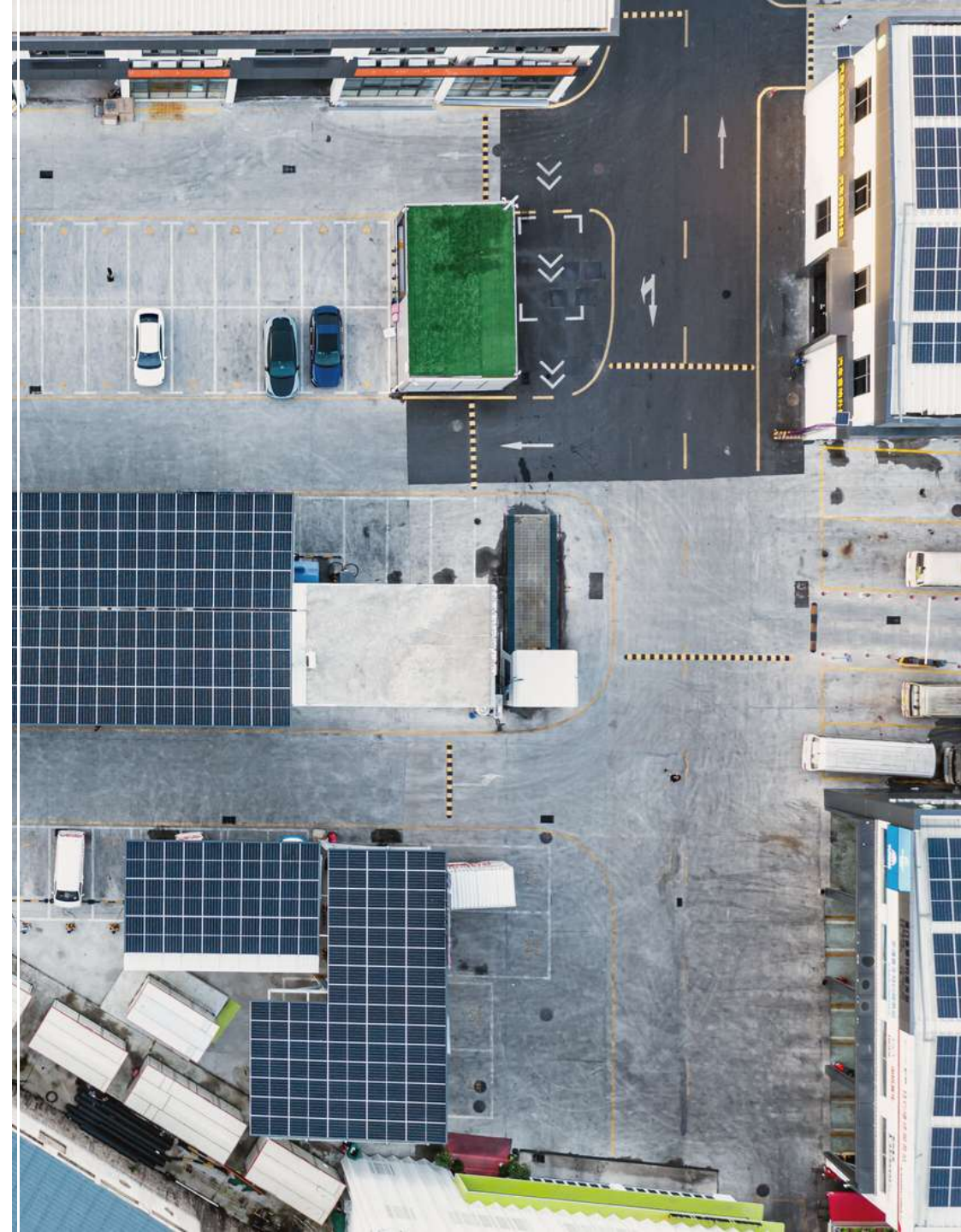


Whitepaper service stations

Key tactics to succeed as a mobility hub

How to build innovative loyalty programs and become the preferred destination for customers on the go.

