THE PROGRESSIVE

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www.dph.georgia.gov www.gema.ga.gov www.cdc.gov www.coronavirus.gov www.gadoe.org

COVID-19 Hotline

(844) 442-2681

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"Integrity Driven...Service Powered"

Est. 1938

HOW DO RETAILERS PRESERVE THEIR LOYAL CUSTOMERS IN A POST-PANDEMIC ENVIRONMENT?

By: Bill Raulerson



CUSTOMER RETENTION

The c-store industry has enjoyed decades of success by knowing its customers' names, favorite products, pricing competitively and doing it quickly. It has weathered geopolitical events, wars, disease, product sensitivity, i.e., to-bacco, gasoline shortages, competing technologies, hyper markets, dollar stores and now the virus. However, today is different because the virus has caused all consumers to change their behavior regarding the number of trips and basket size they purchase. Let's review category management, your current store brand and what we can do to minimize the effects and even capitalize in this post-pandemic market.

While you would expect consumer uncertainty, fueled by high unemployment, to contract consumer spending, the cstore industry has been somewhat shielded because of its essential business designation. With grocery stores closing early and restaurants closing, the industry has enjoyed gains in merchandise and deli sales. As these food retailers begin to re-open, we need to protect our product categories profitably. While recession proof categories such as tobacco and alcohol might be spared, others may be harmed. While basket amount has remained stable, trips per week has steadily declined from 3.6 in 2014 to 2.3 in 2019. Covid-19 will certainly put downward pressure as health-conscious consumers try to avoid further exposure. To insure against declining categories, you may want to consolidate brands, i.e., keep top tier, but make room for less expensive brands, which stole market share from mid-tier levels. However, while lower priced products drive sales, they harm penny profit. To overcome this risk, overlay with multiple style promotions that drive incremental units.

- Pricing is critical stay the course. Use a strategy that drives long-term value, versus benefitting from shortterm pricing advantages.
- Leverage Loyalty while the industry has been blessed with selling habit forming high-purchase, frequency categories that drive loyal customers multiple times per week, trips per week continue to decline. Multi-

- site operators can use their loyalty programs and single site operators can use their branded motor fuel programs to track consumer data to determine buying habits and market to the same.
- Safety Drives Food Service (Lisa Salaria, NACS, July 2019) Safety has always been a top priority of food-service, but the post-pandemic places self-service food safety on steroids. We have seen traditional self-serve shut down, bring your own cup eliminated, shields installed, and masks required. C-Stores are used to serving its own food, but we must take extra precaution by wearing masks and gloves to show our customers that we care about their health. Maybe we start wrapping our food in smaller proportions vs. bulk, which looks better, extends shelf life, and reduces waste.
- Brand We've discussed this before, but I believe it is important to review every 7-10 years. Your brand communicates your offering whether you have one store or 100 stores. It may be as simple as your name, image, or personality. We have many retailers that know their customers by name, products they purchase and where they live and work. It is difficult, if not impossible, for chains to compete with you on this level because of employee turnover, and they just don't care.
- What makes your business special and different from your competitor?
- ⇒ Who is the customer that cares about that?
- What do you want customers to say when they leave your store?

If you can answer these questions and execute on the street, you are probably already successful. Surveys indicate that customers will patronize sites that demonstrate a healthy and clean environment. If customers see you taking extra precautions, i.e., wiping down counters, wearing masks and gloves and offering hand sanitizers, they are more likely to remain loyal.

Credit: NACS Magazine, July – Pat Pape

OUR FOUNDERS...OUR HISTORY



Ernest Lewis, Founder 1898-1978



Bill W. Raulerson, Partner 1915-1987



Carl Howard Lewis, 2nd Generation



Grady Carl Lewis, 3rd Generation 1962-2012

Beach Timber Buys Ace Pole



Congratulations to Beach Timber and Ace Pole

Ace Pole Company in Pierce County, is now under new ownership. Cecil and Garry Eunice, brothers and owners of the company, sold the business their father, Steve Eunice, founded in 1964, to Alma-based Beach Timber Company in an acquisition that was finalized in July 2020.

