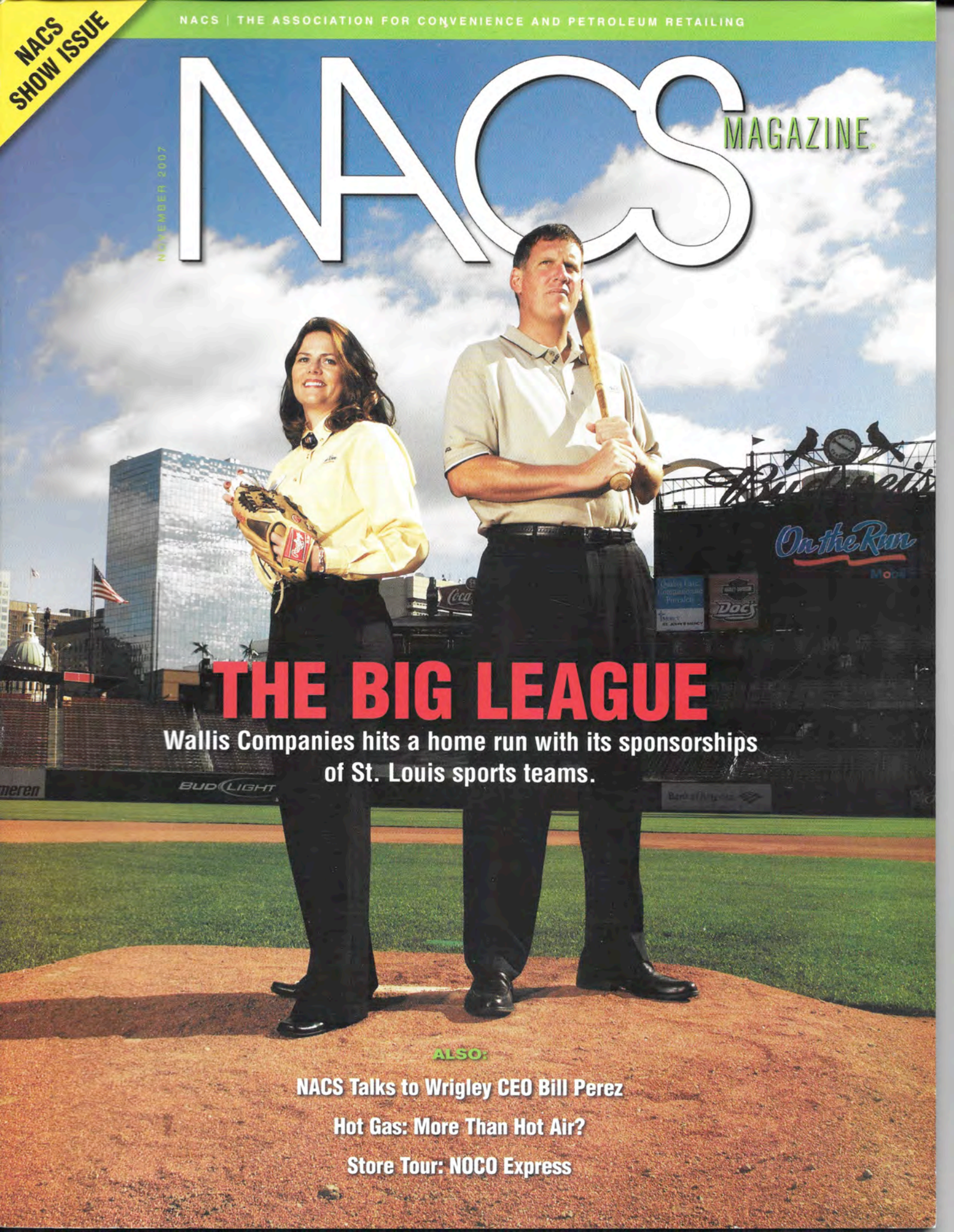


**NACS
SHOW ISSUE**

NACS | THE ASSOCIATION FOR CONVENIENCE AND PETROLEUM RETAILING

NOVEMBER 2007

NACS MAGAZINE



THE BIG LEAGUE

Wallis Companies hits a home run with its sponsorships of St. Louis sports teams.

