



Near and Far: Looking at Global Convenience Retailing

FEATURED SPEAKER



Mark Wohltmann,
Director of NACS
Global, NACS

FACILITATOR

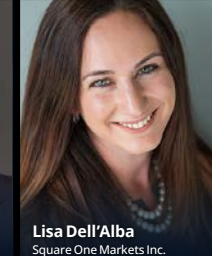


Myra Kressner
Kressner Strategy
Group, Vision
Group Network
Co-Founder

VISION REPORT AUGUST 2024



Hal Adams
Proximity FEMSA/OXXO



Lisa Dell'Alba
Square One Markets Inc.



Fouad El-Nemr
Nouria



**Annie St. Romain
Gauthier**
Y-Not Stop - St. Romain Oil



Scott Hartman
Rutter's



Drayton McLane, Jr.
McLane Group



Tony Miller
Delek US Holdings, Inc.



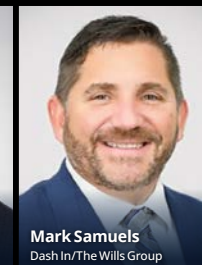
Greg Parker
Parker's



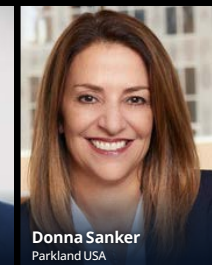
Darren Rebelez
Casey's General Stores



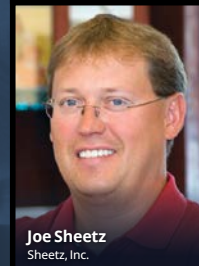
Donald Rhoads
The Convenience Group



Mark Samuels
Dash In/The Wills Group



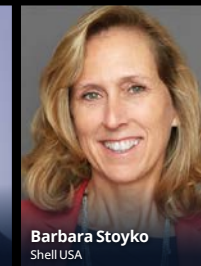
Donna Sanker
Parkland USA



Joe Sheetz
Sheetz, Inc.



Kevin Smartt
TXB Stores



Barbara Stoyko
Shell USA



Eva Strasburger
StrasGlobal/Compliance Safe,
Vision Group Network Co-Founder



Roy Strasburger
StrasGlobal/Compliance Safe,
Vision Group Network Co-Founder

CLVG MEMBERS 2024

GUESTS



Brian Donaldson
Maxol



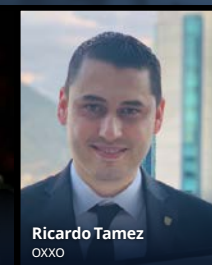
Troy Dickson
Parkland USA



Brandon Hofmann
Parker's



Reynold Montemayor
OXXO



Ricardo Tamez
OXXO

We are Convenience Leaders Vision Group (CLVG), a group of invited leaders of the convenience industry who has volunteered our time to help our fellow retailers, solution providers and product suppliers. The only reason we gather is to discuss, debate and share our experiences and ideas. Each of us is offering our personal opinions. We are not looking for “group think” — we are promoting problem solving and looking to the future. We make our conversations available to everyone in the industry through CLVG Vision Reports. These reports will help you better understand current challenges, solutions, and opportunities while giving you access to different opinions and perspectives, regardless of the size of your business.

Convenience Leaders Vision Group is funded by the Vision Group Network, whose mission is to gather the best minds in the industry, put them in a virtual room, and let the ideas and opinions develop.

This **CLVG Vision Report** is comprised of three parts:

CLVG Views provides a summary of the conversation with additional resources for extra context including and “Valuable Resources” for more in-depth education.

In The Room With CLVG provides you with the meeting transcript, tagged for easy reference, so that you can be “in the room” with us, rather than only having access to selected quotes and paraphrasing.

Mark Wohltmann’s full presentation “Convenience Briefing: The Global Convenience Radar Screen” is included and linked throughout the transcript for easy navigation.

We highly recommend that you read all three components.

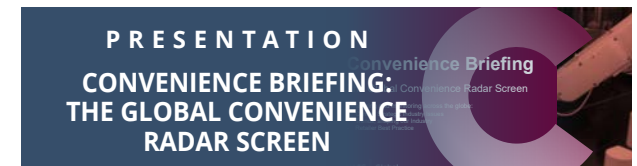
The main topics in this CLVG Vision Report:

Minds wide open to new ideas

The customer journey

EV infrastructure, payment and ROI challenges

Loyalty programs: optional or essential?



CLVG VIEWS

A CONVENIENCE LEADERS VISION GROUP DISCUSSION

This meeting of the Convenience Leaders Vision Group (CLVG) focused on the customer experience featuring a presentation by Mark Wohltmann, director of NACS Global at NACS



CLVG WAS PLEASED TO WELCOME FIVE SPECIAL GUESTS TO THIS MEETING:

Troy Dickson, Vice President of Retail, Parkland (USA) [Surrogate for Parkland's Donna Sanker]

Brian Donaldson, CEO, Maxol (Ireland)

Brandon Hofmann, President and Chief Operating Officer, Parker's (USA) [Surrogate for Parker's Greg Parker]

Reynold Montemayo, Strategic Planning Director, OXXO (Mexico)

Ricardo Tamez, Commercial Director of Merchandise, OXXO (Mexico)

The July 10, 2024 CLVG virtual meeting was facilitated by **Myra Kressner**, president of Kressner Strategy Group and Vision Group Network co-founder. Guest speaker Mark Wohltmann, director of NACS Global at NACS, presented "Convenience Briefing: The Global Convenience Radar Screen" which focused on strategic industry issues, trends that are shaping the industry, and retailer best practices across the globe.

CLVG Views

In The Room With CLVG

The Global Convenience
Radar Screen



“ If you want to do hospitality, you have to become hospitable.

Mark Wohltmann, Director of NACS Global, NACS

The Global Convenience Radar Screen

Wohltmann presented an insightful overview of current issues and trends in the worldwide convenience and fuel retail industry. He emphasized the importance of monitoring global industry developments and learning from international best practices, as well as the need to experiment to stay ahead in the market. He also noted the significant opportunities in the industry because of the continuing growth of the global convenience store market. Lastly, he highlighted retailers' need to adapt to changing consumer behaviors, such as the increasing preference for shopping close to home, unplanned purchases, and the demand for healthy choices.

Wohltmann also touched on the evolving landscape of oil companies, noting the extent of their shift from fuel to food and services to diversify their profits. Despite some companies, like Shell, successfully integrating hospitality services into their retail program, he pointed out that the majority of profits for these companies still come from crude oil production. Excited about the potential of expanding customer experiences with offerings that are unique and engaging, he shared various global examples, such as Repsol in Spain and YPF in Argentina. Both have successfully transformed their petrol stations into inviting destinations by offering differentiated services and

experiences to change their image from a traditional fuel retailer.

Wohltmann stressed the importance of welcoming innovation and collaboration, especially with startups, to drive the industry forward. He referenced electronic shelf labels and “Q-commerce” delivery (quick commerce is e-commerce with an emphasis on quick deliveries) as operational advancements. He highlighted the success of PTT's Café Amazon in Thailand as an example of an oil company entering the hospitality market and becoming the sixth largest coffee chain in the world. Somewhat controversially, Wohltmann encouraged retailers to consider whether they need loyalty programs or if unique, engaging experiences could naturally attract and retain customers.

“ Looking at all those different retail sites around the world, what I found is that on every issue and opportunity, there's always someone else in the world who is more advanced than you are.

Mark Wohltmann, Director of NACS Global, NACS

CLVG Views

In The Room With CLVG

The Global Convenience Radar Screen

Minds Wide Open

Roy Strasburger, CEO of StrasGlobal, president of Compliance Safe, and Vision Group Network co-founder, opened the discussion asking how smaller, non-oil-company-owned stores are innovating compared to larger operators with robust capital expenditure freedom. “What I see is innovation usually not coming from the largest companies,” Wohltmann replied. “It comes from smaller companies, it comes from family-run businesses,” he noted, emphasizing their agility and long-term thinking. He illustrated this evolution with an example of more sophisticated coffee service and specialty coffee bars, which is something larger chains struggle to scale quickly.

FEMSA/OXXO’s Senior Advisor/Project Lead U.S. Proximity **Hal Adams** added his narrative of frequent resistance to global insights when shaping US retail strategies. Reflecting upon more recent experiences, he emphasized the importance of not just copying trends from other countries but adapting learnings creatively. He acknowledged his previous ethnocentric approach, saying, “I’ve lost a lot of opportunity,” and praised colleagues who have successfully integrated international experiences into their business models. Adams’

realization underscores the value of looking beyond familiar markets and learning from diverse global practices.

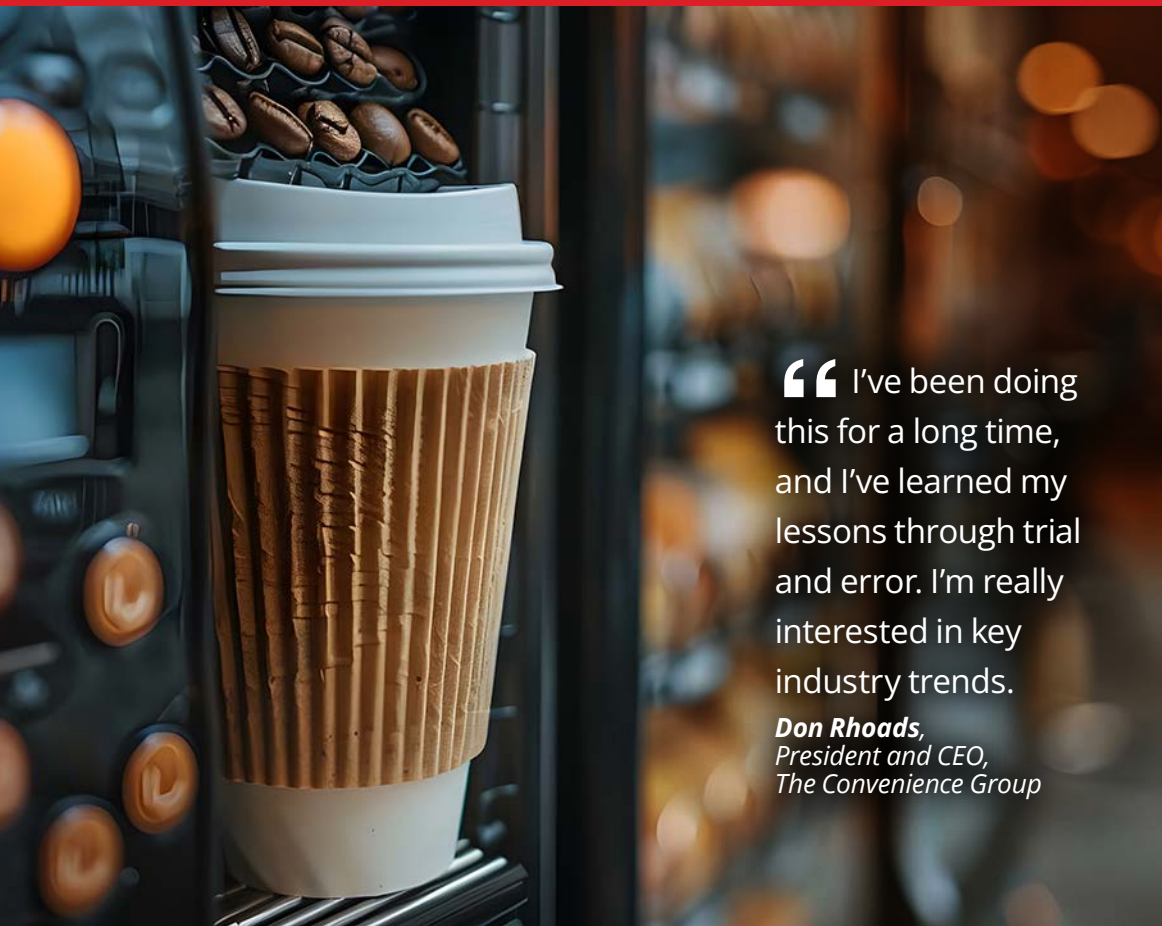
Brian Donaldson, CEO of Maxol supported this theme, sharing his journey from a traditional, family-run business in Ireland to a leader in innovation by embracing global experiences. He recounted how attending international events like the NACS Show and exploring markets in China helped his company stay ahead. “We like to go to different markets. We go in very open-minded,” Donaldson stated, highlighting the importance of bringing back ideas and adapting them to fit local customer needs. He feels this has enabled his company to introduce unique experiences and maintain a competitive edge.

Later in the conversation, OXXO’s Strategic Planning Director **Reynold Montemayor** stressed Wohltmann’s point of collaborating with startups by saying that doing this may shorten the learning cycle and capitalize on what you do learn more quickly. For example, OXXO has partnered with universities by sending students “challenges” to complete. Doing this helped them learn when and how to pro-

mote to students and new ideas. “It’s a faster way to learn and try new things,” he said.

Strasburger echoed these sentiments by pointing out the practical application of these novel global learnings and cautioned against a mindset that dismisses new ideas. “The first thing that you have to do is not take the approach of why it won’t work,” he advised. Strasburger shared his strategy of identifying interesting global concepts as a customer and then figuring out how to implement them locally. This incremental approach to innovation, combined with occasional significant leaps, has been effective in adapting international best practices to specific market challenges.

Joe Sheetz, executive vice chairman of Sheetz, sees value in traveling internationally to find new ideas, though acknowledged it is challenging to directly translate those ideas to their market. “It’s hard to bring some of that to U.S. culture in some ways because people just act differently, live differently,” he said. However, he emphasized Sheetz’s success in drawing inspiration from other channels within the U.S., such as QSRs and coffee retailers.



“ I’ve been doing this for a long time, and I’ve learned my lessons through trial and error. I’m really interested in key industry trends.

Don Rhoads,
*President and CEO,
The Convenience Group*

The Customer Journey

The discussion continued with a deep dive into the evolving customer journey, examining the shift from transactional interactions to experiential engagements, where convenience extends beyond mere product availability.

Many attendees circled back to Wohltmann’s presentation example of customers gathering at a convenience store to stay for extended time periods to work or socialize, and some questioned the validity of the concept in the U.S.

“My first thought was where are all these teenagers parking?” Strasburger commented. He continues, “If these people are working, doing their workspace at the store, whose parking spaces are they taking up while they’re spending their time doing their work?” **Barbara Stoyko**, senior vice president of Mobility Americas, Shell USA, said her first reaction was that it “sounds like \$0 per square foot. I have difficulty getting past spending the money to build that out.”

Rhoads echoed this, asking what his return would be for the parking space being occupied, adding that he is not trying to “reinvent the wheel” as a small operator, despite admiring the concepts that Shell and other folks are experimenting with. “Capital, for me, is a big deal. I can’t make a lot of mistakes here experimenting with some of these ideas that make sense conceptually but aren’t proven,” he said. “I would love to have a whole bunch of kids hanging out at my stores drinking beverages, but again, I have to weigh the ROI on that because my parking stalls are really important to me.”

Sheetz stated that although the company is not into the business of “trying to get people to hang out,” Sheetz will never again build a lo-

CLVG Views

In The Room With CLVG

The Global Convenience
Radar Screen

cation without a seating area because “once we put in seating, we were no longer in their mind...a gas station...[the seating area] just put some halo over the whole thing and made not only the food sales go up, but the feedback from people that much more positive.” Sheetz said the company has a similar experience with stores that feature a drive-through. “It’s really not about the dollars generated from that. It’s the branding halo that we’ve gotten.”

Parker’s President and COO **Brandon Hofmann** agreed with Sheetz, stating that if you are in the foodservice business, you have to have seating. “We’re going to continue to grow and build bigger stores if we want to continue to expand with our foodservice.”

