CTVG
CONVENIENCE TECHNOLOGY
VISION GROUP

Fighting for Tomorrow's Customers

INCLUDES GENERATIVE AI AND RETAILING UPDATE

GUEST SPEAKER
Tim Tang, Director,
Business Technologists,
Hughes

VISION REPORT
APRIL 2024

Roy Austin
Parkland Corporation

Scott Burchfield
Impact 21

Jason Collins
Englefield Oil Company

Christopher Egan
United Dairy Farmers

Steve Evans
Haffner's/Energy North Group

Janeth Falcon
Circle K

Nick Franco
TRIVantage, Inc.

Erin Graziosi
Robinson Oil Corp

Robert Hampton
Pilkington Enterprises

Jeffry Harrison
RaceTrac

Raymond Huff
HJB Convenience Corp

Paul Kern
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Myra Kressner
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We are Convenience Technology Vision Group (CTVG), a group of invited leaders of the convenience industry who have 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 CTVG 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 Technology Vision Group is part of 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 **CTVG Vision Report** is comprised of three parts:

CTVG Views provides a summary of the conversation with additional resources for extra context including "Valuable Resources" for more in-depth education.

In The Room With CTVG 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.

Tim Tang's full slide presentation "The Future of Convenience Stores" is included and linked throughout the transcript for easy navigation. A recording of Tang's presentation is also included.

We highly recommend that you read all three components.

The main topics in this CTVG Vision Report:

Fighting for Customers

Reflections on Winning the "Fuel" Customer

Overreliance on 3rd Party Technology

Data Analytics, Loyalty, and Payments

CONVENIENCE TECHNOLOGY
VISION GROUP

CTVG VIEWS

IN THE ROOM WITH CTVG

P R E S E N T A T I O N
THE FUTURE OF CONVENIENCE STORES

The Future of Convenience Stores

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W. Capra

W. Capra is a global professional services company focused on helping retailers and solution providers enable secure commerce everywhere. Leveraging our breadth of industry expertise and innovative thought leadership, we help our clients elevate the consumer experience, optimize operations, minimize risk and drive profitability. Our team of experts supports some of the world's most well-known consumer brands with their business and technology initiatives across the full project cycle, through strategy, technology, operations, and transformation services. No matter the size of the endeavor, our goal is to drive positive change and progress for our clients by providing unbiased, actionable insights and the hands-on experience required for execution.

Rovertown

For retailers looking to connect with their consumers in an always-on world, Rovertown's app platform provides the flexibility needed to deliver personalized, meaningful experiences. Unlike our competitors, Rovertown integrates with any technology vendor and goes the extra step to ensure our clients' success through best-in-class implementation and support.

Rovertown was originally founded in 2009 with the goal of helping cost-conscious college students across the United States to access the best discounts for local food and services. By eliminating the need to swipe an ID for discounts, the experience was brought to students' mobile devices in real-time with custom, localized deals.

Rovertown's business has since grown and evolved, but the humble beginnings taught the team the power of personalized experiences delivered through high-quality, branded apps. The Rovertown app platform now powers the mobile experiences of many leading regional convenience retailers.

W. Capra's original and largest service vertical is the convenience and energy retailing industry. We have successfully led and continue to lead a range of U.S. and international projects for c-store operators, fuel distributors, and fuel brands of all sizes.

W. Capra has held or currently holds board or steering committee positions, working committee leads, or general industry participation in industry leading organizations such as NACS, Conexxus, National Petroleum Energy Association (NPECA), the Transportation Energy Institute, and the Merchant Advisory Group (MAG).

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| CTVG Views | In The Room with CTVG | The Future of Convenience Stores |

IMPACT 21
A W. Capra Company

Impact 21, a W. Capra Company, is a consulting firm that enables specialty retail, convenience, and energy clients to deliver seamless customer experiences. Our team of thought leaders and industry experts empower organizations to drive results through the alignment of people, systems, processes, and data.

With a focus on customer-first business transformation, we help clients create competitive differentiation through technologies that optimize the customer experience across all channels. Impact 21's solution-neutral approach ensures that our assessments and recommendations are of the highest integrity. Our unique combination of strategic vision, financial acumen and operational expertise sets us apart.

Impact 21 joined the W. Capra family of brands in April 2024. For both W. Capra and Impact 21, our people are at the core of everything we do, each retaining many of the foremost experts in the field. Together, with cultures and values aligned, our two firms form the premier end-to-end consulting and services business – comprised of an elite team of leading industry professionals – providing customer-first business transformation across the verticals we serve. From strategy and road mapping to implementation and delivery, our clients depend on W. Capra to execute their most vital technology and security initiatives across all phases of the project life cycle.

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THINKSYS

ThinkSys offers a comprehensive range of IT services designed to meet your unique needs. Whether you need top-notch software development, robust cloud solutions, or expert infrastructure migration, we have the expertise and experience to deliver exceptional results. Our team works closely with you to understand your specific requirements and provide tailored solutions that propel your business forward.

Founded in 2012, this award-winning company is fully CMMI Level-3 and ISO 27001 certified for advanced organizational systems and processes. ThinkSys is known for deep expertise in its Quality Assurance Maturity Model and DevSecOps, offering unique development and technology management services such as CloudForestX and FractionalQA℠.

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| CTVG Views | In The Room with CTVG | The Future of Convenience Stores |

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GK Software breaks down the barriers to unified commerce with its open CLOUD4RETAIL platform and a broad portfolio based on it, like OmniPOS for point of sale, self-checkout, mobile POS, GK Drive for forecourt control, mobile customer engagement and a full range of store/back-office solutions. The company is a recognized leader in omnichannel retail, offering a single, global software platform for all retail formats and touchpoints. Ten of the Top 50 retailers worldwide rely on GK, and GK is the fastest growing global POS provider in new installations over the last three years.

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You may know us as Gilbarco Veeder-Root, but it's time to get to know Invenco by GVR. In 2023, Gilbarco's well-established Retail Solutions division merged with Invenco, a global frontrunner in the payments and convenience store sectors. Our combined expertise is set to revolutionize the convenience retail space, offering cutting-edge, flexible technology solutions designed to boost efficiency and enhance customer engagement.

Invenco by GVR has a global footprint with industry-leading point-of-sale systems, payment solutions, site automations, workflows, and cloud services. These solutions will be integrated into the ground-breaking iNFX retail operating system to enable digital agility and rapidly deploy new capabilities to our customers. Invenco by GVR Solutions can be found in nearly 165,000 connected devices across 50,000 convenience stores in more than 50 countries. We are redefining convenience, together.

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CTVG Views | **In The Room with CTVG** | **The Future of Convenience Stores**

CTVG VIEWS

A CONVENIENCE TECHNOLOGY VISION GROUP DISCUSSION

This meeting of the Convenience Technology Vision Group (CTVG) focused on the future of convenience at the intersection of technology, efficiency and customer experience. It featured a presentation by Tim Tang, well-known for his insightful analysis of industry trends, applying cross-industry and multi-technology insights to unlock business value. After the presentation, CTVG members had the opportunity to share their experiences and perspectives.

The Future
of Convenience Stores

Facilitated by **Ed Collupy**, the March 22, 2024, CTVG meeting welcomed Tim Tang, director of business technologists at Hughes. Tang provided a thoughtful look into the future of technology in retail and the convenience sector.

In his presentation, "The Future of Convenience Stores," Tang asserted that operators need to take a hard look at how they and their competitors operate and interact with customers to get beyond relevance. With an aggressive blend of hindsight, a deep look at current affairs, and strategic foresight, Tang's presentation certainly got members talking and digging deeper into the present state of convenience and where to move next.

> **“** What does this all mean for the emergence of next generation POS systems, expanding delivery services, addressing sustainability, retail media networks, and the new touch points that come along with that, or the introduction of added fresh products and all the other tech and operational improvements predicted to be part of our future?
>
> *Ed Collupy, CTVG Advisor/Facilitator and Principal, Collupy System Solutions LLC*

CTVG Views | In The Room with CTVG | The Future of Convenience Stores

Being convenient must always stay top of mind for this industry and he mentioned that customer motivators like fuel and tobacco are certainly declining, but getting customers in the store should always be the focal point. Focusing on customer experience and engagement, Tang also talked about changing consumer expectations and increased competition from other retail sectors like QSRs. One number he threw out was that fuel to retail customer conversion has sat steady at about 30% for at least the last twenty years. Tang emphasized that retailers need to fight for the consumer, whether using food, advertising, next-gen apps or payments and certainly doing any of these as early in the customer journey as possible.

Whether they are considered friend or foe, he also addressed the challenges and opportunities of delivery services, urging retailers to consider evaluating their delivery relationships for better control over customer data and brand experience. He insisted that converting third-party deliveries into first-party relationships is imperative to retain power over the brand experience. Later, during the group discussion, Tang addressed a 'collective hatred' of delivery services referencing his work within the restaurant and QSR sectors, as well.

As is regularly discussed in CTVG meetings, the impact and use of AI and data analysis is very much intertwined with the value and integrity of data to be successful, per Tang. Leveraging and analyzing mountains of data to understand customer behavior and optimize operations is key.

Lastly, Tang envisions convenience stores transforming into community hubs; offering socializing opportunities, learning experiences, and additional value-added services. He stressed the need for reinvention over the next five to ten years to ensure long-term viability.

The "In The Room With CTVG" section of this report contains a link to Tim Tang's recording of "The Future of Convenience Stores" presentation. We highly recommend you read the transcript and watch.

Fighting for Customers

Kicking things off, Tang highlighted the importance of understanding past projects as lessons in predicting future trends. Using real-world examples, he emphasized the need for carefully considering futuristic solutions rather than just chasing shiny objects. He also referenced how ideas that might have once failed, may eventually take hold and evolve over time. One such example that didn't work fifteen years ago was a FedEx package drop-off service, but today it is a common service. He also shared some examples from China that might eventually happen one day in the U.S.

CTVG Views   In The Room with CTVG   The Future of Convenience Stores

Reflections on Winning the "Fuel" Customer

Tang's presentation prompted members to share their thoughts on technology's future within their companies.

Raymond Huff, president of HJB Convenience Corporation, offered an observation about Buc-ee's, a leading convenience retailer in the southwest and beyond, pondering if they were an indicator for the future of convenience retail with their non-conventional operational strategies. Having extremely large footprints and product offerings, Huff cited a Colorado store grand opening and the innovative strategies employed, especially as it applies to fuel marketing. Unlike many competitors, Buc-cee's doesn't have large fuel price display signage which draws the conclusion that maybe fuel price doesn't need to drive customers into the store. **Roy Strasburger**, CEO of StrasGlobal, president of Compliance Safe, and Vision Group Network co-founder, commented that he's been operating in Buc-ee's' Texas territory for decades and confirmed their lack of fuel pricing signage, though noting that customers are lining up to visit regardless. **Paul Kern**, executive director of product management at Invenco by GVR, informed the group that Buc-ee's does post prices in locations where it is required by law, but they do so in inconspicuous ways.

Speaking of fuels, both **Eva Strasburger**, president of StrasGlobal, CEO of Compliance Safe and Vision Group Network co-founder, and **Nick Peters**, vice president of IT at Campbell Oil Company, pointed out that EVs will completely change the way drivers shop and what they're seeking at stores, opening the door for new products and services and is a disruption that demands attention.

Along the same future fueling discussion, Toot'n Totum's Vice President of IT **Rance Wells** shared insights from a recent visit with

| CTVG Views | In The Room with CTVG | The Future of Convenience Stores |

> **❝** I think Tim Tang would probably agree with this, the importance of redundancy within your solutions and the ability to run transactions, even if you're offline. So more cloud-based type solutions where you can have databases locally, but also connecting into the cloud and kind of a dual communication there.
>
> And then as we wrap it all up...it's utilizing technologies like AI. And as I had mentioned previously, how important it is to keep track of your customer base and offer them the best prices and the best loyalty offerings.
>
> *Ted Donley, Solution Sales Consultant, GK Americas*

Peters raised concerns about data accuracy from these location services. This prompted further discussion on the challenges of harnessing and interpreting data effectively when Evans asked, "It really is about the data, right?" Egan went on to caution the group that he had to warn his marketing team against "this false sense of security that if it looks slick and it says AI, it must be right."

While technology is generally a solution, sometimes over-reliance can wreak havoc on basic operations. **Roy Austin**, director of IT solution delivery (global retail) at Parkland Corporation, highlighted the challenges of internet connectivity in remote areas, citing experiences in Jamaica and the Bahamas where reliance on Miami-based ISPs hindered operations. Tang expanded on the significance of convenience stores in disaster response, proposing private 5G technologies to extend internet services to remote or disaster-stricken communities. Reflecting on this, Jacksons Food Stores VP of Technology Services and Innovation **Robert Hampton** recalled a retailer in his study group who responded on that "exact issue and they were one of the first stores to open and serve the community."

other retailers and a pump manufacturer product manager, highlighting advancements in dispenser technology and integration with vehicle services, smartphones, apps, and more that will enhance customer experiences beyond anything currently in use.

Overreliance on 3rd Party Technology

Location services, like Google Maps, have long been frequent users of AI. **Chris Egan**, chief information officer at United Dairy Farmers, **Steve Evans**, chief technology officer at Haffner's/Energy North Group, and

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| CTVG Views | In The Room with CTVG | The Future of Convenience Stores |

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Data Analytics, Loyalty, and Payments

Many members keyed in on Tang's observations on data analysis. Peters agreed with the significance of data analysis and the evolving nature of consumer behavior, particularly regarding experiences and competition within the industry. The importance of site prospecting and evaluation along with the role of AI in the decision-making processes was also mentioned.

> " If the convenience store industry is going to go and fight directly with the QSR industry, it now begs the question of, what kind of data competencies is the convenience store industry going to have?
>
> *Tim Tang, Director of Business Technologists, Hughes*

The conversation also dove into data analytics and operational enhancements. Operational challenges, such as data management and technology integration, were raised by Impact 21's Chief Technology Officer/Chief Administrative Officer **Chuck Young** and Eastern Petroleum Corporation's VP of Technology **Bill Ridge**, both underscoring the need for cross-functional collaboration within organizations. Returning to basics, **Ted Donley**, solution sales consultant for GK Americas, highlighted the importance of redundancy in technology solutions and favored integration of AI for customer engagement and operational efficiency.

