

Building a food program that keeps  
customers coming back for more

# Growing grab 'n go

BY JACLYN GREENBERG



*Convenience retailers Laurie and Randy Ure of Grab N' Go needed an innovative idea for their business after their Windsor, Ontario economy suffered the after-effects of 9/11. They decided to focus foodservice to replace lost revenue and build a new profit centre.*

Shortly after their consultant left, and after the supplier who sold them the open-faced cooler with the words "Grab N Go" running down the side of it left, c-store owners Laurie and Randy Ure looked at each other, looked down at the new floors, around at the new racking, then at the empty cooler and wondered what would happen next.

For 15 years, the Ures ran a steady, healthy business. Then 9/11 happened. Their local Windsor, Ontario economy took a nosedive thanks to proximity to the American border and reliance on the automotive industry. Unemployment records were set, and then came the announcement of the Wal-Mart being built down the street.

"We needed to do something to be able to compete," Laurie says. Outside, they converted their unused premium tank to dyed diesel to cater to non-road vehicles, but the store itself needed something more. It needed an offering that would generate traffic, inspire customer loyalty and foster long-term profitability.

Enter grab 'n go.

Since March 2007, when they attended The Convenience U CARWACS show, Ure's Country Kitchen & Variety has worked to reposition itself as a quality fast food stop that also happens to be a convenience store.

STEVE POMERLEAU





*"Both parents work now and don't have time to cook. We've found people just want something ready to go."*

*- Sylvia Thibodeau*



### HELPING HUNGER IN A HURRY

The Ures didn't stand around too long. Randy says, "The first weekend Laurie made 44 sandwiches, and she hasn't stopped making them since."

On top of Laurie's creations, the cooler is stocked with ready-to-eat pasta salad, sandwiches wrapped in Modified Atmosphere Packaging (MAP) from an outside supplier, even apples and oranges sit on one side.

"There's a whole segment of people we were missing," Laurie observes of her grab 'n go customers, adding that the fast food items haven't affected sales at their sit-down restaurant whatsoever. One lesson learned is that if only one sandwich is left in the cooler, it won't sell; keep the cooler plentiful so customers have choice, even if it's between the same two items.

Grab 'n go is equally opportune on the East coast, where c-store manager Sylvia Thibodeau observes people are starved for time.

"Both parents work now and don't have time to cook," she says. "We've found people just want something ready to go."

Thibodeau runs the Comeauville Freshmart in Comeauville, Nova Scotia, where she has offered sandwiches and subs since opening in 1993. Lost tobacco sales and channel blurring inspired her to expand the menu. On top of the sandwiches and subs, plus salads and a rotisserie roaster, investing in a combi-oven – that can make everything from hamburgers to mozza sticks – has shown the most impressive returns. Where Thibodeau has really created a foodservice niche is with cultural dishes Rappie Pie and Fricot for the large Acadian community. Thibodeau zeroed in on the lunch crowd and senior citizens' needs by producing a single-size option, on top of family-size offerings.

"People all go to those big box stores, but they can't get these items there," she says. "You can't buy that homemade soup or a seafood lasagna or chowder from scratch – that's the personal touch from your own store."

Thibodeau says the Freshmart's owners spent about \$10,000 on the combi-oven and another \$4,000 on a glass hot case to keep the food in. The Ures spent around \$4,500 on their open-face cooler. These investments aren't small, but Laurie says ROI is not even a question.

"Let's put it this way – bills were getting paid easily this summer," she says, adding, "I was really reluctant [about doing a grab 'n go section] at first. But the results have just been amazing."



*Easy-to-prepare offerings like submarines and sandwiches can prove a point of difference in convenience stores.*

CAROLE BARTZ





*"Especially with foodservice, you have to have very good customer service and take care of your store, and customers will appreciate it."*

*- Abbas Khataw*



Thibodeau says foodservice is currently 6% of her store's sales, but plans to build it up to 10%. Rotating specials like 99¢ hamburgers often go hand in hand with fries and a pop, but she doesn't bundle them in combos because she's noticed that a deal on one item is enough to inspire the purchase of all three.

Both Ure and Thibodeau saw opportunity to serve an under-recognized demand, but where they both excel is focusing on what's next. Thibodeau recently introduced platters with vegetables and dip, parfaits and family-sized salads, to name a few. Ure recently bought a small hot-dog griller, and wraps and homemade soup to be sold from a large crock pot are on the horizon. Providing quality fast food offerings is one step, keeping the ideas fresh so customers don't get bored is another, and wrapping them up in a quick, efficient manner – whether through a single-size meal for lunch or something larger for dinner – is what creates customer loyalty and can make the difference between big returns and small.

#### LEVERAGE THE BEVERAGE

That phrase should be a mantra to retailers. Margins on the classic category can churn major results, and when paired with a strong foodservice program, can open doors to beverages not traditionally associated with the convenience channel, such as vitamin-enriched water in the beverage cooler or specialty teas alongside a coffee program. Abbas Khataw, owner of Danny's Market and Pizza in Richmond, BC, brings in major foodservice business with a beverage. His own (patented) creation, called a screamer, is part frozen carbonated beverage (FCB), part soft-serve ice cream. The screamers come in a variety of flavours, from blue raspberry to cappuccino. He serves them in specially-designed cups from Toronto and goes through 500 per day.