Mark Samuels, executive vice president of convenience retailing at Dash In/The Wills Group, had the same sentiment, while adding that cramming as many profit centers on a smaller site with enough, but not ample, park-

ing doesn’t work. He said that by building bigger sites with plenty of parking and creating space for customers to linger, you can exponentially capitalize on the evolving customer that wants to visit a convenience store that is easy to get in and out of, that has easy-to-find parking and multiple different food offerings and services. “We found that each incremental change isn’t likely to give you what you want or expect, but when you put a lot of those things together and change lots of different things, you might achieve a breakthrough,” he said.

Annie St. Romain Gauthier, CFO/co-CEO, Y-Not Stop - St. Romain Oil, underscored this perspective on experimentation based on her experiences owning and operating stores in rural Louisiana and metro areas. Most of her company’s stores have seating for 40-50 people, and they see six-digit foodservice numbers in many of their stores. Additionally, a big focus for her company is on unique products, specifically around foodservice. To illustrate this

point, Gauthier told the story about when they added fruit cups to its fresh offers at one location, it was the “wrong market, wrong time.” But, there’s a time for everything, she said. “Just because you’ve tried something and it didn’t work, doesn’t mean you never try it again.” Her company circled back to the fruit cup offering ten years later at a new store and the cups “flew off the shelves.”

Shifting to a different customer journey perspective, Montemayor said OXXO is attempting to execute a last-mile model through its 22,000-store footprint in Mexico. Harkening back to Wohltmann’s comments on the necessity of Q-commerce, “We’re trying this e-commerce platform. It hasn’t been easy, but good to know that the trend is here to stay, and we have enough time to keep learning from that model,” he remarked. OXXO’s model is outsourcing its last-mile delivery to a third party through a multi-fulfillment center, and they are still attempting to “crack the nut” with the service.



Can't Talk About EV's Without Infrastructure, Payment and ROI Challenges

There was a lively discussion about electric vehicles (EVs), including the burgeoning challenges and opportunities in EV infrastructure. According to Strasburger, "the current nirvana of EV charging is Norway." Donaldson and **Troy Dickson**, vice president of retail with Parkland USA both confirmed this fact, as both their companies explored Norway's EV landscape to gather insight for their own EV programs. Dickson candidly expressed that Parkland would not have entered the EV space had it not been for substantial government subsidies in British Columbia, Canada. Parkland initially thought that EV locations close to highways would fare better than in rural areas. However, their EV locations in urban areas did "quite well,"

especially around condos and apartments. The struggle for Parkland, he admitted, was payment methods and value received.

"What we discovered was a lot of the EV customers sat in their car for 20 minutes while they tied up a parking spot or two," he said. The company offered these customers promotions to entice them to enter the store, but it didn't have the ROI like they expected. "We were happy to do it because it was low cost for us, but there's a lot more to it that we discovered around than just plugging in EV units onto our lots...and expecting customers to come to them."

“If you have the right services, and you have the right experience, and you create a very safe and welcoming environment for people to come for charging, people will use the dwell time for other shopping needs.”

Brian Donaldson,
CEO, Maxol

CLVG Views

In The Room With CLVG

The Global Convenience
Radar Screen

Donaldson shared how Maxol opened their first EV hub in Ireland just outside of Belfast. The hub featured a canopy, solar power, a payments platform and three different types of rapid chargers. “It was very much an innovation hub from the point of view of understanding: did the technology have good uptime, did consumers understand the payments model, which offered card payment by PIN, tap and go, or with our fuel card. Did customers like the charger configuration and kilowatt charge mechanism that we had applied? And also we were the first CPO (Charge Point Operator) to apply an overstay charge because we didn’t want to encourage people over holding on our car bay charging spaces, he said.”

Donaldson said the company learned a lot from this site, which is not intended for generating profit but only for gathering insight. They learned that their initial conversion rate from people charging to spending in-store was astoundingly over 60% and has since stabilized at around 50%. His advice was to move ahead methodically, emphasizing that loyalty is critical, which contrasts with what Wohltmann stated in his presentation.

Stoyko highlighted how Shell has been experimenting with different formats for their cafes across various regions that pair with an EV program. “We’ve definitely been trying all sorts of different things, mostly in Europe and in Asia with Shell Cafe,” she noted, emphasizing the importance of a strong coffee offer to complement on-the-go food services. She shared that some of their formats include standalone convenience stores, cafes within malls, and even specific setups tailored for EV-only scenarios. Stoyko explained that this approach highlights Shell’s strategy to innovate and adapt their retail offers to new market demands and technological advancements.

The Vision Group Network is launching Electric Vehicles Vision Group (evVG) in November 2024 that will engage the full eco-system of EV industry stakeholders. It will discuss such breakthroughs as Maxol’s success with EV drivers.



Loyalty Programs: Optional or Essential?

Throughout the discussion, the concept of loyalty programs sparked a spirited conversation among participants, reflecting retailers' perspectives on their efficacy and evolution in the digital age. In his presentation, Wohltmann questioned whether c-stores need a loyalty program.

In response, Hofmann, Sheetz, Gauthier, and Donaldson asserted that loyalty programs are essential for their stores. They shared practical insights on loyalty and customer experience differentiation. "Loyalty is less relevant the more you have unique products," said Gauthier. "It seems like more and more of what we sell is commoditized, so that's been a big focus of ours as a small retailer." Hofmann attributes customer experience differentiators like technology as important strategies for ensuring a customer's loyalty. And, Strasburger added a cautionary note about loyalty programs not cannibalizing regular sales, underscoring the delicate balance required in loyalty program design. He says, "You have to be careful that you're not giving away things to your regular customers that they would normally buy."

Donaldson also believes loyalty is an imperative component. He says at Maxol, "We believe loyalty isn't just about what reward you're giving to your loyal customers. It's how you connect to those customers. It's how you build a database on those customers. It's how you influence their behaviors."



Final Reflection

The customer journey within convenience retail is rapidly evolving from purely speed-based transactions to immersive, experiential engagements. While innovative concepts like extended customer stays and enhanced seating areas present potential branding and sales benefits, they also raise practical concerns about ROI and logistical challenges. Ultimately, the importance of continuous innovation, thoughtful adaptation of global trends, and a nuanced understanding of market-specific preferences are needed to successfully navigate the future of convenience retailing.

NOTABLE AND QUOTABLE

“ There are more than one and a half million convenience stores around the world, which means there's a lot to learn. **Mark Wohltmann**, Director NACS Global, NACS

“ If you can't win coffee, it's hard to be on-the-go game with food without a good coffee offer. **Barbara Stoyko**, SVP Mobility Americas, Shell USA

“ I am not going to reinvent the wheel here as a small operator. Having a group of industry players who want to experiment I think is awesome. I've always watched Joe, the Sheetz family and what they do and some of these others. Again, as a smaller operator, I pick and choose what makes sense for my chain. **Don Rhoads**, CEO, The Convenience Group

“ What I'm taking away from what you're saying is that it is about the channel blurring that is going on as we compete with other industry segments for the customer...it really is about upping your game of what attracts customers. **Roy Strasburger**, CEO of StrasGlobal, President of Compliance Safe, and Vision Group Network Co-Founder

“ Brand trust is quite high on the fuel side. I think it does spill over into the c-store. The consistency of the offer and the quality of the offer I think is more important than whatever you want to call it. **Barbara Stoyko**, SVP Mobility Americas, Shell USA

“ The longer you leave off investment, the more expensive it is to catch up and by that stage you've done a lot of damage to your business. **Brian Donaldson**, CEO, Maxol

“ We found that each incremental change isn't likely to give you what you want or expect, but when you put a lot of those things together and change lots of different things, you might achieve a breakthrough. It comes with a lot of trial and error. You're never going to hit it right on the first time out. You really have to stick with it in order to get there. **Mark Samuels**, EVP of Convenience Retailing, Dash In/The Wills Group

“ I think as retailers, we try to look at something that we can pick up and move and drop into our store, rather than take little bits and pieces of the learnings and build on it when we come home. **Hal Adams**, FEMSA/OXXO's Senior Advisor/Project Lead U.S. Proximity

“ Just because you've tried something and it didn't work, doesn't mean you never try it again. **Annie St. Romain Gauthier**, CFO/Co-CEO, Y-Not Stop - St. Romain Oil

“ So it's just looking for the seed and you bring the seed back and you plant it and then you sort of regionalize it, and you tailor it to what you think is going to be the best fit for your customer base. **Brian Donaldson**, CEO, Maxol

CLVG Views

In The Room With CLVG

The Global Convenience Radar Screen

VALUABLE RESOURCES

The quantity of materials on this topic would make for an insurmountable pile. To help you navigate through the masses, here are resources worthy of making your must-read list.



Myra Kressner, Vision Group Network Co-Founder

Roy Strasburger and I attended NACS Convenience Summit Europe Barcelona in June 2024. The presentation from Jesper Ostergaard, CEO of 7-Eleven/Reitan Convenience in Denmark,

made an impression on us. Reitan is the 7-Eleven licensee across Scandinavia and the Baltics. A few highlights stood out to me, as well as NACS CEO Henry Armour's closing "What Have We Heard, What Have We Learned" presentation. So, in addition to Mark Wohltmann's July CLVG comments about 7-Eleven/Reitan's dedication to working with start-ups, here are 3 noteworthy take-aways from NACS CSE, as covered in this short [NACS article](#):

1. In 2011, new laws allowed other retailers to be open 24/7, so there was a burning need to differentiate and be more relevant. This led to a food-leading position with food innovation only in Reitan's 7-Eleven.
2. New formats thrive in hospitals, airports, and Copenhagen train station
3. Delivery basket size 3 times higher

As Ostergaard said, their goal is to make "convenience sustainable and sustainability convenient."



Eva Strasburger, Vision Group Network Co-Founder

A global trend that Vision Group Network (VGN) is tracking is retail media networks. [Econsultancy](#) writes "there's been one trend in marketing and ecommerce over the past three years that has put

every other in the shade – retail media and retail media networks...a wave which carried £3 billion of revenue in the UK in 2023...with over 200 RMNs worldwide."

In their C-Store Trends report, [InTouch](#) points out that "according to Convenience Store News, RMNs are expected to generate a predicted \$89 billion in revenue by 2026 through the sales of ad space to third-party brands. Traditionally, RMNs have been focused on digital advertising. Still, in-store RMNs have grown in popularity among c-store brands, with some chains, like Wawa, Casey's General Stores, and 7-Eleven, launching branded platforms, highlighting the potential of this revenue stream. With significant daily foot traffic, C-stores are ideal for in-store advertising. RMNs enable convenience stores to monetize this traffic by selling ad space to brands that want to reach a similar audience. When asked whether digital advertising displayed at a convenience store would impact the shopping experience, 35% of consumers said they had purchased an advertised product."

For an overview of retail media networks and considerations and challenges for operating such programs read [Convenience Technology Vision Group's report](#) from its June 2024 virtual meeting featuring Kevin Struthers, chief product officer and co-founder at Axonet and Doug Baker, vice president of industry relations at FMI (Food Marketing Institute).



Roy Strasburger, Vision Group Network Co-Founder

The over-arching trend that Mark was referring to in his presentation was the effort to attract customers into a store. What are you doing to give the customer a reason to make your

store a destination, rather than a transient stop when they are on their way to somewhere else? Another way to describe this is the art of "retail theater" – promoting the story that you want to tell in a way that appeals to the consumer. This 2023 jt mega blog post, [14 Examples of Retail Theater](#), is, admittedly, a little over the top in its examples, and should be considered inspiration and not a blueprint. However, I think that the seven points at the end are the most important bit. Follow them and let the show begin.

CLVG Views

In The Room With CLVG

The Global Convenience Radar Screen

CLVG

CONVENIENCE LEADERS
VISION GROUP

MEMBERS

VISION GROUP NETWORK CO-FOUNDERS



Myra Kressner
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Eva Strasburger
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CEO, Compliance Safe



Roy Strasburger
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President,
Compliance Safe



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**Annie St. Romain
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CFO/Co-CEO, Y-Not
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Chairman,
McLane Group



Tony Miller
President, Delek Retail



Greg Parker
CEO, Parker's



Darren Rebelez
Chief Executive Officer,
Casey's General
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Donald Rhoads
Chief Executive Officer,
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Mark Samuels
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Barbara Stoyko
SVP Mobility Americas,
Shell USA

CLVG Views

In The Room With CLVG

The Global Convenience
Radar Screen

IN THE ROOM WITH CLVG:

*Near and Far: Looking at
Global Convenience Retailing*



Convenience Leaders Vision Group (CLVG) invites you to join us **In The Room** to experience our meeting on July 10, 2024. We are providing you with the entire conversation so that you can be “in the room” with us, rather than simply reading polished sound bites.



CLVG Views

In The Room With CLVG

The Global Convenience
Radar Screen

Agenda

16 Topic Reference Key

17 Welcome, Introductions, Meeting Rules

21 The Presentation

32 The Discussion

56 Closing Thoughts



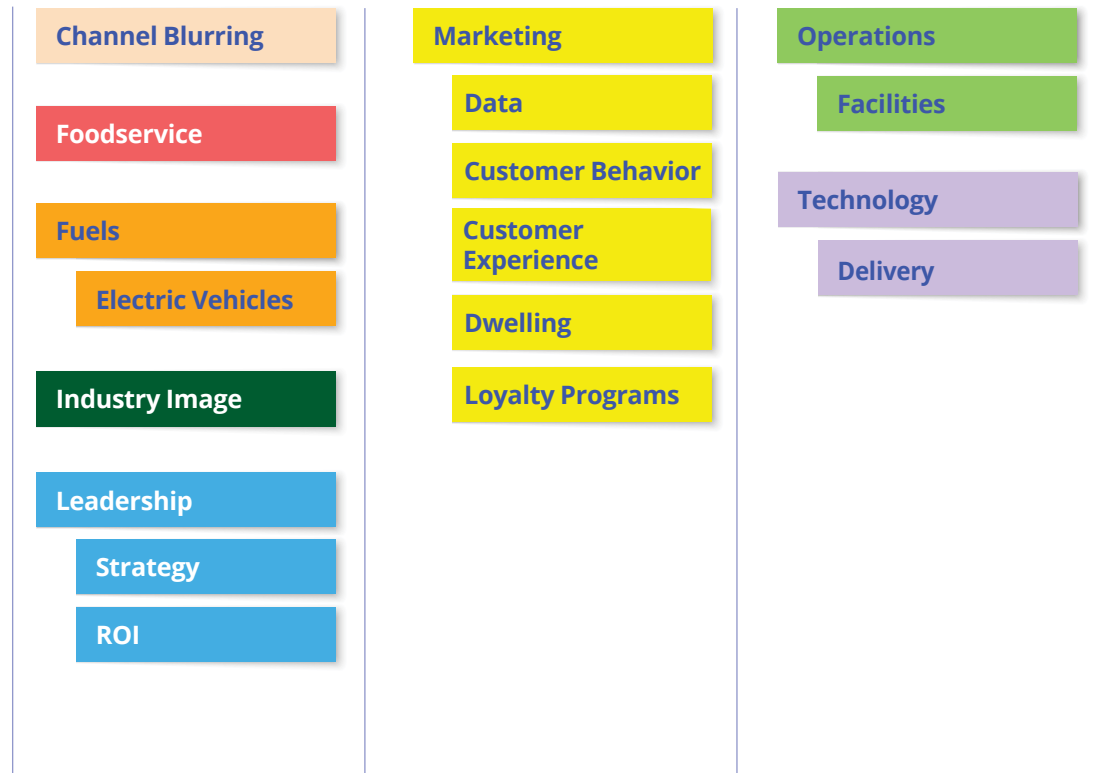
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The Global Convenience
Radar Screen

Topic Reference Key

CLVG's mission is to increase the institutional knowledge of the retail industry by sharing ideas and perspectives. For your convenience, we have placed topic indicators throughout the dialogue. Below is a key to the list of topics.



