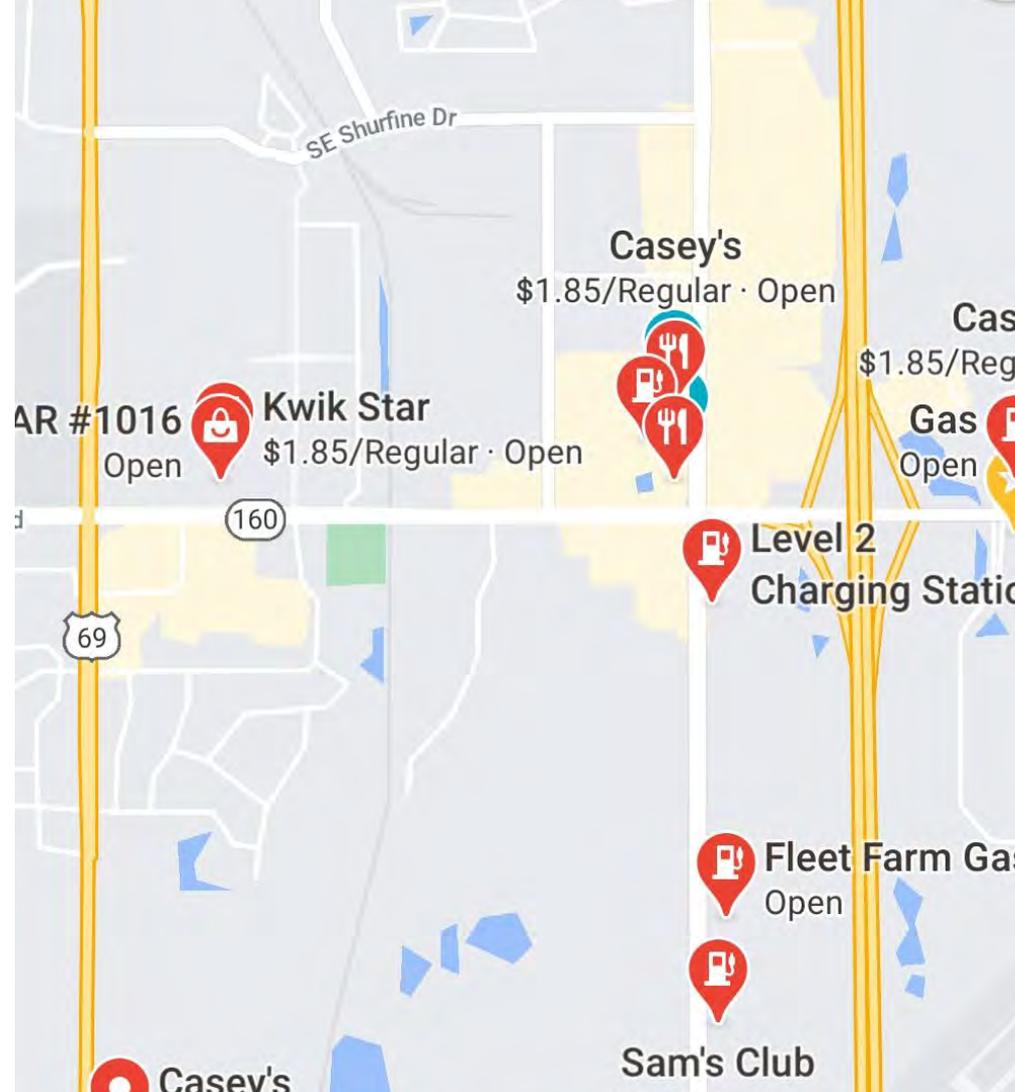


Beyond the Store

Winning with the Digital Customer Experience

Frank Beard
Retail Consultant

Prepared for the Australasian Association of Convenience Stores (AACS)



Speaker

A few things about me:

1. **Live and breathe convenience stores**, focusing on consulting, speaking, and writing. Visited thousands of c-stores.
2. **Presenter at industry events both in the U.S. and internationally**, including the NACS Show, National Restaurant Association Show, NACS CEO Summit DACH, Fancy Food Show, and more.
3. **Analyses and coverage** in NPR, Grocery Dive, Restaurant Dive, the Washington Post, eMarketer, Atlas Obscura, and more.
4. **Ex GasBuddy**, familiar with app issues



Frank Beard

Retail Consultant

 @FrankBeard

 [linkedin.com/in/frankbeard/](https://www.linkedin.com/in/frankbeard/)

 [inconveniencepodcast.com](https://www.inconveniencepodcast.com)

Agenda

I plan to discuss the following issues:

1. **Lagging Behind**
A perspective on this issue
2. **Digital Listings**
The new front door to your stores
3. **Social Media**
Extend your brand and maintain relationships
4. **Retailer Apps**
Failure modes and opportunities
5. **Delivery**
Lessons (and potential problems) from the US
6. **Q&A**
Any questions?



Frank Beard

Retail Consultant

 @FrankBeard

 [linkedin.com/in/frankbeard/](https://www.linkedin.com/in/frankbeard/)

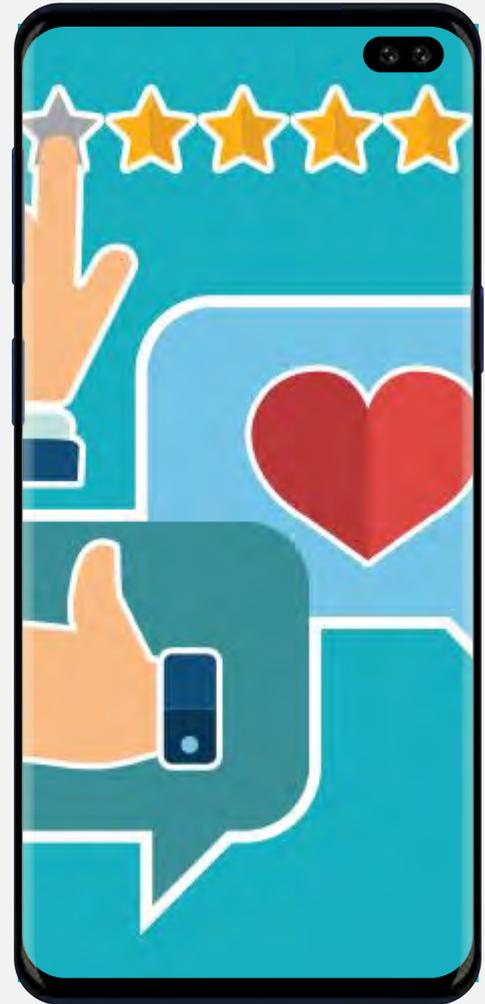
 inconveniencepodcast.com

Uncharted Territory

Thinking in terms of a **digital customer experience** is new for many fuel and convenience retailers. To be fair, this channel hasn't had much of a need to go that route until recently.

