

PAYING AT THE

PUMP

Report

NOVEMBER 2018

DRIVING GAS PUMP PAYMENTS TO THE C-STORE

PYMNTS.com



73%

of surveyed consumers who use apps to purchase gas say they are likely to shop at the station's **convenience store**

68%

of adults who pay for gas with mobile apps buy gas as often as **once per week**

22%

of consumers who pay for gas with mobile apps say they **always** buy items at the convenience store

62%

of Bridge Millennials say that if an app is **convenient**, they might use it to pay at a gas station

PAYING AT THE PUMP Report

ACKNOWLEDGMENT

The Paying At The Pump Report is powered by GasBuddy, and PYMNTS is grateful for the company's support and insight. PYMNTS.com retains full editorial control over the findings presented, as well as the methodology and data analysis.

PAYING AT THE PUMP

Report

TABLE OF CONTENTS

| | |
|--|----|
| Executive Summary | 04 |
| <ul style="list-style-type: none">• Tapping mobile apps to drive c-store traffic• A billion-dollar missed opportunity• How gas app users buy products• How mobile apps are used• Payment habits of app users | |
| Deep Dive | 17 |
| <ul style="list-style-type: none">• Building a better Bridge Millennial gas app• For c-stores, an opportunity to woo Bridge Millennials• How to win (or lose) Bridge Millennials | |
| Conclusion | 25 |
| Feature Story | 27 |
| <ul style="list-style-type: none">• C-stores seek their own "Starbucks effect" with mobile apps | |



EXECUTIVE

SUMMARY

Whether

shopping in store or online,

mobile apps have completely transformed consumers' shopping experiences. With just a few taps, consumers can find nearby stores, hail and pay for rides, learn peak shopping periods and access promotion codes – and do it all on the go. Consumers are also using these mobile apps to find and pay for gas: Over 49 percent of consumers use mobile apps for this purpose.



A more convenient shopping experience is one of the key reasons most consumers are embracing mobile apps for gas purchases. Nearly 43 percent of consumers that use apps during a gas station run cite convenience as a major factor. Additionally, loyalty and price discounts are also of high importance to consumers.

In addition to gas sales, convenience stores (c-stores) could also benefit from a user-friendly mobile experience. Mobile apps are proving to be effective at encouraging consumers to visit a station's c-store to buy items like soda, snacks, magazines and cigarettes. For a significant share of app-friendly consumers, this is already second nature. Of consumers who use mobile apps to pay for gas, 73 percent say they are likely to shop at the facility's convenience store, and 82 percent want a mobile app experience that will let them pay for c-store items.

This insight presents a unique opportunity for the roughly 122,000 c-store locations that sell gas in the U.S. For these merchants, adopting the right mobile-friendly strategy has the potential to influence roughly \$22 billion in additional annual

sales – a significant opportunity for c-stores to boost revenues.

Before c-store owners can effectively use mobile apps to attract consumers, it's imperative they understand why consumers use mobile apps during their trips to gas stations. More importantly, they must understand the mobile app features that consumers value most and how these features and consumers' mobile app usage when shopping for other goods could inform their business strategies.

C-stores will also need to raise awareness of their mobile apps in order to increase their usage. Nearly half of all surveyed consumers don't use apps, and roughly the same amount are not even aware they are available.

This edition of the Paying At The Pump Report, a GasBuddy and PYMNTS collaboration, focuses on the payment habits of mobile app users at c-stores and how these businesses can use this information to reap additional, in-store sales. The report is intended to serve as a guide – or rather, a roadmap – to help businesses navigate consumers from their gas pumps to their store aisles.

Tapping Mobile Apps

To Drive C-Store Traffic

Mobile apps are used by 49.4 percent of consumers for gas-related needs, including locating the nearest gas station and finding out its hours of operation. However, when it comes to using these apps to pay, that number drops drastically to 4.5 percent.

Despite the low percentage of consumers using apps to pay, gas merchants and c-store operators still have good reason to pay attention to this group's interests. Users who pay for gas using mobile apps account for approximately \$2.8 billion in annual c-store sales revenue.

This group also commands a strong share of purchasing power. As outlined in Table 1, this group is more likely to have a high salary, with an average annual income of \$67,400 – slightly higher than that of the general gas app user (\$65,100) and much higher than non-gas app users (\$60,900).

They also tend to be younger, with an average age of 40, and are more likely to be employed and to hold a college degree. More than a quarter (28.3 percent) of these users are Bridge Millennials – a highly influential, tech-savvy and disruptive subcategory of consumer. Bridge Millennials have an average age of 35, tend to earn more money and be more educated than other groups. They are also more likely to be married.

The younger age and higher spending potential of this group make them an important retail bellwether. In other words, the preferences of

FIGURE 1: Types Of Gas App Users In The Sample

How gas app users and non-gas app users compare

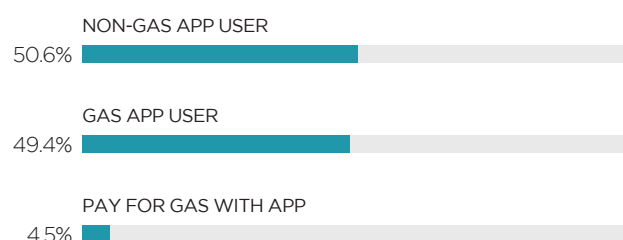


TABLE 1: Gas App And Non-Gas App User Demographics

Insights into gas app users and non-gas app users

| | NON-GAS APP USER | GAS APP USER | PAY FOR GAS WITH APP |
|--------------------|------------------|--------------|----------------------|
| Male | 46.7% | 48.8% | 54.4% |
| College or higher | 31.0% | 36.5% | 38.6% |
| Employed | 50.8% | 66.1% | 72.8% |
| Bridge Millennials | 16.6% | 26.7% | 28.3% |
| Average age | 49 | 42 | 40 |
| Average income | \$60.9K | \$65.1K | \$67.4K |
| Total | 5,080 | 4,969 | 456 |

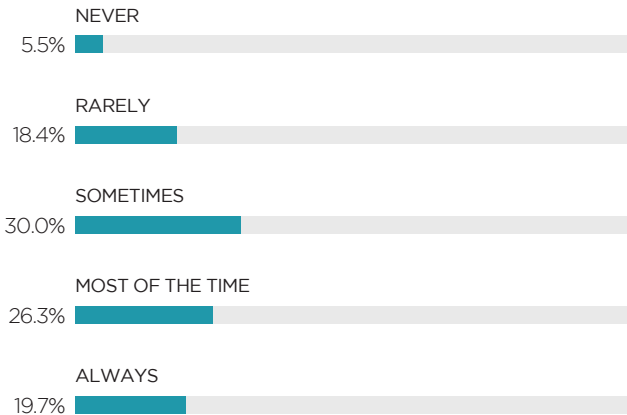


Bridge Millennials will be important for c-store owners to follow as their market influence grows. This report’s Deep Dive goes into greater detail on how the influence of Bridge Millennials is likely to change the c-store shopping experience.

Gas station operators and c-store owners have another key reason to monitor how these shoppers act: Consumers who use apps to pay for gas are more likely to make a purchase at the c-store. Nearly one-fifth (19.7 percent) of consumers who use apps to pay for gas said they “always” buy products at c-stores when buying gas. Slightly more than a quarter (26.3 percent) said they buy items “most of the time” and just under a third (30 percent) “sometimes” make additional purchases.