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The Global Convenience
Radar Screen



Myra Kressner

Welcome, Introductions, Meeting Rules

All right everyone, welcome. Thank you. For those who have not met me before, I am Myra Kressner. And on behalf of my fellow CLVG co-founders, Eva Strasburger and Roy Strasburger, welcome to a CLVG meeting that promises to generate stimulating discussion among our members and guests. And since we'll be traveling around the globe during this virtual meeting, we are also pleased to be welcoming a few international guests who I'll introduce in a few minutes. But first we have some brief housekeeping. This screenshot [antitrust statement shown on screen] reminds everyone of the antitrust statement and publication acknowledgement that every member and meeting participant has signed. And also, we are recording this discussion.

A few other reminders. Please use your camera and keep it on as much as possible. And conversely, keep your audio on mute unless you are speaking to minimize any ambient noise. Please use the raise hand icon or physically raise your hand for conversation flow unless you're clearly in a back-and-forth discussion. And if you need to leave the meeting for any reason, you can either write a short note in chat or just leave and return when you're able. And very importantly, since we want frank and diverse discussion, if anyone wants to make an "off-the-record" comment, just let us know what you are about to say or have said is off the record.

In a moment, we will welcome Mark Wohltmann, director of NACS Global. Roy, Eva and I have attended several NACS Global events over the years in Barcelona, Dublin, Singapore, Berlin, and we were able to gain insights into the best of food, loyalty, technology, alternative fuels from around the world.

Mark has graciously agreed to share a compilation of best practices from around the world collected through NACS's network of members in more than 60 countries. He will share examples of where our industry globally is moving from fuel to food with a strong focus on our customers, products and services.



Don Rhoads

But first I am delighted to welcome our newest CLVG member, as well as other folks who'll be participating in this meeting. Don Rhoads is president and CEO of The Convenience Group and former NACS chairman. Don, we saw you at NACS Convenience Summit Europe in Dublin and of course at so many U.S. NACS events and road trips. Would you please just take a brief moment to introduce yourself to all of our members?

Sure. Well thank you Myra, and I thank you for the invite. It's an impressive group of industry leaders here. I'll give you a quick summary of my background. I've been in the convenience store space now for over 35 years. Started with a 65-store chain back in 1989, and then about 10 years later I bought them. And today we're a pretty diverse company. We're involved obviously in convenience stores but also commercial and residential real estate. Some highlights of my career, obviously past chair of NACS. I'm on the board and a member of the executive committee. I also chair the political engagement committee for NACS.

I was a founding member and president of both the Oregon Industry Association (Oregon Neighborhood Store Association) as well as the Washington State Industry Association (Washington Association of Neighborhood Stores). And I actually followed Henry when he left for NACS as President of the Washington Group. Proud to be Retailer of the Year, both in 2018 and just last year, 2024, here in Washington State. And that was provided by my peers, the Washington Food Industry Retailers Association and Independent Grocers. And I think most importantly, my son Donnie has joined us and he's been a welcome addition to our company and he sits on the technology group (Convenience Technology Vision Group), I believe for you. So that's exciting. He really enjoys that. So again, thank you for the invite.

Myra Kressner

That's wonderful. Yes, thank you so much. Parker's president, Brandon Hofmann is filling in for Greg Parker who is vacationing in Iceland, I think. Many of you know Brandon, but would you please just take a moment to introduce yourself, Brandon?



Brandon Hofmann

Absolutely. Yes, Greg is in Iceland and thank you guys for letting me jump on this call today. I'm Brandon Hofmann with Parker's in Savannah. We've got about 90 stores in Savannah, Georgia, and South Carolina. I've been with Greg for 28 years and now I'm the president and chief operating officer. We're growing about 25 stores per year, growing up to Charleston, Myrtle Beach and eventually next year, we'll be down in the Jacksonville market.

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**The Global Convenience
Radar Screen**

Myra Kressner

Thank you.



Troy Dickson

Troy Dickson, Parkland's VP of retail is sitting in for Donna Sanker today. As we know, Donna has recently taken on additional global responsibility, so she's traveling. So welcome, Troy. Would you please take a moment to introduce yourself?

Yes, thanks. No envy at all on my part. I was in North Dakota and she was in Jamaica. There's just a little envy going on there, but anyways. I'm Troy Dickson, VP of retail. I just moved down from Canada, actually based out of Houston. I had 850 sites in Western Canada when I left as the director of operations down there, I moved down here as the VP of retail with 235 sites in Florida, Utah, Idaho, and other areas. I've been with Parkland for 10 years and I'm happy to be on the call. Thank you.

Myra Kressner

Thank you, Troy. We're also pleased to welcome our international guests. Hal Adams has asked two of his director colleagues from OXXO to join us today. Ricardo Tamez, if I'm pronouncing that correctly, and Reynold Montemayor. So would each of you please just take a moment to introduce yourselves? We welcome you. Who's going to go first?



Ricardo Tamez

Thank you. Hello, nice to meet all of you here. I'm Ricardo Tamez. It is correct, your pronunciation about my name. And I'm the commercial director of merchandise at OXXO Mexico. It is a pleasure to be here with you. I'm responsible for managing the commercial relationship with all the vendors that we have here in OXXO, Mexico. And it's a pleasure to be here. I have 18 years working in OXXO and I really appreciated the invitation.

Myra Kressner

Thank you. Reynold?



Reynold Montemayor

Thank you very much. Very pleased to be here. Thank you all for considering us as part of the team. My name is Reynold. I've been here at OXXO for the second time, this latest for five months and one week so far. My previous round at OXXO was back in 2000 to 2007. We had at that time 5,000 stores in Mexico. Now we have around 22,000. And I moved after 2007 to Cuauhtémoc Moctezuma, the brewery, which was part of FEMSA's Group in Mexico. Then after the merge with Heineken, I stayed there. I did participate in various positions, commercial marketing, trade marketing being my last position in South America, responsible for

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In The Room With CLVG

**The Global Convenience
Radar Screen**

the Chilean operation. So very pleased to be here. My role is strategic planning for OXXO Mexico, and very eager to talk with you guys and learn from you. Thank you.

Myra Kressner

Thank you. And last but certainly not least, we are pleased to have a special guest from Ireland with us today. Brian Donaldson is the CEO of Maxol and the winner of NACS Convenience Retail Europe 2024 Retail Leader of the Year. And his company Maxol was CRE's 2022 Retailer of the Year. So he won the Retail Leader and his company last year won Retailer of the Year. So Brian, welcome. Would you please take a moment to introduce yourself?



Brian Donaldson

Myra, thanks very much indeed. It's an honor to be asked to join this discussion tonight. A little bit of background about myself. I'm 38 years working for a fourth-generation business in Ireland, which is privately owned by the McMullan family. I'm straight out of university in 1986 and finally worked my way into being group CEO and director in all of the companies that we own in Ireland.

It's been quite a transformation for our business, over the last 10 years, because we would've been seen as a traditional hydrocarbon, liquid fuels business. And we were one of the first businesses on the island of Ireland to sell all of our commercial terminals, distribution, home heating businesses and to largely focus within what you see today, which is roadside retail with a big focus really in terms of convenience, foodservice. And also in terms of how we have adapted to the latest technology in which to streamline our processes, to make our convenience business more convenient to our customers. So it's an absolute honor to be asked to be here tonight, Myra. So big thank you to Roy and Eva and your good self for the invitation.

Myra Kressner

Well, thank you.

Brian Donaldson

And look forward to the conversation.

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**The Global Convenience
Radar Screen**

The Presentation

Myra Kressner

Excellent. So once we get into our discussion, we'll definitely ask you to share some of those exciting new initiatives for Maxol that some folks may not be aware of yet. So Mark, we are now ready for your global insights. And so we're going to ask you to begin sharing. And greatly appreciate the effort and the time and your willingness to do this with Convenience Leaders Vision Group. So please go ahead.



Mark Wohltmann

Absolutely. Thanks Myra. I hope you can hear me. And you can see my screen as well?

Myra Kressner

Yes.

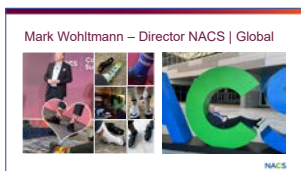
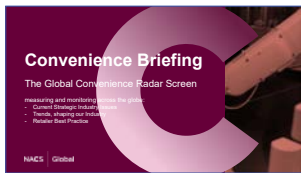
Mark Wohltmann

That's good. Well, that is good for a start. Thanks for having me. I want to keep it short, so I'll only talk for about 20-ish minutes because I just want to touch on a few things that will help us to get into a discussion for the rest of the evening.

What I have brought with me is an excerpt of our convenience briefing, which is kind of a global convenience radar screen. A radar screen in a sense that what we measure and monitor around the globe at NACS Global are the current strategic industry issues. So what keeps us awake at night in our industry, the trends that are shaping our industry, what is coming our way really, and retailer best practice. We look around the world and see who does what best, what can we learn from it, and how can we adapt it?

We do that through our NACS Global Network. It's a network of senior leaders in convenience and fuel retailing. Myra said we have members in more than 60 countries and we operate conferences, meetings, and round tables all around the world to gather information and get the right people together to make sure that we help advance our industry. NACS Global, by the way, is one of the many initiatives of NACS.

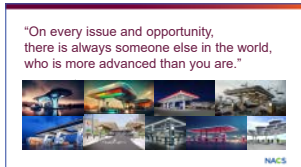
My name is Mark, I'm the director of NACS Global, and that means sometimes I get to relax in our big "C" here. *[Editor's note: Mark is referring to a photo on the presentation slide of him reclining on the green C of the NACS logo.]*



CLVG Views

In The Room With CLVG

The Global Convenience
Radar Screen



Data



Customer Behavior



If you follow me on LinkedIn, then you might have noticed that I'm always wearing some funny socks. And if we have time tonight, I will share why. If we don't have time, just ask me next time you meet me and I will share that story with you. Because we're on the call just over video, I have just boring black socks on today.

I actually travel a lot for this job because I look after everything NACS does outside of the U.S. That means I spent last year, more than 200 nights in a hotel. I was 64 times on an airplane, and I visited 21 countries.

And looking at all those different retail sites around the world, what I found is that on every issue and opportunity, there's always someone else in the world who is more advanced than you are. No matter if that is a regulatory issue, if that is a technical issue, if that is an operational issue, or if that is an opportunity due to new technology. Someone else already has something developed that you don't have. And William Gibson said it much better than I: "The Future is here. It's just unevenly distributed!" And that is why it is so important to look around the world and to look elsewhere, because we are in a fantastic industry.

Taking a very brief look on global industry development of convenience and fuel retail.

We have about 150 something thousand stores in the U.S. We have 10 times that number around the world. There are more than one and a half million convenience stores around the world, which means there's a lot to learn. And if you look on the left-hand side, the **forecast is actually set on growth**. So the global convenience store market will continue to grow and it will continue to grow in every region around the world. So it is exciting times to be in. It is an exciting industry to be in because all signs are pointing towards growth.

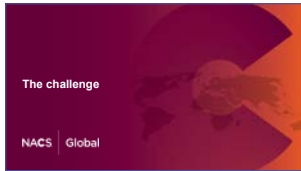
And if you look at **what the consumer is doing** – there's a lot of text on this slide, but you'll get the presentation deck. I'll just quickly talk on the left-hand side here: we will get older, we will live alone, we'll live in cities, we will work longer, we'll commute more, we will snack more often, and consumers increasingly want to use trusted sources.

And on the right-hand side, that means as a consequence: we will shop close by, unplanned, we'll have less storage, we will shop on our way, we'll consume on the go, we'll need healthy choices, and we'll want to buy from whom we know. So bottom line here is **we won't go shopping, we will shop on the go**. And that basically means really good times for convenience retail because that is what we are offering. So there's

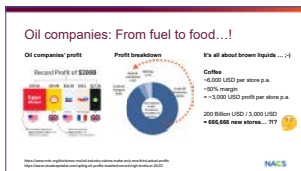
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In The Room With CLVG

The Global Convenience
Radar Screen



Foodservice



Data



Strategy

growth predicted and the consumer behavior development really underlines that.

But what's the challenge? Well, if we talk about challenges, there are a lot of challenges that are coming our way, and I don't even want to talk about geopolitics or anything like that. There's a lot of stuff going on within our industry itself. And I want to touch on one thing particularly here.

And we have Barbara Stoyko on the call. Barbara, these are some Shell pictures from your **Shell Cafe** around the world. And this is amazing. I think Shell has been doing an awesome job, though I personally always questioned, can you really put an oil brand on a coffee brand? Well, Shell has proven to us, "Yes, you can." So a Shell Cafe concept as a standalone, as a plugin, as a fully integrated service at a petrol station – it works. And this is what we hear from the oil companies that are becoming energy companies that are **becoming hospitality companies**. They move from fuel to food. Well, we have been hearing that. Every oil company is somehow doing that. But I want to question if that is really the case.

If you look at oil companies as a total company, so the **oil companies made about \$200 billion of profit**. I think that was 2022 data or something like that. The exact number doesn't matter, but that is \$200 billion. And if you look at the profit breakdown, **90% of that comes from crude oil production**, not from coffee. Actually, there's more profit that comes from refining and distribution and so on. So if you look at these companies, **most of their profit actually comes from oil and not from hospitality**. If you want to move that to retail and distribution, and if we're talking about selling coffee and oil companies becoming coffee sellers, then well maybe it's all brown liquids, right? So you replace one brown liquid with the other. If you, on average, and these are just some very average global numbers, roughly do \$6,000 per store per annum on coffee with a 50% margin, that means \$3000. So if you want to make \$200 billion that you currently make from oil, you want to do that with coffee, that means you need 666,666 new stores around the world. Remember the number of stores that we currently have, so that will be the plus 50%. That might not be really what is going on.

While it is correct that we have to move into hospitality, and I will get back to that, the question is, is this really the **future model for oil companies**? And if you look at the news, I would say no, because what are fuel companies doing? Well, they're **moving from fuel to fuel**. Saudi Aramco entered Latin America.

They actually are looking for new places to sell fuel, not for new places to sell hospitality. Petronas will start in Brazil very shortly. TotalEnergies (French multinational integrated energy and petroleum company) is getting rid of some retail sites and selling them to a petrol operator, Circle K. And just today in the *Financial Times*, another story from Saudi Aramco, they actually spent nearly \$1 billion to buy a company that is fully focused on the combustion engine. So Aramco bets on fuel and fuel to be there for a long time. That means something we see currently happening is that **oil companies switch a little bit back**. And Barbara, you might disagree with me on that in certain parts, but there is a little bit less focus or push on moving towards hospitality than there was before.



Well if that is the case, that's an **awesome opportunity for petrol station operators**. So let's move away from oil companies and talk about those that operate petrol stations, because there is a lot of opportunity in there. But there are a couple of things we need to think of regarding the consumer, what kind of products we're offering and how we do our operations. And I just want to briefly touch on a few examples from around the world.

And all of these nine items that I have down here – footfall, destination, loyalty – I want to question: do you really need loyalty? Depends on what product you have. Convenience plus, foodservice, services as a profit center, electronic shelf labels, Q-commerce (quick commerce – e-commerce where emphasis is on quick deliveries) and startup collaboration. And I have just one slide each that I want to use as some inspiration for our conversations later.

Footfall driver, this is Repsol in Spain. If we really want to move beyond fuel with the site and the building that we have, the consumer connection we have, we need to look and feel and **offer something that is different** than a petrol station. If we don't want to be a petrol station, we have to **look different** than a petrol station does, right? And look at what Repsol does. Look at the colors, look at these pastel colors, look at the food, look at how they showcase the bread on the bottom left picture. On the top left picture, you see the whole ambience of the store. That doesn't look like a petrol station shop, right? This looks way more like a more artisan store actually. So really you have to be authentic, you have to go all the way in. If you want to move beyond fuel, then you have to move all the way.

