



Convenience Products Distributors are Essential

In the United States, convenience products distributors are the bridge between manufacturers and retailers, bringing products needed by communities especially during these critical times. Distributors provide support and assistance to their convenience store partners by delivering products, checking product freshness, consulting on food safety, and very basically acting as the retailer's constant partner.

The convenience distribution sector employs approximately 59,000 people, and is responsible for \$102 billion in annual sales. Also, it contributes billions in economic and fiscal activities throughout the U.S. economy including an estimated \$30 billion in excise taxes, \$2.3 billion in tax revenue, \$8.2 billion in new economic activity (GDP) and \$4.5 billion in labor income.

These bottom-line numbers are only the tip of the iceberg when it comes to defining the tremendous value and essentiality distributors bring to the channel. A chain is no stronger than its weakest link, and the U.S. convenience products supply chain is proudly strong at every link. Consumers do not have access to the products they need without the vital work of the convenience products distributors.

Convenience products distributors provide convenience stores and small retail formats with everyday essentials such as groceries, over-the-counter drugs, toiletries, cleaning and other supplies. **It is imperative that convenience products distributors and stores are deemed essential during the COVID-19 crisis**, so that they may continue their operations.

Distributors have a keen understanding of the needs of each retail store and their communities. Today, distributors use real time data and analytics based on the markets they serve to get the right SKUs into the right stores, in the right place and at the right time and price. Through this data, distributors bring category management solutions and expertise to ensure their customers have the right mix of products. The distributor's packed toolbox allows the retailer to focus on the consumer and provide the products they need.

According to National Association of Candy and Snacks (NACS), 93% of Americans live within 10 minutes of a convenience store, including 86% of rural Americans. For many Americans their closest source of groceries, over the counter medicines and supplies is a convenience store. As it becomes increasingly important to social distance and stay home during this pandemic, convenience stores provide local and quick access to essentials, noting that the average time in store is under four minutes.

According to NACS, convenience stores provide:

- Over-the-counter medicine (more than \$2.5 billion in annual sales)
- Milk (\$1.4 billion) and bottled water (47% of all individual bottles)
- Electronic Benefits Transfer: 111,816 convenience stores authorized to redeem SNAP benefits, which comprise 45% of all SNAP-eligible stores.
- Quick and easy access to cash (hosting nearly one-third of all U.S. ATMs)

The convenience store count is more than the combined total of supermarkets (49,034 stores), drugstores (41,127 stores) dollar stores (33,185 stores) and mass merchandisers (4,032). According to the 2020 NACS/Nielsen Convenience Industry Store Count, there are 152,720 convenience stores in the United States that sell 80% of the gasoline purchased in the country noting that many of these stores provide hand sanitizer and/or gloves at the pump.

For more information, please contact Kimberly Bolin, (703) 208-1650; KimberlyB@cdaweb.net