FIGURE 2: How Often Consumers Pay For Other Goods When Purchasing Gas With An App

Data indicates a connection between gas purchases and c-store purchases



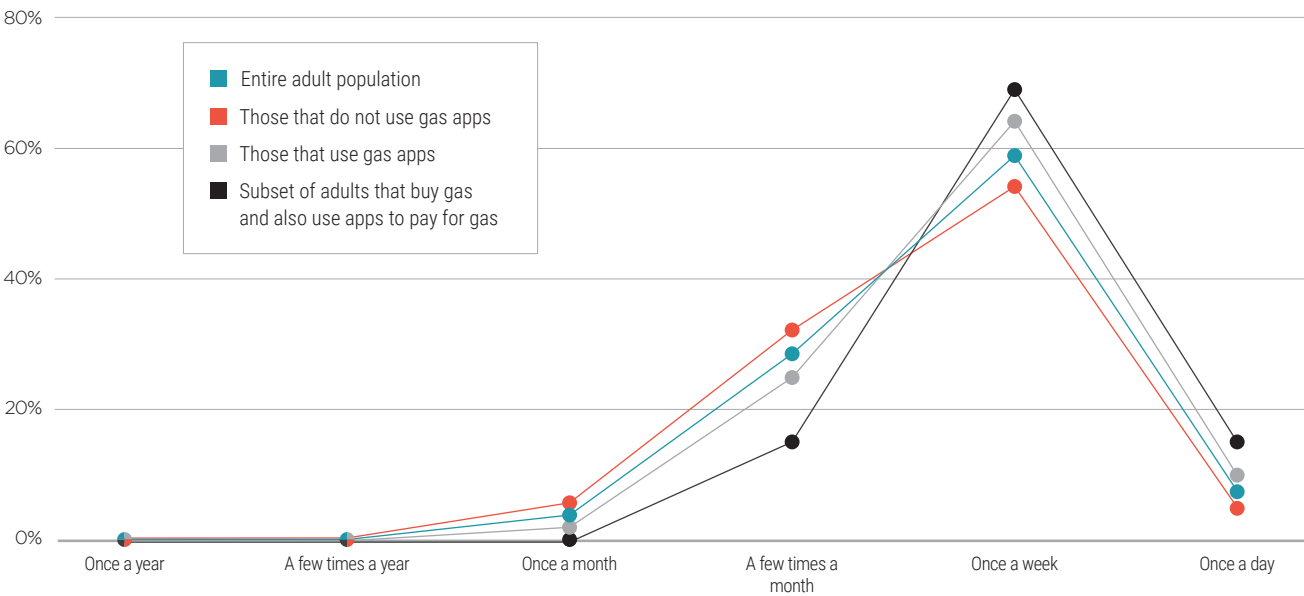
A Billion-Dollar

Missed Opportunity

A closer look at market data indicates how much revenue c-stores could gain by catering to gas app users. According to recent research, U.S. c-stores reported \$225.9 billion in sales in 2017, and that 154.7 billion gallons of fuel were sold at c-store locations in 2016.¹ The majority (80 percent) of these gas sales were made at c-stores.²

This level of activity at c-stores points to another reason why businesses should pay attention to their mobile app offerings: Consumers who use apps to pay for gas are more likely to purchase gas on a weekly or even daily basis, compared to other consumers. As shown in Figure 3, 68 percent of adults who buy gas with mobile apps do so at least once per week.

FIGURE 3: Frequency Of Gas Purchases
How often different types of app users visit gas stations



¹ Author Unknown. Convenience stores in the U.S. Statista. <https://www.statista.com/topics/3869/convenience-stores-in-the-us/>. Accessed November 2018.

² Author Unknown. U.S. Convenience Store Count. National Association of Convenience Stores. <https://www.convenience.org/Research/FactSheets/ScopeofIndustry/IndustryStoreCount>. Accessed November 2018.

TABLE 2: Number Of Visits To Gas Stations Based On Gas Purchase Frequency

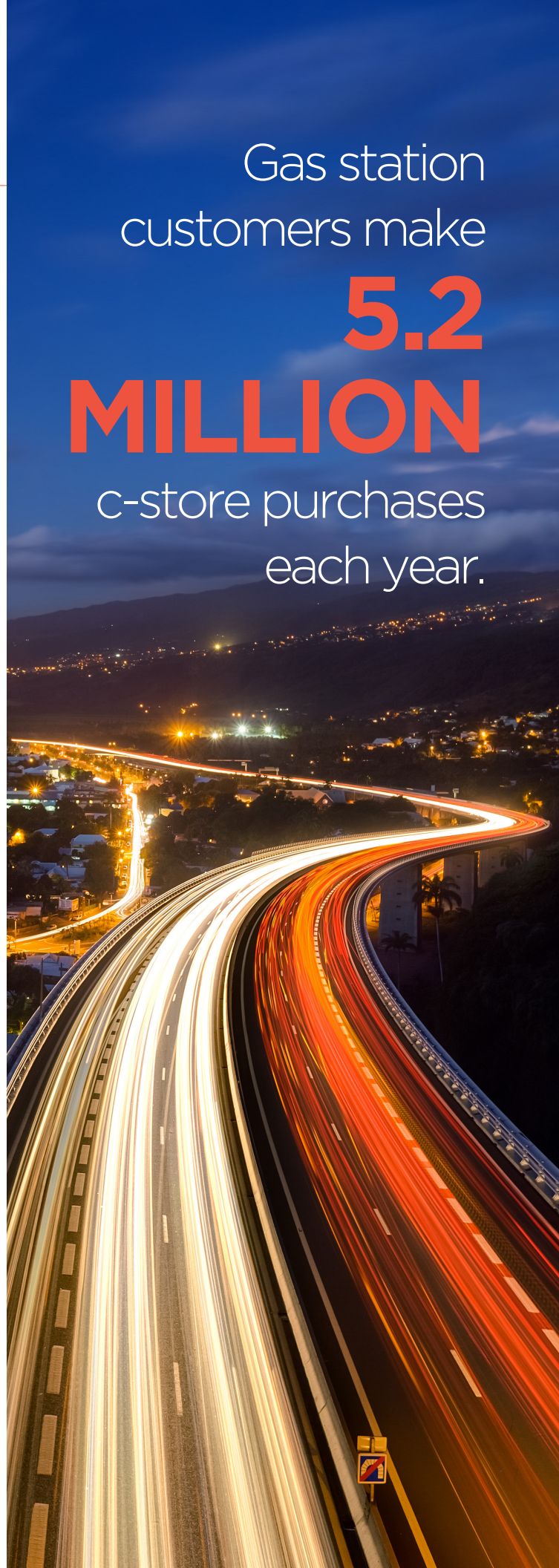
How often users buy gas on a daily, weekly, monthly or yearly basis

| FREQUENCY OF GAS PURCHASES | NUMBER OF ANNUAL VISITS TO THE GAS STATION |
|----------------------------|--|
| Once a year | 1 |
| A few times per year | 6 |
| Once a month | 12 |
| A few times a month | 32 |
| Once a week | 52 |
| Once a day | 250 |

Additionally, there is an opportunity to persuade the 49.4 percent of consumers who currently use apps to assist with their gas purchases — such as for navigation, directions and hours — but who do not use them to pay for gas. A closer look at how much c-stores collect from consumers indicates how much revenue is at stake. C-stores collect roughly \$256 billion in sales each year from selling non-gas items. Of this amount, \$36 billion is from sales to all gas-buying customers.

Broken down even further, of that \$36 billion, roughly \$14 billion is made by customers who do not use apps in any way, while the remaining \$22 billion is made by general gas app users. C-store owners can expand upon that \$22 billion by delivering a convenient and engaging mobile app experience that encourages mobile-friendly users to pay for both their gas and c-store items with an app.