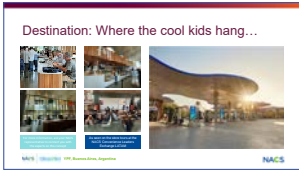
Strategy



CLVG Views

In The Room With CLVG

The Global Convenience
Radar Screen



Myra Kressner



Barbara Stoyko

Foodservice

Strategy

Becoming a destination, this is YPF in Buenos Aires, Argentina. I just visited that recently, their new flagship site. That side cost \$18 million to build, \$18 million. They will never see the return on investment, but that's not the point. They spent the money to put everything that they wanted to test. They have, top left picture, free coworking...

[Editor's Note: due to a power outage at Mark's location in Paris, Mark's presentation was interrupted for a short period of time. The group discussed what had been presented up until that point and Mark's connection was shortly restored.]

All right. Well, this is always fun when this happens. So we went through the whole run through yesterday and it went just fine in the same location. So go figure. Well, while he's trying to reconnect, Barbara, do you mind, just because he did mention the Shell sites? We're going a little bit out of order here, but would you care to comment on anything that Mark has talked about so far?

Sure. I think the picture on the total oil company profits is pretty clear, and the retail business is an important part of that business, and the marketing businesses in general a very important part, but it's also not the biggest player and that's just how we operate. That being said, it's an important part of the overall view of investors and analysts in terms of a really steady cashflow. That's one thing I think we all love about the retail business relative to crude oil production. It does have a lot of nice qualities about it and it's been such a great and growing business both on the fuel side and on the CR (Consumer Retail) side. So I think that's something that we enjoy just as much as everyone on this call enjoys and has enjoyed over the last five plus years, at least in the U.S.

In terms of some of the **offers**, I thought that was interesting, showing some of the Shell Cafe stuff. We've definitely been **trying all sorts of different things**, mostly in Europe and in Asia with Shell Cafe. And it's really the same things I think a lot of us are doing where we're really trying to come up with a differentiated offer. If you can't win coffee, **it's hard to be on-the-go game with food without a good coffee offer**. And that's just not something we'd ever really mastered. So they spent a ton of time over several years, all sorts of coffee experts, et cetera, and the coffee is quite good. And then we've just tried a bunch of different

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In The Room With CLVG

The Global Convenience
Radar Screen

Foodservice

Strategy

Electric Vehicles

formats. I went to one in Poland that was inside a mall and just served food and coffee. Some of the ones you saw are standalone, just a convenience store.

Also, we're looking for offers, you might find this interesting, that could go with an EV only scenario. So a little bit different offer. Typically, EV can be relatively unmanned and cashless. So with some of those offers, I think that's what we're looking to do. So I'm watching that. I haven't built any of those myself in terms of something that we could do here with some of our EV standalones or inside our stores. We have, with Timewise in the Houston area, started to deploy some **different food offers**, and we're using a lot of the look and feel. We didn't go with the Shell Cafe because I didn't feel it would resonate with the consumer that well. Cafe items in Texas, I don't think that's probably our market for the Timewise locations. So we've kept the Timewise brand, but a lot of the look and feel that you see there is what we're going with. So maybe just a few pieces.

Oh, also, interestingly, that **site of the future**. So that's another thing that we have done a little bit of, that YPL site that you saw. So I think the best example of the one we have is actually in Wuhan, China. I haven't seen it myself, but that hasn't been a big focal point for destinations, as you can imagine. But it's the same kind of thing where we're just kind of trying everything. And I think in China it worked relatively well because it had **a big EV [presence]**. EV's huge out there, and the cost to construct is very low. So they were able to put it up at a pretty good price.

To Mark's point, those are just kind of flagship opportunities to try and test things. I don't think that's something probably in the U.S. we would necessarily need to do. We're sort of trying to do it on a little bit more economic scale. I can't imagine what that would cost to build in the U.S., something along those lines. So anyway, maybe that was just another one that struck me because we have had a couple of my colleagues around the world putting in things similar to that just to see what really piques the customer's interest.

Myra Kressner

Well, thank you, Barbara, and we'll come back to some of the things that you've just said, but Mark, I think you maybe moved to a different location?

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In The Room With CLVG

The Global Convenience
Radar Screen

Mark Wohltmann

Yes, we just had a power outage here. Sorry about that. So the power is back on, but I don't have any Wi-Fi, which is why I am on my phone right now. So any chance you could share the presentation on your end?

Myra Kressner

I know we've got the PDF version of that, so we won't necessarily have the video.

Mark Wohltmann

That's fine. So once you're doing that, I think I got cut off at YPF with the \$18 million site. I think that the interesting part is they are **not looking for any ROI** on that site. What they did is they **put everything in they want to test**. They have co-working space that is free. You can just sit there if you like. And they want to test how much are people buying, how much food and beverage. They also have a paid co-working space upstairs like WeWork that you can sign up for and you subscribe. Again, they want to test that. So the site is so expensive because they put everything in they want to test, they **learn from that site** and then they can scale specific initiatives throughout their entire network.

This is why this site is so expensive. What I found interesting is if you look at that one picture we saw a couple of teenagers. What I saw on site is there were **teenagers hanging out at the petrol station**. They were all sitting their shoes out, feet on the table. Everyone had a bottle of Coke or a sandwich or something in their hand. So if you become a petrol station, the cool place to hang out for teenagers, wow, you've done everything right. That is your future customer. And I think that is really, really important to make sure that you entice people.

If you want to move on from being a petrol station to something else, you really have to make sure that you **attract the right customers with the right offer**. So it's not just enough to have a bistro to have a couple of seats here or there. It's not enough to have a McDonald's philosophy like get them in, they eat 10 minutes, later out. You want people to spend time there, right? And that's very, very important.

Destination. So you see the central picture teenagers just hanging out. I found that was the most amazing thing that I have seen. So really young people picking a petrol station. I would not have done that when I was young, because petrol stations looked different back in the day.

Loyalty. So here's my question, **"Do you need loyalty?"** Well, if you have a unique product, something that people come for, you don't need a loyalty program. If you have something that is boring, something that is

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Strategy

Customer Behavior

Strategy



Loyalty Programs

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In The Room With CLVG

The Global Convenience
Radar Screen

Customer Experience

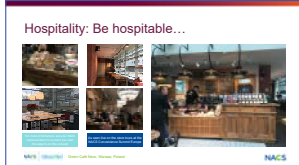
replaceable, something that everyone else sells, sure, then you need a loyalty program. So if selling fuel is a commodity, then you need a loyalty program.

This is an example and we can't see the picture here, but you'll get the presentation, have a look at that. It's a company called Loogman in the Netherlands. They come from Rollover Carwash, so what they did is they put the **conveyor belt onto the forecourt**, which means you can take your car, you drive onto the forecourt and then the conveyor belt moves your car forward while your car is being fueled and you can drive off at the end of that. And the fuel pump is moving with that conveyor belt and with your car. Does that make any sense? No, it doesn't. It's absolute and utter nonsense because it's just a service fueling that you can have on a stationary pump. But guess what? People are queuing for it, not because it makes sense, but because it's a really cool thing.

They want to **experience fueling on a conveyor belt** where the pump is moving with you. So in this case, you don't need a loyalty program because people will come back. I don't recommend you do the same thing because I think this is absolute nonsense, but think about how you can change what the experience of what you're offering into something that is unique.

We talked about hospitality. So **if you want to do hospitality, you have to become hospitable**. Once again, as my Repsol example, you have to think like other hospitality providers. Think like Starbucks, think like coffee chains if you want people to actually spend time there. This is an example from Green Cafe Nero in Poland. If you think about Starbucks, a new Starbucks is nice, looks great, smells good, you want to spend time there. What about a Starbucks after about three years? It looks bad, right? The furniture is torn, the walls are dirty and so on.

Why? Because no one spends any **money on maintenance**. The franchisor doesn't want to pay for it, the franchisee can't pay for it. What did Green Cafe Nero do in Poland? They made that mandatory. It's a mandatory joint effort between franchisor and franchisee to **renovate** every once in a while to make everything always be really nice and hospitable. And guess what? They fare way better than Starbucks does. So if you want to move into hospitality, you have to really offer that.

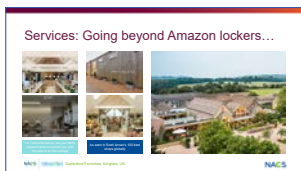


Facilities

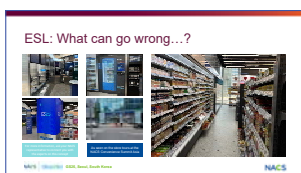
CLVG Views

In The Room With CLVG

The Global Convenience
Radar Screen



Strategy



Technology

Services, because that has been brought up. What kind of services beyond FMCG (fast moving consumer goods), beyond CPG (consumer packaged goods) products, what are we offering? Everyone talks about Amazon Lockers. Yes, sure, but don't think so small. Think bigger. Think about **what is the next step of services**. This is an example from a farm shop close to where I live. Daylesford Farmshop the most well-known farm shop in the U.K. It's an organic farm and they started with a farm shop selling fruit and vegetables. And they didn't sell it just like any farmer. They made an upscale market out of that. So upscale that they attracted all kinds of celebrities to come out of London, drive about two hours to get to that farm shop.

With that clientele that is well-paying, they **expanded the offer** in terms of packaged goods. They have a nice little supermarket now. But then they looked at "how can we make more money?" So they added a restaurant, they added a pizza oven, they added pizza for takeaway, then they added a spa. They created their own spa products. They did vertical supply chain integration with their spa products to manufacture them themselves. Then they added a health club that they sell membership for 16,000 Pound Sterling. What is that? 20 something thousand US dollars a year for a gym membership. So they moved from selling products to becoming a full-service provider for a certain lifestyle. And while that is not scalable throughout a network, this is definitely something to learn from what you can offer and how you should think about services.

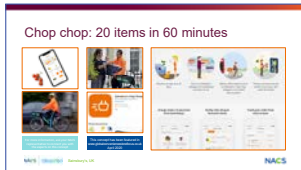
Three more things to talk about, operations, **electronic shelf labels**. Awesome. It's really awesome, especially if you have a chain, because let's think about it. If you have all electronic shelf labels and you have one person in the office and they can **change prices from one place through your entire network**. That is amazing. That saves you a lot of time and energy and a lot of mistakes, actually. And you can start with daypart pricing, putting prices up or down through peak times of a day for certain products or certain categories. Awesome, you should do that. The pictures I have here are from South Korea, GS25. South Korea, one of the most advanced digital countries in the world, but when it comes to digital integration, they really, really suck.

I was surprised when we were there earlier this year. What happens here? They have electronic shelf labels

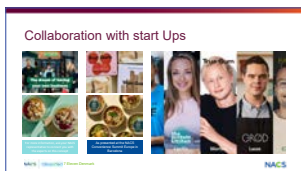
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In The Room With CLVG

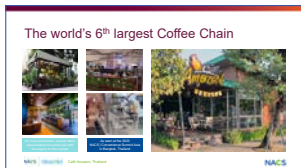
The Global Convenience
Radar Screen



Delivery



Strategy



Strategy

throughout all the stores, but it is not connected to the headquarters. So a person inside the store has to take a device and go to each and every shelf label, hold it close to that and change the price manually. So this is how you not do electronic shelf labels, right? So if you invest in that, make sure you do it right and not just do technology for the sake of doing technology, but make sure you're integrated.

Q-commerce, **quick commerce delivery is here to stay**. We had an awesome presentation in Barcelona, as Myra said, from a global delivery company that works with all kinds of brands. And they showed us that this is really profitable in certain areas for certain companies. We thought during COVID, this is the next big thing and everyone will do that everywhere. No, we were wrong. Not everyone will do that everywhere, but it is here to stay. It is not going away anymore. So quick commerce deliveries in urban areas like Sainsbury's (a UK grocery store chain) here in under 60 minutes. We will see that will be a part of our industry as well. And you have to analyze that wherever your locations are, if you can do that profitably.

So **collaboration with startups**. These are some pictures from 7-Eleven, Reitan in Scandinavia. Reitan is the 7-Eleven licensee all across Scandinavia and the Baltics. And 7-Eleven has started to specifically work with startups for two reasons, actually. One is you **don't have to do everything yourself**. There are brilliant people out there, and these brilliant people are more than willing to invent, to do new things, to think differently, to come up with solutions where you can't find this solution or you just don't have the time to find the solutions. So you don't have to do everything yourself. And 7-Eleven realized that and they said, "Well, let's work with startup companies now."

Secondly, this is **amazing in terms of PR**. Look at those young people there. They start a business and 7-Eleven is the brand that supports young entrepreneurs. I mean, they really use that for PR purposes a lot. And there's a good reason to do that and there's also a good reason to talk about that. So I think collaboration and especially with startups is becoming more important as well. That is what we see around the world.

Now, I have one more slide. This is **Cafe Amazon**. Has nothing to do with the delivery service Amazon from Jeff Bezos. This is Thailand. It's a brand of PTT, the national oil company. So once again, this is an **oil company creating a coffee brand**. And I talked about Shell before. While Shell decided to do Shell Cafe and brand it with the same name, PTT decided to **come up with a new name** and they called it Cafe Amazon.

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Radar Screen

And they have integrated sites at their petrol stations, but also standalone sites. If you don't know that they are connected, you would never guess that they are connected. And they have been growing to become the sixth-largest coffee chain in the world. So that means the sixth-largest coffee chain in the world is being operated by an oil company.

We had them speaking at our NACS Convenience Summit in Asia last year. And well, right out of the audience there was a lot of interest in their franchise model. And what I can tell you, I can't tell you whom, but I can tell you that someone in the audience struck a deal with them to bring this brand to Europe and they will surely start something very soon, most probably pushing the sixth-largest coffee chain to become the fifth-largest coffee chain in the world. So if there is a question, if as an oil company, as a petrol operating company, can you move into hospitality? Yes, of course, you can. There are good examples with an oil brand or without an oil brand to do that and how to do that.

Now my final thinking here is that I want to share with you, there's a lot of innovation going on, but quite often we look for innovation that is big and shiny and that looks like an \$18 million YPF site in Buenos Aires. While there are elements in there that can teach us where we could look into as well for us, I think there are way **more subtle things around the world that we can learn much more from**, because they are immediately scalable and they fit so well to where we are operating today, and what we have to do today to move to what we will become in five to 10 years' time, not just in 20 to 30 years' time. And as petrol station operators, **yes, we need to move into hospitality and if we do it, we have to do it right**. And there are good examples out there that show us how we can do that.

And my main thinking is I want to get back to my loyalty point. **You don't need a loyalty program if your customers come anyway**. And they come anyway if you have something that is so unique and so amazing that no one else has it. That might not be possible. In that case, yes, you need a loyalty program, but maybe you can come up with something that is so unique that you don't even need a loyalty program. So think about Loogman with their weird conveyor belt fueling – some experience. But also think about how Shell, for example, plays their coffee brand, how PTT plays their Cafe Amazon coffee brand, how some other players right outside our industry are doing things really well and how we can translate that into our own businesses.

Strategy

Loyalty Programs

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Radar Screen



Myra Kressner

So as I had mentioned, we have a global network, we bring people together all around the world. We have all kinds of conferences and meetings coming up on all five continents. If you're interested in any of that, let me know. I have about 250 more examples like the ones that I just showed. So if you want more, if you have any specific questions, you can always reach out to me. You will get that presentation anyway. And with that, Myra, back to you and probably opening it up. Thank you.

Mark Wohltmann

Thank you. Well, yes, you handled that very gracefully and thank you everyone for dealing with the blackout. And Angie, thank you for jumping on and taking care of that. And I think Mark, do we still have you only until the top of the hour?