SmartNow



Foreword

With the energy transition, service stations are investing heavily in new business models. But how do you become the preferred mobility hub for your customers?

In this whitepaper we look at research from Boston Consultancy Group and McKinsey on mobility hubs and find out how their differences. The one thing they agree on is the need for seamless self-service experiences and loyalty programs to succeed as a mobility hub. That's why we explore innovative use cases on loyalty programs in the remaining chapters.

Enjoy! Maarten Hogeweg, CCO at SmartNow

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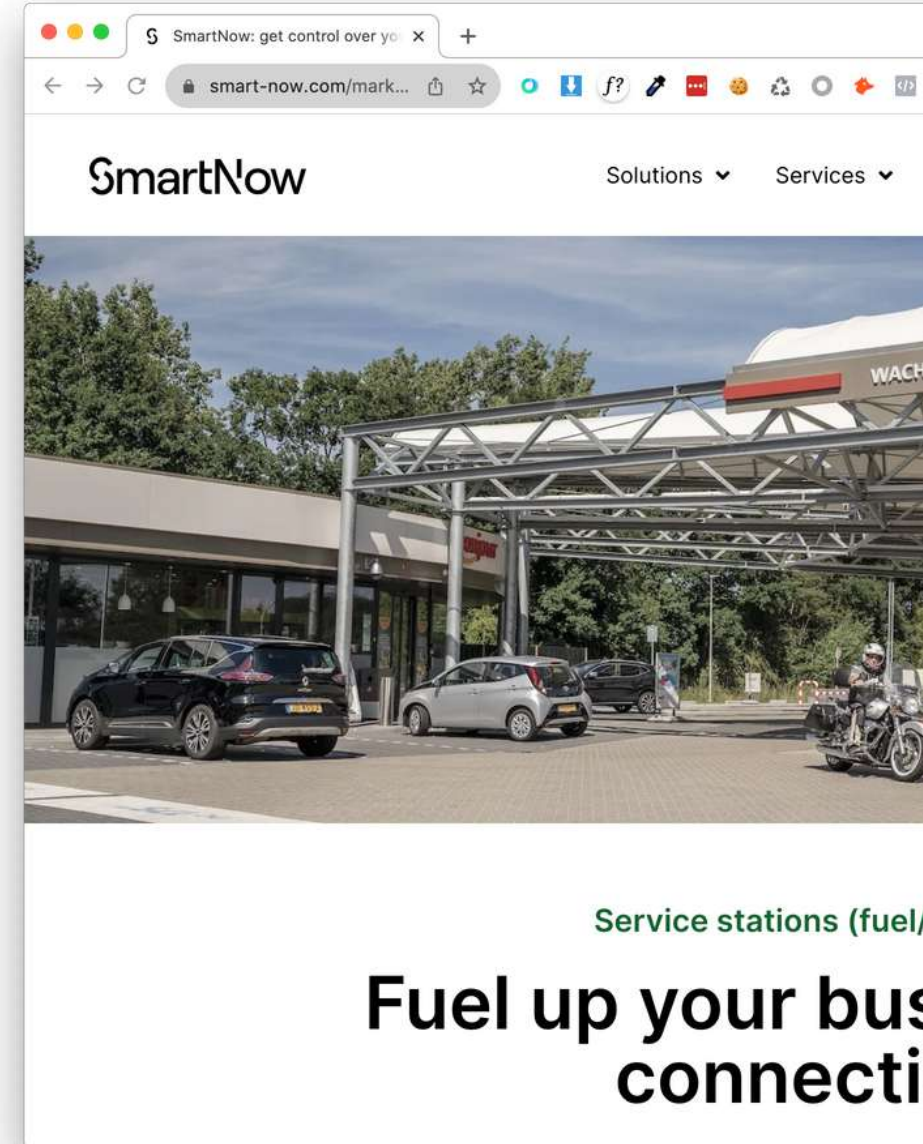


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Improve your loyalty programs with smart self-service

During a 40-minute video call, we will take a deep dive into digitization use cases related to loyalty, cross-selling, and more.

[Schedule explore call](#)

07[↗]

How BP applies technology in its self-service experience

Read about their improved customer journey in self-service.

