





GOOD PARTNERS

Convenience retailers, suppliers and distributors commit to bringing healthier choices to their communities.

BY CHRIS BLASINSKY

Nearly a decade ago, the Obama administration put an intense spotlight on the nation's obesity crisis—particularly among youth—citing a lack of activity among children who were glued to TVs and computers instead of outside playing. Not only were kids gaining weight from inactivity, but access to healthy food choices were also absent. Healthy foods were often scarce in communities designated as food deserts, where people could not find affordable and healthy options, like fresh fruits and vegetables, to feed their families.

On February 9, 2010, First Lady Michelle Obama announced her legacy Let's Move! initiative to help solve the challenge of childhood obesity. The campaign set out to ensure that every family has access to healthy, affordable food, all while helping kids become more physically active.

Founded in conjunction with, but independent from Let's Move!, is the Partnership for a Healthier America (PHA), an organization devoted to working with the private sector to ensure the health of our nation's youth. Mrs. Obama became the honorary chair of PHA, a designation she continues to hold, alongside PHA's honorary vice chairmen: former U.S. Sen. Bill Frist (R-TN) and U.S. Sen. Cory Booker (D-NJ).



Clockwise from left to right: NACS Chairman Rahim Budwhani announces the NACS partnership with PHA; PHA President & CEO Larry Soler and NACS President & CEO Henry Armour with a letter from First Lady Michelle Obama; Charles Jarrett, CIO of Cumberland Farms, announces the retailer's commitment to PHA; at the 2015 NACS Show, COO Perry Cheatham of U-Gas announced a commitment to PHA.

PHA boasts nearly 180 corporate partners from a variety of industries but until recently, was limited in its relationships with trade groups. That changed on May 11, 2017, when NACS became the first retail association to partner with PHA—a culmination of several years of commitments made by convenience retailers, suppliers and distributors to bring healthier choices to their communities.

“Change is coming fast in the convenience store industry, and this is just the beginning,” wrote PHA President & CEO Larry Soler and NACS President & CEO Henry Armour in a January 2016 joint op-ed, which was picked up by various media outlets.

“Make no mistake: Convenience stores are not health food stores, and they don’t aspire to be. They sell speed of service to busy consumers who want to get in and out quickly. But what they sell—and how they sell it—continues to evolve as people expect to get fresh, healthy items on the go. Stores don’t need to look to eliminate less healthy choices, but rather continue to increase the healthier options to meet shifting demands.”

Today, nine PHA convenience store partners, representing more than 2,000 locations, and three distribution companies that service 50,000-plus locations, are bringing healthier choices to consumers across the United States—and a sizable percentage of those c-stores are located in food-scarce communities.

Making Commitments

At PHA’s Building a Healthier Future Summit in March 2014, **Kwik Trip** (La Crosse, Wisconsin) became the first convenience store chain to make a commitment to work with PHA and ensure healthier choices are more accessible and affordable. “Kwik Trip is proud to address the problem of food deserts in the markets that we serve,” said Steve Loehr, vice president of support operations, for the c-store chain.

During the 2014 NACS Show, **Sheetz** (Altoona, Pennsylvania) announced its PHA commitment to deliver more nutritious



options in its stores. "We have seen the need in the communities we serve for healthy options and we are proud to continue to be a part of the solution," said Joe Sheetz, president and CEO of Sheetz.

Vintners Distributors Inc., operator of **Loop** c-stores in California, announced in February 2015 its five-year PHA commitment to bring healthier choices to consumers, offer bicycle racks for patrons and bike storage for its employees where possible, and provide a 20% discount to employee purchases of fresh fruits and vegetables.

At the 2015 NACS Show, **Twice Daily** (Nashville, Tennessee) and **U-Gas** (Fenton, Missouri; now operated by Wallis Oil Company), announced commitments to both PHA and PHA's Drink Up initiative to encourage water consumption. The c-store chains are adding the Drink Up logo to all private-label water bottles and engaging in other marketing activities to encourage water consumption.

Since announcing its PHA commitment in May 2016, **enmarket** (Savannah, Georgia) has increased the number of fruits, vegetables, whole grains and low-fat and nonfat dairy available in its stores. "We are grateful for the generosity of our customers in support of our continued mission to provide healthier food options," said Matt Clements, enmarket's director of marketing.

In May 2016, **McLane Company** became the first grocery and foodservice supply chain distributor to partner with PHA. McLane has committed to launch healthier private-label products and provide affordable, nutritious options for hundreds of thousands of shoppers. In addition, McLane has launched a custom supply chain solution that enables it to deliver fresh produce to its retail customers.