Key issues:

- Few retail channels have been exempt from eCommerce disruption to the degree of fuel and convenience stores
- Hyperlocality has enabled many to thrive without thinking beyond their physical store
- Fuel retail by definition is limited in its scope (Can't exactly ship a tank of gas to customers)
- Leads to hurried "bolt on" solutions and actions that are taken without a full understanding of the complexities

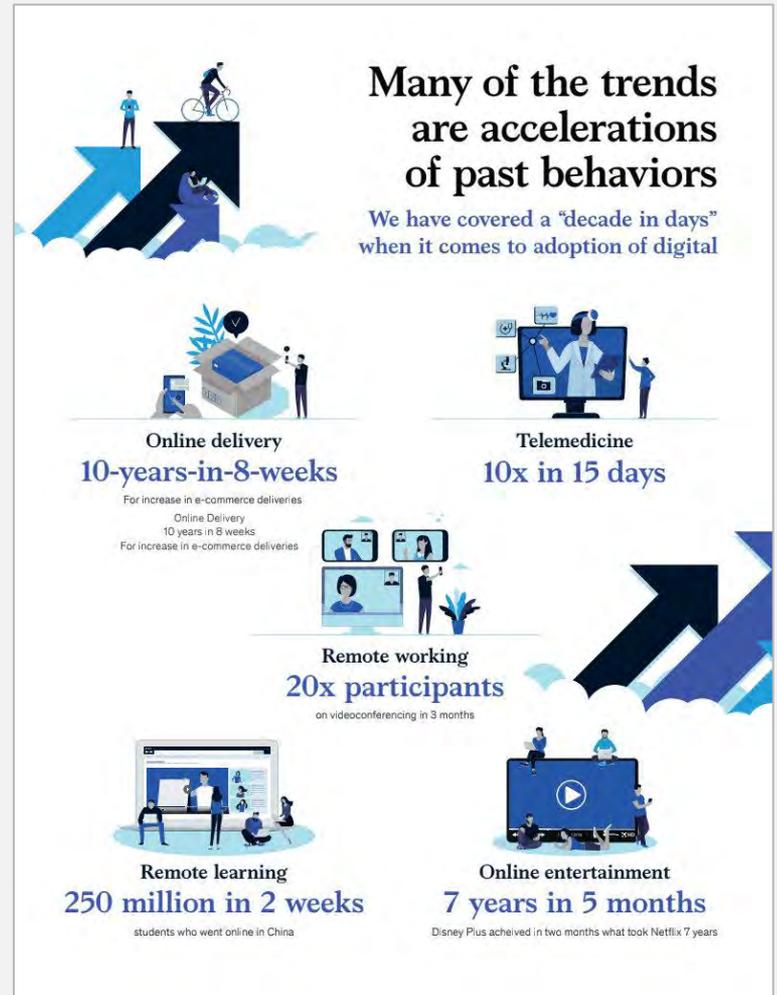


What COVID-19 Did

The pandemic accelerated many trends to levels not expected for years. What began for health reasons will continue due to convenience.

Key issues:

- The pandemic caused many to **try eCommerce solutions for the first time**
- McKinsey describes this acceleration as a **“decade in days”**
- Instacart reported **three years of projected growth in a 30 day period**
- Even as the reactionary period of March-to-May rolls back, key trends remain advanced far beyond their normal course

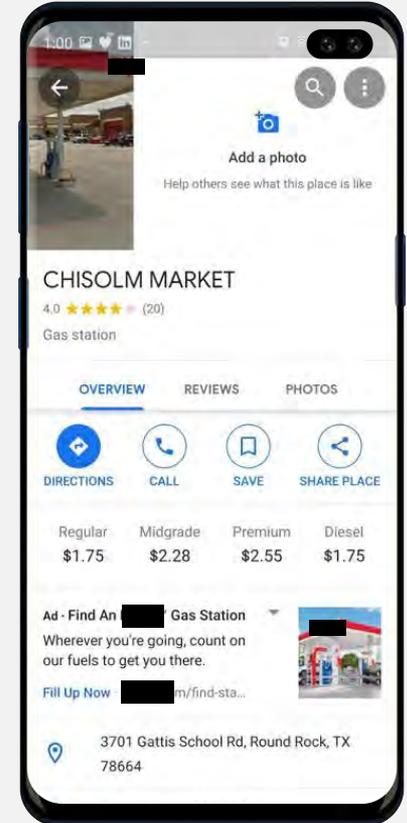
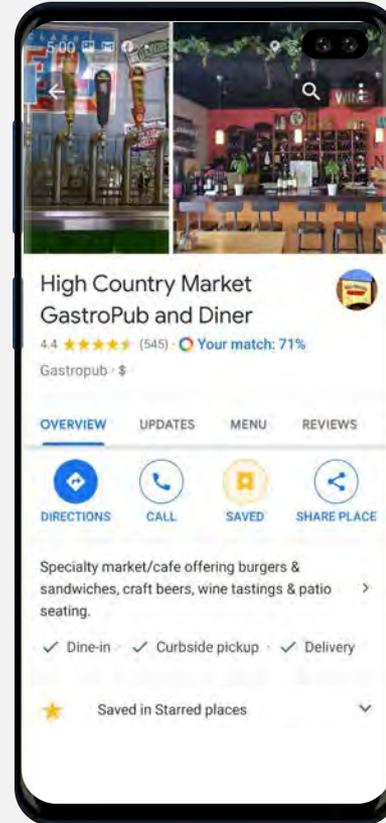


Sloppy Execution

Poor execution in this arena can be seen at my friend's store. The top destination for fine wine in Central Texas, his fuel brand lists incorrect information on Google Maps and other digital listings platforms.

Overview:

- Incorrect name
- Disconnected phone number
- Are the hours even correct?
- No photos or other information

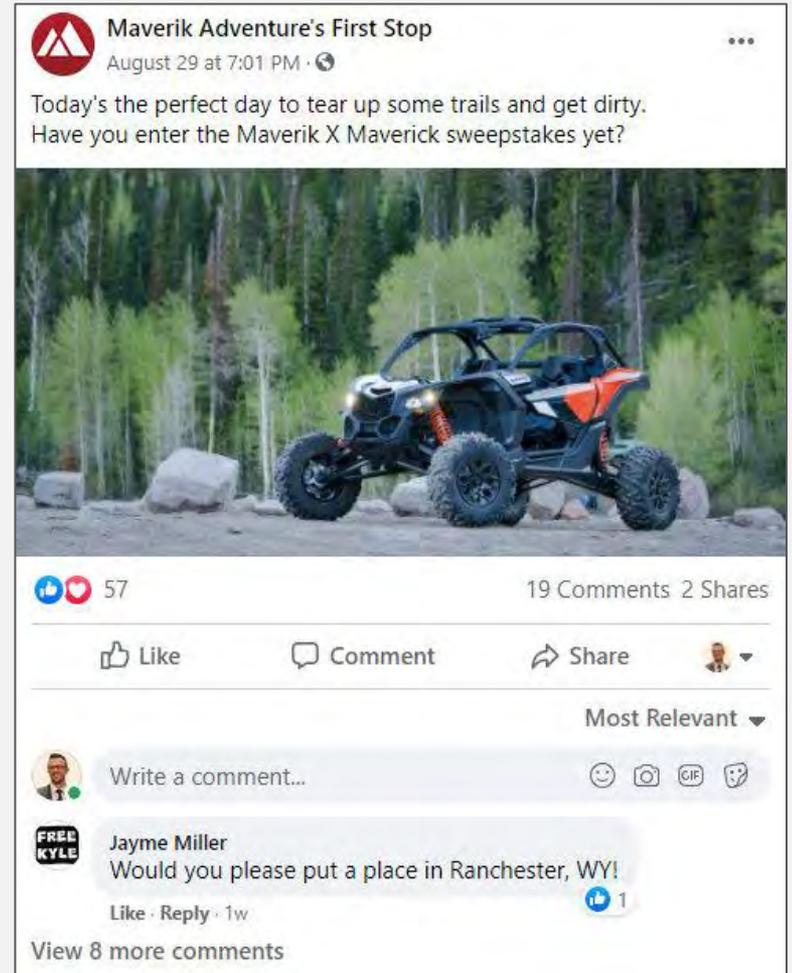


It's All About Your Brand

Every interaction and customer touchpoint must be treated as an extension of your brand.

