Customer retention using digital. Some are already succeeding with improvements enabled by digital being realised, for example:

- **Mobility**: safer, cleaner and more efficient mobility through electric vehicle (EV) charging points, enhanced fuel offerings and additional parking availability. Mobile commerce and contactless payments can also transform the customer experience for the purchase of goods and services.

Awareness and adoption can be increased in a number of ways – from more people paying at the pump, to mass loyalty and rewards programmes, such as fuel discounts – enabling fuel retailers to build a relationship directly with the customer. While take up varies from country to country (often due to an inconsistent acceptance of mobile payments across retailers) this is an area that companies need to develop if they are to capture margins from consumers who do not come into the store in addition to those who do.

**Journey tracking solutions:** look at a customer’s path to purchase (where), touch points (what) and buyer behaviours (why) to make the routes throughout the store more seamless and to enable premium product placement.

**WIFI and apps:** fuel retailer apps are serving customer demand with loyalty schemes, hyper-personalisation.
ENERGY TRANSITION

Market Review 2019

(contains formatting issues)

Accenture believes fuel retailers can accelerate their digital decisions and journeys if they:

**FIRST:** Many fuel retailers rush to build something fast and get it into the market, but digital maturity should not be hurried. Instead, they should focus on the value from a long-term digital strategy.

**RIDE THE ANALYTICS WAVE:** Customer loyalty is diminishing with customers simply looking for the cheapest and most convenient offering. There are so many options for differentiation. Fuel retailers should adopt an enhanced focus on customer data and analytics to gain a better understanding of customer desires and predict buying behaviours.

**INVEST IN THE RIGHT TECHNOLOGIES AT SCALE:** When the correct technologies are combined and implemented at scale, digital can deliver significant value and drive additional market capitalisation. Automation removes low value-added manual activities on site, enabling employees to focus on customer engagement and satisfaction.

Understanding what newer technologies, such as artificial intelligence (AI), can offer is also important – leveraging the right technology platform can reduce the typical launch time for new digital services such as predictive maintenance or consumer analytics.

Whether the forecourt of the future involves automated cars, self-fuelling, drive-through convenience retail stores, AI to meet and greet customers using a holograph, or hot meal delivery while you wash your car, digital is an opportunity – and future growth is the reward.

- (push notification offers) and even gamification.
- **2) DIGITALISATION INTRODUCES PERFORMANCE PERKS**

Fuel retailers are investing in digital – 45% of fuel retailers in our survey expect their businesses to invest at least 20% more in digital technologies in the next three to five years. Data analytics was selected by 66% of respondents as the technology capable of driving the greatest performance impact for their business. Early adoption could see analytics improve brand loyalty through hyper-personalised offers and targeted digital marketing or improved forecourt efficiency with the use of predictive analytics to prevent downtime.

Digitalisation has perks for the fuel retailers themselves: operational efficiencies through smart appliances (such as fridges or coffee machines with alerting capabilities), preventative e-maintenance or the use of tablets in-store for staff for inventory taking, payments and cloud-based solutions which can enable mobile payments.

Automation was another important technology highlighted by survey respondents – 53% said this technology was driving the greatest impact in terms of the performance for their business.

Increasingly, retail trends show that consumers prefer to fill up at grocery stores and wholesale clubs rather than at branded fuel stations. This finding is especially true in the United States and it is becoming more difficult to engage with a consumer who never enters your site. The growth of new companies who deliver fuel directly to your car, and the growth of electric or driverless cars mean a consumer may not need enter a traditional, branded fuel station again.

More automation not only enables labour cost savings (allowing workers to be redeployed elsewhere) and creates a faster, more seamless experience for the consumer, but also can drive consumers to the site, through more dynamic pricing. This automation of fuel prices, coupled with the productivity increase of having empowered workers using more data analytics, can drive both volume and value for fuel retailers.

**3) DIGITAL CAN ENABLE CUSTOMER LOYALTY AND IMPROVE CUSTOMER EXPERIENCE**

Higher digital investments also enable improved services. Nearly 70% of respondents stated they are using digital to increase store sales and more than 60% are using digital to increase the number of customers. Fuel retailers expect investments into payments and loyalty platforms to help them improve capabilities and services to drive more speed and consistency in fuel retailing – for example, through better procurement, more consistent logistics and improved marketing and loyalty schemes. Digital can enable better payment services, and this area is important to fuel retailers – nearly 60% in our survey highlighted mobile payments as the focus for improvement on their forecourts over the next few years.

**4) DIGITAL MATURITY MAY STILL BE A GOAL – BUT ASPIRATIONS ARE HIGH**

Many fuel retailers understand the fundamentals of a good digital business but find barriers internally or externally, meaning they cannot scale to get there. As digital becomes core to operations, part of the solution for digital transformation is looking outside of the organisation for support.

Increasingly, fuel retailers are forming strategic partnerships outside of their organisation – nearly 50% in our survey said they are doing so to access new technologies and digital innovation.

Whether pairing with fast food chains or e-commerce giants, fuel retailers need to be open to sound partnerships that will help to serve changing customer demands.

Inside the business, one of the key barriers to the transformation journey for fuel retailers is related to workforce development and digital skills. The oil industry already suffers from endemic workforce challenges (for example, an ageing workforce or a poor image). Add to these challenges trying to recruit, engage and grow new skills, such as data science or cybersecurity specialists, and the talent challenge becomes highly complex.

At the leadership level, creating and implementing a digital strategy can be hard without the right roles and skills in place. At an operational level, companies struggle to develop a more digitally savvy workforce on the ground. Fuel retailers know they need to invest more in digital skills training and reskilling – 65% said yes when asked if they were investing over the next few years.