

Racing Forward: How Fuel and Convenience Retailers are Accelerating Diversification

The top trends, challenges
and becoming the new
mobility retailer



An eBook from **TNS**

Book 2



Full Speed Ahead: Three Global Themes Impacting Fuel and Convenience Retailers Today

The Changing Needs for Fuel



Evolving driving habits and fuel needs are forcing Fuel and Convenience (F&C) retailers to diversify and innovate.

The shift to alternative fuels

The automotive industry will increase investments in electric vehicles (EVs), hybrids and alternative fuel vehicles, decreasing reliance on fossil fuels.

Regulations to reduce emissions

More and more countries are establishing restrictions and regulations aimed at decreasing greenhouse gas emissions, with several countries setting 'zero' emissions targets.

Advancing Technology



F&C retailers need to embrace technology to transform the way they connect and serve their customers.

Shared mobility

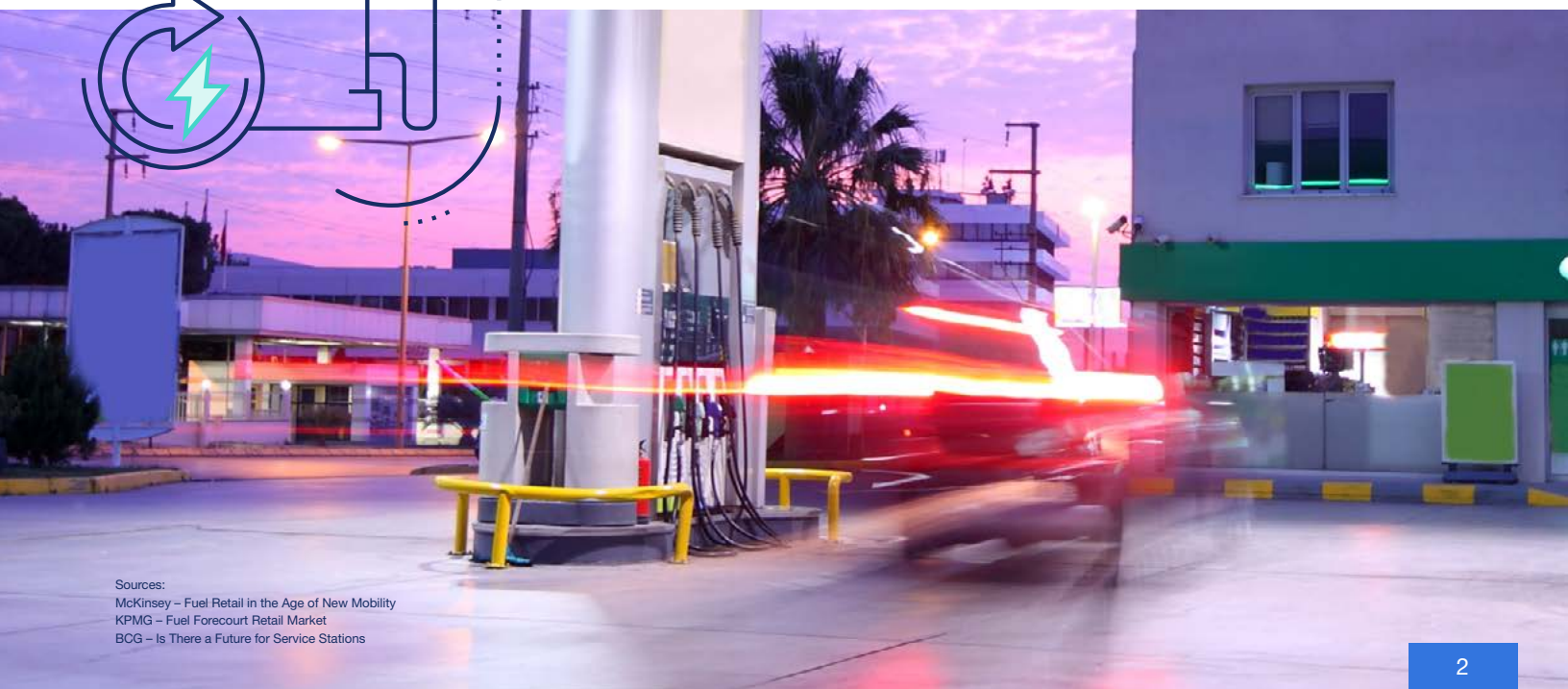
Almost two-thirds of the global population will live in cities by 2030, where ride-hailing and car-sharing services will further reduce car ownership.

