

# Ultimate Product Distribution Guide

Top Sales Tips  
from wholesale  
& distribution  
experts



# How To Sell Your Product To Retailers and Distributors

Selling your food, non-food, novelty or beverage to convenience stores is extremely lucrative when you understand all the opportunities and alternative ways to get your product into thousands of independent c-stores and convenience store corporate chains.

**The Independent C-Store:** There are over 149,000 C-stores in the US... with the majority being single-store operators. This does not count the 1,000's of inner city bodegas, mom & pop shops, gift stores, liquor stores and specialty shops that sell convenience store merchandise.

The convenience store industry continues to be dominated by single-store operators, which now account for 62.9 percent of all convenience stores (93,819 stores in total), with a growth rate of 0.7 percent matching the industry's growth. There are no indications that this trend will slow down in the future with franchising and smaller store formats attracting the c-store consumer.

New, innovative products are the lifeblood of all convenience stores because new products drive incremental traffic to their stores. The checkout counter is a goldmine for these higher margin, impulse products. C-stores are pioneers

of new product introductions and are able to get your product and brand expansions to market faster than any other retail channels.

### **Why Do C-Stores and Beverages make such a good match?**

Beverages are considered one of the fastest selling items in a convenience store accounting for **over one third of overall c-store sales**. The majority of new beverages are first trailed in convenience stores because they can be purchased cold and in single serve packaging. Creative in-store marketing will get your beverages feature both in the cooler and on the checkout counter. To win in-store, you have to be in-store.

### **Convenience Stores are Everywhere!**

The U.S. convenience store count increased to a record 149,220 stores as of 2013, a 0.7% increase (1,094 stores) from the year prior, according to the latest NACS/Nielsen Convenience Industry Store Count. These counts do not include 1,000's of smaller format retailers that do not include c-store products.

An average store selling fuel has around 1,100 customers per day, which equates to more than 400,000 per year. Just imagine the amount of volume you can move if your product is in-front of 1,100 customers per day in just

one location. Cumulatively, the U.S. convenience store industry alone serves nearly 160 million customers per day, and 58 billion customers every year.

Convenience stores continue to grow as more and more c-stores add food-service offerings to attract new consumers.

# How To Sell Your Product to a Convenience Store

Selling your new product to a c-store requires you to get your product in front of the retail buyer or store owner. You can be the funniest guy in the room but unless we get you up on the stage, no one will hear your jokes and no one will laugh.

There are multiple ways of getting your new product in front of a retail buyer or c-store distributor. One of the best ways is by attending a c-store trade show.

NACS is the largest convenience store trade show in the US. The National Association of Convenience Stores put buyers and sellers together. Contact NACS for more information and their tradeshow schedule.

You can use Brokers, DSD distributors, wholesalers to sell your product to independent and chain stores. Brokers usually require a strong track history including Symphony IRI data. Direct store delivery jobbers and distributors will buy more on impulse knowing the needs of the individual c-stores they service day to day. The wholesalers will buy knowing that the DSD jobbers and distributors will pull from their inventory. Many wholesalers and inner city cash and carry warehouses run their own DSD routes.

You can also advertise your product in Trade magazines such as Bevnet, Cstore Decisions or CSP. Retail owners and distributors read these trade magazines to find new products and ideas to grow their business. However, advertising is only a tool in order to reinforce your brand not sell more product.

A method that I used to sell millions of units in the first year to thousands of c-stores was the good 'ol fashion way of picking up the phone and calling the retail buyers directly.

# How to Go To Market To Convenience Stores

There are so many ways to get your product on the shelf of independent and convenience store chains. Speed to market requires merchandisers, jobbers, small distributors, mid-size DSD distributors and full-line grocery distributors to get products out of the warehouse and into the stores.

The fastest way to sell your product to thousands of c-stores, is to use an established wholesaler, distributor network or buying group. Established wholesalers have loyal buyers willing to try new products with the ability to return unsold products for credit. Distributors want fast turning products in their store and will credit out slow sellers for faster proven merchandiser. Buying groups communicate with their members on new product introductions via emails, magazines and conventions.

You can get immediate on-counter placement by leveraging their relationships to place your product in the retail accounts they are currently servicing. Once in-store, your product will have the opportunity to sell and create a need with the store manager and owner to re-order. Sell through products will also be noticed by the jobber and distributor that services the store.

**The push for re-orders works best when the retailer and distributor are involved.**

There are broad-line distributors such as McLane and Core-Mark that specialize in delivering various products to c-stores. Full-line grocery wholesalers will warehouse and categorize your product if accepted but still rely on the jobber and distributors to get it at or near the checkout or in the cooler.

DSD beverage distributors are considered the best distributors to go to market with for a new beverage product because a new beverage needs to be properly merchandised in a retail account. In-store merchandising and POS (point of sale) placement is vital to getting your product noticed and sold.

Beer Distributors are experts at delivering beverages to c-stores and their in-store execution is amazing. Beer distributors, in recent years, have expanded their inventory to include non-alcoholic beverages including water, enhanced water, new age beverages, juices, vitamin enhanced beverages and more.