Retail giant Starbucks and their loyalty and payment format was also a topic of conversation. Egan and Austin discussed novel payment methods for the industry, drawing insights from Starbucks' success with stored payment apps. Also of interest, Hampton was intrigued by Starbucks' use of ACH-only

> " I do like this concept of stored credit because I do think it is a way to build loyalty. It is a chicken or the egg argument. Did Starbucks build their loyalty program because of the store credit approach or did the store credit approach build the Starbucks loyalty? And I'm not trying to be funny about it, but I really don't know which came first because I think that's a question worth asking as a whole on that.
>
> *Nick Peters, Vice President, IT, Campbell Oil Company*

payment avoiding costly credit card fees. Akin to the Starbucks model, solution providers **Jeffry Harrison**, co-founder & president at Rovertown and **Nick Franco**, senior vice president sales and customer success at ThinkSYS, Inc, asserted the strong potential of loyalty programs tied to payment to enhance customer experiences. Eva Strasburger recalled one example of a store in New York that offered shoppers a 20% discount for loading money to the app stored payment account, creating a unique incentive for loyal shoppers.

CTVG Views | In The Room with CTVG | The Future of Convenience Stores

To conclude the meeting, Roy Strasburger and **Myra Kressner**, president of Kressner Strategy Group and Vision Group Network co-founder, shared their experiences at the EV Charging Expo and Summit in Las Vegas. Together they discussed the main challenges in EV charging infrastructure, particularly the lack of maintenance and support, with payment issues being the primary reason for charging machines being down. Strasburger predicts a potential shakeout among EV charging manufacturers due to oversaturation in the market. Kressner highlighted discussions on charger reliability, ROI, and the widespread belief in the future of the EV industry. They mentioned representation from various industries and concluded with optimism about the future of the EV industry, with bullish projections for growth by 2030-2035.

Lastly, Collupy updated CTVG members that a planned breakout session with major oil companies has been indefinitely postponed due to inability to get a quorum of company representatives to attend. Several CTVG members, including Bill Ridge, asserted this would be a valuable meeting to continue to pursue.

Final Reflection

CTVG members agree that the future of convenience stores and the fight for customers lies in personalization, community engagement, data analytics, and in taking a proactive, yet, balanced, approach to win the fight over long-term challenges. External forces like declining fuel sales and EV growth, an overreliance on third-party technology and AI, payment and loyalty technologies, and changing consumer preferences will steer the conversation and it is imperative retailers take a long-term approach to their technology choices for the greatest ROI.

CTVG Views | **In The Room with CTVG** | **The Future of Convenience Stores**

LIGHTNING ROUND

CTVG's December 2023 meeting featured a robust examination and discussion on the challenges and opportunities for using generative AI solutions in the convenience retailing channel. During a fast-paced lightning round in the March 22nd meeting (reported on in the Vision Report "Generative AI and Retailing: Real Results and Real Challenges" published in January 2024), CTVG members reflected on any changes in their perspectives or utilization of AI solutions in their companies and daily activities.

In the 'thinking about it' camp, **Steve Evans** acknowledged the prevalence of AI in the market but notes cautious thinking of significant progress within his organization. **Rance Wells** expressed an openness to AI but highlighted concerns about policies and data protection. **Nick Franco** shared that there are internal conversations about leveraging AI but so far, no concrete projects have started.

Some retailers are actively using AI for operational activities. **Roy Strasburger** emphasized the backend benefits of AI for tasks like inventory management and supply chain, echoing similar sentiments shared in recent discussions. **Janeth Falcon**, vice president North America IT for Circle K, noted a recent partnership with RELEX for AI-supported inventory management. Falcon also mentioned that her team used AI to assist in creating their mission, vision and strategy for the year. **Raymond Huff** talked about using AI for marketing materials at his retail locations and harnessing AI within his software company to develop code. **Robert Hampton** said they are leveraging AI applications for reporting and analytics. **Ted Donley** emphasized AI's impact on price optimization and customer loyalty in retail and **Jeffry Harrison** lightened the mood, showing how AI created a hat design for a fun personal project.

While not present at the December meeting, **Tim Tang** shared his thoughts about impactful use cases of AI, highlighting the innovative solutions AI offers to complex problems, such as shifting business models due to regulatory changes and querying AI to creatively reimagine current practices. He noted the evolving job market, especially how AI technologies like ChatGPT have influenced freelance work patterns, potentially reshaping industries and services. He further explored the implications of AI in consultancy, suggesting that AI-driven solutions could provide cost-effective alternatives to traditional consulting services. Speaking of consulting, **Chuck Young** was surprised that AI generated a global client connection to his company, Impact 21, when the opportune phrases were searched.

One market leader in AI products and solutions generated some discussion time as well. **Bill Ridge** reflected on NVIDIA AI Enterprise IGX's role in pushing hardware innovation for AI and Roy Strasburger likewise emphasized the rapid advancements with NVIDIA's new chip technology. Tang expressed admiration for NVIDIA's CEO, Jensen Huang, and the valuable insights he provides regarding the future of technology and its impact on society.

Overall, CTVG members continue to possess a mix of curiosity, experimentation, and optimism about the potential of AI across various business functions.

Download the full CTVG Report:

Generative AI and Retailing: Real Results and Real Challenges

NOTABLE AND QUOTABLE

" When I think about the future of the convenience stores, I'm thinking primarily about what are those technologies? What are those initiatives? What are those business models that are going to be able to drive that fuel to retail conversion? If we acknowledge... there is fuel demand destruction...tobacco demand destruction as well, then how do we increase that conversion from fuel to retail? **Tim Tang,** *Director of Business Technologists, Hughes*

" I would also say that where I see the AI being most used and having the most impact is in the, what I would call the democratization of technology of data to a large extent. And for many companies today, it's the business analysts that kind of rule the world in terms of their access to data. Well, so many of the applications that we're seeing right now with GenAI and the like is basically being able to take that role and democratize it. Very similar to how you no longer need to be a computer programmer to get a computer to do what you want it to do, you no longer have to be a data analyst or a SQL expert to get the data insights that you're looking for. **Tim Tang,** *Director of Business Technologists, Hughes*

" I think number one for me is I think he [Tim] hit the nail on the head when he was talking about data and specificity, as it pertains to knowing what data you have and, just as importantly, what you don't have. Knowing how to and figuring out a way to normalize it and taking it down that path to completion. **Nick Peters,** *Vice President, IT, Campbell Oil Company*

" Other than thoughts and some experimentation with CoPilot, ChatGPT, we're not making any real waves in the AI space. I think every vendor that walks through the door has AI attached to their name. So I think it's more cautious, that continued cautiousness. But inside the hallways I'd say we're certainly talking about it more, talking about use cases, talking about potential, but not putting those use cases into production yet or even practice. **Steve Evans,** *Chief Technology Officer, Haffner's/Energy North Group*

CTVG Views | In The Room with CTVG | The Future of Convenience Stores

NOTABLE AND QUOTABLE

" What if the c-stores were the ones who provided the infrastructure, the network infrastructure for some communities that just don't have access to broadband and the like.... What if c-stores were the ones to kind of intervene themselves?...When you have end users and content or premium content, somebody must pay for the premium content. And it's either the end user or it could be a third party, the c-store in between. The c-store can be the bridge, the c-store, because of their motivation to cultivate and create an audience on their premises could be...the end user's desire for access to content. And so I think there's some new business models to be thinking about on that front. **Tim Tang,** *Director of Business Technologists, Hughes*

" The idea and the thinking here now is when we think about the future of the c-store, when we think about, "How do I increase the fuel to retail conversion?" We want to be thinking about, "How do I fight for that customer and how do I move the fight earlier in the journey?" Because the earlier I am in the journey, the more likely I am to win the fight. And the later and later I wait, the fewer opportunities I'm going to have, potentially, to earn that conversion and the like. **Tim Tang,** *Director of Business Technologists, Hughes*

" I think the mobile pay at the pump has not gone as high as we had wanted. And we integrate, as you guys know, with various providers...it's just not taking fire as we had expected. So we're just trying to look at other ways to do e-commerce through the retail side. **Jeffry Harrison,** *Co-Founder & President, Rovertown any*

" And it's all about the priority per retailer, and it changes with every retailer. So it's a discussion everybody needs to have. And the other thing I'll say...we believe those discussions are cross-functional within the organization. It's not just an IT thing. It's not just a marketing thing, not just an ops thing. They should all get together and discuss these at the same time. **Chuck Young,** *Chief Technology Officer/Chief Administrative Officer, Impact 21*

" A group of us visited with one of the major players in pumps...and they're open to integrating with anything, with the car manufacturers, with having the ability to call ahead, order from the pump, all of those things, personalize that experience to whoever's filling up. At some point in the future, your car pulls up, it's going to show you customized content based on your sports team, how they did last night, on the weather, on where you're headed in your car and all those other things. Also, payments and other things inside there. **Rance Wells,** *Vice President of IT, Toot'n Totum*

CTVG Views   In The Room with CTVG   The Future of Convenience Stores

VALUABLE RESOURCES

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

Ed Collupy, Facilitator

At the end of the day the question I am left with is "what is the future of convenience?" Not the convenience 'store,' as Tim discussed and I also heard recently from a business strategist, but the variations of convenience levels and how they play into our discussion about the future of retail technology. In this article, *The Business of Convenience: Why Marketers Should Be Obsessed with 'Fast' and 'Easy',* we learn that "time and effort" are paramount considerations to how convenience needs to be viewed and acted upon. It further emphasizes that understanding what consumers want can be best understood with "solid metrics;" the importance of good data just as we discussed in our CTVG meeting. De Keyser, the academic author, may not have gotten Amazon Go correct, but I believe the convenience levels he cites from other academics provide a good guide to how convenience retailers need to be fighting for the future.

Myra Kressner, Vision Group Network Founder

Quite a few panels from March 2024 CERAWeek (Cambridge Energy Research Associates) got my attention, and this WSJ article, *Big Tech's Latest Obsession Is Finding Enough Energy,* covers several points our CTVG members (dare I say anyone interested in AI, energy resources, and EV infrastructure) have been discussing.

The article asserts, "More than twenty executives from Amazon and Microsoft spoke on panels. The inescapable topic—and the cause of equal parts anxiety and excitement—was AI's insatiable appetite for electricity. It isn't clear just how much electricity will be required to power an exponential increase in data centers worldwide. But most everyone agreed the data centers needed to advance AI will require so much power they could strain the power grid and stymie the transition to cleaner energy sources."

Eva Strasburger, Vision Group Network Founder

During our CTVG discussion, Bill Ridge, Roy Strasburger and Tim Tang all referenced Jensen Huang, CEO of NVIDIA as being a remarkable man. To quote Tim Tang: "Jensen Huang is one of my favorite people. I've been consuming and binge-watching all his YouTube video interviews every chance I get... he has provided some of the most thoughtful insights as to how to think about the future and how to think about the world." I encourage you to join Tim in watching Jansen Huang's YouTube videos to learn how NVIDIA, the third most valuable company in the US (revenue of $18.4 billion in the last quarter), is changing the world.

For starters, here is **Huang's full keynote at the company's annual GTC conference 2024** when he unveiled the Blackwell Graphics Processing Unit (GPU) with the commitment that "Generative AI is the defining technology of our time. Blackwell GPUs are the engine to power this new industrial revolution. Working with the most dynamic companies in the world, we will realize the promise of AI for every industry."

Roy Strasburger, Vision Group Network Founder

Can something be too frictionless?

Over the last decade, the relentless drumbeat accompanying any store of the future predictions was "frictionless checkout." Amazon led the way by developing its "Just Walk Out" technology. They rolled it out in their Amazon Fresh stores and sold the technology to other retailers.

As we were finalizing this Vision Report, Amazon announced that it was removing the technology from its Amazon Fresh stores due to customer feedback. While it is too early to know any specifics, it's obvious that something wasn't working. Amazon's raison d'etre is to make retailing as frictionless as possible.

This USA Today article, *Why Amazon is Ditching Just Walk Out Checkouts at Grocery Stores* made me think about two points that Tim raised in his presentation – enhancing the customer experience and learning from past mistakes. What will be the next iteration?

CTVG Views | **In The Room with CTVG** | **The Future of Convenience Stores**

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Vice President, IT, Campbell Oil Company

Skip Potter
Director of Information Technology, R.L. Vallee, Inc.

Patrick Raycroft
Partner, W. Capra Consulting

Donnie Rhoads
Director of Business Development, The Convenience Group, LLC

Bill Ridge
VP of Technology, Eastern Petroleum Corporation

Scott Smith
Senior Director of IT, Parker's

Cheryl Szczesniak
Executive Vice President of Human Resources, The Spinx Company

Rance Wells
Vice President of IT, Toot'n Totum

| CTVG Views | In The Room with CTVG | The Future of Convenience Stores |

IN THE ROOM WITH CTVG:
Fighting for Tomorrow's Customers

Convenience Technology Vision Group (CTVG) invites you to join us **In The Room** to experience our meeting on March 22, 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.

CTVG
CONVENIENCE TECHNOLOGY
VISION GROUP

CTVG Views	In The Room with CTVG	The Future of Convenience Stores

Agenda

CTVG Views   In The Room with CTVG   The Future of Convenience Stores

Topic Reference Key

CTVG'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.

Foodservice

Fuels

    Electric Vehicles

    Fuel Pricing

    Major Oil

Leadership

    Strategy

Marketing

    Community Involvement

    Customer Behavior

    Customer Engagement

    Consumer Experience

    Data Analysis

    Loyalty Programs

    Personalized Marketing

    Marketing Communications

Operations

    Real Estate

Technology

    AI

    Credit Card Fees

    Delivery

    Payment Systems

    POS

Workforce

CTVG Views | **In The Room with CTVG** | **The Future of Convenience Stores**

Welcome, Introductions, Meeting Rules

Ed Collupy

Good afternoon, Ed Collupy here and it's great to be with you for our latest Convenience Technology Vision Group meeting. Today's main topic and speaker will take a look ahead at retail technology and what it might be and what it might mean to the business of the convenience/mobility industry, something we've heard many of you mention interest in discussing. As always, this afternoon will provide each of you the time and opportunity to share your insights. This screenshot [antitrust statement is shown on the screen] reminds all of us of the antitrust statement and publication acknowledgement that every member and all of our guests have also signed.

We are recording this discussion and here are a few reminders. Please use your camera and keep it on as much as possible and remember to keep your audio on mute unless you are speaking so we're not disturbed by any activity around you. Also, to ensure there is a frank and diverse discussion, if anyone wants to make an "off-the-record" comment, just let us know that what you're going to say, or what you've just said, is off the record.

We always miss some of our members who can't make it and they send along their regrets about having to miss today's discussion. We do have a number of new retail members joining CTVG today that I'll have Roy Strasburger introduce. Roy.

Roy Strasburger

Thanks Ed. Welcome everyone, and it's really my pleasure to welcome three new retail members who are joining us. I'm going to introduce them by name and then ask each of them to give a brief overview about themselves.

