



Innovative Gas Island Marketing

Tuesday, February 12, 2008

convenienceretailing
CONFERENCE 2008
MARRIOTT RIVERCENTER | SAN ANTONIO, TEXAS



Agenda

TOPIC

Introduction

Agenda / Objectives

Brief History of “Customer Conversion”

Loyalty

Remote Order Delivery

Multimedia At Dispenser

TV At Dispenser

Two Sided Receipt Tape



Objectives

After participating in this Learning Lab you should :

- Be aware of some of the latest gas island innovations
- Be aware of some of the pluses and minuses of each method
- Understand the business models of each approach
- Be able to do an analysis of each for your company



Brief History – Gas Island Innovation

In The Beginning



Brief History – Gas Island Innovation

Resulting In Modern Convenience Retail Centers



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How To Get Them Into The Store

The Good News

- Gasoline is a destination driver
- Industry Sells 78% of the Gas sold in U.S.
- 80% of all c-stores sell gas
- NPD reports that ave. person buys fuel 5X in 30 days
- 1/2 of gas customers buy in the store on another purchase occasion



Get Them Into The Store – Traditional Methods

- Clean, well lit forecourt
- Attractive, well maintained facility
- Easy to see in the store
- Clean restrooms
- Neat, clean associates
- Others



CSP Daily News Poll

Are you using any technology to draw customers from the gas island to inside your stores?

Yes	32.2%
No, because it doesn't work.	8.8%
No, because it costs too much.	15.0%
No broadcasting - printing coupons on receipt tape	4.7%
No, because I'm not sure which technology to use.	22.4%
No, for another reason.	10.2%

Gas Island Innovation

To Sell More Stuff

1. Attract more customers
2. Sell more to same customers per shopping occasion
3. Get existing customers to come more often



Loyalty Marketing

- Points awarded for both gas and in-store
- Most systems require customers to enter the store to be aware of any point specials
- Most do not have a way to “convert” gas island customer to “store” customer
- C-store market penetration growing
- Needed to win vs. needed to play



Loyalty Marketing – Outside Networks

	Quantity	Cost	Total
Down Payment	1	1,000	\$ 1,000
Installation	1	1,000	\$ 1,000
RFID Tags	1,000	\$2.00	\$ 2,000
Capital Cost			\$ 4,000

Monthly Equipment and Subscription Cost \$ 350

	Loyal	Non-Loyal	Lift
Store Customer\$ / Month	\$ 26.00	\$ 9.00	\$ 17.00
GM 30%	\$ 7.80	\$ 2.70	\$ 5.10
Reward Cost 4%	\$ 1.04		\$ 1.04
Net Per Loyal Store Member			\$ 4.06

	30	13	17
Fuel Customer Gal./Month			
Fuel Margin \$ 0.10	\$ 3.00	\$ 1.30	\$ 1.70
Reward Cost \$ 0.03	\$ 0.90		\$ 0.90
Net Per Loyal Fuel Member			\$ 0.80

	Quantity	Net
Loyal Store Members	500	\$ 2,030.00
Loyal Store Members	500	\$ 400.00
Total Net		\$ 2,430.00
Monthly Equipment and Subscription Cost		\$ 350.00
Net, Net		\$ 2,080.00





Remote Order / Delivery

- Reverse the process (Can't get customer in store / bring store to customer)
- Not new concept (Drive thru windows)
 - QSR's
 - Drug Stores
 - C-stores (windows/stores)
- Methodology is new(er)

Remote Order / Delivery



Mech. Kiosk

- 1 per dispenser
- Multi-functional
 - Ads/promos
 - Coupons
 - ATM
 - Credit or cash

Remote Order / Delivery

- Possible Features
 - RFID / loyalty tags
 - Photographic record for age sensitive sales
 - Bio-metric scanner
 - Non-store coupons
 - Change dispensing (actual coins or script)
 - Map feature (print turn by turn directions)

Dispenser Advertising / Couponing

- Small Black / White or Grayscale Screens
- Instructions on how to use dispenser
- Plus sell car washes through forced menus
- Ads for inside items
- Coupon dispensing



Dispenser Advertising / Couponing

Best Programs Still Require Inside Support

Coupons At Pump

STORE COUPON

Save 30 CENTS OFF your next fill up of Premium Gasoline. Save 30 cents off your next fill up of Premium Gasoline. Good at participating stations. See station sign for details.