Both companies are family owned and operated with a good reputation. Lewis & Raulerson, Inc. is a proud supplier of both companies with a 55+ year legacy with Ace Pole. We look forward to working with new owners and wish them much success.

About Beach Timber: Beach Timber Company, Inc. opened its doors in 1986 on four acres of land that previously served as part of Gary Strickland's family turpentine operations. The company was founded as a white pole manufacturing operation producing semi-manufactured utility poles. Ten years later the company relocated to a 40acre site north of Alma. A small pole mill was added to the facility in 2000 and a year later BTC was successful in creating a new wood product used to support the BTC piling markets. In 2004, a second dry kiln was constructed and put into operation and BTC expanded its operations to include a landscaping mulch processing facility. Four years later, after acquiring additional acreage, BTC constructed a Southern Yellow Pine Specialty sawmill, but



ceased production in 2009 due to market conditions. This year, the Pine Specialty Sawmill was redesigned and put back into production.

About Ace Pole: Steve Eunice entered the post business in 1964, peeling fence posts in his backyard but soon moved his operation to a site adjacent to the Satilla River and incorporated as Ace Post Company. Six years later, he purchased a pole machine from Atlantic Creosoting Company in Homerville, and Homerville Pole Company began operations. Ace Pole, Inc. grew to become the largest producer of poles in North America. The operations merged to become Ace Pole Company in 1978, relocating to its current site near Lairsey Crossing on U.S. Hwy. 84.

Great Expectations

Michelle Harris, Sales Support Specialist



Retail foot traffic is still being impacted by the COVID-19 pandemic. Cities and states are reopening, but we are now beginning to see the long-term effects on your consumers. There are many degrees of concern regarding COVID-19. Now more than ever, it should be top priority to serve your customers at the highest level while at the same time providing the safest environment for their shopping experience. Your consumers have high expectations in today's pandemic environment. Some mystery shop programs have seen an increase in customer complaints regarding health and safety issues. Consumers want to see that you are taking precautions to ensure everyone's safety. They want to see employees wearing face masks and are looking for confirmation they are shopping in a safe space, i.e., increased cleaning and sanitizing, protective shields, available hand sanitizer, social distancing, etc.

Where do you land?

Have you adapted the operations of your business to meet these consumers' expectations?

By going the extra mile, it will ensure that your customers will want to return.

Sources: Ipsos, "Consumer Health and Safety Index: Oil and Gas Industry Report." June 2020.

C-Store Entrance Management

Manage the number of customers inside your store and post signs at entrances to encourage social distancing.

Hand Sanitizer Availability

Provide hand sanitizer in restrooms and at check-out stations.

Social Distancing Markers

Place 6' markers at places where customer queue in stores, like coffee stations and check-out lines.

Ensure employees use face masks and gloves at all times.



To Be One

BY: Anna Lewis, Corporate Secretary



Most days we don't think about what it means to be an American. With many in the USA protesting what it means to be one, it may be time to reflect on what it means to earn what most of us take for granted.



Following are the words of my brother-in-law, Munaf Hirkani, who describes what it means to now be one of her own.

Anna Lewis, Corporate Secretary

USA, 2013: I was immersed in my job, my visa extension was filed, and I had moved to a new apartment with all new furniture. I was making vacation plans when I received notification that my visa extension had been denied. I had just two weeks to wind up everything and leave the country. I was numb; I had to leave my new life and country with only the items that could fit into two bags. Tears were all I could see as the door of my American dream was closing on me.

USA, 2016: I arrived back in the USA on my new visa. I was bitter and distrustful from the previous experience and afraid to put down roots. Many of my colleagues had requested our employer to file for permanent residency (Green Card) on their behalf. I had a wonderful manager who convinced our HR department to file for me.

USA, 2020: After three long and agonizing years, with setbacks and hurdles along the way, I finally received a notice with those words which thousands of immigrants like me are waiting for: "Your Green Card is APPROVED". I was finally free of the invisible weight I had been carrying during all of the years of waiting.

I felt giddy as a kid on Christmas when opening that envelope from US Customs and Immigration Services. Inside, the ticket to all the freedoms, promise and possibilities the USA can offer: the card with my photo, my name and imprinted with the words

"Permanent Resident". -- Proud American, Munaf Hirkani



Thank You For Choosing LEWIS & Raulerson, INC.



