

# 6 key retail trends for service station & network owners for 2021 and beyond

Ensure that your retail outlets stay ahead of these consumer and technology trends and the competition.



In today's always-on business world, if you're not moving forward, you'll fall behind, and in the fuel and c-store environment the transition is happening even faster than in some other areas. Massive upheaval due to changes in car ownership, a move toward alternative fuels, and overall mobility trends makes it crucial for service station and network owners to stay on top of the latest market and technology-driven trends to make the most of their retail opportunities.

## 1. Consumer demand for increased services and options in c-store shopping

Going to the service station is no longer just about fuel sales; customers are choosing to shop in cstores for their own convenience. They appreciate being able to pick up supplies, including groceries, household goods, health food, and fast food, in an accessible location that doesn't take them out of their way. For similar reasons, well-located fuel station cafes with plenty of parking are popular places to hold business meetings or even small "hot-desk" satellite offices now that more people are working from home.

Fuel station owners see the wisdom of encouraging these trends as traditional fuel purchases shrink and profits dwindle. They are investing more in c-stores and associated services, experimenting with expanded services like package pickup and drop-off collaborations with delivery services, which are seeking more support for last-mile delivery as online purchases soar.

#### 2. Faster, contact-free purchase journeys

As consumer patience continues to dwindle away, c-stores and service stations have to meet their needs for speed and convenience in the purchase journey. At the same time monetary regulations are growing to limit cash payments, accelerating the existing trend of digitization. Innovations include self-service kiosks for ordering and checkout, electronic labeling that enables customers to swipe or scan items independently, drive-thru purchasing, "buy online, pickup in store" (BOPIS), curbside pickups, and online to offline (O2O) transactions.

Besides speeding up the checkout process, self-service kiosks increase c-store efficiency by reducing the workforce required to staff checkout counters and freeing workers for other tasks. The interface makes it easy to personalize the transaction for each customer, supporting dynamic offers that can be customized with upsells for each shopper to drive up revenues and increase loyalty. Handheld mobile POS (mPOS) accomplishes similar queue-busting on the forecourt. To support this wide range of one-touch, remote and self-service ordering and payments, a cloud omnichannel architecture is needed. Site and network owners can also connect these systems to license plate recognition systems and power advanced digital loyalty programs and anti-fraud technology.

#### 3. Focus on sustainability

Consumers are increasingly concerned about sustainability and environmental issues, pushing them up the list of concerns for retailers and oil companies too. At the same time, regulations on international emissions are becoming more and more stringent. Fuel station owners looking to the future are preparing their infrastructure now for the flexibility to accommodate alternative fuels like LPG, CNG, and EV; "green" on-site services; and environmentally-friendly policies like paperless receipts and mobile loyalty programs.

#### 4. Technology Advances: AI, ML, Cloud & IoT

Smart retail management solutions that use advanced technologies such as Artificial Intelligence and Machine Learning can improve supply chain visibility, predict demand and forecast retail trends to keep one step ahead of the competition. Retailers can use big data analytics to shape marketing and loyalty programs by analyzing customer preferences and offering hyper-personalized, targeted promotions that drive and retain business.

The twin advances of cloud-based apps and tools together with IoT devices allow service stations to

dramatically improve security and efficiency. 5G enables full connectivity redundancy and greater network uptime. This allows service station and network owners to feel secure about moving more of their business logic core and sophistication to the cloud, plus data and software updates occur smoothly and painlessly rather than dealing with messy upgrades to on-premise solutions.

Cloud computing supports local IoT devices, which help track customer behavior, measure fuel levels, spot changes in demand, and more, enabling greater accuracy when ordering fuel and commodities, and ensuring that stations and c-stores always restock – often automatically – with the right products at the right time.

## 5. Cybersecurity

Cyber risks are growing, with more sensitive data, more endpoints, and more data access points in the system than ever before. Consumers are demanding stronger cybersecurity at the same time as the hodgepodge of multiple vendors and payment methods is increasing the risk of security breaches. The data and connectivity in retail systems make retailers more vulnerable, especially those with legacy technology that isn't kept updated against the newest malware. Station devices are a common weak point, often connected via default passwords and overlooked when it comes to regular updates.

Retail stations also need to adhere to ever more regulations and standards around data protection and privacy, just as they are also collecting more customer data to improve marketing and sales. They need strong, secure infrastructure, with solutions that are fully penetration-tested and have a robust cyber roadmap.

#### 6. Legacy software platforms (POS/HOS) are outdated and can't keep up

There is no way to meet evolving consumer and retailer demands with legacy, decade-plus-old infrastructure that can't support new features, advanced services, high-level security, or multiple payment methods. Retailers who attempt to do so will quickly become frustrated and left behind by the rapidly transforming market. Station owners recognize the value in hardware-agnostic software solutions which allow far more flexibility and cost-saving in selecting suitable devices and equipment.

On-site, monolithic POS and BOS/HOS systems are inflexible, hard to maintain, expensive to support, and outdated. Retailers are moving to cloud-driven POS and BOS/HOS that enable unification of data, fast upgrades and remote support. This cloud-based architecture supports forecourt operation mode, with self service kiosks and handheld mobile POS (mPOS) that allow employees to better serve customers anywhere in the fuel station or c-store.

#### The right tech keeps pace with retail demands

Consumer and tech trends together are pushing service stations to keep evolving and accelerating their digital transformation. It's vital to adopt a future-proof, flexible, advanced platform that can keep pace with these trends to ensure that your fuel stations and c-stores remain relevant, secure, and sustainable well into the future. All of this is possible with Passport® X from Gilbarco Veeder-Root and

Orpak, the innovative solution for retail c-store & fuel station management.

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