Save 30 CENTS OFF your next fill up of Premium Gasoline. Save 30 cents off your next fill up of Premium Gasoline. Good at participating stations. See station sign for details.

STORE COUPON

3 FOR \$1 (Plus Tax)

The Only One On The Planet

With a minimum purchase of 8 gallons gas or fuel. Limit 3 special gas coupons.

STORE COUPON

SAVE \$1.00 On a purchase of TWO CANS

Save \$1.00 on two one liter cans of SOBE Adrenaline Rush. While you buy TWO (2) or more PLUS TAX. Limit 1 per customer. Minimum 8 gallons gas or fuel purchase required. See station sign for details.

STORE COUPON

2 FOR \$1 (Plus Tax)

SAVE 50¢

2 FOR \$1.00 WITH regular size Plain and Peanut. Regular Size Plain and Peanut. Minimum purchase of 8 gallons of gas or fuel. Limit 1 per customer. See station sign for details.

Print Coupons At Pump

Save 30 CENTS OFF your next fill up of Premium Gasoline. Save 30 cents off your next fill up of Premium Gasoline. Good at participating stations. See station sign for details.

Save 25 CENTS OFF your next fill up of Regular or Plus Gasoline. Save 25 cents off your next fill up of Regular or Plus Gasoline. Good at participating stations. See station sign for details.

Moon Pies
3 for \$1

Print coupon from pump. Minimum purchase of 8 gal of gasoline or fuel required. Plus Tax.

Save \$1.00 on TWO 8oz cans of **Sobe Adrenaline Rush**. Minimum purchase of 8 gallons gas or fuel required. PLUS TAX.

\$2.98

2 FOR \$2.98 TWO 8OZ CANS

Coupons Listed Here Are Good At Any E-Z Stop Food Mart

2 for \$1.00 M&M Plain and Peanut

SAVE 50 CENTS-regular size packs. COUPON REQUIRED. Minimum 8 gallons gas or fuel purchase required.