"People drive for two hours to get these drinks, and they only cost \$2.49," he says proudly. Khataw contributes 35% of his store's sales to screamers, with another 35% contributed by food offerings, such as freshly made pizza, samosas and breakfast burritos. Traditional channel categories take the last third of his sales pie.

FCB can be a profit generator within foodservice, but sales depend on careful consideration of factors like store traffic, demographics and presentation.

## OCSA's Fast Food to Go: An Idea Exchange



Here's what the experts had to say at a recent Ontario Convenience Stores Association workshop for retailers interested in mining nuggets from the growing foodservice category:

**Commit to the category.** Moderator Hugh Large stressed the importance of investing time, money and thought to establish a strong offering. "You've got to understand it and commit to it."

**Drink Coffee? Think Coffee.** Presenter and vice president of new business development for Country Style, Jeff Young, said that statistically, over two-thirds of Canadian adults drink multiple cups of coffee each day. Aside from the kind of program – proprietary or branded – consumers value quality and convenience ahead of price.

**Branded boosts sales.** As independent retailer and presenter Usman Sherazi attested, introducing a branded coffee program can boost sales exponentially. After running a profitable proprietary program, Sherazi signed up with Country Style and saw sales jump from \$3,000/month to \$28,000/month. Country Style's Young told the group that investments are far-ranging, from \$25,000 to \$150,000, for a six-foot counter to 600 sq. ft.

**Value variety.** The number of flavours offered, with respect to FCBs, can greatly influence your bottom line. Panelist Judy Saliba from TFI Food Equipment Solutions Inc. told the group sales are directly proportional to the number of flavour barrels available; operators who run more than four barrels yield at least 85% higher sales.

**Brands build trust.** Consumers respond to recognizable brands because, as workshop attendee and business manager diversified channels for Kraft, Rick Nedza, says, "Use of nationally recognized brands adds credibility to the product offering."

**Looks are everything.** Presenter Norm Dickinson, director of marketing for Quickie Convenience, said retailers can communicate they have a quality product through the environment they create. Contemporary design, cleanliness, strong merchandising and avoiding clutter all contribute to a desirable eating environment.

**Go slow to go fast.** Gary Wildman, category manager for Neighbours foodservice development for Petro-Canada, told attendees they should first build customer loyalty, then expand their menu.



# Foodservice Buyers' Guide

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Another beverage to pay attention to is coffee, which rivals petroleum as a top traffic generator. Retailers shouldn't underestimate what a strong coffee program can do to generate traffic. With coffee comes choice – branded or proprietary. The Ures chose a proprietary program. Before their grab 'n go makeover, the area was somewhat hidden, and Laurie admits it did little business beyond core regulars. As part of his plan for the Ures' remodel, retail consultant Hugh Large recommended they move the coffee program so it was nestled between the store and restaurant, and redesign the look to improve customers' experience.

"Making [the look] more upscale costs more money, but it's gone over well," she says, adding that simple things like changing lids from white to black helped increase coffee drinker traffic.

## SPOT ON

The Ures' bright, open grab 'n go cooler, Thibodeau's hot case and Khataw's eye towards an enticing FCB station all come down to presentation. As retailers redefine customers' perceptions of the convenience store and establish trust over foodservice, a commitment to the look of a site and its upkeep need to match the desire to incorporate this new category.

"My advice is to really focus on cleanliness," Khataw says. "Especially with foodservice, you have to have very good customer service and take care of your store, and customers will appreciate it."

Khataw does at least one renovation on his store every year to meet customer expectations. Exterior presentation can make a major impact, too. The Ures invested \$13,000 on two large storefront signs that advertise their restaurant and their newly renovated c-store.

"Once those went up, it changed the landscape of the business," Laurie explains. "They went up in the beginning of July, and we're still seeing new faces."

New faces equal more sales. Ure's Country Kitchen had about six weeks of record-breaking sales, and the Ures have seen consistently better results since. One thing the Ures did before adopting a grab 'n go philosophy was an extensive renovation on their restaurant, which included creating an open space between customers and the sandwich table Laurie stands behind.

"There's that little extra personal connection when they can see you," she says. "Once we get them in the door, we can get them back in because the food is good, coffee is good, and we're nice."

Thibodeau echoes Ure about the importance of establishing relationships with your customers and argues it's the best competitive advantage against the big box stores.

"We know customers by name and that's the main thing – you've got to know your customers."

One technical but important consideration is health safety. Ensure employees are following proper procedures, expiry date labels are clearly marked and turned appropriately. Presentation includes reputation, and one customer's bad experience equals not just the loss of that person's repeat business but the business lost from lack of positive word of mouth.

## PATIENCE AND PLANNING MAKE PERFECT

Foodservice is a category bursting with opportunity as limitless as a retailer is inventive and consumer-focused.

According to the 7th Profiles of C-Gas Stores in Canada research, foodservice represents only two percent of store sales but shows growth of 55%. Growth that large looks like an arrow pointing retailers in the right direction, and a percentage of total store sales that low should inspire the move to be taken today, not tomorrow. **YCM**