

“The customers were shopping with me and with Speedway,” he says. “But because of where they work or live, they would have preferred to shop at [my locations]. Hopefully, I’ve made the decision easier. [Loyalty] is not a tool to attract customers, but a tool to help current customers become better customers.”

Success with loyalty translates into sales retention and growth even in times of skyrocketing gasoline prices, as many retailers who watched posting jump by 30 cents in the early spring can attest to. Kim Gianakos, image director, Deweese Enterprises, Meridian, Miss., which operates 43 Super Stop! locations in Mississippi and Alabama, says the chain has made a major branding commitment in its loyalty program. Using a cartoon fish, the Seymour Rewards program incorporates an innovative rewards package, direct mail and targeted prizes.

“A company has to be 100% behind its program,” Gianakos says. “It’s not going to be successful if you’re not out there every day, reinventing the program.”

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In addition to competitive forces applying pressure for retailers to consider loyalty, advances in technology and other market changes are actually helping retailers access the tools necessary to offer their own programs.

One of the technologies enabling loyalty is broadband communications. Rob Little, vice president of marketing and sales, National Bankcard Services Inc., Minneapolis, says most medium and large retailers have installed broadband, which is critical. Being able to transmit loyalty information via high-speed connections is imperative to the success of

any program. But in addition, many point-of-sale (POS) manufacturers have built in software that will “talk” to loyalty processors, Little says. John Russo, national sales director for petroleum and convenience, BlueCube Software, Alpharetta, Ga., says his company has had to “build a layer” of software that could hook up a loyalty application to its product for the loyalty piece to communicate with both the client’s price-book and POS registers.

Jenny Bullard, CIO of Flash Foods Inc., Waycross, Ga., concurs that POS integration to loyalty is an important piece of the puzzle. So much so, in fact, that the industry standards group the Petroleum Convenience Alliance for Technology Standards (PCATS), Alexandria, Va., just this spring began efforts at creating loyalty-application standards for c-stores.

Without technical advances and efforts such as these, loyalty would remain a distant desire for many marketers, especially because cost for equipment, software and technical expertise may present continuing challenges. But options for overcoming these obstacles are emerging. Little of National Bankcard, for instance, says programs like his use equipment a retailer already has and charges via transaction, in many cases 2 to 5 cents each.



DIVING IN: Commitment to continuous reinvention floats Super Stop! and its Seymore Rewards program.



SPELLING OUT SPEEDY: Brochures in English and Spanish detail Speedway’s rewards program.

Other trends are helping on the financial front. Bo Sasnett, vice president of sales and marketing for Outsite, says he knows of at least one semi-major oil company that has put loyalty onto its list of items for which jobbers can use incentive funds. “It’s a good indication of what is starting to happen,” Sasnett says.

Awareness of the potential of loyalty is reaching critical mass on many fronts. David Thomas, ezMiner Inc., Madison, Ala., says, “Single-store owners and c-store chains are realizing that it is important to offer more than just convenience to be successful in today’s retail market.” He says loyalty programs offer the c-store owners a unique way to differentiate themselves: “Convenience stores are not just about gas and tobacco any longer.”

Thomas’ comment may ring true as competitors from overseas lay claim to parts of the United States. Anton Bakker, president and CEO of Outsite, says one of the retailers he modeled his loyalty program on is UK operator Tesco, which plans to launch a convenience operation in California. Bakker says the chain is the biggest loyalty player in England: “They combine loyalty experience, the big-box format and fuel retailing. They’re the perfect storm.”