Elements to keep in mind:

- Language and tone
- Data quality
- Ease of access and use
- Amount of friction in experiences
- Timely response to concerns
- Omni-channel access to your products



Maverik Adventure's First Stop
August 29 at 7:01 PM · 🌐

Today's the perfect day to tear up some trails and get dirty. Have you enter the Maverik X Maverick sweepstakes yet?



👍❤️ 57 19 Comments 2 Shares

👍 Like 💬 Comment ➦ Share 👤

Most Relevant ▾

 Write a comment... 😊 📷 GIF 🗨️

 **Jayme Miller**
Would you please put a place in Ranchester, WY!
👍 1

Like · Reply · 1w

View 8 more comments

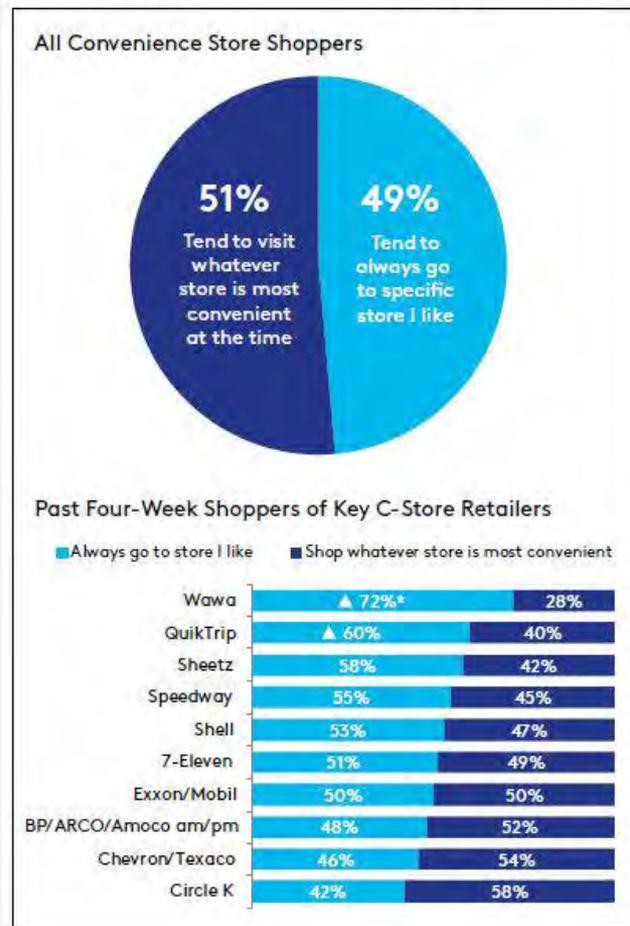
Thinking Beyond the Physical Store

This cannot continue to be a blind spot. As retailers rely on their customer experience to differentiate their stores from competitors who offer similar products and services, it's important to be mindful of digital experiences.

Overview:

- **81%** of marketers expected to compete mostly or completely on the basis of customer experience by 2020
- **90%** of customers believe that brands fail to meet their expectations when it comes to delivering a good customer experience
- Kantar Retail argues that the c-stores with the most loyal customers extend the customer experience beyond the store

Figure 3. Self-Assessed Convenience Store Loyalty



Digital Listings

The new front door to your stores



More than Navigation Apps

Digital listings are a blind spot for many retailers since they perceive Google Maps and other platforms as “navigation apps.” After all, why would anyone navigate to a store a few blocks away?

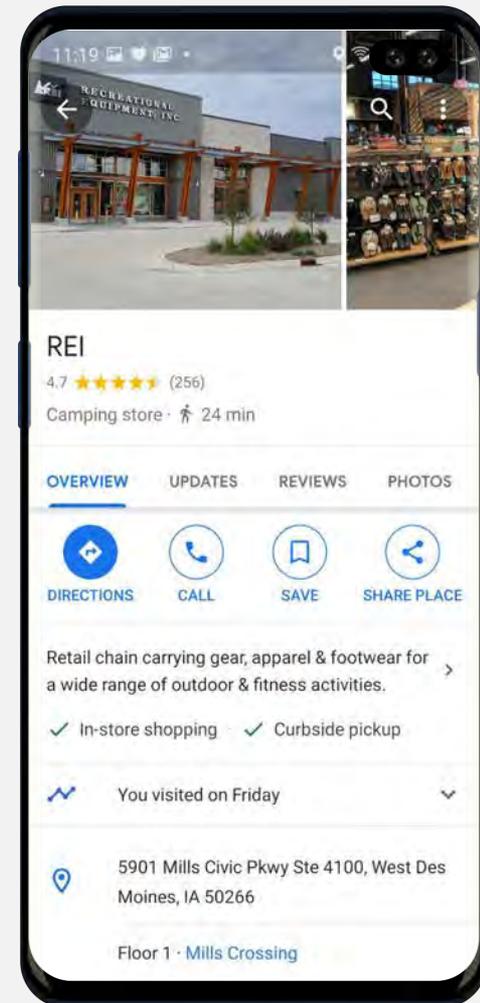
Range of uses:

- Looking up phone numbers or websites
- Checking the hours of operation
- Determining if delivery is available
- Leaving feedback on a recent experience
- Sharing photos



Mobile searches for “store open near me” (such as, “grocery store open near me” and “auto parts store open near me”) have grown by **over 250%** in the last two years.

March 2019 Google Data

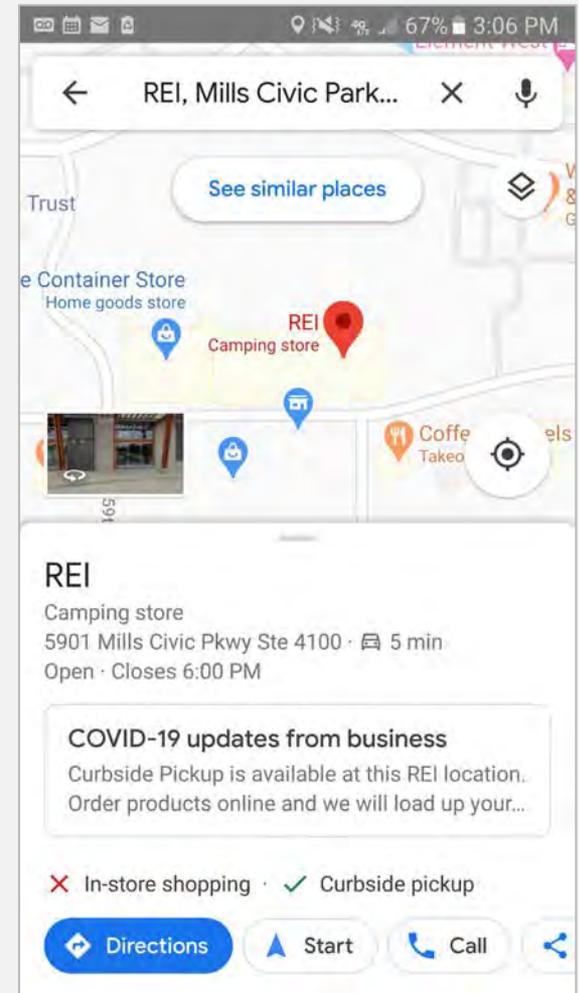


What COVID Taught Us

Directions were down, but phone calls and requests for hours were up. Customers relied on Google Maps and other platforms to navigate the uncertainties of March, April, and May—using this information to plan their trips.

