**Insights into the Situation:**

Convenience Store Alliance (CSA), established in 2009, created the Fountain Freedom program to help independent dealers to get large chain store pricing on fountain Bag-in-Box (BIBs) and equipment. While it is possible for independent dealers to pour both Coca-Cola and Pepsi, typically the bottler owns the machines, resulting in non-negotiable pricing and flavor requirements. The Fountain Freedom program enables dealers to pour both Coca-Cola and Pepsi products out of the same machine, at prices independent dealers would not have access to without group buying power.

CSA members are currently saving thousands with the Fountain Freedom program. One example of this savings is a single store independent operator who originally had an in-store and a drive-thru drop-in fountain machine, only pouring Coca-Cola and Dr Pepper products. A Coca-Cola bottler supplied both of these machines.

**Objectives:**

Working with CSA, the store owner had goals to:
- Add Pepsi product offerings without increasing equipment footprint
- Attract the Pepsi-drinking customers to store
- Control products poured and provided to customers
- Better pricing on fountain equipment, syrups, etc.

**Strategy:**

Use negotiated national account pricing on existing Coca-Cola and Dr Pepper products, as well as national account pricing on Pepsi products and equipment.

**Tactics:**

- Purchase and finance new fountain machines
- Install a new Cornelius Flavor Fusion machine with 16 flavor options and 8 flavor blasts, in place of the manufacturer’s 8-head in-store machine
- Install a new 10-head drop-in machine with programmable cup sizes, in place of the manufacturer provided 8-head drop-in machine
- Leverage CSA’s pricing and rebates on BIBs to add Pepsi products for customers

**Investment/ROI/Results:**

With an initial investment of $19,146.42 for the new machines, installations, and a 3-year finance plan the store owner increased gross profit margin by $34,766 in one year. This garnered an instant ROI with the additional $2,897 of monthly GM, which more that covered the monthly equipment payment of $585. *With such increased monthly savings, the three-year financing plan could have been paid off in as little as seven months.*

Before partnering with CSA:
- 12-month sales on old equipment, charged $1.50 for 32 oz. cups, yielded $113,109 in gross sales.

With CSA partnership:
- 12-month sales on new equipment, charged the same price for the same size cup, yielded $151,280 gross sales.
- Annual store sales increased by 34%:
  - 5% from existing business on DP and Coke
  - 29% from adding Pepsi, a new offering
- Pepsi packaged beverage (bottle/can) annual sales increased by 1.7%
  - Pepsi bottle/can sales were not lost to new fountain offering. New Pepsi sales were truly new customers.
- Increased gross margin profit by $34,766 in one year