

FUEL LOYALTY REPORT, 2017

GasBuddy and CSP collaborated on this study to provide the fuel industry with insights to launch, improve or revamp their loyalty programs.

Key Insights

- 1 Brand loyalty does not exist yet; loyalty programs have yet to create it.
- 2 You may be in trouble if your program does not leverage mobile or broad earn-and-use opportunities.
- 3 Loyalty works. The best programs listen and respond to consumer feedback.

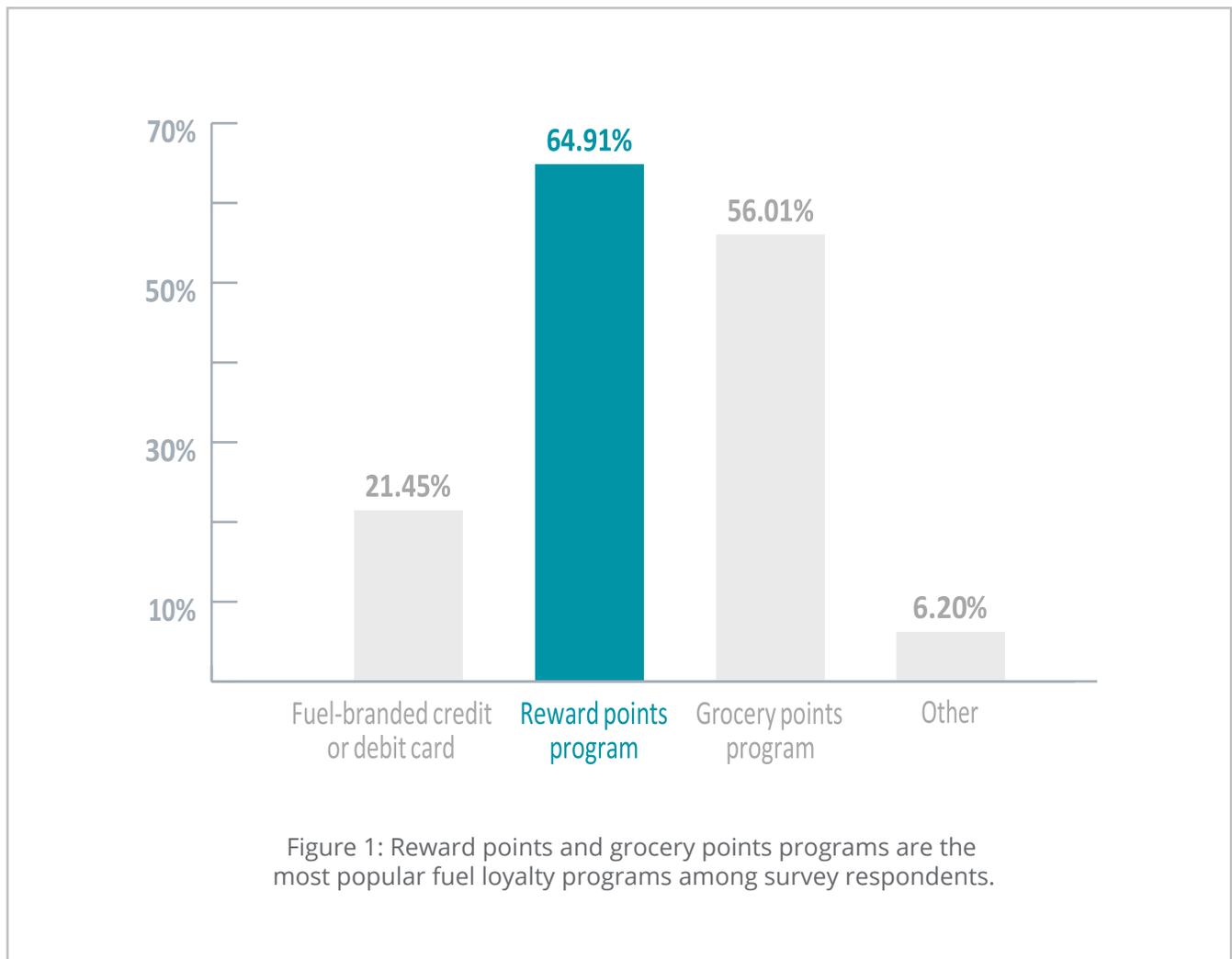
About This Study

In February 2017, GasBuddy surveyed its users to learn what drives participation in fuel loyalty programs. Nearly 11,000 GasBuddies responded to nine questions. These are not your “average” gas consumers, but rather some of the most avid drivers, the most frequent purchasers of fuel, and the most selective when it comes to filling up. The following data and analysis offers insight into how to use loyalty programs to attract and retain this critical segment.

