eBook

punchh®

Top 5 Convenience Store Strategies for Driving Engagement & Loyalty in 2021

Introduction

Lower trending gas prices, extra precautions in foodservice operations, along with the most epic changes in customer behavior the industry has ever experienced, continue to make the convenience store landscape more challenging than ever in 2020.

Over the past several years, c-stores have contended with more fuel-efficient vehicles, not to mention hybrid and electric vehicles, as well as generally declining fuel prices, which resulted in fewer trips to the gas station and less-typical growth in c-store gas sales.

In 2020 fuel demand collapsed further beginning in mid-March as social isolation practices due to the pandemic curtailed commuter and highway traffic. Additionally, work-from-home practices were put in place by many companies. This is translating to significantly fewer vehicle sales and miles traveled, and less fuel consumption and trips to convenience stores to refuel.

An April 2020 NACS Retailer Member survey found that overall foodservice sales had decreased as well as retailers have changed, moved behind the counter or shut down some self-serve foods and coffee programs along with seating areas to decrease the risk of potential contamination.

These events have created an urgency for c-store retailers to take a mobile-first approach and more effectively drive foot traffic from the pump into the store. The goal is to deliver an easy and convenient in-store and online shopping experience that makes every visit count.

C-stores need to modernize beyond "gas and snacks" to transform into a competitive, high-quality food and retail experience that brings customers into the store or brings the store to them.

Garner Customer Engagement with a Modern Loyalty Program

C-stores must move toward a modern loyalty program that touches their fuel, grocery, and restaurant businesses to reward customers for all their transactions. Today's consumers demand a personalized experience with very little friction whether in-store or online. They expect brands

70%
of digital orders for food come through a branded app or company's website
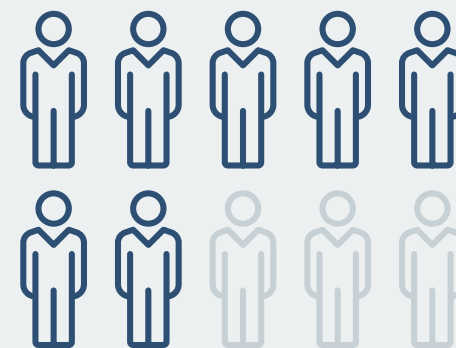
(NPD's Delivering Digital Convenience report)

to anticipate their buying behaviors and unique preferences and to deliver the best offers and rewards in real-time over their preferred channel.

Customers also want to align themselves with brands that fit their values and lifestyles. By engaging customers through a c-store loyalty reward solution that offers meaningful financial incentives, social advocacy, and an opportunity to contribute to the causes that are most important to them, brands create lifelong advocates and drive higher lifetime value.

For example, Casey's General Stores launched a c-store loyalty solution in 2020 that embedded their commitment to communities into their Casey's Rewards program. The Casey's Rewards program's customized design allows customers to redeem/convert points in three ways: cents off gasoline, into Casey's cash to use like currency in-store or online, or into Cash for Classrooms, which enables customers to donate the cash to a list of almost 40,000 schools in the communities they serve.

The Cash for Classrooms links directly to the schools and makes charitable giving easy and seamless for their guests and differentiates their loyalty program in the c-store and QSR industries. With multiple ways for customers to save, Casey's is increasing store frequency and building loyalty, which is helping their bottom line. Read more about how Casey's aligned their c-store loyalty program design to their brand values.

The spring of 2020 also highlighted the importance for c-stores to identify their customers and have the means to directly communicate with them digitally. The pandemic created new circumstances and changes to daily operations for many retailers. A modern c-store loyalty reward solution gives brands the ability to message customers on a digital channel and in an appropriate tone about new procedures, updated business hours, and relevant or redesigned offers.

Gaining customer loyalty in the c-store industry means moving beyond punch cards and discount programs. Modern loyalty programs enable c-stores to deliver relevant offers that drive customers from the pump into the store to increase store visits and sales.

The Casey's Rewards Cash for Classrooms enables customers to donate the cash to a list of almost 40,000 schools in the communities they serve.
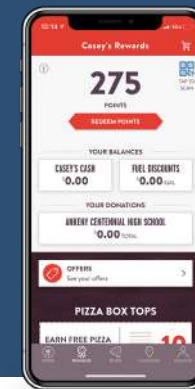
Deliver Value Through Enhanced Customer Understanding

Brands are working to gain a 360-degree view of their customers in order to take a data-driven approach to marketing and building loyalty. They're prioritizing access to data sources such as location, social media, demographic, customer feedback, marketing campaign, etc. as well as capturing, tracking and analyzing all in-store POS and digital transactions.

