

ACCELERATE THE CUSTOMER JOURNEY

**How digital is disrupting
the fuel retail experience**

DIGITAL FUEL RETAIL SURVEY 2018

accenture[>]consulting



DISRUPTION IS THE NEW NORMAL

CHALLENGES FUEL RETAILERS MAY BE FACING IN THE FUTURE...



**CUSTOMERS WILL
NO LONGER NEED
TO BUY FUEL**



**CUSTOMERS WILL
NO LONGER OWN
AND MAINTAIN A
CAR**



**CONNECTED CARS
WILL ENABLE NEW
SERVICES**



**COMPETITION FOR
CONSUMER
MARKET WILL
GROW**

FUEL RETAILERS RECOGNIZE THE POWER OF DIGITAL

No company is immune from digital disruption. But for fuel retailers, digital technologies that automate, accelerate and enhance the customer experience are a powerful ally.

According to a recent survey of fuel retail professionals, there are **five key trends influencing fuel retailers' decision making** around digital transformation. Read on to find out how fuel retailers' investments in digital have the potential to improve the customer experience and revolutionize their business models.

FIVE TRENDS ARE DISRUPTING THE FUEL RETAIL LANDSCAPE FASTER THAN EXPECTED

1

DISRUPTION IS ACCELERATING: challenges around capturing margin and rising competition are being complicated by the arrival of electric vehicles (EVs) and changing consumer behaviors

2

COMMITMENT TO DIGITAL INVESTMENTS: digital investments are expected to increase significantly to better engage with customers and improve services

3

ANALYTICS ENHANCES PERFORMANCE: digital brings numerous advantages — analytics, in particular, drives performance improvements

4

DIGITAL MATURITY IS THE GOAL: investments in skills training, automation and partnerships are essential to realize digital aspirations

5

BETTER FOUNDATIONS NEEDED TO REALIZE DIGITAL VALUE: embracing partner ecosystems will better address gaps in retailers' performance and drive business model maturity



TREND 1

**DISRUPTION IS HERE AND
ACCELERATING**

TREND 1

FUEL RETAILERS SEE DEMAND DISRUPTION COMING FROM ELECTRIC VEHICLES AND CHANGING CONSUMER BEHAVIORS

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Which of these trends do you believe will have the greatest impact on your fuel retail business in the **next 3-5 years?***

Rise in electric vehicles usage



Changing consumer behavior/demands



Increasing vehicle/engine efficiency



Regulatory changes



Increasing competition



***trends vary by market**

Multiple responses (top five only)

Base = Total sample; n=88



TREND 2

COMMITMENT TO DIGITAL INVESTMENTS

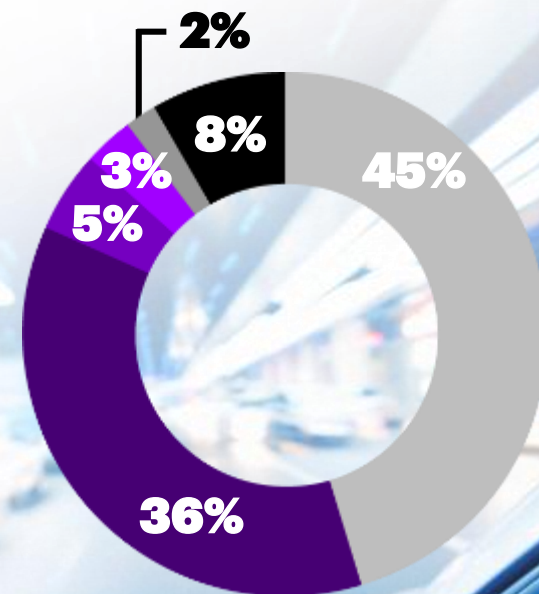
TREND 2

DIGITAL INVESTMENT WILL INCREASE SIGNIFICANTLY IN THE COMING YEARS...

In the next 3-5 years, does your business plan to invest in digital technologies?

Key

- Significantly more (20% or greater)
- More (1% - 19% more)
- The same
- Less (1% - 19% less)
- Significantly less (20% or greater)
- Not investing in digital technology
- Don't know



Unique responses

Base = Total sample; n=88

TREND 2

...TO BETTER ENGAGE WITH CUSTOMERS...

If you are planning to invest more in digitalization in the next 3-5 years, which of the following outcomes are you looking to achieve?



