest issue as soon as it is uploaded, send an e-mail to debbie.avanti@verizon.net with the subject field "AVANTI ONLINE" and

you will receive an email alert as soon as the digital magazine is posted. Feel free to include your U.S. postal address in the e-mail if you would also like to be placed on our *AVANTI* mailing list. *AVANTI* is also available on the NCASEF website in pdf format at www.NCASEF.com.

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July/August 2017

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EXCLUSIVE

2/\$4 Airheads Peg Bag Promotion
August 30 - November 7
fully funded through Promo Master

SLURPEE® will feature an Airheads® Mango Chili flavor

Bold New Flavors:
Mango Chili
Strawberry Lime
Salted Watermelon

SLIN 145689



60ct Airheads Flavor Fusions Mini Bars Peg Bag Display



Available in three delicious fruit flavors consumers love!

Airheads flavored micro-candy bits and an Airheads candy strip layer

SUGAR FREE
made with Xylitol

- Tested against and outperforms the top fruit SKUs in the category*
- Non-Mint flavored gum represents 34% of the gum category*
- Fruit flavors account for only 12% of slab gum dollar sales*

75% Gross Profit on initial order!



SLIN 145687



SLIN 145684



SLIN 145686



Member News

continued from page 18

7-Eleven #1 On CSNews Top 100

7-Eleven has taken the crown on the 2017 *Convenience Store News* Top 100 ranking, the industry's longest-running accounting of the largest convenience store chains by store count. With 8,391 U.S. stores, 7-Eleven is well ahead of #2 Alimentation Couche-Tard, whose 5,330 U.S. units are comprised of Circle K stores. At #3 is Shell Oil/Motiva Enterprises with 4,670 stores.

According to *Convenience Store News*, the U.S. convenience store count stands at nearly 155,000, and while the majority of the stores are owned by single-store operators, the chain retailers on the 2017 *Convenience Store News* Top 100 ranking hold a sizable amount: 63,368 stores—a number that has grown incrementally over the past five years. Additionally, the top 10 chains account for a whopping 40,725 of those stores.

Study Finds Seattle's Minimum Wage Hike Costs Jobs

Seattle's \$15-an-hour minimum wage law has cost the city jobs, reported NewsMax.com. According to a study

conducted by a group of economists at the University of Washington, the law has boosted pay in low-wage jobs since it took effect in 2015, but has also caused a 9 percent reduction in hours worked. For an average low-wage Seattle worker, that's a loss of about \$125 per month, according to the study—which was commissioned by the city. There would be about 5,000 more low-wage jobs in the city without the law, the study estimated.

"The average low-wage worker in Seattle lost about \$125 per month, due to fewer hours caused by minimum wage."

Seattle was one of the first U.S. cities to adopt a \$15 minimum wage law, and its experience is being closely watched as other cities have followed suit and as advocates push for a higher federal minimum wage. The city's law is raising the minimum to \$15 for all businesses by 2021. Already, though, some employers have not been able to afford the increased minimums, the *Washington Post* reported. They've cut their payrolls, putting off new hiring, reducing hours or letting their workers go, the study found.

continued on page 28

Visit the NCASEF Website

www.ncasef.com



Walmart is installing giant self-service kiosks in its stores for customers to retrieve online orders, reported *Business Insider*. The kiosks, which Walmart calls Pickup Towers, stand at least 16 feet tall and about 8 feet wide, and are typically near store entrances.

• **Retail inventory shrink hit \$48.9 billion** last year, up from \$45.2 billion in 2015, and losses from theft and other forms of shrink grew to 1.44 percent of total sales, according to an annual report from the National Retail Foundation and the University of Florida. • **Kwik Trip Inc.** has agreed to buy 34 PDQ convenience stores, a move that will push Kwik Trip's overall store count to about 600, reported the *Milwaukee Journal Sentinel*. • Six months after **Chicago's 7-cent plastic bag tax** kicked in, Chicagoans say the tax has encouraged them to plan ahead and avoid the disposable bags at checkout, reported the *Chicago Tribune*. • **Canadian grocer Sobeys** began staffing some of its warehouses with robots in 2009 to boost productivity and keep labor costs under control, and today, **four of its 25 distribution centers are automated**, reported *The Canadian Press*. • Scammers are now using a new tool to steal your credit card information: a **shimmer**, which is a paper-thin, card-shaped device that's wedged inside of the card slot of an ATM or gas pump terminal, reported WFMY News. • **It has a microchip and flash storage that collects information** from credit or debit cards when they are swiped at the machine. • **Pilot Flying J** recently rolled out its new truck care program, which includes brand-new service centers and **roadside assistance trucks** to provide professional drivers with the critical maintenance services they need on and off the interstate, reported

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The National Coalition Office

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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EXCITING LIMITED-EDITION SEASONAL AND NEW PACKAGING!

GUINNESS STOUT +30% AT 7-ELEVEN*

NEW STOUT AVAILABLE FOR A LIMITED TIME!

NEW & IMPACTFUL PACKAGING ON ALL VARIANTS

LIMITED TIME GRAPHICS CELEBRATING 200 YEARS IN AMERICA

4PK CAN

CELEBRATING 200 YEARS IN AMERICA

GUINNESS SEASONAL 6PK BTL (200TH ANNIVERSARY EXPORT STOUT) FOD 8/21/17 (NY State & Liberty Zone)

GUINNESS EXTRA STOUT

GUINNESS DRAUGHT STOUT FOD 7/3/17 (Upstate NY)

0 83820 12393 7 GUINNESS SEASONAL 6PK 6 x 12 OZ. BOTTLES SLIN: 103986

0 83820 12393 7 GUINNESS EXTRA STOUT 6 x 12 OZ. BOTTLES SLIN: 100391

0 83820 23480 0 GUINNESS EXTRA STOUT 22 OZ. BOTTLE SLIN: 100859

0 83820 10401 1 GUINNESS DRAUGHT 6 x 11.2 OZ. BOTTLES SLIN: 100056

0 83820 12360 9 GUINNESS DRAUGHT 4 x 14.9 OZ. CANS SLIN: 100952

0 83820 12360 9 GUINNESS DRAUGHT 14.9 OZ. CAN SLIN: 100953

PLEASE ENJOY RESPONSIBLY. Diageo Beer Company USA, Norwalk, CT.

*7-Eleven Data Dollar Sales Last 26 W/e 7/23/17

FLAVORS FOR EVERYONE!

LOOK FOR LIMITED EDITION FOOTBALL PACKS ON TOP FLAVORS THIS FALL!



Display with Premium Domestic for Best Lift

- Smirnoff Ice 6pks Growing 7-Eleven Dollars +19% vs LY¹
- Smirnoff Ice consumers spend more than the category average in C-Store!²

0 82000 72385 1	0 82000 75748 1	0 82000 72751 4	0 82000 72754 5	0 82000 73214 3	0 82000 78263 6
SMIRNOFF ICE ORIGINAL 6 x 11.2 OZ. BOTTLES SLIN: 101482	SMIRNOFF ICE SCREWDRIVER 6 x 11.2 OZ. BOTTLES SLIN: 107762	SMIRNOFF ICE GREEN APPLE 6 x 11.2 OZ. BOTTLES SLIN: 101804	SMIRNOFF ICE RASPBERRY 6 x 11.2 OZ. BOTTLES SLIN: 101814	SMIRNOFF ICE GRAPE 6 x 11.2 OZ. BOTTLES SLIN: 101475	SMIRNOFF ICE STRAWBERRY 6 x 11.2 OZ. BOTTLES

PLEASE DRINK RESPONSIBLY
SMIRNOFF ICE Premium Flavored Malt Beverage. The Smirnoff Co., Norwalk, CT.

*May vary by region
Sources: 1. 7-Eleven Data 4 W/e 7/23/17; 2. FMB Shopper Grocery & C-Store 2CV 2015



Congratulations Simply Beverage 2017 Contest Winners!

\$150,000 In Prizes Awarded



Simply Beverages has announced the 100 franchisee winners in its "Expand & Grow" NCASEF Incentive Contest, which ran from March 1 to May 27 of 2017.

Participants expanding Simply Beverage juices by adding 1 to 12 SKUs received entries into four cash drawings: 20 \$2,500 winners, 20 \$1,500 Winners, 20 \$1,000 Winners and 40 \$500 winners. In addition, the National Coalition receives \$30,000 in discretionary support.

● \$2,500 WINNERS

Aseem Kohli, Farmers Branch, Texas
Haroon Khan, Tamarac, Florida
Manzoor A Ursani, Gardena, California
Moiz M Ali, Los Angeles, California
Gunreet Nat, Evans, Colorado
Mizan Rahman, Troy, Michigan
Felicita L Price, Norfolk, Virginia
Muttaiya Kulasingam, Lancaster, California
Marlene N Thompson, Hillsboro, Oregon
Lloyd Martin, Ocean City, Maryland
Timothy S Jewsbury, Bend, Oregon
Massood Ali, Fort Myers, Florida
Joseph D Carpenter, Longmont, Colorado
Alida Sultana, Arlington, Texas
Michael J Zotto, Beverly, Massachusetts
Ajay Gupta, Tucson, Arizona
Hasmukh G Patel, Brooklyn, New York
Bikram Sapra, Trevose, Pennsylvania
Parampal S Sandhu, Fountain Valley, California
Shanti Ramachandran, Huntington Station, New York

● \$1,500 WINNERS

Hitesh Patel, Philadelphia, Pennsylvania
Mehrun N Islam, Revere, Massachusetts
Tarsemjit Singh, Everett, Washington
Florence Charavay, Orlando, Florida
Sukhpal S Dhillon, Green Brook, New Jersey
Anil B Shah, North Kingstown, Rhode Island
Richard W Huang, San Francisco, California
Idrish Vohra, Langhorne, Pennsylvania
Scott E Howe, Salt Lake City, Utah
Rick A Turner, Hampton, Virginia
Chadi N Maroun, Kirkland, Washington
Amrit Dhaliwal, Upper Darby, Pennsylvania

Humaira Ali, Troy, Michigan
Muhammed Faisal, Bradenton, Florida
Hardikkuma Patel, Colonial Heights, Virginia
Amir L Hanna, Webster, Massachusetts
John M Hays, Riviera Beach, Florida
Sung H Choe, King City, California
Rajan D Patel, Teaneck, New Jersey
Emebet Afework, Rockville, Maryland

● \$1,000 WINNERS

Sudarsan Shrestha, Upper Marlboro, Maryland
Sandeep Madhar, Fort Myers, Florida
Makhan X Singh, Ceres, California
Vishal V Patel, Bel Air, Maryland
Ravi Malik, Plano, Texas
Jack W Rugen, Rocky Point, New York
Fouziah Faleh, Lawrence, Massachusetts
Jigna Sheth, Manassas, Virginia
Su-lan Wragg, Columbia, Maryland
Angelo R Scarlata, East Northport, New York
Anjan Shrestha, Mansfield, Texas
Helen Kidane, Denver, Colorado
Ravi Meel, Ithaca, New York
Sameer Bajaj, Bradenton, Florida
Houshang Motazedi, Reseda, California
Rajni Grewal, Richlandtown, Pennsylvania
Aarti B Pathare, Severn, Maryland
John A Boissonneault, Manchester, New Hampshire
Jagpreet Singh, Seattle, Washington
Gurkirande Thaper, Orlando, Florida

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Khairul Shirajee, Boca Raton, Florida
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Amy E Hutchinson, Melbourne, Florida
Karen M Dinh, Rivera, California
Surinder N Mehta, Ontario, California
Satinder S Gill, Santa Rosa, California
Mamuye A Ayleka, Seattle, Washington
Michael S Smith, Smithfield, Virginia
Kajinthan Sivagurunathan, Philadelphia, Pennsylvania
Gehan A Wassef, Shrewsbury, Massachusetts
Abdul Ahed, Belvidere, Illinois
Narinder S Sekhon, Nags Head, North Carolina
Arvinder S Makkar, College Park, Maryland
Ronald M Crawford, Saginaw, Michigan
Hashem M Abbas, Iselin, New Jersey
Melanie P Yang, Fremont, California
Jigna Sheth, Alexandria, Virginia
Gurkirpal S Morrow, National City, California
Curtis D Ragsdale, Seattle, Washington
Arslan Moin, Fort Worth, Texas
Zekria Qadeeri, White Stone, Virginia
Gregory P Oldensmith, East Meadow, New York
Gagandeep K Grewal, Virginia Beach, Virginia
Sapan Chopra, Orlando, Florida
Jayesh K Patel, Belvidere, Illinois
Margaret C Kadleck, Lehi, Utah
Rehan M Baig, Orlando, Florida
Muhammad R Jafri, Fort Lauderdale, Florida
Wajdi D Awar, Orlando, Florida
Tejvir Walia, Norco, California
Azhar Shahzad, Etna, Pennsylvania
Tanveer E Khan, Washington, DC
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Legislative Update

Minimum Wage Hikes Hit LA, DC, Maryland & Oregon

Los Angeles, Washington D.C., Maryland, and Oregon raised their respective minimum wages on July 1 as part of ballot measures previously approved by voters, reported *Fortune*. The wages in LA increased from \$10.50 to \$12, with exceptions for companies employing 25 workers or fewer. The pay floor in Washington D.C. jumped to \$12.50, Maryland to \$9.25, and Oregon to \$10.25.

Even with these increases, the minimum wages remain at least 15 percent lower than the cost of living in each area, according to MIT's living wage calculator. If the cost of living remains the same in the LA metro area, the minimum wage

"Thirty states have laws that set the minimum wage above the federal rate."



will catch up by 2020 under the current legislation.

Although there has been no change to the federal minimum wage since 2009, when it increased nearly 10 percent to \$7.25, states and cities continue to enact pay floors for their workers. In 2016, voters in Arizona, Colorado, Maine, and Washington supported ballot measures to significantly increase wages by 2020. There are now 30 states with laws that set the minimum wage above the federal rate. Atlanta's city council recently approved a budget that will increase the minimum wage for city workers to \$15 over the next two years.

St. Louis, MO Drops Minimum Wage Rate

The minimum wage rate in St. Louis, Missouri dropped from \$10 per hour back to \$7.70 in August, as Governor Eric Greitens announced that he would allow a bill blocking the city's increase to become law without his signature, reported the *St. Louis Post-Dispatch*. The bill in question bans local minimum wages, requiring all cities and municipalities in Missouri to stick to the statewide standard. Minimum wage workers in St. Louis were making \$10 an hour after winning a two-year legal fight against business groups who challenged a 2015 city ordinance authorizing an increase. Under that city law, the wage was set to rise again in January to \$11 an hour, then increase annually with inflation. "It will kill jobs," Greitens said of the increase. "And despite what you hear from liberals, it will take money out of people's pockets." Next steps could in-

clude putting a statewide minimum wage increase on the ballot through a citizen referendum, an avenue St. Louis Mayor Lyda Krewson has said she will explore.

FDA Wants To Cut Nicotine In Cigarettes

The Food and Drug Administration plans to explore regulating the level of nicotine in conventional cigarettes, a radical step that would reshape the \$130 billion American tobacco industry and potentially encourage millions of people quit smoking, reported *Bloomberg*. The move would represent one of the most sweeping federal efforts to reduce smoking since Congress required cigarette packages to carry health warnings in 1965. It follows other moves by President Donald Trump's FDA Commissioner Scott Gottlieb to try and deal with the high cost of prescription drugs and opioid addiction, two issues not directly within the agency's traditional mandate.

The FDA's move is likely to set off a lobbying fight in Washington over the proposal, even as it pushes the industry to move faster in the development of new products that rely less on burning tobacco and more on potentially lower-risk technologies like vaping. Gottlieb also said regulators will look at banning menthol and flavored-products because of their potential for attracting young people.

Labor Department Wants Salary To Count In Overtime Eligibility

The U.S. Labor Department recently defended its authority to use salary levels to decide who was eligible for overtime pay, without advocating for the \$47,500 maximum salary level set by the department under Obama, reported Reuters. Under U.S. President Donald Trump, the Labor Department has continued to fight a challenge to an Obama administration-era rule to raise the pay threshold for overtime eligibility. But it has not endorsed the former administration's move to nearly double that threshold, an increase strongly opposed by business groups. The

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"TRUMP'S LABOR SECRETARY R. ALEXANDER ACOSTA SAID IN MARCH THE CORRECT OVERTIME ELIGIBILITY THRESHOLD MIGHT BE AROUND \$33,000."