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2020 NEW BUSINESS & LOYAL RETENTION BUSINESS

Chevron Food Store, Cecil, GA

John's Country Junction, Vidalia, GA

One Stop #44, Saint Simons Island, GA

OM Food Mart, Nahunta, GA

Pulaski Corner Store, Huntsville, AL

Quick Mart, Darien, GA

Satilla Kwik Stop, Nahunta, GA

Shell Truck Stop, Jesup, GA

Stockbridge Food Mart, Stockbridge GA

Stop N Shop 2, Jesup, GA

Sunoco 51, Swainsboro, GA

Sumner Food Mart, Sumner, GA

Travel Shop, Ashburn, GA

Guntersville Tackle and Outdoor at Waterfront, Scottsboro, AL















Community Support Continues

By: Casey Hall, Executive Coordinator



2020 has been a trying year for many, including myself. If you know me, you know I try to find the positive in ALL situations, but one cancelation after another has taken a toll on my optimistic personality. After the announcement last quarter that we would have to cancel our annual golf tournament, I received many emails relaying each one's disappointment. I too dreaded notifying charities their donations would not be awarded for 2020....until, I received an email from Mr. Jimmy Stewart (Stewart Candy Company), stating that we could count on their same level of participation. I was encouraged that we could still help those less fortunate on some level. In addition.... I received a generous donation from James-Bates-Brannan-Groover-LLP. WOW—What a blessing! Other commitments followed and soon we had a plan. In lieu of the golf outing, Lewis & Raulerson—Friendly Express Charitable Foundation, Inc. will host a raffle to raise money for our 2020 Nominated Charities. Give me a call if you would like to be apart of our mission. Together we can "Make A Difference". Top Charities for 2020 include (to name a few): Dreams Come True, Satilla Hospice, Kingdom Care, Georgia Baptist Children's Home and The Methodist Home.





Through September 2020, Feeding Families on Friday total donations amount to \$214,507.23 In addition to our Wonderful Charities we support each year, we focus on the hunger crisis in our communities.

Every Friday when a customer buys ANY size fountain drink or coffee, we donate 10 cent for each cup sold.



100% of the money collected has been distributed to Food Pantries and soup kitchens in the same community as the store that collected it. In 2013 we decided to address a growing concern that affected all of our communities, and after speaking to our employees we discovered the overwhelming need was to help feed people in our communities, hence Feeding Families on Friday was conceived.



Charitable Foundation, Inc. FRIENDLY

GOING THE EXTRA MILE—HEALTH MISSION 2020

Lewis & Raulerson, Inc. recently invited ALL employees to join our "Heart Health Mission". We encouraged all employees to Run, Walk, or Bike during the month of September. This challenge was meant to inspire all of us to live a fun heart healthy life. The mission was a positive motivator for many.

Some employees jumped at the challenge, waking up at 5:00 AM and going back for extra miles in the afternoon. The competitive spirt was alive and well. Many employees felt a sense of accomplishment by the end of the mission. One employee was able to hike up a 90 foot climb with her family, something she could not do prior to the mission. Our winner, Steven Raulerson, said this was life changing for him. He bypassed everyone by double the miles. Steven biked an impressive 600 miles on his bike in the month of September.





"Alone we can do so little... TOGETHER we can do so much."

Above: 1st Place—Steven Raulerson, 2nd Place—Briana Dickerson, 3rd Place—Casey Hall. Right: Steven Raulerson, PSG General Manager after a long rainy bike ride.

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EMV Compliance Is Coming

Understand the importance of being prepared for the liability shift in April 2021

Steven Raulerson, PSG General Manager



More than 40 million U.S. consumers fill up every day at the pump, and 86% pay for their fuel with a credit or debit card. Because of the coronavirus pandemic, the EMV liability shift has been moved to April 2021, <u>but that doesn't mean gasoline retailers can wait to upgrade their pumps.</u>

86% of Consumers
pay with credit or
debit CARDS

The consequences of the deadline, including the significant cost of upgrading payment terminals but also potentially of non-compliance, and the forced de-branding of independent gas stations that choose not to upgrade, has the potential to re-

shape the entire US gas station landscape. But then the pause button was hit; the arrival of the COVID-19 pandemic and its impact on economics and supply chains among other factors led to the gas station industry calling for a further delay to the deadline, and in early May the card schemes announced that the liability shift would be pushed back until **April 17th, 2021**.

