



“We have tripled our coffee sales since we left vending machines.” Interview with Repsol

Jorge Escuin is Responsible for the development of Service Station Business at Repsol. He has worked in the commercial part of the international oil company since he finished his university degree. Repsol is the leading fuel retailer in Spain with over 3,500 gas stations. Their network of sites receives one million customers every day.

Q. A clear trend in most western countries in the service station sector is the improvement and expansion of convenience stores and food services. Do you see this trend also in Spain? How has it affected Repsol's business?

A. In Spain, after years of financial crisis, convenience is regaining strength as a key factor when choosing a store. Consumers have less time to go out and more ease to shop from home through the development of new digital technologies. In that sense, 38% of Spanish consumers now dedicate less time to shopping than five years ago. That is why it is important not only to expand our product and service offering but also to improve consumer experience at our stores; giving our clients reasons to stay behind or even attend gas stations without the need for fuel. For example, in 2010, Repsol decided to change the coffee selling model, going from vending machines to attended service with quality coffee. Since then we have tripled our coffee sales.

From a convenience point of view, what characteristics do you think the Spanish market (and consumer) has compared to other countries?

Consumer trust in Spain has grown to higher levels than those previous to the crisis, while income is also recovering and is now reaching similar numbers to the ones we enjoyed before 2008. As a result of this, private consumption in Spain progresses better than the European average.

As peculiarities of our market, I would point out to the strength that c-stores and general convenience services maintain. Spanish fuel distributors also hold bigger market shares than those of our European neighbours. Meanwhile, the country's aging population and the increase in households with no children is favouring that personalization, simplification and convenience have become key aspects in the success of our retailing business.

When and why did Repsol decide to create its own brand of convenience stores (Sprint)?

Going forward, will this be the format that the company implements? Or will you opt for partnerships such as Supercord Stop & Go?

At end of the nineties, Repsol marked a milestone in the Spanish market with the opening of its Sprint convenience stores at service stations. We combined quick service, long opening hours, key locations and a product offering adjusted to consumer demand. Today, the Sprint brand is fully consolidated as the leading c-store for casual shopping.

In the last years, consumers have started to develop new expectations and needs, gravitating towards a balance between convenience and experience. Plus, there is new interest in knowing the origin of products and ingredients.

There are a number of initiatives that try to develop a mixed format between proximity and convenience, adapted to the needs of service stations. Along those lines Repsol, through its partnership with El Corte Inglés, now has 60 Supercor Stop&Go convenience stores in its Spanish network.

What are the biggest challenges when trying to put forward a successful convenience store format?

Properly managing the business of convenience stores at service stations versus other grocery retailers is very complex, as we face two significant limitations: the lack of space in our stores (small selling rooms, small stockroom, little parking space...), and the little time that our clients have, which translates into low rates of browsing and a reduced number of purchased products per person.

Repsol has made packaging and pick-up services a strong part of its business proposition. How does this feature improve your business? Are you considering other services that will continue to diversify your offer?

We have now installed over 500 automatic boxes for online shopping pick-up services in our network. This is only one example of the huge potential that our service stations have due to the accessibility, the long opening hours and wide range of services adapted to the needs of our customers. Therefore, we are indeed working on new ways of communicating with clients and extra services we can offer: e-commerce, product and service personalization, mobile payments, click&collect, etc.

In terms of food and beverages, what trends do you see in the market?

As we discussed before, the improvement of the Spanish economy and an increase in consumption have made clients more aware of the quality of products, as well as the proximity and convenience of them. The growing concern over health has boosted a number of products: fruits and salads; organic food and beverages; local and bio products... All fresh and handmade products are clear trends on the up, especially in the areas of bakery and hot drinks.

Of the products that are offered on the Repsol network and are not related to food or beverages, which show the biggest growth opportunities?

For years we have been developing the children´s area in partnership with *Disney*; rolling out a network of pick-up points for online shopping together with Correos (Spain´s postal services); progressing in the distribution of lottery due to the games offered by ONCE; and expanding our offering of fashion products with the collection of Sun Planet sunglasses.

Interview by Oscar Smith Diamante