First is the imperially named Roy Austin who is with Parkland. We also have Chris Egan from United Dairy Farmers and Bill Ridge from Eastern Petroleum. So in that order gentlemen, would each of you give us a little quick background about yourself? So Roy, start it off.

Roy Austin

All right, I'll start it off. It's rare you get two Roys on the same call. It's going to be a good call. So I do know quite a few people on here just from our Conexxus meetings in the past, but I'm Roy Austin. I'm the global director of retail POS and back office systems for Parkland Corporation. I've got Canada, the U.S., and the Caribbean, 25 countries in the Caribbean, POS and BOS systems under my, what we call, "pillar" at Parkland. I've been here for about four years and prior to that I was with Kroger's convenience store chains for a little over 20 and EG America after they were acquired for two and a half years.

CTVG Views | **In The Room with CTVG** | The Future of Convenience Stores

Roy Strasburger — All right. Thanks Roy. Chris.

Chris Egan — Hi. Thanks for the invite. Good to be here. Definitely see some familiar faces as well. So I'm Chris Egan, CIO of United Dairy Farmers. Been here about five years, in the CIO role for two. Immediately prior to that I was with Speedway in a variety of roles for about 12 years. UDF for those who don't know, is about 175 store chain primarily in the Dayton, Cincinnati, and Columbus areas of Ohio. So pretty localized. We also have logistics, fuel hauling, bakery, and significant ice cream manufacturing. Thanks.

Roy Strasburger — Great. Thanks Chris. And Bill, finish us up.

Bill Ridge — Okay. Hello everybody. I'm Bill Ridge. I'm vice president of technology for Eastern Petroleum Corporation. I've been there for 20 years. Prior to that I was in the software industry. I have about 40 years technology experience. We have 12 stores. They're branded Exxons and Shells. We also have a residential propane business, which a lot of our companies -- my company's about 60 years old -- kind of started out that way in the fuel business and then decided to put some convenience stores in.

So I started out as the IT guy for the company 20 years ago. The owner at the time didn't think they had enough work for me and didn't know how they could hire me full time. That ended up changing very quickly. Just trying to recall back 20 years ago, I think at the time we weren't even scanning items, stores were not on the internet. It was dial up. So I spent about the first five years just being in stores all the time. Since then, I've hired a few more people, but it's been quite a ride for 20 years as you all know, based on all the experiences that you've talked about. I'm glad to be here. Thank you.

Roy Strasburger — Bill, thanks. Thanks again for joining us. Great to have you with us and with this very interesting and eclectic group. We look forward to hearing your opinions and thoughts. So Ed, back to you.

Ed Collupy — Very good. Thanks and welcome guys. I'd like Myra to take a few minutes to introduce our new Ally Supporters that are joining CTVG today as well. Myra.

Myra Kressner — Well, thank you. Hello everyone. We're very pleased to be welcoming our two newest Ally Supporters. Many of you have had the pleasure of spending some time with them on the POS breakout that we did back in October, but we're very pleased that Invenco by GVR and GK Software just loved the participation so much that they wanted to do it on a more long-term supporting basis. So I'm going to ask Paul Kern, would you just reintroduce yourself and your company briefly to our group?

Paul Kern	Sure. I'm Paul Kern, I'm director of product management for POS at Invenco by GVR. I'm responsible for our POS portfolio.
Myra Kressner	Great. Well, thank you and we look forward to your participation. And with GK Software, Bill Miller will in most cases be the member, but he could not make it today. So we're very glad that Ted Donley has agreed to join us for this meeting. So again, Ted, welcome and would you introduce yourself and GK Software?
Ted Donley	Yes, thanks Myra. Super happy to be here to represent the company, and Paul and I have had a couple of years working together, so it's great that we got introduced at the same time. GK is a global software provider. We're relatively new to the North American c-store market and this is just a great opportunity to meet new faces and nice to see some faces that I've known for some time, and yes, excited to be here and join the discussion. Thanks so much, Myra.
Myra Kressner	Well, thank you. Unless there are any questions or comments at this point, I'll say Ed, back to you.

Lightning Round Review

Ed Collupy	All right, thanks Myra and welcome to our two new Ally Supporters. And one more introduction, our guest speaker who undoubtedly most of you know, Tim Tang. With over 20 years of professional experience developing enterprise solutions and a strong interest in the intersection of technology and people, Tim offers a broad scope of technology expertise in a number of industries including restaurant, banking, and retail, and especially the convenience retail energy sector.
	As a director at Hughes, Tim analyzes and anticipates industry trends, engages with the organizations to understand their needs to unlock the business value of technology. He actively participates in a number of standards in trade organizations and can always be depended upon to ask a question or ponder a possibility. We'll come back to you, Tim, in just a few moments.
	So as a reminder as we get underway, please use the raised hand icon as often as possible for conversation flow, unless members are clearly in a back-and-forth discussion. And if you need to leave the meeting for any reason this afternoon, you can either write a short note in chat or just leave and return when you're able to. So let's get started.
	During our last CTVG meeting in December, we focused our discussion on **artificial intelligence** and the topic continues to be in the news and talked about all the time. I'm sure all of us have heard dozens of examples of how AI is being put

AI

to use or will be in our personal and business lives. Our Vision Report, "Generative AI and Retailing: Real Results and Real Challenges," captured the great discussion and insights each of you shared and was well received throughout the industry. So thank you for that.

One of the common findings from our meeting was that most of you and your companies are **taking a slow walk on using AI** and anticipate that it will be current solution providers that you will be looking at to deliver integrated AI capabilities into systems you and your colleagues will be using. I know it takes time for technology to advance and it's only been about four months since our last meeting, but I'm curious if anything's emerged with your solution providers or with your business partners at your companies and what they might be asking for.

You'll recall Greg Buzek, who was our primary speaker, provided us with a laundry list of AI tools and some of you mentioned some as well. [Editor's note: Greg's list can be found in the January 2024 CTVG Vision Report "Generative AI and Retailing: Real Results and Real Challenges"] So I'm wondering, have you given any of them a try and had any success with them? There's always some interesting follow-up thoughts you have between meetings. So let's do a quick lightning round. Take about a minute each to share any thoughts on new learning you took away from the AI discussion.

So who from the last meeting wants to get us started? And then we'll just go around the room to those that were with us last time so everybody has a chance to share. And don't all speak up at once, otherwise I'm going down the random list.

Steve Evans: Ed, I'll take a crack at it.

Ed Collupy   All right, Steve.

Steve Evans   I'll break the ice because I don't have a lot to break the ice with. Other than thoughts and some **experimentation with CoPilot, ChatGPT**, we're not making any real waves in the AI space. I think every vendor that walks through the door has AI attached to their name. So I think **it's more cautious**, that continued cautiousness. But inside the hallways I'd say we're certainly talking about it more, talking about use cases, talking about potential, but not putting those use cases into production yet or even practice.

Ed Collupy   Very good. Roy? Roy Strasburger?

Roy Strasburger

Yes. I haven't really had a chance to work with the software tools that Greg put out, but what I did take away from Greg's discussion was how AI was really **profiting people on the backside of their business** with the ordering, inventory and supply chain management. And since he mentioned that, I've heard more and more discussions, generally, amongst other people and reading about it, how they are focusing more with AI in the back as opposed to pricing and elements in the front of the store because that's where they think the low hanging fruit is.

Ed Collupy

Very good. So maybe we can continue down the list that I randomly generated. So after Steve would come Rance. Any thoughts? Have you done anything with AI since our meeting four months ago?

Rance Wells

I've generated a few images. I've listened to some sales pitches. Again, we're not opposed to it. We're wanting something that will give us insight into our business where we currently aren't looking and help us be better. That's our big thing we're trying to do. When and if we dive into this, kind of nervous about policies and all the other stuff that comes along with AI and how to protect our data and how all that's going to go, but not really any movement on our side at this time. Thank you.

Ed Collupy

Thank you. Nick Franco, anything going on at ThinkSys on this front?

Nick Franco

We've had quite a few conversations about how to leverage AI. Specifically in the retail space where we work, we have several projects outside of the convenience retail space and a lot of it is what Roy alluded to is **how do I leverage it on the backend** with our data lakes and our information spread across multiple departments, how can we leverage it there? But I can't say we've started any projects in this space on that.

Ed Collupy

Very good. Janeth, glad you were able to make it and welcome. Anything going on at Circle K on the AI front or on your personal front?

Janeth Falcon

Yes, I mean we just **partnered with RELEX** (AI-powered and machine learning software). We're starting a journey with implementation of RELEX for inventory management system and that product has AI built in for supporting suggestive ordering and forecast replenishment, as well as space planning. But that's too early, so no experience yet on that. On a work note, we had a work offsite meeting with my team and we **used ChatGPT** to help us build out our mission, vision and strategy for the year. We put in some words and then we kept plugging it in and it spit out some words and then we adapted it and then we landed with a pretty cool vision mission statement for this year, for this fiscal year.

Ed Collupy

Excellent. Well, and the use of RELEX falls along with what we heard from most everybody last time of let's let our technology partners deliver something first and then we'll take it from there. So thanks. Appreciate that.

Raymond, you were with us last time as well. Any new AI things on your front?

Raymond Huff

Yes, we're using it to figure out how to **create marketing materials** that are relevant to i.e., Hawaii and i.e., office stores since we have stores very different there. We haven't actually implemented anything, but it's come up with some pretty good stuff. I mean it looks good. We'll see what the reaction is if we do put it out there.

For those that don't know, I also have a software company. We're using it extensively there too when we come across a new request. Okay, we need an API to talk to such and such, give us the base code for that and then we're using that, throwing it in there, and it's saving us hours and hours of programming time.

AI

Ed Collupy

Very good. Robert, I recall you discussing some innovative new ways working with some startups as well. Anything progressing there?

Robert Hampton

Yes. We've been **working with InStore.ai on the speech side**. They've got some cool things they're doing, some new reporting and analytics from the things that we're capturing in a couple of our test stores. But specifically back to some of the things Greg talked about, internally, I liked his checklist that he had of where is the data, what is the approach? And then **start where you have the cleanest data and the largest business impact.**

So we've been kind of focusing there, looking at our data lake, looking at the data and what makes sense and just starting with the easy stuff as Greg suggested, the plumbing-type stuff, blocking and tackling. And for our **support desk** we have our own 24/7 internal support desk compiling documents he referenced like an Ask Sam, but Ask Jacksons is about where do I find this information or how do I do this or things like that. So that's the approach we're doing internally along with the in-store AI stuff.

Ed Collupy

Very good. Jeffry, you've been on the road quite a bit. Has AI helped you at all with your travels?

Jeffry Harrison

I wish. We need a travel companion assistant or something like that, but no, it did help us in a unique way. So I don't know if I'm going to break the Team's meeting by sharing my screen for a second, but I'll try. Let's see if I can just select the screen. So check this out. Do you guys see that? [Shows screenshot of a black baseball cap with circular emblem on front: DAN THE Diamond Man, Chicago with a city scape visual and large diamond in the center.]

CTVG Views | In The Room with CTVG | The Future of Convenience Stores

Ed Collupy	Yes, it's a hat.
Jeffry Harrison	Yes, so our CTO Michael Resnick designed this. He's the best man in his friend Dan's wedding, so he designed this hat using an AI image, which was pretty funny. So we're always kind of playing around with stuff like that.

AI

	As far as commercially, we haven't really done a ton, but I know my buddy Scott Smith and I are going to be working on some new stuff later this year with Parker's, so I'm sure we'll get to try some new things here soon. But for now we've just **continued to dabble** I think like most of us right there, no full 100%, full steam ahead yet.
Ed Collupy	Very good. Well, thank you all for that input. I think I caught everybody that was at our meeting the last time, but if anyone has something they want to add to the AI discussion, let me know now. Raise your hand.
Ed Collupy	Okay Bill.
Bill Ridge	I know this is my first meeting, I'm supposed to listen the whole time.
Ed Collupy	Oh no, no.
Bill Ridge	I thought about this this week. I don't know if anybody knows the CEO, Jensen Huang, who's the NVIDIA CEO. I watched his keynote this week and they're obviously huge in AI. They produce the processors to make it all work. But the big thing that I see too, one of the bigger things is **AI is pushing hardware innovation**. And it's not just going to be AI. You're going to be able to use that hardware innovation for a lot of other things and it's also going to become cheaper. So the days of just processors being in machines, it's not going to go away. But **AI is pushing technology** into whole new areas just because of the hardware innovation. And that's all I had.
Roy Strasburger	He announced during his meeting that they're coming out with a new chip that's going to be twice as fast and twice as good as the previous machine learning module. So I mean, it's moving faster than I think people were anticipating.
Bill Ridge	Very.
Ed Collupy	Ted.

CTVG Views   **In The Room with CTVG**   **The Future of Convenience Stores**

AI

Ted Donley

Thanks, Ed. I just wanted to mention that the two things that I'm seeing and the company is seeing immediately that have impact in the convenience retail industry would be **AI for price optimization**. I can't imagine that there's folks on the call that are not looking at that. And then the other being **loyalty**, specifically, AI related to your customer base for the retailers on the call and the opportunities there to do **suggested selling or upselling** to customers based off previous purchases. So those are just two of the points I wanted to make. Thank you.

Ed Collupy

Well done. And just to follow on to something Bill mentioned regarding NVIDIA. I read an interesting rather long article this week from Ernst & Young and it talked about the whole computing power necessity and what that will mean from a kind of sustainability viewpoint as we go. So it'll be interesting to hear and maybe as we think about the future, and Tim takes us through stuff later on, we can have that as maybe a piece of that discussion. Chuck, I see your hand is up.

Chuck Young

Yes, I wasn't here but I want to pass on one really anecdotally. Interesting to note that Impact 21 was found as a [solution] provider by a retailer using ChatGPT to look for consulting services. And that has gone from an inquiry into a signed project. It's an international one, which is probably the biggest reason that AI was used. In the US I think we're known a little bit better. But anyways, that was very interesting. **AI brought us a prospect, which has turned into a customer**.

Ed Collupy

Wow, that's the power of AI, truly.

Raymond Huff

It's pretty good, Chuck. Buying you coffee next time I see you.

Ed Collupy

Well, thanks all for your input on AI in that lightning round. Please, keep us posted on how AI progresses on your end. And certainly, as many of you mentioned, AI is a technology that's in a startup mode and it'll continue to evolve in the years ahead. But it's only one of many technologies and operational trends being talked about in the convenience/mobility industry.

As 2024 got underway, futurists and retail-focused leaders were talking about high-tech solutions like industry-specific cloud platforms and augmented connected workforces, along with in-store merchandising opportunities to evolve their value proposition with beverage innovations such as craft fountain drinks and new flavors in food. And just as something that I picked up along the way, McCormick, the spice company, announced that its 2024 flavor of the year is tamarind.