Key takeaways:

- In general, requests for directions were down
- Requests for hours and phone numbers were up

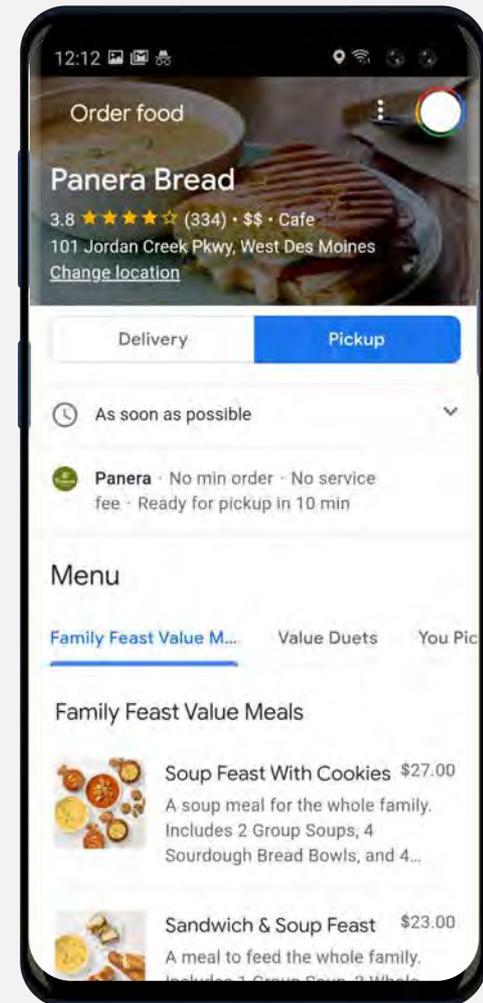


Retailers Are Falling Behind

Last month, Panera Bread launched an **integration with Google**. Consumers can order pickup and delivery directly through Google Search, Maps, and Assistant apps.

Key takeaways:

- Meets customers on their terms
- Simple payments for anyone who uses Google Pay
- No need to download the Panera app
- Builds trust in Panera GMB listings
- Easier than navigating their drive-thru menus (speaking from experience here!)



Source: Screenshot on my phone, The Spoon

Start With the Basics

Having basic information available is table stakes. Would you trust a grocer or big box store that didn't even update its hours? However, it's important to go beyond your NAP: name, address, and phone number.

Customers expect the following:

- Business Name
- Address
- Hours of operation
- Phone number
- Website
- Zip code

Voice Search Readiness Report



2019

The most glaring business listing errors/missing data were as follows:

Opening Hours:

978,305 errors

(almost half of all listings)

Location Name:

510,010 errors

(almost one quarter of all listings)

Website:

710,113 errors

(almost one third of all listings)

Street:

421,048 errors

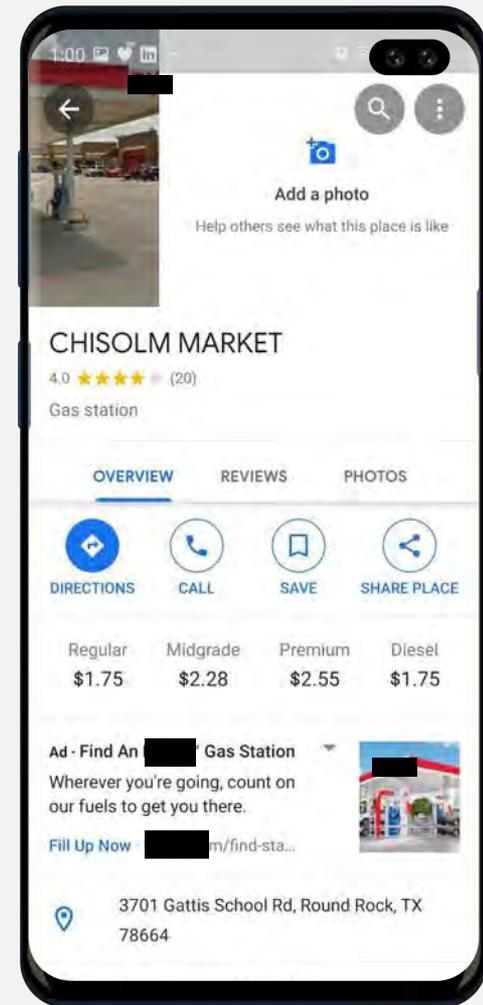
(almost one fifth of all listings)

Fuel Brands: Support Your Retailers

The hyperlocality that makes small retailers unique often fails to be captured in GMB listings. Fuel brands need to help with this. **One size does not fit all** when it comes to local search.

Key takeaways:

- The fuel logo matters less than you think
- Payments data from GasBuddy reveal that only 19% of consumers refuel exclusively at one brand in a given month
- Support your retailers by incorporating their unique photos into your listings
- Redirect to the c-store website rather than a location finder on the fuel brand's website

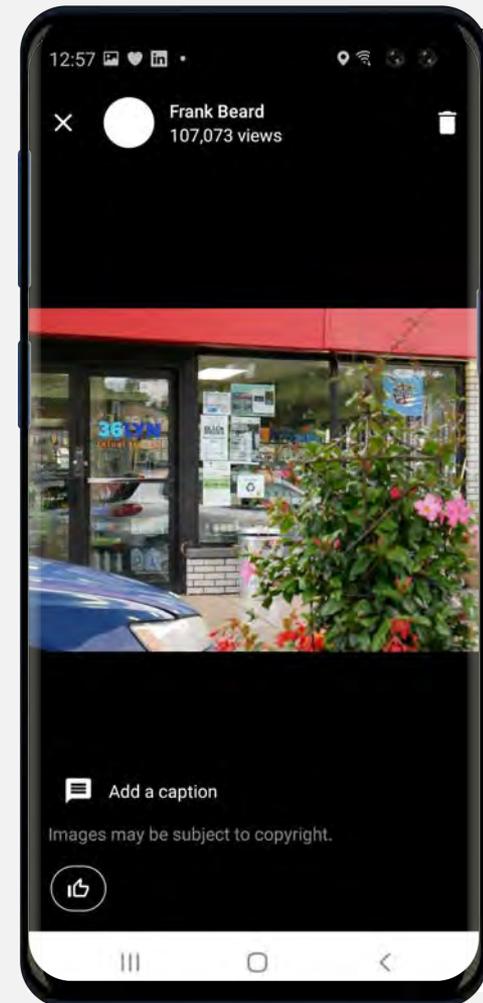


What Image Do You Project?

Many retailers neglect to upload images on Google Maps. When they do, many show generic “corporate” images that fail to highlight their differentiating factors.

