



From: Convenience Store News

SHOPPER SUPPORT

SEPTEMBER 13, 2004 -- The local mall is no longer just a hangout for teens looking for a place to see and be seen. Malls today are bustling infrastructures of commerce, catering to young and old and every demographic in between. And like every other retail outlet in the country, that means convenience is becoming more of a priority.

Topeka, Kan.-based McColla Enterprises Ltd. founded the Street Corner franchise program, which operates small kiosks and in-line mall stores selling a variety of convenience offerings. Originally titled Street Corner News and launched into the public eye as one of the first newsstands to be invited to open in the Mall of America in Bloomington, Minn., the company has experimented with a variety of formats and come to the realization that the mall-based c-store operation is the wave of the future.

"Our name has changed as of last year to Street Corner, with the tag line 'Sips, Snax and Stuff' to further emphasize the point that we are not really a newsstand but more of a convenience store," said Peter LaColla, CEO of McColla Enterprises Ltd. Currently, the company has about 43 stores or kiosks open in malls across the country, with another 15 to 20 in the works.

The Street Corner concept fills a need within the mall space for both shoppers and mall employees, offering a place where one can stop in for a bag of chips and a soda without having to wait in line at the busy food court. "We've become a mini convenience store," said Dan McCabe, president of McColla Enterprises. "Not only do we do this in a very small space, but we basically have replaced in many instances the old drugstore chains that used to inhabit these malls and are no longer. We've always fought the image of a little cluttered junky newsstand as not being a desirable retail addition to a mall. Therein lies the struggle that we have from a marketing and design point of view. We need to have a lot of merchandise and present it in a way that will really appeal to the mall."

In just a small footprint of a space, Street Corner offers aspirin, fountain and bottled drinks, coffee and tea, lottery, snacks, Krispy Kreme doughnuts, candy and gum, fax and copy services, tobacco products, souvenirs and gifts, office and desk supplies and other incidentals. "The core product line is the same in all of the stores," LaColla said. "It is essentially a convenience store product line with the exception of groceries or automotive and things that would not make it in a regional mall."

The company offers a variety of design formats, ranging from a 200-square-foot kiosk to a 500-square-foot in-line mall store. The kiosks, though smaller, can carry as much if not more merchandise because they allow for merchandising on all four sides, whereas the in-line stores have an open storefront. "We've worked so hard to try to keep these streamlined and very clean-looking," LaColla said, adding that displays and baskets are being built into the counter, light boxes are being built onto column facings for promotional signage and ice coolers are being installed for single beverages in addition to reach-in coolers.

The mall convenience store concept has been successful thus far, McCabe said, because these products are such that they will always be utilized by all populations and demographics. "The average ticket sale in these stores is \$3 to \$4," he said. "There's probably no one in that mall who won't at some time need or use what we sell. We often locate ourselves in or around major intersections or the inlet and outlet points of the food court. We try to put ourselves in those areas of high-traffic density."

The company currently has stores exclusively in regional malls that make at least \$300 a foot in sales per year and are in excess of 700,000 square feet in size, but it has its sights on more locations in the future. "We would very much like to expand into what we consider nontraditional venues — locations like hotel lobbies, office lobbies, airports, downtown streetside locations and condominium buildings," LaColla said. "Those type of stores may add additional product lines, for instance cheeses, wines and beer. We have not opened one yet but hope to include at least one or two this year."

The Street Corner concept, then, is something of a buffer to join together complementary consumer needs. "It's a great transition use between food and regular retail," LaColla said.