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DARK MARKETS

*Times of turbulence
tax the tobacco industry*

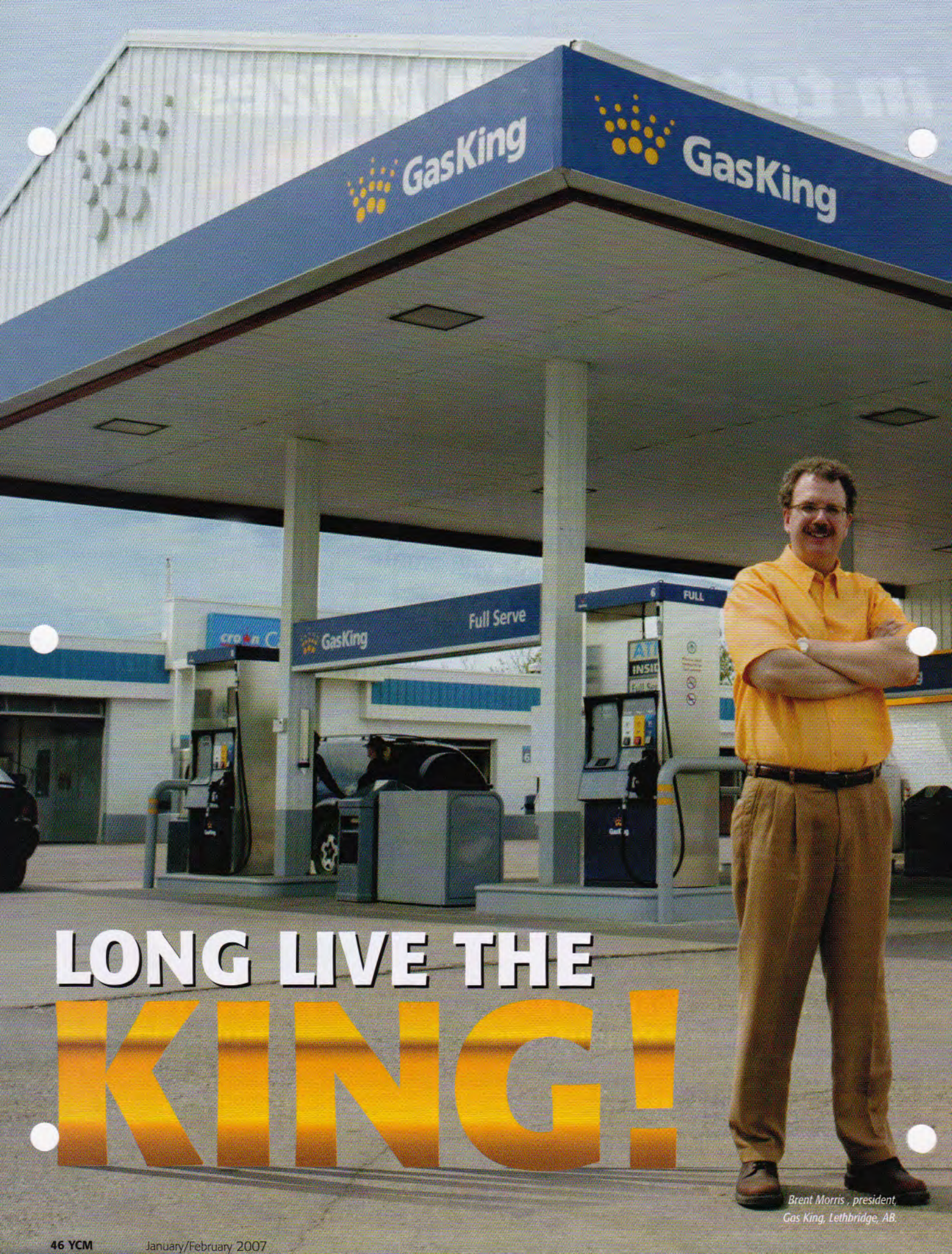


DISTRIBUTION DIALOGUE
RBH TALKS TOUGH ON TOBACCO