72%

Better customer retention



69%

Increase in convenience store sales



60%

Increase in number of customers

...AND TO IMPROVE SERVICES

Which of the following capabilities and services are you investing in at individual forecourts/filling stations in the next 3-5 years?



58%

Mobile payments



51%

Mobile marketing/loyalty platforms



45%

Contactless payments

FUEL RETAILERS RECOGNIZE DIGITAL CAN HELP, IN FACT...



66%

BELIEVE AUTOMATION CAN IMPROVE THE CUSTOMER EXPERIENCE ...

**Do you believe that any of the following
could improve the customer experience
in your fuel retail site?**

More automation of the fuel retail site



More personalized offers to customers



Enhanced loyalty schemes



Better facilities in the fuel retail site



More hyper-personalized offers to customers



Multiple responses (top five only)

Base = Total sample; n=88

TREND 3

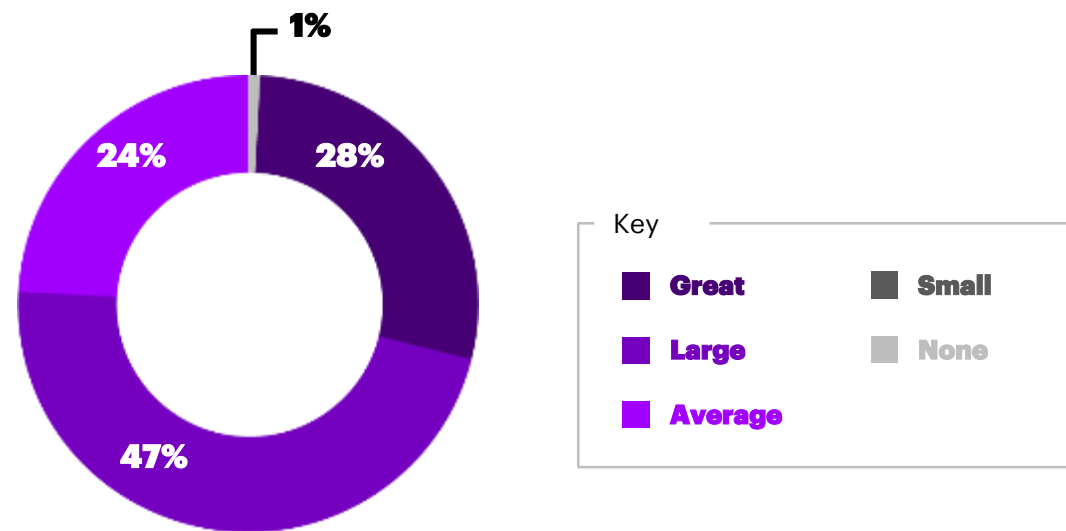
ANALYTICS ENHANCES PERFORMANCE



TREND 3

FUEL RETAILERS BELIEVE DIGITAL CAN POSITIVELY IMPACT THEIR BUSINESS - IN PARTICULAR DATA ANALYTICS

What kind of advantage (if any) do you believe higher digitalization will have on your fuel retail business?



Unique responses

Which of the following technologies are driving the greatest impact in terms of the performance of your fuel retail business?

Analytics/big data



Automation



Mobility



Multiple responses (top three only)

Base = Total sample; n=88

A man in a dark suit is holding a tablet. The background is a blurred office setting. Overlaid on the image are various digital graphics: a bar chart with blue and teal bars in the upper right, a line graph with multiple colored lines in the lower right, and a grid of binary code (0s and 1s) in the center. The text 'TREND 4' is in large, bold, purple letters, and 'DIGITAL MATURITY IS THE GOAL' is in large, bold, white letters.