Gas station
customers make
5.2
MILLION
c-store purchases
each year.



How

Gas App Users Buy Products

As if that wasn't enough of an incentive for c-store owners to make shopping as mobile-friendly as possible, there is a large pool of consumers who would be likely to embrace a convenient mobile purchasing offering.

As shown in Figure 4, 22 percent of consumers who pay for gas with apps "always" make purchases at the c-store, compared to 17 percent of general gas app users. Only 11 percent of non-gas app users said they "always" buy items at the c-store.

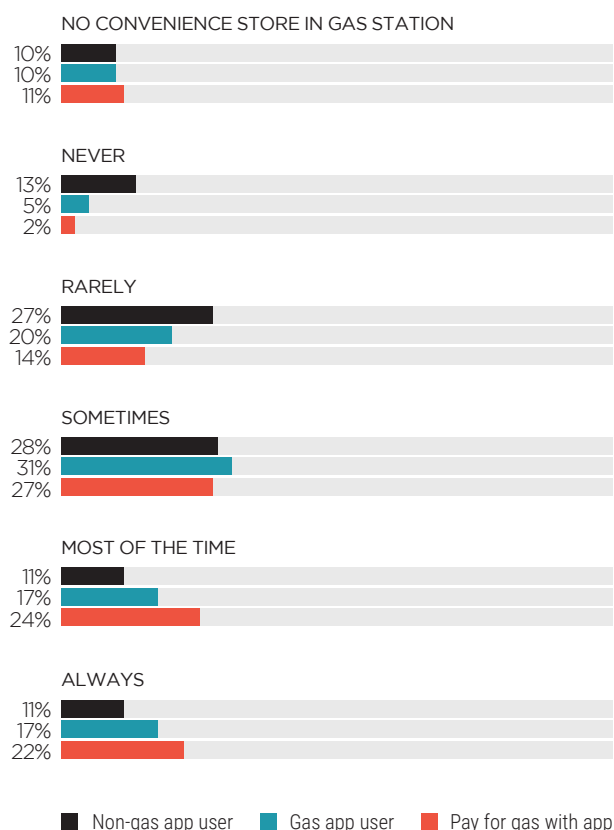
A slightly greater share of users who pay for gas with apps (24 percent) said they buy additional products "most of the time" – that number is 17 percent for general gas app users, and 11 percent for non-gas app users.

Altogether, 73 percent of mobile app users who use apps to pay for gas are likely to make additional purchases at a c-store. Put another way, c-store owners could earn additional revenue from three out of every four consumers who buy their gas with mobile apps.

Perhaps unsurprisingly, convenience is the most likely reason why consumers would pay for gas with apps. Seventy-three percent of users who pay for gas with an app said that if a mobile app's shopping experience was convenient, it would increase the chance that they would visit the store again in the future. Among general gas app users, that rate was 60 percent, while only 48 percent of non-gas app users said the

FIGURE 4: How Often Users Purchase Other Goods When Purchasing Gas

How often users who pay for gas with apps, gas app users and non-gas app users make other purchases



same. Convenience aside, these users were also motivated by loyalty credits and rewards (70 percent) and price discounts (61 percent).

If gas stations want to extend an app user's sale from the pump to the c-store, providing them with an app that offers convenience, rewards and price discounts is a requirement.

This also indicates that there is an opportunity to win additional business and loyalty from both general gas app users and non-gas app users. More than half of general gas app (58

percent) said the availability of price discounts would encourage them to use apps to pay at gas stations. Nearly as many non-gas app users (57 percent) said the same.

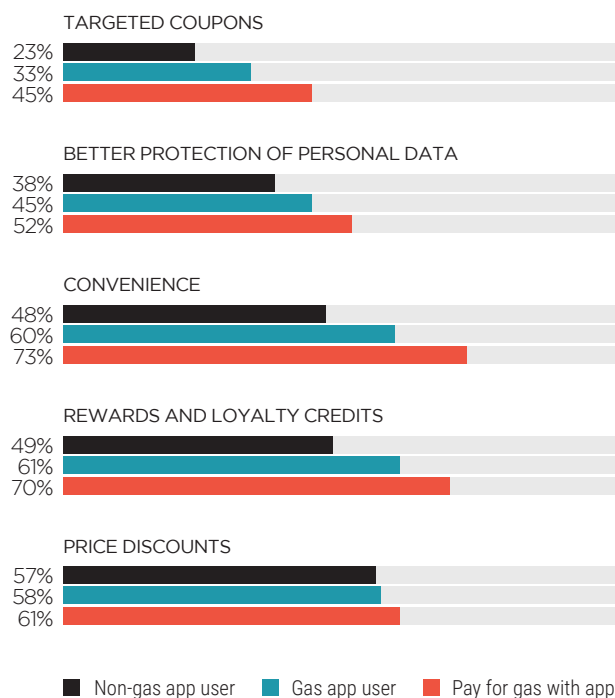
In addition to c-stores, consumers who use apps to pay for gas are more inclined to use apps for other types of business — specifically food-related purchases. More than half (57 percent) use apps to buy grocery products and to make purchases at quick-service restaurants (QSRs) — a much higher rate than both general gas app users and non-gas app users.

73%

of consumers who pay for gas with mobile apps say that **convenient purchasing experiences** would increase their likelihood of visiting the c-store.

FIGURE 5: What Encourages Users To Use Apps To Make Purchases At Gas Stations

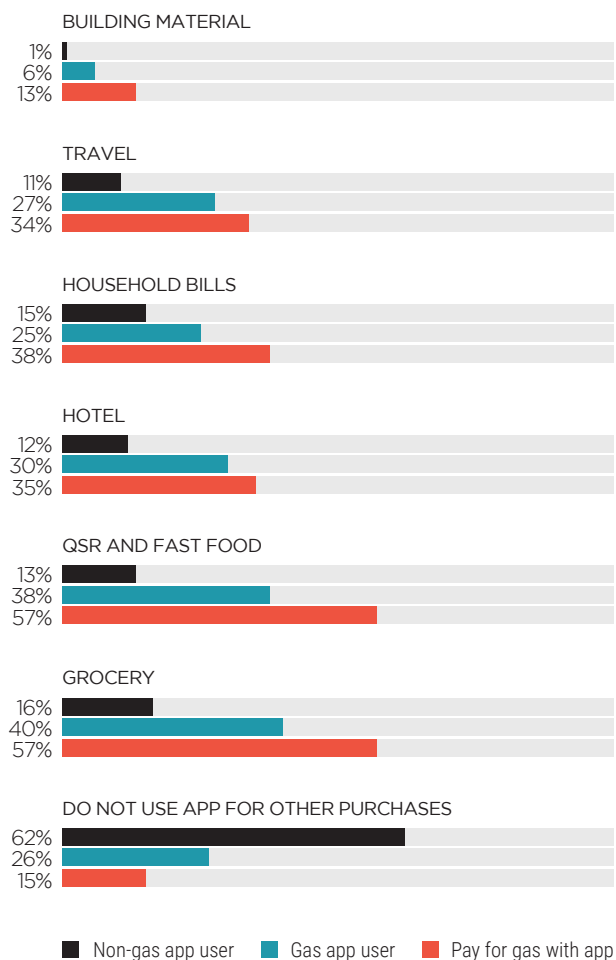
Features of mobile apps that consumers value most



Beyond food, app users who pay for gas also show a greater tendency to use apps to pay for recreational items and household bills. More than a third of these users said they use apps to assist with purchases related to hotels (35 percent) and travel (34 percent), while a slightly greater share (38 percent) said they use apps to pay household bills.