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About SmartNow

Let's open up a world of opportunities by connecting people, organizations and machines via data.

1 The latest reports on the future of service stations

Amidst change, McKinsey and BCG offer insights. Clean energy is driving service stations to innovate through new ventures and investments. Let's explore their recent research.

About the two consulting firms

With the rise of alternative fuels and rapidly changing customer preferences, both firms asked themselves: is there a future for service stations?

Both McKinsey & Company and Boston Consulting Group (BCG) are renowned global management consulting firms. This article summarizes BCG's research titled 'A New Era for Fuel Retailers' from 2022. Additionally, we are examining the publication 'Fuel in the Age of New Mobility' by McKinsey from the same year.

Similarities between the two reports

Let's begin with an overview of the McKinsey report. Their research indicates that the fuel retail industry has reached a crucial turning point, compelling operators to swiftly reassess their strategies, devise new tactics, and undergo business transformations. While fuel retail has demonstrated resilience over the past decade, shifts in consumer behavior, technological advancements, and the ascent of electric vehicles (EVs) are reshaping the terrain.

McKinsey emphasizes: "Operators must innovate and adopt strategies such as convenience retail and EV charging to ensure sustained profitability." The research highlights the decline in fuel demand and the upsurge in non-fuel retail, with EV charging presenting significant growth potential. Their conclusion is clear: "For success, fuel retailers must optimize their core business, establish a distinctive convenience value proposition, and formulate a comprehensive EV strategy."

Boston Consulting Group conveys a similar message in their research titled 'A New Era for Fuel Retailers.' They acknowledge similar disruptions, such as the transition to electric vehicles (EVs), evolving customer habits, and geopolitical events.

BCG's conclusion is noteworthy: "To achieve success, fuel stations should diversify and modernize their pumps with sustainable fuels and EV charging stations, transforming convenience stores to align with evolving consumer preferences, and leveraging their real estate for services and logistics hubs."

Key business strategies for service stations by BCG and McKinsey

Fuel retail is essential for oil and gas companies' diversification into sustainable products and services. Let's look at the specifics. What strategies do these two consulting firms come up with to build the future of fuel stations?

Offer a wide range of fuel and charging

First, let's start with the obvious strategy. Retailers are innovating their fuel offerings with sustainable options like biofuels, hydrogen fuels, EV charging and liquefied petroleum gas. This includes enhanced convenience through technologies like RFID and license-plate readers.

Becoming a services and logistics hub

An innovative approach that fuel retailers might consider involves the transformation of their sites into service and logistics hubs. Essentially, this entails optimizing their real estate by capitalizing on it for other businesses, particularly those that prioritize cost-effective space and proximity to transportation or customer hubs. This could entail leasing it to other brands or initiating new ventures themselves. Possibilities encompass services such as parcel and pickup services, postal and ATM services. More inventive options include the establishment of dark stores and kitchens, along with last-mile logistics hubs for tasks like sorting, delivery, and transfer points. Additionally, lockers for customer pickup could be integrated.

Go beyond the current fuel convenience store formula

Fuel retail must adapt due to changing trends and consumer demographics as it comes to convenience stores. Sustainability influences buying choices for Generations X, Y, and Z, and online ordering is growing year on year.

The two reports offer four options to explore: develop new franchises, improve their own convenience brand, offer better curated products, and delivery. McKinsey advises looking beyond fuel retail. Ideas include quick-service restaurants, hospitality, and innovative drive-through services.

Develop new offerings around the vehicle

Both reports mention multiple business models directly linked to car ownership. Let's look at the three strategies within this category. The first option focuses on buying and selling secondhand cars. Vitol, an oil and gas leader in Turkey and Pakistan, funded a startup called Vavacars. The company addresses the challenges of buying and selling used cars. Recognizing the lack of transparency and time-consuming nature of the process, Vavacars was introduced as an online used-car marketplace. It offers instant free valuation, qualified engineer inspections, and a quote with secure payment within 45 minutes. The investment looks promising for Vitol. The startup is successful, trading 4,500 cars and generating \$110 million gross merchandise value in its first year, making it the fastest-growing startup in Turkish history.