So a little further on the future side, CTVG member Chuck Young, his colleague Rob Gallo at Impact 21 provided his thoughts as the new year began on the future by commenting, "C-store operators will tap into unified commerce or a more intentional effort to integrate their various tech software to ease customer experiences."

| CTVG Views | In The Room with CTVG | The Future of Convenience Stores |

Workforce

Electric Vehicles

Workforce

And just about every trade publication within our industry includes the reinvention of loyalty or loyalty 2.0 on their list of what the future holds. And you'll recall Greg Buzek's finding that supports this prediction. His research pointed to personalizing the consumer experience as a top tech priority among 61% of retailers across the many segments.

People remain a consideration on many prognosticators list of trends to watch over the next few years. The US Bureau of Labor Statistics, for example, reports that in the 10 years between 2022 and 2032, the **demand for skilled software developers will increase by 26%**, while it'll only increase by about 3% across all other occupations. This will drive, according to CB Insights, CIOs to pursue the design of employee experience initiatives that will reduce the time to competency in half. Related to the people side of the business, other experts predicting the future agree there will be a need to streamline the HR life cycle from hiring and onboarding to training and retention.

And the **EV question**, or maybe better put, the battle, continues. Some say the hype should die down while an industry leader on the topic says that in certain markets charges will be very important in the near future, but not so much in some other markets. While another believes the convenience energy retailers should be taking a more aggressive approach in determining what it means for them.

The research firm Forrester predicts "retail will be challenged by a number of factors ranging from store theft to culture wars." And adding, they expect retailers will grapple with which high-tech innovation investments to prioritize versus those that keep the lights on.

The *Convenience Store News* Forecast Study released late last year supports that prediction, finding that **30% of retailers ranked labor as the number one impact** to sales and profits while emerging technology was at the bottom of the 10 item list.

So what does this all mean for the emergence of next generation POS systems, expanding delivery services, addressing sustainability, retail media networks, and the new touch points that come along with that, or the introduction of added fresh products and all the other tech and operational improvements predicted to be part of our future?

So I want to turn to Tim Tang to take it away with the spirit I know he comes with to discussions just like these. He comes with energy, intrigue, challenges and questions for you, our CTVG members. So Tim, please take it away.

CTVG Views | In The Room with CTVG | The Future of Convenience Stores

The Presentation

Tim Tang

AI

Thank you. Thank you very much for those very kind words and it's a pleasure and a privilege to be able to speak to everyone today. As I was listening to your comments about AI, I too was not able to participate in the last session. But some of the things that really came to mind, I'll just share real quickly, are a couple of use cases that I thought have been really fascinating.

One would be at the board level. The scenario that was being shared was a situation in Europe where the regulatory [requirements] had changed, basically nullifying a business model that a company was pursuing. So, their business model was a prepaid model. You would buy a certain amount of credits and then you would consume those credits in the form of consulting and other services and those kinds of things. The regulations changed to the point where you were not allowed to do that anymore. And as I think this through, I may be mixing up my use case models, I think it had also something to do with the children. So it was basically kind of a use case of tutoring credits or something along those lines too as well.

So the board was stumped. Their CEO C-level execs could not figure out a way of how can they continue their business when it's illegal for them to charge families ahead of being able to use these credits. And **so they went to ChatGPT, they went to AI** and said, "We have a problem. The rules have changed. We are no longer allowed to charge our services upfront and yet we need the ability to allow our business model, our business model depends on families buying these credits in advance." And what was really interesting is they kind of posed the question. The response they got back was, "Well, have you considered a subscription model then? If it's illegal to do prepaid credits, have you considered a subscription model?"

ChatGPT basically solved the problem in a novel way that none of their experts and their leadership had ever considered. And so it was a very powerful tool in basically getting outside of the box, getting outside of the group think that the company was basically struggling with.

I would also say that where I see the AI being most used and having the most impact is in the, what I would call the **democratization of technology of data** to a large extent. And for many companies today, it's the business analysts that kind of rule the world in terms of their access to data.

Well, so many of the applications that we're seeing right now with GenAI and the like is basically being able to take that role and democratize it. Very similar to how you no longer need to be a computer programmer to get a computer to do what you want it to do, you no longer have to be a data analyst or a SQL expert to get the data insights that you're looking for. So you can have even an admin person, somebody even who's basically manning the front desk or even your help desk, field phone calls from your store manager, store operators in terms of, "Where's my inventory? When are the shipments? What should I be ordering?" A lot of advanced questions that you would need a business analyst to kind of gauge, you can now basically make it available to really anybody. So, that democratization of access to data and the ability to use data is going to transform as well.

And I thought, as I start to get into my presentation here, that I would share with you that perhaps one of the most interesting things that I've seen in terms of being able to characterize the impact of AI is this place, Upwork. So, if you look at Upwork, what that is basically **freelance jobs**. And so you can see the different kinds of types of jobs that they have: graphic design, web design, web development, but writing, social media marketing, video editing and production. So, these are all jobs that people can say, "Hey, I've got a video production job. It's going to be about 20 hours of work. I need somebody for 20 hours to do this work for me."

Well, what's really interesting now is when you see the kind of change since ChatGPT was released, suddenly all of these jobs for writing, all these jobs for social media marketing, customer service, translations have taken dramatic hits. And so what's interesting about this is you can **use freelance work** as a leading indicator for what kinds of jobs are going to be impacted by the generative AI type kinds of solutions and the like.

And so what's really fascinating is these are the early indicators. And now the next question is, when I go to ChatGPT 4, 5, 6, how many more of these are going to basically start to take a hit too as well? How many more of these, instead of paying somebody... And actually, when I look at McKinsey and some of the other consulting groups, what's really interesting about that is when you think about their work products, they will charge a business $100,000 or $150,000 for a work product, an analysis of a market, a forecast of a go-to-market strategy. And even some of these consulting groups

now are looking to say, "Do I really need to be charging $100,000? **Can I use these generative AI solutions for $5,000, $10,000, and generate a product that is 80% good enough?"** And basically open up a market that was previously really unavailable to them as well.

When you look at how the higher order thinking, the higher order analysis and evaluation, particularly in the consulting world, is getting to us… for $20 a month, that monthly subscription could do an awful lot of powerful things. And now begs the question of, "How many more of these engagements do I need and how much smarter is a consultant going to have to be in order to bring value to a problem too, as well?"

I also share the sentiment that Jensen Huang is one of my favorite people. I would tell you that I've been consuming and binge-watching all of his YouTube video interviews every chance I get because I think that not only understanding his story in terms of how difficult it was for him to build NVIDIA as a company, but also where he's taking NVIDIA. And he has provided some of the most thoughtful insights as to how to think about the future and how to think about the world. So, I encourage you all and would be happy to share with you some of my favorite videos, perhaps later on.

But moving on to the topic at hand, I was asked to give a small discussion here with regards to my views on the future, and I was very, very pleased and very privileged to be able to have this opportunity, I would say to you. Hopefully, you can see my screen very well.

I would start with, when I think about the future, I come at it with perhaps a different bent. Many times when you think about futurists, the quality of their ideas is measured about how outside or how novel or how different or how unusual or how tantalizing the idea can be, how entertaining that can be. When I think about the future, I have a whole kind of different attitude. I come at the future as someone who has been involved with losing millions of dollars to the future in multiple initiatives because we were too early or because we made a prediction that didn't pan out exactly the way we thought.

Mostly, it's because the timing was off. In other cases, it was because it was the wrong idea to be at. I come at the future with a lot of baggage, personal baggage. I look at the future and I start to see how, while as exciting and tantalizing as it can be, it can also be very unforgiving for those who don't treat it seriously or don't understand the limitations of the forecast and the like. And so, I've learned the hard way, multiple times, in a variety of different initiatives of what it means and how expensive it can be to be wrong about the future.

Learning from the Past: ROW Five Years Ago (Video)

Technology

I'll tell you, one of them was a million-dollar initiative that we did in Europe, specifically around the c-store industry, around using it -- and we're going to talk a little bit about it today --- as a distributed platform of services. This was over 15 years ago. So, think way back then. And looking at the ideas that are pretty commonplace today, Amazon Go Lockers and those kinds of things. Back then, we were thinking FedEx drop off points and the like. But these were ideas that were very difficult to execute 15 years ago. It'd be very interesting to revisit them again.

But anyways, the short of it is that when I look at the future, I'm very critical of it in terms of trying to understand where are the differences. What's really interesting to me is the parts of the future that we can operationalize, the parts of the future that we can take action on now and actually have a reasonable idea of a reasonable expectation of some business impact too. And so you'll see some of that in this discussion as well.

I thought I'd start with just this short video [Editor's Note: videos referenced are all hyperlinked on the slides at the end of this report] I'm not going to play it all, but this is just a peculiar kind of thing. I think China is pretty interesting in some of its ideas and some of the thinking that it has. As you can see, you've got a little sensor that you're putting on the heads of kids, 5-year-olds, and you're kind of gauging, "Are they paying attention in this class or not?"

A lot of the innovations and a lot of, I think, the new things that we want to see in the future, and for many of you, I believe you're also participating in Conexxus and some of the trips that have been made to China and other places, to see what the future would look like. But what's kind of curious about these kinds of solutions is this is not new. **A lot of these technologies,** a lot of these solutions that we're thinking about and the like, have been in play for five, 10 years. What's interesting now is how not only other countries are using them, but how, we here in the U.S., are thinking about how we use them too as well.

And I think one of the important things that I think about, particularly as it relates to the future, is we don't get to define, at least not independently, our own ideas of how technology will be used. And so while many may have very strong ideas about how AI is to be applied or not to be applied, it needs to be done in the sense of even if you were able to prevent people from doing certain things with AI, it's quite sobering to realize that you can only, at best, maybe control what happens in this country. You have no rights as to what happens in other countries that are actually quite hostile to us and their use of AI and the like.

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When you think about **AI and machine learning**, what's really shocking here is one of the fundamental principles when it comes to AI is **the one with the most data wins**. You think about why is Walmart so successful with their initiatives and data? It's because they've been collecting data decades before everybody else. Even before they understood what they wanted to do with it, they were collecting the data. And now that we are in a world where basically AI, ML (machine learning) solutions, software as a service and do-it-yourself solutions are readily available, now they're able to take advantage of their decades of collection of data. When we think about other countries in contrast to ours, one of the most fundamental differences between Western and Eastern countries is the right to privacy. And you don't have that in a lot of Asian countries. It is quite the opposite, actually. And it's quite normal for the government to know everything about you. And again, go back to the fundamental principles of AI and machine learning. The one with the most data wins and has the more intelligent, the more accurate, the more predictive capabilities because they have more data simply to work with.

And so it's something to think about and a little sobering to realize that, "Hey, when we think about the future, it's not just about novel technologies." There have been novel technologies for a really long time. The question now is, what are the applications of these novel technologies and where do they actually make a meaningful difference?

In preparing for this, Ed and I were having these discussions about when we think about the convenience store, the value proposition for the convenience store, in a large part, **is it's a place that's convenient**. It's a place that where you're on your way to work, on your way to an event and the like, you can stop by quickly, grab something, and meet an immediate need, an impromptu need on the way. As we think about the idea of convenience store and the shift to the focus on convenience and the escalating expectations that consumers, the question now becomes, in the future, when we think about the future of convenience stores, one of the key drivers of understanding what's real and what's not is these escalating expectations.

And so when the consumer can get anything they want within an hour, how interested are they going to be or what are their values or what will be the drivers for their visits into the convenience store and the like? And one of the things that I do find that is always interesting and always quite compelling is the novel thing. The one thing that convenience stores today have, over all of their other competitors, over the dollar stores, over the grocery stores, over the QSR's and the like, is that fuel traffic.

Principles: From "Convenience Store" to "Convenience"

"On the way"   "Within the hour"

Opportunity: Increase fuel/retail conversion

Customer Engagement

And so when I think about the future of the convenience stores, I'm thinking primarily about what are those technologies? What are those initiatives? **What are those business models** that are going to be able to drive that fuel to retail conversion? If we acknowledge regardless of lots of debate about the timeframe, but there is demand destruction, regardless of it's just a question of how long and when. If there's fuel demand destruction, tobacco demand destruction as well, then **how do we increase that conversion from fuel to retail?**

We've been sitting at, what, 30% of fuel patrons actually going into the store? That was the statistic when I started my career in the c-store industry about 20 years ago. And it really hasn't moved. It hasn't improved all that much. We're still sitting around that. And the question now is, if that is the superpower of the c-store, that fuel traffic, that QSRs, dollar stores, and grocery stores don't have, then how do we leverage that competitive advantage to drive the business of the consumer?

When we think about fighting for that consumer and earning that purchase, the question is, where does the fight for the consumer begin? We can say, "Hey, it's about what we see on site. The customer is there, they've pumped a full eight gallons of gas into their car. Let's see if **we can entice them** with some Gas Station TV (GSTV) or those kinds of video advertisements that come into the c-store." Or we say, "It's not just at the forecourt, but it's when they're in the car, we want to prompt them and say, 'Hey, did you know you're about to drive by? Can I get you to come and get your cup of coffee in my store while you're refueling your car?'"

Or do we go into the apps themselves, the Upside and the navigation apps or the fueling apps and the advertising there? Are we fighting for the customer before he gets into the car, and actually even when he is just on his phone or her phone and thinking that, "Can I throw messaging there to get them to come to the store?" Or does it go even into the wallet in their payment methods, that when a customer is thinking about making fuel purchases and has a preference or propensity to use Venmo or PayPal, that they're going to choose the place that they go to based on who's going to accept their form of payment or their preferred form of payment? Or do we back it up even now to online experiences or even subscription experiences or these kinds of date-night passes?

The idea and the thinking here now is when we think about the future of the c-store, when we think about, "How do I increase the fuel to retail conversion?" We want to be thinking about, "How do I fight for that customer and how do I move the fight earlier in the journey?" Because the earlier I am in the journey, the more likely I am to win the fight. And the later and later I wait, the fewer opportunities I'm going to have, potentially, to earn that conversion and the like.
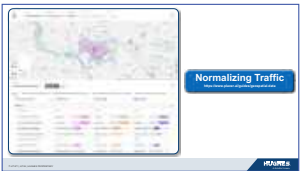
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Economic Stress Increases Retail Precision

Normalizing Traffic
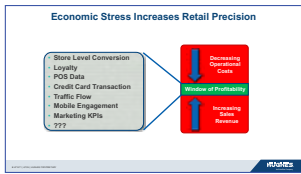
I am keenly fascinated, as I think about these trends, in part because we are dealing with very difficult economic conditions. There's a labor shortage going on, inflation, the cost of operating a store is going up. Look at the fight for labor. The costs are all going up, and the customer in this environment, in this kind of chaotic economic terms, their wallet is shrinking too as well. And so what that creates now is a very narrow window of profitability.

