

# The View From the Top

Continuing consolidation puts more stores in the hands of the biggest c-store chains



By Melissa Kress

**T**he latest numbers put the U.S. convenience channel store count at nearly 155,000. The majority of the stores are owned by single-store operators, but the chain retailers on the 2017 *Convenience Store News* Top 100 ranking hold a sizable amount as well: 63,368 stores to be exact — a number that has grown incrementally over the past five years.

Things get interesting when you fine-tune the microscope and realize that the top 10 chains, led by 7-Eleven Inc., account for a whopping 40,725 of those stores. The top 10, which also includes Alimentation Couche-Tard Inc., Shell Oil Co., Marathon Petroleum Corp. and Chevron Corp., controls 64.3 percent of the Top 100 store count and 26.3 percent of the total U.S. c-store industry store count. Just five years ago, the top 10 chains accounted for 35,292 stores, equating to 58.9 percent of the Top 100 and 23.7 percent of the industry.

These staggering numbers are proof-positive of the

consolidation movement that has gripped the c-store industry in recent years and seen the biggest chains get even bigger. In fact, the top 10 chains account for more of the Top 100 this year than they have in the past five years.

But these numbers also raise a question: Is the convenience channel getting too top heavy?

Industry merger and acquisition (M&A) experts say no — at least, for now.

“The convenience store industry could become more top heavy. But too top heavy now? No, I don’t think so,” said Ken Shriber, managing director of Petroleum Equity Group in New York.

The size of the overall convenience channel currently helps balance out the industry.

“I think what keeps the top chains honest is that there are about 155,000 convenience stores, so they cannot really control the market,” said John Flippen, managing director of Petroleum Capital & Real Estate LLC. “Where the issue will come is when they start to control the market.”

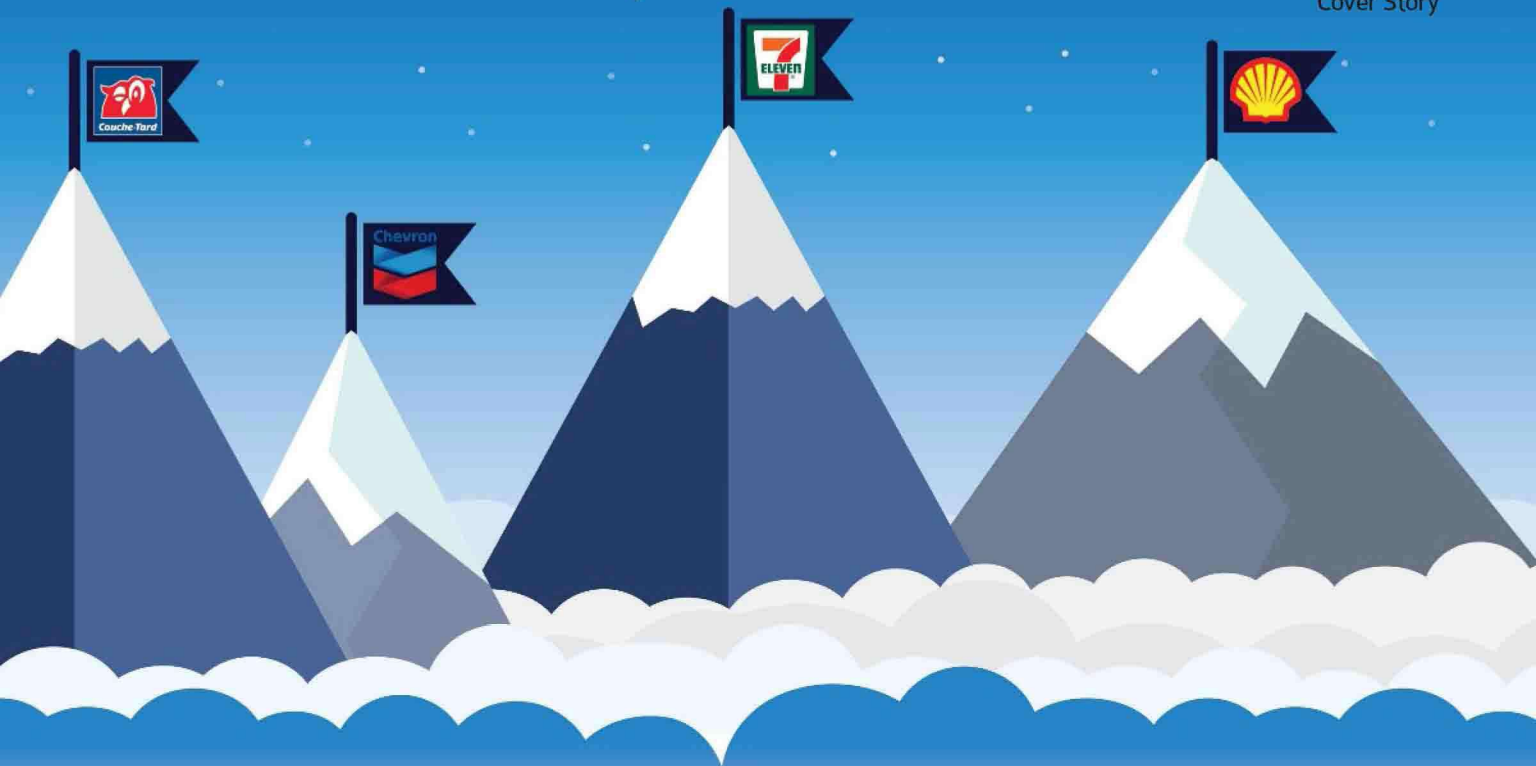
Major oil companies used to control certain sections of the market. Their exit has opened up avenues for growth among all the top chains. “They are basically trying to replace the major oil companies,” Flippen explained.

