

# Mobility Plaza®

## The service station of the future: trends and opportunities to transform the traditional business model

From the very start, the role of service stations has been to provide car-related services - fuel, air for tyres, car wash, engine oil checks. However, over the last decade, an evolution has occurred to provide the customers of these service stations with a wider set of services designed around the driver's needs and retail demands, prompting retailers to rethink the traditional business model.



With the rise of new energies and services, service stations are becoming versatile, offering a variety of services such as cafés, leisure and shopping, as well as both traditional and alternative fuels. Retailers need to follow consumer trends and expectations to stay ahead with their forecourts and maintain competitive businesses.

**What is driving change in service stations?**

Service stations have already started to adapt, in varying degrees, to accommodate the ever-evolving energy industry scenario. The driver behind this transformation is the emergence of new energies, motivated by the global concern for climate change and the need to drastically cut CO2 emissions to satisfy environmental goals.

In 2021, electric car (EV) sales accounted for a [9% share across major car markets](#), resulting in 16.5 million EVs on the road. To meet the Net Zero Emissions by 2050 objective, 2030 should see the number of EVs rise to 300 million, representing 60% of new car sales. In addition, by 2035, the European Union will ban the sale of all new internal combustion engine (ICE) cars, and other markets should follow.

The energy revolution provides many opportunities for all kinds of service stations to embrace a fuel retail evolution and prepare for the not-so-distant future. We have listed the four major trends in the retail industry and the openings they create.



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### **1: Transition to new, more responsible energies**

Electricity, hydrogen, natural gas, ethanol and biofuels are a few examples of new energies available to coexist with traditional fuels. The efforts and investments towards a future with fewer fossil fuels will push energy retail to reinvent itself to maintain its relevancy to its customers.

This shift enables service stations to attract clients who are adopting alternative energies. By providing multi-energy solutions, retailers can engage different types of customers with new, diverse needs, changing the sales mix configuration and providing new sources of revenue to their business. Furthermore, EV drivers recharging their vehicles often utilise the wait time by taking advantage of the site's café and shopping facilities, before resuming their journey.

### **2: Digitalisation is taking hold**

Noncash retail payment transactions grew 13% globally between 2018 and 2021, says [McKinsey](#). The digital payments market, which grew \$83.27 billion in 2021, is expected to [reach \\$170.95 billion in 2026](#). Digital is taking hold of many aspects of life, including finances, which have seen not only an increase in digital transactions but also a variety of payment methods.

By keeping up with the latest technologies, service station owners can adapt to customers' new behaviour, providing a frictionless payment experience that encompasses different devices - cards, smartphones, and smartwatches. This typically alleviates traditional payment at the counter, making queues easier to handle, and allowing staff to perform other important, managerial and customer-related tasks.

Self-service systems increase customer satisfaction by 39% year-over-year, according to research by the [Aberdeen Group](#). With digital kiosks, the average revenue per customer is **12 to 20% higher** than cashier service but can even reach 30% in some businesses. Customers purchasing through a digital kiosk are prone to add more products to their shopping basket because it is quick and easy to see all available options on the screen and include them by their own choice. Customers who only planned to buy a cup of coffee may add a croissant or a cookie to the basket if they see these as an additional option.



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The self-payment system can be extended to more than the shop: self-service coffee payment with upgraded coffee options, for example, and even self-service car wash programmes can be autonomously used by the customer. This possibility means that service stations can improve the customer journey and simultaneously stimulate combined purchases and higher average ticket prices.

The same goes for monitoring service stations, which include transactions and equipment management. Innovative, integrated systems hosted in the cloud allow service station owners to easily control their businesses from a mobile phone or tablet, and decrease downtime, drive-offs and other issues. By digitalising station management, business owners can connect everything in one place, from point of sale and payment terminals to multi-energy dispensers, chargers and forecourt camera systems. Local and remote real-time access to service station status provides the opportunity to take immediate action if a problem occurs.

### **3: Customers are looking for a multipurpose mobility hub**

The transition to alternative fuels has created a new dynamic in the energy retail and convenience sector. With the rise of new energies, charging cars takes longer than fuelling them, and can be done at alternative places. To attract customers to the station, owners can offer additional products and services.

This new business model fundamentally changes the structure and rationale behind the function of service stations, which now must offer a revised retail experience to remain engaged with their customers. Retailers need to be creative, devising new ways to attract motorists and providing products and services to suit their individual needs. How to attract EV owners, or encourage truck drivers to make a pit stop? What are the products and services these commuters might be looking for? Maybe you want to offer gifts in case they are visiting friends, or sunglasses and sunscreen on the route to beach destinations.

Customers going on longer journeys might want to take a relaxing break, notably EV drivers who have

to wait for their vehicles to recharge. One alternative is to extend the convenience store to provide food and beverage options or introduce a lounge area offering free wi-fi and other services. Sit-down restaurants or cafes serving a variety of meals go beyond standard coffee and sandwich offering and make a good investment, especially in high-traffic stations. They can also optimize their time at the forecourt with solutions for their cars, such as vacuum cleaning while recharging.



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Car washes are a popular destination for drivers living in urban areas. Car wash, including self-car wash, is an added service that can generate regular additional revenue for site owners, while helping customers to keep their vehicles in optimal conditions. Furthermore, customers making their daily commute to and from work often visit their local stations for snacks, drinks, groceries, lottery tickets and parcel drop off/collection.

By combining self-service payment solutions with forecourt media, retailers are able to promote special offers and discount codes whilst the customer is refuelling, driving traffic into the store. These additional features and services will help to transform stations into functional, versatile, one-stop-shop urban hubs.

#### **4: Shifting from vehicle-focus to customer-focus**

Improving the consumer experience will help to attract and retain new business and, as a result, contribute to operational success. [McKinsey research](#) shows that 71% of customers expect personalisation from the businesses where they regularly go to, while research from [SalesForce](#) in 2022, shows that 62% of clients expect companies to anticipate their needs.





To manage this diversity of clients with specific demands and meet their expectations, businesses can rely on a variety of energies and services, with multiple payment methods and advanced monitoring systems. To complete the loop of customer-focused tools and offers, owners can invest in loyalty programmes. They help customise promotions and offer cross-selling discounts on energy or store commodities, based on customer data.

Apart from benefitting the clients, there is a strong possibility that it will also increase engagement and conversions for the service station. The revenue of top-performing loyalty programmes increased by 15 to 25% annually for customers who redeem points, according to another [McKinsey research](#). Digital tools can also aid in monitoring and tailoring customer segmentation. Data dashboards help service station owners create segmentation groups and offer specific products and services depending on what their clients usually buy. McKinsey found that segmentation boosts customer acquisition by 10 to 20% and engagement and satisfaction by 20 to 30%.

Alternative energies and the shift in consumer behaviour create an opening for site owners to cultivate customer relationships whilst taking care of their vehicles. With the digital evolution, innovative services provide a seamless, convenient and more efficient customer journey. All sizes and types of service stations can play a role in the mobility transition and benefit from the business opportunities it brings.

TSG offers a one-stop shop, for innovative energy and retail solutions to enable service stations to make a responsible mobility transition, providing new retail experiences, adjacent services and innovative digital services. With our highly skilled engineers and our partners, we supply, install and maintain retail, gas and electric charge solutions. We have developed a cloud solution that connects different payment services; fuel purchases, car wash and coffee sales.

**TSG can help any service station, no matter how big or small, with everything they need to make the shift to a more responsible future.**

**>> [Get in touch and find out more here.](#)**

## Contact information

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