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Member News

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Legislative Update

Labor Department is challenging a November decision from a federal judge in Texas that blocked the Obama rule, a decision that the department said could prevent it from setting a new threshold below that set by the Obama administration. The Obama rule was expected to extend overtime pay eligibility to more than 4 million salaried workers. Nevada and 20 other states sued last year to block the rule. Trump's Labor Secretary R. Alexander Acosta said during his confirmation hearing in March that the correct threshold might be around \$33,000.

San Francisco Flavored Tobacco Ban Repeal

A measure that would repeal a ban on flavored tobacco

products passed by the San Francisco Board of Supervisors earlier this year has qualified for the ballot, reported CBS San Francisco. Proponents for the petition to place the repeal on the ballot, a committee of grocery retailers and groups operating under the name Let's Be Real San Francisco, needed to submit just under 20,000 verified signatures by Early August to qualify. The measure will now go to the Board of Supervisors for possible reconsideration of the ordinance banning flavored tobacco. If the board declines to repeal the ordinance—which proponents acknowledge is unlikely, given that the original measure passed unani-

"FIVE STATES HAVE PASSED LEGISLATION RAISING THE TOBACCO AGE TO 21 DESPITE 'FIGHT AND DIE IN THE MILITARY' ARGUMENTS FROM CRITICS."

mously—the measure will then be set either for a special election, at a date yet to be determined, or for the next scheduled city election in June 2018.

NYC Council Passes Bill To Raise Cigarette Pack Price

The New York City Council recently passed a bill that will raise the minimum price of a pack of cigarettes to \$13 from its current \$10.50 and ban their sale in pharmacies, reported CBS New York. In addition to forbidding the sale of cigarettes in drugstores, the bill also calls for cutting the number of retailers licensed to sell tobacco products in half over the next 10 years. There are about 9,000 such retailers now. Mayor Bill de Blasio unveiled the legislation with City Council members in April and is expected to sign it.

Nine City Council members voted against the bill on the grounds it would hit low-income New Yorkers who have not been able to quit smoking the hardest. The NY Association of Convenience Stores also came out against the bill.

New Jersey, Maine, Oregon Raise Minimum Smoking Age To 21

New Jersey Governor Chris Christie recently raised the minimum age to buy cigarettes, tobacco products, and electronic smoking devices in the state to 21, reported

"The New York City Council recently passed a bill to raise the minimum price of a pack of cigarettes to \$13 from its current \$10.50 and ban cig sales in pharmacies."

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Member News

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7-Eleven On Stores Top 100 List



7-Eleven is the highest-ranking c-store chain on the latest *Stores Magazine* Top 100 Retailers list, coming in at No. 31. This annual compendium of the nation's retailers is a ranking of the industry's largest companies according to sales. In 2016, 7-Eleven recorded \$14.323 billion in U.S. sales, which is 4.7 percent higher than its 2015 sales. The company's 2016 worldwide sales hit \$96.836 billion. The other c-store chains on the list are Alimentation Couche-Tard Inc. at No. 60 (\$7.42 billion) and Speedway LLC at No. 83 (\$5 billion). Taking up the top three spots are:

- Walmart No. 1 (\$362.8 billion)
- Kroger Co. No. 2 (\$110.2 billion)
- Costco No. 3 (\$85.778 billion)

Strong C-Store Sales Fuel Optimism

Convenience store sales grew during the first half of 2017, and retailers are even more optimistic about sales for the second half of the year, according to the results of the latest quarterly survey of convenience retailers released by the National Association of Convenience Stores (NACS). Two in three convenience retailers (67 percent) said that in-store sales during the first half of 2017 were higher than the same period last year, compared to only 15 percent who reported a drop in sales. A majority (51 percent) also said that fuel sales are

higher compared to the first half of 2016, when 18 percent reported a decline in gas sales.

Most retailers are even more optimistic about the future—83 percent say that they are optimistic about their business prospects over the third quarter of 2017, the highest level recorded in the past eight quarters. One of the biggest contributing factors to retailer optimism is the continued high level of consumer confidence. Nearly three in five (58 percent) of drivers reported feeling optimistic about the U.S. economy, according to the June 2017 NACS Consumer Fuels Survey. Convenience stores sell 80 percent of the fuel purchased in the country.

Wawa Enters South Florida & Washington D.C.

Pennsylvania-based convenience retailer Wawa continued its expansion in Florida by opening two stores in Broward County on July 27, reported *Convenience Store News*. The stores, located in Pompano Beach, are the chain's southernmost locations to date. Wawa announced it plans to open three Miami stores in the second quarter of 2018 and as many as 50 stores in Miami-Dade in coming years.

Wawa also said it will open its first Washington, D.C. store in December, according to the *Washington Post*. The



“83 percent of c-store retailers are optimistic about business prospects over the third quarter of 2017, the highest level recorded in the last two years.”

store, scheduled to open at 1111 19th Street NW, will include Wawa's signature touches—sandwiches, milkshakes, free Wifi and digital kiosks—but will differ from many of the company's locations because it won't sell gasoline and will feature a sit-down cafe with outdoor seating. The company plans to open up to 10 stores in Washington, D.C. by 2020, and is eyeing locations near George Washington and Georgetown Universities.

Delek Becomes Largest 7-Eleven Licensee

After acquiring the remaining outstanding shares of Alon USA Energy Inc. common stock in late June, Delek U.S. Holdings Inc. is now the largest 7-Eleven licensee in the U.S., reported *CSP Daily News*. The convenience store retail business Delek U.S. has acquired with Alon USA operates approximately 300 c-stores that market motor fuels in Central and West Texas and New Mexico. Prior to this transaction, Delek U.S. owned approximately 33.7 million shares, or 47 percent, of the common stock of Alon. Following closing, Delek U.S. has approximately 82.0 million shares outstanding. According to the article, the new Delek U.S. is a diversified downstream energy company with

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FOAC CELEBRATES ITS BIGGEST TRADE SHOW YET!

Chicagoland franchisees gathered at the Odeum Expo Center in Villa Park, Illinois to participate in the 7-Eleven FOAC's annual trade show, perhaps the largest of the regional FOA shows. The event was the biggest and most successful yet for the group, with close to 100 vendors exhibiting, great franchisee turnout, and new NACS Chairman Rahim Budhwani as a keynote speaker. It was the first time ever that any NACS chairman attended an FOA trade show. **AV**



The FOAC thanks its Trade Show Committee chairman Rahul Patel and his team for putting together an outstanding event.



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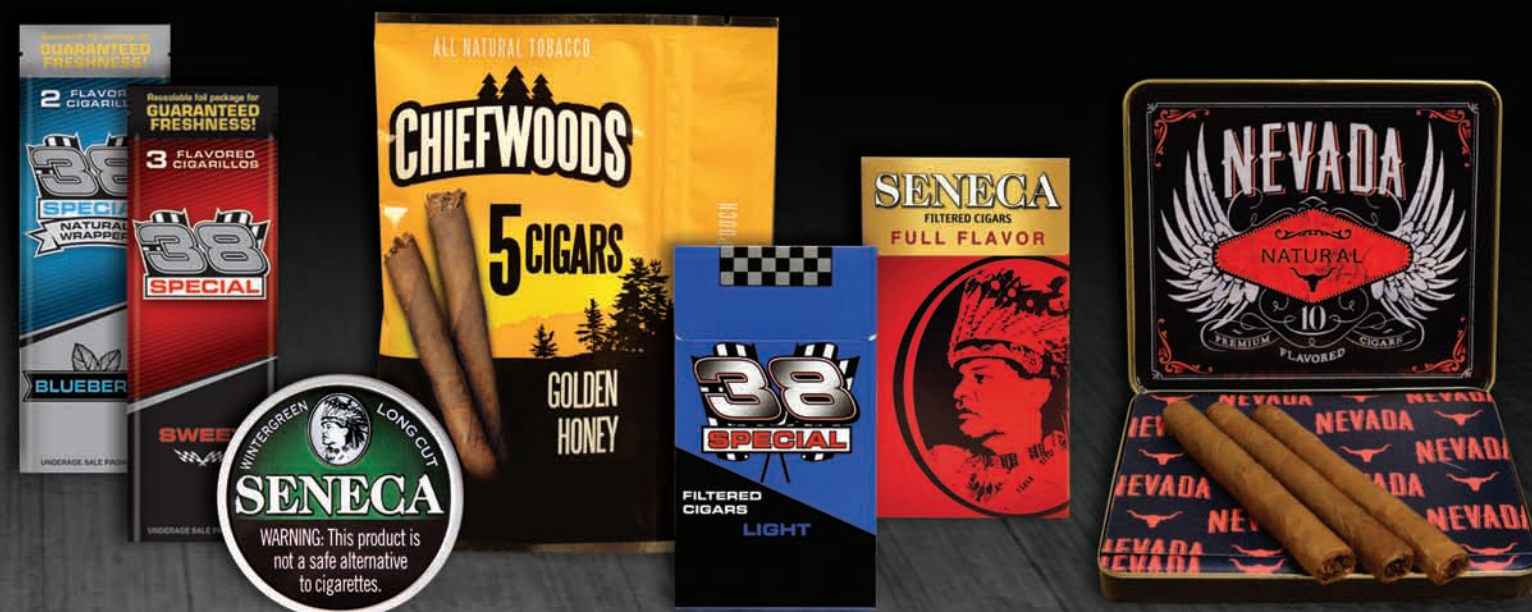
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Updating And Expanding Our Product Offerings Are Key To Attracting Customers

BY JOE GALEA, EXECUTIVE CHAIRMAN, NCASEF

Recently, I set out with some FOA leaders to visit a few 7-Eleven stores and some of our competition to see how we are sizing up compared to other c-store chains. After a few stops it became clearly evident to me that, although 7-Eleven is heading in the right direction with several programs designed to bring in more customers, there is still a ways to go before we can exceed what are competitors are doing.

This year we have rolled out Expand the Assortment (ETA) to offer our customers a larger variety of items and we have done well with it, which is reflected in increased sales in the majority of our stores. Our customers, at this point, are now aware that we do have a larger assortment of items to meet all of their needs.

ETA also permits franchisees to better control the slower selling items and replace them with more profitable ones. However, in order for this to work more effectively we need a continuous influx of new products and new ideas coming into our stores. This would further allow us to keep up with the competition and make customers aware that we are constantly changing our product assortment.

In addition, when we looked at the competition, we noticed that they had seasonal end caps or themes. In working with our current suppliers, we need to have new, exciting items available to our customers that are more on-going and relate to what the competition is doing, not just a single pre-book that someone puts together that doesn't work for our stores.

The other thing we noticed when we visited the competition was food service. Their food service was very appealing and they had a wide variety to

choose from, which we lack. For example, our fresh-made sandwiches are mostly the same assortment day in and day out for a month. Occasionally, we come out with a new one. The simple fact is that the customer wants new options. We need to update our food service offerings more regularly in order to keep our customers coming back. This is where we are really lacking compared to the competition. One competing store



“We need to update our food service offerings more regularly in order to keep our customers coming back.”

that we visited, their fresh bakery assortment and display put ours to shame. It was appealing and a good looking product. Given the competition that we are facing, we need to look at our current suppliers to make sure we are getting the best food service products possible.

In regard to the physical plant, we noticed that the competing c-stores we visited were brightly lit and had a very low profile that seemed inviting—they made you want to go in to shop. There was no signage in the

“This year we have rolled out Expand the Assortment (ETA) to offer our customers a larger variety of items and we have done well with it.”



windows to clutter the view. Although we have taken the approach now where we don't want our windows blocked, we still need to figure out a way to make our stores less cluttered.

The competitor's stores were also very clean. I realize that cleanliness and image are very important to our customers and it's something that we need to do. However, given the obstacles franchisees have with the labor pool and minimum wage, etc., it's harder and harder to maintain our stores to the level our customers expect. So this must be a team effort with our franchisor. The point is we need to have clean and inviting stores.

7-Eleven has always emphasized that we need to know what our competition is doing, so we should regularly stop by and see their neighboring stores. Given the economic conditions we are in, now is a good time for us to go back to basics—both franchisees and SEI as a team—and reevaluate and bring everything up to the new standards. We also need to hold our suppliers responsible to meet those standards, just like franchisees are required to meet cleanliness standards. The effort we put in now improving our stores and product assortment will benefit everyone—franchisees, SEI, and the 7-Eleven brand—in the future with higher sales and increased customer counts. **AV**

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Register System Issues With Newly Acquired Gasoline Stores

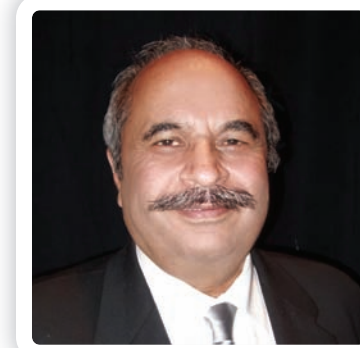
BY JAY SINGH, EXECUTIVE VICE CHAIRMAN, NCASEF

By now you have all heard of SEI's purchase of 1,100 Sunoco convenience stores, all of which have gas. It's just the latest in many acquisitions the company has made within the last few years, with more planned for the future. This is great news, as our franchisor is growing and the 7-Eleven brand is becoming more prominent throughout the country. Many of these acquired stores already come with an established customer base, which is a big plus. Acquired stores also present opportunities for established franchisees to become multiple store owners. However, there is one persistent problem when it comes to acquired gasoline stores in particular, and that is the register systems.

Normally, when SEI builds a store from the ground up all the systems are very well integrated. This is especially true of newly built gasoline stores—the merchandise register system is integrated with the gas register system. Acquired gas stores are a different story. More often than not, the acquired gasoline stores will have their own gas register system—whether it be Passport or Nucleus—and credit card system for their branded credit cards (think Exxon and Chevron). For whatever reason, SEI has difficulty integrating those systems with the 7-Eleven system. Sometimes it could be because the acquired stores have a better

preexisting agreements that SEI has to honor. Whatever the case, SEI ends up keeping that separate gas and credit card register system, and this inevitably leads to issues for the owners of those stores.

One of those issues is making certain you or your employees use the correct register to process a payment.



Merchandise has to be scanned on the traditional 7-Eleven register, but if the customer is using the gasoline branded credit card then we have to use the Passport or Nucleus register because it won't be accepted by our pin pad. It is a hassle and causes confusion for



"There is one persistent problem when it comes to acquired gasoline stores in particular, and that is the register systems."

store associates. Then at the end of the day or the end of a shift, we have to be certain all registers are closed properly.

"For whatever reason, SEI has difficulty integrating systems of acquired gas stores with the 7-Eleven system."

Inevitably mistakes will be made, which will lead to variations, which are a franchisee expense. All of my gas stores are the result of acquisitions, and I can tell you it is a real nightmare if your employee forgets to close the day on the gas register. The result is you have to figure it out manually. There are always incorrect calculations, and merchandise sales suffer. I have never seen merchandise adjustments like I do in these acquired gasoline stores. Merchandise sales adjustments are high because gas sales are run on the gas register, and invariably when we have to do the dual worksheet to figure it out, the human factor plays a part, because our employees make mistakes. This ends up being the franchisee's expense.

Sometimes the outside credit cards don't process correctly. Then you have to call the Help Desk to correct the trans-

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Newly Acquired Gasoline Stores

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action. There are a lot of steps to go through and it is very time consuming. RISE only works on traditional 7-Eleven cash registers, so until the different register systems are integrated with the 7-Eleven register system, RISE is not effective, as far as gas is concerned, in these acquired gas stores.

Since 7-Eleven mainly is growing by acquiring stores, the focus should be to integrate them into our system as quickly as possible. Integration will make the lives of the franchisees who own these stores easier. A lot of cash variations occur with these gas stores, and when you call the help desk, they tell you that it's normal. If a

“Invariably mistakes are made, which lead to variations, and this ends up becoming a franchisee expense.”

store is \$30 short for the day, they say that it's normal for non-integrated stores. That is a franchisee expense, and we need to be concerned, especially now with the Sunoco acquisition, which means 44 percent of all 7-Elevens in the country will be gasoline stores—nearly half. **AV**

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Convenience Store News.