Things to highlight:

- **Scalable**
 - Unique foodservice
 - Coffee
 - CPG assortment
 - General in-store “vibe”
- **Non-Scalable**
 - Individual store designs (inside & outside)
 - Unique foodservice
 - Well-known employees
 - Fun events and activities
 - Humor

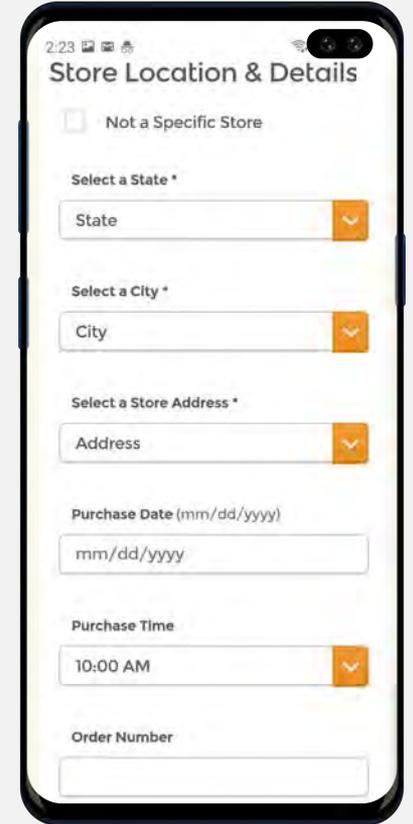


Focus on What Matters

Your competitors are probably running around directing complaints to a form on a corporate website. Meet your customers where they are. Listen and respond.

Key takeaways:

- Reply to customers on Google Maps, Facebook, Twitter, etc.
- Respond to both positive and negative reviews
- Signal to everyone else how you conduct business
- Uberall identifies a **30% reply rate** as the benchmark



What's Your Strategy?

Not only are written reviews a valuable source of real-time feedback, but it's a chance to interact with your customers—and signal how you conduct business.

Key takeaways:

- Who is tasked with replying to reviews?
- You wouldn't require store associates to get permission to respond to customer complaints. Are you waiting for permission to reply to reviews?
- How do you measure your success?
- Does operations act on customer feedback?
- Do you follow-up with customers and attempt to win back their business?



Businesses Who Reply to Reviews Win More Customers

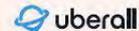
Another surprising finding is how important reply rates are to consumers.

When enterprise locations reply to at least 32% of reviews they achieve 80% higher conversion rates than businesses that reply to 10% of reviews

Although enterprise and global business locations have the greatest potential to increase conversion rates by replying to customer reviews, their reply rate is, on average, far less than smaller businesses:

Reply rate by business type:

SMB: 25%
Enterprise: 12%
Global brands: 9%



Lose the Corporate Vibe

It doesn't work. **Customers know when they're not being taken seriously**, and it defeats the purpose.

Key takeaways:

- If you're not actually going to address their concerns, then ask yourself: what's the point of pretending?
- Give customers something for their feedback: invite them to have a free coffee, sandwich, or something else.
- Lose the templated responses, or at least mix them up. When the same response is on nearly every review, that looks fake
- Inject personality—especially in replies to positive reviews. Have fun! Maintain the brand voice.



Social Media

Extend your brand and maintain relationships



What Social Media is Not

Nobody gets on Twitter because they want to read about deals on fountain drinks. Read the room, and resist the temptation to always be selling.



Differences Between Platforms

3. Find the **right voice** for your brand and your platform



Twitter:
Self-effacing,
funny, newsy,
on trend



Instagram:
Your best life



TikTok:
Fun, weird,
out there



Facebook:
Family-oriented,
earnest

All four: Authentic to the brand, the platform,
and the person producing the content

Find Your Voice

After Wendy's debuted a witty, sarcastic account full of content that was sometimes shocking, everyone tried to imitate them. But that worked for Wendy's. Everyone else needs to find their voice.

Key takeaways:

- If your brand could talk, what would it say?
- How would your brand communicate?
 - Wholesome but self-deprecating
 - Hilarious nonsense, lots of memes
 - Confident and professional, but willing to poke fun at less-sophisticated competitors



Hire the Best and Trust Them

Social media content **cannot be decided by committee.**

Hire the right people, trust them to do their job, and let them run the show. Mistakes will be made. That's okay.

Key takeaways:

- Not everyone understands each platform. Hire the right people for each.
- Support non-traditional hires. Generic HR confines can exclude top talent.
- Do not micromanage. Lose the approval process
- Accept mistakes and move on
- Treat (and pay) social media managers like the marketing professionals they really are



What's the Goal?

You may not be able to measure your Tweets in terms of fountain drinks sold, but that doesn't mean it's not a worthwhile endeavor.

Key takeaways:

- If you spend big on advertising campaigns, then you shouldn't balk at the idea of paying people to build a large following on social media
- It's about brand building and top-of-mind awareness
- It's a way to interact with your customers
- Communicate new news, products, and LTOs
- The best, like Sheetz, do LTO merch drops, product giveaways, and reshare their customers' posts



Retailer Apps

Failure modes and opportunities



Real Question: Do You Even Need a Loyalty App?

Maybe? Maybe Not? The strongest brand in the US convenience store space, **Buc-ee's**, does not have an app. Let that sink in. Few would disagree that their customers are the most loyal.

Key takeaways:

- As one retailer recently told me, my loyalty program is my stores
- Loyalty programs are often little more than discounts, and discounts don't drive loyalty
- If it's not broken, do you need to fix it?
- Is an app a solution in search of a problem, or is it designed to enhance the overall experience?

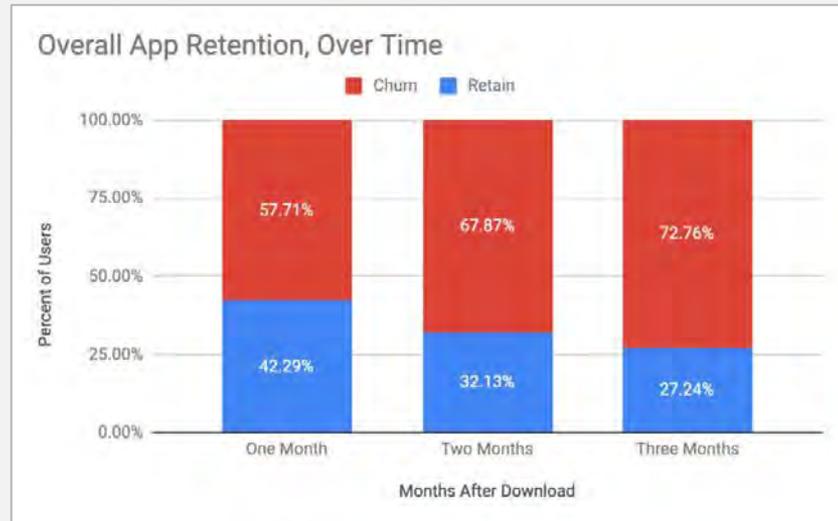


Limited Real Estate

Your customers already have plenty of apps, and the majority of users will delete new apps or become inactive shortly after downloading. Getting your app on their phone and driving engagement is an uphill battle.

Key takeaways:

- **25%** of users abandon apps after one use
- **57.71%** of users abandon apps after one month
- Only **32%** of app users launch an app 11+ times
- Android push notifications average a **3.60%** open rate with a **1.12%** conversion rate



Loyalty...or Discounts?

Much of what we call “loyalty apps” are in fact **little more than discount apps**. Ask yourself: would you want a dozen apps spamming you with offers and discounts? Probably not.

Key takeaways:

- Why would someone open this app? (Seriously)
- What does it do for me?
- Is this an ecosystem, or a tool?
- Does this reduce friction or save time?
- Does it cannibalize sales or support the bottom line?

All generations delete apps because of too many notifications



LEANPLUM

Data, Data, Data...

Retailers need to **hire a loyalty guru**: someone whose entire job exists around mining insights from your loyalty program and using that data to inform your overall strategy. Don't rely on vendors to do it for you.