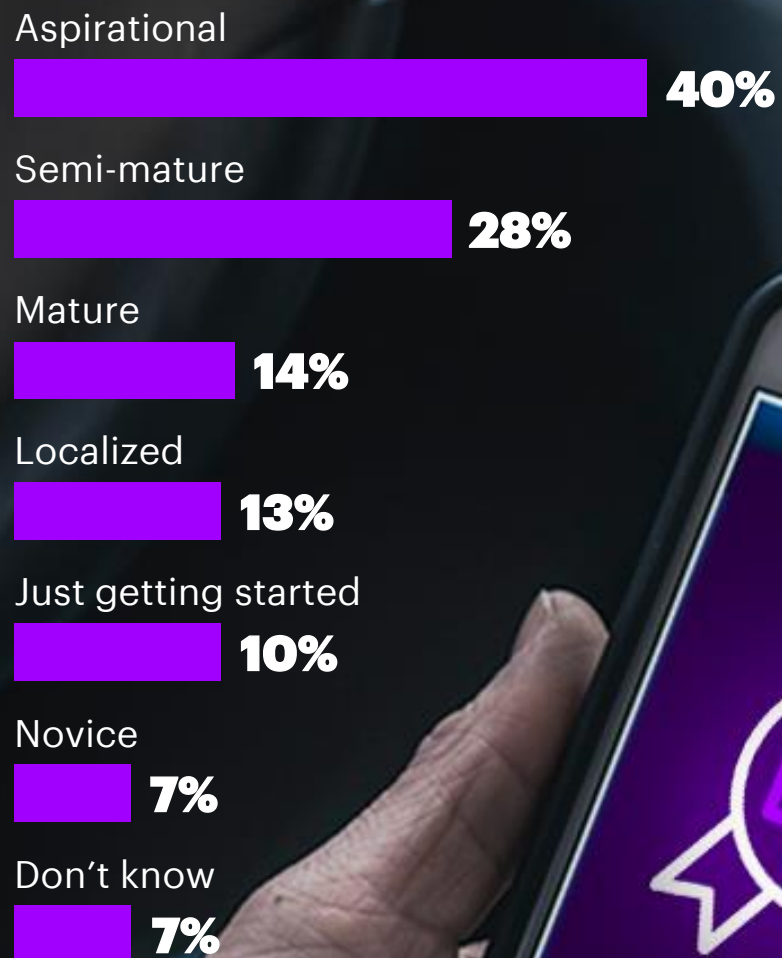
TREND 4

DIGITAL MATURITY IS THE GOAL

TREND 4

FUEL RETAILERS' ASPIRATIONS FOR DIGITAL ARE HIGH...

How mature is the use of digital technologies within your fuel retail business?



Multiple responses

Base = Total sample; n=88

TREND 4

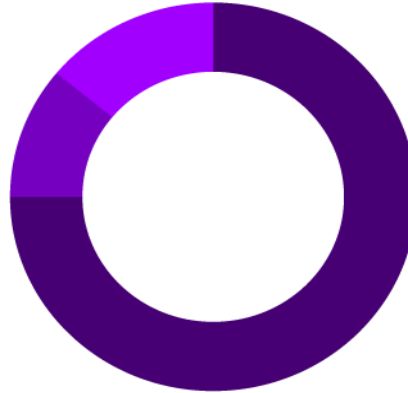
AUTOMATION, DIGITAL SKILLS AND PARTNERSHIP DEVELOPMENT ARE IN FOCUS

Do you expect any part of the current roles you have in your fuel retail sites to be more automated over the next 3-5 years?

14%
Don't know

11%
No

75%
Yes



Do you plan to invest in digital skill training and reskilling programs for your employees at fuel retail sites over the next 3-5 years?

25%
Don't know

10%
No

65%
Yes



Unique responses

Base = Total sample; n=88

What is your main incentive for entering into strategic partnerships?