On the face of it, this seems like a huge win for gas stations that were struggling to comprehend how they would meet the deadline (and whether it even made financial sense to do so) before the COVID-19 outbreak. But, in reality, there is still plenty of work to do and not an unlimited amount of time to complete it. For this reason, the extension to the deadline does not mean EMV compliance should be any less of a priority for gas stations in 2020.

Not being EMV compliant "creates a potentially economic problem for the business, especially for something like petro that has been struggling with chargebacks and fraud for years. There's a huge economic impact that's going to happen to convenience stores. ... If they don't do it—and this happened in retail—the bad guys find out who's not upgraded, and they go target them. The cost of noncompliance for a business is going to be huge ... and could easily put a retailer out of business.

To comply, retailers need to make changes to the fuel dispensers themselves, including the pump's software. What's happening is that there's a run on the resources out in the field that can do this sort of work, which are the qualified technicians who are authorized to go into pumps and make the necessary changes to comply with the mandate.

The pumps are pretty complex inside, ... so these are in limited quantity. <u>As we move closer to that deadline, there's going to be a shortage of their availability in the field.</u>

In 2019, chargebacks totaled more than \$400 million. Retailers have several different options to become compliant, anywhere from buying brand-new pumps to trying to retrofit your existing pumps.

Counterfeit fraud, where the perpetrator uses a stolen or cloned card to make a payment, is currently increasing 23% year-on-year and may surpass \$450m annually by the end of 2020. This would be a huge cost to bear for a potentially lower number of merchants that would be targeted by fraudsters as the majority integrate chip card readers that are significantly more difficult to scam.

But this is no guarantee that gas stations will not return to being complacent, or remain so, when it comes to meeting the deadline now that it has been extended. For example, some gas stations that have traditionally seen little or no counterfeit fraud to-date may believe that the financial investment of being EMV compliant outweighs the risk of not doing so, and will come to regret this decision as fraud-sters actively search out and flock to gas stations that are not EMV enabled.

Where many plans that were put in place pre-COVID-19 have ground to a halt, a focus on EMV compliance cannot relapse. Those that failed to plan sufficiently before the announcement of a delay must take the opportunity to focus on how to achieve compliance before the April 2021 deadline.

In normal times, gas stations might expect for an EMV at-pump upgrade to take somewhere in the range of four to six months from site survey to installation. But as we emerge from the pandemic, most manufacturers, supply chains, technicians, and inspections, might all be backlogged with requests, meaning that this tie period may end up being longer. In order to comfortably meet the new deadline, it is imperative not letting compliance fall off the radar.

If your location is still non-EMV compliant. Feel free to contact Petroleum Services Group at 912 283-6606 so we can schedule a consultation to find the most cost-effective solution to your site needs.

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STRETCH YOUR FUEL WITH THESE MONEY-SAVING FUEL TIPS

Lydia Varnes, FueLoc Manager





With FueLoc, our purpose is to aid your business in controlling fuel use through secure fueling cards, and by providing detailed informative reporting. When an

odometer reading is accurately entered with each fuel purchase, it will provide important vehicle information that is vital to knowing and improving your business fuel consumption. FueLoc invoices can provide average miles per gallon, cost per mile driven in addition to total gallons by employee (if the multiple pin number feature is being used).

As a FueLoc customer you also can sign up for our complimentary E-Receipt feature which will electronically provide a secondary receipt directly to an Email address of your choosing.

In addition to implementing fuel controls through your FueLoc cards we also recommend the following tips:

- Drive smoothly, avoid heavy acceleration or braking. Speeding, rapid acceleration, and braking can lower fuel mileage by 5% at lower speeds around town, and by 33% at higher highway speeds.
- Replace dirty or clogged air filters. Replacing a dirty, or clogged air filter with a clean one can improve fuel mileage by as much as 10%. Your vehicles air filter can protect your engine from impurities.
- Make sure your tires are at the correct pressure and not over or under inflated. Proper air pressure cuts down on fuel used while driving. Keeping tires at the correct pressure can improve your fuel mileage by about 3.3%.