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- Hot Gas: More Than Hot Air?
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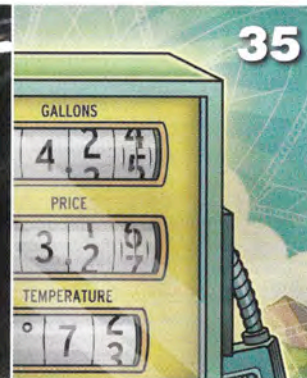
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It's not whether you win or lose, it's how you play the game with sports marketing tie-ins.

By Michael Klein

Great Sports

EXPERTS CAN'T SEEM TO AGREE on exactly how many advertising messages the average American is exposed to each day. Estimates range from as few as 247 to around 3,000. But few would disagree that whatever the precise number is, the quantity can be characterized as: "a whole lot."

Marketers and advertisers talk about "breaking through the clutter" and offer a variety of advice on how best to do that. One bit of advice that





1926 1931 1934 1937 1942 1944 1946 1954 1957 1958 1962

WORLD CHAMPIONS

STIFEL
NICOLAUS
INVESTMENT SERVICES SINCE 1919

Blogs ★ Star

Ford
375 YOU

FSN

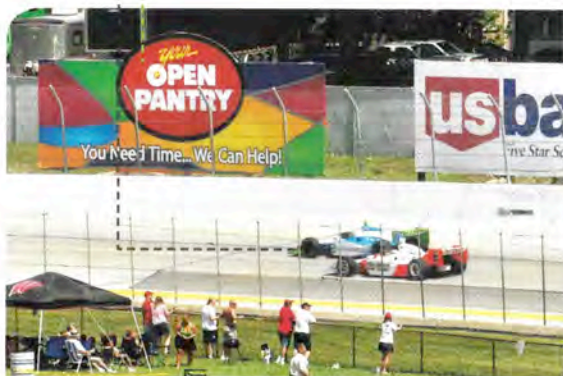


resonates: Go beyond simple advertising — whether print or electronic — and instead get involved in multi-leveled sport sponsorships. More than just advertising, sports sponsorships are designed to not only put a brand in front of spectators, but to associate two or more brands together to make the

viewer feel good about something and drive traffic to the sponsor.

SUPPORT THE HOME TEAM

Cuba, Missouri-based Wallis Companies uses partnerships with the St. Louis Cardinals and the



Milwaukee-based retailer Open Pantry has had more than a few experiences with sports sponsorships. The company has a long and successful relationship with the NBA's Milwaukee Bucks, which began in 2003 to help launch its branded coffee line, Willow Creek. The part-

ner-ship started with signage and coupons but has grown to the point where now Open Pantry actually provides entertainment during games.

30-second ad and a 90-second ad on the JumboTron. "This has worked really well for us," said Jim Fiene, senior vice president of Open Pantry. "We've maintained and built the relationship each year, and by being the official coffee of the Milwaukee Bucks, we've added integrity to our brand."

Things did not go so well with another sports promotion Open Pantry once undertook. They affiliated themselves with a Brewers player by sponsoring a weekly radio program he co-hosted. Early in the season the player was injured, ending his season. He stopped traveling with the team, and as a result, his contributions to the

most of the big crashes happened at one particular point. He thought it would make a good spot for the company to put its billboard.

"I told them we wanted the billboard 400 yards out of turn two," recalls Fiene. "They told me they didn't have ads there and wouldn't I prefer one in the back straightaway, where everybody else is. I told them, no, turn two, that's where we want to be."

Open Pantry erected an enormous stand-alone billboard right where Fiene told them to put it. And no sooner had the construction been completed than the track hosted an Indy Racing League race featuring then-rookie and racing phenom Danica Patrick.

Halfway into the race, Patrick, who at the time received significant national media attention for every race she entered, was coming out of turn two. She spun out, lost control and crashed into the wall, coming to a stop — right under the 60-foot Open Pantry billboard. Footage of the crash, and of Patrick getting out of the car and punching her steering wheel made national news — a healthy rotation on ESPN — and pictures in newspapers around the country. All in the shade of an enormous Open Pantry billboard.