No incentives were offered to GasBuddy users for their participation in this survey.

Many Consumers Don't Belong to a Loyalty Program

There are several common types of loyalty programs in the fuel space today. The variation in programs is driven mainly by the different types of retail models. While some fuel brands are wholesalers with no ownership over the stations selling their fuel, other brands own and operate chains of fuel and convenience stores. The loyalty programs for national big brands are more likely to be focused on payment card offers, supermarket partnerships, and simple cents-off programs, with reward points programs showing the highest adoption among survey respondents (Figure 1). The owned and operated convenience store chains typically show more integration between pump and store with integrated coupons and spontaneous offers.



Large Market Opportunity for Fuel Retailers

Since the GasBuddy audience is primarily comprised of people who drive frequently and are cost-conscious, it is not surprising that many of them are interested in being rewarded for their fuel-related purchases. What is surprising is that 46% of GasBuddies do not belong to a fuel-related loyalty program (Figure 2).

These users represent an untapped opportunity. We asked this group what would convince them to use a fuel-based loyalty program. Most users cite higher rewards or the benefit of not being tied to a single brand, as shown in Figure 3. Beyond those, the next most common responses all relate to convenience. Consumers want easy-to-use programs and the ability to transact without additional steps, such as remembering/typing in their membership number at the pump.

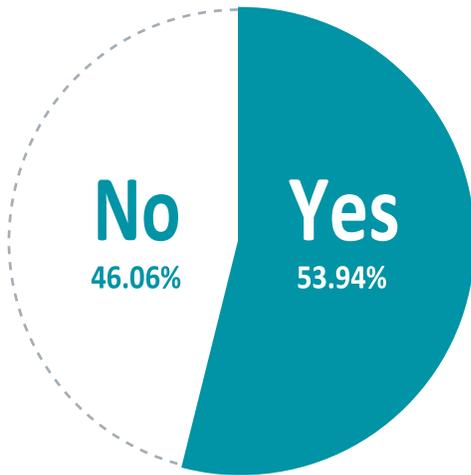


Figure 2: This chart demonstrates there's a sizeable market opportunity—nearly half of respondents aren't yet in a program but do have interest in fuel-related programs by virtue of being GasBuddies.