If we go back pre-COVID and the like, and things are fat, you can be a little sloppy and you'll be fine. It doesn't really matter. You can operate a c-store —there's enough fat in there, if you will, to live quite comfortably. But as the operational costs keep rising and the sales keep shrinking, then we've got that window of profitability that depends on our ability to decrease those operational costs and increase the sales.

And I think as I cast the problem in this kind of fashion, this then kind of shifts my focus on, "Well, what allows an operator to run their stores with a higher degree of precision?" And that naturally just gravitates me toward a lot of the **data analytics** and the like. And so when I think about the future of c-store, I've been focusing a lot of my energies and attentions to saying, "How will c-store operators grow or mature or **use data in new ways** in these next coming years?" There's an enormous pool of data that everyone's sitting on top of, and everyone, in many cases, is struggling to figure out, "How do I get value out of it?" And it's not necessarily a simple question to answer.

When I think about future trends, a lot of my principles stem from looking at other industries that are ahead of c-stores. I have more confidence in my thinking about c-stores, specifically, because I know that there are certain industries that, from a technology perspective, tend to lead. And when I say c-stores, I'm not saying all c-stores, but I am saying as an industry, as a body at a macro level. There are certainly exceptions to the rule, but at a macro level, the c-store industry lags a number of other industries, lags restaurants, it lags retail. And so, by looking at restaurant and looking at retail and understanding that for the future of c-stores, and you've seen this in the SOIs (State of the Industry Reports), the **profitability is in the food**. And so it's going to put the c-stores on a crash course straight head-to-head with the QSR industry.

And so I studied the QSR industry to understand how are they using technology, and more importantly, **how are they using data** to drive their business and the like. And I think some of the keys that come to mind are, what data sources are you using to understand your business? It goes back to this, "How do I understand that narrowing window of profitability? And more importantly, how do I understand how to operate within that with greater precision?" And a big part of that

is understanding what business potential is possible, is understanding how much traffic is coming through that area, and then understanding, "How am I performing in comparison to that?"

I look at my month-over-month sales percent improvement. Is that good news or is that bad news? Well, if everybody else in that area has experienced a 15% or 20% improvement, then my 5% improvement is bad news. I am not keeping up with the business opportunity in the area. And that means there's a need for some meaningful interventions in order to understand "why is my business not performing like the other competitors are in the area?" If I have a 5% drop in my business, is that good news or bad news? Well, if everybody else in the surrounding areas experienced a 15% or 20% drop, then my 5% drop in month-over-month or week-over-week sales, it's actually good news. It means that my stores are doing their jobs, they are operating in a level of excellence above their peers, and I don't need to change anything. I need to keep doing what is working.

You don't have these levels of insights just by looking month-over-month or week-over-week comps. You need context for understanding that. So, normalizing data, I'm showing you here some of the companies that I'm really interested in that actually do a lot of this kind of work, this particular one happens to be Placer.ai, and there's a link there that you can learn more about it.

The other thing that I would throw out here is -- this is from Marketing Vitals —it is a sample of **how competing industries are using their data**. What does a robust use of data look like? Well, if the convenience store industry as a whole is going to experience greater profitability in hot prepared foods, well, it's going to have a head-to-head fight then with the QSR industry. So, it begs the next question of, how do you compete with the QSR industry?

This is a very good example of the data that the QSR industry uses to basically understand their profile, their customers, their customer behavior, their traffic, their loyalty, understanding the new guest rate, the new return rate, and the like. So, if the convenience store industry is going to go and fight directly with the QSR industry, it now begs the question of, what kind of data competencies is the convenience store industry going to have?

And so as I look to the future, most c-stores, again, a macro level observation from somebody on the outside just looking in, are sitting on an enormous amount of data and struggling to figure out how to use it. They're going to be competing with an industry that has rapidly developed some meaningful skills and being able to use their data, operationalize their data, and convert them into actions to improve their business and the like. And so it begs the question now of, when I


Data Analysis

Data Analysis
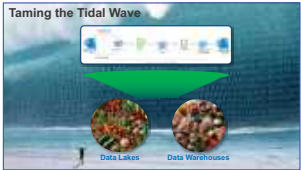
think about the future, particularly for the next two years, I think the front line of the **fight is going to be here and how you ingest data, collect data and use data and operate with data**.

Data is difficult. It's not a small trivial thing. I've seen many, many retailers try to get their data. **It's a fight just to get your data into a clean format** that you can normalize and actually be able to use. And I think some were mentioning already, initiatives that they were doing with their data lakes and their data warehouses and the like. I think I'm spending a lot of my attention and time here looking at this space, and here I'm saying, "What's the easiest way to operationalize data so that we can go from sitting on mounds and mounds of data and being able to now understand how do I more effectively operate my stores so that I can achieve the business results that I'm looking at?"

And I think these technologies, these services, **analytics as a service** and the like, there's a whole little boutique industry that has popped up, trying to help small-medium businesses be able to be more effective in their use of data. And this to me is fascinating. When we think about what ChatGPT is doing for the consumer, it's really interesting to see how these analytics as a service now are helping these small-medium businesses punch above their weight and actually compete with larger enterprises who, by the way, in many cases, are also struggling with their data. Just because you're big doesn't necessarily mean you have everything figured out. I've seen a number of very large institutions fight with very fundamental problems with the silos of their data.
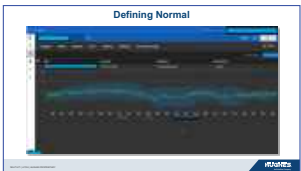
When you think about data, just some principles for you to think about. The challenge is always to figure out what's abnormal -- what's normal, I should say. The reason why... the one I made the comment on earlier, **he or she who has the most data wins when it comes to AI and machine learning. The reason you win is because you understand what's normal.**

The trick to AI and machine learning is not the green on the slide, being able to say, "What's going on in my business right now?" The trick to AI and machine learning is being able to define the blue. How much of this is normal and what's not. Being able to say, "Oh, this is normal, the shade in blue, and when something like this gets outside of normal, I need to pay attention to that and I need to do an intervention."

So, when we think about how to be successful in AI and machine learning, I would simplify it to saying, do you have a **process or an ability to understand what's norma**l for your business? Because if you don't know what's normal, it's very difficult to understand what's not normal and where you should focus your limited resources for intervention.

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Strategy

Delivery

When you have a good understanding of normal, then you can say, "It's here. It's over here that I need to spend time and figure out what's wrong with my business. Why am I above what's going right? Why am I above the norm? Or what's wrong with my business? Why am I below the norm?" And the like.

As I think about where this is all headed now, and I made the comment a little bit earlier too as well, you combine what we are getting now with AI and machine learning, with the democratization of being able to utilize data saying, "Hey, a call center technician, a help desk technician, somebody with no business analyst expertise, no SQL expertise, no coding expertise, can use these kinds of insights to basically drive the business."

And so then the question now is to say that, "Hey, if I can start to understand and start to develop patterns of intervention when these guys get phone calls, how they solve the problem and understand the data behind those problems, now I start to create a context for an automation and ability, basically, to intervene and increase the capacity of my business to serve orders of magnitude at scale."

So, you think about it, now I can do an order of magnitude, more business, in terms of providing services to my stores and the like, with the same resources as long as I have the right insights to collaborate with. And so the key thing here, this is a huge area of focus for us right now because we are eagerly looking to drive down our costs by automating the troubleshooting and **automating the solution** and resolutions to the problems before, in many cases, managers do.

Some comments specifically for the next two years of the c-stores. And a lot of this has already started to happen, and even I think there's a work group right now with Conexxus that's going on, focused on the **delivery services** and integrating with them too.

What's really remarkable to me is that I do have the privilege of attending lots and lots of conferences in the restaurant industry. And I will tell you, for the past five years, that entire industry has shared a collective hatred for these delivery service providers. They can't stand how they feel that the business model is destroying them. It's too expensive to pay them 25% of the ticket, and yet they have no choice because this is where the consumer wants to engage. This is where the consumer is, this is where they have access to new consumers and the like.

So, it's one of the most shocking things to me that these platform providers are getting away with 25%, 30% ticket charges for transaction fees and the restaurants have no choice but to participate because this is where all their customers are.

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And yet, at the same time, what's also very shocking to me is they're not profitable. They're struggling even with these higher fees. And so it's not going to change anytime soon. It's not like they're charging 25% because they want to. They're charging 25% because they have no choice and they are struggling with profitability.

But this goes back to the idea of data then too as well. And what so many restaurants still, even though they resign themselves to using these delivery service platforms, they're not realizing that the only way to sustain this is to convert these third parties into first party deliveries. You don't get customer data, you don't have control over the experience. **You use these guys to get your customers**, your new customers, your new prospects, but then you need to convert them.

The second part of the strategy of using delivery service providers is to convert them into first party customers because otherwise you're not going to have their data. You're not going to have control of the brand experience, and you don't even know who the customer is. It's not your customer, it's their customer, and you just happen to be servicing them too as well.

I've been thinking quite a lot about the c-stores, and this is maybe an old idea that I'm revisiting just because it didn't work 15 years ago, but it does seem like it starting to reshape and the like, but it's looking and starting to **look at the convenience stores as a platform**. When you think about the c-store industry..

[Editor's Note: Due to a technical issue, Tim's commentary and his presentation were cut off. The group proceeded with discussion of what had been presented up until that point. Tim later joined in on the discussion.]

Click here to view Tim's complete 20 minute presentation.

Strategy

Multi-Retail Marketplace Platform

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The Discussion

Roy Strasburger   Okay. This is a good presentation.

Eva Strasburger   Yes, there's a lot of valuable content.

Ed Collupy   He did share with us a bunch of research and clearly he's paying attention to all kinds of things going on in adjacent industries, which I always find to be fascinating and eye-opening and a place to keep our eyes and ears on as well as an industry. So why don't we just go around the room a little bit and see what your thoughts about the future may be. Do they match up at all with what Tim was talking about and how are you thinking about the future at your companies? Does anybody want to get us started on that or have a reaction to something Tim said that maybe you want to challenge the group with or challenge Tim with when he comes back?

Eva Strasburger   It's interesting Tim didn't talk about the EV aspect being an issue with taking away that 30% of customers coming in for fuel, which I'm sure he's very aware of.

Roy Strasburger   I think he alluded to that in the demand destruction that he generally referred to.

AI   But what I thought was interesting is that he was talking more **using AI to find out when you're outside of "normal."** I thought it was interesting because we're all kind of in our own bubble of doing things. We know what's happening inside the bubble, but we don't always know what's happening outside. And for me, thinking about using AI was much more about promoting where we're going or what we're trying to do as opposed to seeing where we are in relationship to others, whether it's good or bad. And whether we need to fix something or take advantage of the difference from a marketing point of view.

Raymond Huff   I thought he had a great presentation. I love the slides and the way he presented it. But something recently happened in Colorado. We opened a Buc-ee's. And for those who know what a Buc-ee's is, you sort of know. So we went up to see this thing and we had to park four blocks away from this Buc-ee's. And remember, they're along the highway, so we're talking a good ways away to walk. This place was packed. And they have sort of figured out how to make people come into their stores and buy their food products and all the other products that they sell. Tom's impression, he's my second in command, when he walked in there, he said, "Oh, it is a small Walmart type thing." So they've sort of figured it out.

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	And I think that the industry will sort of figure that out too. We're going to have to find a way to be relevant. And by the way, we travel 40 miles to go see this Buc-ee's along the highway there. Go ahead, Roy.

Roy Strasburger   I was going to say, being from Texas, which is where Buc-ee's is from, one of the things that's really fascinating to me is that Buc-ee's does all of their business without posting any fuel prices. They do not have prime signs or **fuel pricing**. And, from anecdotal information, they seem to be doing more **real-time fuel pricing** at the pump based upon what demand might be. It's a really interesting aspect of how they're doing the business - they don't promote their prices so nobody knows when their prices go up or go down. And so, they can be much more in control of fine-tuning, maximizing their profit margins or being competitive when they need to be.

Eva Strasburger   I've heard that Buc-ee's sells items on consignment, especially the larger items in their inventory, the items that are on display outside.

Roy Strasburger   Yes.

Raymond Huff   I thought that in Colorado you had to post your gas... I don't know.

Roy Strasburger   I haven't been to the one in Colorado, but in Texas they don't post.

Raymond Huff   No, no, no. They did not have the sign-up, which we thought was really interesting, but they had a lot of cars pumping gas.

Ed Collupy   Yes, go ahead Paul, share what you had there.

Paul Kern   I'm in Texas too. Every time I go by them, I say the same thing. I believe with some of them I've seen small signs put in very unusual and inconspicuous places in order to meet requirements. They still have some old small sites that are a little different, but at their large sites they go out of their way not to make their prices obvious, for sure.

Ed Collupy   Nick Peters. Welcome.

Nick Peters   Yes, thank you. So a few points to the Buc-ee's thing. I don't think it's that they make it a point to hide their pricing, I just don't think they care and that's okay because of their go-to-market. What I think they're really good at is delivering an experience. And oh, by the way, you can get gas there too. So just kind of wanted to pony up the Buc-ee's approach because they're not a gas station, they're a mini-Walmart that sells gas.

To Tim's point, I got a few things here. I think number one for me is I think he hit the nail on the head when he was talking about **data and specificity** as it pertains to knowing what data you have and just as importantly what you don't have. Knowing how to and figuring out a way to normalize it and taking it down that path to completion.

And what I think is important here is to his other point about data brokers: **data analysis as a service**. I think that's important because the one thing that I haven't heard here today, which did kind of catch me off guard when we were about AI, nobody talked about site **prospecting and site evaluation** and all the cross-hatching that can come along with it's no longer just about that box has that much traffic anymore. It's that box has traffic when there's a Starbucks less than two miles away and there's a Walmart within a mile away. And oh, by the way, there's a do-it-yourself car wash less than two miles away. It's not just looking at gasoline data in a bubble to that comment that was made earlier. I think it really is the **cross-hatching of all those different data sets** and figuring out how to read between lines, if you will.

Ed Collupy

And Nick, I know you have another point, but just to follow on that. Tim's slide where he had the map and it was from Placer.ai. That's what they do, that's one of the things they do, they look at where it's best to place sites and stores.

