

ON THE MOVE

Mobile marketing, ordering and payment continue to change at a rapid pace, and today's c-store operators need to keep up to compete *By Tammy Mastroberte*

AS CONSUMER TECHNOLOGY continues to evolve, convenience store retailers must follow suit not only to accommodate shopper preferences, but also to remain competitive and capture customer loyalty and spending. And when it comes to mobile — whether it's marketing, ordering or payment options — many companies start with a branded app.

Through an app, customers can access loyalty programs, coupons, pay for purchases and more. Those who have been in the app game for a while are continually rolling out updates and new features to benefit the customer, and the c-store company's bottom line as well.

"Mobile unlocks a tremendous opportunity to drive more consumers into the store and encourage them to buy more items, spend more money and come back more frequently," Charlie Lang, executive vice

C-store retailers with mobile apps, like Maverik Inc., continually roll out updates and new features to benefit the customer.



president of product and marketing at Koupon Media, a promotion network in small-format retail, told *Convenience Store News*.

Shell recently rolled out an updated app, Shell Pay & Save, to offer its customers more ways to pay for fuel and in-store purchases by linking a checking account, credit card or debit card.

As of March 2018, Shell branded stations across the United States began accepting the Shell app with Chase Pay, but the most recent update in October 2018 added a wide array of payment options to the platform, said Albert Rivas, head of North America marketing technology for Shell Retail, based in Houston.

"The Shell app offers improved speed, convenience, value and security for a better overall customer experience, including fewer prompts when paying for fuel and no need to carry multiple cards and additional Fuel Rewards program savings," Rivas explained. "Our focus is on providing solutions designed to simplify and better the overall experience, integrate loyalty, and deliver a differentiated and personalized customer experience."

C-stores have an advantage in the mobile space due to the high frequency of customer visits in the channel, making it more likely consumers will download and retain a c-store app, according to Joel Udwin, mobile product manager at Paytronix, a loyalty provider based in Newton, Mass.

He believes an app is a "necessity" in the c-store space, allowing companies to get personalized in their marketing when tied to a loyalty program or payment capability.

However, there are other mobile strategies outside of an app available to operators.

"Mobile apps are important, especially in c-stores relative to other verticals because of the frequency of use, but an app is not a mobile strategy in and of itself," Udwin said. "There is SMS marketing that allows you to get in front of customers who don't have your app, or using Google Pay and Apple Pay to identify loyal customers, redeem offers and get credit for transactions."

Mobile Marketing

When it comes to mobile marketing best practices, today's leading c-store retailers are offering branded mobile apps with a loyalty program and payment options built in — allowing them to

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Shell Pay & Save offers customers more ways to pay for both fuel and in-store purchases.



reward customers, capture data to know what customers want, and then send targeted and personalized offers to customers in the future based on their past purchases.

“From an industry perspective, integrating loyalty programs is one of the ways in which mobile payment can reach and connect with consumers,” noted Rivas. “In our case, the Fuel Rewards program is integrated into Shell Pay and Save, creating a simple, seamless and rewarding customer experience.”

There is more to mobile marketing than an app, though. C-stores need to recognize the variety of customers they have and their different needs and preferences, and take a broader approach to mobile marketing in order to draw in more customers.

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“For many retailers, it makes sense to have a mobile app and a loyalty program, but they can’t stop there,” said Lang. “It’s important to have a multifaceted strategy to meet customers where they are. That means engaging consumers across channels like SMS, e-mail, Facebook and more. Not every customer will want to join a loyalty program, so it’s important to engage them in other ways.”

The percentage of customers who are in a c-store’s loyalty program averages only around 10 percent to 20 percent, Lang cited. This leaves 80 percent to 90 percent of shoppers that can be engaged and put on a path to join a loyalty program.

“An easy way for c-stores to begin engaging shoppers is

through in-store signage. Start with a small ask like ‘Want a free coffee? Text COFFEE to this short code to receive your offer.’ The c-store now has the shopper’s phone number, creating opportunities for them to reengage,” said Lang.

Geofencing and location-based marketing is another way c-stores can connect with customers on their mobile devices via messaging when they’re on the lot fueling their vehicle or within a certain distance of a store. This can work in conjunction with a branded app.