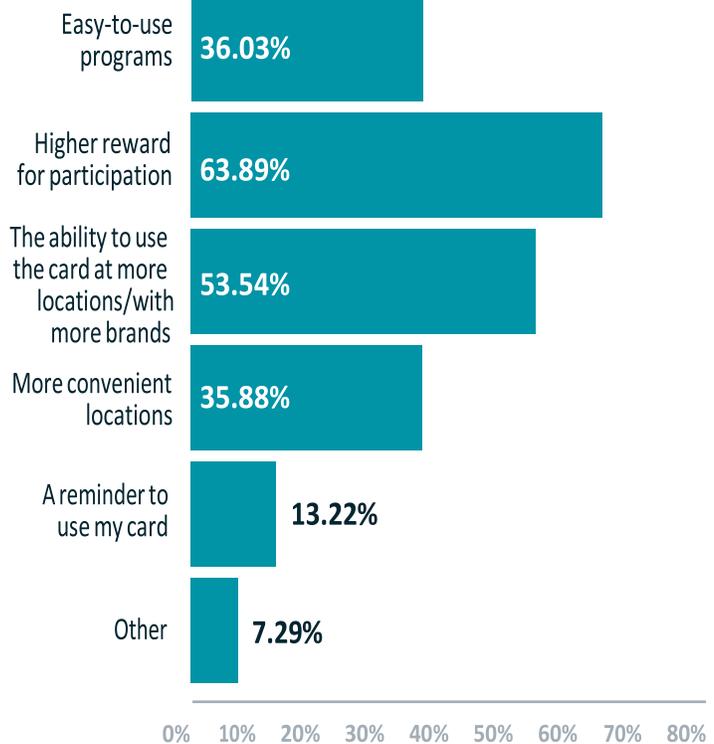


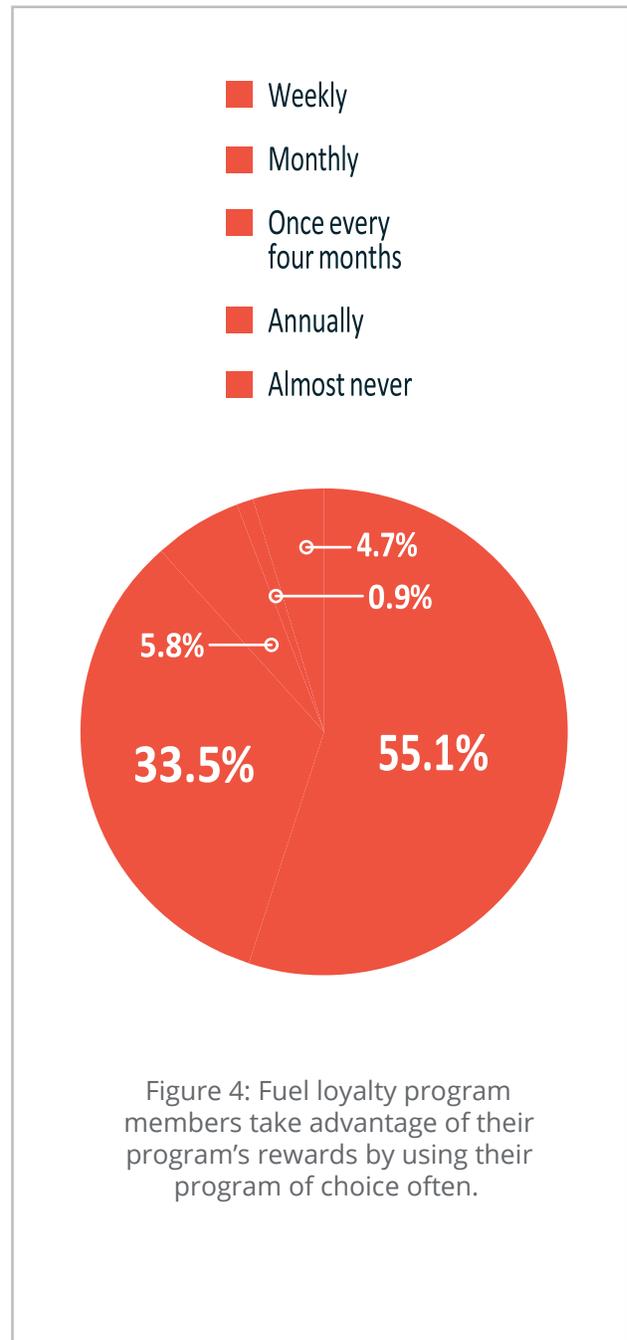
Figure 3: The results of this survey question provide good market intelligence into what would incent prospects to join a loyalty program.

Strong Consumer Loyalty Demonstrated by Frequency of Use

In general, Gasbuddies report being extremely loyal to the programs in which they participate. Nearly 90% use a loyalty program at least once a month and 55% use them weekly (Figure 4). Since most people fill up their tanks once a week, these results depict strong consumer loyalty.

In addition, 85% of respondents report being very or somewhat influenced by their loyalty membership in their choice of where to fill up.

With an average of 3-4 fill-ups per month, fuel matches grocery as the most frequent local retail visit. It is no surprise that many programs, such as Kroger Fuel Points and Ahold Gas Rewards, combine fuel and supermarket savings. Additional ways to increase convenience (and therefore likelihood of use) include integration with mobile wallets, place-based reminders, coalition programs like Plenti and Shell Fuel Rewards, and integration with card networks such as BP's partnership with Visa to link Driver Rewards to the consumer's payment card of choice.



**Consumers need convenience.
The most successful programs offer great mobile apps,
choice, and convenience.**

Cater to Mobile

While many popular loyalty programs have a mobile app component, not every consumer is willing to allocate space on their mobile phone. Increasingly, loyalty providers are partnering with companies to go beyond mobile and into a larger distribution model (Apple Wallet, Android Pay, Samsung Pay and GasBuddy's own wallet) to provide the greatest level of utility, storing the loyalty program membership information where it's easy to access and transact with.

Rewards Have to be Rewarding

Companies should be strategic and ensure that their programs offer enough incentive and the right incentives to drive specific behaviors. Consumers need to feel the company's commitment to retaining their business.

It's Not Too Late

Nearly 50% of the fuel-conscious consumers who responded to the survey do not belong to any loyalty program. These are the perfect targets for fuel loyalty programs to go after due to their interest in fuel-related programs and communications. The insights and analysis uncovered by the survey provide fuel wholesalers and retailers in all categories with the key ingredients for success.