Yes, about 11 minutes. My apologies for that. But if there are any questions left, always just send me an email, right?

The Discussion

Myra Kressner

Sure, we will do that. Well, I think what I will do is call on Roy. I know you had your hand up before and I'm sure you've got some questions or comments. And we'll then turn it over. I will ask other folks who want to specifically respond to any of what Mark talked about or ask questions that you have for him before he leaves and then we have another hour for discussion afterwards. So Roy, do you want to make a comment or have a question?



Roy Strasburger

Channel Blurring

Thank you, Myra. I've got a question for Barbara, but I'm going to come back to that after Mark leaves us. So Mark, what I'm taking away from what you're saying is that it is about **the channel blurring that is going on** as we compete with other industry segments for the customer. And so it really is about upping your game of what attracts customers. Are you seeing anything in the non-oil company-owned stores that lifts the game up for them as well? Because obviously the oil companies have more money and more capital expenditure that they can put into some of these things. What are some of the smaller operators possibly doing?

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Mark Wohltmann

Well, how do I say that politically correct?

Roy Strasburger

No, just say it

Mark Wohltmann

Well, you are right. The bigger the company, the more capital they have probably to invest. But the bigger the company, it also means you have to think about scalability of what you're doing and you have to think about your operations. So what I see is **innovation** usually not coming from the largest companies. It **comes from smaller companies**, it comes from **family-run businesses**. It comes from **companies that think long term**, like family business about a growing family that needs an income for the next 50 years or more, and them innovating because they can be much faster. And scalability means maybe a couple of hundred stores at max, and not a couple of thousand stores in very different regions, or even countries.

And we see amazing **foodservice operations** from companies that are smaller, that can react faster. My example, coffee. Coffee in the past was filter coffee. Then we moved to barista style coffee and I think we still talk a lot about barista style coffee. Well, that's the old thing right now. That is something if you don't do that, you are way behind anyway. Barista style coffee is a given. We are moving to specialty coffee now. There's a pour-over coffee, drip coffee, whatever they call it. But for me it's still filter coffee like in the past just with a bit more theater behind it. But there are options to sell for an even higher price, something that is even lower cost, which is awesome. But to implement that in thousands of stores at once, it's not possible. But we see a lot of smaller operators that put in complete coffee bars into their stores because they realized that there is a very profitable product.

Myra Kressner

Thank you, Mark. Hal?

Hal Adams

Yes, I just wanted to make a comment that was similar to what Mark was talking about. First of all, Mark, thank you for your presentation, and thank you to my OXXO colleagues for joining today. I have been in the industry for more than 40 years and I have to say that I have been very ethnocentric in the way I've looked at retail until the last two years working with OXXO and working with McKinsey, being able to look at worldwide trends and worldwide retailing events rather than just in the United States or just in my markets.

And I say that embarrassingly because I've lost a lot of opportunity, and I've seen Roy and Eva go across the

Leadership

Foodservice



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The Global Convenience
Radar Screen

world and **build their business by having worldwide experiences**. And I'm amazed by Barbara's ability to use lots of different countries experiences within Shell to enrich her retail mind. So my question or my comment is kind of way up here at the high level and that is how do you, when you go around the world, open your mind to not see a trend or an activity in a store exactly how it could be transferred to your business in the U.S., but allow yourself to just **absorb the idea** for what it is and use it for some sort of advantage when you come home?

I think as retailers, we try to look at something that we can pick up and move and drop into our store, rather than take little bits and pieces of the learnings and build on it when we come home. And I think that that's a real talent, and I just throw that out there as a thought of an advantage of your worldwide experiences.

Mark Wohltmann

Was that directed to me? I can't reply to that because I'm not a retailer, so I don't have a retail hat on, which means maybe I can be a bit more open when I look at things. But something from experience, we organize a lot of store tours around the world for retailers, and you have a very good point there. I see two types of people quite often, and it actually is something we discuss a lot within NACS, how to deal with that, how to prepare our store tours for our audience to make sure that the one type of people is not going to happen, but only the other one, because the other one is that you completely forget how you're doing [business].

First of all, **you forget your own business** and you go out and you look at things and you try to **see something with new eyes**, which is not easy all the time, but you try to find things that are interesting, and then only as a second element you look into, "Hey, do I do the same?" Do I do that differently? And why and how? And then you get back to your business because the other thing that happens, what I see does happen is people come in and they only see the negatives: "oh yeah, I've tried that; oh, I've done that; oh no, we did that 20 years ago." But they don't ask why. They don't ask: "why are these retailers doing that?" Maybe there's a good reason for it. Try to understand, try to ask to get behind it. But Brian, you are raising your hand so maybe you as a retailer, and you've been on lots of store tours, have a good answer to that.

Brian Donaldson

Yes, just to answer Hal's question, we would've been quite a traditional family-run business. I remember the first time I asked our board, "I'd like to go to NACS in Las Vegas," and you can imagine the expression on

their faces. But that was way back in 2011. And to be quite honest, **I don't think we would be where we are today if we operated in a very insular type of environment.** Ireland is a market that's probably way ahead in certain areas, but also way behind in other areas. And that's because the Irish like to travel. We like to go to different markets. We **go in very open-minded.** We don't go in with a checklist of what we're looking for other than when we're looking at technology. Way back in 2018, 2019, I spent a week in China in Shanghai, looking at technology, looking at loyalty, looking at other platforms which could drive some efficiencies to our business.

So it's just looking for the seed and you bring the seed back and you plant it and then you sort of regionalize it, and you tailor it to what you think is going to be the best fit for your customer base. But certainly, I think if you stay at home, it's too insular. It becomes too much of the same – an also ran as we call it. And what we want to try to do is be something a little bit different.

But sometimes if you see a nugget, it's how you take that nugget and bring it back and how you adapt and how you **create your own sort of unique experience.** So that's one of the reasons why we're big fans of NACS, but also other trade bodies and trade institutions that we're members of right across the globe. Yeah, absolutely.

Myra Kressner

Thanks, Brian. Roy?

Roy Strasburger

I think that Mark hit it right on the head. The first thing that you have to do is **not take the approach of why it won't work,** because that's what everybody's immediate reaction is. What we've always done is looked for the ideas that we thought were really interesting and appealed to us as customers, and then try to figure out how we could do that back in our own home market. And on a smaller microcosm of that, if you watch "Ideas 2 Go", which NACS puts together, those are the same kinds of things that you can try to do, or try to get that experience, similar to what other people are doing. And there are things that just flat out will not work in certain markets. We in Texas have a huge problem with foodservice. We don't have the foodservice delivery systems that other markets have.

But how do you work around that? How do you create a foodservice program that does provide your customers with something that you're looking for? And what we typically found is that there's a couple of

big instances where we took a quantum leap on a technology or on a concept- but most of it is **tweaking around the edges** so that we can finally, ultimately over time, get to the point where we want to go. And most of the time, it's incremental as opposed to being a step change in what we're trying to do now. So I think that that's the way we approached it when we were doing a lot of international work and bringing it back to our U.S. stores.

Myra Kressner

Thanks, Roy, and we'll follow up on that in a moment. But I did want to thank Mark, because I think you're going to need to leave us. So we greatly appreciate your time, your presentation, the ideas for discussion, for your points on the site of the future that you've talked to us about. So enjoy your evening and you are great on your feet taking care of that power failure. So on behalf of all of us, thank you Mark. And we'll be back in touch with you.

Mark Wohltmann

Well, thank you so much for having me. Thanks, everyone. My apologies for cutting this short, but as I said, if you have any questions, you know where to find me. Just reach out, happy to help.

Myra Kressner

Thank you.

Mark Wohltmann

Awesome, thanks. Bye-bye.

Myra Kressner

Bye-bye. Does anyone want to follow on the points that Roy just made about incremental? Oh, Roy, do you have anything?

Roy Strasburger

I do have a question. I want to follow back up with Barbara on what we were talking about previously about what Shell's done. They've done a lot of work with Shell Cafe, Shell Deli, Shell Select, a lot of **self-branded programs** that they have put together with their fuel and petrol program. I guess, Barbara, my question is: in the work that you're doing, are you finding that that's moving the customer's perception needle as far as creating an offer that people [want]. Are people saying that this is a really cool cafe offer or is this a really cool Shell offer and it has a cafe component to it? I mean, do you think that Shell is getting the results it's looking for?

Strategy

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The Global Convenience
Radar Screen

Barbara Stoyko

I think the early success has been positive on the Shell Cafe piece, I would say mostly what we're doing is as a clip-in to an existing location. I haven't seen the customer data on how the customer perceives the brand. I think in general it's probably likely to assume that the brand trust is quite high on the fuel side. I think it does spill over into the c-store. And, as you have a consistent brand on your c-store that's not just "food mart", I think that is really going in the right direction. Whether it's Shell Select or Shell Cafe, whatever that might be, or any brand.

Strategy

That was a decision we had to make when making an acquisition. Do we bring in an existing Shell brand but that's brand new to the customer here, or do you stick with something that actually the customer knows already in the market and then just create that consistent offer? The **consistency of the offer and the quality of the offer I think is more important than whatever you want to call it**. Maybe it's a little egocentric from an oil company to want to put Shell on the name of everything that we do, but that's how we roll. That's the way that we have approached it. It'll be interesting to see.

Customer Experience

I think coming back to the question too, I was thinking about that on the different offers that you see around the world because, of course, I travel quite a bit around the world too and always spend a day in the market wherever we are looking, talking to customers and thinking about what we could take back. There are often a lot of things you can take back. I would say the way I try to approach it too is to just go in with a mindset of what is the **motivating factor for the consumer**? If there are people lingering and lounging, teenagers lounging at a gas station, why? Then what are their other alternatives of places to go? If their customer journey is lounging and buying Cokes and sitting with their feet up, where else might they do that, and can I compete effectively in that space against that competitive set?

I think that's where I try to apply it to the U.S. because I think if you were to say, for instance, maybe on-the-go, fresh and healthy food, I know a lot of people have tried that in the past. I haven't known anyone to have a lot of success with that in a convenience store. My assumption is that one of the reasons that's so difficult is because there are so many other options. If that's the customer journey, how likely am I to attract them into a gas convenience store to make that purchase versus all the other options? In other countries, there often aren't the same options or there are different options.

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The Global Convenience
Radar Screen

Roy Strasburger

Thank you. That's really interesting because, going back to that, and as Mark was saying, you've got to overcome the negatives. My first thought was: "where are all these teenagers parking?" If these people are working, doing their workspace at the store, whose parking spaces are they taking up while they're spending their time doing their work? You've got to get past that and figure out what the offer's going to be at the end of the day.

Barbara Stoyko

It's interesting because we've looked at that idea of having space where people can do workspace and everything. My first reaction is that sounds like **\$0 per square foot**. I have difficulty getting past spending the money to build that out. Yes, parking would be another thing. You'd have to have extra parking for that. But **that maybe is the wrong assumption** because you could turn that on its head. That was interesting. I think he said that they do a subscription. It's like a WeWork or some kind of a paid workspace. That, again, would that be compelling for a US customer, under what circumstance and with what other alternatives?

Myra Kressner

Well, let's put it to the folks that are on the call as it becomes food-forward. Brandon or Troy or Joe, Mark, Annie, Don, does anyone want to pick up on that in terms of your businesses?

Don Rhoads

This is Don. I'll jump in.

Myra Kressner

Yes, Don and then Mark. Go ahead Don.

Don Rhoads

Okay. So Roy, I am asking the same question when I have a store full of folks hanging out drinking Coke, or Pepsi in my case, and **where is the return** on that parking stall that's being taken up? Again, I know there's a way to get around some of these questions, but I've been doing this for a long time, and I've learned my lessons through trial and error. I'm really interested in key industry trends. I want to embrace them. I love the fact that Shell and some of the other folks out there are really the best in class in what they do. It's just that I am not going to reinvent the wheel here as a small operator. Having a group of industry players who want to experiment I think is awesome. I've always watched Joe, the Sheetz family and what they do and some of these others. Again, as a smaller operator, I **pick and choose what makes sense for my chain**.

ROI

ROI

Strategy

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The Global Convenience
Radar Screen

ROI



Myra Kressner

Mark Samuels

Myra Kressner

Mark Samuels

Myra Kressner

Mark Samuels

Strategy

But I mean there's lessons to be learned in all this. And as we evolve, I think it's important that we have to reimagine ourselves as we look forward and remain relevant, but we come in all different shapes and sizes. Capital, for me, is a big deal. I can't make a lot of mistakes here experimenting with some of these ideas that make sense conceptually but aren't proven. I would love to have a whole bunch of kids hanging out at my stores drinking beverages, but again, I have to **weigh the ROI** on that because my parking stalls are really important to me.

Thanks Don. Mark, and then Joe.

Myra, thank you. I had one follow-up question for Mark if you could just make a note.

Yes.

I wanted to ask him when he looks through all of the global markets, a lot of those markets are more advanced on EV than we are here in the U.S. What has the convenience retailer done in those other markets where EV is a bigger deal? How has convenience changed there? What are some of the wins? What are some of the things that didn't work? I'd be curious if he has any insights on that.

Yes, we can follow up on that.

That's great. Then getting back to the conversation that we've been having, it sounds like differentiation, ROI, taking the risk on trying new things, we've **done a lot of experimenting** over the last five or six years, tried a lot of incremental improvements, tweak this, tweak that, whether it's image, whether it's store design, whether it's menu. We found that each incremental change isn't likely to give you what you want or expect, but when you put a lot of those things together and change lots of different things, you might achieve a breakthrough. It comes with a lot of trial and error. You're never going to hit it right on the first time out. You really have to stick with it in order to get there.

But what we have found is that building half-acre to acre sites with just enough parking, with just enough distance in the drive aisles and trying to cram as many profit centers we can on the site, that really doesn't work. If you build on a bigger site, you create places for people to linger, you have enough parking, then you

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The Global Convenience
Radar Screen



Myra Kressner

Joseph Sheetz

Strategy

Customer
Experience

Strategy

Facilities

can actually **capitalize exponentially** on that opportunity because guests, consumers, they're looking for places that are easy to get in and get out, easier to find parking, multiple different types of food offerings, lots of different types of services, but it's really about putting all of that together and not trying to do one thing here or one thing there because that typically doesn't work. That's just what we found.

Thanks, Mark. Joe, and then Reynold.

I don't know where to start. There's been a lot of stuff talked about already. I'll make a comment on three things I heard. The first was just talking about people hanging out. I'm not going to say that we're in the business or have the strategy of trying to get people to hang out, but I will say that we will **probably never build another location without a seating area.**

There's a couple reasons for that. It's not the, "gee, look, all these people sitting there, it's full all the time." It's that what we learned from consumers after we did it was it **helped get over that stigma of buying food and beverage at a gas station.** Once we put in seating, we were no longer in their mind, in some way, a gas station. We were more similar to a QSR or something in that arena. Even if they didn't plan on using the seats, just that signal to them that you had a sit-down area just like you would at any other restaurant, just put some kind of halo over the whole thing and made not only the food sales go up, but the feedback from people that much more positive.

We had **similar experience on the drive-through** which we also are pretty much doing everywhere as long as it fits. It's really not about the dollars generated from that. It's the **branding halo** that we've gotten.

The comment Mark made on the coffee company he showed and the agreement between the franchisee and franchisor on remodeling and **staying modern is a very important part of our strategy.** You will see us generally not let a store go more than 20 years before we tear it down and rebuild it. We very **majorly remodel it probably after 10**, but we want our stores to look the same so when you have all this stuff you're talking about where you play around the edges and you make this little adjustment and that little adjustment, in pretty short order we want every store to have whatever that is. That means often we have

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The Global Convenience
Radar Screen

to go in and spend money, but we have an awful lot of our capital expenditures on the current portfolio of stores just to keep everybody at a similar level.