"We got lucky on that one," laughs Fiene. "It was a bad day for her, but a pretty good one for us."

The Open Pantry billboard is still there, outside turn two, but it no longer stands alone. It harkens back to the advice of others: "Do your research." Sometimes you get a good deal. Sometimes you get a bad one. And sometimes you get really, really lucky.

The Good, the Bad and the Lucky

nership started with signage and coupons but has grown to the point where now Open Pantry actually provides entertainment during games.

Coffee cup characters, named after Buck players, race around an obstacle course in the arena. Three fans chosen at random pick the cup they think will win the race. The winning fan receives a \$100 Open Pantry gift card, second place receives \$50 and third place receives \$25. Open Pantry also gives out cards to all the fans in attendance (16,000 to 20,000 per game) that can be redeemed for a free cup of coffee if the Bucks win and score 100 points or more. Part of Open Pantry's deal includes signage in the arena and a

radio program were not as valuable as Open Pantry had hoped. But the contract stated the player merely had to show up at the radio program, and said nothing about playing or his performance. Fiene felt the ratings on the radio program suffered and the promotion was not as successful as they had hoped.

Fiene and Open Pantry combined a little planning and lots of luck for a great sports sponsorship story. Open Pantry decided to capitalize on the growing popularity of motor sports with signage at the Milwaukee Mile racetrack. Fiene was told to handle the deal, and remembering back to his days as a young boy when his father would take him to all the races, he recalled that



St. Louis Rams to not only show support for the home team, but also drive traffic to its 26 On the Run branded stores.

"If the Cardinals score six runs, then the next day you get 20-ounce drinks — coffee, fountain or frozen — for 25 cents," explained Tracey Hughes, director of strategic planning at Wallis. "We don't have to win or lose, home or away, it doesn't matter. They just have to score six runs. We track and measure cup count. We chart it against the number

of times the Cardinals score six runs, and we can see that on a six-run day our cup count goes up significantly. It's more than noticeable."

Hughes says that while the company loses money on every 25-cent cup of coffee that goes out the door on those days, Wallis is happy with the promotion because it brings people into the store to make additional purchases. It also helps drive home the message to customers that Wallis is a locally owned company that supports the home team. Local ownership is an important point of differentiation that Wallis uses in all of its external communications.

The fact that Wallis ends up making a significant investment outside of the ballpark is not lost on the St. Louis Cardinals. The team rewards its long-time partner with other promotional opportunities, such as making On the Run stores the exclusive location to enter a contest to throw out a first pitch — or by extending the company other special considerations.

"The fact that they had a new ballpark and that they won the [2006] World Series caused things to be a little different this year," said Hughes. "Of course the Cardinals had really high demand for all their [promotional opportunities], but we were already a partner. I'm sure we would not have gotten the package we got with them this year had we not had a history with them."

It's clear that at the end of the day, Wallis management and employees are St. Louis sports fans, which also helps explain last year's promotion with football's St. Louis Rams, which had nothing to do with how the Rams performed on the field. As a distributor of Rain-X chemicals in the St. Louis market, Wallis promoted its Rams partnership with Free Rain-X Monday. The company communicated its unique offer to fans via radio spots: If the Rams played a game on Sunday, you could get a free wash on Monday. "If you were willing to wait in line, you got a car wash," said Hughes.

And for 13 weeks, customers lined up in droves to receive a free car wash. Clearly giving away free car washes cost Wallis a lot of money, but it paid them back in what they feel was brand awareness and customer loyalty.



Wilson Farms supports the home teams and rewards customers with its sports marketing program.



“We measured our gallons, in-store sales, customer count and our redemption rate on the free washes, and it was a great promotion in terms of awareness. We got a lot of new customers across our lot, and we got a lot of good will with customers saying, ‘Wow, no one’s ever given me this much for free.’”

But in the final analysis, Wallis decided that a lot of the success experienced from October through December quickly fell off come January and February. Like the Cardinals’ promotion, this year’s Rams promotion is now performance-based and automatically results in a sale. This season, when the Rams rush for 100 yards on a Sunday, Wallis sells gasoline with a nickel-a-gallon discount on Monday. (Hughes couldn’t provide metrics on how the promotion was running, because as of press time in early October, the Rams weren’t running. They were yet to notch 100 yards rushing in a game.)