Nick Peters

I agree with that and we candidly have been looking at them, as well, and you're dead on the money. And that is one of the things that's interesting about those guys... is figuring out how to talk to the big data guys. And then what I think their claim to fame too is their UX (User Experience) and how easy their UX is to try to get to that question. But I do think Tim brought up another point, to take another second here. He really talked about the **car experience** and what drives that experience and I think there's a few things that come along with it. And I think Eva brought up a good point about nobody mentioning EV. Driving a car in 10, 15, 20 years from now is not going to be the same experience, I don't care if it's ICE or EV or hydrogen or whatever, it's not going to be the same experience.

We've also got a lot of generations that are just not interested in the driving that many of us on the call were, because I think many of us on the call today saw it as a sign of freedom and I just don't think the younger generations visualize driving as that sense of freedom anymore because of all these on-demand services and things like that. So fighting the in-car experience and to Tim's point earlier when he made the comment, "Getting to the customer sooner." I don't honestly know if I necessarily agree with getting to the consumer sooner. I do think it's a question of whether or not advertising and bigger players in the space are going to be able to smother your ability to communicate to the consumer. So just kind of want to put that point out there too.

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And in closing, about the competitor's aspect. Tim brought up the comment about why your pie is getting smaller. The pie is not getting smaller, there's just more competitors now in the space. It used to be, to his point about gas, we had this unique scenario of where we have gas and so we drove demand to our locations. **EVs are opening up a world** where it doesn't have to be a gas station anymore. So you've got restaurants, you've got Starbucks, you've got all these other players getting into our business now. So it's not that the pie got smaller, it's not that our sales shrunk, there's more competitors taking that pie from us. So I do think his comment about competitors and context mattering as it applies to sales is relevant. So just wanted to put out a few points there because I thought that was a lot of really good information.

Ed Collupy

Really, really insightful points there, Nick. So thank you. Chris, I see your hand up but I want to just follow on with one thing that Nick said about the driver in the car experience. Rance, if you don't mind, I'm going to put you on the spot for a second. Rance and I were recently at a supermarket gas station forecourt where we saw kind of the future, what's likely to be what the future of dispensers are looking like. And we had some discussion while we were there with the group about how does the vehicle end up tying in with this new dispenser experience. And do you recall how that discussion went?

Rance Wells

Yes. We got the opportunity, a group of us, to visit with one of the major players in pumps and talk to one of their main engineers working on the project. And they're open to integrating with anything, with the car manufacturers, with having the ability to call ahead, order from the pump, all of those things, **personalize that experience** to whoever's filling up. At some point in the future, your car pulls up, it's going to show you **customized content** based on your sports team, how they did last night, on the weather, on where you're headed in your car and all those other things. Also, payments and other things inside there. It was very interesting. Big displays, big bright displays, user-friendly, if you're really short you could use it or if you're really tall, it could customize to you all kinds of things inside there.

Ed Collupy

Thanks, Rance. Chris?

Chris Egan

All right, just curious if anyone else is having this issue, we looked at Placer.ai and one of their competitors. And we talked a lot about data, that's really true because one of the things that we saw is **we got some really bad data back**. We had a challenging site that they looked at and they told us that the driving customer was making over $100,000, had a family of four driving a luxury SUV. And we really had to fight with our marketing team to say, "This doesn't look right because it's a very slick interface and it's new tech and it's AI." And I don't know, maybe a word of caution or just curious if anyone else has run into that, this **false sense of security** that if it looks slick and it says AI, it must be right.

Ed Collupy	Who has a thought to tag along with Chris. Nick?
Nick Peters	Hey, Tim (Tim Tang rejoined the meeting at this point). I will say this, Chris, we came to some of the same conclusions. And to the point, one of the reasons why we didn't proceed forward, and I don't think that's necessarily a slight against Placer.ai, but you nailed it when you said some of the data, to be generous I think, is a bit stale. And so we definitely saw some things where we were challenging some demos. And that's why I agree with you in the sense that there's some other players in the space. But I will say this, I think many of these data analysis vendors that treat it as a service are also getting all their **data from many of the same brokers**. I think it's all the same data source, I just think it's different people, if you get my hint. So I have seen exactly what you've seen and I agree with you.
Ed Collupy	And Tim, welcome back. We're going around the room. There have been some great comments regarding your presentation and your thoughts that you shared with us. So I'm going to continue on so we hear from more of our members. Steve Evans, you were next.
Steve Evans	So I was tacking on to what was being said about some of these location services, it's definitely a data thing, right? We've certainly seen similar **results that were questionable.** But I think it really gets into, what Tim was saying, who by the way, Tim, I could listen to you all day, that was awesome. So I don't know why, we should just let you go on. **It really is about the data**, right?
Eva Strasburger	Maybe we can have Tim do a quick summary of what we missed after Steve's finished.
Steve Evans **Data Analysis**	So I think over the course of the past couple of sessions we've talked about AI, machine learning, it's all about pattern recognition and it really **gets down into the data**. And I admit I've got some smart people on the team and I'm not a slouch, but we struggle with **how are we going to harness what we actually have sitting in all these databases**. Probably what we were saying, "Hey, Walmart collected stuff for years." Well, we've got probably everything we need, but figuring out how to harness it, make sense of it, get the tools to process it, that's definitely a struggle that just in IT we recognize. But I think the business as a whole inside the halls of Haffner's, we're starting to recognize that becoming very literate and very skilled and not just data analysis, but just handling, is something that we need to get up the curve on.

CTVG Views | In The Room with CTVG | The Future of Convenience Stores

Tim Tang
One thing I would just offer to you there is I pay a lot of attention to technology providers that actually come out of the industry because inevitably what happens is they put their understanding of the industry into their solutions. So I don't know if you saw it or not, but one of the solutions I was showing was an analytics profile from a restaurant industry. The guys who built that were 40 years in the restaurant industry.

Ed Collupy
Yes, we saw that.

Tim Tang
So when you use their product, you've got 40 years of expertise now showing you how to use data the way they would do it for themselves. So my encouragement to you is that it is hard. A lot of people have dumped tens, hundreds of thousands of dollars in the data and have not been able to move the needle one way or the other. So just because you invest in it doesn't guarantee results. And it does become a question now of well, then who do you collaborate with or what kind of expertise do you need in addition to the data, in addition to the technology?

Ed Collupy
Go ahead, Roy.

Roy Strasburger
I think that's a really good point, Tim, in that it's really important to find people who have the understanding and the experience in the industry because it seems like a lot of technology companies are offering a solution without knowing what the question is. Or they've got an answer, but now they need a question, whereas somebody who's been in the business knows how to apply it and get some actually helpful results from it.

Tim Tang
And another alternative is just to **co-create with them**. So if you can't find the solution you're looking for, then the next best thing is to find somebody who has that expertise. But you bring the business expertise, they bring the technology expertise, and you have the right expectation that we're going to work together in order to build this solution. I've seen that done many times very successfully too as well.

Strategy

Community Involvement

Ed Collupy
Tim, I did see in your presentation —because I had a preview of your presentation I have that advantage over the rest of the team —you were wrapping up by a comment regarding **community**, and I think it ties back to a comment you made early on in the discussion around **consumers and their escalating expectations**. And I wonder how we all think about the consumer, the communities that we serve, the communities that the particular store is in, and how we are meeting those expectations. Some of which I think go to the comment about convenience beyond the convenience 'store' but being convenient. So I don't know whether you have a thought on just how you were going to wrap up with that community comment and tie it together.

CTVG Views | In The Room with CTVG | The Future of Convenience Stores

Tim Tang

The closing was really just to say that we know that fuel, there is demand destruction taking place, right? Fuel demand is declining, visits to the store are declining and tobacco demand is declining. And then we know that the superpower of convenience stores, is their footprint and is their closeness to the community. And so now the question is, if these major parts of the business are on a long-tail decline, you don't have to worry about it tomorrow, but five years, 10 years down the road, then what do you do over the next five years, 10 years to reinvent yourself and the like? And so I see the c-store, because of its closeness to the community, becoming that place now, where it's a place of socializing, a place of learning, a place of even additional value added services. There's new technologies now that can really create new opportunities. The convenience store really becomes a **platform by which now you can engage and serve the community.**

And I think now the question is what are those services? What are those capabilities that we can bring to bear? One of the novel ones that I'm thinking about that I think would crack the model so to speak is what if the c-stores were the ones who provided the infrastructure, the network infrastructure for some communities that just don't have access to broadband and the like, we still have so many communities, rural communities that are struggling to get **access to broadband**. What if c-stores were the ones to kind of intervene themselves? See, you think about it. When you have end users and content or premium content, somebody has to pay for the premium content. And it's either the end user or it could be a third party, the c-store in between. **The c-store can be the bridge**, the c-store, because of their motivation to cultivate and create an audience on their premises could be become, could monitor, could be able to use the end user's desire for access to content. And so I think there's some new business models to be thinking about on that front.

Ed Collupy

Roy Austin, you mentioned about your involvement in other countries off the coast of the U.S. Do they have that internet problem? And is that anything that you folks would ever think about of being that intermediary for the community?

Roy Austin

It's really hard. I mean, we just went through that in Jamaica with the POS conversion where they were getting the top speed of 1.2 megabytes on a circuit, which is not very good for doing mobile payments on, let alone a cloud POS platform. The issue is just, especially out there, everything pipes back to Miami. So no matter where you're at, you have to run through Miami for all of your ISP technology to work. So in Bahamas, we're looking at Starlink, but the issue with Starlink, because you don't have technicians and you don't have business SLAs (Service Level Agreement), it's really a consumer product that they're trying to sell as the all-around option. But yes, we've definitely looked at everything

CTVG Views | In The Room with CTVG | The Future of Convenience Stores

	we can, especially even in Canada, the remote places up in the territories up there that we have two combined 5G connections, that's the main internet is using a GoCo router with two 5G connections, bundling up the speeds to try to get up to some things affordable up there.
Tim Tang	And I would take it even one step further, we saw in a lot of disasters, floods, hurricanes, and the like. The c-stores are the focus of the response. They are the first businesses to come back online even before the restaurants in many cases. And you think about what they do, they have generators, they have fuel with even satellite technologies. For FEMA and the others, they're the first places that are able to actually get back online in many cases to serve the community. Well, with private 5G technologies, these locations can now can be **beacons of providing internet services** to two miles out, five miles out and the like. So not just serving their needs, but the whole community's needs as well. So we really want to be rethinking how we think of that. How do you leverage its closeness to the community and its enormous footprint of 150,000 locations across North America.
Robert Hampton	Ed, we saw that in our study group. One of our members during the flood had that exact issue and they were one of the first stores to open and serve the community.
Strategy **Ed Collupy**	That's right. I think there's a realization of how important the industry is to the community and really who as an industry you all serve. And I think Tim's novel idea of can the **c-store be a hub for providing internet connectivity** to people around it? I think it begins to begin to also look at **how does the industry expand services** or do additional things in the face of declining categories like cigarettes and the eventual transition of fuel from ICE to electric vehicles.
Customer Behavior **Tim Tang**	Yes, you were talking about how data is inaccurate or data is suspect. One of the other things to think about is that there is a lot of interest now in understanding, **gaining a deeper understanding of the actual activity that's happening in the store.** So more and more stores now are wanting to count how many people are coming in the stores, how does that compare with the point-of-sale transaction. It's really that desire of saying what is actually happening in these stores and how do I understand the business operations and the like. And I see this across multiple industries too, particularly the restaurant as well as c-stores. With the advent of new IoT devices and the like, saying, well, now it's cheaper, easier for me now to get additional data streams of how many times the bathroom doors open, how many people walk into the store, how many times is the freezer door left open for extended periods of time and to catch those kinds of operational issues.

CTVG Views	In The Room with CTVG	The Future of Convenience Stores

Ed Collupy	Eva, go ahead.
Eva Strasburger	Several years ago, Roy, Myra and I introduced NACS to Team Rubicon, a disaster response group. Team Rubicon says that the Red Cross looks after the people and they look after the property. And the idea was of **making all the c-stores be a center for disaster responses** so that people, like Team Rubicon, could go and have showers there, use the toilets, get coffee. On another note, in the ice storm we had a couple of years ago in Austin, we were given awards at some of the convenience stores we ran because we were the only ones that opened to fill the fuel trucks and the fire brigades and help those people. Connecting it all with disaster response teams using the c-stores was exactly what Tim was just saying.
Tim Tang	When Hurricane Sandy hit FEMA and PEMA (Pennsylvania Emergency Management Agency) were using the c-stores as an indicator of recovery —they would get daily reports from us saying, which c-stores you see turned back on. And that allowed them to track how the whole region was recovering from Hurricane Sandy.
Ed Collupy	Chuck, I wonder if I can call on you just to ask how you see clients looking towards the future and what kind of advice you often provide to them on how to prioritize.
Chuck Young	Well, certainly the second part is almost as important as the first part, Ed, right? Which is **how do you prioritize** based upon all the business needs that you have? As we know, and we're about to get to the SOI presentation here very shortly, where we will see, and I think they put a teaser out about how direct store expenses are going to be highlighted in this SOI, which tells us that they've become even more of a concern for the retailers. And I'm watching Nick shake his head yes or nod his head yes. So I'm sure that's the case. But it's a twofold approach, right?

It is **managing the capability and ability to move forward with additional technology**, whether that's shared Wi-Fi at the store, whether it's adding more food, whether it's alternative fuels and all alternative fuels, not just electric. On top of the need to how do I create some separation in my marketplace because my food offering is better than my competitors, or I have a wider variety, or I have the ability to keep them on site for that 20 minutes as they charge their vehicle and give them something constructive to do or facilitate their capability by allowing them to be on a separate channel of WI-FI or something like that.

And it's all about the priority per retailer, and it changes with every retailer. So it's a discussion everybody needs to have. And the other thing I'll say, and this is an Impact 21 thing, if you will. But we believe **those discussions are cross-** |

Strategy

Strategy

CTVG Views   **In The Room with CTVG**   The Future of Convenience Stores

functional within the organization. It's not just an IT thing. It's not just a marketing thing, not just an ops thing. They should all get together and discuss these at the same time.

Ed Collupy   Thank you. Appreciate it. Robert, Chuck mentioned SOI, and I know you're going to be a panelist and are probably in the prep stage of some of your remarks that, again, knowing that your topic is going to have some forward-thinking in it, do you have some thoughts on what you're going to say that you want to share with us ahead? Give us a trailer or preview?

Robert Hampton   Yes, we're just starting to put that together. I was just put on the panel a couple of days ago and we met for the first time. It's going to be around what can smaller retailers do immediately or what technologies should they be looking at right out of the gate that can help with some of the optimization. So looking forward to be talking about that. I don't have anything right off the top of my head I can share with the team, but will shortly, so looking forward to it.