C-stores need to create the right touchpoints to capture the customer data that matters most to consumers and a better bottom line. A starting point for brands to collect customer information can initially come from creating incentivizing actions such as geo-checkins, in-store QR code scanning or data profile completion.

C-stores also need the ability analyze data to understand how various stores are performing by daypart and SKU as well as to determine what their high-value customers are ordering. Using these insights, c-stores can determine which product and menu items to carry, which customers to market to, and how to drive more same store sales.

With real-time program analytics at the store-level as well as the corporate level, c-stores are positioned to drive higher performance even under challenging circumstances. Data insights allow brands to understand and deliver on their customers' changing needs as well as deliver a higher level of personalization that demonstrates they care about their customers and take them seriously.
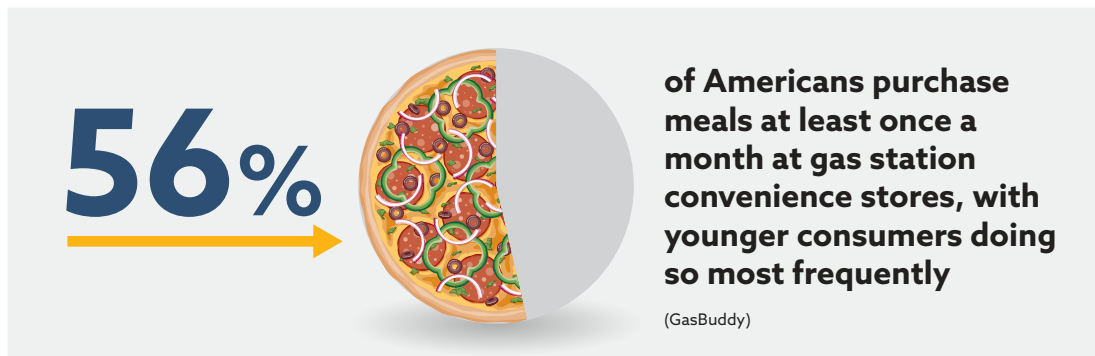
Inspire Brand Loyalty Through Mobile Convenience

Convenience chains with a mobile app are in a position to collect more of this valuable data that will help them better understand their customers' experiences and deliver better customer engagement. That's really the key for c-stores, being able to create 1:1 connections and encourage loyalty through demonstrated knowledge of their customers.

C-stores also need the ability analyze data to understand how various stores are performing by daypart and SKU as well as to determine what their high-value customers are ordering.

Today, most consumer lifestyles involve a good deal of mobile device time and c-stores need to make the investment to position themselves on this channel. C-store customers are looking for the similar conveniences restaurants, grocery stores and other retailers offer through mobile access that make shopping, and earning and redeeming offers and rewards easy.

56% of Americans purchase meals at least once a month at gas station convenience stores, with younger consumers doing so most frequently

(GasBuddy)

C-stores must begin work on delivering a seamless omnichannel experience by taking a digital-first marketing approach. A branded rewards mobile application is a step in the right direction for retailers who want to increase engagement touchpoints for delivering offers and updates via SMS, email and push that customers can view even while at the pump. The goal is for c-store marketers to dynamically drive real-time, personalized promotions that bring the customer from the pump into the store.

Offering and integrating different forms of payments through a c-store loyalty solution provides c-stores another path for customer personalization. Digital wallets are increasing the value of loyalty currency by providing the flexibility for payment and point redemption to be handled how and where a customer wants. An integrated solution allows customers to pay for fuel at the pump with points or a gift card or head in-store and pay via frictionless checkout.
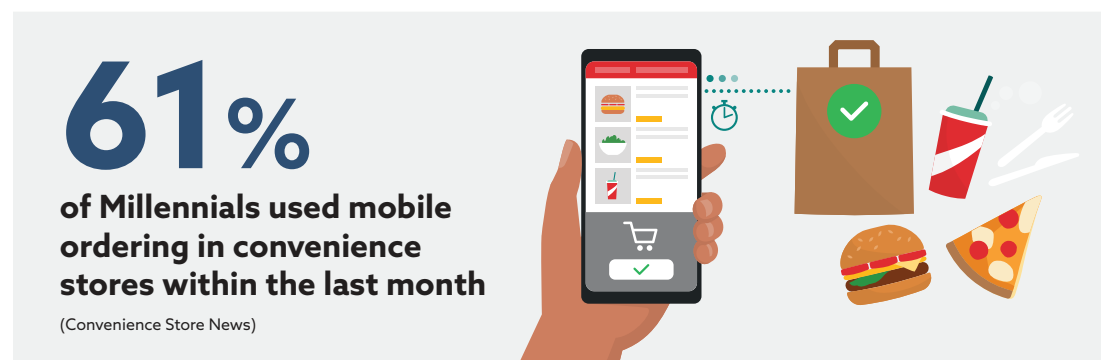
Just as consumers have embraced digital technology c-stores must as well, so they can be in the position to put a whole new spin on "grab and go."

