



Innovative loyalty and payment trends for fuel retailers

Orpak's CMS and Loyalty solution transforms the way that fuel stations manage customer engagement and loyalty programs, boosting revenue for fuel retailers.



Across the retail world, loyalty is priceless. Consider this: according to Adobe, the top 10% of customers spend at least 3 times more than the average customer, and the top 1% spends as much as 5 times more. Additionally, experts have measured that customers with an emotional connection with your brand have a total customer lifetime value that's 4 times higher than average. These statistics make loyalty worth pursuing.

New Trends Shake Up Retail Loyalty Programs

There's been a lot of innovation recently in retail loyalty. One of the biggest trends has been connecting loyalty programs with frictionless purchases or self-checkout using mobile phones, with Amazon Go being the most publicized example. In the future, facial recognition may take the place of the mobile phone as an identifier for these types of programs. In another more common example of

the frictionless purchase, Starbucks coffee company allows customers to order before they reach the branch, and pay with their phone, only passing by the counter to pick up their drink, all the while earning loyalty points that they collect and access from their mobile phones.

Multi-touchpoints for loyal customers is another major trend in customer engagement, as the Starbucks example demonstrates. Beauty company Sephora interprets multi-touchpoints in a different way, connecting the brick and mortar to the digital by enabling customers' loyalty points to pop up on their mobile phone anytime they are near a store. Other retailers use similar beacon technology to personalize offers as customers browse the aisles of the store, and these can connect to in-store digital signage that becomes personalized for each customer.

Should loyalty programs cost money? The answers are mixed. Some retailers, including big names like Macy's, Nordstrom, and J. Crew, have recently eliminated barriers to entry like card fees in order to encourage more customer interactions which generate valuable customer data. At the same time, Amazon raised its price, in order to make its "Amazon Prime" loyalty offering appear more exclusive and therefore more desirable. It remains to be seen which approach will be more successful.

Store-branded payment cards can be combined with loyalty programs, and these have been seen to increase engagement and lifetime value for the highly engaged customers. One example of this is the Target REDcard, which provides cardholders 5% off their purchases. Nordstrom offered a tiered program in which loyalty-only program members receive one level of rewards, and loyalty members who were also cardholders received double rewards and other perks. The multi-level program increased loyalty engagement by 30%.

Another trend of major importance is increased use and reliance on customer analytics. Having access to vast amounts of customer-related purchase and preference data gives retailers the ability to personalize offers for customers, and to provide better service overall. Retailers can also use this data to predict spending, and to determine optimal product mix.



The Transformation of Fuel Retail Loyalty Programs

These trends in loyalty affect fuel retailers just as much as the rest of the retail world, as consumers expect them to be up to date. Like other retail loyalty programs, fuel loyalty programs can think big, and leverage the latest technological trends.

Fuel retailers can offer mobile and e-loyalty programs with multiple touchpoints, so that customers can begin their purchase journey online or on their phones, for example by ordering items to pick up at the c-store. Mobile rewards programs use apps to offer promotions like in-store discounts or fuel cashback. In these cases the mobile app can replace or supplement a branded payment card, and can be managed on the back end via the same Card Management Software that fuel retailers would use for payment cards.

Loyalty programs can bundle any forecourt services like car wash, fuel, dry stock, the c-store, and even off-site third-party offerings like coffee in the local café, to offer customers greater value. And consider popping a special offer up on loyalty program members' mobile phones when they visit certain service stations.

And just like traditional retail, in fuel retail, customer analytics based on loyalty and payment card programs can be used for purchase and product planning, among other things.

The Benefits of Loyalty and Card Management Systems for Fleets

Fuel retailers also face unique opportunities that don't apply to the rest of the retail world, like working with fleets. Fleet loyalty programs are a closed loop system, helping to lock in fleet engagement and bring in a valuable revenue stream for fuel stations.

For fleets, branded loyalty cards and branded mobile apps play an important role. Fleet drivers appreciate the convenience of paying with fuel cards and the rewards that accrue to them like free coffee or other products; while fleet managers benefit from the opportunity to reduce fuel costs through loyalty discounts and special offers. A similar approach could be taken with Automatic Vehicle Identification (AVI) as the identification and/or payment method, either in conjunction with cards or mobile apps, or independently.

For fleet managers, streamlined loyalty card management systems (CMS) provide a closed-loop system, allow them to track refueling statistics and costs. They can see exactly which vehicles are refueling at which fuel stations, how much fuel each vehicle is using, etc. Payment authorization controls enable fleet managers to permit or prevent refueling at certain times, so that weekend payments will be blocked if the fuel manager doesn't permit weekend refueling, for example. Similar controls can be put in place for AVI payment solutions instead of or in addition to the payment cards.

Fuel retailers with effective loyalty and CMS programs can promote the benefits of loyalty and payment cards to fleet managers who want to cut down on fuel fraud and monitor fuel costs while also making it easy for their drivers to refuel when necessary. This raises fleet loyalty and boosts

profits for fuel stations.



Orpak CMS and Loyalty Offerings Deliver a Holistic Solution

Running a sophisticated fuel loyalty and CMS program that leverages modern trends requires advanced CMS and Loyalty solutions like Orpak's. Orpak CMS and Loyalty provide end to end reward management and take an omnichannel approach to connect every fuel station POS and mobile app. With integrated customer usage monitoring and advanced analytics reports from every card, app, and touchpoint, you can deliver personalized offers and targeted content that delight your customers, increasing traffic and lifetime value from both fleets and regular customers.

Thousands of fuel stations serving millions of drivers already benefit from Orpak's CMS and Loyalty solution, driving recurring business to fuel retailers across Europe, Asia, and Latin America. One large European oil company gains 30% of its business revenue from Orpak-issued fuel loyalty cards. Orpak's CMS and Loyalty solutions can be integrated with various POS systems from Orpak and Gilbarco Veeder-Root, such as Passport X and Passport Alpha.


Thanks to over 30 years of experience with AVI, Orpak has vast experience in supporting oil companies' loyalty and CMS needs.


For more information about Orpak's CMS and Loyalty, [visit the website](#).

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