FIGURE 6: Other Types Of Purchases Made With Apps

Users' app-related activities for other types of retail purchases



What can c-stores learn from this? While only a small share of consumers use apps to pay for gas, they are much more likely to extend their purchasing experience beyond the pump and into c-store aisles. What's more, consumers who use apps to make gas purchases are more likely to use them, in some fashion, beyond gas stations and c-stores, such as when finding hotels, looking up airfare and paying for food.

For gas station and c-store operators, these consumers represent a chance to extend sales that would otherwise end once they fill up their tanks.



How

Mobile Apps Are Used

Whether at a gas station or c-store, or at a hotel, it's important to understand what drives consumers to use mobile apps during their shopping experiences.

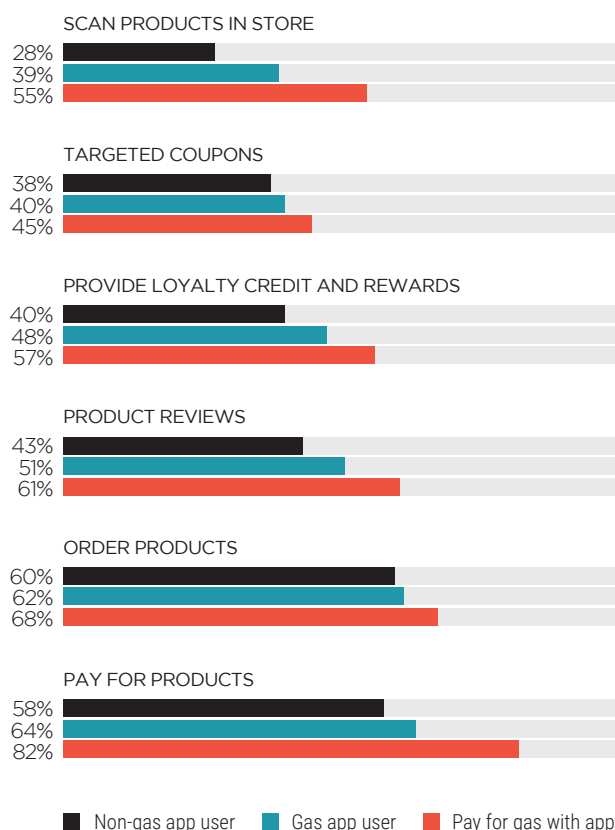
Nearly 82 percent of users who pay for gas with mobile apps want a mobile app experience that allows them to pay for products. They are also more likely to use apps to order products (68 percent), look up product reviews (61 percent), access loyalty rewards and credits (57 percent) and scan products in store (55 percent).

General gas app users and non-gas app users also demonstrated a high interest in using mobile apps to make purchases. In fact, more than half of non-gas app users (58 percent) and nearly two-thirds of general gas app users (64 percent) say that they use other mobile apps to pay for products.

This indicates that, even though non-gas app users do not currently use mobile apps to pay for gas, many are comfortable using apps to pay for other types of products. This could also indicate that, while these users do not pay for gas with apps, they might be willing to use apps to make c-store purchases. For gas station and c-store proprietors, the key is to understand what might convince these consumers to use their apps for all parts of their gas station and c-store purchases.

That said, there is limited opportunity to move the needle among these two groups. As shown

FIGURE 7: How Consumers Use Mobile Apps
Functions that users value most in mobile apps



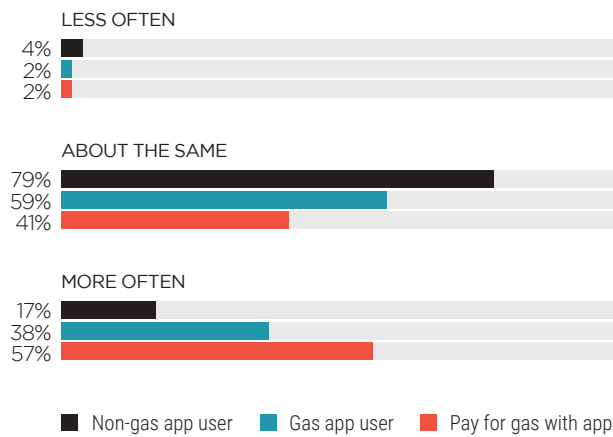
in Figure 8, more than half of consumers who pay for gas using apps (57 percent) said they would visit gas stations more often if their apps could be used for both their c-store and gas station purchases. That number drops to 38 percent for general gas app users and 17 percent for non-gas app users.

For an overwhelming majority of non-gas app users, this would not make much of a difference in their behavior. Seventy-nine percent of non-gas app users said they would

57% of consumers who pay for gas with mobile apps would visit gas stations more often if their apps could also pay for c-store products.



FIGURE 8: Consumers Who Would Visit Gas Stations More Often If Their Apps Could Be Used For Purchases At The Pump And In The C-Store
How user behaviors could change if certain functionalities become available



visit a gas station at “about the same” rate if these features were available, while 59 percent of general gas app users said the same.

However, there might be a greater opportunity to improve sales among consumers who don’t use gas apps at all. One of the most significant barriers to greater gas app adoption appears to be awareness, or, more specifically, a lack thereof. While slightly more than half of survey respondents said they do not use mobile apps when they buy gas, a significant share (49.7 percent) said they were unaware of the existence of such apps.

This lack of awareness indicates that c-store owners must educate their customers about how mobile apps could be used during their gas buying and c-store shopping experiences.

Payment Habits

Of App Users

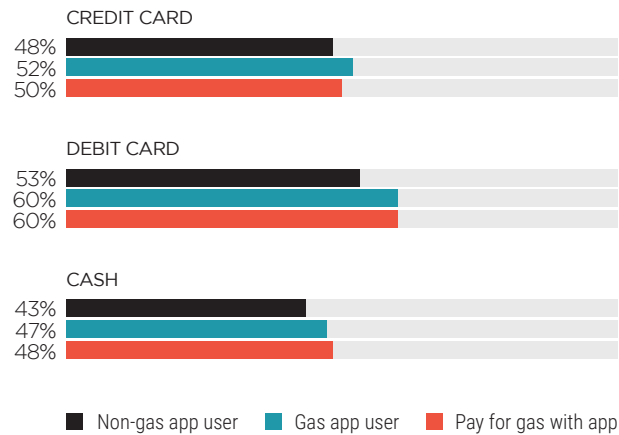
While users who pay for gas with apps are more likely to make purchases at c-stores than non-gas app users and general gas app users, their use of traditional payment methods is, more or less, similar.

As shown in Figure 9, whether using credit cards, debit cards or cash, all consumers show similar patterns of usage. However, users who pay for gas with apps and general gas app users clearly prefer debit cards more than any other payment type.

When looking at alternative payment methods, however, those who pay for gas with apps are more likely to embrace a wide range of app-based choices at the gas pump and c-stores, often at a rate much higher than general gas app users and non-gas app users.

Certain payment options are more popular among users who pay for gas using apps. The most widely used is Fuel Rewards – a program offered by oil company Shell that gives consumers discounts on their gas purchases. This option was used by 29 percent of the 4.5 percent of users who use apps to pay for gas – a rate more than double the rate of general gas app users. Other popular alternative payment methods include Google Pay (25 percent), Apple Pay (25 percent), PayPal (20 percent) and Samsung Pay (15 percent).