Autonomous vehicles (AV)

As AV and EV usage increases, savvy F&C retailers will entice riders into their stores while they are recharging.

Continued focus on security

Upgrading efforts to combat cyber security attacks, payment and identity fraud will remain critical for all retail businesses.



Evolving Consumer Expectations

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As income from fuel decreases and income from other services increases, F&C retailers must continue to shift their focus to customer needs and become a destination.

Changing customer attitudes

Consumers have become more demanding across the board, requiring better value, more options and on-demand products and services.

New customer journeys

Mobile ordering is now the standard, including self-service capabilities and loyalty programs. A personalized customer experience is also expected.

Changing payment behavior

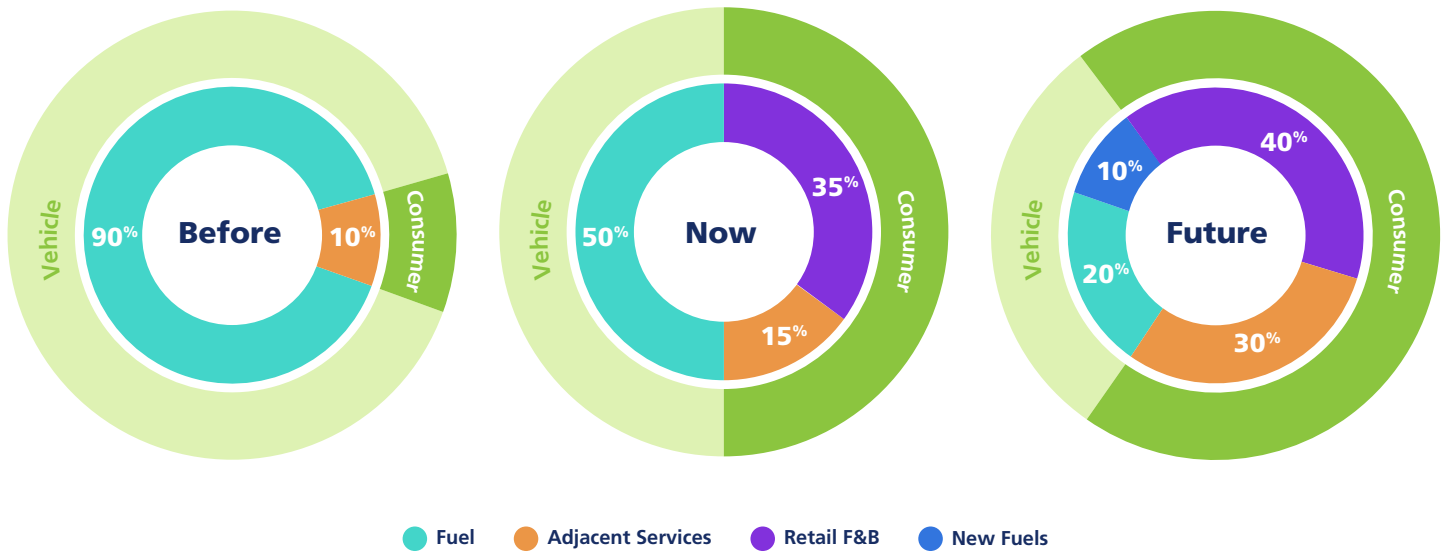
Customers want faster, contactless and cashless purchases using alternative payment methods.