• On August 2, **Amazon held a Jobs Day fair** at 10 of its fulfillment centers located across the country as it seeks to hire 50,000 new employees. The company said it made thousands of **on-the-spot job offers** to qualified candidates. • In its most recent financial report, Circle-K parent company **Alimentation Couche-Tard** announced same-store merchandise revenues increased by 1.6 percent in the U.S. during the fourth quarter, and its overall revenues grew 30.1 percent to \$9.6 billion compared to the same period last year. • **Shopping frequency at traditional full-service supermarkets has dipped by 2 percent** over the past year, reported *Supermarket News*, citing a recent Food Marketing Institute study. Meanwhile, **online-only food stores have jumped 6 percent** in fre-

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Billions For Acquisitions; Pennies For Upkeep

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

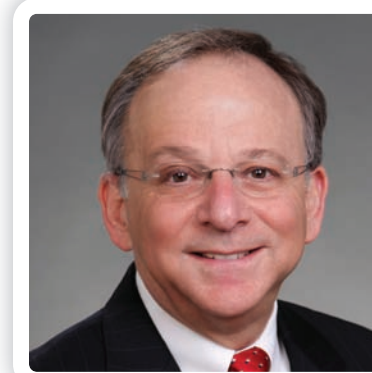
One of the most famous phrases of early American history is "Millions for defense, but not one cent for tribute." This phrase grew out of negotiations that the young nation of the United States attempted to carry out with France in order to avoid war. The French diplomats agreed to commence negotiations, but only if they were paid personal bribes in advance. The phrase is attributed to Robert Goodloe Harper, a South Carolina Federalist and Chairman of the United States House Ways and Means Committee.

As a student of history, this memorable quotation comes to mind in analyzing how 7-Eleven, Inc. and its publicly held parent corporation allocate the available capital that they have to invest in the business. In a system where, in return for surrendering in many cases more than 50 percent of the gross profit of business, the franchisees are relieved of any obligation to make capital expenditures, they are nevertheless keenly interested in how these decisions are made. And there is little reason for franchisees to be pleased with the way capital is being allocated.

The blockbuster deal—which has not yet closed—to purchase more than 1,100 gasoline stations from Sunoco for \$3.3 billion is only the latest, but by far the largest, example of an immense capital commitment from Seven & I Holdings. By the time that deal closes, the parent company of SEI

will have spent more than \$6.1 billion on business acquisition costs since 2012.

It is very apparent from reviewing their financial statements that the parent corporation has placed a very large bet on the future of SEI in the United States based on this deal alone, which will result in a substantial expansion of the system and a further elevation of the prominence of



gasoline sales in the product mix. In fact, over the last seven years, the gross margin contribution derived from gasoline by SEI has grown at twice the rate as the gross margin contribution it receives from franchised stores.

The size of the bet is demonstrated by the fact that the percentage of the total capital expenditures of the parent corporation devoted to SEI will rise from 28 percent in 2016 and 38 percent in 2017 to 63 percent in 2018. This wager is also driven by the fact

"Over the last seven years, SEI's gross margin contribution from gasoline has grown at twice the rate as the gross margin contribution it receives from franchised stores."



"The blockbuster Sunoco deal—which has not yet closed—to purchase more than 1,100 gasoline stations for \$3.3 billion is by far the largest example of an immense capital commitment from Seven & I Holdings."

that the stock of the parent company has consistently underperformed all of the indices. Over the 52-week period immediately prior to the National Coalition's July 2017 convention, the stock of the parent corporation had declined by 7 percent, while the Nikei Index was up 25 percent, the NASDAQ up 23 percent, and the Dow up 17 percent.

But the bad news for franchisees is that the percentage of the capital expenditures of SEI devoted to existing stores fell from 47.6 percent in 2015, to 29.9 percent in 2016 to 22.2 percent in fiscal 2017. This tells us that billions are being spent to purchase stores and gasoline assets and pennies by comparison are being spent modernizing, upgrading, refurbishing and generally improving existing stores, which are now 87 percent franchised, up from 80 percent in 2013. The rationale for that trend is clear from reviewing shareholder communications issued by the parent corporation, which point to a direct correlation between the increase in the ratio of franchised stores and the increase in gross profit from operations realized by SEI. This trend will accelerate when SEI eventually

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Billions For Acquisitions; Pennies For Upkeep

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begins to franchise the Sunoco stores it is acquiring.

Dating back to 2011, SEI and its parent have engaged in a virtual spending spree, acquiring two convenience store chains (Tedeschi and Valero) and making five other gasoline acquisitions, including retail operations, wholesale fuel dealer businesses and fuel supply arrangements.

The numbers tell a very effective story about how franchised stores are being starved of needed upgrades and improvements, but a few pictures can tell the story much more effectively. These pictures were provided by a franchisee who, for obvious reasons, shall remain nameless. Competition faced by SEI franchisees is getting more intense all the time and new, gleaming, modern, colorful and well-lit stores owned and operated by well-financed competitors are popping up all over the country.

Here is an exterior picture of a particular 7-Eleven store.



Here are some exterior shots of a nearby Race Trac which directly competes with that 7-Eleven store.

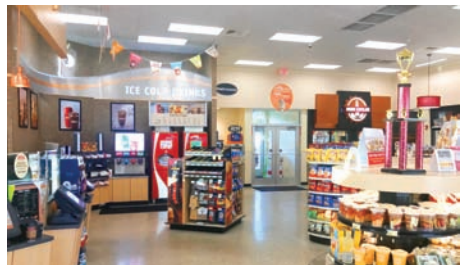


“The percentage of capital expenditures SEI devoted to existing stores fell from 47.6 percent in 2015, to 29.9 percent in 2016 to 22.2 percent in fiscal 2017.”

And here are some exterior shots of a nearby Wawa.

You do not have to be a financial analyst or a marketing genius to understand the competitive challenges faced by the 7-Eleven store in this particular market. The Race Trac and Wawa exteriors are modern, sleek, open and inviting. Franchisees tell me that this is quite typical of what increasingly confronts them in their markets.

Here are two pictures of the interior of the same Wawa store. Notice the bright colors, the high ceilings, the clerestory windows and the spaciousness of the aisles.



Here are pictures of the interior of the same Race Trac store. Notice the high ceilings, bright colors, extensive lighting, clever graphics and the uncluttered nature of the interior.



And here are pictures of the interior of the above-pictured 7-Eleven store. The store looks like it hasn't been touched in decades, the ceilings are low, there is no natural light and the store appears cluttered and tired.

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Sources: 1. Nielsen Total U.S. – All Measured Channels, Annual 2016. 2. 7-Exchange full year 2015/2016
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 SIMPLY ORANGE® PULP FREE (11.5 fl oz) UIN #:152405 / SLIN #:248051  0 25000 00024 9	 SIMPLY LEMONADE® WITH RASPBERRY (11.5 fl oz) UIN #:152264 / SLIN #:248028  0 25000 00018 8	 SIMPLY LEMONADE® (11.5 fl oz) UIN #:152173 / SLIN #:248027  0 25000 00021 8	 SIMPLY FRUIT PUNCH® JUICE DRINK (11.5 fl oz) UIN #:162719 / SLIN #:246790  0 25000 00069 0
 SIMPLY ORANGE® WITH MANGO (11.5 fl oz) UIN #:152314 / SLIN #:248029  0 25000 00032 4	 SIMPLY CRANBERRY COCKTAIL™ (11.5 fl oz) UIN #:152389 / SLIN #:248052  0 25000 00030 0	 SIMPLY TROPICAL® JUICE DRINK (11.5 fl oz) UIN #:162727 / SLIN #:240163  0 25000 00068 3	 SIMPLY APPLE® (11.5 fl oz) UIN #:152074 / SLIN #:248049  0 25000 00029 4
 SIMPLY LIMEADE® (11.5 fl oz) UIN #:152249 / SLIN #:248050  0 25000 00031 7	 SIMPLY PEACH® (11.5 fl oz) UIN #:862177 / SLIN #:242055  0 25000 00036 2	<div> <div>  SIMPLY ORANGE® PULP FREE (32 fl oz) UIN #:TBD / SLIN #:TBD  0 25000 03787 0 </div> <div>  SIMPLY ORANGE® PULP FREE WITH CALCIUM & VITAMIN D (32 fl oz) UIN #:TBD / SLIN #:TBD  0 25000 03790 0 </div> </div>	
 SIMPLY ORANGE® PULP FREE (59 fl oz) UIN #:650119 / SLIN #:0242568  0 25000 05542 3	 SIMPLY LEMONADE® (59 fl oz) UIN #:443358 / SLIN #:0243848  0 25000 05426 6	 SIMPLY LEMONADE® WITH RASPBERRY (59 fl oz) UIN #:733832 / SLIN #:0244450  0 25000 05466 2	

Billions For Acquisitions; Pennies For Upkeep

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We harbor no illusions about where decisions concerning capital expenditures on SEI existing stores are made. This means that the National Coalition, its constituent franchise owners associations and their member franchisees need to have a perspective that goes far beyond Dallas. This is why we continuously monitor the communications, financial statements, stock performance and regulatory filings of SEI's parent company.

It also means that the franchisee community, more so than at any time in the 40-year history of the National Coalition, needs to remain united, cohesive and determined in its efforts to obtain renewal franchise agreements that reflect a fair and equitable balance of the risks and rewards of this franchised system. That agreement must contain fixed, binding and generous obligations for capital expenditures to make up for lost time by up-

“Billions are being spent to purchase stores and gasoline assets and pennies by comparison are being spent modernizing, upgrading, refurbishing and generally improving existing stores, which are now 87 percent franchised.”

grading stores on a fixed schedule to which SEI is held accountable so that 7-Eleven stores can someday be as modern, light filled and inviting as the competition. **AV**

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quency of visits since last year. • A new law is now in effect in Arkansas allowing the **purchase of lottery tickets** with debit cards, reported KATV.com. The law went into effect on August 1 and some retailers say they're seeing a spike in sales. • All 136 7-Eleven convenience stores in **Indonesia** are set to close following a failed sale by its local operator, Modern Internasional, reported the *Taiwan News*. The c-store brand entered the South-east Asian country in 2009 but was unable to overcome competition from two local chains with a longer history and from street food stalls. • **Maverik Inc.** achieved its long-pursued goal of operating 300 convenience stores with the opening of the milestone lo-

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¹#1 brand in foodservice for organic milk: NPD SupplyTrack, Latest 52 weeks ending 01/23/16

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BUILDING ON FOOD SERVICE

BY NICK BHULLAR
VICE CHAIRMAN, NCASEF



Recently, SEI started a 'Grab-n-Go' test in a few stores in Dallas. The idea behind 'Grab-n-Go' is to have hot food and grill products stocked in boxes ready to go to help increase sales without adding costs to payroll. The test has shown success in terms of increasing sales of the grill products, but the concept has done not so well at increasing hot foods sales. The results showed that as the sales for 'grab-n-go' grill products increased, the sales for the hot foods products took a hit.

Most of this downturn was attributed to poor product visibility due to hot foods products being placed in boxes. We, as consumers, like to see what are about to eat. We

"Another major challenge that can be seen across the board regarding Food Service is insufficient advertising."

directly into a store's gross profits.

This test only reaffirms that we have quite a few challenges in the way of becoming a food service destination, a major challenge being that 7-Eleven stores look nothing like any other food service destinations. Let's take our "roller-grill/hot foods/condiment station/nachos/chili-cheese" section sitting mostly

above half-empty racks of chips as an example. All these products are

stocked too close to each other and yell 'clutter' to our customers, especially new customers.

A simple and inevitable solution to this problem is to remodel our stores. In order to become a future food service destination or to even take a small piece of this big pie known as the food service industry, SEI must focus on programs to remodel our stores to fit the food service profile.

Remodeling stores and clearing out space from the center of the stores to increase hot food servings would help attract new customers and maintain existing ones. In addition, SEI needs to invest in digital POP signs as opposed to what we have now. Digital POP signs would not only eliminate the cost of reprinting POPs every month and cost of labor that goes behind changing these POPs, but it will also help our store profile in terms of being more appealing and current.


Another major challenge that can be seen across the board regarding food service is insufficient advertising. We live in the times of ten-second stories, Instagram filters, Facebook up-

dates, and it almost seems shocking to have an advertising challenge. Nevertheless, it's a widely discussed issue throughout the 7-Eleven community, especially among franchisees. Our promotions are not being communicated with new customers, and a very simple example of this

"WE HAVE QUITE A FEW CHALLENGES IN THE WAY OF BECOMING A FOOD SERVICE DESTINATION, A MAJOR CHALLENGE BEING THAT 7-ELEVEN STORES LOOK AND ACT NOTHING LIKE OTHER FOOD SERVICE DESTINATIONS."

would be our chicken sandwich combo promotion. Store operators participated in this promotion, yet the new customers never materialized. Due to insufficient advertising focusing on bringing in new customers, this promotion and other promotions of this nature often not only FAIL to generate new revenues, but also cut into franchisee's existing revenues.

Once again, a very simple solution to this would be to simply change with the changing times. SEI ought to advertise better and market our brand better to help bring in new customers to offset the cost of offering these promotions. If we have the advertising piece of the puzzle solved, we can

bring in more customers and increase sales, which in turn, can lead to lower negotiated costs with our vendor partners, making food service a higher GP and extremely profitable category. Only then, the whole 7-Eleven enterprise can truly get behind it 100 percent! 



"A SIMPLE AND INEVITABLE SOLUTION TO THIS PROBLEM IS TO REMODEL OUR STORES TO FIT THE FOOD SERVICE PROFILE."

NICK BHULLAR
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ARE WE PROFIT PARTNERS ONLY?

BY ROMY SINGH

VICE CHAIRMAN NCASEF • PRESIDENT, EASTERN VIRGINIA FOA

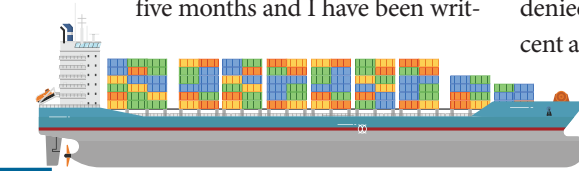


As 7-Eleven franchisees, we love our brand. Our stores allow us to make a good living while providing friendly services to our customers and building strong ties with our communities. But times are changing. Unlike in the past, when our only worry was a competing c-store, these days we're being bombarded with additional competition. This includes big-box retailers going smaller, with everyone from auto stores to Home Depot selling snacks, to online retailers offering some of the very products we sell in our store with the convenience of home delivery. We are being clobbered by legislative issues like minimum wage increases, bag and sugar taxes, and smoking bans. Our business environment is changing faster than ever, and it is becoming difficult for franchisees to keep up. We are starting to see not only our low volume stores go below equity, but middle to high volume stores as well.

Although it's depressing enough to suddenly see sales decline due to circumstances unforeseen or beyond your control, it becomes even worse when we realize that we can't expect much help from our franchisor. In such scenarios a franchisee experiences a sudden sales and GP dollar decrease, and our franchisor continues to apply and charge a higher percentage split based on the previous rolling 12 months gross profit formula (GGPS), instead of making exceptions for the impacted store(s). There are clear directions in place for Corporate in Dallas to help drowning franchisees, but the directions seem to get lost when they reach the franchisees. This has hit home for me since I have experi-

enced a financial impact so bad that I am driving an Uber on the side to make ends meet.

I have a \$2 million merchandise sales store located in a major shipyard. When a ship is there to overhaul, business is great. My estimate is that SEI made a minimum of \$300,000-\$400,000 annually from my store alone. In the previous eight years, SEI has accumulated over \$3 million from this one store. Now, however, my sales have dropped due to the absence of ships in the dock for the last five months and I have been writ-



"ALTHOUGH IT'S DEPRESSING ENOUGH TO SUDDENLY SEE YOUR SALES DECLINE DUE TO CIRCUMSTANCES UNFORESEEN OR BEYOND YOUR CONTROL, IT BECOMES EVEN WORSE WHEN YOU REALIZE THAT YOU CAN'T EXPECT MUCH HELP FROM OUR FRANCHISOR."

ing checks without SEI's help. When I approached our franchisor for assistance, they said I should dig into my savings or go to the bank to get a loan. This is NOT a true partnership. It should be a two-way street and our franchisor needs to help struggling franchisees, whether the situation may be temporary or permanent.