Esstar, a natural food sales, marketing and brokerage company, made a commitment to PHA in May 2016 to increase the healthier options available to approximately 100 of its convenience store locations in Tennessee.

At the 2016 NACS Show, convenience store chains **Aloha Petroleum** (Honolulu, Hawaii) and **Ricker's** (Anderson, Indiana), and food and beverage distributor **Core-Mark** announced their PHA commitments:

- "[O]ur customers can enjoy fresh salads, whole fruit, sandwiches, yogurt and other high-performance foods and drinks, making it that much easier for them to make good choices,"

SUPPORT FROM THE WHITE HOUSE

On October 5, 2016, then-First Lady Michelle Obama held a special dedication of the White House Kitchen Garden. During her remarks, she mentioned convenience retailer Kwik Trip:

"Today, 81 million Americans—that's about one in four people in this country—woke up in a Let's Move! city, town and county. Fifty million kids had access to healthier meals and snacks at school, 8.1 million people in underserved areas had somewhere to buy healthier food, including 1,000 convenience stores.

"Who would have thought that chain restaurants focused solely on salad would be the hottest new trend, or that those fitness bracelets would be so common that we wouldn't even notice them any longer, or that Kwik Trip would sell an average of 400 pounds of bananas per store per day? Today we just assume that we can find healthy options at the drive-thru. So, it's not surprising that childhood obesity rates in this country have stopped rising, and they've even started falling for our youngest kids."

Mrs. Obama also recognized the convenience store industry's efforts in a letter that was read aloud during the 2016 NACS Show General Session.

said Aloha Petroleum President and CEO Richard Parry.

- "We have been developing these efforts for a long time and are now eager to join the movement for a healthier America," said Quinn Ricker, CEO of Ricker's.
- "At Core-Mark, we have worked hard over most of the last decade to bring fresher, healthier solutions to our customers," said Jon Bratta, vice president of marketing.

Phew! And we're not done.

At this year's PHA Summit in May, New England-based **Cumberland Farms** and **NACS** announced their PHA commitments. Cumberland Farms is now the largest convenience store chain in the United States to partner with PHA, and NACS is PHA's first retail association partner.

"We have reinvented our supply chain, to make sure we have the capacity to support the unique demands of new, fresh and healthful inventory. We can now manufacture, warehouse and distribute more of our own high-quality, perishable foods than ever before," said Charles Jarrett, CIO of the Cumberland Farms, in announcing the convenience store chain's inaugural commitment to PHA.

The Partnership for a Healthier America supports the convenience retailing industry's goal to sell and promote more healthier options for consumers nationwide. Through two of its signature initiatives, PHA works to make healthier choices accessible to all:



DRINK UP

PHA's Drink Up initiative encourages everyone to drink more water more often. Nearly 70 associations, retailers, bottled water and related companies support Drink Up.



FNV

Whether fresh, frozen, canned and dried, PHA's FNV initiative uses playful marketing and creativity to promote more consumption of fruits and veggies. FNV partners include NACS supplier partners Bolthouse Farms, Mars and Ocean Spray.

“By emphasizing and expanding our selection of healthier products, we'll reach almost 1 million customers who shop every day at our stores, including more than 70% located in food deserts,” said Jarrett, adding that the retailer will encourage its team members to make healthy choices by offering employee discounts on healthier foods and distributing more than 40,000

coupons for healthier foods every month.

NACS Chairman Rahim Budhwani, CEO of Alabama-based 6040 LLC, shared on stage at the PHA Summit that NACS will rely on PHA's resources and expertise to help convenience stores provide more visibility to healthier choices inside their stores. “This helps the customer and helps grow sales of healthier merchandise, whether food or drinks,” he said.

“This is especially important to smaller operators like me, who only have a few stores,” Budhwani said. “Above all, convenience retailing is about choice. It's about providing both healthy options, and items that may be more indulgent,” said Budhwani.

Also celebrated at the PHA Summit was Frank Beard, best known for his experiment called “30 Days of Gas Station Food”—which is exactly what it sounds like. For one month, he ate exclusively at convenience stores. (Read about his journey and results in the October 2016 issue of *NACS Magazine*.)

“My goal was to prove that eating out really can be healthy. In the end, I felt great. That's because convenient choices can be healthy choices...Convenience stores really do sell healthful food—and increasingly so. Fruit, vegetables, healthy snacks, healthy made-to-order options.

“After going for a run this morning, I stopped by a local 7-Eleven to purchase a banana and some mixed nuts. I also learned I can walk into

stores like Ricker's in Indianapolis, for example, and purchase a bowl of grilled chicken, avocado beans, and rice—the sort of meal that I make at home for myself.