Key takeaways:

- Hire someone specifically for this role
- Give them autonomy
- Don't rely solely on vendors
- Consider non-traditional hires and especially people who aren't blinded by company culture
- Hire people who understand how to analyze big data but aren't ignorant of the value of small data
- Regular communication with leadership



Relevance Matters

One size does not fit all. Today's customers are conditioned to expect relevant content and offers.

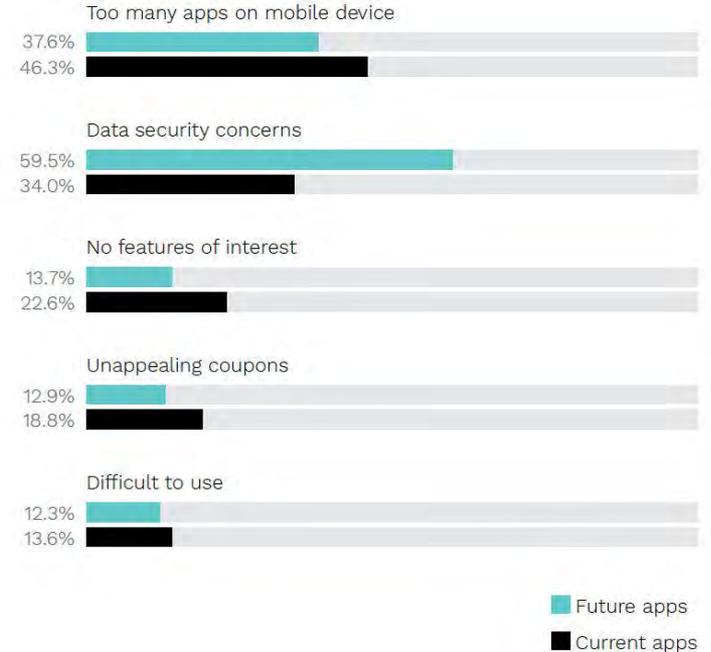
Key takeaways:

- Be careful with generic offers
- Consumers are accustomed to Amazon and others personalizing ads and offers
- CPG-funded discounts may not appeal to everyone
- Looking for coupons ahead of a visit may not mesh with impulsive customer journeys
- Too many apps mean mediocre apps may fail to stand out

FIGURE 5:

Reasons select consumers do not want to download current or future merchant apps

Share who are not interested in downloading current or future mobile offerings, by reason



Delivery

Lessons (and potential problems) from the US



Rush to Deliver

US convenience retailers took a “wait and see” approach to delivery in recent years. As recent as 2017, many leading retailers were only testing the concept in small pilots with third-party platforms.

The COVID-19 impact:

- Retailers **scrambled to open new channels** beyond the physical POS
- Wave of **3PD partnerships** with DoorDash and GrubHub
- Announcements from Wawa, Casey’s General Stores, and others in early-April
- **Growth in companies like Vroom Delivery** that enable retailers to do their own deliveries

The Company & Its Products | Bloomberg Terminal Demo Request | Bloomberg Anywhere Login | Customer Support

Menu Search **Bloomberg Businessweek** Sign In Subscribe

What you need to know:
[How Coronavirus Is Transforming Human Behavior](#)

■ August 26, 2020, 5:00 AM CDT ■ Corrected September 1, 2020, 3:10 PM CDT

Convenience Stores Turn to Home Delivery to Fight Pandemic Slump

● 7-Eleven, Circle K, and Casey’s send everything from slushies and Ding Dongs to Tylenol and eggs to your door.

By Sandrine Rastello



▲ Street art is displayed on a boarded-up 7-Eleven amid coronavirus closures and protests in New York City's East Village on June 19, 2020. PHOTOGRAPHER: GOTHAM/GETTY IMAGES/NORTH AMERICA

SHARE THIS ARTICLE

Facebook Share America's 152,000 convenience stores survived—even thrived—during the Amazon

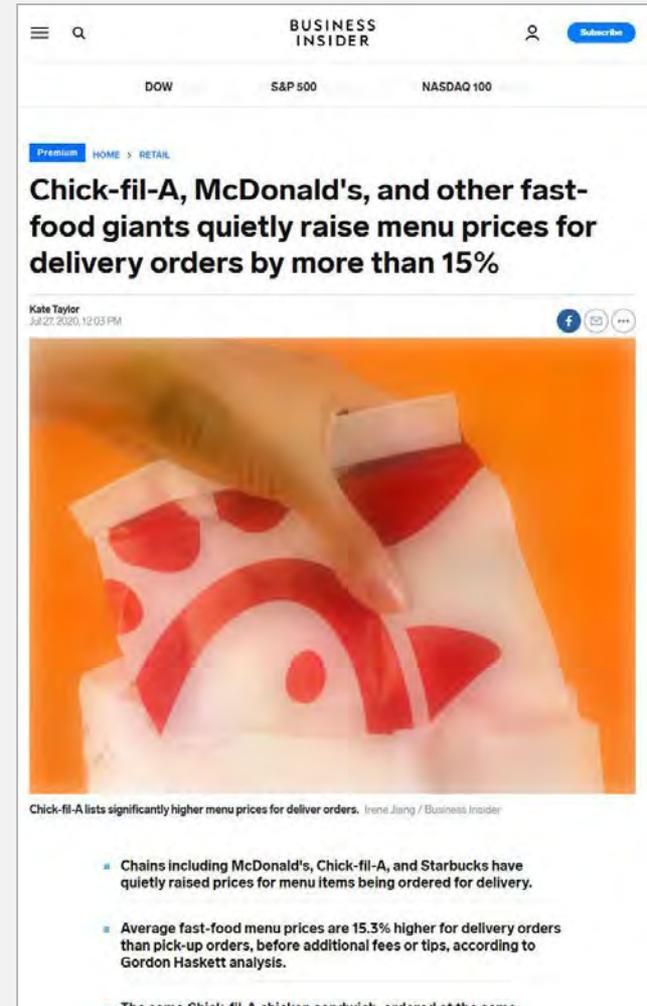
Tweet

Problems with 3PD

Third-party platforms were a quick solution, but there are many problems with this model.

Issues:

- **High fees** mean retailers often have to compensate by raising prices
- Customers are hit with **service charges** of 10–15% on top of delivery fees
- **Lack of control** over data and the customer experience. 3PD views your customers as their customers
- **Limited service areas** and occasional restrictions over age-restricted products
- **Designed for restaurant menus**—not 2,000+ SKUs

