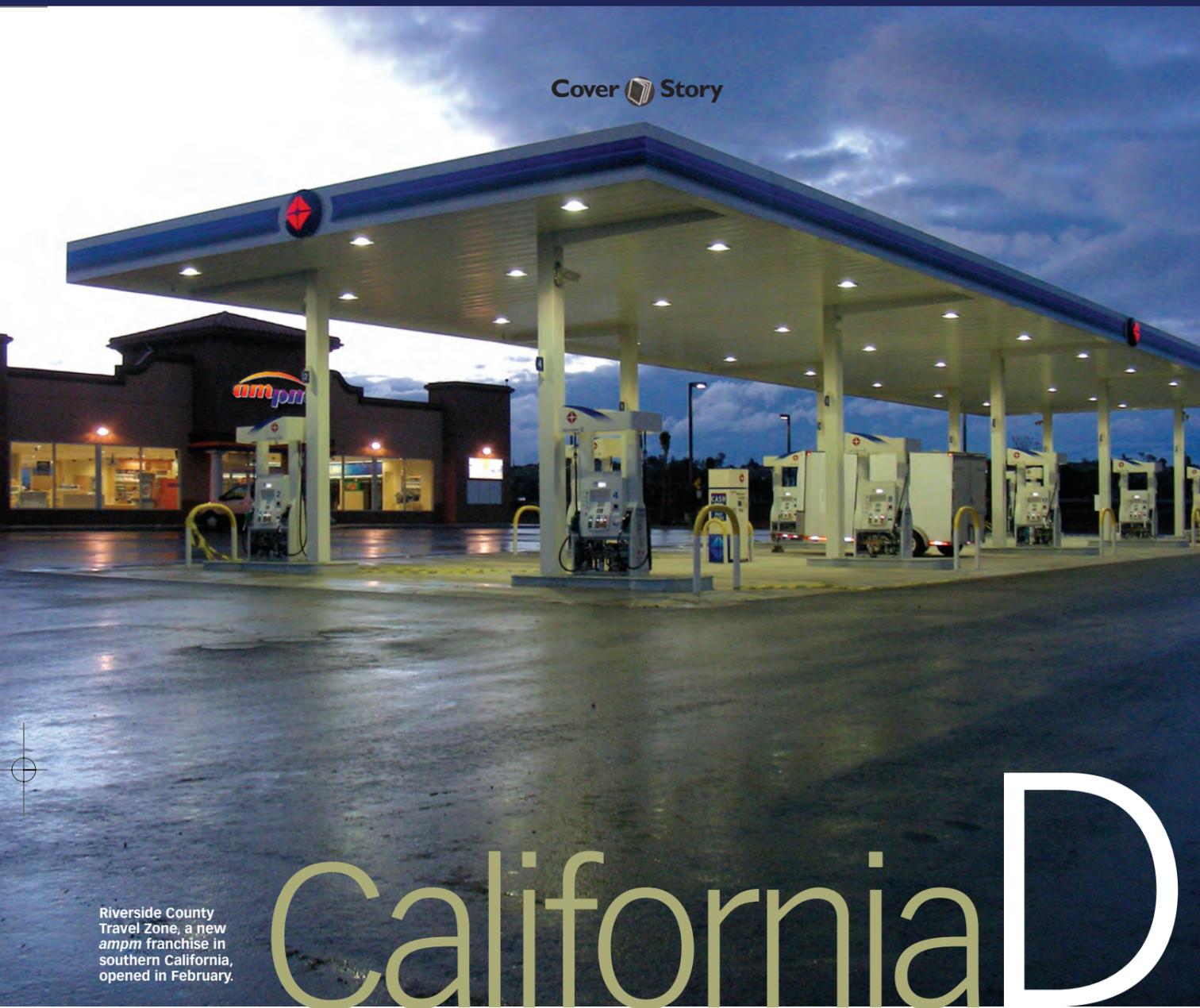


Cover  Story

Riverside County Travel Zone, a new ampm franchise in southern California, opened in February.

California DREAMIN'

Franchisee opens biggest — and maybe friendliest — ampm store in the country **BY BARBARA GRONDIN FRANCELLA**

AS THE OPERATOR OF WHAT HE SAYS IS THE LARGEST ARCO AMPM STORE IN NORTH AMERICA, single-store owner Ali Mazarei is interested in offering more than one of the most technologically advanced stores in the convenience industry. His objective is to provide customers, employees and vendors of his Riverside County Travel Zone with a “distraction-free environment.”

