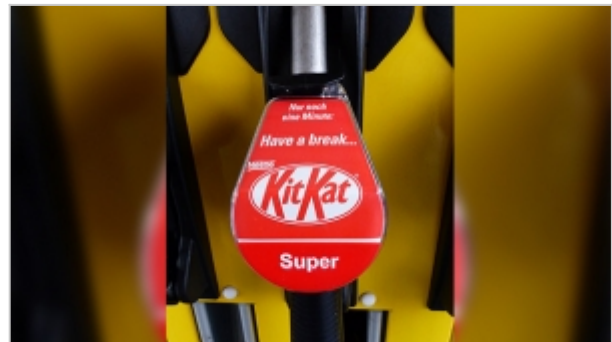


# Mobility Plaza®

## Modern marketplaces: “Conventional filling stations will always exist, and will always serve as advertising platforms.”

Alvern has been a provider of innovative advertising formats at filling stations in Germany, Austria and Switzerland since 1997. In the German-speaking market, Alvern has more than 240,000 advertising spaces in its portfolio. Last year marked the 20th anniversary of fuel nozzle advertising. In his interview for PetrolPlaza, Sven Wucherpfennig, Managing Director at Alvern Media, takes stock of the sector's development, provides insights into his company's current business, and tells us about the trends of tomorrow.



Mr Wucherpfennig, Alvern Media is the top specialists for advertising at filling stations. You've been using fuel nozzles as advertising space for over 20 years now. How did this idea come about?

*Sven Wucherpfennig:* The idea for FillBoards – that is, for fuel nozzle advertising – came about 26

years ago in Norway. Alvern was founded 21 years ago and was originally entirely Scandinavian. It only became a German company in 2002. Today, it also operates in over 44 other countries via licence agreements.

**Was the idea of advertising on fuel nozzles well-received by the oil companies when it was first put forward?**

*Wucherpfennig:* No, we had to work hard to convince them. Back then, filling station sales were much more mineral oil product-based and less to do with the shops. And advertising at filling stations was very different to what you see today. Its focus was on products like oil and fuels.

**So, filling station operators first needed to get used to the idea that their fuel nozzles would carry brands other than their own?**

*Wucherpfennig:* Yes, exactly. Although back then, most fuel nozzles didn't feature any logos at all. The only information you saw on them was about whether they were for leaded petrol, unleaded petrol or diesel. When we started out, we first had to establish whether the filling stations we were targeting had a shop or not. Advertising messages are about enticing customers to buy things, after all. So, where possible, we needed the things advertised which were available in the respective shop. Today, the spectrum of advertising media is so much broader, and now includes door surfaces and installations on roofs. One type of advertising that has remained key over the years is regional advertising. This is because many filling stations are community meeting points – modern marketplaces so to speak. They are therefore very appealing platforms for advertisers who want to promote products and messages of a regional nature.



**Filling stations that feature this advertising medium often look much cleaner and more attractive than those that don't (you still find many such advertising-free filling stations abroad). Would you agree with this?**

*Wucherpfennig:* Absolutely! Advertising greatly enhances the look of a forecourt and gives fuel nozzles their own distinctive design.

**How does advertising at filling stations work?**

*Wucherpfennig:* We have contracts with the filling station proprietors or oil companies. These allow us to use our contracting partners' fuel nozzles, roofs and doors for our advertising purposes. The income that this generates is shared between us and our contracting partners. Alternatively, the mineral oil companies use the advertising media for their own products, for which they pay us a small fee.

**Can smaller companies afford the advertising?**

*Wucherpfennig:* Of course. Our smallest offer is for three filling stations and has a minimum term of six months. This type of partnership is ideal for regional clients who want to advertise different products over short periods of time.

**Can advertisers choose to advertise in certain regions only?**

*Wucherpfennig:* Of course they can. Advertising companies want to appeal to certain target groups, and want to select the locations and regions accordingly. They may, for example, want to advertise at filling stations in high-income areas or in the suburbs of specific cities.

**To accommodate these needs, you need to be very well-informed about the filling station locations. Correct?**

*Wucherpfennig:* Indeed. We are very well acquainted with the individual filling stations and their target groups. We know their opening hours and their shop size. We also know whether they have a car wash or offer vehicle repair services. We can therefore select the locations according to our clients' individual requirements.

**How does filling station advertising work?**

*Wucherpfennig:* FillBoards are practically unavoidable. While filling their car, customers automatically take in the information advertised. During this filling process, the customer has four points of contact with fuel nozzle advertising. If the advertising features creative motifs and a compelling message (these are generally developed by the advertisers themselves), it will often lead the customer to make a corresponding purchase in the shop. Filling stations and supermarkets are the retail sector's two most frequented touchpoints. This gives filling stations a key advantage as advertising platform. Moreover, the people who use them tend to have more money at their disposal than the German population average.



### **Alvern Media's activities go way beyond just fuel nozzles. What else do you do?**

*Wucherpennig:* We used to be a single-solution provider. Today, we have contracts with 9,700 filling stations in Germany, and with around 20,000 across Europe. In addition to our core product of fuel nozzle advertising, we also offer advertising media for use on automatic doors, on floors, and on roofs (the latter in the form of inflatables). We also provide on-site promotional services. Here, our sales representatives assume the task of implementing promotional campaigns for mineral oil companies. Together with our merchandisers, they go out and install the temporary advertising materials, hang up posters, fit banners, etc. We therefore have different sources of revenue today compared with when we started out. A part of our sales is generated through the rental of advertising spaces – another through our services, another again through our licence agreements abroad. These are the three pillars on which our company is now based.

### **Over the past few years, many people have been predicting a dramatic decline in the number of filling stations. Luckily for Alvern, these predictions have not materialised. What in your view does the future bring?**

*Wucherpennig:* Conventional filling stations will always exist, and will always serve as advertising platforms. What we certainly are seeing, though, is a decline in the number of stations in inner city areas, brought about by the increasingly high real estate prices there. This development is being offset, however, by the new, modern filling stations that are cropping up on city outskirts.

### **What about charging stations for electric vehicles. Would this be an area for you?**

*Wucherpennig:* The multitude of individual electric vehicle charging station providers makes this

difficult at present, although some are thinking about using the stations for advertising. However, most of these stations don't have affiliated shops. And customers tend to leave their cars while they charge. They use the time to take care of other things and then return to pick their cars up. This situation doesn't suit to the requirements of an advertising campaign. What's more, this whole sector is currently in a state of flux. Any investments we make in this area today would have to cover a wide and varied network.

### **What developments are being seen in the world of advertising media? Can we expect more digital media in the future?**

*Wucherpfennig:* Indeed, and this question is becoming increasingly relevant. We are currently conducting some tests of our own in this respect. We have also assumed the task of selling digital advertising space for several of our individual operators.

### **In the US, fuel nozzles with integrated digital media are already common. Is this set to happen here as well?**

*Wucherpfennig:* These digital screens only have limited potential here in Germany. Pump TV, as it is known in the US, won't work as well in Germany because, for one thing, people spend a lot less time standing at the fuel pump. In the US, fuel flows through the pump a lot slower than in Germany. You also can't attach the fuel nozzles to the car, but have to hold them in your hand. The hoses are much shorter, so the cars always have to stop at the same spot. Customers stand in the same place for around three to four minutes, during which they are targeted with advertising. Here in Germany, filling stations tend to be located closer to residential areas, and many residents wouldn't accept any sound disturbance.




Thank you very much for talking to us!

## Contact information

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