DON’T GIVE AWAY THE STORE

With sports marketing, the key for retailers is to find ways to develop marketing programs and show their team support without losing their jerseys.

In upstate New York, Wilson Farms, operator of 198 stores across the state, works with the Buffalo Sabres, Bills and the Bisons, a minor league baseball franchise. But Wilson Farms’ programs are about rewarding fans for making specific purchases, which guarantees sales and helps strengthen relationships between Wilson Farms and key suppliers.

“We look at [these promotions] like a triangle with the team at the top, one corner being Wilson Farms, and the other corner being our supplier partners,” explained Josh Gregory, public relations and communications coordinator. “The needs of each of those entities must be met for the program to be successful. And we found great success by doing an in-store promotion where customers could purchase two or more of the participating brands and then receive a fairly sizeable discount on highly sought after Sabres or Bills merchandise that is only available through Wilson Farms.”

The promotion is highlighted in Wilson Farms’ print advertising and in-store signage, which is an added bonus for its supplier partners. And, as in the case of Wallis in St. Louis, Wilson uses signage and additional opportunities in the stadium to further drive home the point that it is a major sponsor of the teams.

THE FINE LINE BETWEEN CLEVER AND ANNOYING

All of this promotion and flag waving is fine and good, but it is possible to go too far. Fans love their team, and they love the sport, too, so they can be very protective of images that they cherish.

In 2004, Major League Baseball announced a multi-million dollar deal to put the logo for the movie *Spider-Man 2* on bases during games. Fans went ballistic, and the day after the deal was announced, the league pulled the bases. It’s considered a classic sports marketing blunder.

“You’ve got to get creative to cut through the clutter, but there is going to be a point where it’s

“It puzzles me how they know what corners are good for filling stations. Just how did they know gas and oil was under there?”

— DIZZY DEAN, PITCHER FOR THE ST. LOUIS CARDINALS (1930-1937), AND SPORTSCASTER



to it. But at the end of the day we all need to be aware of the return on our investments. We have to make sure the promotion is working for us and our supplier partners, as well as the respective sports teams.”

But perhaps nobody wants the sponsorship to work more than the team itself.

“Sponsorships are critical for sports teams,” said Steindecker, who has also served as the general manager for two professional women’s soccer clubs, the Washington Freedom and the former New York Power. “The two biggest ways any property brings revenue in are sponsorships and ticket sales. And sponsorships are much more important because you can’t always count on ticket sales, particularly for outdoor events. But sponsorships? The money is in, rain or shine.”

Convenience stores should be careful not to sell themselves short. They bring a lot to the table by the very nature of their business model. The sports promoter in Steindecker suggests that you have



Joe Vonder Haar, vice president, convenience channel at Anheuser-Busch, teams up with Wallis Companies for promotional ventures.

much more to offer than just money — and don’t let a team tell you otherwise.

“Convenience stores have a huge asset to present to a sports property,” said Steindecker. “You can go to an event or a team and say, ‘hey, we can help get the word out about ticket sales, about the event itself, about whatever else you want through all of our stores.’ So that is something to leverage when you are negotiating the deal to bring down the cash component.”

DON’T FORGET THE LEVERAGE

As Hughes pointed out, this can be quite an investment. Not only will the initial deal cost money, you are likely to invest additional assets. It may not be 13 free \$10 car washes for every customer the way Wallis did, but it will be something. And don’t expect the investment to stop there.

“When you buy a sponsorship the industry standard is that you must spend two dollars to activate for every one dollar you spend on the sponsorship. And in some cases they say it may be three to one,” said Dr. Darryl Lehnus, director of the Sports Sponsorship and Sales Center at Baylor University’s Hankamer School of Business. “You’re talking about activation dollars on top of sponsorship dollars.”