Our franchisor's proposal was to move me into a different store, but all of the stores they showed me had a much lower gross profit, and would not have been a viable decision on my end. The experience I went through made me realize how low volume stores are struggling and why so many franchisees have second jobs like driving Uber or Lyft for supplemental income to pay their

bills. Our franchisor's business strategies such as hot food and driving sales with low margin items, come with a burden on the franchisee due to higher labor hours that negatively impact their bottom line. I believe in those programs, but they need to be simplified and come with higher gross profit margins. Under the current business model, I believe we no longer have a marketable agreement that is fair to the franchisees.

Split change was also an option and was denied. They were taking more than 53 percent and I received 47 percent all these years.

Now, when I'm struggling, why can't we change the split? I tend to be very vocal when I advocate for my fellow franchisees, and I believe that has not made dealing with SEI on this matter any easier, but I would rather sacrifice and continue to drive for Uber in order to pay my bills than let my franchisees down.

Understand that I'm not going against the brand. I'm just trying to send a strong message about what we have to go through. Franchisees shouldn't be in this position. SEI should do something to help struggling franchisees when we go under equity. The company has made millions of dollars on my store, yet they have not spent any money on it since the 1980s. Not so long ago, they sent a project remodel proposal to Dallas and it was denied because "they didn't have the money." Yet, they have \$3.1 billion available to buy Sunoco gas stations.

Somewhere along the way SEI needs to realize that franchisees don't want to bring down the system, we just want to improve it. Help the struggling franchisees and invest to remodel their stores. **AV**

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- **Convenient**—faster service & less mess at coffee station
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Coffee-mate Liquid Pump Bottle (1.5L)	GTIN/ Order Unit Code	Shelf Life¹	Yield	Pack Size
Salted Caramel Chocolate	00050000799763	6 months	600 servings/cs.	2x1.5L
Irish Crème	00050000834754	9 months	600 servings/cs.	2x1.5L

¹ No refrigeration necessary.

“Two New Ways to Get Pumped” Promo Coupon Form

Operator Name: _____

Operator Email: _____

Address: _____

Phone Number: _____

Quantity of Qualifying Cases Purchased: _____ Irish Crème _____ Salted Caramel Chocolate
(1 free case per flavor max.)

Distributor/Broker Name: _____

Distributor/Broker Contact: _____

Distributor/Broker Email: _____

HERE'S HOW TO REDEEM THE OFFER:

1. Fill out this coupon form and save. Print it, include it with a copy of your distributor invoice and mail to:
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Balance Is In The Eyes Of The Beholder

By Pete Gragnano, President, Suburban Washington FOA

At the NCASEF meeting in St. Louis in May, Larry Hughes, SEI Vice President of Franchise Systems, spoke to the attendees about the work of the Franchisee Advisory Committee (FAC), which has been working on the development of the 2019 Agreement in conjunction with corporate personnel. As a prelude to his remarks, he stated the four basic goals of the 2019 Agreement were Balanced Economics, Brand Protection, Independent Contractor Status, and Marketable Agreement.

This is the first in a series of articles that will focus on each of these aspects.

BALANCED ECONOMICS

In early 2016 I was selected to be interviewed by the Franchise Consulting Group (FCG), an independent company chosen and paid for by SEI to analyze our current franchise system prior to the development of the 2019 Agreement. Those interviewed

thing within the scope of the agreement development, when I interrupted him and rattled off all that franchisees have given up since the 2004 Agreement:

Graduated Gross Profit Split (GGPS)—Instead of the 50/50 gross profit split found in 2004, SEI developed the GGPS in the 2006 Agreement in response to rising rents on their side of the ledger. As many of us have found out, it's been referred to as “the more we make, the more they take” split, therefore providing a disincentive for franchisees to grow their business.

Term—The 2004 Agreement had a 15-year term compared to the 10-year term of subsequent agreements. However, a number of the signed 15-year agreements will never reach their full term, as

“WHEN THE FCG INTERVIEWER ASKED WHAT I WOULD BE WILLING TO GIVE UP FOR THE 2019 AGREEMENT, THE ANSWER WAS, ‘NOTHING.’”



franchisee could simply calculate the franchisee fee using the formula; now we have to contact the Franchise Department to get the number.

Gasoline Commission—Stores with gas received 25 percent, then 24 percent of the monthly gross profit on gasoline at the time of the 2004 Agreement. This later was changed in 2010 to a flat commission of 1.5 cents per gallon. Franchisees with gasoline stores lost nearly 75 percent of their income as a result of this change in “policy,” and many franchisees who paid an additional fee when franchising a gas store felt that they had been misled, as the 1.5 cents per gallon barely reimburses for operating costs and does not give them a return on their additional investment.

Credit Card Fees—At the inception of the 2004 Agreement franchisees did not pay any credit card fees. This policy was revised in 2010 so that the franchisee splits the credit card fees with 7-Eleven for in-store sales along the same basis as that of the Gross Profit.

Maintenance—Franchisees signing the 2004 Agreement received as part of their 50/50 split the services of SEI personnel to negotiate and administer monthly maintenance contracts with the various service providers. In 2011, SEI elected to outsource the administration of maintenance to FM

“GGPS has been referred to as ‘the more we make, the more they take’ split, which provides a disincentive for franchisees to grow their businesses.”

included franchisees, SEI middle and upper management, as well as NCASEF General Counsel Eric Karp.

During the course of the interview, I was asked by FCG the following question: The development of the agreement will involve negotiation and concessions. What are you willing to give up?

I thought about the answer for about ten seconds, and replied—NOTHING.

PETE GRAGNANO
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The interviewer began to tell me that surely I must be willing to give up some-

SEI has invoked the “expiration of the Master Lease” clause (even when their “profit sharing” entity owns the property) and have forced franchisees to sign the then current agreement, which has GGPS.

Renewal Fee—2004 had no renewal fee; 2010 agreements and those thereafter have a renewal fee consisting of 20 percent of the then current franchise fee.

Franchise Fee—In 2004 the maximum franchise fee was calculated at 15 percent of the store's annual gross profit. It has since changed to up to 30 percent of the annual gross profit plus other factors (essentially, what the market will bear). In the past, a

continued on page 56

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Facility Maintenance, now known as VIXXO. Maintenance costs increased thereafter, particularly on non-contract items, as Vixxo included their upcharge when franchisees had previously received this service at no additional cost, as it was part of SEI's portion of the gross profit split.

Food Service—In 2004, the preparation of hot foods was limited to pizza, beef patties, and chicken (breasts, thighs and drumsticks). Subsequent investments by the company have now led us to food heated by a Turbo Chef/Encore oven, numerous flavors of chicken wings, pizzas, snack items and the assembling of sandwiches similar to that of a QSR. While SEI has made the investment in equipment, its component of the food service program can be deducted on income taxes via depreciation. However, the franchisees' component of the program—labor—continues to appreciate with increases in wages and the time involved in food preparation.

After I was finished, the interviewer looked at me in amazement.

I said that SEI's actions have significantly moved the balance of the Agreement over to their side of the ledger and thus, since they have taken but not given anything in return, I was unwilling to grant them any other concessions. Rather, I was

“The 2004 Agreement had a 15-year term, no renewal fee, a 15 percent gross profit fee maximum, no credit card fee, and 25 percent of the gross profit on gasoline. Food service was pizza, beef patties and chicken.”

looking to get back all of the items that were taken from us.

Fast-forward to May 2017 and the presentation given by Larry Hughes. His definition of balanced economics was two-fold:

1. Franchisees have a relatively minor investment in the business compared to the capital investments made by the Company and thus should expect a lower return on their investment compared to that of 7-

“FRANCHISEES ARE NOW RECEIVING A DECREASING ROI ON THEIR INVESTMENT, AS MINIMUM WAGE, MANDATED SICK LEAVE, HIGHER MAINTENANCE COSTS AND LOWER GROSS PROFIT MARGINS DUE TO NUMEROUS INEFFECTIVE PROMOTIONS DECREASE FRANCHISEE NET INCOME, WHILE SEI INCOME INCREASES.”

Eleven (i.e., the ROIs are not “balanced”). I guess that the ROI of the “sweat equity” of franchisees never enters into any of SEI's calculations.

2. Like the FCG interviewer had asked, any concession by SEI in one area (for example, an increase in the gasoline commission) would need to be offset by a franchisee concession of an equal monetary value in another area to maintain the “balance.”

With regard to the first point, he fails to consider that franchisees are now receiving a decreasing ROI on their investment, as minimum wage increases, mandated sick leave, higher maintenance costs, lower gross profit margins due to numerous ineffective promotions, etc. decrease franchisee net income, while SEI has increased its income (and ROI) via many of the points I outlined in my FCG interview.

Moreover, what Larry Hughes and SEI conveniently omit from their arguments is that the company tipped the “balance” of the Agreement heavily in their favor over the past decade and now wants that to become the “new balance point” as we negotiate the 2019 Agreement.

As I stated in the title, “Balance is in the Eyes of the Beholder.”

This is my opinion and I welcome yours. **AV**

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cation in Spokane, Washington on July 27, reported *Convenience Store News*. • **Hy-Vee** plans to open a new super-sized convenience store format—8,880 square feet—featuring a **Market Grill** restaurant, a **Starbucks** coffee shop, prepared meals and a smaller selection of its produce, meat, dairy and other traditional grocery options, reported the *Pioneer Press*. • **Dunkin' Donuts** recently opened a new location inside **Hard Rock Hotel & Casino Las Vegas** in partnership with travel industry retailer Hudson Group. This new restaurant marks the first Dunkin' Donuts ever to be opened in a Hard Rock Hotel & Casino and will serve as the brand's 27th restaurant to open in the state of Nevada. • **The new generation of refrigerated plant milks—with almond milk and novel blends leading the dairy-free charge**—represent far more dangerous competition to dairy milk than the soy milks of yore, reveals a new study by *Packaged Facts*. • **Gilbarco Veeder-Root** recently announced the successful processing of the **first U.S. EMV “chip” transaction at a fuel dispenser**, utilizing Gilbarco's Passport Point-of-Sale and Encore fuel dispensers on the First Data network. • Digital sales at **Panera Bread Company**—those made via mobile, web, or kiosk—have surpassed \$1 billion on an annualized basis and could double in 2019, the company said. As of the end of Q1 2017, **system-wide digital sales were 26 percent of total company sales**—the highest rate in the restaurant industry outside of the pizza segment. • The average amount of time viewers spent watching **video ads** has increased across the board by 19 percent, reveals a new study by Extreme Reach. The report, which compares video ad serving metrics from Q2 2016 to Q2 2017, finds evidence that advertisers are putting out better video content and consumers are responding in kind. • **Although lottery sales in Massachusetts dipped 2.7 percent** to \$5.093 billion, the amount of money flowing to the state's cities and towns reached record heights, according to the Massachusetts State Lottery Commission. Net profit was up 4.6



continued on page 64

Make Significant Margin With Rebates



18% Rebate On Top 15 Unilever Novelty Items

SLIN	Description	GP\$	GM%
190557	Magnum Double Caramel Bar 3.38 oz	\$1.50	50.1%
190088	Good Humor Giant King Cone 8z oz	\$1.50	50.1%
190164	Klondike Mrs Fields Ice Cream Sandwich 6 oz	\$1.50	50.1%
190496	Good Humor Oreo Ice Cream Bar 4 oz	\$1.10	55.1%
190081	Good Humor Strawberry Shortcake Bar 4 oz	\$1.10	55.1%
190472	Klondike Choco Taco 4 oz	\$1.01	51.0%
191378	Good Humor Giant Vanilla Ice Sandwich 6 oz	\$0.78	55.8%
190019	Good Humor Reeses Peanut Butter Cup 3.3 oz	\$1.10	55.1%
190394	Klondike Original Bar 5.5 oz	\$1.10	55.1%
190443	Good Humor Oreo Cone 4.2 oz	\$1.25	50.3%
190206	Magnum Double Chocolate/Vanilla Bar 3.04 oz	\$1.50	50.1%
190560	Magnum Almond Bar 3.38 oz	\$1.50	50.1%
190822	B&J Pint Slices Cookie Dough	\$1.50	50.1%
190690	Popsicle Sponge Bob 1.8 oz	\$0.88	58.7%
190671	Klondike Oreo Ice Cream Sandwich 4.5 oz	\$1.37	54.9%

6% Rebate On Top 14 Ben & Jerry

SLIN	Description	GP\$	GM%
190395	B&J Half Baked Pint	\$2.48	41.5%
191112	B&J The Tonight Dough Pint	\$2.48	41.5%
190003	B&J Choc Fudge Brownie Pint	\$2.48	41.5%
190002	B&J Chocolate Chip Cookie Dough Pint	\$2.48	41.5%
190001	B&J Cherry Garcia Pint	\$2.48	41.5%
190155	B&J Strawberry Cheesecake Pint	\$2.48	41.5%
190556	B&J Steven Colbert Americone Dream Pint	\$2.48	41.5%
190004	B&J Chunky Monkey Pint	\$2.48	41.5%
190551	B&J Phish Food Pint	\$2.48	41.5%
190737	B&J Boom Chocolatta Core Pint	\$2.48	41.5%
190351	B&J Everything But The... Pint	\$2.48	41.5%
190006	B&J Peanut Butter Cup Pint	\$2.48	41.5%
191099	B&J Salted Caramel Core Pint	\$2.48	41.5%
190197	B&J Brownie Batter Core Pint	\$2.48	41.5%



6% Rebate On Top 10 Breyers Items

SLIN	Description	GP\$	GM%
190239	Breyers Oreo Pint	\$1.41	40.5%
190647	Breyers Reeses Pint	\$1.41	40.5%
190350	Breyers Butter Pecan Pint	\$1.27	42.5%
190360	Breyers Natural Vanilla Pint	\$1.27	42.5%
190352	Breyers Chocolate Pint	\$1.27	42.5%
190362	Breyers Strawberry Pint	\$1.27	42.5%
190807	Breyers Vanilla 48 oz	\$1.92	32.1%
190804	Breyers Neopolitan 48 oz	\$1.92	32.1%
190899	Breyers Chocolate 48 oz	\$1.92	32.1%
190371	Breyers Oreo Ice Cream 48 oz	\$1.92	32.1%



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*Franchisees
Celebrate
42 Years At NCASEF
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Franchisees Celebrate 42 Years At NCASEF Annual Convention!



The two winners of the National Coalition's Big Car Giveaway walked away with a BMW 320i Series 3 sedan and a Chevy Malibu with wifi, and Swim Across America and St. Jude Children's Hospital received \$75,422 in donations at the NCASEF's 42 Annual Convention, held July 17-21 at Caesars Palace in Las Vegas.

Over 1,000 franchisee adults and 600 vendors participated in the convention, which featured over 300 booths and 60 Major Sponsors, led by Diamond Elite Sponsors Anheuser-Busch and Coca-Cola, and Diamond Sponsors McLane and Pepsi.

Almost \$50,000 was raised at the Joe Saraceno Charity Golf Tournament at Rhodes Ranch Golf Club on the first day of the convention. The rest of the donation amount was raised during the Charity Fundraising night on the second day of the convention, when FOAs donated and individual franchisees placed bids on live auction items like trips, tablets and other electronics.



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CEO Rob Butcher accepted the donation for Swim Across America, which supports cancer research, and Elizabeth Stansbury accepted for St. Jude Children's Hospital, which supports cancer treatment and recovery at no cost to patients and their families.

Franchisees enjoyed an employment law seminar by California Labor Attorney Bobby Rupal, and flocked to the always-popular Legal Seminar by NCASEF legal counsel Eric Karp. Mark Stinde's SEI Asset Protection Seminar and Alicia Howell's SEI Accounting Update seminars proved highly popular for franchisees for the second year in a row.

At the Double Down Trade Show—the major highlight of the four-day convention—franchisees were treated to the new products of over 200 vendors, and were able to sample, then order products for their stores and earn entries into the Big Car Giveaway. Every 10 orders equaled one entry into the raffle.