Ed Collupy   Fair enough. Jeffry, you meet with a bunch of different retailers and have your own future outlook for your own company. What are you hearing that's either challenging you and your team that folks are asking for or what you feel the future's going to bring?

Jeffry Harrison   Yes, I mean the biggest value I see right now is, everyone I'm sure here at least 80% of you have used the Starbucks app in some form of capacity, I would guess. And okay, maybe not Chuck, he's part of the 20%. So Starbucks has a really good effective program where they use a concept called **stored value**, which allows you to basically load money on. And a fun fact is Apple Pay is the number one **mobile pay** vehicle in the United States, and number two is Starbucks Pay, and number three is Google Pay. So Starbucks Pay is actually more used than Google Pay, and that concept of stored value is very novel, but it's not a patent. It's not something trademarked by Starbucks by any means. So I think I can see that really in the next two to three years, trickling into convenience stores more and using that more as a form of payment and the benefit of convenience stores basically becoming banks to a degree where they're holding this value.

And you can put money on your college kids app basically, so they can use it for everything, excluding age-restricted things like alcohol, cigarettes, lotto, things like that. So I think we've really been leaning a lot into our partners with that lately. That's been pretty innovative and something I think that is different than just using your mobile pay to activate the pump. That has —no offense —not taken off. P97 is still P97. It's not like it is in Puerto Rico or China where that's 80% adoption rate. We're talking in the single digits, whatever that is here in the United States. So it's just people still take out their piece of plastic for whatever reason, and they use that. So I see stored valued as being a much bigger opportunity

Payment Systems

for that. So that's been a big deal. I mean, for us, the challenge right now is we have a lot of retailers that have Texas locations, Arizona locations and Florida and so forth. And we're asking a lot of bilingual opportunities to make the app a little more friendly to those that are outside of the native English speakers.

So that's something we're tackling right now. We're doing a company retreat, so we're bringing eight people to SOI. And if anyone actually knows how many people are in our company, it's basically more than half is going to SOI. So we're a small company and afterwards we're flying the rest of the team in, our engineers and stuff to do a, we call it a Rover Retreat, like a company retreat. So we're going to be tackling a lot of these things as well and just lean into our partners. And I think we're going to really have a big monumental growth path here. I'm very excited for what we're doing on the app side. We somehow stayed away from being a loyalty company and ordering and all that other stuff and just stayed laser focused on the app and I think that's benefited us in various ways.

Ed Collupy Excellent. But Chris Egan is challenging your view. Chris, go ahead.

Chris Egan Okay. Yes, and I mean this is maybe a conversation for a better time, just my perspective. But….

Jeffry Harrison You're a customer, by the way, so go easy on…

Chris Egan I'm aware. Yes.

Jeffry Harrison I don't want to look bad in front of everybody.

Chris Egan Well, no, I just think Starbucks, if you're doing one load and they're consolidating their fees, and obviously everything's going to be the high margin inside items, and you're still not talking a tremendous dollar that you're holding for the customer versus when you look at fuel. At least my perspective, when we've looked at this, I think it just becomes tougher. And if you try and segment that and say, these are dairy dollars that are only good for ice cream or inside as opposed to everything, it becomes a challenging message to the customer. So I don't know, maybe I'm not saying it can't be solved. I'm just curious about the thoughts there.

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Jeffry Harrison Yes, I think there's a lot to kind of decompress this. We're just in the initial technology feasibility study of this if you will. So it's not like we've rolled this out at five and we perfected it for you guys and others. So I think it's just an opportunity because again, I think the **mobile pay at the pump** has not gone as high as we had wanted. And we integrate, as you

		guys know, with various providers, P97, Zipline, BIM (payment and customers engagement company), etc. It's just not taking fire as we had expected. So we're just trying to look at other ways to do e-commerce through the retail side.
	Chris Egan	I understand. In fairness, my perspective may be biased because we support NFC (near-field communication protocol) Tap at all of our pumps. And that is huge, the acceptance rate of that, but it is Apple Pay.
	Jeffry Harrison	Exactly. And yes. Card-on-file (method of storing a customer's payment information for future transactions) also has a lot of fraud too. So for another day we could talk about that.
	Ed Collupy	There you go. And Robert, you're up and then we'll go to Roy Austin.
Credit Card Fees	**Robert Hampton**	Yes, just piggybacking on what Jeffry was talking about. When Starbucks came out with this, and after they had it for a while, I read some of the big advantage was avoiding **credit card fees**. They're just paying the ACH (automated clearing house) fee, the transfer fee for the money. And then something I read about the float, they were getting off of everyone's stored value because they were holding it, was enormous. And we...
	Jeffry Harrison	That's what I'm saying...
	Robert Hampton	Yes. And so they're making all this money on just the float and avoiding the credit card fees. But certainly Chris has a good point about how do you entice customers to put a hundred bucks in there so they can do a $60 fuel transaction. I mean, that's tricky, but if you can figure out how to do that, you'd certainly save in credit card fees for sure.
	Jeffry Harrison	I meant more in store, but yes, I mean it's going to be tough to do fuel purchases.
	Robert Hampton	Yes.
	Ed Collupy	Good. Roy Austin.
Payment Systems	**Roy Austin**	Yes, I was kind of echoing the same thing as Robert. In Puerto Rico that's a big issue is the fees. Well in most of the Caribbean it is because each island has their own processing bank and all the fun stuff that goes with that. But there are companies out there like Island Pay where you **build a wallet** that's actually tied to a stable coin, like a PayPal stable coin or someone else's coin where you have a wallet and you can have the wallet in your app. And the way you entice your customer to use that wallet instead of the other guys is a loyalty discount of some kind. Maybe you do a gas rollback or total ticket price discount.

CTVG Views **In The Room with CTVG** **The Future of Convenience Stores**

Like in the Caribbean, we don't do a lot of per gallon, we do a lot of per ticket discounting. So that's what we're looking at down there because **plastic cards aren't used a lot in the Caribbean, but mobile pay is**. So if you can get them to use a wallet that's not processing through a bank, you're going to save a lot on your fees and you can make up for the fee cost by giving them stuff out of your store and still lose the same amount of money, but you're selling your stuff.

Jeffry Harrison   Yes, I think this is an important enough CTVG issue. We need to take a field trip down there and investigate.

Roy Austin   They're based out of The Bahamas.

Ed Collupy   Very good. Before we go to Nick Peters, I just want to mention a comment, Paul, you made about you can reload a Starbucks with credit, but it does reduce number of transactions, so it'll still reduce the fees. Do you want to add anything on?

Paul Kern   They get a lot of my money, so I make up for whatever Chuck doesn't buy from them but yes.

Ed Collupy   Very good. Nick Peters.

Nick Peters   Yes, I won't take but a few seconds here about the whole store spending situation. I think that's a very interesting topic because I do think that means Starbucks knows their customer pretty well. Having said that though, to Robert's point, yes, that is correct. They earned all the money on the float, but they also had to keep that on the balance sheet too, which means corporate auditing is a thing there, just like anything else when it comes to payments. And sometimes that's a bigger burden than what it's worth.

Payment Systems

So the overhead of carrying that on your books is a big deal as well, because the obvious reasons, I do like this **concept of stored credit** because I do think it is a **way to build loyalty**. It is a chicken or the egg argument. Did Starbucks build their loyalty program because of the store credit approach or did the store credit approach build the Starbucks loyalty? And I'm not trying to be funny about it, but I really do, I don't know which came first because I think that's a question worth asking as a whole on that.

Tim Tang   I think it's the coffee.

Ed Collupy   Very good.

Paul Kern

They do a really good job of **tying their loyalty to their app** though. So again, I use it quite frequently. And I will say they gamify it a little bit. You have to go a certain number of days, they'll try to get you to buy something you don't normally buy. I don't know how much they know because every once in a while it seems like they do something weird. So I don't know if they're all individualized, but I will say they do a pretty good job of trying to drive you to make that extra purchase to get a few extra points.

Ed Collupy

Very good. Bill, I'm thinking about Robert's comment that he's going to be sharing some ideas on how small retailers can benefit from future technologies. You're a small retailer. How are you thinking about that on the retail front in the future?

Bill Ridge

It's mostly from the operation side. I think just to comment on the loyalty side, I'd agree that on that Starbucks side of things, **that their loyalty and payment is so good and so easy to do that it drives that whole thing and the app is just as good with it.** And not only that, you've got to consider that it automatically reloads most of the time. So no one's having to do anything, most of the time almost everybody has automatic reload on that thing. So they're putting $25 in that thing if they go below $10, something like that. So that's a whole other piece of that pie there.

But from an operations' perspective, just when I was listening, we've got five different applications, maybe three different boxes that are getting data from the POS and it's going to three different places. And then we have video, which I think is going to be a big part of AI and how you match that with your data. So how are we going to get all this there? We know we have all that data, but who's going to be in charge? How can I get it there?

Also, from the operation side, we're branded Shell and Exxon. 20 years ago, 15 years ago that helped us from a technology standpoint. It doesn't anymore. **It makes our job harder.** They tell us what we have to have, we have to have Verifone or Gilbarco or something else, and they're basically trying to own that channel. And I'll imagine at some point they'll come out with an AI product that they're going to try to keep us to. So we can't get the best of breed. They need to provide us something from a branded standpoint, that makes our job easier. One of which is our data should be in the cloud already. They have it all. We shouldn't have to accumulate it, and then we should broker it to whoever needs it, things like that. So those are the things I'm thinking about, **how do we get our handle on that data** and who's going to do it?

CTVG Views | In The Room with CTVG | The Future of Convenience Stores

POS

The other thing I've talked about is your **POS system** should be more than what it is right now. They could Dockerize (Docker is a platform to deliver software in packages called containers) those boxes and they could have a store in the cloud that allows you to push applications to your POS. That way you could pull in different data from, say you had different things in your store, it could accumulate it all. So those are things we're looking at and I think are going to happen. They just aren't in the convenience store industry yet, but I think they're in other industries right now, and I think we'll see those. That's my comment.

Ed Collupy

Well, thank you, Bill. During your remarks, particularly when you brought up about the fuel companies and the major oil companies, a number of us were smiling because it became a significant topic during two of our earlier meetings, and I'll have some news on that in just a minute. But Roy Austin also mentioned that **BP just announced their own in-house POS.** And Robert, knowing from past conversations with him here on CTVG, he agreed with your comments about branded fuel and technology. So thank you. Eva.

Payment Systems

Eva Strasburger

Roy and I, a couple of years ago, were running with Steve Morris some stores in New York called Newsstand. I don't know who's familiar with them. But they were also doing the **stored credit**, and I think about 80% of their retail was through the app. So when you bought anything, you were immediately offered a deal to upload a hundred dollars and they would give you $20 back, which created loyalty for those who lived around there. But I personally found that we didn't visit New York that much so when I was back in the store several years later I had $100s in my app that had been sitting there for several years. So they were making money on that. I haven't seen it at many other stores, but it'd be interesting to see if that discounted store credit does get a hold in retail generally.

Ed Collupy

Very good. So Ted Donley, I'm going to let you wrap up the future. You've had an opportunity, you and your team at GK, to listen to retailers, think about the future and come to market with a solution to help the industry. How are you folks looking at the future and what are you hearing from retailers about the future and how's that impacting what you're doing?

Ted Donley

I just agree with Chuck about diversification and the ability to have multiple retail segments inside of your brick-and-mortar store. Buc-ee's is a great example. They're doing so much more than gas, obviously, with food and clothing, and what are they going to do next? Maybe they're going to start selling drugs in a pharmacy type scenario. You never know. And the ability to support that.

| CTVG Views | In The Room with CTVG | The Future of Convenience Stores |

I think Tim Tang would probably agree with this, **importance of redundancy** within your solutions and the ability to run transactions, even if you're offline. So more cloud-based type solutions where you can have databases locally, but also connecting into the cloud and kind of a dual communication there. And then as we wrap it all up, Ed, as we talked about in the beginning of the call, it's **utilizing technologies like AI**. And as I had mentioned previously, how important it is to keep track of your customer base and offer them the best prices and the best loyalty offerings. So yes, we've had such a great conversation today and touched on all those points. So thanks so much.

Technology

Closing Thoughts

Ed Collupy

Well, thank you and thank you all for all of your insights and thoughts on what the future will bring. Thanks, Tim. Sorry that we had the technical difficulty at the top of the hour, but we really appreciate your thoughts and your ability to get the room thinking about what the future holds.

And as I mentioned collectively, the CTVG leadership team, Myra, Eva, Roy and me, we've been putting considerable amount of effort into bringing representatives from the **major oil companies** together for a conversation with our CTVG members. The companies we reached out to included BP, Chevron, CHS/Cenex, CITGO, ExxonMobil, Marathon, Phillips 66, Sunoco, Shell, and Valero. So I don't believe we missed anybody per se. And although five companies responded with interest, by the time we were firming up plans with them, only one remained on as a possibility. So in some cases, scheduling conflicts arose, but often it was management and legal approvals were the reasons for several of them not being able to participate.

Major Oil

So it's unfortunate that we'll need to cancel the April breakout session that we had planned with the major oil brands. We get that it is still a topic near and dear to everybody's hearts. Bill, thank you again for raising it and for people giving it a thumbs up in the chat as well when you were talking. So we'll continue to look for ways to engage the fuel brands and certainly if you've got thoughts on how we might do that collectively, please reach out to any one of us on the CTVG team.

For our meeting in June, we're planning to take a look at **retail media networks**. 7-Eleven has their Gulp networks, which led the way in the industry. Casey's followed right behind with Casey's Access. And then more recently, Wawa has

announced the Goose Media Network. And inevitably in my thoughts is that that discussion will lead us down to similar conversations around data strategy. They'll bring up digital signage and content management, and then the investments that are needed for success with retail media networks. So we're working to put that session together and we'll keep you posted on it.

Quickly, maybe from Myra and Roy who told us at the top of the session that they're in Las Vegas at a major EV conference learning more about EV. What are you seeing about the future of EV or hearing?

Roy Strasburger

Well, Myra and I are here in Las Vegas at the EV Charging Expo and Summit, and it's been fascinating. And showing how technology moves, we're at the Mirage, and I'm actually in one of the rooms that they had built and designed for payphones. And this is where the payphone used to be back in the day, where you could get in a cubby hole and now it is not used anymore.

Main thing on the EV side, the biggest things that have come up are **maintenance and support of EV charging and infrastructure**. They're putting in equipment, but nobody's there to support it. And the thing that I was surprised about was that by far the biggest reason for charging machines to be down is payment -- machines cannot accept payment or the payment networks have gone out. As opposed to vandalism and broken equipment which runs second, the biggest thing is people can't pay and can't activate the machinery. Those are my main takeaways. What I also think also is, based upon what I've seen, there's going to be a **shakeout in EV charging manufacturers** because there's probably about two dozen of them here at the moment and I'm not sure that they're all going to be able to survive over the long term. But Myra, what would you add to that?