The second option is offering car insurance and vehicle financing. Obtaining car insurance has typically been a time-consuming effort that involves combing through comparison websites and talking to brokers until the right deal appears. Emirates National Oil Company (ENOC) introduced Beema, the UAE's first pay-per-kilometer car insurance. The highly successful service was voted Best Insurtech in the Middle East.

A third option is offering car maintenance and car wash services. A recent development is mobile vehicle maintenance, which eliminates long wait times at the mechanic and the need to arrange alternate transportation. Need examples? BP's Zippity, launched in the US, offers a pricing guide up front and gets customer approval before undertaking repairs. Self-service car wash is here to stay and is another option to diversify offerings.

Invest in innovative loyalty programs and seamless self-service experiences

Whatever business strategy is implemented, both BCG and McKinsey agree that a key driver for success is becoming the preferred destination for customers. As McKinsey states: “Fuel retailers must invest in their data practices to enhance customer experience, provide seamless self-service experiences, and create innovative loyalty programs.”

Improve your loyalty programs with SmartNow

Looking for innovative ways to boost revenue and retention? We help companies like BP and TotalEnergies in their transition by creating innovative loyalty programs. By adding connectivity to your service machines, we're able to build loyalty programs and improve cross-selling and upselling.

During a 40-minute exploratory call, we'll delve into digitization use cases related to loyalty, cross-selling, and more. Feel free to schedule a call with us to learn more about the potential of smart self-service machines.

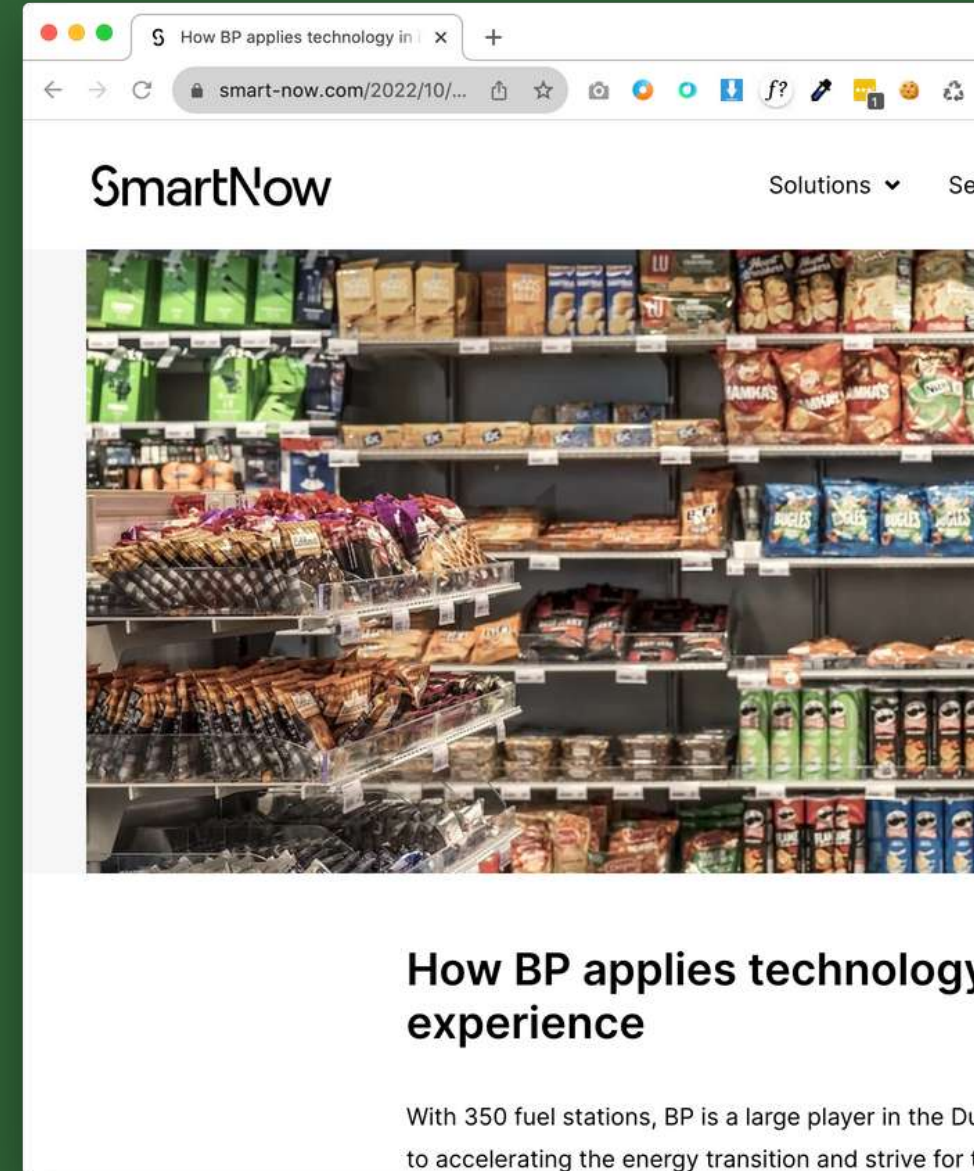
[Learn more](#)