The NCASEF thanks all of our Major Sponsors and Exhibitors involved in the convention for their continued support of the national franchisee organization. Without the support of our valued vendors, the NCASEF would not be able to represent the interests of franchisees, or communicate with 7-Eleven, Inc. for the betterment of the system.





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Member News

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assets in petroleum refining, renewable fuels, asphalt, logistics, wholesale marketing operations and convenience store retailing.

Amazon/Whole Foods 'Terrifies' Competition

Amazon's recent takeover of Whole Foods has other grocery chains very worried, mainly because introducing a player into the market that doesn't care about profit margins is going to be devastating to competitors who have to, reported CNBC. Competing with Amazon, the article states, is terrifying for any incumbent business because Amazon's executive team operates on a radical model whereby the company's overall net income is nearly zero quarter after quarter. While Apple, Google, Microsoft, and Facebook hire lawyers and accountants to amass vast stockpiles of cash legally held in overseas tax haven subsidiaries, Amazon simply chooses to barely accumulate any cash at all.



That's an enormous problem for every grocery chain in America, which already operate on razor-thin margins. According to the article, a Whole Foods under Amazon's stewardship will almost certainly accept lower profit margins than it does as an independent chain—and that spells trouble for everyone else in the grocery business.

SEI Ends ATM Surcharge Fees

FCTI Inc., which is owned by SEI parent company Seven & I Holdings, recently signed a multi-year agreement with MoneyPass to provide surcharge-free ATM access at more than 8,000 7-Eleven locations in the United States. MoneyPass access rollout began in August and is expected to continue through Q1 2018.

continued on page 68

"Whole Foods under Amazon's stewardship spells trouble for everyone else in the grocery business."



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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percent to \$1.035 billion—the commission's first net profit over \$1 billion in its 45-year history. • Sears Holdings recently announced the **launch of Kenmore products on Amazon.com**, as well as the integration of the full line of Kenmore Smart appliances with Amazon Alexa. **Kenmore Smart connected room air conditioners integrated with Alexa** are now available on Amazon.com. • Walgreens is scrapping its takeover of rival Rite Aid, and instead will buy a smaller piece of the drugstore chain, after the original deal was doomed by U.S. antitrust problems, reported *Bloomberg*. • Dallas-based **Alon USA Energy, the largest 7-Eleven licensee in the U.S.**, plans to cut 92 jobs at its headquarters after being acquired by Delek US Holdings, reported the *Dallas Morning News*. • In at least three major cities—Philadelphia, Denver and San Francisco—library employees now know how to **use the drug naloxone to help reverse overdoses**, reported CNN. Their training tracks with the disastrous national rise in **opioid use** and an apparent uptick of overdoses in libraries, which often serve as daytime havens for homeless people. • **Millennials** are buying from Amazon at a higher rate than their older or younger generational counterparts, with 79 percent reporting a purchase within the past month, according to a new report from Yes Lifecycle Marketing. • C-store chain **Sheetz recently launched the GED-Works program**—a comprehensive program that is free for Sheetz employees who want to earn their GED credential—at Sheetz corporate and store locations. Sheetz is offering the program to employees in its more than **550 locations** across Pennsylvania, Maryland, Virginia, West Virginia, Ohio and North Carolina. • The **global beverage industry** is expected to reach an estimated \$1.9 trillion by 2021 and is forecast to grow at a compound annual growth rate of 3.0 percent from 2016 to 2021, according to research by Lucintel. • Best Buy has created a new service

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Legislative Update

Government Relations: If You Don't **Play**, You Can't **Win!**

By **Scott Wilk**, California State Senator, 21st Senate District

During my five years in the California Legislature, I noticed that the legislative agenda is big labor, big business and always-bigger government. Unfortunately, the small business owner's voice is not heard in Sacramento, Washington, D.C. and probably other state capitols, as well.

That's too bad because in California small business makes up nearly 97 percent of all businesses. So often we hear about iconic California companies like Disney, Amgen and Apple, but the truth is small business employs nearly two out of every three workers.

Government has immense power and you have to be engaged in the political process to protect your business. If you are coming to the capitol for the first time to lobby on an issue, then you've probably lost. Like everything else in life, it's about relationships!

7-Eleven franchisees have a tremendous advantage as everyone has been to a store and, I'm guessing, had a positive experience. When I was young my parents would take a family walk on summer evenings. The highlight of the night would be a Slurpee at our neighborhood 7-Eleven.

7-Eleven's reach is immense. The company's ranking in retail foot traffic is 15th overall, shopping 5th and gas stations & convenience stores 2nd. 7-Eleven has 10,000 stores in North America and 1,200 in California.

Why is this important? Because there is a 7-Eleven store in every congressional district and nearly every state legislative district in the nation—your customers are the politicians' customers!

Politics is like the state lottery—if you don't play, you can't win! There are many things you can do that have an impact that cost you zero dollars.

Social Media: Elected officials communi-

cate on many social media platforms including Facebook, Twitter and Instagram. Following your legislators and engaging them or sharing their content will allow them to come to know who you are.

Attend a Town Hall: Legislators typically hold community meetings to hear from their constituents. This gives you a forum to make the legislator aware of your issues. If they



“Attend a town hall, contact your legislator using letters, emails or phone calls, invite your representatives to visit your store, get your customers to contact their representatives, and belong to your association and political action committee.”

have been a good advocate for small business, go and publicly praise them. Believe me, they will remember that!

Contact Your Legislator Using Letters, Emails or Phone Calls: In the California Legislature we vote on over 2,000 bills a session, so legislators don't have an opinion on every bill. Therefore, it's important to weigh in on bills that affect your business. Personally, I re-

ceive a print out every week on who has contacted my office.

Invite Your Representatives to Visit Your Store: I visit local businesses and non-profits on a regular basis. So invite your rep to see what happens behind the counter. This gives you an opportunity to educate your legislator and how the burden of high taxes and over-regulation adversely affect your business. Many of the bad bills coming out of Sacramento are related to employment law. A tour will give the elected a first-hand view that your employees are part of a team, not an adversary.

Get Your Customers to Contact Their Representatives: The average 7-Eleven has 1,000 visitors per day. If just 3 percent of your customers contacted their legislators, you could move the needle on public policy.

Belong to Your Association and Political Action Committee (PAC): Your association is there to keep you informed on the latest laws and legislative advocacy. This allows you to stay in compliance, as well as try to stop bad proposals BEFORE they become law. Of course, contributing to your PAC helps your cause as well. Former California State Assembly Speaker Jesse Unruh stated, “Money is the mother's milk of politics.”

Unfortunately, too often politics is a zero sum game. If you don't play, you can't win. A small investment in time and money in government relations can be the difference between a thriving business or having to close your doors.

So if you haven't been active in advocating and supporting your industry, now is the time to lend your voice and your peers' to protect and promote your business!

STATE SENATOR SCOTT WILK

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Member News

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At the completion of the roll out, MoneyPass said it will have an estimated 33,000 surcharge-free ATMs in the United States. "Partnering with MoneyPass aligns with our focus of delivering ATM programs that provide incremen-

tal value and increase foot traffic to our customer's locations," said Jeffrey Wernecke, Co-CEO of FCTI. "We are pleased to begin offering MoneyPass surcharge-free ATM access on FCTI's ATMs at 7-Eleven."

NACS SPECIAL NACS Membership Offer

The National Association of Convenience Stores (NACS), in partnership with the National Coalition of Associations of 7-Eleven Franchisees, is now offering a special membership to NCASEF members at the **reduced price of \$40**—an 80 percent discount off of the starting membership rate of \$200. The NCASEF NACS Membership Program offers industry-specific programs and services, as well as traditional association benefits to help you compete and succeed. The benefits of the special NCASEF NACS Membership Program include:

- Discounts to all NACS events.
- Discounts on all NACS training, educational, and operational products.
- Access to NACS Help Desk, an information resource that provides answers to retailer member questions and facilitates greater industry connections.
- Full voting rights as a NACS Domestic Retail member.

- NACS Daily News e-newsletter.
- Potential for consideration as NACS Board or Committee Member.
- One copy of NACS Magazine (monthly publication).
- Congressional and federal agency representation through the NACS Government Relations team.
- And more!

To sign up, all you need to do is complete the one-page membership application distributed by your FOA and scan and e-mail, fax, or mail it to NACS.

If you have questions about NACS membership for NCASEF members, please contact NACS Vice President of Member Services Michael Davis at mdavis@nacsonline.com or (703)-518-4246. You may also contact NACS Retail Membership Manager, Eboni Russell, at erussell@nacsonline.com or (703) 518-4271.

Seven & i Takes On Amazon

SEI parent company Seven & i Holdings recently announced a partnership with Askul, a mail-order company

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dubbed **Assured Living** to outfit the homes of **senior citizens** with smart-home devices to allow their adult children or other caregivers to check in more easily, reported the *Star Tribune*. • German discount grocer **Lidl** will open a \$100 million regional headquarters and distribution facility in Cartersville, Ga., late next year, marking its fourth such center in the U.S., reported *Supermarket News*. • New York state police have arrested a man for **stealing items from a 7-Eleven in the Southern Tier 17 times**, reported the *Buffalo News*. The man faces 20 counts of petit larceny. • Visa recently launched its **Cashless Challenge** program, which seeks to push more small businesses—particularly restaurants and food establishments—into updating their digital payment technology, offering up to \$10,000 each to 50 small business owners that are committed to going cashless, reported ABC News. • **Starbucks will team with International Rescue** and other groups to identify and hire **2,500 refugees** to work at its coffee shops in eight European cities over the next five years, reported the *Seattle Times*. The move is part of a larger global plan to provide jobs for 10,000 refugees by 2022. • Automaker **Volvo is going all-electric by 2019**, reported NBC News. The company recently announced that all future models will use some form of electric propulsion, whether in hybrid form with a gas engine or all-battery models. • **UPS will freeze a pension plan for about 70,000 nonunion U.S. employees** because of esca-



continued on page 82

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Member News

continued from page 68

that deals in office supplies, reported *Nikkei Asian Review*. The pair will start a fresh-food delivery service, putting them in direct competition with online retail giant Amazon Japan. The new service, to be called IY Fresh, will use Askul's distribution network and will launch toward the end of November. Its initial operations will be in Bunkyo and Shinjuku wards of Tokyo, but both companies aim to expand the business to the whole of Tokyo's 23 wards in 2018, and to Tokyo's metropolitan region by around 2020. Users of the service will be able to specify delivery times to the hour.

The service is pitted as a direct competitor to the Amazon Fresh service, which Amazon Japan launched in certain areas of Tokyo in April. Japan was the third country after the U.K. and the U.S. in which Amazon has offered the service.

Couche-Tard Acquires Holiday Midwest C-Stores

Alimentation Couche-Tard Inc. recently announced it has signed an agreement with Holiday Companies to acquire all of the issued and outstanding shares of Holiday Stationstores, Inc., an important convenience store player in the Upper Midwest United-States, whose assets include over 500 company operated and franchise locations, a food commissary and a fuel terminal. Couche-Tard said in a released statement that this acquisition allows it to once again pursue its journey to become the world's preferred destination for convenience and fuel.

"Seven & i will soon begin a fresh-food delivery service and will compete with Amazon Japan."

The transaction is anticipated to close in the fourth quarter of Couche-Tard's fiscal year 2018 and is subject to customary regulatory approvals and closing conditions. Couche-Tard said the acquired business

is expected to generate earnings before interest, income taxes and depreciation and amortization expense ranging between US\$180 million and US\$190 million on an annual basis.

Core-Mark Sales Increase

In its financial results for the second quarter ended June 30, 2017, Core-Mark Holding Company, Inc. reported net sales increased 3.1 percent to \$3.8 billion compared to \$3.7 billion for the same period in 2016. Non-cigarette sales increased 7.4 percent while cigarette sales increased 1.3 percent. The company said non-cigarette sales increased due primarily to net market share gains, including its June 2016 acquisition of Pine State Convenience, the addition of 7-Eleven Inc. and Wal-Mart Stores, Inc., and incremental food/non-food sales to existing customers.

Core-Mark said candy sales grew 25 percent, driven primarily by sales to Wal-

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www.ncasef.com

mart, which the company began servicing in May 2017. Sales of its Fresh category grew 5.5 percent relative to the comparable period. In addition, both cigarette and non-cigarette sales were impacted by a soft convenience industry sales environment and the expiration of distribution agreements with Circle-K and with Kroger Convenience in 2017.

Sunoco LP Reports 2nd Quarter Financials

Sunoco LP recently announced financial and operating results for the three-month period ended June 30, 2017, reporting that revenue totaled \$2.4 billion, an increase of 13 percent, compared to \$2.1 billion in the second quarter of 2016. The company said the increase was the result of the average wholesale selling price of fuel being 14 cents per gallon higher than last year and additional wholesale gallons sold. Total gross profit declined to \$165 million, compared to \$227 million in the second quarter of 2016, as a result of lower wholesale motor fuel gross profits.

Total merchandise sales increased by 5.4 percent from a year ago to \$608 million, reflecting the contribution from third party acquisitions and new-to-industry locations opened during the last 12 months. Same-store merchandise sales

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Share Your Experience and Expertise

Do you have a store experience, some operational expertise, or thoughts about the 7-Eleven system you would like to share with your fellow storeowners? **Avanti Magazine welcomes articles from franchisees** interested in communicating their ideas, knowledge, suggestions, opinions, etc. to the franchisee community at large. Please contact Sheldon Smith at sheldon.smith5@verizon.net or 215-750-0178 if you would like to contribute an article to Avanti.

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Legislative Update

NBC New York. Prior to signing the law, the minimum age was 19. New Jersey joins New York, which also raised the age to 21 in 2014. The governor had vetoed the minimum age bill in 2016. According to the latest state data in 2017, more than 37,000 high school students in New Jersey smoke, and the number is higher for students who use e-cigarettes. The annual health care costs directly caused by smoking costs the state \$4.06 billion. The tax rate per pack of 20 is \$2.70, and one percent of the tax revenue goes to the health department to fund and implement anti-smoking initiatives in the state.



Maine has also raised its smoking age to 21 and will adopt stricter regulations on the sale of electronic cigarettes after lawmakers recently voted overwhelmingly to override the governor's veto, reported the *New York Times*. Governor Paul R. LePage had called the bill an attempt to "social engineer our lives," saying that if 18-year-olds can join the military and fight in wars, they should be allowed to decide on their own whether to use tobacco. Starting in July 2018, anyone under 21 will not be allowed to buy tobacco products in the Maine, and the new regulations will also apply to devices like e-cigarettes, which are popular among teenagers; hookah pipes; and smoking accessories.

In Oregon, Gov. Kate Brown recently signed legislation raising the smoking age to 21, lending more momentum to a national public health movement that has now registered wins in six states. Oregon joins New York, California, Hawaii, Maine and New Jersey as the only states to raise the age limit from 18 to 21, overriding the objections of the tobacco industry. In each case, bills have passed despite critics arguing that Americans who are able to vote, buy guns, join the military and serve on juries should be able to buy cigarettes. California's law creates an exception for active-duty members of the military.

Massachusetts Considers Taxing Soda & Sugary Drinks

Massachusetts lawmakers are considering a new tax on soda and other sugary drinks, reported CBS Boston. The higher the sugar content, the more money residents will

pay. For drinks with less than 5 grams of sugar, there would be no tax. Drinks with 5 to 20 grams of sugar would be hit with a tax of a penny per ounce, and beverages containing more than 20 grams of sugar would get an extra 2-cents per ounce. For instance, a 20-ounce regular Coke has 65 grams of sugar and would cost an extra 40-cents. Tax proponents said the revenue would be invested in public health programs, especially those aimed at children. Opponents of the tax said not only will a soda tax hit consumers, it will also cost jobs and hurt businesses, and send people to neighboring states to shop. The bill's sponsor said it would raise \$368-million dollars a year.

Delaware Passes Tobacco & Alcohol Tax Hikes

Delaware lawmakers recently raised taxes on alcohol, cigarettes and vaping products as part of their solution to the state's \$400 million budget gap, reported *The News Journal*. Combined, the proposals would raise \$16.8 million for the next fiscal year. The increases would take effect in September.