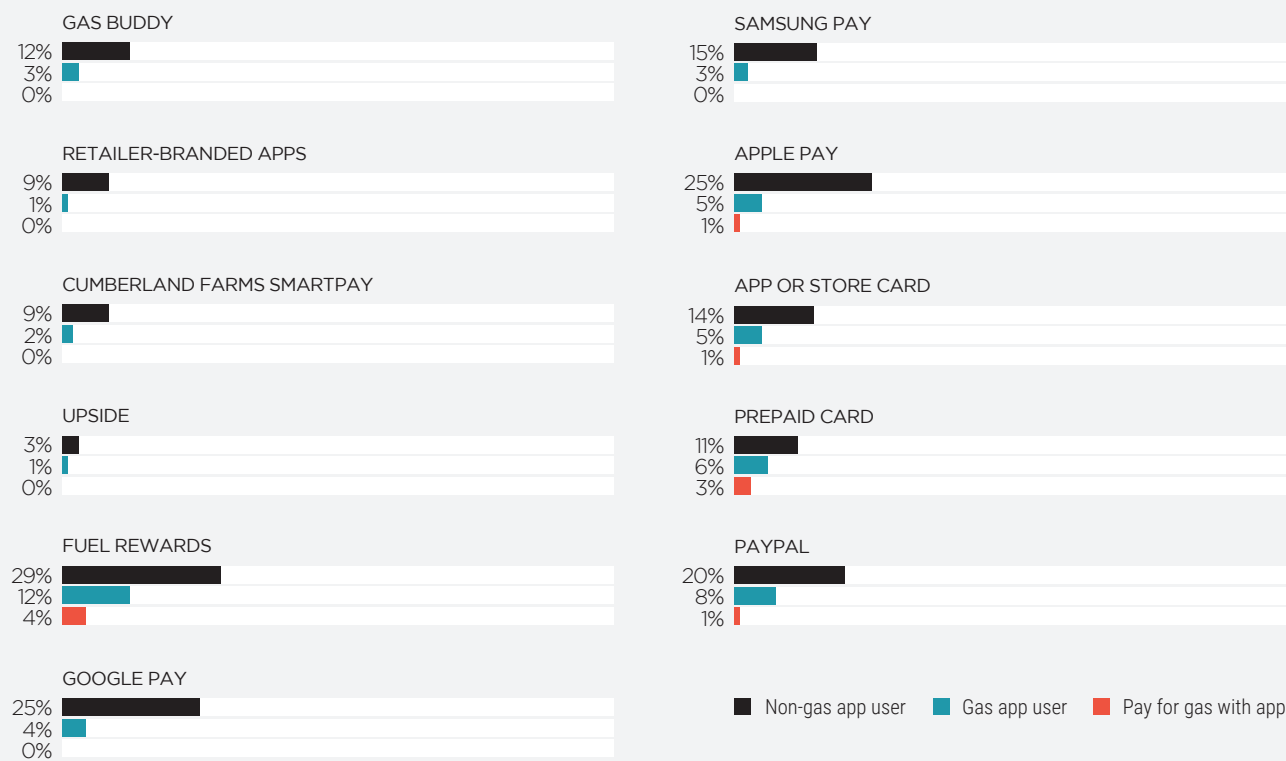
FIGURE 9: Traditional Methods Used To Pay For Gas
Payment methods consumers employ at the gas pump



When it comes to using apps to assist with the gas station run, GasBuddy came out on top. Thirty-nine percent of general gas app users said they use GasBuddy's app to assist them with buying gas, and among all gas consumers, GasBuddy's market penetration is roughly 19 percent.

A high propensity to use alternative, mobile-friendly payment methods indicates that users who pay for gas with apps are already comfortable with using mobile technology to make payments. For gas station and c-store owners, this means the adoption of new technology is unlikely to be a barrier.

FIGURE 10: Alternative Methods Used To Pay For Gas
How different app users use alternative payment methods at the gas pump






DEEP DIVE:

BRIDGE MILLENNIALS AND THE C-STORE EXPERIENCE

C-store operators

TABLE 3: Demographics Of Bridge Millennials
How Bridge Millennials compare to the overall survey base

|  | | |
|---|-----------------------|---------|
| AVERAGE | BRIDGE MILLENNIALS | SAMPLE |
| Age | 35 | 49 |
| Male | 35 | 52 |
| Female | 35 | 46 |
| Income | \$65.6K | \$62.2K |
| Male | \$68.6K | \$66.0K |
| Female | \$62.9K | \$58.8K |

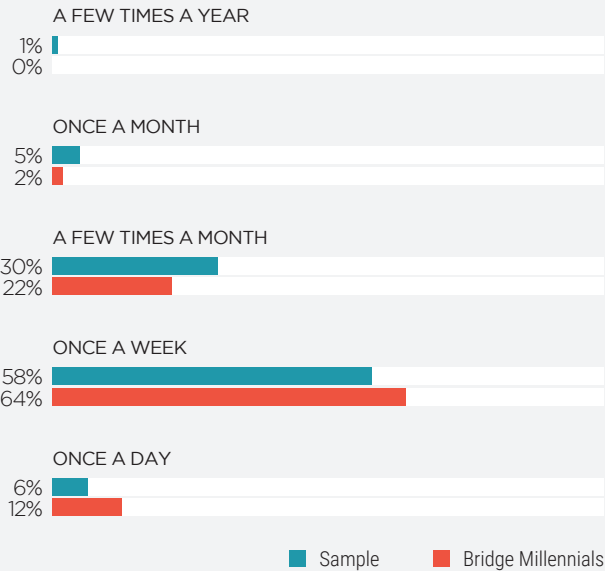
would be wise to pay close attention to the purchasing habits of a certain subset of consumer: The Bridge Millennial – the first generation of connected consumers with spending power.

Bridge Millennials (BMs), who are between 30 and 40 years old, earn more money than their peers, taking in an average salary of \$65,600 annually, and have a predilection for using mobile devices to shop seamlessly between online and offline channels. These consumers are more likely to abandon a business following an unpleasant or friction-filled shopping experience, putting pressure on gas stations and c-stores to deliver an experience that meets the expectations of this highly influential consumer base.

Of the 10,049 consumers we surveyed, Bridge Millennials represented just 22 percent, but their purchasing power should not be overlooked.

When it comes to making purchases at gas stations and c-stores, BMs buy gas at a higher rate than other consumers and are more likely to buy other items when visiting a c-store. As shown in Figure 11, 64 percent of BMs buy gas on a weekly basis, outpacing average consumers (58 percent).

FIGURE 11: Frequency Of Gas Purchases
Daily, weekly and monthly gas-buying activity