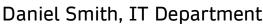
- Minimize vehicle drag. Keep your vehicle clear of unnecessary items and equipment that only add weight. Removing excess weight can improve your vehicles mileage.
- Always use the recommended grade of oil in your engine. Following your manufacturer's motor oil recommendation can improve fuel mileage by 1-2%. Look for motor oil that says "Energy Conserving" on the API performance symbol, to ensure it contains friction-reducing additives.
- Use cruise control on major roads and in free-flowing traffic. Maintaining a constant speed can improve fuel mileage.
- Avoid idling. When you idle, you get 0 miles per gallon. Avoid higher speeds. Fuel mileage usually decreases when driving at speeds over 60 mph.
- Plan your outings to avoid separate trips. Combine your driving when
 possible to one outing to avoid short separate trips. This helps avoid unnecessary cold starts and keeps your car's engine running warm and more efficiently.

Thank you for selecting FueLoc for your Fleet fueling needs. To make changes, or additions to your account, please contact:

Lydia Varnes, FueLoc Manager

lvarnes@lewisandraulerson.com or call (912) 490-1100

Social Engineering —The New Cyberattack





2020 has been a year full of unexpected turns. It has included a pandemic, a record-breaking hurricane season, and at the time of writing this, we still have three and a half months to go. While these are all things that are beyond our control, the one thing we can control is our <u>diligence when it comes to cyberattacks</u>. For years the only computer virus' we knew of were the ones that came from an mp3 file that was downloaded from LimeWire, but the new trend in cyberattacks is commonly known as Social Engineering.

Social engineering is defined as "the psychological manipulation of people into performing actions or divulging confidential information." This most often comes in the form of emails from a <u>name you recognize</u>, yet it is a <u>cybercriminal posing as this person</u>. Sometimes it can be as small as asking how your mother is doing and trying to gain information about her through this conversation, or it can be them asking you to send them money via gift cards, wire transfers, etc. Nearly any website that requires you to log in has recovery questions and the most common is regarding your mother's maiden name. Because of this, it is easier for cybercriminals to attack us more directly than ever before. While there is no perfect antivirus software for social engineering, we can all benefit from being more aware of the tactics used by cybercriminals.

On a more positive note, something that could help you in your everyday life is this free download called Grammarly. Grammarly is a real-time grammar checking software. Whether it be misspelled words, improper use of punctuation, or just cleaning up an email you are typing out to a colleague, Grammarly can help. I use Grammarly within my web browser mostly, but they now offer a desktop application you can download from their website https://app.grammarly.com/.

Keep in mind, the internet can be a very helpful place, or it can be full of corruption. It's important to stay diligent anytime you are on the internet and be aware of the websites you are on, and the people you are talking to.

COVID19 SHOCKS LOCAL INDUSTRY

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Coley Voyles, Plantation Petroleum, a division of Lewis & Raulerson, Inc.

Business Development Manager



According to a Brookings.edu article on how to protect essential workers in the midst of a global pandemic: COVID-19 is a genuine shock to daily life. Typical activities—sitting down at a restaurant, meeting with colleagues, hugging a friend—are suddenly foreign and deeply missed. From coast to coast, mayors and governors have wisely recommended residents to keep physically apart, all to minimize a massive wave of infections and give our health care systems a chance to mitigate the virus.

The early result is a massive economic seizure among certain industries and their workforces. Early numbers show millions of layoffs spread across food retail, shopping, tourism, and intercity travel industries. In tandem with the unfolding health emergency, the economic crisis is now perpetually the country's top story. As a result, congressional, state, and local leaders are aggressively pursuing policies to support these workers and their employers in these tumultuous times, including the \$2 trillion CARES Act (Tomer & Kane, 2020).

Hood Industries, Inc., a Southeastern customer of Lewis and Raulerson, Inc. is no exception to the crippling blow the Coronavirus had on industry workers across the nation. Hood experienced a drastic decline in lumber market prices, thus causing a significant decrease in the demand for wood products.