49%

Access to technology/digital innovation

44%

Access to new services

40%

Better fuel retail business margins

Multiple Responses

Base = Total sample; n=88

TREND 5

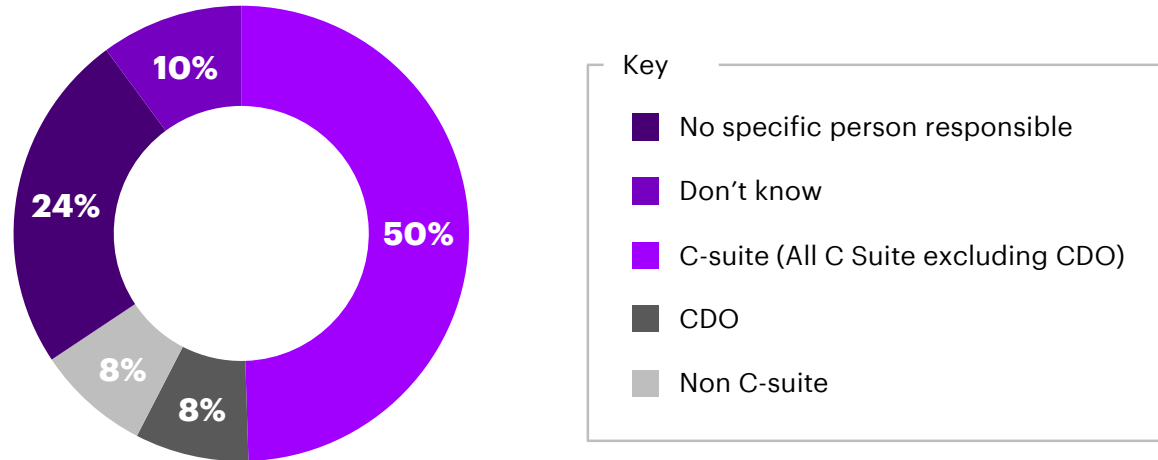
**BETTER FOUNDATIONS
ARE NEEDED TO REALIZE
DIGITAL VALUE**



FUEL RETAILERS RECOGNIZE THE CHALLENGES AHEAD

...BUT THEY MAY NOT BE ADEQUATELY PREPARED

Which role in your company is **primarily** responsible for driving its digital strategy and agenda?



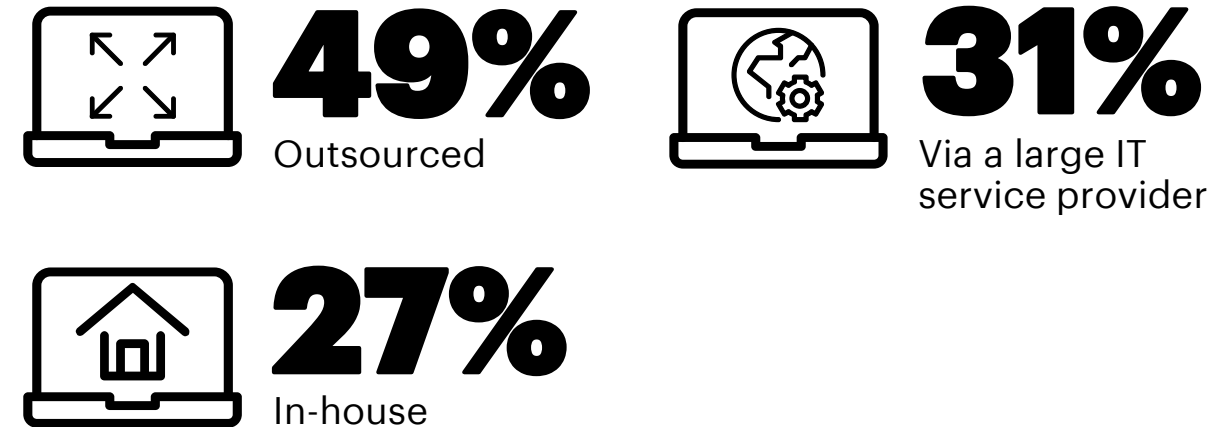
Unique responses

Base = Total sample; n=88

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...AND MOST KNOW THEY CANNOT "GO IT ALONE"

How would you plan to carry out these digital technology investments?



Multiple responses

Base = Total sample; n=88

THE ROAD AHEAD

Fuel retailers may only be at the start of their digital journey—but they know where they are headed and are aware of how to future-proof their business...

STEPS FOR FUEL RETAILERS TO BUILD BUSINESS READINESS AND PREPARE FOR GREATER DIGITAL DISRUPTION

1



2



3



4

Use data to better understand your customers

Develop, create and leverage a partner ecosystem

Drive digital and innovation holistically across the business

Build or access skills and develop key leadership roles to scale digital and earn consumer trust

ABOUT THE SURVEY

The Accenture Digital Fuel Retail Survey was undertaken by the survey agency McGuire on behalf of Accenture in collaboration with **PetrolPlaza**. It was conducted online during the spring and summer of 2018.

The survey questioned 88 professionals (subscribers and readers of PetrolPlaza) working in the fuel retail sector including:

- National oil companies, international oil companies and independents
- Fuel retail franchise owners
- Independent fuel retail owners
- Grocery store retailers
- Contractors and consultants to the fuel retail industry

WHO CAN HELP?



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