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Cenex launches LIFT, a store transformation initiative, shifting the way customers view c-stores.

BY JERRY SOVERINSKY

While the consumer shift to e-commerce shopping preceded COVID-19 lockdowns, the pandemic accelerated the trend, with even the most techno-challenged shoppers opting for home delivery, when available. That was ominous business news for convenience store retailers, who already faced increased competition and operational challenges: dollar stores, grocery stores, big box retailers, declining traffic, shrinking margins, regulations ... the list goes on. And now come reports that work-from-home scenarios will outlast COVID-19, causing a permanent change in commuting patterns.

Of course, you've known for some time that your industry is in the midst of fundamental change. "We've got to break out of the mentality of Cokes, smokes and gas," warned Gray Taylor, executive director of Conexxus, in a 2017 NACS Magazine article. "Otherwise, what's the differentiator? Most convenience stores sell the same stuff with the only difference coming from location. We must do something that makes us totally unique."

That need for differentiation is more important than ever for convenience stores, as brick-and-mortar retailers collectively bleed market share to the internet.

Adhering to the fundamentals are a given: Ensuring that your bathrooms are clean, your employees are friendly, and your shelves are stocked are essential for meeting your customers' basic needs. But equally important is refreshing your public perception, which you can achieve by enhancing your store's physical presence and functionality.

Recognizing this growing retailer need, the Cenex brand has introduced its LIFT initiative, a lighting, image and facility transformation designed to revamp Cenex-branded c-stores through a series of exterior and interior updates, along with optional loan funding for in-store improvements. It's a holistic approach to addressing a store's internal and external layout and design, all with a goal of building trip frequency and customer loyalties.

A PORTFOLIO OF SOLUTIONS

LIFT is comprised of two main focuses: refreshing store forecourts with the all-new Halo Image, which elevates the appearance of Cenex-branded locations from the street; and In-Store Loan Program, which provides 0% loan financing for qualifying in-store improvements aimed at enhancing customer experience and safety. Additionally, the Cenex brand provides preferred vendor partners who are vetted for their expertise and quality offerings.

The Halo Image program includes improvements made to the canopy, forecourt and main ID sign, including a 360-degree LED light band, a new Cenex logo and a three-dimensional backlit blue arch.

For the in-store loan program and its qualifying in-store improvements, eligible remodel categories include: single- or multi-use bathroom, checkout counter, LED lighting, coolers, foodservice counters, interior painting and category signage.

The interior solutions are all optional, and retailers are free to choose those that are the most relevant and appropriate for achieving their goals. "Because all Cenex-branded locations are independently owned and operated, they truly can



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choose every aspect of the interior that they want to,” said Akhtar Hussain, director of refined fuels marketing. “That flexibility is the biggest reason for its success.”

SATISFYING CRAVINGS IN MINNESOTA

It was renovation flexibility that was key for Kelly Christianson, general manager of Roseau, Minnesota-based Northern Resources Cooperative, which owns and operates the Roseau Cenex, when he set out to rebuild his store.

It has always been important for Christianson that his store serves as a focal point for the area—a place where locals could gather and that would serve its evolving needs. After 15 years at the store’s helm, Christianson saw that Roseau began to show its age, and he decided to pursue a renovation and expansion through the Cenex-branded LIFT initiative.

A dedicated Cenex representative worked with Christianson to choose the LIFT elements that were appropriate for his store and helped guide him through every phase of the renovation process.

Christianson chose to work with the Cenex brand’s interior and exterior renovation experts, incorporating elements from the grocery and bar industries to give his store a fresh, contemporary feel. “What I really like about grocery stores are the nice, open layout most have,” said Christianson. “The stores aren’t crowded and have plenty of floor space. So, we emulated that with our high ceiling and open, industrial look.”

In addition to the aesthetic changes, Christianson addressed the evolving needs of his customer base. That included implementing elements that appeal to his millennial shoppers, like self-checkout, a walk-in cooler, craft soda options in his fountain dispensers and a bean-to-cup coffee machine.