SELF-SERVICE KIOSKS REVOLUTIONIZE
CONVENIENCE FOODSERVICE

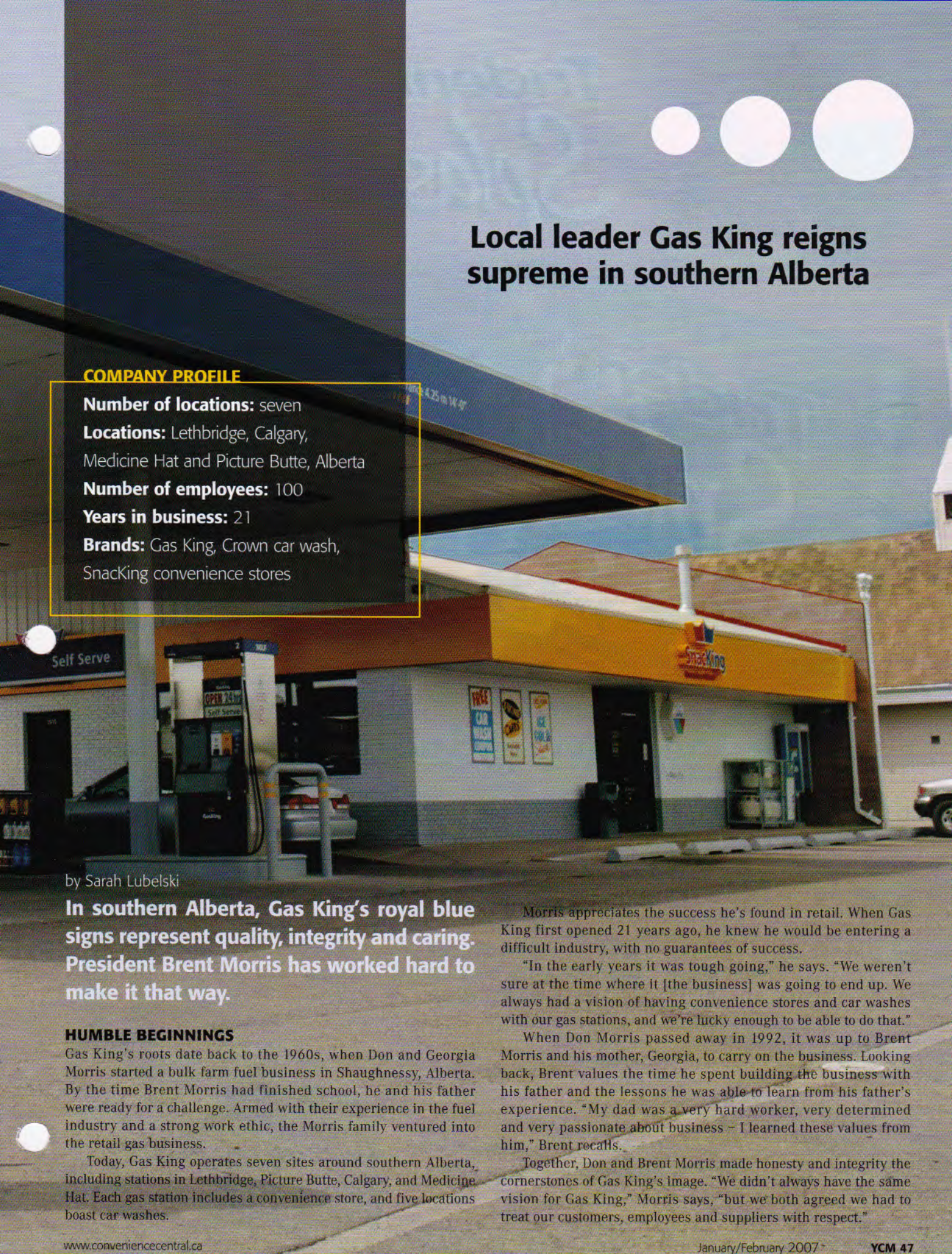
NIGHT SECURITY
INCREASED AWARENESS
TO THWART THIEVES

LOCAL LEADER GAS KING REIGNS
SUPREME IN SOUTHERN ALBERTA



LONG LIVE THE KING!