“And finally—and perhaps most relevant for today—is that the convenience store industry is working hard to make healthful food available.”

refreshing the Industry

Making commitments and partnering with PHA is just one initiative on NACS's journey to help the industry bring healthy choices to communities across the United States.

Step one began in 2014, when NACS established the industrywide reFresh initiative (www.convenience.org/refresh) to create positive perceptions of the industry overall. reFresh focuses on several elements:

- **Creating tools** with new ideas that help retailers enhance their operations and communication efforts to overcome NIMBY (not in my backyard) issues.
- **Sharing facts and data** to challenge an outdated reputation, educate the public and demonstrate how the industry is changing for the better.
- **Forming partnerships** with credible nutrition and community-focused groups to decrease misperceptions and underscore the industry's positive business practices to the public, media and policymakers.

Step two evolved when NACS and the United Fresh Produce Association partnered to increase the sales of fresh produce in convenience stores by identifying supply chain and store management best practices. NACS and United Fresh launched the first joint report, “Building the Business Case for Produce Sales at Convenience Stores,” that combines analysis of industry and consumer trends with practical ideas that help retailers develop an enhanced produce offering.

The ball really started to roll in 2015 and the ensuing years, with new deliverables through the reFresh initiative becoming available to NACS members:

- **How Convenience Stores Operate and Their Contributions to Communities** provides a starting point for retailers to define their businesses before community groups



and address issues including jobs, property values, overnight hours, traffic and community engagement.

- The **NACS Public Relations Toolkit** helps retailers launch publicity efforts in their communities, from how to write a press release and craft talking points to pitching an interview and eliciting great media coverage.
- **NACS Site Approval Toolkit** helps convenience retailers of all sizes better understand the planning process and address community concerns.
- The Hudson Institute and Natural Marketing Institute's **Health & Wellness Trends and Strategies for the Convenience Store Sector** research report, commissioned by NACS, found that convenience stores are poised to capitalize on better-for-you products.
- **8 Evidence-Based Ideas for Growth**, created by NACS and Cornell University's Food and Brand Lab, shares convenience store-specific examples of how retailers can successfully increase sales of better-for-you items and deliver healthier options. (See the August 2016 *NACS Magazine* cover story for in-depth insights of the eight examples.)
- **Convenience Store Distribution Options for Fresh Produce** by NACS and United Fresh shows how retailers can increase their fresh produce offerings.
- **Are You Fit for Fresh?** offers retailers a simple checklist to assess whether their store should grow its fresh produce offer.
- **Healthy Food and Small Stores**, created for NACS by The Food Trust, lists strategies that can help improve food distribution in underserved communities.

In February 2016, NACS launched the **Convenience Matters** podcast series, touching on every industry-related topic from fuels to technology, as well as bringing healthier choices into convenience stores. And earlier this year, NACS launched an online, interactive **Community Toolkit**, which highlights examples of numerous community-focused areas that can help retailers tell their positive stories in the community.

Step three? That's when NACS became the first retail association member of PHA.

Where Do We Go From Here?

As part of our PHA commitment, over the next three years NACS will make available resources for convenience retailers that can help them determine how to carry additional healthier choices, as well as provide promotional materials related to PHA's Drink Up initiative. NACS also will provide healthier catering options at its events, including the NACS Show.

Specifically, NACS will:

- Disseminate a web-based nutrition resource that could help convenience stores identify products as being healthier options and assist them in defining their better-for-you sets.
- Continue to engage small format stores, specifically corner stores, that are often the only food source for residents in highly rural or urban settings.
- Develop and disseminate Drink Up marketing materials that encourage convenience store customers to stay hydrated.
- Emphasize wellness at the NACS office and at its industry-specific events.

The news is important for several reasons. First, it enhances the visibility of our industry's impressive and varied food offer, complementing recent stories in *The New York Times* and by the Associated Press, among other outlets. Our announcement focuses on the industry's growth of healthy options in convenience stores, an important category for our customers.

The announcement is much more than a PR campaign, though. It gives NACS more tools to help members grow their sales of healthy choices in their stores, through access to marketing materials and nutritional advice and insights. Most important, it allows NACS members with only a few stores to take advantage of some tools that had traditionally been available to larger retailers.

Above all, it's exciting to be involved in projects like this that allow us all to work together, grow sales and help make the communities we serve even better. **NACS**



Chris Blasinsky is the NACS director of editorial projects.

THE PEOPLE SAY...

Would you buy more healthy items if easily accessible?

60% YES

Have you purchased more healthy items recently?

29% YES

If a snack were certified as healthy would you buy it?

50% YES

(Source: NACS Consumer Survey, 2017)