And the consolidation trend is expected to continue. Though, according to Shriber, the acquisition sizes might be smaller going forward. “You generally don’t

## THE TOP 10 CHAINS: Consolidation in Action

	TOP 10 TOTAL U.S. STORE COUNT	% OF INDUSTRY	% OF TOP 100
2017	40,725	26.3%	64.3%
2016	38,541	24.9%	63.1%
2015	42,396	27.7%	63.7%
2014	36,827	24.3%	60.7%
2013	35,292	23.7%	58.9%

Source: Convenience Store News Market Research, 2017



have those 100-, 200-, 500-store chains anymore, with some exceptions,” he explained. “But there are still portfolios in the 10- to 50-site range that will still be attractive and will continue to trade.”

While the larger entities have access to more, and cheaper, capital and are able to purchase assets readily, the door is open for other retailers to move up the ranks, Flippen observed.

“There are a few chains that can break into the Top 100. We work with clients that may only have 20, 25 or 50 stores, but they really want to grow their businesses and they will be more aggressive in buying assets — moving them into the Top 100,” he said.

“I also think those that are in the Top 100 may not continue to operate their assets forever. There are a lot of third generation run-businesses that don’t have someone to take over,” Flippen added.

“You will find other companies merging and doing deals, and they will get into the Top 100,” he said, noting not all sales will go to the larger, quasi-publicly traded entities.

There is room for brand-new players to crack into the c-store industry, too.

“Is there room for other players to come in? One hundred percent,” Shriber said. “We are currently working on deals with relatively new entrants to the industry, and in some cases brand-new, who have never owned a chain of retail gas stations before.”

The convenience channel continues to be an attractive market. Demand in the convenience and gas industry is stable, with 268 million passenger vehicles on the road. The c-store industry is also benefiting from the slowdown in other retail channels.

“This [convenience and gas] space is an area where I have seen more interest from non-traditional players because, from a real estate standpoint, you have a lot of companies that have been in the traditional shopping mall and strip center space. Retail players that fill these storefronts continue to fold or close dozens of locations,” Shriber said, pointing to companies like Sports Authority, Payless Shoes, Radio Shack and Eastern Outfitters.

“With no other retailers readily to fill the void, you have real estate companies that are interested in other retail spaces.”

Consolidation in the industry may be making



c-stores more appealing to consumers as well.

“In some ways, they may be positively impacted because they are able to see more of a consistent product offering, more of a consistent image,” Flippen said. “I think one of the reasons why we are seeing more consumers going to convenience stores is because they are not concerned about going to some stores that they may have been a little worried about [in the past].”