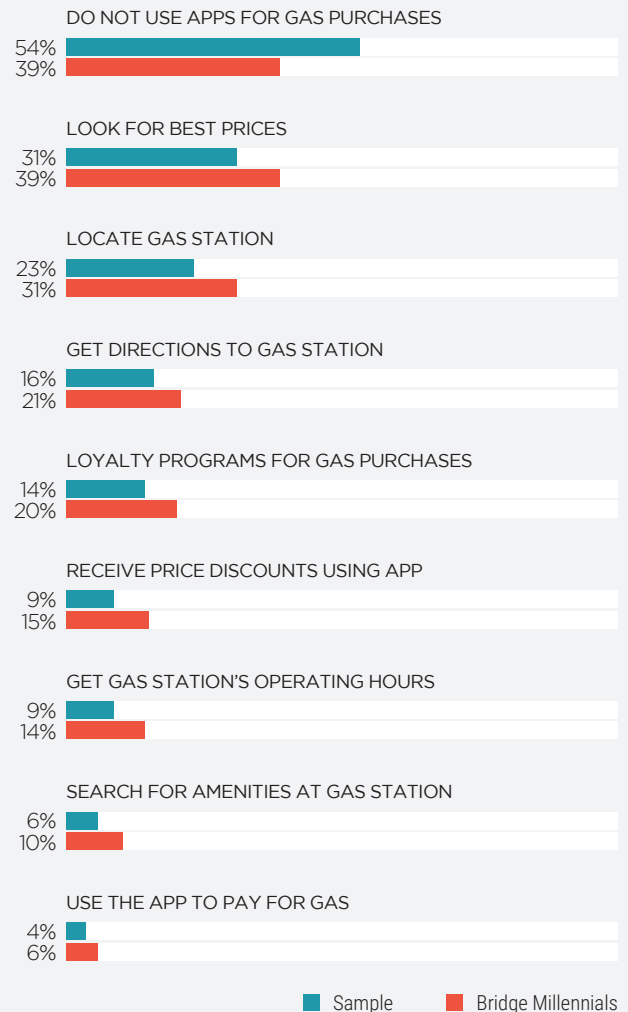


But what motivates consumers, BMs included, to use mobile apps for gas-related purchases? As it turns out, saving time, money and being able to quickly locate and navigate to gas stations are among consumers' top priorities when it comes to gas apps. BMs, however, consider these features to be a higher priority than other consumers. As shown in Figure 12, the most common gas app use cases for BMs include finding the best gas prices (39 percent), finding a nearby gas station (31 percent) and navigating to the gas station (21 percent), while general consumers ranked these features lower.

That said, when it comes to making gas payments with apps, only 6 percent of BMs do so – slightly more than the average consumer (4 percent).

Though few BMs use mobile apps to pay for gas, PYMNTS found that providing a more seamless mobile app experience could help drive those that do from the pumps and into c-stores.

FIGURE 12: Reasons For Using A Mobile App To Assist With Gas Purchases
Most common use cases for mobile apps



Building A Better

Bridge Millennial Gas App

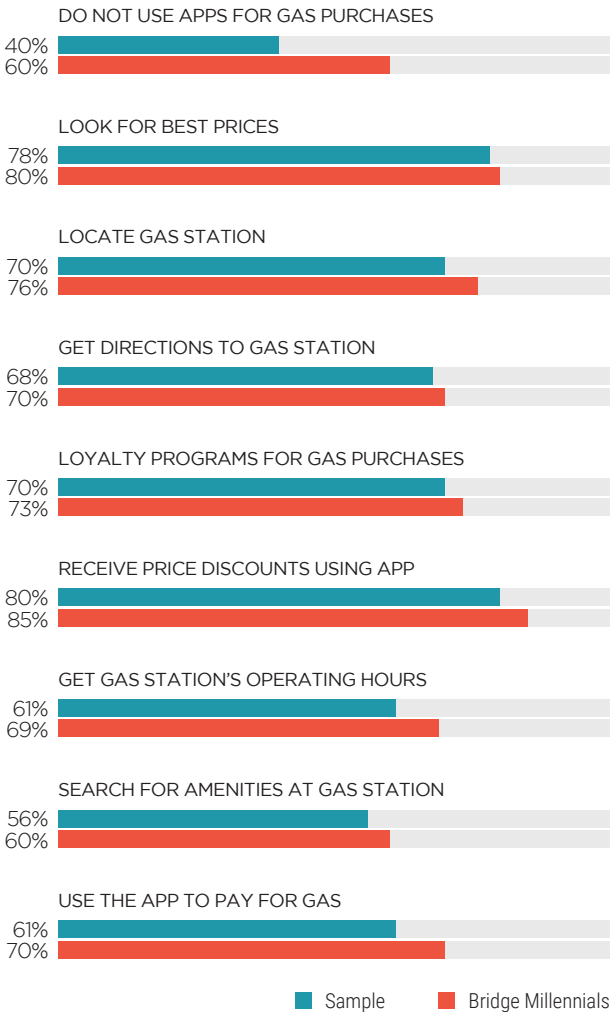
So what do BMs want from a gas app? Ultimately, it all comes down to saving money. Receiving discounts was ranked as the most important feature of gas apps by 85 percent of BMs, followed by the ability to find the best gas prices, at 80 percent.

While fewer BMs use mobile apps to make payments at the pump, having the ability to do so is among their top concerns. In fact, paying for gas using an app is one of the most commonly used features, cited by 70 percent of BMs who pay for gas with apps. That number was 61 percent among the rest of the sample.

Not surprisingly, cost-saving opportunities have universal appeal among the different consumer groups. Similar levels of both BMs and average consumers – 56 percent and 58 percent, respectively – indicate that saving money is the top reason for using a gas app.

70%
of Bridge Millennials
who **pay for gas with apps** say the ability to
pay is one of the most
commonly used
app features

FIGURE 13: How Gas App Features Are Employed
How consumers use mobile apps to assist with gas purchases



Saving money aside, BMs place a higher priority on speed and convenience when compared to the rest of the sample. Nearly half of BMs (46 percent) said they were motivated to use mobile apps for gas purchases because of the convenience they offer – 42 percent of general consumers said the same. Meanwhile, 32 percent of BMs said they were driven to use mobile apps to access faster purchasing capabilities, compared to 27 percent of the rest of the sample.

BMs may be more likely to use mobile apps to assist with their gas purchases, but when it comes to paying for gas, they're fairly old school. As shown in Figure 15, the most common methods of paying for gas among BMs are debit cards (13.6 percent), credit cards (11.1 percent) and cash (10.8 percent).