The tax on cigarettes would increase by 50 cents a pack; Governor John Carney had pushed an increase of one dollar. E-cigarette products would have a new 5-cent tax, and other tobacco products would also be taxed higher. Those tobacco taxes would raise about \$11.6 million.

The alcohol tax increase would bring in \$5.2 million. Here's how rates would grow from a consumer's perspective: on a six-pack of beer, from 9 cents to 15 cents; on 750 milliliters of wine, from 19 cents to 32 cents; on 750 milliliters of spirits, from 74 cents to 89 cents. Brewers, distributors and liquor store owners had protested the tax increase, arguing it would hurt their competitiveness with other states.

Judge Okays Cook County Soda Tax

An Illinois judge recently lifted a temporary restraining order on the state's controversial penny-per-ounce soda tax, paving the way for retailers to start collecting, reported the *Chicago Sun-Times*. The tax was supposed to go into effect July 1, but a lawsuit filed by the Illinois Retail Merchants Association and several grocers stalled the tax. The lawsuit claimed the tax is unconstitutional and too vague.

"The only question and duty before this court is to determine if the merchants have set forth sufficient substance in the verified complaint to withstand the county's motion to dis-

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Legislative Update

miss,” Judge Daniel Kubasiak said, citing the lawsuit. “The court concludes that the merchants have not, and that the county’s motion to dismiss must be granted.”

County officials have said the tax is needed to pay for services and will improve the public’s health over time. “We’re disappointed by today’s ruling and we’re going to consider our legal options,” said Robb Karr, the merchants association president and CEO.

NACS Joins Lawsuit Against NYC Menu Labeling Rule

NACS, the New York Association of Convenience Stores (NYACS), Food Marketing Institute (FMI) and the Restaurant Law Center (RLC) recently filed a lawsuit in the U.S. District Court for the Southern District of New York to stop New York City from prematurely enforcing menu labeling rules requiring calorie and nutrient information prior to a May 2018 compliance date established by the FDA, reported NACS Online. The lawsuit claims that New York’s premature enforcement is preempted by federal law.

Mayor Bill de Blasio announced in late May that all New York City chain food retailers offering prepared foods, or “restaurant-type foods,” would be required to post calorie counts on menu boards. In addition, chain restaurants and retailers would be required to have full nutritional information, not just calories, for standard menu items available on site, and they would have to post a statement about the daily recommended caloric intake of 2,000 calories. This rule is required for all chain restaurants with 15 locations or more in New York City, affecting approximately 3,000 restaurants and about 1,500 food retailer chains.

State Gasoline Tax Changes

On July 1, nine states implemented changes to their gasoline tax, reported *CSP Daily News*. Seven states raised their gasoline tax, led by: Indiana (9.9 cents per gallon), Montana (4.5 CPG), Tennessee (4.0 CPG), West Virginia (3.5 CPG), South Carolina (2.0 CPG), California (1.9 CPG), and Maryland (0.3 CPG). Two states’ taxes slightly

decreased on this date: Iowa (-0.2 CPG) and Nebraska (-0.3 CPG). Meanwhile, as of July 1, 13 states will have gone two decades or more since raising their fuel taxes: Alaska (47 years), Oklahoma (more than 30 years), Mississippi (28.5 years), Louisiana (27.5), Illinois (27.5), Arizona (26.8), Colorado (26.5), Texas (25.8), Alabama (25.1), Nevada (24.8), New Mexico (24), Delaware (22.5), and Missouri (21.3).

Common Sense Menu Labeling Bill Passed By House Committee

The House Energy & Commerce Committee recently passed H.R. 772, “The Common Sense Nutrition Disclosure Act,” by a bipartisan vote of 39 to 14, reported NACS Online. During the committee’s consideration of the legislation, the bill’s sponsors—Reps. Cathy McMorris Rodgers (R-WA) and Tony Cardenas (D-CA)—explained that the issue is not whether caloric disclosure should be required, but how that disclosure takes place. McMorris Rodgers explained that the FDA’s menu labeling regulations are a one-size-fits-all approach and create a costly use of retailers’ time to comply. Cardenas asserted that the bill was simply about flexibility for businesses and highlighted that it does not limit or reduce calorie information available to consumers.

There were two amendments offered to the bill. The first amendment, offered by the bill’s sponsors, would shorten the required compliance timeline under the bill and would give the FDA more flexibility in enforcing the new rule that they would draft under the legislation. The amendment was accepted by a voice vote of the committee.

The second amendment, offered by Rep. Kurt Schrader (R-OR), would stricken the provisions of the bill that would allow establishments who received greater than 50% of their orders remotely (i.e. pizza delivery chains) to post the required caloric disclosure remotely, such as on a website. That amendment failed on a bipartisan vote of 33 to 19.

The House’s amended bill now awaits consideration by the full House of Representatives. NACS said it hopes that the House will consider the legislation in September after Congress returns from the August district work period. Similar legislation was passed by the House in 2016, but was not considered by the Senate before the end of the legislative session. **AV**

“Thirteen states have gone three decades or more since raising their fuel taxes.”

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Member News

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Sold Out Golf Tournament For FOA Of Greater LA

The FOA of Greater Los Angeles knocked it out of the park with their sold out annual golf tournament, held June 21 at the Black Gold Golf Club in Yorba Linda, California. The event featured over 160 golfers and raised \$5,711 for the Children's Hospital of Los Angeles. Players competed for awards and the results were:

- 1st Place Team: Anheuser-Busch Michael Cimino, Josh Givens, John Craft and Manjit Singh
- 2nd Place Team: Alta Dena Dan Davis, Carl Reynolds, Jorge Arzola and Matt Carroll
- 3rd Place Team: Macondo Ice Josheph Mejia, Manuel Mejia, Tony Cruz and Lalo Cruz
- Closest to the Pin Winners: Men's Sean Doucett and Women's Amy Jowell of Red Bull.
- Longest Drive winners: Men's Gilbert Moronel of Lagunitas and Women's Amy Jowell of Red Bull.



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Member News

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“Sunoco also said it is on track to hand over 1,110 company-operated convenience stores to 7-Eleven before the end of the year.”

increased by 1.0 percent during the second quarter, reflecting growth across all of Sunoco's convenience store offerings. Same-store gallons decreased by 2.1 percent as a result of weakness throughout Sunoco's retail geography, particularly on the East Coast partly offset by increased same-store gallons sold in Hawaii. In the Texas oil producing regions, same-store merchandise sales increased by 8.5 percent, and same-store gallons increased 8.7 percent.

Sunoco also said it is on track to hand over 1,110 company-operated convenience stores to 7-Eleven before the end of the year.

QuikTrip To Expand Operations In Texas

QuikTrip (QT) recently announced it is expanding into San Antonio and Austin, Texas. The first QT stores in

each city are expected to open in the summer of 2018. QT has

been serving Texas customers in the Dallas/Fort Worth market since 1999, and currently operates 134 stores there. Construction will begin this winter on the first of over 100 stores scheduled for the initial launch in San Antonio and Austin. It has been six years since QT expanded into a new market. In 2011, QT launched its Carolinas division, adding 75 stores in Charlotte, North Carolina and Greenville, South Carolina. The company operates more than 750 stores in 11 states.

Philly Tax Makes Soda More Expensive Than Beer

Philadelphia's tax on sugary drinks has made soda more expensive than beer in the city, reported *The Washington Free Beacon*, citing a new



Florida Struggles With Skimmers

Credit-card skimming devices at Florida gas stations and stores are on a dramatic rise this year, reported TV news station WUFT. State figures show 315

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study by the Tax Foundation. The study finds that the 1.5-cent per ounce tax has fallen short of revenue projections, cost jobs, and has forced some Philadelphians to drive outside the city to buy groceries. The study also reveals the tax is 24 times higher than the Pennsylvania tax rate on beer.

The Tax Foundation points out that unlike most cities, Philadelphia passed the tax specifically to raise revenue, not to fight obesity. The city even includes diet sodas in its tax, as a way to raise money for pre-kindergarten programs. However, less than half of the \$39.4 million collected since the tax went into effect on January 1 has gone to education funding. Collections from the soda tax are also well below original projections of \$92 million per year, due to tax avoidance.

Want to talk to other franchisees?



The National Coalition has Franchise Owner's Association member organizations in all 33 states in which 7-Eleven operates.

To find the FOA closest to you. Visit www.NCASEF.com to contact any one of the 46 local Franchise Owner's Associations nationwide. Want to talk to someone at the national level? Call the NCASEF Vice Chairman in your area:

■ Nick Bhullar, Vice Chairman, Board Member, So. California FOA
bhullar711@yahoo.com
818.571.1711

■ Romy Singh, Vice Chairman, President, Eastern Virginia, FOA
757-506-5926
evafoa@gmail.com

■ Rehan Hashmi, Vice Chairman, Vice President, Alliance Of 7-Eleven Franchisees
rehan711@yahoo.com
847-845-8477

■ National Office
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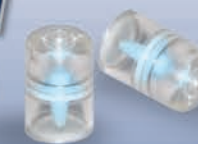
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Member News

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skimmers had been discovered at Florida gas pumps through July 18, compared to 120 skimmers discovered through the first seven months of 2016. That represents a 160 percent increase in the illegal devices used to collect consumers' credit- or debit-card information.



This year's seven-month total already far exceeds the 219 reported devices in all of 2016 and the 169 skimmers found in 2015, according to the Florida Department of Agriculture and Consumer Services. Palm Beach County has the most reported skimmer locations this year with

58, followed by Broward County with 57, Miami-Dade County with 26 and Pinellas and Volusia counties, each reporting 12 devices.

In 2016, the state Legislature passed a law that toughened penalties for credit-card fraud and required security devices on gas pumps, including the use

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Eastern Virginia FOA Trade Show Attracts Over 300 Franchisees!

The Eastern Virginia FOA boasted more than 300 franchisee attendees at their recent trade show at the Hilton Garden Inn in Suffolk, Virginia. Their trade show was inaugurated by SEI senior Vice President Greg Franks and the group donated a check for \$7,111 to Swim Across America during the event.



FOA members presenting a check of \$7,111 to Swim Across America. From left to right: Li'l Drug Store's Mark Gramlich, EVFOA President Romy Singh, EVFOA Board Member Ankit Kordia, EVFOA Board Member Naresh Kumar, Zone Leader Brian Voss, EVFOA Vice President Sanket Acharya, EVFOA FOA Vice President Mohammad Suleman.



NCASEF Vice Chairman Nick Bhullar, Zone Leader Brian Voss, Franchisees Sukhi Sandhu and Jivtesh Gill, and FOA President Romy Singh.



Sukhi Sandhu, Jessica Fisher and Romy Singh.

President Romy Singh, Jivtesh Gill, NCASEF Vice Chair Nick Bhullar, Jessica Fisher, FOA Vice President Sanket Acharya, Board Member Naresh Kumar, SEI Senior Vice President Greg Franks, Rahul Patel and Zone Leader Brian Voss.

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Member News

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of security tape to alert store employees and consumers about pump tampering. This year, the Legislature passed another law making it illegal to possess skimmer-device equipment.

Circle-K Launches Global Rebranding Program

Alimentation Couche-Tard said it will complete the rebranding of all its world-wide gas stations to the Circle K brand by 2018, involving more than 10,000 sites, reported *Petrol Plaza*. In the last few years the company has acquired the assets of national and international fuel retailers such as CST Brands, Imperial Oil, The Pantry, Ireland's Topaz, Shell in Denmark, and Sevenoil Est OÜ in Estonia, among others. Couche-Tard is now on course to unify all the different brands under one single flag—Circle K. Around 1,100 fuel stations have already been rebranded in Europe, with most of them previously working under the Statoil brand.

Sheetz Named CSD's 2017 Chain Of The Year

Altoona, Pennsylvania-based convenience store chain Sheetz was recently anointed by *Convenience Store Decisions* (CSD) as its 2017 Chain of the Year. The c-store trade publication said Sheetz is the first two-time Chain of the Year winner in the award's 28-year history, first winning top company honors in 1994. CSD wrote, "With an unsurpassed commitment to foodservice and technology, a world-class distribution model



and a total commitment to its vast employee base, Sheetz Inc. embodies the very best the convenience store industry has to offer."

CSD's Chain of the Year award annually honors a convenience store or petroleum chain that has established itself as a superior retailer and innovator in its markets of operation. Sheetz follows 2016 Chain of the Year winner QuickChek. Other winners of this award include Kwik Trip, 7-Eleven Inc., Krause Gentle Corp., Alimentation Couche-Tard, QuikTrip, RaceTrac, Rutter's, Thorntons Inc. and Maverik.

Small Retailers Thrive As Big Box Retailers Take A Hit

While the big box retailers have taken a beating in recent years, a closer look at the industry's health reveals smaller and local retailers are thriving even in the wake of online shopping, according to new data released by online publication Fit Small Business. The analysis shows that big box stores are responsible for approximately half of the retail liquidations. Payless Shoes, RadioShack and The Limited lead the pack of big box retail outlets closing. On the flip side, small and local businesses are flourishing, typically, at the expense of big box stores.

Key findings include:

- The retail industry is going through a metamorphosis—contrary to the common perception that retail stores are a dying breed, the analysis shows that the so-called "apocalypse" only applies to large retailers.
- Small and local retailers that take advantage of in-store, online and experiential selling are

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lating costs and volatility in determining future payments, replacing it with a 401(k) program, reported *Bloomberg*. The shift won't occur until 2023, giving affected workers more than five years to prepare. • The **Coca-Cola Company** recently announced that it's going to discontinue Coke Zero and replace it with **Coke Zero Sugar** to give it an "even better unique blend of flavors," reported Yahoo News. • **Pizza Hut** announced that it recently surpassed 100 million pounds of food donated to feed those in need through its Harvest Program, which was originated by the company 25 years ago in partnership with Food Donation Connection.

• According to new research from Mintel, over half (53 percent) of **U.S. Millennials** (aged 23-40) agree that the more money you have, the happier you are, compared to 38 percent of Americans overall. • Apparently, **snorting chocolate is now a thing**. For \$24.99 you can buy a 10-serving tin of Coco Loko, a cacao-based powder that you can snort, reported *Forbes*. • America's top five ice cream flavors are **Vanilla, Chocolate, Cookies N' Cream, Mint Chocolate Chip and Chocolate Chip Cookie Dough**, reveals a new survey by the International Dairy Foods Association. • Sandwich chain **Subway** is introducing touch-screen ordering kiosks and a new mobile app in a bid to catch up with places **like Panera Bread**, which have credited technology with helping fuel sales, reported *Bloomberg*. •

Domino's announced it has expanded the pizza ordering capabilities for its **Amazon Alexa** skill to offer a customized ordering experience with no saved account or previous order necessary. • The Centers for Disease Control and Prevention's **annual report on youth and tobacco found that 11.3 percent of high school students used e-cigarettes in 2016**, compared with 16 percent the year before. In addition, just 8

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Member News

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thriving. Smaller, more nimble businesses, can cater to shoppers on a personal scale.

- Shoppers want the small-seller experience—shoppers want to save on name brands, yet they're willing to pay for personalized and specialized service.

Who Makes Up America

The United States' population now stands at 325 million people and roughly 13 percent them are foreign-born, reported WHYY, citing data from the Census Bureau. Figures suggest the percentage of foreign-born Americans is growing fast and approaching the historic high of 14.7 percent set in 1910.

Additionally, the number of first-generation immigrants in the U.S. has jumped 50 percent in the past 15 years, from 26 million to 40 million.

Other interesting facts revealed by the Census data include:

- 11 percent of Americans have at least one parent who is foreign born.
- The vast majority of U.S. residents, 75 percent, are at least two generations removed from their immigrant ancestors.
- The top five nationalities that Americans identified with, when asked to report a single ancestry group, are all European: 8 percent of Americans claimed German ancestry, followed by Irish (5 percent),

"The number of first-generation immigrants in the U.S. has jumped 50 percent in the past 15 years."

English (4.5 percent), Italian (3.4 percent), and Polish (3.4 percent).

