Reimagining Fuel Retailing with Customer 360 & Store 360
Introduction

This POV captures our experience in fuel retailing from one of our past engagements with a fuel retailer. The nature of society is changing—driven by global consumer, industry and technology trends, so the fuel retailers need to understand how a number of emerging developments can help them build and improve their businesses.

Trends in Fuel Retailing

Trends in fuel retailing are disrupting the way people buy fuel and perceive fuel stations

- App-enabled fuel retailing will provide user-friendly, cross-platform digital technologies that will offer consumers a wider range of flexible options.

- Evolving customer segmentation wants a fuel station that would provide convenience and immersive customer experience.

- The Modernized fuel stations with unique services like resting place, data-driven automatic pricing, and various types of fuels mix.

- Machine-to-machine communications and the Internet of Things (IoT) will drive customer engagement and operational improvement leading to better fuel usage and data-driven fuel decisions.

- Self-driving cars will also change the way refueling is done at gas stations, with automation and faster refueling time.

- Diversity of fueling like hybrid and electric cars would lead to changing of fuel stations from conventional fuel to electric charging point.

- Consumer will want a personalized fuel mix according to their usage patterns.

- Mobile and smart app will be the one-stop solution for billing, payments and discounts.

- Analytics and demand forecasting would be a key to give a personalized experience to consumers.

- Future fuel stations would be automated, and it would provide the comforts and experience of an entertainments centers.
App Enabled on Demand Fueling
The gas station that comes to your House

Evolving Consumer Segments
Customer want Personalization in their buying

Modernized Stations with Unique Services
Making a digitally enabled gas station with value added services

Connected Cars
“Smart” next generation autos with constant connection to the cloud

Selfdriving
“Cars that take themselves to the gas station and fuel up automatically

Diversity in the Fuel Offering
The challenge serving conventional cars, electric cars, driverless cars, at the same time

Personalized Fuel Mix
Ability to custom-mix additives to create your own fuel buying plan

Mobile and Smartcar App
Enhanced selection and seamless interaction between customer and site

Analytics and Onsite Marketing
Developing customized promotions for individual customer and site

Automated Fueling and Payment
Seamless payments through apps

Challenges for the Fuel Retailers
Fuel Retailers are constantly going through significant changes due to various socio-political and commercial issues. Supply chain issues, security problems, pricing pressure, shifting business models, government regulations, etc. present challenges, but also opportunities for the industry.
Top Challenges For Fuel Retail

**Complex Supply Chain**
- Challenges with Logistic Planning
- Traceability of the Fuel
- Network Planning
- Frontline Execution and Dealer Management

**Fuel Price Instability**
- Fuel Pricing - Micro market
- Challenges due to international demand & supply imbalances
- Currency Exchanges rates are also determining factor in prices

**Government Regulations**
- Increase in rates and taxes
- Margin Erosion
- Administrative barriers
- Site Build Regulations

**Health, Safety and Security Issues**
- Increase cost of Health Safety & Security Standards
- Cost of Contamination or spillage

**Other Challenges**
- Non-fuel retail issues (Category Management)
- Performance Management
- Market Intelligence
- Focus on Customer Experience
Reimagining Fuel Retailing with Customer 360 & Store 360

Future fuel retailers would need to reinvent themselves and adopt future technology practices to respond to the challenges that face their business. Fuel retailers need to reimagine their vision, and define a strategy that focuses on the consumer experience; embraces digital solutions; and re-orientates towards service-based offerings.

Fuel Retail of the future would concentrate on the following aspects:

01 Superior Customer Experience
02 Adopting Digitalization
03 Using Analytics to re-orient services

Superior Customer Experience

Can you think of a day when the fuel retail stores be more like the meeting places of tomorrow – You and your children would go out to enjoy the services at your local fuel station. Hotels, game parlors, salons, restaurant, shopping arcade, fuel station, etc. under the same roof. The future is quite possible.

Next-generation fuel retail outlets would not only sell fuel to the customers, but they will be the ideal meeting point for the customers. Some retailers are currently holding competition in the international forums to design their future retail stores. These stores not only sell fuel to its customers, but provide a whole new experience to them. The future fuel retail stores would be built around customer convenience bringing friendly and convenient experiences to their customers.

The kind of services the fuel retailers are thinking of providing to their customers are:

- Smart Parking
- Charging Stations
- Connected Cars and Fuel Station
- Customized Smart Stores
- Smart Ad and Feedback Screens
- Enhanced Surveillance
- Targeted Campaigns
- Personalized Fuel Mixes
- Diversity in Fuel Offering
- Automated Fueling & Payments
- App-enabled Fueling
- Self-driving Autos
Reimagining Fuel Retailing
with Customer 360 & Store 360

Adopting Digitalization

Digital Fuel Retail is just around the corner - The retailers around the globe are currently looking at digital solutions to disrupt their retail business and stay ahead of their competitors.

The next-generation fuel stations would use digital solutions to offer customers a range of options, in a convenient and at a lower cost than their competitors. The digital solutions would provide the fuel retailers a “Single View of the customer”, thus enabling quicker and better service, improved customer experience, improved loyalty from the customers.

The digital solutions would also enable the retailer to improve its operations – from reducing inventory shrinkages, improved traceability of products to better pricing strategy. Digitization would also boost the employee productivity with solutions that will ease their work and give them better understanding of the products sold.
Knowing the consumer and their changing demands is integral to the fuel retailer for designing services around these needs, and thus increasing customer loyalty. In an ever-connected world, there is an opportunity to harness the power of real-time data, big data chunks, and the IoT to understand and communicate with the customer. For this, Analytics becomes an integral part of any next-generation fuel retailer’s overall strategy.

Moreover, for staying ahead of the competition, the fuel retailers need to embrace next-generation solutions like SMART fuel stations, connected cars and fuel stations, which would in turn require the fuel retailer to invest heavily in analytics. Analytics would enhance the store’s ability to provide better solutions to provide better in-market execution, and help in driving sales from the outlets.
Reimagining Fuel Retailing with Customer 360 & Store 360

Store 360

- Proximity to other stores
- Past Purchase Pattern
- Pricing Information
- Promotion Information
- Location
- Customer Lifetime Value
- Fuel Usage
- Floor Space Index
- Past Assortments
- Demography
- Additional Service Taken

Customer 360

- Customer Lifecycle Management
- Performance Dashboards
- Building Information Modelling
- Mobile Experience
- Campaign Management
- Unified Experience
- Physical World Integration

Customer Identity Management
About the Authors

Arghya Mukherjee  
Consultant in the Consulting and Advisory team (CMT)

Arghya Mukherjee is a consultant in the CMT team at LTI. He has worked with multiple global Retail, CPG and Pharma clients and demonstrated success in digital transformation, process improvement in the area of Procurement and supply chain. His primary focus is on critical problem resolution through innovative solutioning and defining transformation future state for LTI’s CPG, Media, Retail and Pharma customers.

Aritra Sengupta  
Senior Consultant in the Consulting and Advisory team (CMT)

Aritra Sengupta is a Senior Consultant for the Consulting and Advisory team at LTI. He has around 9 years of experience in driving digital transformation projects for global Retail, CPG and Pharma clients. He has helped multiple companies chart out their business strategy and technology roadmap. His primary focus areas are in creating and implementing next generation solutions for LTI’s Consumer, Media and Technology (CMT) Clients.