FIGURE 14: Reasons For Using Mobile Apps To Help With Gas Purchases

Why consumers use mobile apps during the gas run

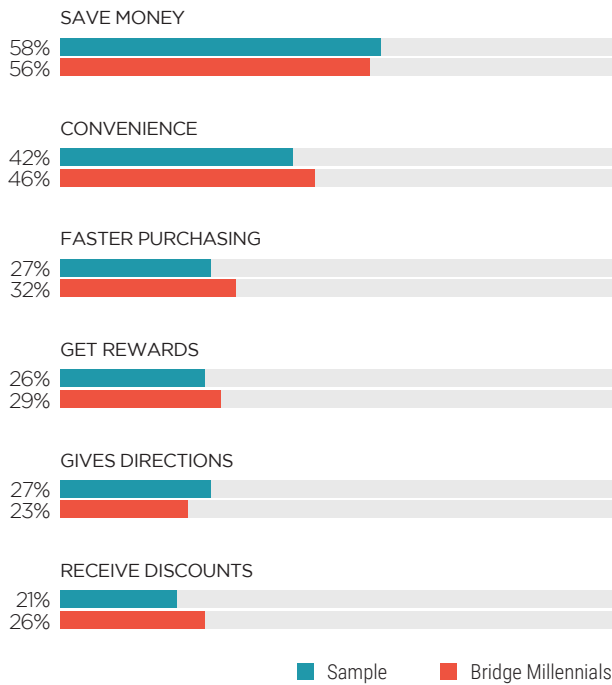
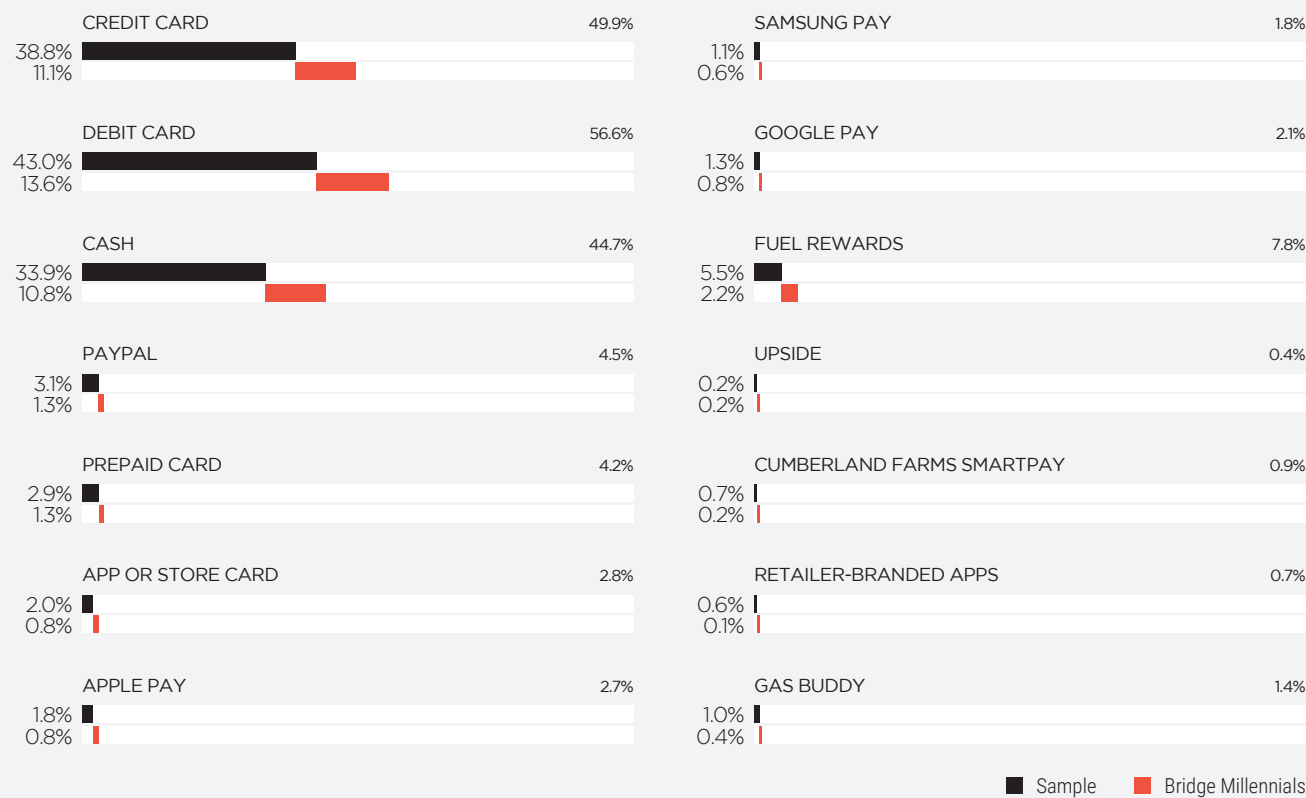


FIGURE 15: Methods Used To Pay For Gas
Payment methods used to pay for gas



While mobile apps are a common part of the gas buying experience for BMs, using them to make payments is less of a priority for this group. Gas stations and c-stores should take note that, although BMs are less likely to use mobile apps to make payments at the gas pump, they still consider it to be an important feature.

Gas station and c-store owners who want to lure more Bridge Millennials into their stores should recognize that, while these consumers do not use

mobile apps to pay for gas very often, their drive to find discounts and enjoy a speedier payment process could increase their mobile app usage. Businesses that can deliver the features that matter most to BM consumers will likely stand apart from the crowd.

For C-Stores,

An Opportunity To Woo Bridge Millennials

Not only do BMs visit gas stations at a greater rate than most consumers – they are also more likely to make additional purchases at the c-store. This presents an opportunity for gas station and c-store owners to encourage BMs to extend their purchases beyond the pump.

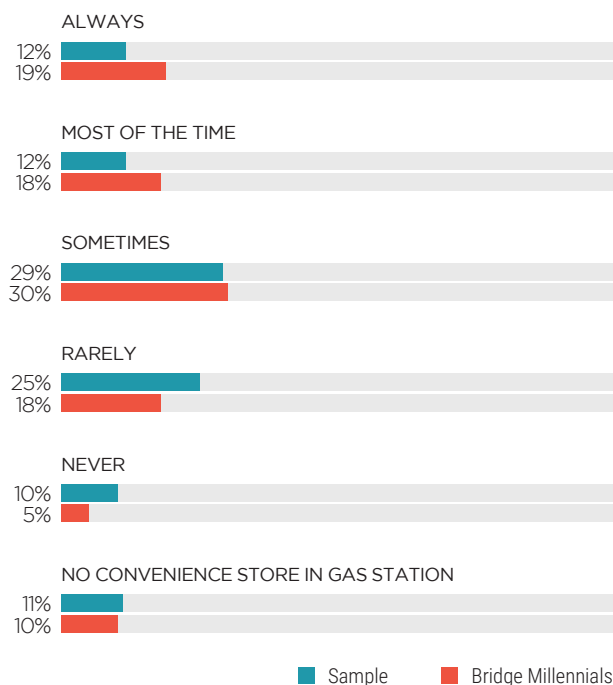
Figure 16 indicates how rich the opportunity is for c-store owners to maximize a gas sale. Nearly one-fifth (19 percent) of BMs reported that they “always” purchase additional goods when they buy gas, and almost as many (18 percent) said they do so “most of the time.” Thirty percent “sometimes” make additional purchases and 18 percent “rarely” do.

The opportunity to lure Bridge Millennials from the gas pump into the c-store increases if the gas is purchased with a mobile app. More than half (52 percent) of BMs who buy gas with apps say they buy additional goods on most of their trips to the gas station.

For c-store owners, there are three important takeaways from this information: First, Bridge Millennials buy more gas than most consumers. Second, a significant share buys additional items during their trips to gas stations. Finally, the likelihood that Bridge Millennials will visit c-stores after making gas purchases increases if they use mobile apps to buy their gas.

FIGURE 16: How Often Respondents Purchased Other Goods When Purchasing Gas

Likelihood of additional purchases during a gas purchase



52%
of Bridge Millennials
buy **additional items**
from c-stores
when buying gas

How To Win

(Or Lose) Bridge Millennials

For c-stores to win over Bridge Millennials' business, they must first understand the mobile app features that encourage greater app usage — as well as what features discourage use.

BM's are more likely to use mobile apps if they deliver services and benefits that they value, the most important of which are convenience and loyalty rewards: 62 percent of BM's identified convenience as a factor that could motivate them to use mobile apps at gas stations, while 60 percent cited availability of reward and loyalty credits.

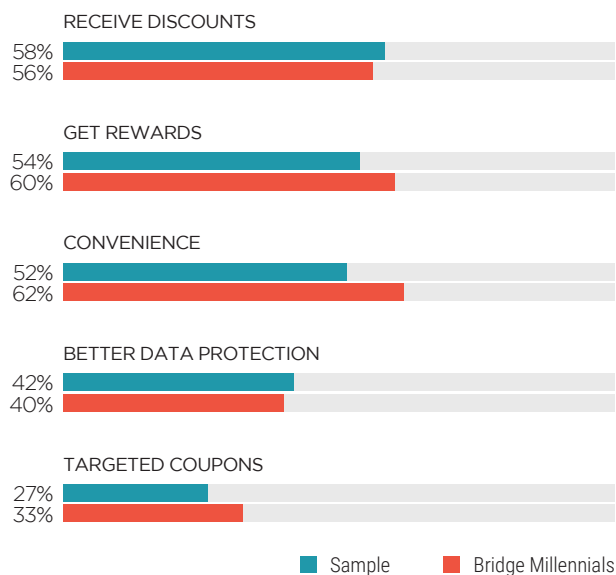
Saving money is also among the top priorities of the BM consumer, although to a lesser extent. More than half (56 percent) of BM's said that price discounts would encourage greater mobile app use at gas stations — a rate similar to that of general consumers.