How BP is improving loyalty with smart self-service machines

With 350 fuel stations, BP is a large player in the Dutch market. They are fully committed to accelerating the energy transition and strive for the best customer experience.

A few years ago BP started improving payment for their customers and focused on cashless options. From there innovative use cases for digitization were added. Read the full case on our website and discover new ways to boost retention and the customer experience.

[View the case on our site](#)



② Smart self-service as a key strategy in mobility hubs

As the transition to electric vehicles progresses, it is evident that service stations are evolving into true mobility hubs. Let's explore self-service is a key strategy.

The demand for these hubs, where customers can stop, relax, and shop, is growing exponentially. These destinations provide a hassle-free retail experience, encouraging customers to stay longer and visit more frequently. We will explore how a new generation of self-service machines are essential in this transition.

Staff shortages and high consumer demand drive self-service

While the idea of transforming service stations into true mobility hubs is promising, the industry is facing several challenges in turning ideas into reality. Staff shortages and rising labor costs are among the main hurdles now and in the future, that's why more fuel stations offer high quality self-service options.

To overcome these challenges, implementing self-service options for food, drinks and even carwash is the way to move forward. A new generation of consumers expect a seamless buying experience, making cashless self-service the norm. Let's explore innovative ways to boost revenue and loyalty.

Self-service machines as a key revenue driver

For some time, self-service has been primarily linked to a budget-friendly approach aimed at marginally improving revenue. However, in recent years, we have witnessed the advent of modern, top-notch coffee and food self-service machines. We're witnessing a growing trend of service stations actively investing in, innovating and embracing self-service as a strategic means to enhance profits.

Smart vs dumb self-service machines

Self-service machines that are not connected to the internet still rely on traditional payment methods such as coins or tokens. In some cases, staff assistance may be required. The lack of connectivity means that product managers don't have real-time insights into the sales performance of these machines. Additionally, if a machine malfunctions or goes out of order, there is a risk of downtime and potential loss of sales. →

However, the good news is that most of these machines can be upgraded with connectivity and touchless payment options without the need to replace your fleet of self-service machines.

An increasing number of oil and gas brands are recognizing the value of adding connectivity to their existing self-service fleet. The benefits of this transition include improved efficiency, reduced wait times, and enhanced user experience. Smart self-service allows product managers to have a realtime dashboard for managing sales, products, and inventory efficiently.

6 opportunities for self-service machines with added connectivity

From enhanced efficiency to real-time data insights, let's explore key opportunities of connected self-service machines.

1. Boost revenue by offering multiple payment options

In a fast-changing fintech world, providing various payment standards is crucial. Your goal is to have a single solution that accommodates different payment systems, making it convenient for everyone to pay. Whether it's WeChat, WePay, Apple Pay, Google Wallet, or country-specific payment terminals, the focus is on custom solutions to ensure compatibility with all devices. This approach allows for quick adaptation to evolving trends and provides a seamless payment experience for all customers.