Brent Morris, president,
Gas King, Lethbridge, AB.

A photograph of a Gas King gas station and convenience store. The building is white with a prominent yellow horizontal stripe. The 'Gas King' logo is visible on the right side of the building. In the foreground, there are gas pumps with 'Self Serve' signs. The sky is blue with some clouds. Three white circles of increasing size are arranged in a diagonal line in the upper right corner of the page.

Local leader Gas King reigns supreme in southern Alberta

COMPANY PROFILE

Number of locations: seven

Locations: Lethbridge, Calgary, Medicine Hat and Picture Butte, Alberta

Number of employees: 100

Years in business: 21

Brands: Gas King, Crown car wash, SnackKing convenience stores

by Sarah Lubelski

In southern Alberta, Gas King's royal blue signs represent quality, integrity and caring. President Brent Morris has worked hard to make it that way.

HUMBLE BEGINNINGS

Gas King's roots date back to the 1960s, when Don and Georgia Morris started a bulk farm fuel business in Shaughnessy, Alberta. By the time Brent Morris had finished school, he and his father were ready for a challenge. Armed with their experience in the fuel industry and a strong work ethic, the Morris family ventured into the retail gas business.

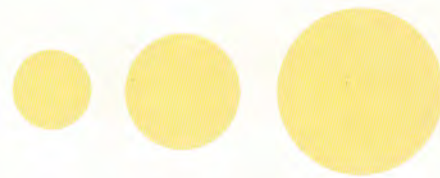
Today, Gas King operates seven sites around southern Alberta, including stations in Lethbridge, Picture Butte, Calgary, and Medicine Hat. Each gas station includes a convenience store, and five locations boast car washes.

Morris appreciates the success he's found in retail. When Gas King first opened 21 years ago, he knew he would be entering a difficult industry, with no guarantees of success.

"In the early years it was tough going," he says. "We weren't sure at the time where it [the business] was going to end up. We always had a vision of having convenience stores and car washes with our gas stations, and we're lucky enough to be able to do that."

When Don Morris passed away in 1992, it was up to Brent Morris and his mother, Georgia, to carry on the business. Looking back, Brent values the time he spent building the business with his father and the lessons he was able to learn from his father's experience. "My dad was a very hard worker, very determined and very passionate about business - I learned these values from him," Brent recalls.

Together, Don and Brent Morris made honesty and integrity the cornerstones of Gas King's image. "We didn't always have the same vision for Gas King," Morris says, "but we both agreed we had to treat our customers, employees and suppliers with respect."



"When we first started, people thought we were selling second-rate gas, and so we set about changing their minds."



OUT WITH THE OLD

Gas King has flourished over the past 21 years because Morris applies these basic principles to his business while at the same time recognizing the need for innovation. Over the years, Morris has installed point-of-sale systems at all locations, a change from the early days when basic cash registers were the norm. "We decided in 1995 we needed to get better inventory control of our stores and have a better understanding of what is actually selling. POS systems make the cashier's jobs a lot easier as well."

Another example of Gas King's dedication to improvement is their gift card program, which was launched just last year. "The cards are empty and can be loaded with any amount you want," he says.

The new gift card program is the latest in a long list of innovations for Gas King. Since 2000, Morris has been revamping Gas King to suit the modern customer. "Everyone lives a faster lifestyle, so they expect faster service. They don't have a lot of time to waste," says Morris.

With this understanding, Morris has made customer service and the company's image a priority. The Gas King logo was given a sleek new look in 2000, and in 2001, the company launched www.gasking.com, which offers an extensive profile of the company and its activities.