BM's may be encouraged to use mobile apps if they deliver convenience, rewards and discounts, but there are also several factors that could have the opposite effect.

The security of their personal information is the top concern among BM's and threatens mobile app adoption among this group. Half of surveyed BM's said data theft risks would discourage them from using mobile gas apps, and more than one-third of BM's (36 percent) expressed concerns about the risk of money theft. It's worth noting that overall consumers are slightly more likely to be discouraged because of these concerns.

FIGURE 17: What Encourages Respondents To Use Apps At Gas Stations

Features with the potential to encourage greater mobile app usage



In terms of payments, BM's are more likely to be discouraged by a poor payment experience than other consumers. Eighteen percent of BM's said they would be discouraged from using a mobile app if it took long to make a payment, while only 13 percent of the rest of the sample said the same.

When developing a strategy to encourage greater usage of mobile apps at their businesses, gas stations and c-stores would benefit from looking at how BM's and the broader consumer base are already using mobile apps to make purchases.



CONCLUSION



As gas stations and c-store owners consider mobile app solutions aimed at attracting consumers from the gas pump to the c-store aisles, there are a few things to keep in mind. First, a convenient mobile app experience appears to be the top priority for consumers who pay for gas using mobile apps. Almost as important, consumers are highly motivated to save money on their purchases.

A look at the shopping habits of BMs indicates this tech-savvy and highly connected bellwether consumer group presents the best opportunity

to grow mobile app adoption and extend gas pump sales into c-store revenues. Gas stations and c-stores should note that concerns over data privacy and money theft pose the greatest threat to mobile app adoption, however, and they should therefore consider investing in efficient security measures.

Paying for gas using mobile apps is in its early stages, and making more informed choices could help gas stations and c-stores avoid unnecessary detours.

A top-down view of a white coffee cup with a frothy, brown-topped beverage, sitting in a black car cup holder. The cup holder is part of a larger black plastic console with a gear shift lever visible below it. The background shows the black leather-like upholstery of a car seat with white stitching.

FEATURE **STORY:**

C-STORES
SEEK THEIR OWN
'STARBUCKS EFFECT'
WITH
MOBILE APPS

Gas station owners eager to offer mobile app technology that drives consumers from the pump into the convenience store might benefit from thinking more like coffee merchants.

According to the latest figures from the [National Association of Convenience Stores](#) (NACS), 80 percent of gasoline in the U.S. is sold by convenience stores, meaning merchants have a significant opportunity to lure consumers from the pump to convenience store aisles, where they can use their gas apps buy soda, snacks, cigarettes or other products.³

Merchants seeking to make mobile apps more integral to convenience store shopping could get a shot of inspiration from the strategies used by coffee chains like Starbucks and Dunkin' Donuts. Those businesses have been highly successful at offering a mobile shopping experience that lets customers pre-order items or pay for them in store.

PYMNTS recently spoke with Amy Murphy-St Laurent, loyalty manager for New England-based gas station and convenience store chain [Alltown](#), and Jeff Lenard, vice president of strategic industry initiatives for NACS, about how



³ Author unknown. Convenience stores keep drivers fueled. April 17, 2018. https://www.convenience.org/Topics/Fuels/Documents/USDivers_infographic.pdf. Accessed November 2018.

convenience stores can look outside their market for mobile app innovation and inspiration.

Brewing mobile app inspiration for convenience stores

Coffee giants like Starbucks and Dunkin' Donuts have mastered the mobile app experience, Murphy-St Laurent said, adding that gas station and c-store operators could learn a great deal about their own mobile strategies from the coffee chains, despite the fact that they're in different markets.

"We're always very interested in companies that have really driven very strong app usage," Murphy-St Laurent said. "It's certainly not necessarily convenience store-based, but the idea [is to create] an app that becomes a seamless part of the way the customer transacts with [a business] every single day."

For its part, Alltown is already tailoring its mobile app to how customers engage with its brand. Earlier this year, the company launched a mobile app on iOS and Android devices that lets users by gas at the pump and items in the convenience store.⁴ The app also includes a points-based loyalty program that allows users to redeem points for discounts on gas and other products.

In addition to convenience stores and gas stations, several of Alltown's 74 locations across

New England include services such as car washes, deli counters, full kitchens and propane tank refills, Murphy-St Laurent said. These different services provide loyalty members with multiple opportunities to use their points.

While Alltown's app is in its early stages, making it hard to establish a definitive pattern of usage, early adopters are using it to make payments both at the pump and in the convenience stores. Murphy-St Laurent added that the company's mobile app strategy will likely continue to incorporate lessons from Starbucks and Dunkin' Donuts.

She added that the company's mobile app strategy will likely continue to incorporate lessons from the major coffee giants like Starbucks and Dunkin' Donuts.

"The way they have ingrained the app into day-to-day business, having mobile payments tied to it and having the ability to pre-order and earn rewards – they are definitely great examples to keep an eye on," she said.

Getting to know the consumer

Alltown sees the growing usage of its app as an opportunity to develop a stronger relationship with its customers. To accomplish this, Alltown will review the data its app generates to determine how customers who use it to buy

⁴ Author unknown. Alltown launches Alltown Advantage, giving customers more ways to save. May 16, 2018. <https://www.prnewswire.com/news-releases/alltown-launches-alltown-advantage-giving-customers-more-ways-to-save-300649498.html>. Accessed November 2018.

gas end up entering the convenience store, allowing the company to develop a more accurate customer profile. According to Murphy-St Laurent, this information will help Alltown tailor its app to users' previous activities.

"The long-term goal of the program is to use that information and use that data to drive a far more personal relationship with the customer and deliver more personalized and targeted rewards based on the type of shopper that they are," she said.

An inconvenient truth for c-stores

Lenard agreed that mobile apps offer gas stations and c-stores an opportunity to build upon their relationships with their customers, and that coffee chains' models serve as inspirations for their market.

"Starbucks has been very effective with the idea that everything is convenient," Lenard said. "You have your app, you order, you pick a location, you go there, the transaction's done and you're on your way. That's convenience."

Mobile apps, he said, allow NACS' 122,000 nationwide c-store members to remain competitive.

While c-stores can learn from what big brands are accomplishing with their mobile apps, Lenard said larger businesses are also taking ideas from the c-store model.

"What convenience stores are looking at right now is that their competition is everyone," Lenard said.

Over the years, he said, several businesses have emulated the c-store model, which lets customers enter, buy items and leave quickly. QSRs like McDonald's offer kiosks where customers can quickly order meals. Even supermarkets have incorporated c-store strategies by moving the most popular items toward the front of the store so customers to find them quickly.

"Everyone is selling convenience," he said.

Murphy-St Laurent said Alltown will also continue to closely watch how non-gas and c-store merchants offer their own brands of convenience.

"Any good marketer is always looking at what is out there in the marketplace, especially in retail, looking beyond your specific lane," she said. "As we grow our own brand, we'll look at new and innovative approaches that we can be first to the market with."

In a crowded mobile app market, with many businesses trying to expand their reach, c-stores have plenty of ideas and inspirations to brew over.

about

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GasBuddy's smartphone app offers crowdsourced information to help users find the most competitive gas prices, the nearest stations, operating hours and more on 140,000-plus gas stations across the U.S., Canada and Australia. The company also offers a B2B retailer-focused software-as-a-service solution, GasBuddy Business Pages, which aids fuel marketers and retailers in promoting their information, managing their brands and reaching their core audiences.

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