For customers, that means outstanding service and quality products — from convenience items and fast food, to a state-of-the-art, full-service car wash and lube service, Coinstar check-cashing and bill-paying service, and self-destructing \$1 DVDs — all housed in an 11,000-square-foot convenience store.

“We may be big, but what really sets us apart is our service. Our first philosophy is, ‘we don’t have customers, we have guests,’” said Mazarei. Any store employee who mistakenly refers to a guest as a “customer” must put \$1 in a jar kept in the store. At the end of the month, the three top-performing associates split the pot.

With the help of some business partners, Mazarei, a first-time ampm franchisee, opened the Travel Zone on Feb. 4 in Perris, Calif., along the Interstate 215 corridor in southern California. Mazarei previously owned a number of gas stations.

“We don’t want to distract our customers from what they want to do — whether it’s buy gas, buy a soda, use the bathroom — and leave,” he explained. “From the time the customer pulls up to the station, there can be no distractions. The store can’t be dirty. The price point has to be correct. There can’t be out-of-stocks. There can’t be an out-of-order sign on their favorite fountain drink. If a gas nozzle is broken, that’s a distraction.”

Mazarei takes this philosophy very seriously. His 75 associates are empowered to make customers

happy. If a guest says something is priced on the shelf at \$1.99, but it rings up at \$2.99, the associate can override it. If a guest complains his car is still dirty after getting a car wash, the retailer will wash it again for free. If there is a delay, the Travel Zone offers the customer a free cup of coffee while waiting.

“No one is going to get into trouble for making a guest happy,” he continued. “If one person is unhappy, he’ll tell five people and they’ll tell three other people. If you [anger] one guest, I calculated you’ve lost 78.6 people.”

The first point-of-purchase sign Mazarei hung in the store invites customers to call him if anything about their shopping experience dissatisfies them — and it lists his personal phone number. The only complaint he’s gotten so far is that the pay-at-the-pump network puts a \$50

hold on each credit transaction. "Guests didn't appreciate that, but there was nothing I could do to change it," he noted.

Mazarei tracks, by computer, every employee's performance in key areas including upselling (based on how many promotional items are sold on their shift); friendliness (based on customer feedback cards); and other expectations such as frequency of out-of-stocks on top-selling items, transaction times and mystery shopper scores. (For more on Mazarei's employee training program, see below.)

During the first-ever employee orientation, Mazarei had his staff talk to each other for three hours. Their assignment: get everyone else's phone number, address,



Truckers are attracted to the Travel Zone for its diesel fuel offering and trucker-oriented merchandise.



family member names and other personal information. At the end of that time, employees were awarded prizes based on their ability to answer such questions as "what kind of car does John drive" and "what are Brenda's kids' names?"

"At first, everyone thought it was a joke," Mazarei recalled. "But by the end, they realized what I was trying to do. I told them, 'Now you are a family. You can count on each other. If one of you can't make it to work, you will know someone else to call

and locals with its 38 fueling dispensers and mega c-store. "In the truck stop world, success depends on word of mouth, and we are getting good word of mouth," Mazarei said, adding that he expects to see 5,000 customers a day, ring up \$45 million per year in gross taxable revenue, and employ more than 175 people when the site is fully built up.

The operator has plans to offer truckers CFN and other fueling networks, as well as state-of-the-art CAT scales. The store also carries trucker-oriented merchandise, includ-

Distraction-Free Shopping

New *ampm* franchisee and Travel Zone owner Ali Mazarei offers his employees a very detailed plan on how to execute a "distraction-free environment."

Among the distractions Mazarei wants to steer clear of are:

- Slow service.
- Associates not greeting or welcoming a guest.
- Employees being untidy in their appearance.
- The site appears unsafe or dirty.
- Products aren't fresh, priced or well stocked.
- Restrooms aren't clean or well-maintained.

To resolve guest complaints, Mazarei trains his employees to "BEAT the Heat," short for Be a good listener, Empathize, Acknowledge the problem and Take action.

"I tell our associates they may need to involve the guest to plan a course of action," he said. "We want them to check with the guest to see if they are satisfied with the action taken, and then let me know — document everything."