**METHODOLOGY**

The *Convenience Store News* Top 100 is the indus-

try’s longest-running accounting of the largest convenience store chains by store count. The annual report is compiled in partnership with TDLinx, a service of Nielsen. TDLinx defines a convenience store as a small-format store of at least 800 square feet; with 500 to 1,500 SKUs; that operates at least 13 hours a day; and carries a limited selection of grocery items, including at least two of the following: toilet paper, soap, disposable diapers, pet food, breakfast cereal, tuna fish, toothpaste, ketchup and canned goods.

**TOP 100**

2017 Rank	2016 Rank	Company, City, State	Annual ACV* (\$000)	Total U.S. Store Count	Company-Operated Stores	Franchise/Licensee Stores	Primary Store Names
1	1	7-Eleven Inc., Irving, Texas	\$27,209,832	8,391	1,604	6,787	7-Eleven, Tedeschi Food Shop, White Hen Pantry
2	2	Alimentation Couche-Tard Inc., Laval, Quebec, Canada <sup>1</sup>	\$23,022,584	5,333	4,713	620	Circle K, Dairy Mart, Gas Express, Kangaroo Express, Petro Express, Quick Stop
3	3	Shell Oil/Motiva Enterprises LLC, Houston	\$12,221,872	4,670	14	4,656	Shell
4	8	Marathon Petroleum Corp., Findlay, Ohio	\$16,940,820	4,363	2,712	1,651	Marathon, Rich Oil, Speedway
5	4	Chevron Corp., San Ramon, Calif.	\$24,668,176	3,816	302	3,514	Chevron, Chevron ExtraMile, Texaco
6	5	BP North America, Houston	\$13,575,120	3,682	0	3,682	Amoco, <i>ampm</i> , Arco, Arco Thrifty, BP, BP Connect, BP Shop
7	6	Exxon Mobil Corp., Irving, Texas	\$8,911,708	3,379	0	3,379	Exxon, Exxon On The Run, Exxon Tiger Mart, Mobil, Mobil Mart, Mobil On The Run
8	7	Sunoco LP, Dallas	\$18,012,020	3,007	1,309	1,698	APlus, Aloha Island Mart, Coastal, Menehune Food Mart, Sac-N-Pac, Stripes, Sunoco, Tiger Market
9	12	CST Brands Inc., San Antonio <sup>2</sup>	\$10,040,160	2,115	1,219	896	Corner Store, Flash Foods, Nice N Easy Grocery Shoppe
10	9	Casey’s General Stores Inc., Ankeny, Iowa	\$7,467,720	1,969	1,969	0	Casey’s General Store
11	10	CITGO Petroleum Corp., Houston	\$3,566,784	1,477	0	1,477	CITGO
12	13	Phillips 66, Houston	\$3,301,792	1,194	0	1,194	76, Phillips 66, Conoco
13	21	Cumberland Farms Inc., Westborough, Mass.	\$6,201,000	943	566	377	Cumberland Farms
14	17	GPM Investments LLC, Richmond, Va.	\$2,317,900	942	941	1	Admiral Petroleum, Apple Market, Breadbox, FasMart, Jiffi Stop, Li’l Cricket, Next Door Store, Roadrunner Market, Scotchman, Shore Stop, Village Pantry, Young’s
15	14	The Kroger Co., Cincinnati	\$5,444,660	795	795	0	Kwik Shop, Tom Thumb, Turkey Hill Minit Mart, Loaf ‘N Jug, Quik Stop, Kroger Express
16	16	Wawa Inc., Media, Pa.	\$9,141,080	756	756	0	Wawa
17	15	QuikTrip Corp., Tulsa, Okla.	\$9,367,800	754	754	0	QuikTrip
18	19	RaceTrac Petroleum Inc., Atlanta	\$5,584,280	720	444	276	RaceTrac, RaceWay
19	18	Military, Arlington, Va.	\$4,138,836	680	680	0	Coast Guard Mini Mart, Marine Corps Shoppette, NEXCOM Mini Mart, Shoppette, Troop Store
20	20	Pilot Flying J, Knoxville, Tenn.	\$2,731,300	660	633	27	Flying J, Mr. Fuel, Pilot Food Mart, Pilot Travel Center
21	23	Sheetz Inc., Altoona, Pa.	\$6,741,020	550	550	0	Sheetz
22	39	Western Refining Inc., El Paso, Texas	\$2,029,820	543	426	117	Giant, Howdy’s Foodmart, Mustang, Sundial Deli Mart, SuperAmerica
23	22	Kwik Trip Inc., La Crosse, Wis.	\$3,900,520	534	534	0	Kwik Star, Kwik Trip, Kwik Trip Express
24	24	Holiday Cos. Inc., Bloomington, Minn.	\$3,512,600	524	375	149	Holiday Stationstore
25	25	TravelCenters of America LLC, Westlake, Ohio	\$4,463,940	485	457	28	Minit Mart, Petro Stopping Center, TravelCenters of America
26	11	CHS Inc., Inver Grove Heights, Minn.	\$1,004,380	454	84	370	Ampride, Cenex, CHS, Zip Trip