But like off-season spending and player acquisitions of your favorite team, there is a purpose to all this check writing. It’s about making the sponsorship work for you. “You have to look at leveraging whatever you’re buying into,” counsels Steindecker. “Once you buy that sponsorship, what are you going to do with it? You need to do those contests or leverage media tie-ins, or whatever else it is to let people know about the sponsorship and help you take advantage of it. A lot of companies don’t allocate enough money to leverage their sponsorship. They put all their money in that one basket — spending everything on the sponsorship — and then they don’t leave any money to help execute the sponsorship. You have to leave money aside to help leverage that sponsorship.”

Wallis knows a thing or two about leverage. During the Free Rain-X Monday promotion with the St. Louis Rams, the company helped draw atten-



tion with the Rams cheerleaders. Although the cheerleaders weren't actually washing cars, Hughes laughs that the image may have popped into the minds of a few customers.

Wallis held the event with the Rams' cheer squad, but has not leveraged player appearances at its location. One concern that any sponsor faces is that if you build a promotion around a particular athlete's performance, and then he or she gets injured and sits out for a chunk of the season or a tournament, well, your promotion just got sidelined, too.

DON'T FORGET THE LITTLE GUYS

Certainly if your goal is to raise awareness about a new service or drive customers into your stores, a big league sponsorship is a good way to get in front of a lot of people quickly. But the investment is considerable. And you may not have a big league team in your market. Then again, your goal may be more about giving back to the community. If

this sounds like you, consider sponsoring amateur, youth or community teams in your area.

Since 1982, Tiger Fuel Company of Charlottesville, Virginia, through its propane and home heating oil division, has been a sponsor of various little league baseball teams in the area.

"We get lots of positive feedback on the little league sponsorships," said Director of Marketing Stuart Lowry. "It's hard to say how many more gallons we've sold because of it, but really, the reason we do it is because it's the right thing to do." In return, the company usually is recognized with its name on the uniforms or on a billboard in the outfield.

Lowry says that gestures like this are definitely noted and truly appreciated in a smaller town like Charlottesville. "Corporate giving is sometimes hard to measure in terms of effectiveness for your business, but we see the benefit in doing the right thing in our community. And it also impacts employee morale. Plenty of employees have children playing in the league, or are coaching, and all of that is taken into consideration when we look at a sponsorship like this."

It's also nice to know that companies like Wallis, who play with the pros on a regular basis, also haven't forgotten the younger players.

"We are involved with community teams, but it is not organized, it's a store-level decision," said Hughes. "If a Little League team comes in and asks, then we sponsor — our logos are on the back of the shirts and they can come in on game day in their uniforms and get a free drink, and we're happy to do that. But right now, you have to come to us. If you have the initiative to come in and ask us, you get it. If you don't, you don't, but we are looking at more formal arrangements for the future."

Whatever the level of team you decide to partner with, if you do decide to add a sports-based promotion to your business plan, it will help you break through the clutter, as long as you do your research, leverage your deal, and most of all, have fun rooting for the home team. ◊

Michael Klein is a Virginia-based freelance writer who supports many sports teams, including the Washington Capitals and his daughters' soccer teams. He can be reached at michael.klein18@verizon.net.

Sports at the NACS Show

Sports tie-ins are also big at the NACS Show. In any given year, dozens of sports stars, from current NASCAR drivers to Hall of Famers, can be found on the Show floor. And this year, legendary quarterback Archie Manning will be the Opening General Session speaker (Wednesday, November 7 from 9:15 to 10:45 a.m.).

Here's a preliminary list of other sports figures who will be on the Show floor. (Expect to see more at the Show.)

- ▶ Jack Youngblood, NFL Hall of Fame linebacker (Liles Oil Co./Super Fuels: booth 4352)
- ▶ Randy White, NFL Hall of Fame defensive tackle and linebacker (Smokey Mountain Snuff: booth 4965)
- ▶ The Blue Demon Jr., Mexican masked wrestler (The Coca-Cola Co.: booth 5663)
- ▶ Juan Pablo Montoya, NASCAR driver and former Formula One and IndyCar driver (Wrigley: booth 7441)
- ▶ Mark Martin and Kevin Harvick, NASCAR drivers (Johnson & Johnson: booth 4842)
- ▶ Quinton Ramone "Rampage" Jackson, Ultimate Fighting Championship light heavyweight champion (Cott Beverages Inc.: booth 4275)