- The fastest growing countries of origin among Americans are in the Middle East and Africa. Iraq leads the pack. Though the number of residents in the U.S. from Iraq is still relatively small—0.06 percent of the population—the Iraqi population in the U.S. has jumped by 214 percent since the Iraq War began. Kenya is second: roughly 68,000

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- RSW 1L is the #1 selling item in the water door, fastest selling Single Serve and 1L

700 ML

- ED Margin= 72%,
Promo Margin= 73%
- Promo Rate= 81%
- UPSD: 9.8 on Promo
- RSW 700mL is the #1 selling and fastest selling 700mL

1 liter & 700 mL, September 2017–December 2017

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Member News

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Americans claim Kenyan ancestry today, a 179 percent increase over the past 10 years.

Little Caesars Self-Service Pickup Station

Pizza chain Little Caesars recently announced that it has streamlined the process of getting a pizza with a new, customer-focused Reserve-N-Ready service that features the Pizza Portal—the first heated, self-service mobile order pickup station in the quick service restaurant industry. The company said that with the new Reserve-N-Ready service customers just place an order and pre-pay via the Little Caesars mobile app. The app will notify the customer when the order is ready. When the customer arrives at the store, they skip the line and go directly to the Pizza Portal and input a 3-digit pin or scan a QR code. Then, the door on the customer's secured compartment opens, and they take their hot, fresh order. It's that easy. The Reserve-N-Ready system



“Pizza chain Little Caesars has Reserve-N-Ready, an in-store service that features the first heated, self-service mobile order pickup station.”

is in test in select stores and will expand to other markets later this year.

Loyalty Program Memberships Reach Double Digit Growth

U.S. consumers hold 3.8 billion memberships in customer loyalty programs, according to the 2017 COLLOQUY Loyalty Census. The 3.8 billion tabulation shows that membership growth continues, but has slowed to 15 percent compared to the 26 percent growth rate achieved in the 2015 Census when total memberships were 3.3 billion.

The new consumer survey research from the 2017 Census shows that 53 percent of U.S. consumers identified “easy to use” as the main reason for participating in a loyalty program, topping “gives me great discounts” (39 percent) and “easy to understand” (37 percent), among other reasons. Conversely, the top reason given for abandoning a program was “it took too long to earn points or miles,” a concern cited by 57 percent of respondents. In other key Census results, the retail sector accounts for 1.6 billion reward program memberships, making it the largest slice of the loyalty pie. The biggest driver for active participation within retail is that the program is “easy to understand.” **AV**

Oops! In Vince Emmanuel's article in the last issue of *Avanti*, “What's Our Incentive To Grow Sales With GGPS?” the 56 percent charge cited in paragraph 3 should have been 52.8%. We apologize for the misleading statement. (Ed.)

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percent of high schoolers smoked cigarettes last year. Both those numbers are the **lowest on record**, the agency said. • Foreign-born individuals in the U.S are just as likely as native born Americans to be **college educated**, with one-third of immigrants holding a bachelor's degree or higher, reported *Forbes*. Of those immigrants that are college educated, 15 percent of them earned a doctorate or professional degree, outpacing native-born Americans. • A national study by skincare brand CeraVe reveals that **80 percent of Americans make at least one or more common mistakes when cleansing their face**, like using bath wash, hand soap or only water. • Online media giant *Thrillist* has chosen Krispy Krunchy Chicken as its favorite fried chicken chain, claiming that its “Chicken's perfectly seasoned and juicy pieces might be the most underrated item in fast food today.” • **Gas stations and convenience stores are coming together, combining the strength of fuel brand recognition with new consumer preferences** for a broader buying experience, and boosting profits in the volatile, competitive business of selling fuel to U.S. drivers, reported Bloomberg. • **The number of 7-Eleven convenience stores in Thailand has topped 10,000**, achieving the milestone at a faster pace than in Japan, reported the *Bangkok Post*. • **Wal-Mart Stores is expanding its test of grocery home delivery through Uber to the Dallas and Orlando, Florida markets**, reported *Supermarket News*. Wal-Mart began testing Uber delivery more than a year ago in Phoenix. • **Amazon has introduced Instant Pickup, a free service offering Prime and Prime Student members a curated selection of daily essentials available for pickup in two minutes or less** at five of Amazon's fully staffed pickup locations in Los Angeles, Atlanta, Berkeley, Calif., Columbus, Ohio, and College Park, Md. **AV**



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CIGARETTES, MOIST SNUFF

Member News



SEI News

YES W.E. CAN

SEI recently announced all three finalists of its franchise give-away contest targeted exclusively to women entrepreneurs will win a 7-Eleven store. Winners Alyson Rae Lawson of Dallas, Texas, Avalon Young of Castle Rock, Colorado, and Evelyn Scott of Chesapeake, Virginia, will each receive a waiver of the franchise fee, valued at up to \$190,000, to franchise any 7-Eleven convenience store available in the continental United States. All have indicated they hope to select locations that are close to their homes.



To qualify for the Women's Initiative competition, entrants had to be 21 years of age or older, a U.S. citizen or permanent resident, have excellent credit and at least three years of leadership, retail or restaurant experience. Contestants went through the same qualification process as all 7-Eleven franchise applicants including interviews, credit evaluation, a leadership test, and preparing a business plan and budget.

The three finalists were flown, all expenses paid, to the company's home office in Irving, Texas, to interview with 7-Eleven President and CEO Joe DePinto. The finalists were selected from seven semi-finalists who went head to head in a competitive online video contest for the chance to make it to the final round. SEI said it will donate \$10,000 to the charity selected by each winner. The charities align with Project A-Game, a 7-Eleven grant program that funds youth programs focused on education, fitness, safety and hunger relief.

7-ELEVEN EFFICIENCY SUCCESSES

7-Eleven was recently chosen to receive an award for its energy consumption reduction and improved efficiency by the 2017 Alliance to Save Energy Stars of Energy Efficiency program, reported SmartEnergy-Decisions.com. The company will be presented at the alliance's award dinner on September 14 with the Built Environment award for its 21 percent decrease in electricity use in store operations over the past seven years.

SEI achieved this reduction by installing LED lighting, energy management systems and high-efficiency HVAC units. According to 7-Eleven's corporate social responsibility plan, it hopes to reduce energy use by 20 percent from a 2015 baseline by 2025 and has already reduced annual greenhouse gas emissions by approximately 300,000 metric tons by implementing efficiency measures in its store locations globally.

NEW SINGLE ORIGIN COLOMBIAN COFFEE

After introducing two Rainforest Alliance Certified coffees in six months, SEI is making its biggest product commitment to sustainability with the switch to a new Rainforest Alliance Certified single-origin Colombian coffee. Introduced in June, the new brew will replace the Colombian



coffee now offered on the hot beverage bar, and is the retailer's first permanent coffee variety to switch to sustainable sourcing. With the addition of the certified single-origin Colombian coffee as a permanent offering and other sustainable limited-time varieties in the future, between one-third and one-half of the 7-Eleven coffee lineup will be Rainforest Alliance Certified.

DALLAS COWBOYS COLLECTIBLE CUPS

To kick off the 2017 Dallas Cowboys season, participating 7-Eleven stores in Texas will release a series of seven collectible cups. The first six cups will feature some of the team's most popular players on co-branded Big Gulp/Slurpee cups. Suggested retail price of the limited-edition cup is \$1.99 and may be filled with either a fountain or frozen Slurpee drink. Collectible cups are only available for a limited time. A new cup will be released each week for

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"7-Eleven will receive an award for its improved energy efficiency in lighting, energy management, and HVAC."





Member News

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SEI News

seven weeks. Which player is featured will not be revealed until the collectible cups hit store shelves each week. The release of individual player cups will culminate with a group version of the cup featuring all six Cowboys players. Like all its proprietary beverages sold in a cup, the Dallas Cowboys cups count toward the 7Rewards customer loyalty program.

MILLIONS OF FREE SLURPEES ON 7-ELEVEN DAY



7-Eleven turned 90 on July 11, and SEI celebrated this milestone birthday by giving away millions of free Slurpees. Continuing the tradition that started on the 75th birthday in 2002, participating U.S. stores gave away an estimated 9 million free small Slurpee drinks from 11 a.m. to 7 p.m. local time, on 7-Eleven Day. Slurpee fans were able to try the new Cotton Candy flavor or one of their favorites.

Slurpee Week continued the summer celebration, when Slurpee-lovers who pur-

chased seven Slurpee drinks July 12-18 and scanned the 7-Eleven mobile app received 11 Slurpee drinks free. New this year, Slurpee cup icons appeared in the app, showing customers' progress toward the 11-free goal. Slurpee purchases also counted toward the ongoing Buy 6-Get 7th Free 7Rewards offer.



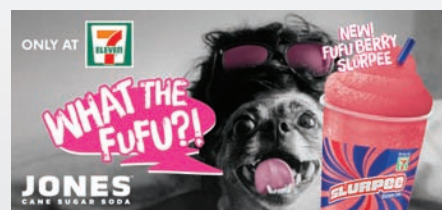
7-ELEVEN ECLIPSE SUNGLASSES

Sun-worshippers not wanting to be left in the dark when the "Great American Eclipse" crossed the U.S. were able to hit 7-Eleven stores for special—and safe—sunglasses to view the August 21 phenomenon. Available in a two pack and single pack, the "Explore Scientific Sun Catcher" solar eclipse glasses offered by 7-Eleven were approved for viewing by the American Astronomical Society (AAS). 7-Eleven was one of a handful of U.S. retailers listed on the AAS website selling glasses with the "SO 12312-1" seal, indicating they met international safety standards for filters to view the sun directly. The last total solar eclipse visible in the U.S. occurred

in 1979, and the last one to cross the entire country was almost a century ago.

7-ELEVEN'S & JONES SODA'S SUMMER PROMOS

7-Eleven kicked off the summer beverage selling season by teaming up with Jones Soda for several promos and regional programs. 7-Select Premium Sodas crafted by JONES, including the 7-Eleven Sour Patch Kids Watermelon flavor, were promoted at participating national locations with a summer-long 2 for \$2.22 offer. Also, building upon the success and enthusiasm of the current Green Apple Big Gulp program and the 2016 Orange & Cream Slurpee drink, the company launched a FuFu Berry Cane Sugar Slurpee program across approximately 400 Pacific Northwest 7-Eleven locations. The new Slurpee drink was available through the summer, starting in early June, and was fully supported by a billboard campaign around Seattle featuring the tagline, "What The FuFu?!" **AV**



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On-The-Go Automobile Technologies

ORDER TODAY
DISCOUNT DEALS ONLY
SEPTEMBER 1 - NOVEMBER 30, 2017



On The Go Innovative Automotive Wash and Wax Wipes

- No hose, soap, or bucket needed
- Wash and wax in drought or low water conditions
- Clean an entire car in minutes!

ARMOR ALL ULTRA SHINE WAX WIPES
12 count, 20% introductory discount, 45% margin
SLIN 203938



Older Cars? STP High Mileage Oil Treatment + Stop Leak

- Extra protection for cars over 75,000 miles
- The #1 new product in automotive additives

STP HIGH MILEAGE OIL TREATMENT + STOP LEAK
15 ounce,
20% introductory discount,
45% margin
SLIN 200472



AC Warm? Boost It With EZChill!

- A simple all-in-one recharge system for car air conditioners
- No tools required
- Also seals leaks in hoses, gaskets and O-rings

EZ CHILL A/C REFRIGERANT RECHARGE
10.25 ounce, 6 per case, \$5 discount per case, 57% margin
Available only in FL and TX
SLIN 207531

Serious Car Enthusiast? STP Racing Series Octane Booster

- Cleans fuel injectors and lubricates upper cylinder
- 16 fl ounces treats 18 gallons of fuel
- Maximizes horsepower

STP RACING SERIES OCTANE BOOSTER
16 ounce, 20% introductory discount, 45% margin
SLIN 200587



Squeaky Turns? STP High Mileage Power Steering Fluid + Stop Leak

- Extra protection for cars over 75,000 miles

STP HIGH MILEAGE POWER STEERING FLUID + STOP LEAK
15 ounce, 20% introductory discount, 45% margin
SLIN 206178

VENDOR FOCUS

Spectrum Unveils On The Go Automotive

Spectrum is offering franchisees incredible discount deals through McLane or DSD on the latest On-The-Go Automotive Technologies from September 1 to November 30:

- Armor All Ultra Shine Wash Wipes
- Armor All Ultra Shine Wax Wipes
- STP High Mileage Oil Treatment + Stop Leak
- STP High Mileage Power Steering Fluid + Stop Leak
- STP Racing Series Octane Booster
- EZ Chill A/C refrigerant recharge



Update your auto section with on-the-go automotive technologies.



New Armor All Wash Wipes and Wax Wipes provide the latest innovation and technology in the Appearance Products category. No hose, soap, or bucket needed.

Whether your city or town has water restrictions, or you are an apartment dweller with no access to a hose, the Armor All Wash Wipes and Wax Wipes allow anyone to clean and wax a vehicle in a few minutes and restore it to an original show room shine.

With the average age of a vehicle on the road today averaging 11.5 years and 70,000 miles, STP offers a line of High Mileage products. **STP High Mileage Oil Treatment + Stop Leak** is the #1 new product in automotive additives that addresses the older vehicle population. Companion product **STP High Mileage Power Steering Fluid + Stop Leak** provides extra protection for steering systems in older cars.

STP Octane Booster Racing Series Octane Booster is scientifically engineered to deliver results for the serious enthusiast. It's

formulated to help maximize horsepower; reduce knocks, pings and hesitation due to auto-ignition; clean fuel injectors; and lubricate upper cylinder.

EZ Chill, available only in Florida and Texas, is a great new product addition for 7-Eleven auto sections. Now customers who have warm air blowing in their AC System can use a simple all-in-one recharge system to get cool air back in their AC system. This product not only recharges a system, but also seals all leaks due to older hoses and couplings being on the vehicle.

Guinness Celebrates 200 Years

In October Guinness will celebrate the 200th anniversary of the brand's arrival in the United States. To pay tribute to the occasion, the brand will introduce a commemorative limited edition Anniversary

Export Stout based upon the Guinness brewing records of 1817 and feature Guinness Draught in a Special Edition Can celebrating the famed Guinness campaigns of the 1950s. Additionally, all Guinness variants have new packaging that includes tasting notes, ABV and a nutrition information panel with



Stock Guinness' new 200th USA anniversary packaging

continued on page 94

BETTER-FOR-YOU GRAZE SNACKS EXCLUSIVE

Graze is a snack company on a mission to make the good choice the exciting choice. From now through February 21, 2018, Graze 2-Oz. wholesome snacks will be available exclusively at 7-Eleven on a 50 percent margin at retail. Flavors include the popular Salted Caramel Chocolate Cookie, Sweet Memphis BBQ, and Veggie Protein Power.

Graze was started by seven friends in the UK who were looking for a better way to snack, but couldn't find options that were healthy and tasty. So they quit their day jobs, got creative in the kitchen and set out to make delicious, wholesome snacks. Today, Graze snacks feature no GM ingredients, no high fructose corn syrup, no artificial colors, and no artificial flavors.

Each recipe is created by combining delicious, classic flavors with wholesome, high-quality ingredients to produce one-of-a-kind snacks. Plus, every Graze snack is nutritionist approved and perfectly portioned so you can get excited about snacking on something tasty!



Wholesome Graze snacks exclusive to 7-Eleven through February 21, 2018.

Vital 4U

SCREAMIN' ENERGY
MAX HIT
FAST ACTING ENERGY



Ready To Drink

Know Why Your Customers Ask For Vital 4U? Because It Sells and Sells and You Never Have It In Stock.



12 Count Display SLIN# 221006 UIN# 218263



\$1.49 Retail
Excellent Margin



Vital 4U



@Vital4U



Vital 4U® is represented by C/Valet nationwide in the convenience store trade. Contact Dave Arensdorf at darensdorf@cvalet.com or for more information on our programs go to cvalet.com
Visit childrensmiraclenetworkhospitals.org

VENDOR FOCUS

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calories, carbs, etc. to provide consumers with as much information as possible so they can choose the Guinness that's right for them.

With Stout sales showing 8 years of consecutive growth and hitting the highest sales in 2017, there's no better time to celebrate Stouts with Guinness. (Nielsen XAOC+ Liq+ Conv 5 periods ending 52WE December 31, 2016)



Stock Guinness' Smirnoff Ice football packaging.