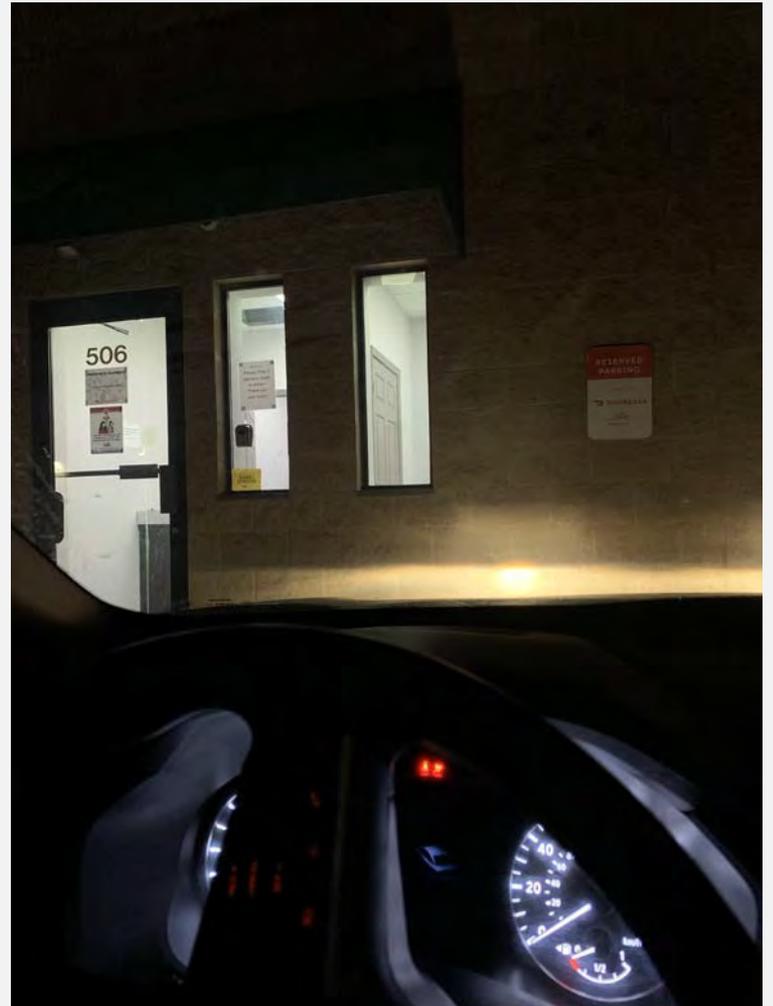


The image is a screenshot of a Business Insider article. At the top, the Business Insider logo is visible, along with navigation icons and a search bar. Below the logo, there are market indices: DOW, S&P 500, and NASDAQ 100. The article title is "Chick-fil-A, McDonald's, and other fast-food giants quietly raise menu prices for delivery orders by more than 15%". The author is Kate Taylor, and the date is Jul 27, 2020, 12:03 PM. The main image shows a hand holding a Chick-fil-A paper bag with the red and white logo. Below the image, there is a caption: "Chick-fil-A lists significantly higher menu prices for deliver orders. Irene Jiang / Business Insider". The article text includes a bulleted list of findings:

- Chains including McDonald's, Chick-fil-A, and Starbucks have quietly raised prices for menu items being ordered for delivery.
- Average fast-food menu prices are 15.3% higher for delivery orders than pick-up orders, before additional fees or tips, according to Gordon Haskett analysis.
- The same Chick-fil-A chicken sandwich ordered at the same

Back in January...

DoorDash drivers (Dashers) posted on Reddit about picking up orders at warehouses that were owned by the company.

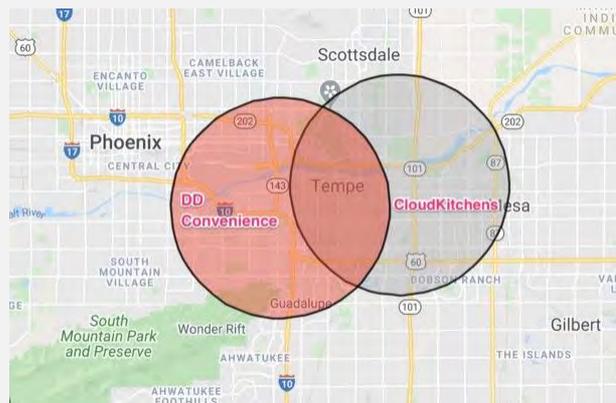


Competing Directly with Their Partners

Revealed in July by Matt Newbert at HNGRY, DoorDash had quietly rolled out a network of dark stores to six cities.

DoorDash dark stores:

- Virtual brand on the DoorDash platform
- Priority placement above c-store partners on the “Convenience” category
- Orders fulfilled through warehouses leased by DoorDash
- Often a cheaper option than ordering from c-stores partners



Official Announcement

In August, DoorDash officially announced their virtual convenience store: DashMart.

Key takeaways:

- Instead of focusing solely on national CPG brands, DashMart seeks to partner with local merchants
- From local hot sauces to spices, this helps differentiate DashMart from the “partner” c-stores on its platform
- In comparison, customers will find little in 7-Eleven’s inventory that they can’t get from DashMart

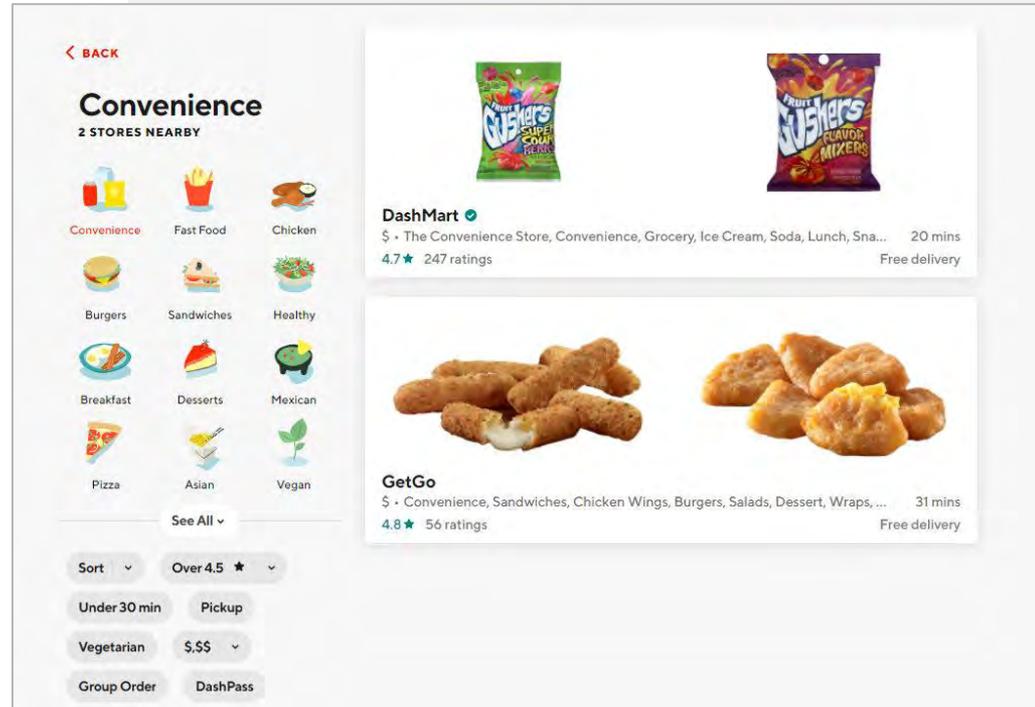


What This Means

The move by DoorDash is a **smart disintermediation play**, and it reveals that retailers cannot trust these platforms.

Key takeaways:

- Are they taking a page out of Amazon's playbook?
(i.e. study seller data and launch competing private-label products)
- On top of the high fees, now retailers have to compete with the very platforms they partner with
- Retailers need a more sophisticated delivery strategy than "We're on DoorDash"



The goPuff Strategy

Since 2013, goPuff has spread across America's college towns with a promise of 2,000+ SKUs available in 30 minutes or less—all for a flat fee of \$1.95.

Key takeaways:

- Valued at \$2.8 billion with an estimated \$500 million in the bank
- \$250 million in sales during 2019
- Orders up 400% this year
- Leases their own warehouses
- Hires contract drivers
- Buys directly from CPGs, charges for priority placement on the app



“We want to be the world’s go to solution for everyday needs, not just the U.S.”