A branded rewards mobile application is a step in the right direction for retailers who want to increase engagement touchpoints for delivering offers and updates via SMS, email and push that customers can view even while at the pump.

Win Customers Over with Mobile Ordering, Curbside Pick-up & Delivery

Over the years, consumers have increasingly placed value on having their lives be made easier by the myriad of options available for purchasing and receiving food and products. Furthermore, the pandemic has accelerated customers' expectations for mobile ordering, order ahead, curbside pickup and delivery. Competing with QSRs, grocery stores and other retailers requires c-stores to evolve their brands to offer these business operations in a way that makes sense for their locations, which may include mobile ordering that results in curbside pickup, delivery at the pump or delivery to the home.

61%
of Millennials used mobile ordering in convenience stores within the last month
(Convenience Store News)

Local c-stores may even have an advantage over other retailers, as their proximity to customers may be closer than large grocers or big box stores, allowing for expedited pickup or delivery. Providing timely convenience can foster an uptick in adoption and utilization.

Digital ordering, curbside pickup and delivery place a c-store squarely in the ecosystem of its customers. Customers have shown since the pandemic to increasingly place their trust in these operational systems to ease their health and safety concerns. C-stores that are able to offer a seamless, touchfree experience are better positioned for success.

Local c-stores may even have an advantage over other retailers, as their proximity to customers may be closer than large grocers or big box stores, allowing for expedited pickup or delivery.

Drive Profitability Across Locations from a Single Digital Platform

Today, successful marketing requires a robust c-store loyalty platform that leverages easy system integrations, CRM capabilities, analytics, and marketing automation. With these tools, c-store marketers have the ability to identify new customers, verify visits, track purchases, provide digital ordering, offer opportunities for feedback, and deliver personalized promotions in real-time.

These activities give c-stores more customer data to provide comprehensive end-to-end personalized experiences that will increase prepared food sales, trip frequency, and profitability.

C-stores that are making the technology investment in this competitive environment understand the value of a scalable, single digital platform that integrates and unifies back-office systems with POS data, payments and a c-store loyalty reward solution. Additionally, brands need a platform that connects the data with predictive analytic tools. In order to stay competitive c-stores must have the ability to optimize current customer behavior, predict CLV 30, 60 or 90 days out, and accurately recognize new customer leads.

An AI-driven platform gives marketers a comprehensive c-store loyalty solution that continues to offer new insights for higher-level more strategic conversations per store location as well as a holistic view of their overall business.

Interested in learning more about customer loyalty programs? Contact Punchh for details related to your industry.

73%
of consumers use multiple channels to shop

(Harvard Business Review)
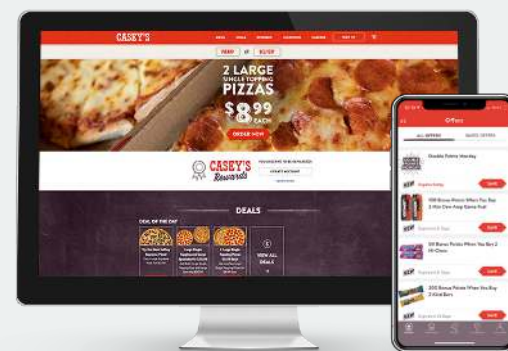
punchh ®

About Punchh
With Punchh, physical brands can create personalized, loyalty experiences across the customer lifecycle to drive 1:1 connections, lifetime value, and same store sales. The Punchh Loyalty and Engagement Platform, powered by artificial intelligence, delivers modern loyalty through mobility that extends beyond the mobile device driven by optimized campaigns with dynamic customer segmentation, offers, and analytics.

punchh.com/contact
Contact@Punchh.com
650-781-7100

facebook.com/getpunchh

twitter.com/getpunchh

linkedin.com/company/punchh

instagram.com/getpunchh