2. Optimize product strategy with real-time data from all your machines

Add connectivity to your self-service machines and get real-time sales data from your locations all over Europe in one centralized dashboard. You will be able to get real-time insights into top-selling products and understand the reasons behind their success. Uncover the best times to clean coffee machines, preventing any revenue loss. Connected machines eliminate manual sales data entry and ensure accurate information. Imagine the opportunities to optimize stock management with the new data available.

3. Connect your self-service machines to your own software

One thing is clear: the future will be increasingly digital. This means that you want to be able to create your own apps and integrations. To do so, SmartNow offers a unified API for all your connected machines, to build custom services and integrations. Need examples? More and more service stations are launching personalized loyalty apps and connecting them to their self-service machines.

4. Reap the benefits of a multi-supplier strategy

Not convinced about adding connectivity to your existing machines, and considering a switch to a new supplier that offers connected self-service machines? What about the advantages of retaining your multi-supplier strategy? By adding connectivity to all your self-service machines, regardless of the supplier or payment service provider, you can maintain your multi-supplier approach.

This enables you to benchmark the performance of individual suppliers and strengthen your negotiating position. Embracing connectivity for your existing fleet is the optimal choice to make.

5. Create new revenue streams with self-service machines

Subscription models, such as coffee subscriptions and vouchers with limited validity, are powerful tools to drive customer loyalty. Shell takes this concept up a notch. They offer a mobile app with a coffee subscription that allows customers to enjoy unlimited coffee. With a simple subscription activation in the app, customers can conveniently order their coffee by swiping their phone. This innovative approach not only fosters loyalty but also creates a new revenue stream.

6. Boost retention smart loyalty programs

Improve your existing loyalty program by integrating it with your self-service machines. Customers can now scan third-party vouchers directly at the PayStation. The connectivity goes beyond their own coupon codes; with connected machines, they can even use third-party loyalty cards. Seeking advanced use cases? Imagine receiving a voucher based on a restroom payment that can be redeemed for a specific assortment, valid for a limited time, say 24 hours. The opportunities to enhance loyalty are boundless when you add connectivity to your self-service machines.

Add connectivity to your existing self-service machines with SmartNow

Discover the benefits of connectivity for your self-service machines with SmartNow. We companies like BP and Total Energies in their transition to mobility hubs and the effective utilization of self-service machines.

[Learn more](#)

3 Innovative loyalty program tactics for mobility hubs

Loyal customers offer repeat business, help you get new customers, generate high margins, increase your revenues and grow your business. Let's explore new ways to boost loyalty.

Obviously, loyal customers are important. As obvious as it might sound, most service stations lack a solid strategy. And that's a pity because nowadays there are innovative ways to boost loyalty using your self service machines.

Reward customers for money they spent

A very effective way of increasing consumers' loyalty, is to entice them to spend more in your shop. Make sure that your Point-of-Sale (POS) and self-service machines are both connected a platform that creates and validates unique vouchers so that consumers can be rewarded to spend more.

Examples

Reward customers who spent a certain amount on fuel by guiding them to buy more:

1. Customer spends a certain amount on fuel
2. POS automatically prints a discount voucher for high-margin product (e.g. on a cup of coffee)
3. Customer is welcome to get a coffee with discount by scanning the voucher at the coffee machine

Reward customers with a free coffee when buying a car wash:

1. Customer buys a car wash inside at the POS or outside at the car wash terminal
2. POS or car wash terminal automatically prints or sends a voucher for free coffee
3. Customer gets his free coffee by scanning the voucher at the coffee machine

Give a free product to make (unhappy) customers happy:

1. The cashier handles an unhappy client by giving something away for free
2. The cashier can let the POS print a QR-code for a free product with high margin (e.g. coffee, toilet entry or jet wash)
3. The client claims the giveaway by scanning the voucher at a self-service machine

Earn or burn points at vending machines

Most mid and large sized retailers today have some sort of loyalty system in place.

How cool would it be if your loyalty members can 'earn or burn' loyalty points at a self-service machine? That would be great, because usually these machines have high margin products e.g. like coffee.