Then I know Roy made a comment on channel blurring. From our perspective, we certainly travel everywhere. We travel and have people go all over the world. I think we struggle a little more getting fantastic ideas from other countries. Maybe we get the nugget, but it's hard to bring some of that to U.S. culture in some ways because people just act differently, live differently. But we get a lot of our **ideas from the other channels**. I mean, we spend a lot of time stealing things from other QSRs in the United States and coffee players in the United States or whatever retailers there are that you wouldn't think had much to do with convenience. But they do something, and it's resonating right here in this country. We try to figure out how can we translate that to the business we're in.

Channel Blurring

Myra Kressner

Thanks, Joe. Reynold, maybe you want to talk because you've got a coffee experience to talk about. Is that correct?

Reynold Montemayor

Yes, we do have. We have around 22,000 different stores in Mexico. We try a lot. We **experiment a lot**. My key takeaway, a couple of takeaways on Mark's presentation where collaborating with the startups might shorten this learning cycle and capitalize learning in a faster way. That, for me, was a key takeaway because we have **collaborated with universities**, for instance, where we throw challenges to students and they help us see things differently. It happens to work in a 10-week period semester. It's a faster way to learn and try new things. That was one of the key takeaways I got from Mark's presentation that also resonates with Mark Samuel's contribution on learning and trying new things every time. At the end, you end up with a different value proposition. You might experiment with something 10 years ago that wasn't its time to build on your business and now it happens to be. That's my second key takeaway.

Happy to hear from Mark that **e-commerce** is here to stay. Even though you realize that we do have 22,000 stores in Mexico, that might be easy in a last-mile model to execute. It isn't. We're trying this e-commerce platform. It hasn't been easy, but good to know that the trend is here to stay and we have enough time to keep learning from that model.

Thank you, Myra.

Strategy

Delivery

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The Global Convenience
Radar Screen

- Myra Kressner** Thank you. Roy, and then Troy, if you don't mind, I might ask you to comment because Parkland does have international EV experience. If you want to think about that, please do. But Roy.
- Roy Strasburger** Thank you. I have two follow-up questions. One is for Joe. Joe, thank you for the excellent insights, as always. I wanted to follow up on the tables in the store halo effect. I am assuming that by that you mean tables that look like a QSR offer as opposed to just throwing up a card table in the corner type thing. You need to have the right impression.
- Joseph Sheetz** 100%. 100%. I mean, it's a **true dining room**. If you're in any of our newer stores, it'll hit you right in the face. I mean, one half of the building you're walking through the seating area to get to the food counter, but it's not just slapping some chairs in. It is a professionally done seating area, yes.
- Roy Strasburger** Thank you, Joe. Reynold, I had a follow-up question for you on **e-commerce**. Is OXXO doing their own last-mile delivery or are you outsourcing it to third parties?
- Reynold Montemayor** **We have outsourced it** since we don't have drivers directly on their own contract. But more than that, Roy, I would say we might believe that having 22,000 stores and that level of penetration in some markets, it would be easier to take products from one store less than a mile. It hasn't been easy because you don't want to block or disrupt the store operation. We do this through MFCs. We are testing now in Monterrey and Tijuana. For us, it's totally a different model that we haven't tracked out.
- Roy Strasburger** What is an MFC?
- Reynold Montemayor** **Multi-fulfillment center**. It's like a small warehouse just beside an OXXO where there is an office space from where we operate this model.
- Roy Strasburger** So, doing your last-mile delivery, they're picking it up from the multi-fulfillment center, not from the store. Is that correct?
- Reynold Montemayor** Yes, that's right, yes.

Facilities

Delivery

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The Global Convenience
Radar Screen

Roy Strasburger And you're using the equivalent of an Uber Eats or a DoorDash, or whatever they are, you're using that. You're finding that to be economical?

Reynold Montemayor Not yet.

Delivery

Roy Strasburger Because our problem with using third-party delivery services was that **we ended up with no money at the end.**

Reynold Montemayor Yes, that's right. We haven't cracked the nut.

Roy Strasburger I was hoping you had the magic answer. But okay, thank you.

Reynold Montemayor Mark's point was e-commerce is here to stay. Well, as long as it proves wise to stay in our businesses.

Myra Kressner Thank you, Reynold. Troy, do you mind addressing Mark Samuel's question about EV experience?

Electric Vehicles

Troy Dickson Not at all. I don't mind addressing it at all. One of the projects I was on and led before I came into the U.S. was we installed 155 EV units into 52 gas stations. What we did, we would not have done it if it was our money. **We did because it was government subsidies** that we got through the refinery that we had in British Columbia. We got what's called carbon credits, which basically afforded us to be able to put them in. We looked at the province of British Columbia. We looked at the highways. We looked at rural, urban, traffic routes. We did what we thought was our due diligence around EV technology, around the chargers and so forth. A couple of discoveries were that we thought the highways would do much better than the urban areas, which was a bit of a surprise because our **urban areas did quite well**, especially around condos, apartments and so forth. But it was really the **payment methods** and how you collect the money and the value that you get, that was really **a struggle** for us. We upgraded our bathrooms and we put in some investment there.

Frankly, what happened, or what we discovered was a lot of the EV customers sat in their car for 20 minutes while they tied up a parking spot or two inside our gas station. Then how do you draw those customers into your store? What do you do? You offer a discount. You give them a 10% off this or a two-for-one on that.

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Radar Screen

Electric Vehicles

Roy Strasburger

Frankly, it didn't have the same rate that we had hoped. We were happy to do it because it was low cost for us, but **there's a lot more to it that we discovered around than just plugging in EV units** onto our lots and so forth and expecting customers to come to them. That was our experience.

Frankly, in the U.S. at this time, I've not got a lot of interest in putting EV units into our sites until there's a lot more that comes with it. That's for sure.

If I can jump in, the current **nirvana of EV charging is Norway**. Companies like Shell and Circle K are really doing the **development of programs to entice the EV user**. I know that NACS has put out a report, or certainly Dan Munford with his group has put out a report, recently about what EV is doing in Norway. The other thing that is a corollary to that is that I've been approached by a couple of pure-play EV charging companies who want help on the customer interface side - from the retail side. They've got the technology side, but being engineers and technology folks, they don't really have the retail component of that. We're talking about what the offer is that might work. I'm looking to Norway, for example, for some ideas about how to approach EV retail and what's the **best way of trying to bring those customers in and get them engaged**.

Troy Dickson

That's what we did is we sent a team to Norway to take a look at the offer there and then bring that back.

Roy Strasburger

Be sure to go in the summertime.

Myra Kressner

Brian, could you shed any more light on the EU experience?

Brian Donaldson

Yes, in terms of EV?

Myra Kressner

Well, let's start EV, and then we'll move on.

[Editor's Note: When Brian was asked to review his off-the-record comments (see page 53) he elaborated on some of his EV remarks. They have been incorporated in the section below.]

Brian Donaldson

Okay. The background, we took our owners/directors over to **Norway** back in 2017, just **to look at some of the learnings**. There were some fantastic insights that came in from the Norwegian EV Association. Then

Strategy

CLVG Views

In The Room With CLVG

The Global Convenience
Radar Screen

Electric Vehicles

Strategy

Customer Behavior

we went to **other different markets** in Europe to look at what best in class was at that time. That led us to open the first EV hub in Ireland, in Northern Ireland in fact, just outside Belfast in a place called Hollywood.

It was the first dedicated EV hub where the facility had a canopy, designed to stand out and reflect our environmental goals by constructing it in wood. We put in solar. We put in a payments platform, traditional OPT (Outdoor Payment Terminal) model, which was very familiar with our customers. Also, we put in three different types of rapid charger, a 50 kilowatt, two 150s, and a dedicated 200. It was very much **an innovation hub** from the point of view of understanding: did the technology have good uptime, did consumers understand the payments model, which offered card payment by PIN, tap and go, or with our fuel card? Did customers like the charger configuration and kilowatt charge mechanism that we had applied? And also we were the first CPO (Charge Point Operator) to apply an **overstay charge** because we didn't want to encourage people over holding on our car bay charging spaces.

We put the EV hub in this particular location as we just had developed a very large convenience store with food service and seating inside and outside. It is attached to a traditional fuels forecourt. Apart from that, there's car parking for up to 50 customers. It's a large site footprint, bringing a wide range of services and offers all together. These are the **reasons why we selected this site** as our first innovation hub.

The background to the market in Northern Ireland, there's about one million ICE (internal combustion engine) cars. There's less than 25,000 battery electric vehicles. Hence, you can work out that this is not for profit. **This is for learning, and this is for insight.** We learned a lot from this.

One of the differences that did surprise us, our **conversion rate from people charging to spending in store was much greater than expected, in the early months it was over 60%. It has since dropped closer to 50%.** If you have the right services and you have the right experience, and you create a very safe and welcoming environment for people to come for charging, people will use the dwell time for other shopping needs.

This particular location is very affluent. The demographic is high-income earners, and of course, many of which are the early adopters together with fleets and businesses to move into EV despite all of the reasons

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In The Room With CLVG

The Global Convenience
Radar Screen

Marketing

that have deterred the majority in terms of the higher cost of the vehicles, range anxiety, higher insurance, lower residual values, etc. Maxol Kinnegar is our blueprint and what we then used to roll out to another two dedicated EV hubs. Hubs are expensive to construct with two of the locations costing over one million euros each to set up, they're not inexpensive facilities. But the **reason why we're doing it is to learn and to create a halo effect** for the business in offering a range of zero emission energies for mobility.

I do agree with what Joe talked about in terms of seating. EV hubs are doing the same thing for us in terms of how people are perceiving us as just not a traditional liquid fuel business which is trying to move into convenience, but also they see us doing our bit in terms of how we're offering a range of different fuels, i.e. a fuels mix between traditional fuels to electric vehicle charging to HVO (hydrotreated vegetable oil - biofuel made by the hydrocracking or hydrogenation of vegetable oil), to synthetic e-fuels. **We're trying to change what people's perceptions are of us** as a 104-year-old liquid fuels petroleum business. It's like turning an oil tanker. It takes a lot of time and cash to actually change that perception.

Electric Vehicles

The transition to EV's in Ireland, is likely to move quicker than it will do in the U.S. Our geography and land footprint is small, albeit with a rural population outside of the main cities. People are more than likely to charge at home, 70 to 80% with the balance on the go or at work. It's trying to identify those locations which are right. It comes back to the traditional principle for retail, it's location, location, location. **If you don't have the right locations, it's not going to work.** That's what we learned in terms of Norway.

Strategy

A number of the utility companies and CPO's thought this was going to be a license to print money so they developed their hubs in locations, largely determined by where the power supply was and where they didn't need to do grid reinforcement. Most of those sites are redundant today. That's why my view is **there is no first-mover advantage in jumping into EV charging.** Take your time, select your locations, pick your equipment, decide on your payments platform. You need to have an **operating model** so you can measure your uptime. You're certainly going to need to make sure that you can track when equipment goes down because it really leads to great frustration, but it's also a negative for your overall business. If one part is bad, it has a negative in terms of your traditional fuels, your convenience business, your brand equity, etc. So my advice would be **go slowly, go gradually, pick your locations and make sure you partner with**

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In The Room With CLVG

The Global Convenience
Radar Screen

Strategy

the best in terms of the software and hardware. We have had some challenges to date, even on the small number of locations that we have set up to the extent we're now looking at alternative equipment providers.

As a business we're also now represented on a number of the industry **task forces and with government** particularly Department of Infrastructure, Department for Transport, so we can share insights and influence the decision-making process with other key stakeholders rather than having ideology or misconception driving policy. The focus has been on zero tail pipe emissions, but there's much more to transitioning the change and building confidence for the majority of vehicle owners to move over to EV. So what we're trying to do in terms of our role is **get onto task forces** so we contribute for government and other state bodies to make the right decisions, the right investments, and to help devise a code of practice and standards to make sure that charge point operators deliver a high level of service and good experience for all users. It creates a level playing field.

I still think the biggest challenge on electrification for our sector is anyone can provide it, which is different to what we currently have as a mobility product in terms of petroleum-based fuels. However, research shows, customers trust service stations more than other outlets to provide chargers.

In Ireland, there's a lot of charging infrastructure going into place by different CPO's, but not necessarily in the right locations or where users may feel comfortable to stop and charge or with other services. And **the big opportunity for us as a business is dwell time and the other services we provide.** There's around 20 minutes for a charge versus three and a half minutes for a typical fill up at the pump. Again, it's how you promote your services and use technology.

Dwelling

Loyalty Programs

Loyalty is a critical tool. I know Mark said if you have a unique proposition, you don't need loyalty. I don't agree with that. It depends on your specific market. So hopefully that's helpful.

Myra Kressner

Yes. And I'm glad you brought that up. I was assuming someone might have a disagreement with some of the things that Mark said, but so Roy and then Barbara. And then I was going to ask Annie and Brandon if you wanted to chime in, certainly perhaps on the smaller retailer side, and the experience that you've had. But Roy, please go ahead.

CLVG Views

In The Room With CLVG

The Global Convenience
Radar Screen

Roy Strasburger

Thank you. And Brian, I'm going to follow up with a comment and a question for you. I know that you're very humble in what you have accomplished, but for those of you who don't know, retailers from Ireland, I think, have won four of the last five NACS Convenience Store Retailer of the Year awards for Europe – and most of those winners were smaller operators. They were people who had very good family-owned shops, including Maxol who is family owned, but not necessarily small. So Brian, why do you think that the Irish, or what is it the Irish do, that makes them such good retailers? What can we learn from that mentality or the way that they do business?

Brian Donaldson

I think, look, to be honest, Roy, I think it's a cultural thing. We try to **see our business through the eyes of our customers**. So we genuinely do listen to our customers and then it's about how do we create that experience, that environment. But to be quite honest, in Ireland, the population is so small. The Republic of Ireland, I'm in Dublin here tonight, and in the Republic of Ireland there's less than 6 million people. So whenever you have that kind of size of population, it's about how do you sweat your asset? How do you sweat that box? **How do you take the space that you have and how do you optimize it?** And I think that's what we've been good at. Traditionally, Irish people like traveling. That's why we've always gone around the world. You don't always get the final, the comprehensive solution that you're looking for, but it's just getting that idea and bringing it back.

And I think also we're quite **creative in terms of how we present the offers**. When you go into our stores, it's about feeling safe, it's about feeling welcoming. It's about the colors and the patterns that we actually use. It's looking at the textures on the floor. It's delineating the space where you're going to sit. And I totally agree with Joe. Seating is important, but one of the things that we are doing now, Roy, is we over index on the amount of space we allocate it to seating. And it's all about how you make money. It's how you turn over that space to generate your return on investment. So continually, we refit all of our stores every five years, and we have an **asset replacement program** which looks at lighting, looks at closed door refrigeration, it looks at heat pumps it, look at energy management systems.

It's all about "how can we drive efficiency through this box?" We've made some bad decisions over the last 12 years where we were trying to create foodservice by partnering with indigenous Irish brands. We put them

Strategy

Facilities

CLVG Views

In The Room With CLVG

The Global Convenience
Radar Screen

Strategy

into our stores, they work for about two years. But because you don't own the brand, you can't change it. You have to conform to what the franchise tells you to do. We've now taken those all out and we've **created our own and our own proprietary brands** where we have looked at the quality of the products, the ingredients, the equipment to make those products to the top level. So it's about the minutiae of the detail and it's about writing that manual. But the **key thing in our business is our people**, and it's how we train our people and retrain our people, but also how do we motivate our people and how do we reward our people and how we have our recognition programs.

So **it's just not one thing, Roy. It's a multitude of everything**, but it's trying to have one team with the one vision, and it's how we bring everyone together. And I think as a family business, we probably do that better than most. And Ireland is quite a tight market. Okay, Circle K's are in the market, Applegreen, another great success story, but **everyone in this market is investing**. And I remember going to England this year to talk to 250 retailers and very few of them were investing in their business. And my message to them was, "That's a big mistake."