# Working with Beverage Distributors and Wholesalers

If you have a new beverage, it's critical that you use a distributor that specializes in distributing beverages. These distributors have local and regional customers that are loyal and will buy new beverage products from the beverage distributors they have these wonderful ongoing relationships.

Knowing that you have to compete against so many large beverage companies that have sales reps that don't want your new beverage taking up shelf space, means you need to have a distributor that can service and merchandise your beverage.

If you have a difficult time getting a beverage distributor to carry your product, then you may have to distribute the product yourself or use a wholesaler that typically distributes non beverage products.

You can also use a food-service distributor that sells food and snack items to c-stores. At the end of the day, you have to use the right distributor to distribute your product, sell your product to their accounts and ultimately get consumers to purchase your new beverage.

P.S. Just because you get a distributor to distribute your product, does not mean you get instant account distribution.

Distributors want suppliers to sell their product to their existing account base while they focus on delivering and merchandising your product.

# Convenience Stores are the Battle Ground for All New Products

The big wholesalers train their sales reps to destroy any new product that shows up in their retail accounts. 95% of new products don't just fail because they don't have enough marketing dollars, they fail because of in-store execution... feet on the street or aggressive sales people like myself.

If you don't know how to properly merchandise your product in a c-store, you aren't going to optimize your sales. Knowing where to place your product on a shelf or in a cooler will determine how successful your product is going to sell. Placing point of sale signage, shelf talkers, posters, etc. will attract new customers to your beverage.

It doesn't matter how great your new beverage taste or how great your marketing plan is if you don't have people in the stores fighting for shelf space and position. Wagon jobbers and full service distributors will fight for you to get the shelf space you need to have a change to succeed.

# C-Stores in the United States:

- Convenience Stores: 149,341
- Supermarkets: 36,149
- Drug Stores: 37,409
- Mass Merchandiser/Dollar Stores: 28,326
- Superettes: 13,142

# Top 10 States for C-Stores

- **Texas: 14,466 stores**
- **California: 10,581**
- **Florida: 9,348**
- **New York: 7,729**
- **Georgia: 6,434**
- **North Carolina: 6,196**
- **Ohio: 5,278**
- **Michigan: 4,828**
- **Illinois: 4,533**
- **Virginia: 4,509**

# Top 15 C-Stores

1. 7-Eleven Inc
2. BP North America
3. Shell Oil Products US
4. Exxon Mobil Corp
5. ChevronTexaco Corp
6. Alimentation Couche-Tard
7. Speedway SuperAmerica LLC,
8. CITGO
9. Sunoco Inc
10. The Pantry Inc
11. Valero Energy Corp
12. Casey's General Stores Inc
13. ConocoPhillips Inc
14. Hess Corp
15. Kroger Co

# Top 15 C-Store Wholesalers

1. **McLane Co.**
2. **Core-Mark Holding Co. Inc.**
3. **Eby-Brown Co.**
4. **H.T. Hackney Co.**
5. **GSC Enterprises Inc.**
6. **S. Abraham & Sons Inc.**
7. **Amcon Distributing Co.**
8. **Harold Levinson Associates Inc.**
9. **Chambers & Owen Inc.**
10. **Imperial/Harrison Super Regional**
11. **Garber Bros. Inc.**
12. **J.T. Davenport & Sons Inc.**
13. **Consumer Product Dist. Inc.**
14. **Liberty USA Inc.**
15. **Stephenson Wholesale Co. Inc.**

# About Mr. Checkout Distributors

Mr. Checkout Distributors, Inc., has been providing direct-store-delivery to independent grocers & convenience stores since 1989. Our network of wagon-jobbers, direct store delivery distributors, full-line grocery distributors, in-store product merchandisers, wholesale-to-distributor warehouse companies and manufacturer representatives / product brokers can assist you in your in-store merchandising & distribution needs.

Our Members and Associates service over 25,000 independent convenience stores and national retailers coast-to-coast since 1989. Our association of jobbers, distributors, full-line grocery wholesalers and wholesale-to-distributor warehouse companies provide our members access to promotions and opportunity buys from leading wholesale suppliers and manufacturers.

Our In-Store Blitz program and jobber network has assisted in launching successful brands including Stacker, 5-Hour Energy, Krave e-Cigs, Blu e-Cigs, Lil' Drug Store to name a few over the past 2 decades. New product introductions and in-store marketing has appealed to the small start-up brands, looking for a test market program, to the US Census Independent Grocers Project in 2010, in association with Hispanic Marketing Consultants, successfully merchandised 10,000 independent grocers with Census awareness campaign POS.

Mr. Checkout Distributors, Inc. service grocery and convenience stores in the US since 1989 through a network of wagon jobbers (small distributors), merchandisers and Wholesale-to-Distributor Warehouse Companies. We are not a franchise. Each route distributor is independent (has complete autonomy) and has full control over his or her own business and full control over all marketing methods.

If you are seeking to place your product in over 25,000 stores nationwide or take your successful product into big box stores, dollar stores or chain pharmaceutical stores such as Walgreens or CVS, we can connect you to the right channels.