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27	27	Love's Country Stores Inc., Oklahoma City	\$1,179,100	423	423	0	Love's Country Store, Love's Travel Stop
28	26	Kum & Go LLC, West Des Moines, Iowa	\$2,221,440	418	418	0	Kum & Go
29	n/a	COPEC Inc., Brentwood, Tenn.	\$1,670,500	348	348	0	Delta Express, Discount Food Mart, East Coast, Favorite Market, Mapco Express, Mapco Mart
30	30	Stewart's Shops Corp., Ballston Spa, N.Y.	\$1,557,140	338	338	0	Stewart's Shop
31	28	Dunne Manning/CrossAmerica LP, Allentown, Pa.	\$1,069,328	330	192	138	Choice, Express Lane, Freedom Valu Center, Hy-Miler, Joe's Kwik Mart, One Stop, Rocky Top Market, Uni-Mart, Zoomerz
32	31	Allsup's Convenience Stores Inc., Clovis, N.M.	\$276,848	320	320	0	Allsup's
33	37	Maverik Inc., Salt Lake City	\$589,680	297	297	0	Maverik
34	32t	E-Z Mart Stores Inc., Texarkana, Texas	\$789,880	282	282	0	E-Z Mart
35	35	United Refining Co. of Pennsylvania, Warren, Pa.	\$1,333,020	279	279	0	Country Fair, Kwik Fill, Kwik Fill & Smokers Outlet, Red Apple
36	36	Tesoro Petroleum Corp., San Antonio	\$1,604,200	274	0	274	Tesoro, USA Fuel Center, USA Gas, USA Mini Mart, USA Petroleum
37	34	Murphy USA Inc., El Dorado, Ark.	\$432,120	256	256	0	Murphy Express, Murphy USA
38	38	United Pacific, Gardena, Calif.	\$1,177,540	254	250	4	C Stop, My Goods Market, Rapid, We Got It Food Mart
39	41	Jacksons Food Stores Inc., Meridian, Idaho	\$294,060	230	230	0	Jacksons Food Store
40	42	Fikes Wholesale Inc., Temple, Texas	\$244,400	227	227	0	CEFCO Food Store, Food Fast Store
41	43	Landmark Industries Inc., Houston	\$501,540	210	210	0	Timewise Food Store
42	40	Alliance Energy Corp., Waltham, Mass.	\$616,200	203	203	0	Alltown, Fast Freddie's, Mr. Mike's, Xtra Mart
43	45t	Thomtons Inc., Louisville, Ky.	\$686,400	187	187	0	Thomtons
44	47	Meijer Inc., Grand Rapids, Mich.	\$1,612,260	179	179	0	Meijer Gas Station
45	45t	United Dairy Farmers, Cincinnati	\$510,380	178	178	0	United Dairy Farmers
46	48	Two Farms Inc., Baltimore	\$374,920	178	178	0	Royal Farms
47	49	Giant Eagle Inc., Pittsburgh	\$1,571,960	164	164	0	GetGo
48	44	Getty Realty Corp., Jericho, N.Y.	\$491,400	163	28	135	Getty, Kwik Farms, Lukoil
49	50	Clark Brands LLC, Naperville, Ill.	\$388,960	148	0	148	Clark
50	52	QuickChek Corp., Whitehouse Station, N.J.	\$1,040,780	147	147	0	QuickChek
51	53t	Convenient Food Mart Inc., Mentor, Ohio	\$260,520	143	66	77	Convenient Food Mart
52	51	Sinclair Oil Corp., Salt Lake City	\$317,668	142	0	142	Sinclair
53	55	Kwik Stop Inc., Plantation, Fla.	\$300,820	139	0	139	Kwik Stop
54	56	Hy-Vee Food Stores Inc., West Des Moines, Iowa	\$344,240	139	139	0	Hy-Vee Gas Station
55	53	Krauszer's Food Store, North Brunswick, N.J.	\$265,980	134	0	134	Krauszer's Food Store
56	59	Blarney Castle Oil Co., Bear Lake, Mich.	\$602,160	126	126	0	E Z Mart
57	57	Go Mart Inc., Gassaway, W.Va.	\$597,220	123	123	0	Go Mart Food Store
58	58	Englefield Oil Co., Heath, Ohio	\$494,000	120	120	0	Duchess Shoppe
59	60	Martin & Bayley Inc., Carmi, Ill.	\$659,880	116	116	0	Huck's
60	61	7-Eleven Stores of Oklahoma, Oklahoma City	\$232,180	112	112	0	7-Eleven
61	62	Plaid Pantries Inc., Beaverton, Ore.	\$226,980	112	112	0	Plaid Pantry
62	64	Terrible Herbst Inc., Las Vegas	\$124,280	108	108	0	Terrible Herbst
63	77t	Mirabito Energy Products, Binghamton, N.Y.	\$346,320	107	107	0	Convenience Express, Mirabito
64	63	Little General Stores Inc., Beckley, W.Va.	\$499,980	106	106	0	Little General
65	98t	Stinker Stations, Boise, Idaho	\$308,724	106	106	0	Stinker Store
66	65t	Town Pump Inc., Butte, Mont.	\$298,740	98	98	0	Town Pump Food Store
67	67t	Sam's Food Stores, Rocky Hill, Conn.	\$176,540	93	93	0	Chucky's Food Store, Hess/Aldin Associates, Sam's Food Store
68	67t	True North Energy, Brecksville, Ohio	\$211,640	91	91	0	True North
69	70	Panjwani Energy LLC, Houston	\$193,440	90	90	0	Star Stop
70	72t	Tri Star Energy LLC, Nashville	\$289,900	90	90	0	Twice Daily