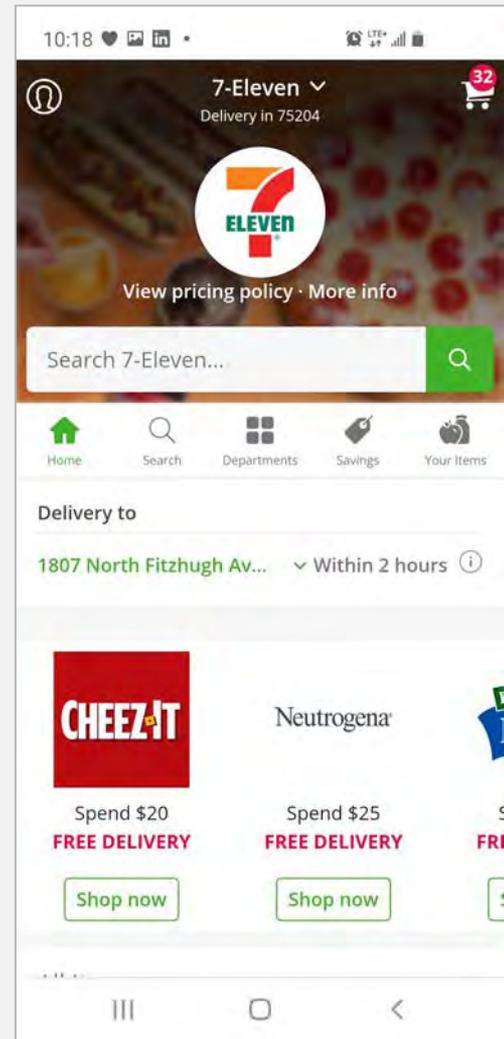


Instacart Slotting, too?

While I don't know for certain, it appears that Instacart may be doing something similar. The fear is that 3PDs might cut retailers out of the equation.

Key takeaways:

- Instacart displays offers that tie free shipping to minimum spend on products from specific CPG companies
- Awkward when a category only has one product on 7-Eleven's listings, but Target might have 20+ options
- Highly unlikely that retailers are the ones profiting from this



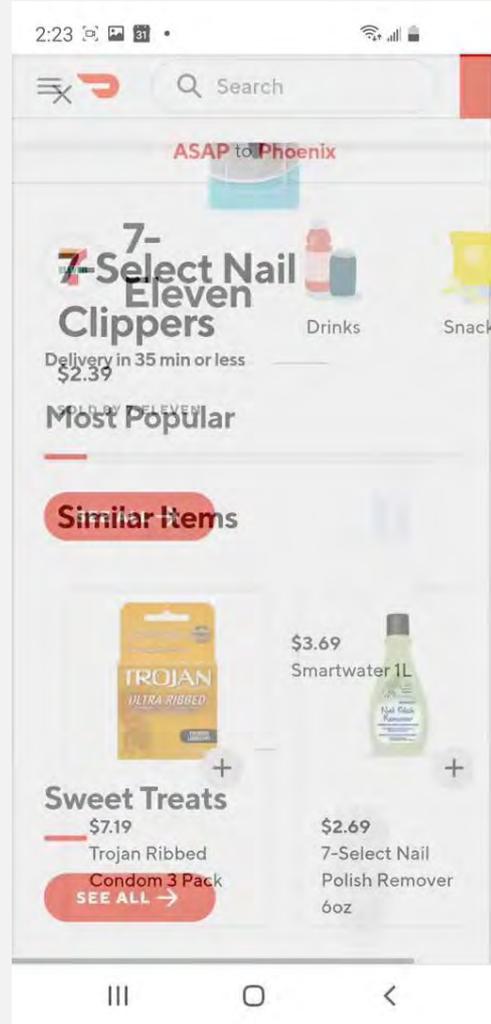
What's the Experience Like?

Issues with DoorDash aside, it's laughable just how bad the actual experience is. This is why it's always important to pay careful attention to your digital customer experience.

Key takeaways:

- Mobile UX is nearly unusable
- Not every customer wants to download an app—you MUST be optimized for mobile
- Not optimised for the volume of inventory carried by DashMart
- Clunky search function

[Click here to watch a video](#)



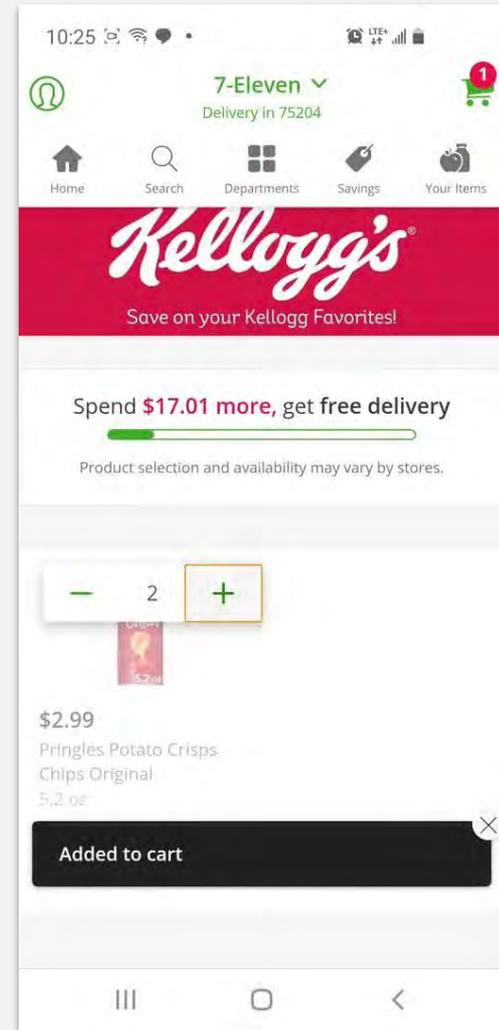
What About Instacart?

Instacart recently partnered with 7-Eleven. Although the mobile UX is far superior to DoorDash, there are still issues with this as well.

Key takeaways:

- Better UX, but it's generic and not tailored to 7-Eleven's inventory
- CPG promotions feel awkward. The Cheez-Its button displays a single can of Pringles and nothing else
- That \$7.99 delivery fee is STEEP
- Scheduling delivery in 2-hour blocks makes sense for grocers, but not convenience stores

[Click here to watch a video](#)



Final Thoughts

What started for health concerns will likely continue due to convenience. Delivery is likely part of this channel's future.

Key takeaways:

- Think like a startup and don't be afraid to test delivery, letting demand drive adoption
- Delivery may be a key strategy for smaller retailers to differentiate their brands. Do it yourself and do it better than the big players.
- Companies like Vroom Delivery eliminate the need to rely on 3PD
- If customers demand it, they'll blame you if you don't offer it



Summary

Key takeaways from today



Summary

A few things to keep in mind:

1. Like it or not, retailers have to control for their digital customer experience in today's marketplace
2. It's a reflection on your brand. From the information on Google Maps to the way you communicate on social media, extend your brand appropriately
3. Accurate digital listings are the table stakes
4. Don't blindly jump into a loyalty program. If you do, it better engage customers and provide a compelling reason for its usage
5. Convenience retailers are not pushing the boundaries of delivery. This is a concern.



Thank you.

Any questions?



Frank Beard

Retail Consultant



@FrankBeard



[linkedin.com/in/frankbeard/](https://www.linkedin.com/in/frankbeard/)



[Inconveniencepodcast.com](https://www.inconveniencepodcast.com)



fbeard@gmail.com