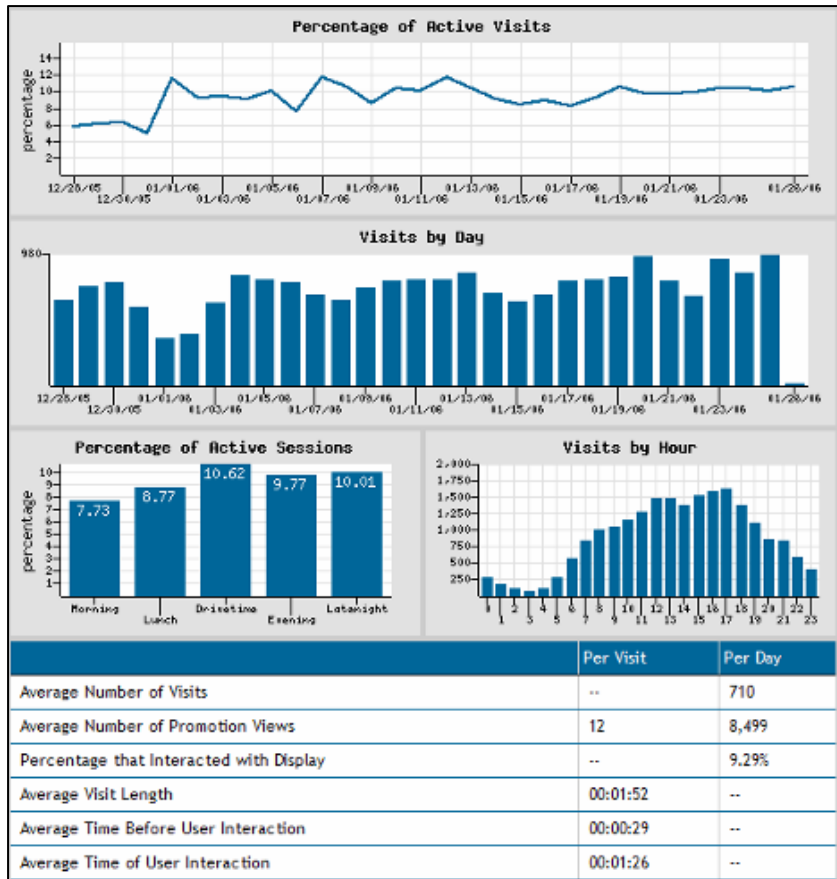
2 FOR \$1.00

Print \$1.00 regular size Plain Peanut Size



Dispenser Advertising / Couponing

Summary Reports



Name	Passive Customers	Active Customers	Total Customers	Passive Views	Active Views	Total Views	Coupons Printed
Marlboro Cartons	17,069	1,455	18,524	39,501	2,116	41,617	0
Wrigley Pellets	19,323	1,343	20,666	39,717	1,690	41,407	150
Rockstar 16oz	19,107	1,329	20,436	38,162	1,586	39,748	225
DT Works Burritos	15,113	1,289	16,402	35,535	1,636	37,171	425
DT Macho Nachos	13,173	1,060	14,233	35,824	1,214	37,038	331
DT Bacon & Egg Quesadilla	5,310	275	5,585	12,019	300	12,319	86
Aquafina Fridgepack 2.0	6,290	323	6,613	11,354	396	11,750	48
Pepsi 8 Packs	6,584	405	6,989	11,210	466	11,676	56
DT Steak & Egg Burrito	4,072	264	4,336	9,677	320	9,997	66
Java City Blended Drinks	2,607	122	2,729	4,623	149	4,772	28
Doctor Pepper 12 Packs	2,460	100	2,560	3,573	128	3,701	8
Starbucks Frappuccino	1,481	60	1,541	2,281	70	2,351	16
Totals	112,589	8,025	120,614	243,476	10,071	253,547	1,439



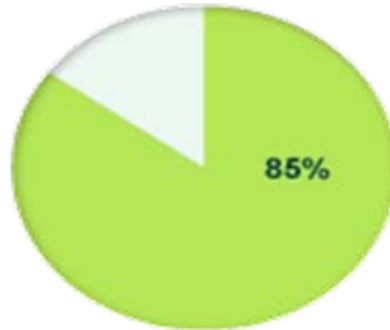
Dispenser Advertising / Couponing Issues

- Advertising programs are cumulative
- Customers take time to be comfortable with using the system
- Gilbarco's data shows usage rates triple from month 1 to month 3
- Store personnel need to know what is being advertised, how to handle coupons and how to prompt customers for them

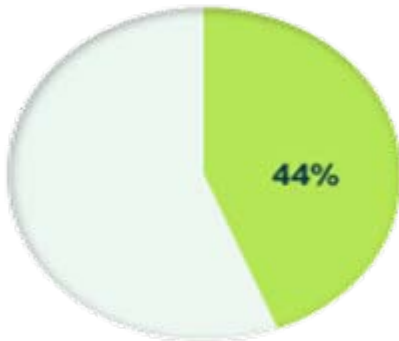


TV at The Dispenser

18 – 54 yrs. old



18 – 34 yrs. old



18 – 49 yrs. old



The Audience

- 4 ½ - 5 min. spent at the pump
- 65% purchased gas in last 7 days
- 50 / 50 breakdown male / female

TV at The Dispenser

Consumer's Reaction

- 77% looked/watched/listened while refueling
- 89% intend to watch/listen on next station visit
- 84% agree that gas station television is “a good source of product information”
- 75% agree that gas station television is “entertaining, makes pumping gas a better experience, and makes gas stations more appealing”





2ST Receipt Couponing

- Direct thermal printer technology that simultaneously images both sides of a receipt
- Printer has 2 thermal print heads.
- The thermal paper is coated on both sides using traditional thermal chemistry
- Developed / licensed by NCR
- Being considered by various gas dispensers manufacturers

2ST Receipt Couponing

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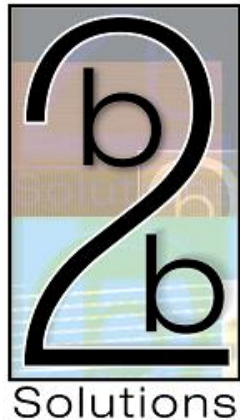


Learning Points

- Variety of techniques/technologies available.
- Some require more capital to deploy and effort to maintain/operate than others.
- All must be a part of an integrated marketing effort.
- No one solution works for everyone.
- There is no “magic” fix.



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