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71	80t	Express Mart Franchising Corp., Syracuse, N.Y.	\$154,700	90	90	0	Express Mart
72	74t	M.M. Fowler Inc., Durham, N.C.	\$230,360	87	87	0	Family Fare
73	n/a	Reid Stores Inc., Brockport, N.Y.	\$143,520	87	87	0	Crosby's
74	72t	Victory Marketing LLC, Ridgeland, Miss.	\$139,360	87	87	0	Sprint Mart
75	65t	C.A.R. Enterprises Inc., Upland, Calif.	\$403,520	86	86	0	2 Go Mart, Rebel Plus
76	74t	Gulshan Enterprises, Sugar Land, Texas	\$152,620	85	53	32	Handi Plus, Handi Stop
77	84t	Toot N Totum Food Stores, Amarillo, Texas	\$207,220	82	82	0	Toot 'n Totum
78	77t	The Spinx Co. Inc., Greenville, S.C.	\$268,320	81	81	0	Spinx Store
79	84t	Johnson Oil Co., Rock Falls, Ill.	\$161,200	80	80	0	Express Lane
80	80t	Buchanan Oil Co., Omaha, Neb.	\$344,500	80	80	0	Bucky's Express
81	76	C.N. Brown Co., South Paris, Maine	\$163,540	80	80	0	Big Apple
82	77t	FKG Oil Co., Belleville, Ill.	\$320,580	79	79	0	Moto Mart
83	87	Newcomb Oil Co., Bardstown, Ky.	\$254,800	78	78	0	Five Star Food Mart
84	80t	Sampson Bladen Oil Co. Inc., Clinton, N.C.	\$134,160	78	78	0	Handee Hugo's
85	88	Jet Pep Inc., Holly Pond, Ala.	\$140,140	77	0	77	Jet Pep
86	n/a	Croton Holding Co., Pittsburgh	\$297,180	76	76	0	Par Mar Food Store
87	84t	MFA Petroleum, Columbia, Mo.	\$134,420	76	76	0	Break Time, MFA Oil, Petro Card 24
88	91t	Gate Petroleum Co., Jacksonville, Fla.	\$171,080	71	71	0	Gate
89	93t	Southwest Georgia Oil Co., Bainbridge, Ga.	\$185,380	71	71	0	Inland Sun Stop, S&S Food Store, Sun Valley Market & Deli
90	96t	Family Express Corp., Valparaiso, Ind.	\$154,440	68	68	0	Family Express
91	102	CHR Corp., York, Pa.	\$107,120	67	67	0	Rutter's Farm Store
92	90	Fast Stop, Bloomington, Ill.	\$98,540	66	0	66	Fast Stop
93	91t	7-Eleven Hawaii Inc., Honolulu	\$86,060	65	65	0	7-Eleven
94	n/a	BW Gas & Convenience LLC, Beverly, Mass.	\$179,140	65	65	0	Yesway
95	96t	Flash Market, West Memphis, Ark.	\$146,640	64	64	0	Flash Market
96	n/a	Walters Dimmick Petroleum Inc., Marshall, Mich.	\$159,640	64	64	0	Johnny's Markets
97	101	Weigel's Stores Inc., Powell, Tenn.	\$168,740	64	64	0	Weigel's, Jug O Milk Store
98	98t	Dandy Mini Marts Inc., Athens, Pa.	\$139,360	64	64	0	Dandy Mini Mart
99	93t	Certified Oil Co., Columbus, Ohio	\$39,572	63	63	0	Certified
100t	103t	BFS Foods Inc., Morgantown, W.Va.	\$173,940	62	62	0	BFS Foods
100t	106	Southeast Petro Distributors Inc., Cocoa, Fla.	\$157,560	62	48	14	Sunshine Express, Sunshine Food Mart