Example

It might seem difficult to have your loyalty program communicate with your self-service machines, let alone pay with loyalty points. Not with the SmartNow platform as we allow integration to any 3rd party loyalty system to earn/burn points on self service machines.

1. Customer selects a beverage at the coffee machine with the SmartNow PayStation
2. Customer scans his loyalty card
3. Customer pays the drink with a bank card
4. SmartNow PayStation sends the transaction data to the 3rd party Loyalty system
5. Loyalty system adds points to customer's loyalty account

Use pre-paid vouchers

Selling prepaid (or gift card) vouchers to your customers will make them definitely loyal. They will return to your location to using the pre-paid voucher. Because they are back at your location, the chance of cross- and upsell is high.

Example

You can make these vouchers attractive to offer clients more than what they pay for, e.g. "Buy €50 worth of coffees for just €40". In addition, as a retailer you get all the revenues upfront. Creating pre-paid vouchers for any self-service machine is part of SmartNow Voucher system.

Collecting valuable data

Having insight in customer behaviour like purchase history and preferences, can be used to understand how your members behave. This can help improve your loyalty program and marketing campaigns.

How this works with SmartNow

We support a wide range of use cases from scanning a barcode to swiping the payment card with a magstripe to contactless NFC with a smartphone app. Share your existing loyalty program with us, and hear how we can enrich your loyalty program by connecting your self-service machines.

[Learn more](#)

