

## Putting the Spice in C-store Retailing

The Patel family continues to embrace its independence despite growing its store count By Danielle Romano

**WHEN CONVENIENCE STORE NEWS FOR THE SINGLE STORE OWNER** profiled Value & Variety for its April 2012 cover story, co-owner Kulin Patel and his family had been in convenience retailing for only five short years. They had become single-store owners in July 2007 after acquiring a large Shell-branded gas station with 13 fuel pumps and a 4,000-square-foot convenience store in Clarksville, Tenn.

It wasn't long that the family realized the disadvantages of being a single-store operator when you're on the playing field with larger chains. For starters, Value & Variety had to compete with other retailers who were selling in-store items at the price they had paid vendors for them. Then, there was the general lack of resources, lack of access to better pricing on fuel, and lack of support from larger suppliers that prefer to only work with the big c-store chains.

Another five years and five more convenience stores later, Patel attests that this seemingly exhaustive list of hitches is what Value & Variety continues to struggle with today.

"The challenges that existed then are still existent," he told CSNews in a special

follow-up interview. "We do not have deep pockets for advertising, investments in technology, design and planning tools. Some regulations from the government also prevent free expansion of business. For example, we cannot purchase beer from breweries out of state that do not have a distribution network in Tennessee."

For the past decade, the Patel family has tackled these challenges head-on by embracing the uniqueness that comes with being an independent player in the convenience channel. According to the co-owner, this includes the freedom and capability to create a niche that differentiates it from the large c-store competitors, who he says are a dime a dozen in the channel.

"Our company works on the mantra of 'embracing your independence.' We are happily and luckily taking full advantage of being small and independent," Patel expressed.

### Setting Itself Apart

Value & Variety is not just the name of the family's six stores; it is also a distinctive range of products offered by the retailer. The Value & Variety product concept debuted with the family's third store in Clarksville, which opened in July 2011.

Calling the stores by this name says a lot about the company's mission, according to Patel.

"As simple as it sounds, it explains our company in totality. We offer a variety of products at value prices. Period," he said. "We want our customers to find an exciting place, instead of a boring stereotypical neighborhood convenience store.

"We describe our stores as 'convenience stores with a spice of variety,'" he continued. "Our mission is to make available a range of exciting products at value pricing."

Beyond selling the items traditionally found in a c-store, regardless of size, Value & Variety has uniquely positioned itself with specialty items like craft sodas and craft beers.

Conceptually, each Value & Variety store is designed so that when a customer walks in, the first thing they see is the vast selection of handcrafted sodas, purchased

The Patel family, led by brothers Kulin and Kunal Patel, has grown from a single-store owner to operator of six Value & Variety convenience stores.



from almost every small and big brewer in the country and some from overseas. In addition, there's a large range of craft-brewed and imported beers. On average, a Value & Variety store offers nearly 300 types of handcrafted sodas and 500-600 types of beer, with 20-30 on tap and sold by growler fills.

"Although many stores have now caught up with the idea of draft beer to go, we remain pioneers and major players in this space," Patel said. "Gourmet sodas are unique to Value & Variety — no one has the range of products in this category."

Value & Variety also prides itself on offering:

- Specialty and imported novelty and nostalgic candy;
- Hundreds of top-rated cigars;
- Fast food like pizza, and fresh and cold sandwiches;
- Staples like milk;
- ATM and lottery; and
- Clean public restrooms.

Value & Variety continually adjusts its portfolio and adds new products to keep the "wow" factor, Patel noted, adding that being an independent gives them the opportunity to do so.



### Three Value & Variety locations feature a drive-thru and two locations sell fuel.

"We have the flexibility of allocating space to new products as we please. [Not having] contracts with any major suppliers ... saves us a lot of headaches and allows us to support and promote small brands and great products," he explained. "We promote the small businesses like us, and the reciprocity we receive is very beneficial."

Even though Value & Variety adheres to the exterior aesthetics recommended by Shell, Exxon, etc., taking on a typical convenience store appearance outside, customers are welcomed by a boutique-like look and



Specialty candy and gourmet soda are two of Value & Variety's competitive advantages.

feel on the inside. Initially, the company used a bold color combination recommended by its consultant but, over time, Patel said it has "perfected the aesthetic with trial and error." He describes today's interior design as "homey, casual and urban."

Decorative features include hanging mountain bikes, skateboards, wakeboards and guitars, finished off with multiple displays and custom signs.

"Creativity is a part of everything we do. Our customers can easily tell that our stores are not controlled by the few big brands or names," he emphasized.

### Expanding Its Value

If Patel and his family have learned anything over the past decade, it's that investing in your business is inevitable, regardless of time or capital. That is why Value & Variety has been investing more and more into existing locations and growing vertically where possible.

As part of its growth strategy, the company plans to open two new locations in 2018. It also recently acquired its first 10,000-square-foot store. Aply named Value & Variety Fine Wines and Spirits, the store will sell liquor, wine, beer, sodas, cigars, and specialty cheeses and candy.

"The entire convenience industry is evolving, or rather transforming rapidly, and whereas most operators are

**Some customers refer to Value & Variety as “the store with the greatest beer selection,” while others call it “the store with the weird sodas,” according to Patel.**

focusing on food, we are betting it all on the shopping experience and gourmet taste,” Patel explained. “Being a small company, growing with other small businesses like ours, has given us the leverage and confidence to not only survive, but to thrive.

“Now, we wish to empower many other small operators like us fighting the might of the giants,” he added, sharing that the company is considering franchising Value & Variety.

Moving forward, though, doesn't come without reflection. When asked what he wishes he had known when he and his family first started out in 2007, Patel said it would be that financial leveraging or optimum utilization of resources is required for growth. He also



**Value & Variety stores offer 500 to 600 types of packaged beer, on average.**

wishes they were more involved in social media marketing and other customer engagement ideas, like loyalty programs. Value & Variety is in the process of rolling out these concepts, but Patel wishes they had perfected them by now.

His advice for small operators who are just starting out is this: “Everyone has a budget, but when you start a venture with half the resources your competitors have, you are inviting hardships and compromises. One should never be skeptical of building something unique, and special customers will appreciate it and the returns will be seen. Perseverance will pay. Always keep additional resources at hand to enable you to compete and upgrade.” **CSN**