Myra Kressner

There are about, they've said 5,000 individuals that are a part of this summit. There's some representation from the convenience fuel industry. Karl Doenges with the Transportation Energy Institute is here, as well as some folks from Nouria. And we're told a few others that Roy and I just haven't seen yet. But yes, **reliability** is certainly an issue that folks keep talking about. There's a lot of conversation about **ROI** and as well as the municipalities. And certainly the folks here are extremely bullish that this industry is here. Is here, will be here, and it's going to continue with perhaps not a straight path direction, but that it's coming. And so the dates of 2030 to 2035 are pretty much the range that folks are very bullish about.

CTVG Views | In The Room with CTVG | The Future of Convenience Stores

Ed Collupy

Well, thank you both Roy and Myra for being there and for sharing some thoughts with us. There's a question in the chat about will Tim's presentation be available? And the answer is yes. That presentation will be part of the release of this quarter's CTVG Vision Report. That'll cover all of today's meeting. So it will be in there. Tim, we may want to get a hold of the video that you also showed us, so if you could send us that link, that would be a great thing to do as well. So thank you. We've had lots of great comments about the Vision Report, and we'll keep you posted as to when it will be released. And so a big thanks with your help and for your being with us today. We really appreciate Tim's efforts to stay with us and be with us and his really insightful comments.

Myra is headed to the NACS SOI, as we heard some other folks in the room are going to be there as well in early April. And she will also be leading a workshop on tech and AI with sources from CTVG and the Convenience Leaders Vision Group at the NYACS meeting coming up as well. NYACS is the New York Association of Convenience Stores, so she'll be making the presentation there. Myra also is quite the traveler, so she and I will be headed to Arlington, Texas to the Conexxus Annual Conference at the end of April and the beginning of May. So we hope to see some of you there, and/or we know that many of your colleagues also attend those meetings, so have them look for us. So thanks again. Eva, you want to wrap us up?

Eva Strasburger

Thank you from Ed, Myra, Roy and me to everyone for coming.

The Future of Convenience Stores

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Who am I?

- **Multi-Industry Observer**
- **Tradeshow Learner**
- **Industry Association Leader**
- **Technology Evangelist**
- **Product Strategist**
- **Marketing Director**
- **Business Developer**
- **Consultant**
- **MIT Engineer**
- **GWU Sociologist**
- **Father of Five**
- **Soon-to-be Author**

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Learning from the Past: ROW Five Years Ago (Video)

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Principles: From "Convenience Store" to "Convenience"

"On the way"

"Within the hour"

Opportunity: Increase fuel/retail conversion

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When/Where Does the Fight for the Consumer Begin?

Years Ahead

Months Ahead

Online

In the Wallet

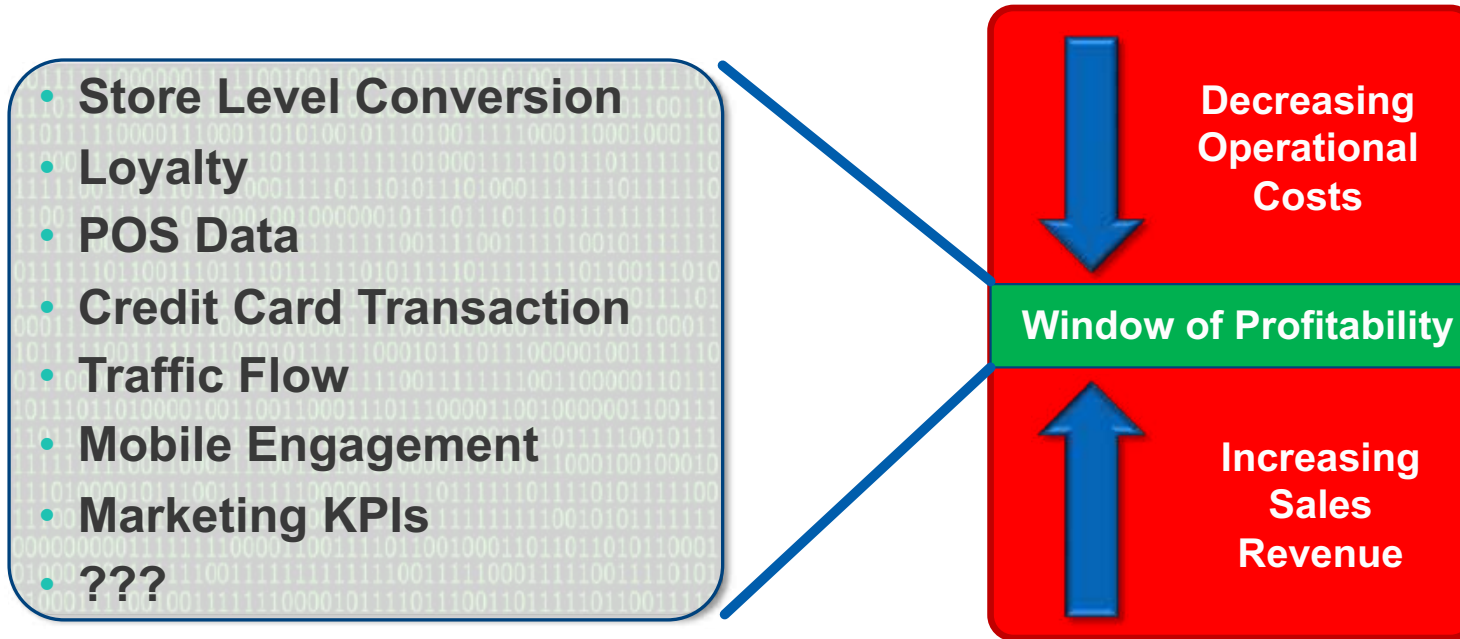**In the App**

In the Car

Onsite

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Economic Stress Increases Retail Precision

- **Store Level Conversion**
- **Loyalty**
- **POS Data**
- **Credit Card Transaction**
- **Traffic Flow**
- **Mobile Engagement**
- **Marketing KPIs**
- **???**

Decreasing Operational Costs

Window of Profitability

Increasing Sales Revenue

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Normalizing Traffic
https://www.placer.ai/guides/geospatial-data

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64

Guests ⓘ
Comp Stores

-6.41%

Down 49.0k from same week last year

248k guests
2.97% better than projected

Non-Comp Stores
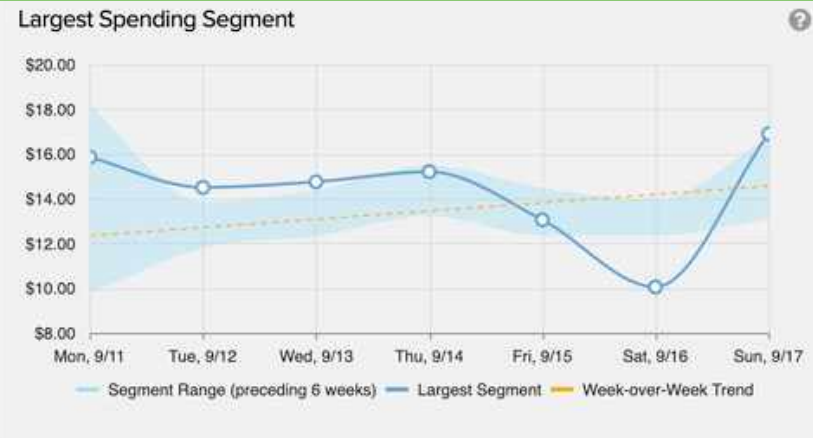64.5k guests
1.8% better than projected

Guest Star-Rating
Average of Top Sites Month-to-Date

4.30 out of 5

Up 0.04 from last week

90.0k
total reviews

— Positive
— Neutral
— Negative

145 negative
in the last 30 days
See reviews

Merchant Centric

Largest Spending Segment

$20.00
$18.00
$16.00
$14.00
$12.00
$10.00
$8.00

Mon, 9/11 Tue, 9/12 Wed, 9/13 Thu, 9/14 Fri, 9/15 Sat, 9/16 Sun, 9/17

— Segment Range (preceding 6 weeks) — Largest Segment — Week-over-Week Trend

Popular Spending Range

23.2%

$13.90 - $14.40

Highest Return Rate

2%

$6.05 - $7.45

Lowest Return Rate

Breakfast

2.46%

3.89% more than preceding 6 weeks

Lunch

-2.23%

Down 2.51% from the preceding 6 weeks

Dinner

3.08%

2.89% more than preceding 6 weeks

Happy Hour

5.5%

Up 1.5% (similar to preceding 6 weeks)

https://www.linkedin.com/pulse/mo-money-ward-olgreen/

Gross Sales ⓘ
Comp Stores

4.22%

$201k more than same week last year

$49.6m
0.37% better (similar to projected)

Non-Comp Stores
$1.13m
2.97% better than projected

Average Visits Per Fan
within the last 12 weeks

3.04

Down 2.08% from same weeks last year

New Guest Rate

3.16%

Down 0.97% (similar to preceding 6 weeks)

New Guest Return Rate
within the last 6 weeks

14.65%

4.65% more than same weeks last year

Segment With Most New Guests

$15.85 - $17.10

983 guests (5.25% of segment) were first-time visitors.

Trending Up

13%

Mixed Drink
9.43 sold per 100 guests
Up from 8.25 in the preceding 6 weeks

Bourbon/Scotch
7.07 sold per 100 guests
Down from 8.26 in the preceding 6 weeks

Trending Down

-12.1%

Revenue Optimization

$1,306

7.74% optimization opportunity

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Taming the Tidal Wave

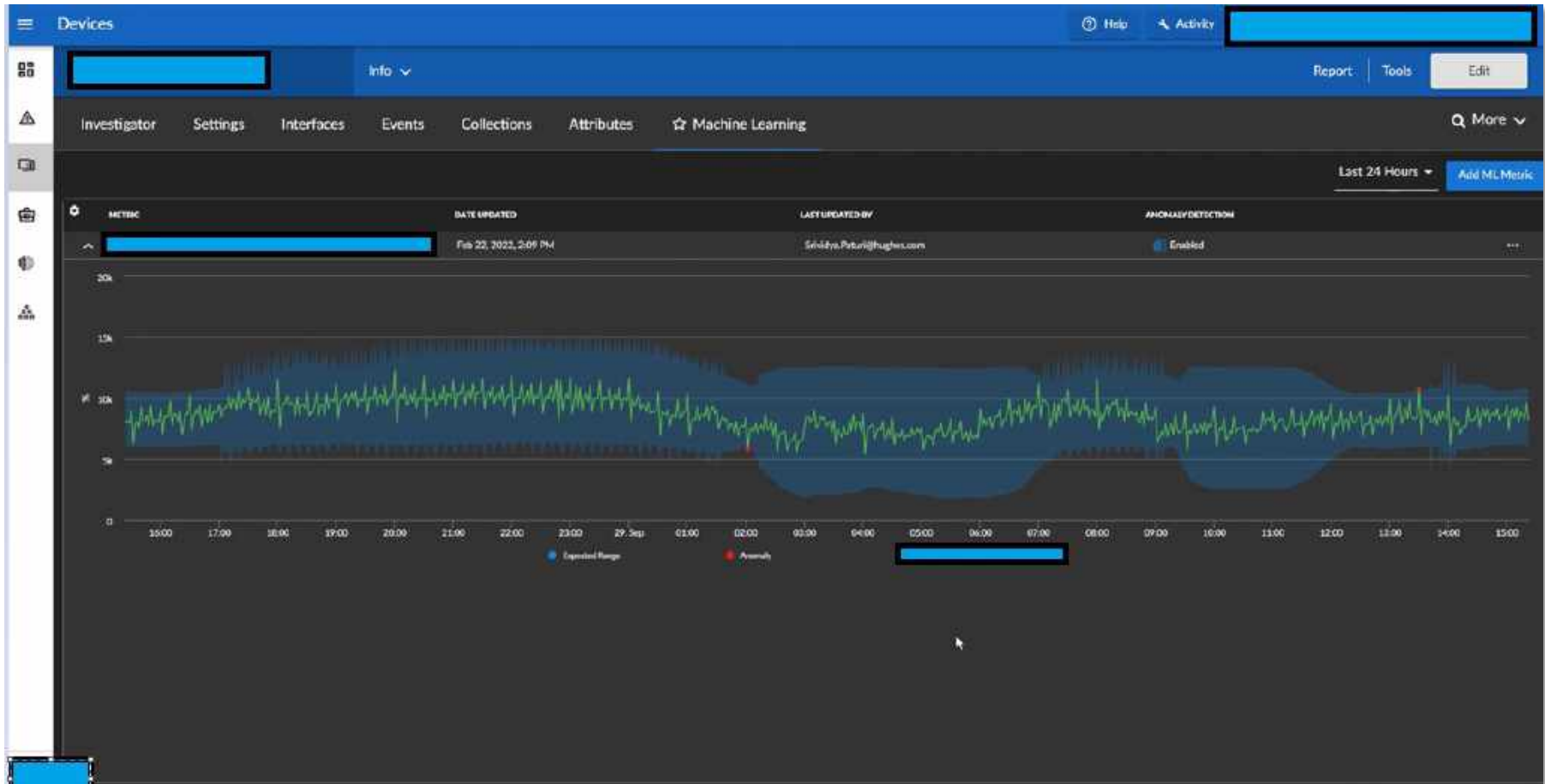**Data Lakes**   **Data Warehouses**

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Defining Normal

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AIOps Automating Operations

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68

Power and Problem of the Platform

- **No Customer Data**
- **No Control Over Brand Experience**
- **No Ability to Engage Customers**
- **No Profits**
- **No Choice**

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69

Multi-Retail Marketplace Platform

$$$

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70

Continue the Conversation

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The Convenience Technology Vision Group (CTVG) brings together convenience technology leaders for quarterly virtual meetings. The group addresses trends, challenges and disruptions and solutions in AI, computer vision, alternative payments, robotics, IoT, blockchain, cybersecurity, data analysis, EVs, food tech, frictionless checkout, digital experiences, workforce management and more. The group is committed to sharing its views and perspectives to advance the convenience retailing and mobility industry. CTVG operates under 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**

CTVG
CONVENIENCE TECHNOLOGY
VISION GROUP

A part of Vision Group Network

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CTVG | CONVENIENCE TECHNOLOGY VISION REPORTS

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

CLVG | CONVENIENCE LEADERS VISION REPORTS

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

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