Add connectivity to your self-service machines

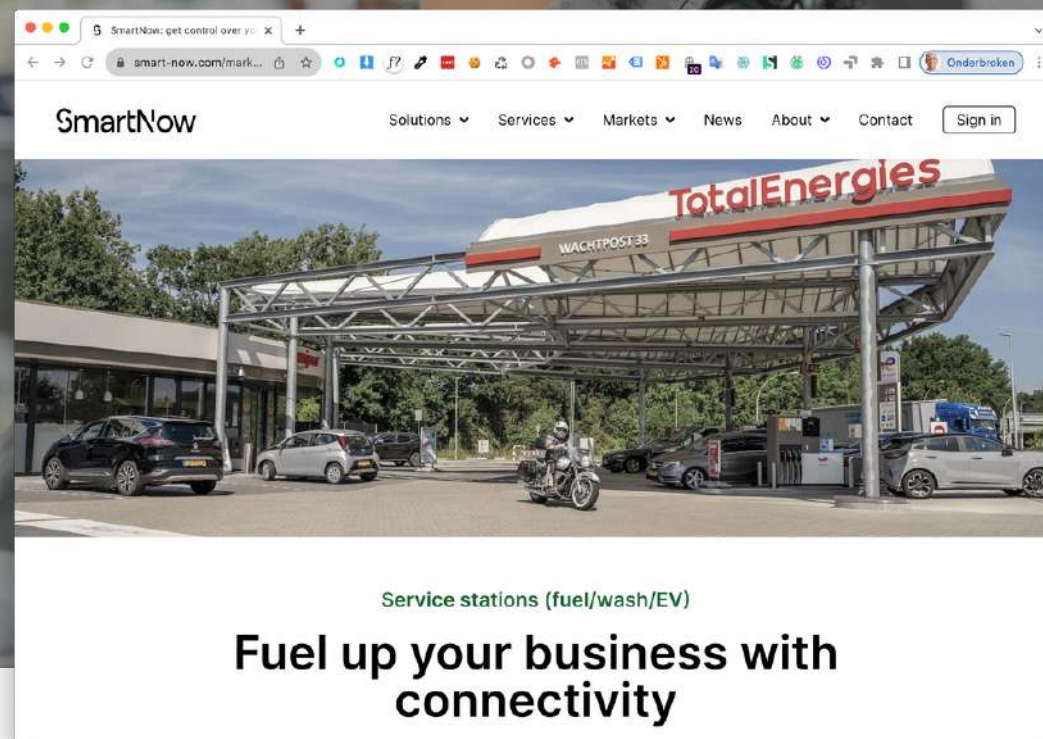
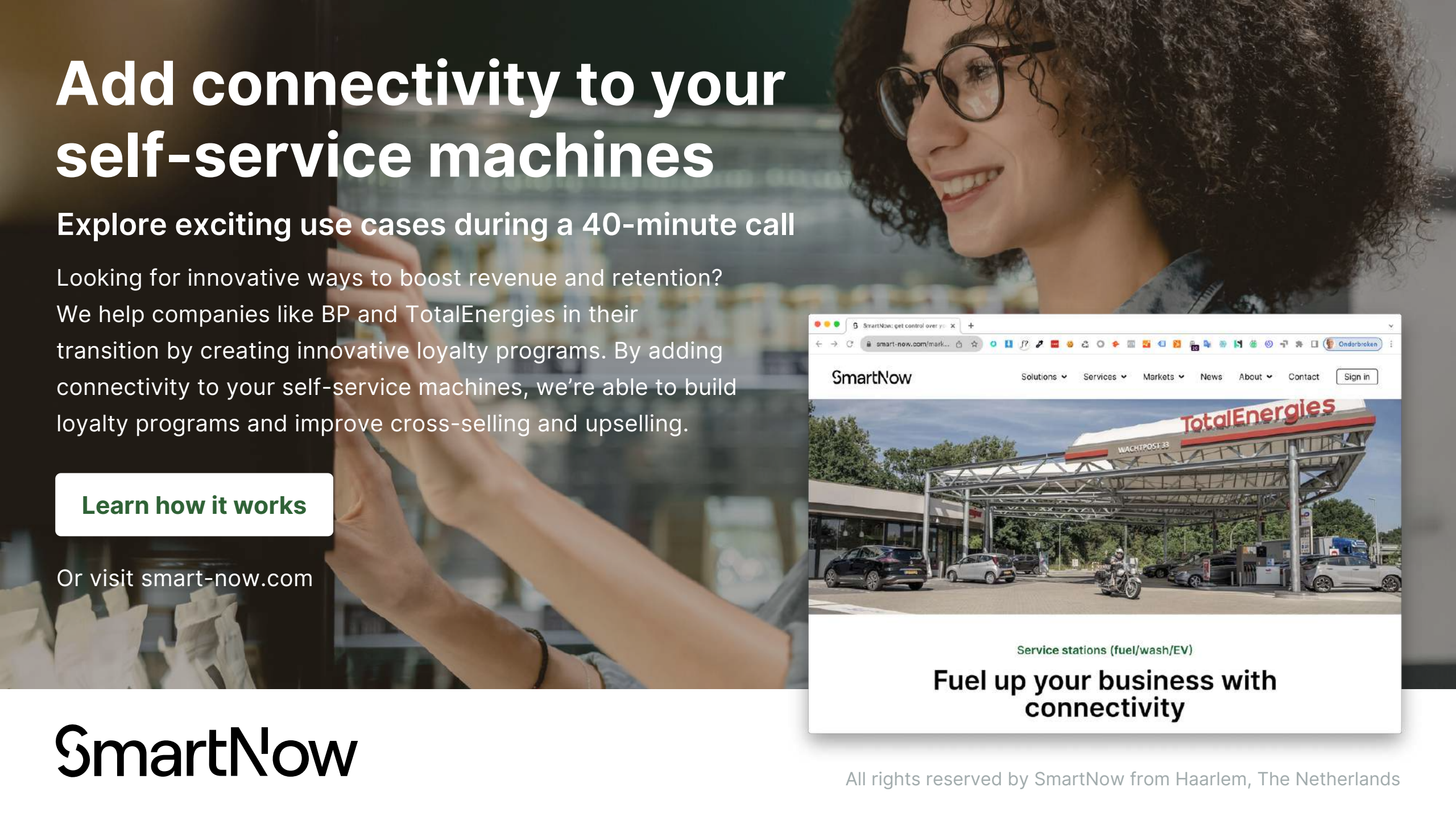
Explore exciting use cases during a 40-minute call

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[Learn how it works](#)

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Service stations (fuel/wash/EV)

Fuel up your business with connectivity

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