In response to COVID-19, he added touch-free functionality at his checkouts and even bathrooms. “For the men’s and women’s bathrooms, we decided on a walk-in layout without doors,” he said. “By eliminating the doors, there’s less need to touch surfaces, leading to less contact that can be made person-to-person.”

Christianson also wanted to create an easily navigable environment, allowing his customers to get in and out quickly and easily, both convenience and safety benefits.

In the forecourt, the Cenex-branded Halo Image upgrades were implemented with a 360-degree LED light band on the canopy, along with more prominent Cenex branding. Additionally, he redesigned his diesel island to make it easier for area semis and cars pulling trailers to access. “We went with a single row of pumps so there was no wait time, and we put them at an angle to make the traffic flow easier,” he said.

With the rebuild complete, Christianson said the store will draw people in from around the area, achieving his vision of a modern destination that reflects its community. “I just couldn’t let this opportunity slip by, especially with the chance to continue to partner with Cenex throughout the



Northern Resources Cooperative General Manager Kelly Christianson addressed the evolving needs of his customer base, like self-checkout, a walk-in cooler, craft soda options in his fountain dispensers and a bean-to-cup coffee machine.



Industry veteran Tony Bernhardt, CEO of Enerbase Cooperatives in North Dakota, turned to the Cenex brand to understand trend data and apply that to store improvements at his Cenex-branded location in Minot, North Dakota.

renovation,” Christianson said. “For me, Cenex was the right brand and this renovation was happening at the right time.”

WHY NOT IN MINOT?

Industry veteran Tony Bernhardt, CEO of Enerbase Cooperatives in North Dakota, has been concerned with changing consumer preferences for some time and the impact that could play on his several stores. It’s not just gas or candy that his customers are seeking; rather, they want a dynamic shopping experience, whether that’s through new product offerings or warm, employee interactions.

Recognizing that he needed to refresh his brand to remain competitive, he turned to the Cenex brand to understand trend data and apply that to store improvements at his Cenex-branded location in Minot, North Dakota.

Bernhardt knew firsthand that renovations come at a premium; indeed, he had tackled myriad upgrades over the years—everything from new pumps to POS systems. As a result, the primary reason he committed to working with the Cenex brand was the company’s 0% financing option for qualified in-store upgrades, as well as its hands-on involvement in connecting Bernhardt with quality vendors. “Committing to a store remodel of this magnitude, going over budget is simply not an option,” he said. “[Cenex] helped ease the financial burden of the renovations and connected us with trustworthy vendors who helped us stay within budget and got the job done right.”

The renovations were extensive and included a 2,500-square-foot addition, an expanded kitchen, new coolers, a new grab-and-go section, refreshed restrooms, upgraded countertops, new LED lighting and a revamped coffee station.

Safety was a primary consideration for Bernhardt, too, and he worked with Cenex to

install completely automated bathrooms, eliminating the need for customers to touch anything.

Since completing the renovation, Bernhardt has seen a steady increase in traffic, which he attributes to the store’s new look and functionality, like his expanded coffee offerings. “Our research showed that coffee consumption wasn’t limited to mornings, especially in hardworking communities like Minot,” said a Cenex spokesperson who worked with Bernhardt on the renovation. “That’s why we worked with Tony and his team to install a bean-to-cup coffee area with more flavors and options that’s always fresh, 24-7. There was such excitement with the customers, just with there being something new, and the employees were excited to be able to help the customers try it out.”

FIGHTING BACK

When viewed in the context of COVID-19, the Cenex-branded LIFT initiative may appear to be reactive, but its roots predate the pandemic and are instead proactive. The past few years of NACS State of the Industry data have revealed that customer trip frequency is on the wane, so taking steps to create a store that is modern, clean and safe is a strategic way to bring back some of those trips.

At the same time, shopping behaviors have changed, and many will remain after COVID-19. “No one is going to be dealing with dirty bathrooms anymore. Cleanliness will be a top priority,” Hussain said. “And the forecourt and store flow and how things function—like touch-free and grab-and-go—will be lasting,” he said.

“It’s critical to create a space that addresses these changing consumer preferences, elevating and sustaining your store as a community destination.” **C**



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