“C-stores can use this to convert people from the pump to the store,” Udwin shared. “When someone has the app installed and is sharing their location information with the brand to be messaged, they can get a push notification through the app with an offer or message to get them into the store.”

Mobile Ordering

With convenience stores using foodservice to differentiate themselves, drive customers into the store and add profit to the bottom line, many operators are offering online ordering, mobile ordering and even delivery. But it’s still in the early stages, Udwin acknowledged.

“I don’t think a lot of people have implemented it and found the groove, but it’s a good time to take stock of other industries and how they have been performing with order ahead and online ordering, especially the restaurant space,” he said.

Things to consider include ordering through an app, online or through third-party services, as well as pickup methods and options, according to Udwin. C-stores must decide if they want to offer delivery — and if it will be done in-house or through a third party. Also, should they offer curbside pickup or even delivery at the pump?

“They may also want to streamline the SKUs available for online ordering, as most restaurants don’t offer everything on their menu online,” he explained.

When working with clients looking to roll out mobile ordering, Koupon Media starts with these questions: Why is the customer using this service? How is the consumer benefitting?

Often, the answer is that mobile ordering is easier and more convenient. There must

be some type of value to be gained, which is either saving money or time. These same questions can be applied to the implementation of almost any new product or service, Lang said.

“Making it easy to get started and incentivize repeat usage are important elements for a service like this,” he advised. “Ease of reordering or repeat usage is particularly important. Amazon makes it incredibly easy to reorder items that you’ve purchased in the past. In the c-store space, many people are buying the same things over and over again, so why shouldn’t these retailers offer the same benefit?”

The next piece is making sure it’s easy to get the things ordered, whether it’s through delivery or pickup, and also making sure the quality is the same as if an order was placed in the store.

For example, if someone orders a slice of pizza, ensure it’s still warm when they arrive to pick it up, Lang said, noting that c-stores should also know when that customer arrives. If they have to wait in line to pick up their order, that defeats the purpose of mobile ordering.

Mobile Payment

The options for mobile payment continue to grow, whether it’s Chase Pay, Apple Pay, Google Pay, Samsung Pay, Android Pay or via a branded app. Some large brands are even creating their own forms of mobile payment, such as Walmart Pay.

Adoption of mobile payment in the United States still lags behind other countries, such as China — 25.3 percent of smartphone users in the U.S. expected to pay for purchases in a store by phone in 2018 compared to 77.5 percent in China, according to an eMarketer report.

However, adoption of mobile payment in the U.S. is growing each year.

“Customers are constantly looking for an improved experience when paying for goods and services,” said Rivas. “Generally, mobile payment is certainly a growing trend and, from a fueling perspective, we know that this trend includes payment at the pump and within the convenience store.”

With so many payment wallets and options available, it’s important for retailers to offer a variety of ways for customers to pay via their mobile phone, both in the store and at the pump.

While Apple Pay is reported to have higher adoption in the U.S. than Google Pay, it’s still important to offer both because if an Android user sees an Apple user having the ability to tap and pay — which is faster than chip today — it will create customers who are unhappy.

“It’s really about keeping it simple for the customer; not making them jump through hoops to use their preferred payment method and enabling a broad array of payment solutions that make sense, including

Apple Pay, Google Pay and NFC payments,” Udwin shared.

Many c-stores are also offering payment through their own branded mobile app and giving customers a reward to do so as an incentive to utilize the app — which gives the operator data and the ability to market to customers. Lang said it goes back to the question of: How is the customer benefiting? A discount on fuel would be one answer.

“A customer isn’t going to use mobile payment unless they see a direct benefit,” he said. “And while mobile payment may ultimately be easier than getting out my credit card and inserting it into a payment terminal, the initial steps required to configure payment on a phone are still a hurdle. Some successful retailers are addressing this by delivering an offer as an incentive to not only download the app, but also enroll in mobile payment.”

Overall, the goal of the c-store owner when it comes to all things mobile is to gather data and move the customer into their system so that this data can be acquired and used to personalize the experience and create more loyalty — and, of course, more sales.

“It goes back to getting more shoppers into the funnel to get more engaged with my brand,” said Lang. **csn**

The Shell app is designed to deliver improved speed, convenience, value and security for a better overall customer experience.