This football season, Smirnoff Ice will have new LTO football packaging for the top 4 Smirnoff Ice 6-pack flavors. As always, Smirnoff Ice has its best lift when displayed next to Premium Domestic Beer as an impulse or add on purchase that drives trade up and incremental profit.



Monster Continues McGregor Sponsorship

Monster Energy recently announced its continued sponsorship deal with MMA mega superstar Conor "The Notorious" McGregor. The ultra famous Irishman has been part of Monster Energy's MMA program since 2015, and was one of the first to join the elite team. The sponsorship will ensure that the iconic M-Claw will be emblazoned on McGregor's shorts for his UFC title defense this year. In furtherance of the partnership with McGregor, Monster Energy shot a 30-second commercial spot that can be seen by fans on Monster Energy's website, across various digital platforms and on select television programming.

Special Pop-Tarts Pumpkin Pie Seasonal Deal

Treat your customers and sales to a seasonal favorite with Kellogg's special "Buy 2 Get 1 Free" Pop-Tarts Pumpkin Pie offer, running November to December. Pop-Tarts Frosted Pumpkin Pie is an autumn tradition featuring the flavor of real cinnamon, ginger, nutmeg and cloves. Get your counter shipper today (holds 24 2-count)—McLane UIN 940189; SLIN 210654.



The special "Buy 2 Get 1 Free" Pop-Tarts Pumpkin Pie deal runs November to December.



Introducing White Owl FoilFresh Strawberry Kiwi Cigarillos

White Owl from Swedish Match continues to expand upon the award-winning Limited Edition FoilFresh franchise to now include Strawberry Kiwi. The complementary flavors of sweet strawberries and tangy kiwis are paired perfectly for a fresh new flavor twist. White Owl Strawberry Kiwi Cigarillos are bursting with a delicious, fruity flavor and are now in season for a limited time. This Limited Edition offering is available in "2 for 99 cents," "2 for 1.49," and "Save on 2" formats. E-mail customer.service@smna.com for more information.

Limited edition FoilFresh White Owl Strawberry Kiwi Cigarillos.

Optimo Cigarillos Add Grape To Natural Leaf Lineup



Optimo Cigarillos now available in a grape blend finished in first-class candela leaf wrapper.

Swisher International continues a tradition of quality and innovation with Optimo Cigarillos, now available in a grape blend finished in first-class candela leaf wrapper. Optimo Natural Leaf Grape Cigarillos are packaged in two-count, resealable foil pouches. Each Optimo Cigarillo pairs a top-quality natural leaf wrapper with an artful blend of imported tobaccos to deliver a smooth, rich, satisfying taste. The Optimo Natural Leaf Grape Cigarillo is the only cigar with the classic grape filler blend wrapped in green candela leaf.

Optimo Cigarillos are available in "2 for 99¢," "Save on 2," and "2 for \$1.49" pouches.

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America's Premium Chocolate Company since 1852

Seriously Smooth. Perfectly Rich.
Indulge in Ghirardelli's Luscious Caramel, Everyday.



UIN: 444828

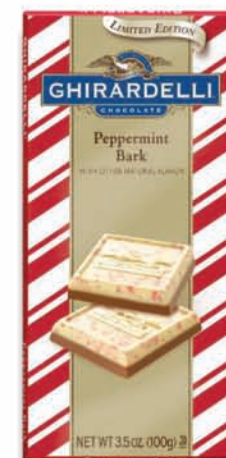


UIN: 444786

Refreshing Peppermint crunch layered between smooth Milk or Dark Chocolate. Sweeten the Season with Ghirardelli.



UIN: 698639



UIN: 646554



UIN: 176743



UIN: 724898

VENDOR FOCUS

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New Hostess Ding Dong Ice Cream

Nestlé Ice Cream's new Hostess Ding Dong single-serve ice cream snack is a first time collaboration that has great momentum and is very unique for this category. Hostess Ding Dong Singles have shown strong appeal on the popularity of the Hostess brand, which has a 98 percent household awareness and can increase APSD by an estimated



Hostess Ding Dong Ice Cream, the first collaboration in Hostess' 90-year history.

\$4. To increase foot traffic, Nestlé has planned a strong media plan that includes Facebook, Instagram, and Twitter. Customers include four generational groups, GenWe, Millennials, GenX and Boomers. The Ding Dong Singles retail for \$1.99 and yield a 47.8 percent margin.

Nesquik Milk Fully-Funded September-December Promos

Nestlé Nesquik, the number one selling milk in 7-Eleven, is offering three promos, fully-funded at retail, from September 27 through December 31 to drive units and increase profits:

- 1. Free New Nesquik Protein Milk on the 7Rewards App.** On September 27, National Chocolate Milk Day, Nesquik Protein Plus Chocolate Milk and Nesquik Protein Plus Vanilla Milk will be featured FREE on the 7Rewards app, so forecast aggressively, execute the POP, and upsell the digital offer to app customers!
- 2. BOGO All Regular Nesquik Milks on the 7Rewards App.** From September 28 to December 31 Buy-One-Get-One on ALL regular 14 oz. Nesquik Milk flavors including Chocolate, Vanilla, Strawberry, and Banana Strawberry. All purchases will support Nestlé's #Quikstache Campaign



Nesquik Milks on fully-funded promos from September 27 to December 31.



and partnership with the Movement Foundation, a global charity that advocates and raises funds and awareness for men's health.

3. Buy 1, Get

2nd for \$1 on all 14 oz. Nesquik Milk Flavors no app necessary! From September 28 to December 31, all customers can get a 2nd Nesquik Milk for \$1, in-store, all fully-funded. This promo increases responses by 25 percent! All three promos are available via McLane or DSD.

Fully-Funded Nestlé Toll House Ice Cream Sandwich Promo

Nestlé Ice Cream is now offering a fully-funded "2 for \$4" promo on its Nestlé Toll House Chocolate Chip Ice Cream Cookie Sandwich. To drive units and increase velocity the promo is fully funded at retail cost.

A top performing novelty at 7-Eleven, Nestlé's Toll House Ice Cream Cookie Sandwich satisfies a wide variety of demographics, with 93 percent household awareness penetration. With a guaranteed total billback of \$2.80, and cost for this promo at \$3.50, total GP is 75 percent!



Enjoy 75 percent GP on Nestlé Ice Cream's fully-funded "2 for \$4" Toll House Chocolate Chip Cookie Sandwich promo.

Vital 4U Debuts All-New Vitamin C Drink

Precise Nutrition Int'l, Inc. recently debuted their brand new ready-to-drink Vital 4U Vitamin C Drink. This new item is ready to take the cold and flu season by storm. Get ready to stock your stores this season with this new, unique product that delivers the convenience your customers crave. Just rip off the top and drink it down. The Vital 4U Vitamin C Drink is a premixed immune support shot that requires no mixing or refrigeration. It's the perfect product for on-the-go consumers in search of a cold and flu supplement which also delivers 10 percent

more Vitamin C (1,100mg) than the top competitors. There is no comparison to the value that the Vital 4U Vitamin C Drink offers versus the powdered competition. Don't wait, stock this product now to capitalize on this year's cold and flu season. **AV**



Stock Vital 4U Vitamin C Drink now to capitalize on this year's cold and flu season.

NO Tobacco Taxes Merchandising Restrictions Advertising Bans

Classic Flavor
McLane UIN# 498535
SLIN# 320028

Wintergreen Flavor
McLane UIN# 498543
SLIN# 320027



Just Pure Profit!

ANY Naked Juice 15.2 Oz. 100% Juice Smoothies

2 for \$6.00



**AUG. 30 TO
DEC. 31, 2017**

**Recommended and
available through
McLane and Coremark**

- Offer Good On ANY Combination Naked Juice Smoothies!
- #1 Super Premium Juice—89 share in US convenience
- Non-GMO certified, no added sugar
- High-ring, on trend with the millennial shopper!

FOA EVENTS

SAN DIEGO FOA VENDOR APPRECIATION EVENT

AleSmith Brewery
San Diego, California
September 7, 2017
Phone: 619-713-2411

UFOLINY GOLF TOURNAMENT

Baiting Hollow Golf Club
Baiting Hollow, New York
September 7, 2017
Phone: 516-647-4617

SAN FRANCISCO/ MONTEREY BAY FOA GOLF TOURNAMENT

Castlewood Country Club
Pleasanton, California
September 11, 2017
Phone: 510-895-6984

TRISTATE FOSE CHARITY GOLF TOURNAMENT

Little Bennett Golf Course
Clarksburg, Maryland
September 13, 2017
Phone: 410-661-5585

SOUTHERN CALIFORNIA FOA CHARITY GOLF TOURNAMENT

Industry Hills Golf Club
Industry Hills, California
September 20, 2017
Phone: 626-255-8555

DELAWARE VALLEY FOA ANNUAL TRADE SHOW

Caesars Palace Atlantic City
Atlantic City, New Jersey
September 28, 2017
Phone: John Riggio
262-275-3086

MIDWEST FOA/ ALLIANCE OF 7-ELEVEN FRANCHISEES FOA ILLINOIS HOLIDAY SHOW

Chicago O'Hare Marriott
Chicago, Illinois
November 1, 2017
Phone: 847-971-9457

7-ELEVEN FOAC HOLIDAY PARTY/ TRADE SHOW

Holiday Inn, Skokie, IL
November 16, 2017
Phone: 847-353-9999

SAN FRANCISCO/ MONTEREY BAY FOA HOLIDAY PARTY

Sakoon Banquet Hall, Fremont
December 1, 2017
Phone: 510-693-1492

GREATER SEATTLE FOA/ PACIFIC NORTHWEST FOA HOLIDAY PARTY AND TABLETOP TRADE SHOW

(venue to be announced)
December 2, 2017
Phone: 425-308-1216

MIDWEST FOA MICHIGAN HOLIDAY SHOW

(venue to be announced)
December 6, 2017
Phone: 847-971-9457

UFOLINY HOLIDAY PARTY

Crest Hollow Country Club
Woodbury, New York
December 7, 2017
Phone: 516-647-4617

COLUMBIA PACIFIC FOA HOLIDAY PARTY

(venue to be announced)
December 8, 2017
Phone: 503-901-1677

NCASEF BOARD MEETINGS

NATIONAL COALITION AFFILIATE MEETING

Gaylord Opryland Resort &
Convention Center
Nashville, Tennessee
October 30-31, 2017

NATIONAL COALITION BOARD OF DIRECTORS MEETING

Gaylord Opryland Resort &
Convention Center
Nashville, Tennessee
November 1-3, 2017

NATIONAL COALITION BOARD MEETING

Sheraton Four Points
Dallas, TX
February, 2017

NATIONAL COALITION BOARD MEETING

Marriott San Juan
San Juan, Puerto Rico
May, 2017

NATIONAL COALITION BOARD MEETING NCASEF 43RD ANNUAL CONVENTION

Gaylord Palms
Orlando, Florida
July, 2017

ROCKY MOUNTAIN FOA HOLIDAY PARTY

Cheyenne Mountain Resort
Colorado Springs, Colorado
December 8, 2017
Phone: 719-339-9518

METRO NEW JERSEY FOA HOLIDAY PARTY

(venue to be announced)
December 15, 2017
Phone: 908-232-1336

SAN DIEGO FOA HOLIDAY PARTY

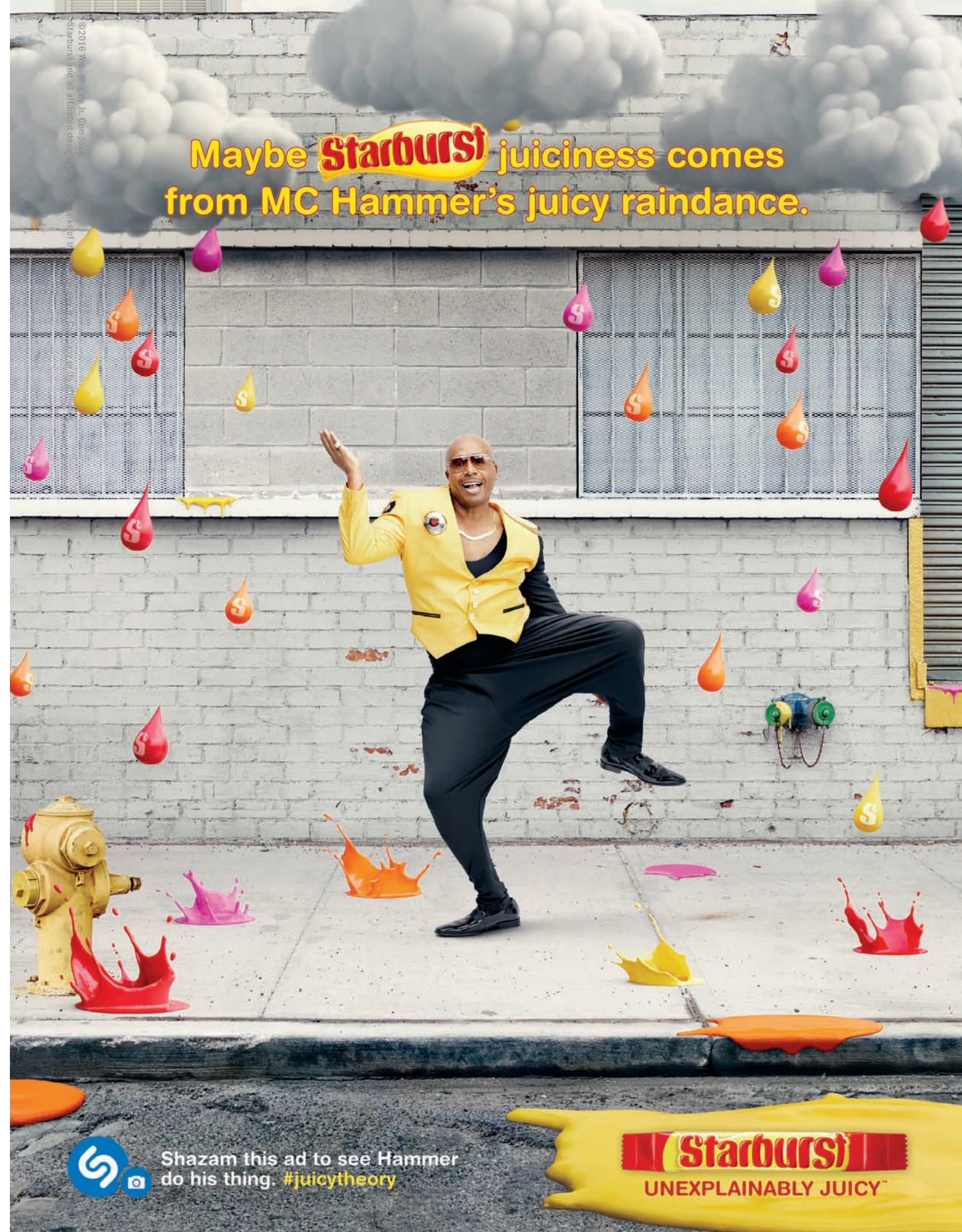
Viejas Casino & Resort
Alpine, California
December 16, 2017
Phone: 619-713-2411

FOA OF GREATER LA/ SAN DIEGO FOA TRADE SHOW

Pechanga Resort and Casino
Temecula, California
March 7, 2018
Phone: 909-822-4122

SAN FRANCISCO/ MONTEREY BAY FOA TRADE SHOW

Paradise Ballroom, Fremont
April 25, 2018
Phone: 510-693-1492



INTENSELY COLD. UNMISTAKABLY COOL.



ULTRA MENTHOL

The addition to the Djarum Black line combines the unmistakable taste and aroma of a premium aged tobacco with an intensely cold blast of menthol. No wonder more smokers than ever are asking for Djarum by name.

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Djarum Splash SLIN 0321395 7 51667 07422 3	Djarum Mild SLIN 0321395 7 51667 07426 1	Djarum Bali Hai SLIN 0321208 7 51667 07434 6
Djarum Black Vanilla SLIN 021434 7 51667 09062 9	Djarum Black Menthol SLIN 0321508 7 51667 09066 7	Djarum Black SLIN 0321436 7 51667 04694 7



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WARNING: Smoking cigars causes lung cancer, heart disease, and emphysema, and may complicate pregnancy. This product contains chemicals known to the State of California to cause cancer and birth defects and other reproductive harm.

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