Recently, instead of focusing on expansion, Morris has dedicated Gas King's resources to renovations. "We've done two locations in the last three years," Morris notes. "In 2003, at Lakeview Gas King, we added a canopy, gutted the inside of the store adding new counters, shelving and equipment."

In 2004, Southview Gas King was similarly renovated. Gas King's own c-store brand – SnacKing Convenience Stores – was added to each site at the time of renovation.

Morris hopes to give all seven of his current locations a similar facelift within the next five to 10 years. Rather than closing down a non-performing location, he prefers to put the necessary work into making each station a success.

This undertaking was motivated by the realization that Gas King's stations were becoming a bit dated. "Our stores really hadn't had much work since the early 1990s, so they were looking tired," says Morris. "I was looking for a consultant within Canada to work with. In 1998 we were introduced to Hugh Large, however it was 2004 when we actually called upon his expertise. He did store layouts for us, helped us merchandise our stores and advised us on which equipment to buy."



"Morris knows the decisions he makes now will affect Gas King's transition into the hands of third generation owners".

REGIONAL CHAIN, NATIONAL QUALITY

Though Morris thinks that "people want to deal with a local business," he also believes that customers are wise to the advantages of national chains, like reliability and high product standards. As a result, Morris is dedicated to giving his customers the quality goods and services that a national chain can provide, as well as mimicking the appearance of a national chain, but in a more personal atmosphere.

"When we first started, people thought we were selling second-rate gas, and so we set about changing their minds. Every year our volume is growing," he says. "We look like we are a major chain, but with a local feel."

In fact, Gas King is unique in that its head office remains in Lethbridge instead of being situated in a larger city. They are the only chain in their region operated out of a smaller community. This has helped Gas King maintain its valued "local feel."

IN THE COMMUNITY

Local is a key word with this company, especially when it comes to Gas King's community involvement.

On the list of charities the company supports, there are numerous local health organizations, sports teams and clubs, to name a few. Morris believes that Gas King's local involvement is not only beneficial to the community, but vital to the success of the business as well. It not only sets Gas King apart from other chains, but allows the community to form positive associations with the company.

"Community focus has been a major part of our success," says Morris. "We give to area schools, golf tournaments and various car clubs. I think that's ultimately what sets us apart from the bigger chains. The national chains support national charities and we support the local ones. We give back to the community because they [the community] do so much to support us."

BECAUSE THEY CARE

But Gas King doesn't just write cheques. They invest time, equipment, and space in a program called Charity Care Wash.

"Over the years people would always come to us and want to do a car wash on our property to raise money for charity," Morris says. "So one year, we decided to get involved. We decided to have a name [Charity Care Wash], advertise a little more and be a good corporate citizen. People can apply [to hold a car wash], and quite a few do every summer. We give them water, soap and the space at no charge, as well as a list of places they can advertise for free. We get sports



Gas King's proprietary c-store brand, SnackKing Convenience Stores, offers a wide variety of popular convenience items displayed for maximum visibility.



SnackKing's proprietary hot drinks program is a big hit with customers.



teams, church groups, schools – even the Air Cadets did it one year.”

It is efforts such as the Charity Care Wash that have won Gas King both the retailer of the year and the business of the year awards from the Lethbridge Chamber of Commerce. And with Morris's giving spirit, you could hardly expect him to take full credit for Gas King's accomplishments.

“We couldn't have accomplished what we have without the dedication, loyalty and hard work of our 'royal family'. Some of our employees have been around since the late 1980s,” he says.

LONG LIVE THE KING

As for Gas King's future, Morris would like to continue the current dynasty. He hopes to leave the business to his children when he retires.

Morris knows the decisions he makes now will affect Gas King's transition into the hands of third generation owners. “The things we do now, it's always more looking to the future. Not necessarily what will benefit us this year or next year, but what will work five, 10 years from now.”

Twenty-one years of building a successful business have given Morris the wisdom of a king. “Treat your staff and customers well, support the community and work hard,” he advises. It's these ideals that Morris believes will continue to make Gas King a success. **YCM**

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