



Why loyalty programs are crucial for fuel retailers

The fuel retail market is evolving quickly, with current trends showing that customers today are choosing their fuel stations based on what the adjacent C-Store is selling. Fuel has become the secondary reason for stopping at a specific station, and items available for purchase — coffee, electronics, toiletries, etc. — have become the primary reason. With the shift in consumer priorities, fuel retailers must adapt their loyalty programs to maintain their customer base and attract new customers.



Until the recent change in consumer shopping patterns, fuel retailers created loyalty programs that focused on fuel — naturally. They offered fuel and fleet cards, loyalty points for each liter purchased, and more. While these loyalty programs were a good start, today, fuel retailers need to offer a lot more to stay competitive.

What Are the Components of a Successful Loyalty Program for Fuel Retailers?

There are several aspects of a successful loyalty program:

1. Good products and selection
2. Rewards
3. Personalization
4. Convenience
5. Customer journey (O2O)

Read on to find out what each aspect entails.

1. Good products

Since the retail aspect of fuel stations has become paramount, consumers want to see good products on the shelves of their selected C-Store. “Good,” of course, can mean different things to different people. In broad terms, “good” products mean:

- **A large selection** — Convenience stores have become akin to supermarkets, and consumers expect to be able to purchase everything from toilet paper to phone chargers to health products to fresh baked goods and coffee. For this reason, retailers need to offer a very broad range of products.
- **A unique brand** — Many fuel retailers have been investing in their own brands of food and coffee, or signing agreements with relevant complimentary brands, which is a great way to build brand loyalty. Customers that become loyal to a specific brand will become loyal to the specific fuel station that sells it.
- **A full-stock** — Fuel station C-Stores must maintain a full stock of their products so they will be readily available to consumers who want them.
- **Fresh and cooked food** — The option to purchase cooked and ready-to-eat food has become very important for consumers. Coffee, muffins, and sandwiches are already considered basic. Options like pizza, pasta, salads, fruit cups, wraps, and more are likely to attract more customers and help C-Stores get a step ahead of their competition.

2. Rewards

At the core of any loyalty program are the rewards that consumers receive for shopping at a specific place. According to [Hubspot](#), there are several types of reward systems, including points, tiered, value-based, and more.

- **Points systems** — The most common type of loyalty program, customers accrue points for their purchases and can exchange them for cashback or free products. Each store has its own earning/spending ratio (i.e. earn one point for every \$5 spent, etc.) and customers may choose their C-Store based on which one offers the best rewards ratio.
- **Tiered systems** — These programs offer increasing rewards as customers climb up a “loyalty ladder” or attain different “levels of loyalty.” The rewards get bigger based on how much the

customer spends or on how frequently they shop.

- **Value-based program** — Not so much a loyalty program, but an incentive program. A value-based program can be used in conjunction with the above two because it offers rewards that are unrelated to money but that connect with the consumer on a personal level. For example, a value-based program would allow a consumer to donate his points to a charity of his choice.

3. Personalization

Customers want personalized programs, which means that fuel retailers need to get in the data game. Retailers that have the tools to collect and analyze data properly can offer personalized recommendations and targeted marketing, which can increase customer loyalty. When consumers make purchases based on personalized offers, it creates a cycle in which the retailer collects more data and further personalizes its offers and rewards.

4. Convenience

Convenience is the name of the game for many consumers. They want contactless payments, mobile payments, the option to pay via mobile while in-store, curbside pickup, delivery, and more. These options may have been considered luxuries pre-pandemic, but today they are necessities for any fuel retailer that wants to stay competitive.

5. Customer Journey — O2O

For fuel retailers to have a successful loyalty program, they need to know how to create an O2O customer journey — online to offline. O2O essentially means providing a smooth customer journey whether the consumer is making a purchase online or in-person.

All of the above components of a loyalty program — good products, rewards, personalization, and convenience — can be incorporated into the O2O customer journey. Each one of these components has both an online and offline avenue. The key is to find a way for both avenues to complement each other.

How Fuel Retailers Can Implement a Successful Loyalty Program

Recognizing the need for a competitive loyalty program is the first step toward future-proofing your C-Store, but the next step involves implementing it. Passport X Engine is a cloud-based retail platform that comes with a comprehensive loyalty and reward management program.

Passport X allows fuel retailers to accept a huge variety of payment methods, various branded fuel cards, and other closed-loop cards and local accounts. It can manage fuel sales and dry sales at the same time and can integrate with existing loyalty programs or create new ones. It also comes with analytics tools that provide detailed insights, data, and reports.

Loyalty programs are no longer optionable for fuel retailers that want to stay relevant. With the all-in-one solution developed by Orpak, you can future-proof your business and get ahead in a competitive


market.


Contact us here to learn more about Passport X for fuel retail loyalty programs.

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