Located in thirteen states serving the northeast, southeast and southwest United States, Hood Industries, Inc. a manufacturer and distributor of wood products, is comprised of two plywood mills, four lumber manufacturing plants, and fourteen specialty wood product distribution operations. Due to budget constraints as a result of the strain on the economy post-COVID outbreak, Hood was forced to close two of their mills, one of which is located in Metcalf, Georgia.

As a means to protect their employees, Hood furloughed all staff with the exception of five senior managers for a span of seven weeks, effective May 1, 2020. The furlough period continued until June 22, 2020. Nanette McRae, Human Resources Manager at Hood, stated "By providing a furlough, Hood was able to keep their employees attached to the company and provided assistance with submitting documentation for unemployment". McRae also stated that "when we reopened the mill, every furloughed employee was extended the opportunity to return to work. All but a few employees returned; some found other opportunities in the interim".

The management team at Hood took this opportunity to restructure their operations in Metcalf to improve productivity and cut costs where possible, in order to recoup some of revenue lost to the pandemic. It is impossible to write this segment without also highlighting one particular individual who was impacted personally and professionally throughout this process.

Bryon Lynn, Purchasing Manager and single parent, was devastated when he learned about the company's shutdown and layoffs. I happened to be in his office the day he received this unfortunate message. Bryon started working with Hood on September 11, 2007. Other than his four years of service in the military and a very short stint with another company, Hood is the only job he has ever worked. Lynn went as far as to say "Hood is the only thing my family has ever known". His father, Steve Lynn, is currently the Procurement Manager at Hood and has been with the company for forty-three years. Talk about a personal commitment to a company!

Ironically, I was also with Bryon on September 11, 2020, which marked his thirteenth work anniversary with Hood. Because Hood provided their employees the option to return to work at the conclusion of the furlough period, Bryon was able to celebrate this work anniversary and personal milestone. What a remarkable testament to the human resources department at Hood, Inc! Working at Hood again, Bryon reflects that he feels bad for all those affected by the shutdown, but all he was worried about right now was #1, (Bryon), and what he was going to do if the shutdown was permanent. Thankfully, the shutdown was not permanent, and both Bryon and Hood anticipate a positive comeback in the future. Nanette McRae stated, "Currently, the economy is coming back strong while demand has increased. The company is profitable and Hood Industries, Inc. is producing again."

References Tomer, A. & Kane, J. (2020, March 31) How to protect essential workers during COVID-19. Brookings.edu. https://www.brookings.edu/research/how-to-protect-essential-workers-during-covid-19/ and Hood Industries (n.d.) Retrieved from http://www.hoodindustries.com/



Attn: Feedback P.O. Box 59 Waycross, GA 31502 912-283-5951 "Integrity Driven. . . Service Powered"

LET US KNOW HOW WE'RE DOING!!

QUESTIONS—CONCERNS—FEEDBACK



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Celebrating

Anniversaries with

Our Friends!

Thank You For Your Loyalty & Dedication!



Awards will be presented in 4th QTR of 2020

AP Minit Mart 5 Years

Beltline Shell 5 Years

Chevron Food Mart 15 Years

Choose's #1 15 Years

Country Store 10 Years

Daisy Food Mart 5 Years

Danville Park 5 Years

Davey's Discount Stop 20 Years

Flint River Grocery 10 Years

Jack Rabbit #4, #57, #62, #75 5 Years

Market Square 5 Years

Satilla Kwik Stop 5 Years

Stop N Save 23 5 Years

Sunoco Food Mart 10 Years

US Food Mart 5 Years

Austinville Solar 5 Years

Breed's Food Mart 5 Years

KD Food 15 Years

Kingsland Grocery 10 Years

Kwik N Pik 20 Years

Danville Grocery 5 Years

Hanceville Exxon 5 Years

One Stop #42 20 Years

Pig Jig Food Mart 10 Years

Lucky Convenience Mart 5 Years

OM Food Mart 5 Years

Solar Food 5 Years

Stop N Shop Townsend 5 Years

Victory Fuels 10 Years

Xpress Stop 10 Years