The longer you leave off investment, the more expensive it is to catch up and by that stage you've done a lot of damage to your business. So **continue to invest**, plan it, but make sure you do your homework in terms of what's right for your business, because what's right for my business might be very different to what Barbara is looking for her business because of the scale that you have and how you have to replicate that. Whereas ours can be a little bit more bespoke, but not to the extent that we lose our overall brand recognition and our brand integrity. I don't know if that answered your question, Roy.

Roy Strasburger

No, that's great. Thank you.

Myra Kressner

Thank you. Brandon?

Brandon Hoffman

Well, I've got to say we absolutely love going on store tours and Brian, love to come see you and see what you're doing with recognition of your people. Love to see what you're doing with this asset replacement plan. Really love to see OXXO and go see some of the things that we can learn from them. I guess we're all **looking for customer experience differentiators**, and Roy and Mark, you both said it, but sometimes it



Strategy

CLVG Views

In The Room With CLVG

The Global Convenience
Radar Screen

just comes down to tweaks. I mean, whether it's a new tech initiative or queuing systems or some sort of speed of service, we feel pretty good about our current strategy. And I agree with Joe, if we're in the food-service business, we absolutely have to have seating. We have designated dining areas in every one of our stores and they are over-indexed and we're going to continue to grow and build bigger stores if we want to continue to expand with our foodservice. I guess really going on store tours is really about tweaks and not finding just that golden nugget. It's all the little things that you find on these tours and it's really cool.

Myra Kressner

Do you have any comments on Mark's presentation regarding loyalty to Brian's point?

Loyalty Programs

Brandon Hoffman

I **disagree with Mark.**

Joe Sheetz

I could go off on that for a half an hour later if you want me to.

Myra Kressner

Yes, I mean, that wasn't exactly the takeaway, Roy, when we were just in Barcelona and there was a loyalty presentation. There was some discussion and I'm not even sure that the folks in the audience necessarily agreed with the presenter either.

Roy Strasburger

Well, I can't remember which of the consulting companies gave the presentation, but one of their takeaways was that with loyalty programs, **you have to be careful that you're not giving away things to your regular customers that they would normally buy.** But I think that that was one message out of several, but I'm not quite sure that was a complete takeaway from that.

Myra Kressner

Well maybe Mark put that in there just because he wanted to see how folks would react to it. Annie, I'm glad to see you're back. I know you said that you had some potential thoughts. Do you mind if I ask your opinions on all of this?



Annie Gauthier

Yes, sorry to have to step away. Thank you all for sharing and thank you for putting this together again. Sounds like I missed some conversation around **the loyalty piece.** One note I had written was just the idea that loyalty is less relevant the more you have unique products. It seems like more and more **what we sell**

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In The Room With CLVG

The Global Convenience
Radar Screen

Foodservice

is commoditized, so that's been a big focus of ours as a small retailer operating in mostly rural Louisiana and increasingly in metro areas, is **how to offer unique products and specifically around foodservice**. Because to, I think, a point Mark made and Barbara touched on as well, Shell is a trusted brand. It's a brand with a lot of trust and we're a Shell branded wholesaler and retailer, which has served us really well on the fuel side. But as we tried to differentiate ourselves on the retail side and get people to trust that they could buy quality foods with us, I'm not sure it always played well.

Specifically, we're trying to get into **fresh foods**. To Barbara's point about the journey and who's looking for you and where are they coming to you? We tried to do fruit cups at a store that we opened in 2009. Wrong market, wrong time. So to I think what Mark touched on, there's a time for everything. And when it comes to innovation and to learning from other places, I mean, I studied abroad actually in Ireland when I was in college. And so was very open to the idea that convenience could do food well, because they did food well in Ireland even back then. **And just because you've tried something and it didn't work, doesn't mean you never try it again**. There's a time we circled back around that from that 10 years later and opened a new store with fruit cups and they flew off the shelves, and we rolled that out to the rest of our stores and we still sell a lot.

And I think it helped along with our tables, like what Joe said, because we have seating for 40 to 50 people in most of our stores at this point, and we do six-digit foodservice numbers in many of our stores. But I think that's because our fruit cups, even if we don't sell them all, even if we waste some, send a message that we're into fresh and our seating sends that message and the openness and the space. So just I guess those are some of my takeaways from all these conversations for what they're worth.

Myra Kressner

Well, it's worth a lot. Thank you. Barbara, I know you had raised your hand before. I guess we lost connection and then we moved on, but I want to circle back to see if you did have a question or a comment that hadn't been addressed.

Barbara Stoyko

Electric Vehicles

Yes, maybe a little bit. Off what we've been talking about over the last few minutes, but just I think back to Brian's comment about EVs. We were **finding the same exact thing around both kind of the trial and error around what works**, where destination locations work, where on the go with gas works, where stand-

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In The Room With CLVG

The Global Convenience
Radar Screen

alone hubs work, and it's a very challenging and nascent industry with a lot of learnings along the way. You made a comment as well, I think, about the first-generation equipment and **reliability issues**. I mean, be prepared. That's a real thing. It's like anything, remember when we first put in electronic price signs? That first generation just had a super high mortality rate, constant maintenance issues, this stuff is no different. So **pick your supplier wisely** and ensure some good SLAs (service-level agreement) and a company that can deliver on the SLAs. Because I think even when you have SLAs, a lot of these companies are just simply not prepared to deliver them in a meaningful way.

So it's similar to fueling technology in the sense that you can have numerous points of failure and tracking down where your failure point is, whether it's on payment or connectivity or the hardware or the software, all of those things become an issue. So yes, **go, I think, eyes wide open**. I think we've also found, by the way as well, that the cost was much higher than we thought it was going to be, and that needs some work. I think that will come down over time. The demand is dropping on equipment, so I think that that will help to see some improvement there. And we're seeing the same thing, where it's working, you have to have the right site with a big format, clean restrooms, really good lighting and parking that you can spare. So if you have excess parking, which we do at some of our locations, they're doing quite well.

And then you have to watch it really closely, by the way too. If you're the one that's trying to make money on electrons, you have to be watching plug share and other user apps to really see what people are saying about you, because it's a super viral community. But on the plus side, I would just say **this is our business. Nobody else knows customers on the go like we do**. A lot of the other players in there don't really understand a customer on the go. So when we think about what our customers' motivations are, what makes them tick, why they show up, what they want, we are best positioned to do that, in my opinion. So it's a cautionary tale, but I think also I have optimism based on where we've had success, that it's a business that we can really be successful at. What they want is quality, it's not the same quality product, because you're selling a commodity, but it's a quality experience and a quality convenience experience that people will pay for.



Roy Strasburger

Barbara, I think you have an excellent point that our **industry is the expert on the customer on the go, and we've got to capitalize on that if we're going to be successful.** Excellent point.

Barbara Stoyko

So don't tell all those other EV companies all of our secrets.

Roy Strasburger

I'll be very obtuse about it all.

Myra Kressner

So Eva, did you want to talk about retail media networks or was there a question that you had for Brian based on the conversation we had had with him a couple of days ago?

Eva Strasburger

Well, Brian had brought up that he was on the food side doing a cooperative with other retailers. Did you want to speak about that, Brian, for a moment? And then also we had a session on retail media networks, and a couple of points were made, one of which was that if you're big, you can do it, but in order for the smaller operators to do it, they may have to combine together. And so we were interested to see if you were doing something in that industry.

[Editor's Note: At this point in the meeting, Brian talked about Maxol initiatives that he asked to be off the record. Brian was provided the opportunity to include his comments that could be shared In The Room. Below are his comments.]

Brian Donaldson

Okay. Well, if I can take the first one, an interesting project that is in its early stages of development. The background to the market in Ireland, the distance between Belfast and Dublin is only 100 miles and it's mostly motorway, so it's about two hours by car. We have a completely **different retail model and offer** in Northern Ireland to the model that we have in the Republic of Ireland. **In the Republic, it's built around foodservice, coffee,** and it's a much **more impulse**, smaller range in terms of SKUs in store. We are focused on fresh, chilled and healthy products from our deli's and in-store offer. We have a reasonable range of ambient goods, but the number of SKUs we have in our southern stores is probably no more than between 2,000 to 2,500 SKUs.

Strategy

Foodservice

CLVG Views

In The Room With CLVG

The Global Convenience
Radar Screen

Strategy

Whereas in Northern Ireland, we have a larger retail store footprint with five and a half to 6,000 SKUs under the well-known SPAR brand. So that's just a little bit of the context and background. One of the objectives that we've been trying to achieve is to **make Maxol the customer's first choice**. So how do we make them drive past just not roadside retailers? How do we make them drive past a Centra? How do we make them drive past a Mace, a Londis, a SPAR? Maxol has had its own proprietary store concept from 2018, and we have spent a lot of money creating an up market look and feel, welcoming environment with a high-quality finish to lighting, seating, refrigeration, fixtures and washrooms. The stores have performed better with stronger sales and profitability than under a former symbol store brand. This approach allowed us full decision making on range, layout and pricing. To take it to the next level, **we're collaborating** with another very large Irish family business called Dunnes Stores. And if anyone has been in Ireland, they'll know the success and innovation of Dunnes Stores in the last 10 years. It's another large business, holds a bigger market share than Tesco.

Foodservice

Dunnes Stores are market leaders in the big box retailing sector. We carry out retail surveys and safaris on the high street, roadside retail and offshore on a regular basis to build knowledge on trends and to capture ideas. And one of the insights that came from such a survey at the end of '22 in respect of quality foodservice, ready meal solutions, style of product packaging, the taste, the presentation in-store, and the price points was the significant offer on all these points by Dunnes Stores. Today we are trialing part of their premium product range Simply Better. What we are trying to do is give new customers and our existing customers the opportunity to spend more of their share of wallet in our stores by giving greater choice. So, we have created a store within a store, and the first pilot store in Dublin, has a range of 200 SKUs, located in a dedicated section of the store under full Dunnes branding. The **objective is to provide a quality choice of solutions for tonight's tea, breakfast and lunch, a range of premium meal solutions and goods for everyday needs**.

To be honest, we would never be able to develop the quality, presentation, supply chain, or establish such a brand equity in the next 5 to 10 years. So, what we're doing is a **plug-and-play model** by collaborating with Dunnes Stores. This is collaboration at its best, it's good for Dunnes, because it extends their reach

Marketing

Strategy

Loyalty Programs

into the convenience market which up until now they have not had access. And it gives us the opportunity to “preimmunize” our offer and to give our growing customer base more reasons to come into our stores and increase their share of spend with us. And that’s something we are going to try to extend and develop, not just in the Republic of Ireland, but also in the Northern Ireland. From the initial trial that started in late December 2023, we are both learning on ranging, supply chain and I.T., to support the offer. To help improve on-shelf availability we are developing an IT ordering portal together with creating **co-branded marketing collateral** to promote the new range in- store and build awareness in the local community. We have to streamline logistics to improve product shelf dates and on-shelf availability. But one thing that we have seen under the trial is the strong appeal for the product range. And that’s why we would encourage other roadside retailers **to look at collaboration and to whom you can partner with**, to offer better value and range to customers, but you need to be like-minded in terms of what your ambitions are and what your goals are and how to measure success. So, this trial is what I’d shared with Roy and Eva and Myra just a couple of days ago. It’s in its early stages of development with plans to extend it to another 4 locations this year. In Ireland due to the high level of innovation, investment in convenience retailing, **if you stand still in our market, you’re moving backwards.**

As an Irish family-owned business, our CapEx spend each year is 20 million euros, we have to invest wisely, and every project is measured using incremental income and EBITDA criteria. In addition to retail store projects, we have an asset replacement program, focused on reducing energy consumption and our carbon footprint.

My next point on loyalty, and this is where I disagree with Mark. We believe **loyalty isn’t just about what reward you’re giving** to your loyal customers. It’s how you connect to those customers. It’s how you build a database on those customers. It’s how you influence their behaviors. But also, with the partner I’ve just explained, they have a very successful loyalty program and a large subscriber base on their app of around 750k. We have around 50k, and to recruit new followers we’re going to do a **reciprocal offer** encouraging their customers to spend in our sites, and they are going to encourage our customers to spend in their larger retail supermarket stores. And you’re probably thinking, well, why would you want to encourage people from your convenience stores into a big box retailer? Well, we both see the shopper mission to be different,

CLVG Views

In The Room With CLVG

The Global Convenience
Radar Screen

ours is top up, their offer is large weekly shopping. We don't have customers wishing to spend 50 + euro in our stores. Our typical customers spend under 10 euros. So, it's how we cross-promote and provide a compelling offer to each of our respective customers, and it's how we each build our subscriber base, and that's what we're both looking to achieve.

Closing Thoughts

Myra Kressner

Thank you. Actually, I think we are going to start losing people. We've got four minutes left. So I did have a minute or two that we wanted to close with, but before we thank everyone, does anyone have any pressing questions or comments that you want to make for the group? Okay.

So of course Roy, Eva, and I want to thank everyone. Special thanks to Mark, special thanks to our international folks, especially the ones where it's almost midnight or whatever time it is or past there. So we really appreciate it. And we especially thank everyone for helping the Vision Group Network fulfill our mission of "sharing today to shape tomorrow". For example, because of the growing awareness of our Vision Groups and our unique Vision Reports, we have been asked to participate in the **ReFuel Forum USA Conference** September 9th to 11th in Dallas, which will even further raise awareness of our Vision Reports for U.S. and global retailers. So everyone on this call is welcome to attend. Let me know if you are interested.

Additionally, NACS and Cornell School of Business specifically reached out to the Vision Group Network for assistance on their AI research. We were notified that they're going to keep the AI survey open until July 15th. So you do have a few more days if you have not completed the survey. Let me know if you need the link. And I think, Brian, you're going to sign off. So thank you. But we're going to finish in a moment. And just lastly, we've redesigned our website to make it easy for everyone to automatically receive the Vision Reports. In fact, the Vision Report from June's Technology Group that focused on retail media networks, as Eva mentioned, will be available in a couple of weeks. And we think that our new site and our Vision Reports represent all of you in our Vision Groups very well. So take a few moments in our new **tvgsolutions**.

CLVG Views

In The Room With CLVG

The Global Convenience
Radar Screen

com. So that's a little news from us. But Eva, Roy, do you have any closing comments?

Roy Strasburger

Well, thank you everyone for your participation and all of our guests who are joining us today. We do appreciate it. There was a lot of chat about EVs today. I just want to mention that you should watch this space, because by the end of quarter three, we will be **launching an EV Vision Group**, which will involve not only consumer facing folks such as ourselves, but also grid providers, electricity generators, administrative people, government officials a whole round table of discussions about EVs and the EV problems and how we can solve them. So we'll be announcing that as that comes out. I thought it was topical since we were talking about it. But thank you very much for your participation today. Great discussion and thank you for joining us.

Eva Strasburger

Thank you.

Myra Kressner

Okay, well then, everyone have a good rest of the day. Have a good rest of the week. Again, we appreciate your being on these calls and hope that you get a lot out of it. So thank you.

Roy Strasburger:

Thank you everyone.

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measuring and monitoring across the globe:

- Current Strategic Industry Issues
- Trends, shaping our Industry
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 BACK TO DISCUSSION

CLVG Views

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The Global Convenience
Radar Screen

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CLVG Views

In The Room With CLVG

The Global Convenience
Radar Screen

Mark Wohltmann – Director NACS | Global



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 BACK TO DISCUSSION

CLVG Views

In The Room With CLVG


The Global Convenience
Radar Screen

“On every issue and opportunity,
there is always someone else in the world,
who is more advanced than you are.”