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— ALI MAZAREI, RIVERSIDE COUNTY TRAVEL ZONE

and ask him to fill in for you. Now, everyone is part of a team."

Indeed, Mazarei aims to provide a distraction-free environment for his employees, too. He gives them respect. No question is a stupid question. He trains everyone to take his job. "The more they know, the less I have to do, is how I see it. I tell them this should be a stepping stone. Go to school and learn something new every day. They could become entrepreneurs."

"AN AMPM ON STEROIDS"

Even before its official grand opening on April 3, the Travel Zone drew truckers, travelers

ing gift cards, calling cards, cell phones, televisions, audio books and CB radios.

"I give my business card to every trucker who comes in and I tell him to let me know if there is anything he'd like to see us stock," said the retailer, who freely admits to shopping major truck stops to see what the competition is selling.

"I wanted to build a one-stop shopping center," Mazarei said. "We're not a mega truck stop, like some others build. We're more like an *ampm* on steroids."

Inside the Travel Zone, as in all *ampm* locations, foodservice is a major profit center. The store is equipped with three ovens to produce a large selection of hamburgers, hot dogs, pizza, burritos, deli sandwiches, cookies and other baked goods. A 24-head Thirst Oasis fountain is

complimented by a 10-foot coffee bar. A self-serve condiment bar allows patrons to customize their food. The Artic Zone cooler, 28 doors long, is partnered with the biggest walk-in beer cave in the county (approximately 20 feet by 30 feet).

The store also houses a 700-square-foot highway patrol and sheriff's substation with work desks and a computer. "[The officers] come in, have some coffee and do their paperwork," according to Mazarei.

Outside, the store is surrounded by artificial turf. "Grass is a problem here in the desert," he noted. "I was at the Wynn Hotel in Las Vegas and asked them where they got their grass. They told me it was fake. So, we contacted their supplier and now have perfect, manicured grass all the time. No irrigation — we just use a power blower on it."



Mazarei's ampm store is exceeding ARCO's projections, but he has his sights set on being the company's No.1 store in sales.

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At the pumps, the franchisee is the first in the state of California to offer the corporately-run BP Vision network, which pilots satellite-fed weather and traffic updates and promotional commercials shown on monitors at the pumps.

In addition, the 11.5-acre Travel Zone site has three pads for the future development of two branded fast-food operators and a full-service restaurant, such as Denny's or IHOP. "I don't feel they will compete with our foodservice," Mazarei said. "It's a different guest."

Also near completion is a car detailing shop.

Three weeks into the soft opening,

Mazarei was still working out a few bugs, including problems with his diesel business — the pumps were acting up and some wiring needed replacing.

Also, the water pressure was too low in the fiberglass car wash. "The equipment is too high tech, so I had to buy some extra pumps to fix it," he explained.

Plans for Wi-Fi service in the store's "lounge" seating area had also hit a speed bump, requiring Mazarei to work with Verizon to get the system up and running.

COMPETITIVE SPIRIT

Although the proud franchisee considers "everyone" his competition, he's confident

that his team can out-serve any convenience store, gas station, fast feeder or car wash in the area. This includes the Unocal-branded Circle K store across the street, he noted.

According to Mazarei, when one of his associates went to the Circle K to buy some salt, the operator accused her of coming in to do price checks and "literally threw her out of the store." Somewhat upset, Mazarei went over to talk to the man.

"I've known him for a while, since I've been trying to build this store for seven years, working through permit delays and other hurdles," he said. "When we opened, I bought his brother some coffee and walked him through our whole operation. I told him I didn't do price shopping, but if I did, I'd ask him first and do it myself, not send an associate. I told him if he ever wanted to price shop at my store, I'd take out the price-book and give him a copy. Because I know we have the best service and environment."

Since its official grand opening, the Travel Zone's first month of sales were high enough to make it the No. 2 ampm store in California, Mazarei boasted. "I was 140 percent over my projections for gasoline sales. In the c-store, I was 200-plus percent."

Still, Mazarei isn't as excited as one might expect. He knows sales can be higher.

"I'm [exceeding] ARCO's corporate projections. But, I have a \$2 bet with Fiona MacLeod [BP's president of convenience retail for U.S. and Latin America] that I will hit \$600,000 a month in inside sales in 12 months," he said. "There is a store in Chicago, apparently, that rings up \$528,000. I want to be No. 1 — no sloppy seconds for me." ■