Source: Nielsen TDLinX, April 2017

\*All Commodity Volume (ACV) is provided by Nielsen TDLinX. ACV is an annualized range of the estimated retail sales volume of all items sold in a store that pass through the retailer's cash registers. Lottery sales are not included; gas sales are included where applicable. The Nielsen TDLinX ACV is an estimate – a directional measure to be used as an indicator of company size.

<sup>1</sup> Only Alimentation Couche-Tard's U.S. stores are included in this ranking.

<sup>2</sup> Only CST Brands' U.S. stores are included in this ranking.

## ON THE CUSP (Nos. 101-110)

2017 Rank	2016 Rank	Company, City, State	Annual ACV* (\$000)	Total U.S. Store Count	Company-Operated Stores	Franchise/Licensee Stores	Primary Store Names
101	80	Sunmart Inc., Spring, Texas	\$163,540	61	35	26	Sunmart
102	98	MNS Ltd., Honolulu	\$61,620	61	59	2	ABC Store
103	105	The Wills Group, La Plata, Md.	\$183,820	61	61	0	Dash In Food Store
104	110t	Byrne Dairy Inc., Lafayette, N.Y.	\$122,980	61	61	0	Byrne Dairy
105	108t	Hollingsworth Oil Co., Goodlettsville, Tenn.	\$105,820	59	59	0	Sudden Service
106	89	Farm Stores Grocery Inc., Miami, Fla.	\$106,600	59	29	30	Farm Store
107	n/a	Clarks Pump N Shop Inc., Ashland, Ky.	\$164,060	59	59	0	Clarks Pump N Shop
108	93t	Enmark Stations Inc., Savannah, Ga.	\$338,520	59	59	0	Enmarket
109	108t	BellStores Inc., Massillon, Ohio	\$128,440	56	56	0	BellStores
110t	n/a	OnCue Marketing LLC, Stillwater, Okla.	\$27,352	56	56	0	OnCue Express
110t	107	Pester Marketing Co., Denver	\$237,380	56	56	0	Alta Convenience

Source: Nielsen TDLinX, April 2017