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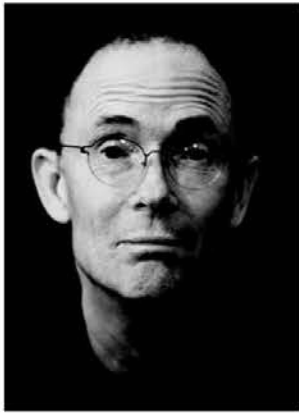
 BACK TO DISCUSSION

CLVG Views

In The Room With CLVG


The Global Convenience
Radar Screen

On every issue and opportunity, there is always someone else in the world, who is more advanced than you are...



*“The Future is here...
it’s just unevenly distributed!”*

William Gibson

Canadian Futurist, 17 March 1948

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BACK TO DISCUSSION

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The Global Convenience
Radar Screen

Global industry development

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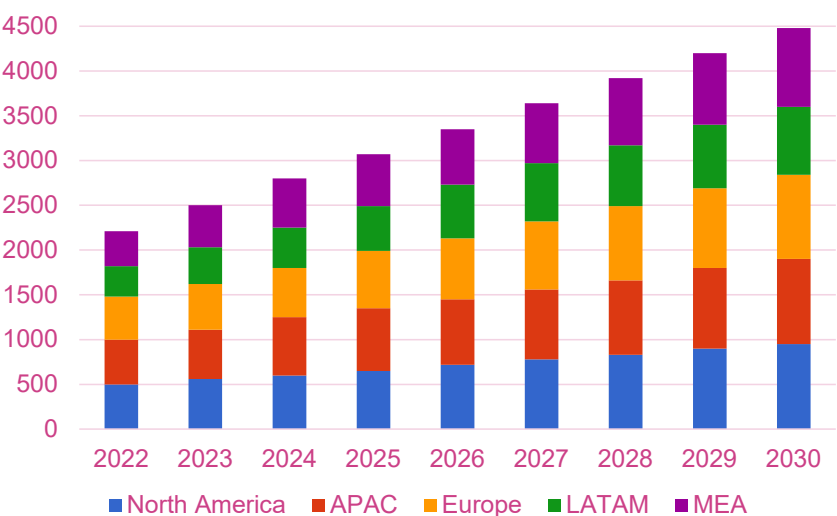
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The Global Convenience
Radar Screen

Global Industry Development

Global Convenience Store Market
Forecast
(in Billion USD)



Number of Convenience Stores worldwide



Source: <https://www.skyquestt.com/report/convenience-stores-market>

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Radar Screen

Good times for Convenience Retail

We will get older

People over 50 years old , 2010:22%, 2050:36%*

We will live alone

Top 3 single & single parents household in EU: DE: 45%, DK: 54%, NL:41%, *

We will live in cities

Urbanization rate, 2010: 51,6% and 2050: 67,2%, *

We will work longer

Average no. of working hours up, in 18 of 36 OECD countries 2011 vs. 2010**

We will commute more

Ø time for commuting: 38 min. in OECD countries,, 26 to 56 min. per day**

We will snack more often

US C-Stores: Total foodservice growth 36 months from Jan 2013: +29%***

We will use trusted sources

Most important, new "luxury good" in future: "Trust"****



neighborhood



impulse



small basket



proximity



on-the-go



foodservice



community



We will shop close by



We will shop unplanned



We will have less storage



We will shop on our way



We will consume on-the-go



We will need healthy choices



We will buy from whom we know

We won't "go shopping"



convenience



We will "shop on the go"

The future of convenience

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Sources: *: United Nations, Department of Economic and Social Affairs, Population Division (2012). World Urbanization Prospects: The 2011 Revision, CD-ROM Edition., **: OECD.org, ***: NACS/CSX 2016, ****: The Future Hunters New York 2017



BACK TO DISCUSSION

CLVG Views

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The Global Convenience
Radar Screen

The challenge

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Oil companies: From fuel to food...!



For more information, ask your NACS representative to connect you with the experts on this concept



As seen at the NACS Convenience Leaders Exchange China



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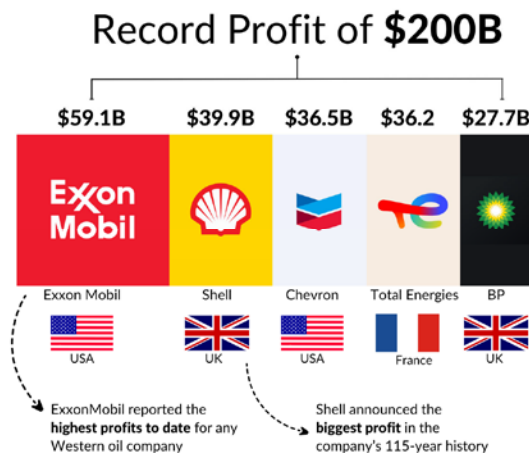
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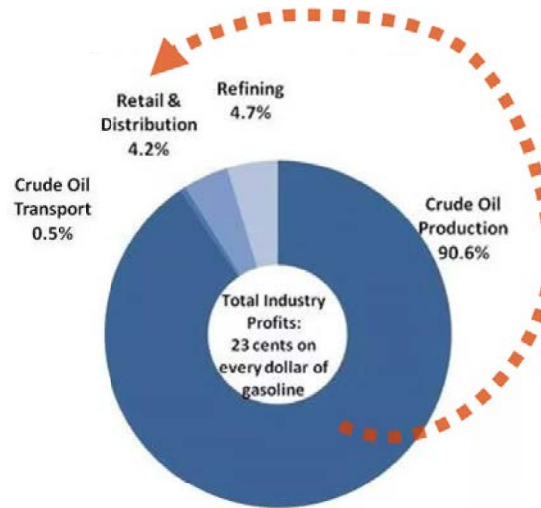

The Global Convenience Radar Screen

Oil companies: From fuel to food...!

Oil companies' profit



Profit breakdown



It's all about brown liquids ... ;-)

Coffee

~6,000 USD per store p.a.

~50% margin

= ~3,000 USD profit per store p.a.

200 Billion USD / 3,000 USD

= **666,666 new stores... ?!?**



<https://www.nrdc.org/bio/simon-mui/oil-industry-claims-make-only-one-third-actual-profits>

<https://www.visualcapitalist.com/cp/big-oil-profits-reached-record-high-levels-in-2022/>

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Oil companies: From fuel to ... well,... fuel!

Saudi energy group Aramco enters LatAm fuel retail market

Lily Squires
25 September 2023

Share



  | **Circle K gets approval to acquire TotalEnergies' European assets**

Petronas makes mark in Brazil with inauguration of first fuel station in Sao Paulo



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An opportunity for petrol station operators

Consumer



- Footfall
- Destination
- Loyalty

Products & Services



- Convenience Plus: FMCG
- Foodservice & Hospitality
- Services as a Profit Center

Operations



- Electronic Shelf Labels
- Delivery & Q-commerce
- Start Up Collaboration

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Footfall driver: Beyond Fuel



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Finalist for the NACS European C-Retailer of the year award



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Destination: Where the cool kids hang...



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As seen on the store tours at the NACS Convenience Leaders Exchange LATAM



NACS | Ideas2Go® YPF, Buenos Aires, Argentina

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Loyalty: The theatre of fueling



For more information, ask your NACS representative to connect you with the experts on this concept



As seen live on the store tours at the NACS Market Tours Amsterdam



NACS | Ideas2Go® Loogman, Amsterdam, The Netherlands

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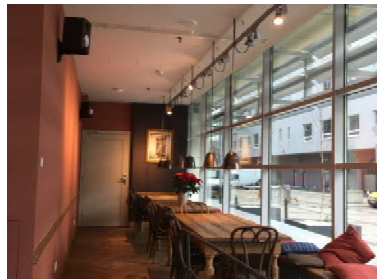
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Hospitality: Be hospitable...



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As seen live on the store tours at the NACS Convenience Summit Europe



NACS | Ideas2Go® Green Café Nero, Warsaw, Poland

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Services: Going beyond Amazon lockers...



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As seen in Scott Annan's 100 best shops globally



NACS | Ideas2Go® Daylesford Farmshop, Kingham, UK

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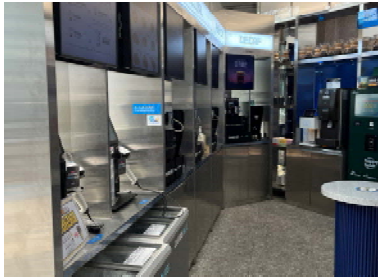
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ESL: What can go wrong...?



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As seen on the store tours at the NACS Convenience Summit Asia



NACS | Ideas2Go® GS25, Seoul, South Korea

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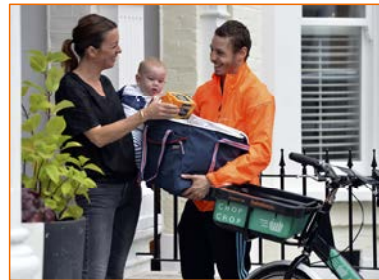
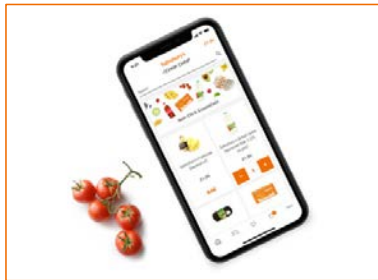
 BACK TO DISCUSSION

CLVG Views

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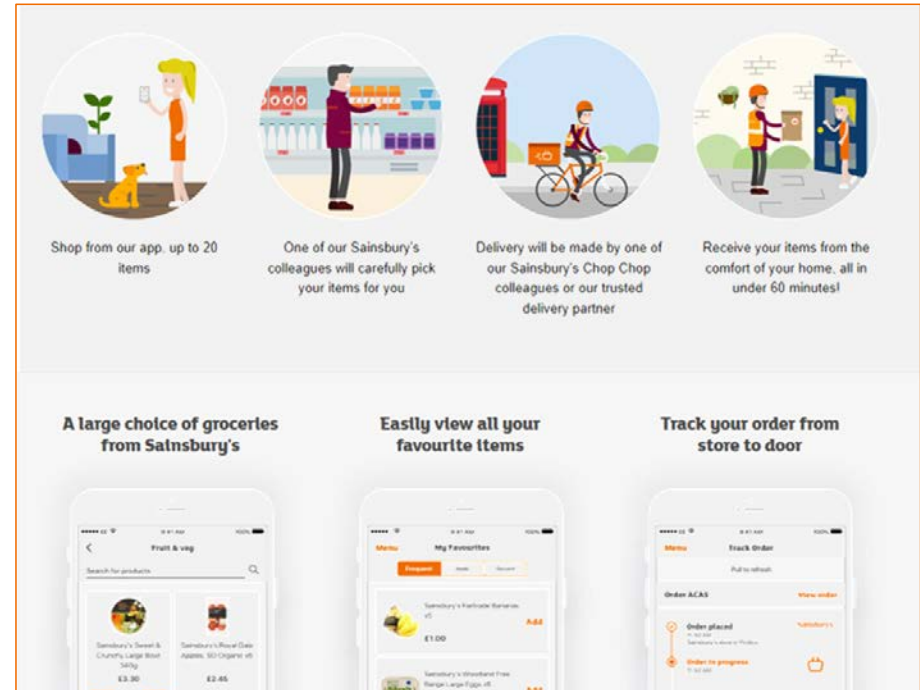

The Global Convenience Radar Screen

Chop chop: 20 items in 60 minutes



For more information, ask your NACS representative to connect you with the experts on this concept

This concept has been featured in www.globalconveniencestorefocus.co.uk April 2020



NACS | Ideas2Go® Sainsbury's, UK

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Collaboration with start Ups



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As presented at the NACS Convenience Summit Europe in Barcelona



NACS | Ideas2Go 7 Eleven Denmark

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The world's 6th largest Coffee Chain



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As seen at the 2023 NACS | Convenience Summit Asia in Bangkok, Thailand



NACS | Ideas2Go[®] Café Amazon, Thailand

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7-10 October 2024, Las Vegas, U.S.A.
'25 Chicago, '26 Las Vegas, '27 Atlanta

NACS | Convenience Summit

- Asia 25 Mar – 27 Feb 2025, Tokyo, Japan
- Europe 27 – 29 May 2025, Copenhagen, Denmark

NACS | CEO Summit

- Latin America 28-29 January 2025, Miami, U.S.A.
- Europe 18 March 2025, London, UK
- North America 28-29 April 2025, Chicago, U.S.A.

NACS | Convenience Leaders Exchange

- Sub-Saharan Africa
21 Nov 2024, Johannesburg, South Africa
- MENA (Middle East / North Africa)
27-28 November 2024, Abu Dhabi, UAE
- CEE (Central & Eastern Europe)
9 January 2025, Warsaw, Poland
- D-A-CH (Germany, Austria, Switzerland)
2-3 Apr 2025, Hamburg, Germany
- LATAM (Latin America)
9/10 April 2024, Buenos Aires, Argentina
- China
17 May 2024, Hangzhou, China

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The Global Convenience
Radar Screen

The Convenience Leaders Vision Group (CLVG) brings together convenience retail icons and trailblazers for quarterly virtual meetings. During these sessions, members identify trends, challenges and disruptions in retail as well as present possible solutions and opportunities. The group is committed to sharing its views and perspectives in order to advance the convenience retailing and mobility industry. CLVG operates under and is funded by the Vision Group Network, which gathers the collective knowledge and ideas of its members to create a legacy of sharing within the retail community. For more information and to sign up for future Vision Reports, visit our website: tvgsolutions.com/vision-reports



A part of Vision Group Network

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Retail Media Networks: More Than Meets the Eye July 2024

Customer experience matters, small operators considerations, resource complexities



Fighting for Tomorrow's Customers April 2024

What it means to fight for customers, reflecting on winning the "fuel" customer, reliance on 3rd party technology, data analytics, loyalty, and payments



Generative AI and Retailing: Real Results and Real Challenges January 2024

AI and data integrity, how retailers are currently using AI and what's next for AI in convenience retail?



In Focus: A CTVG Conversation with POS Solution Providers November 2023

POS decoupling; major oil companies; foodservice as the future; the unique needs of independent operators; integration challenges



To the Point: The Evolving State of POS in Convenience Retail September 2023

EV Infrastructure and Strategy Updates and POS Systems Challenges and Opportunities.



Unraveling the Road to EV Charging Infrastructure July 2023

Explosive EV growth; the role of utility companies; government funding programs; operators moving forward



Tech Trailblazing May 2023

Debating the AI hype, tech as it relates to shift flexibility, and the breaking point on data collection

TVG | THE VISION GROUP



Loosening the Tight Labor Market February 2024

Journey to Become an Employer of Choice; Expanding the Applicant Pool; Retaining Employees Though; Skill Growth; A Post-COVID Reality

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Envisioning Sustainability in Convenience Store Design **May 2024**

A Balancing Act for Sustainability vs. ROI, the 80/20 Rule and Customer Opinion, telling the Sustainability Story and Greenwashing



Making the Convenience Industry an Employer of Choice **February 2024**

Expanding the persuadable applicant pool; onboarding, engagement, and training; cleaning up industry image; recruitment and retention; strategies; mental health support and kindness campaigns



AI: Predictive Fuel and Dynamic In-Store Pricing **December 2023**

Examining AI fuel and product pricing potential.



AI: Dawning of a New Era in Retail Analytics **June 2023**

The dawning of a new era in analytics as generative AI evolves, generative AI in simple terms; how AI is quickening the pace of business today; A micro perspective of AI at TXB stores; personalization through AI



The Business Case for EV Charging: Is It for You? **March 2023**

The pace of EV adoption; c-store operators' views of the EV-charging customer; three pathways of EV retailing; a micro case study



Currents of Change **January 2023**

Changing work schedules and the gig economy; foodservice tipping in the convenience segment; alternative fuels and the timeframe for electric vehicles