Shifting Gears: The Importance of Diversifying

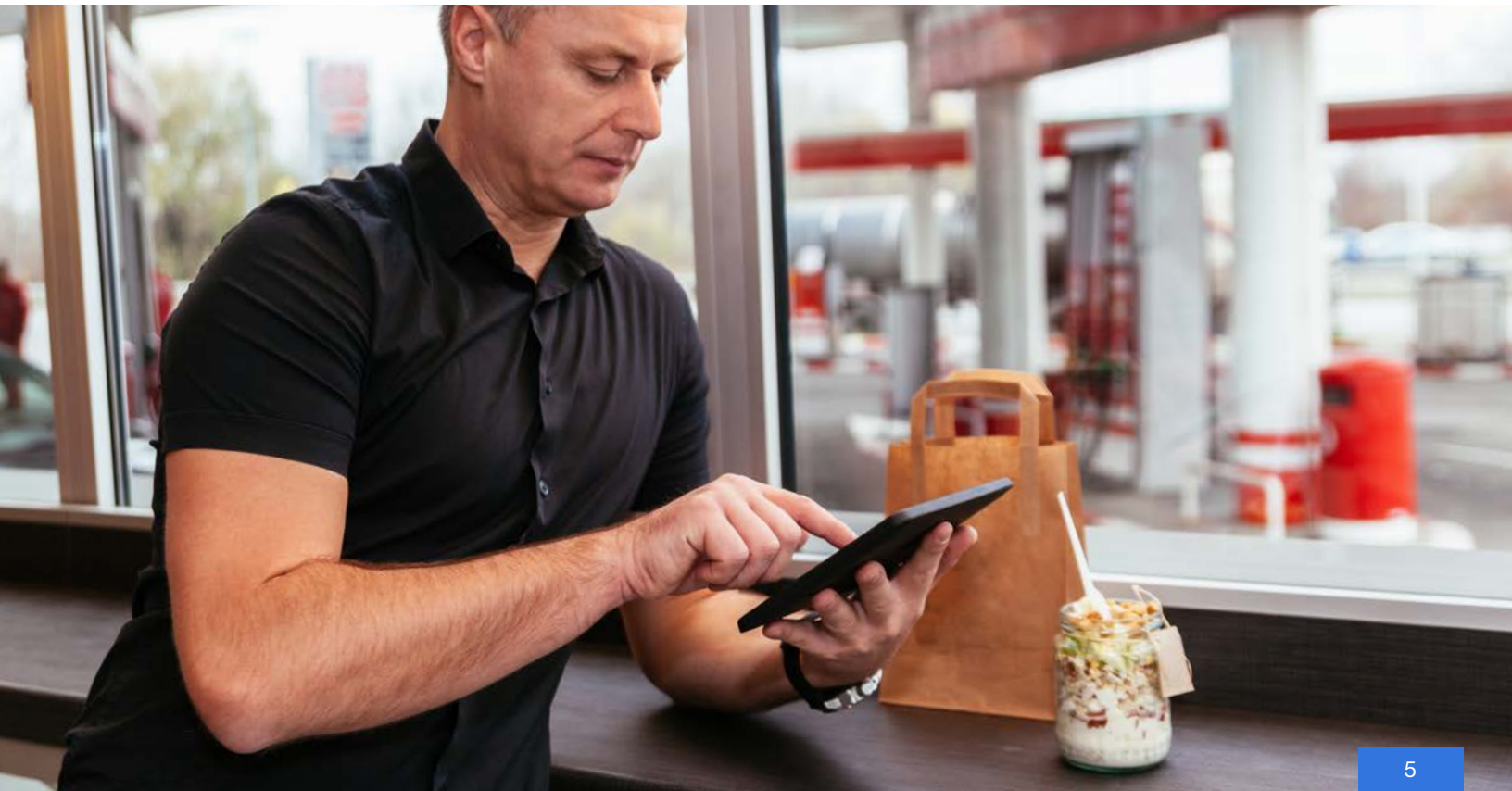
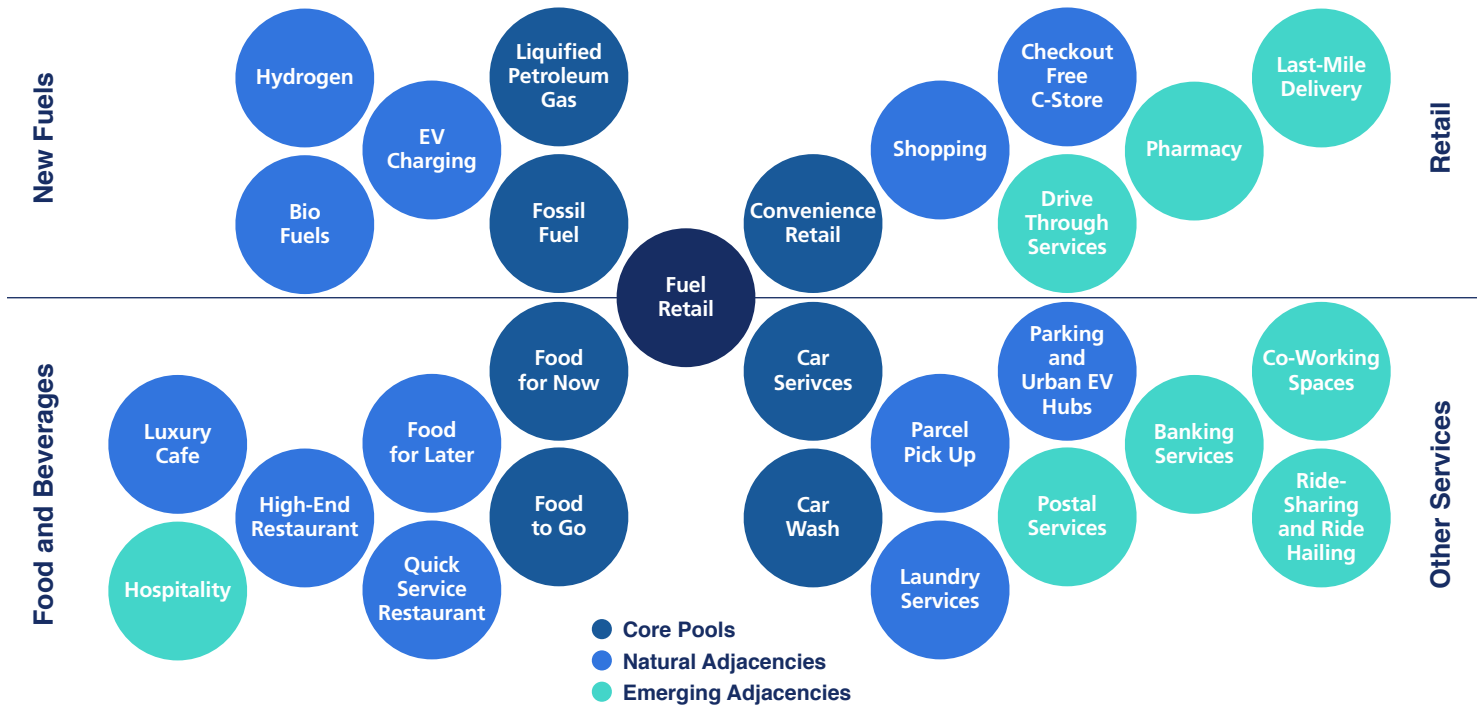
Fuel sales used to account for nearly all fuel retailer sales. But today, fuel sales only account for half of F&C retailer income, and that number is further decreasing. As a result, retailers need to shift their focus from vehicle to consumer needs.

Income Distribution



Changing Lanes: The Need for New Revenue Pools

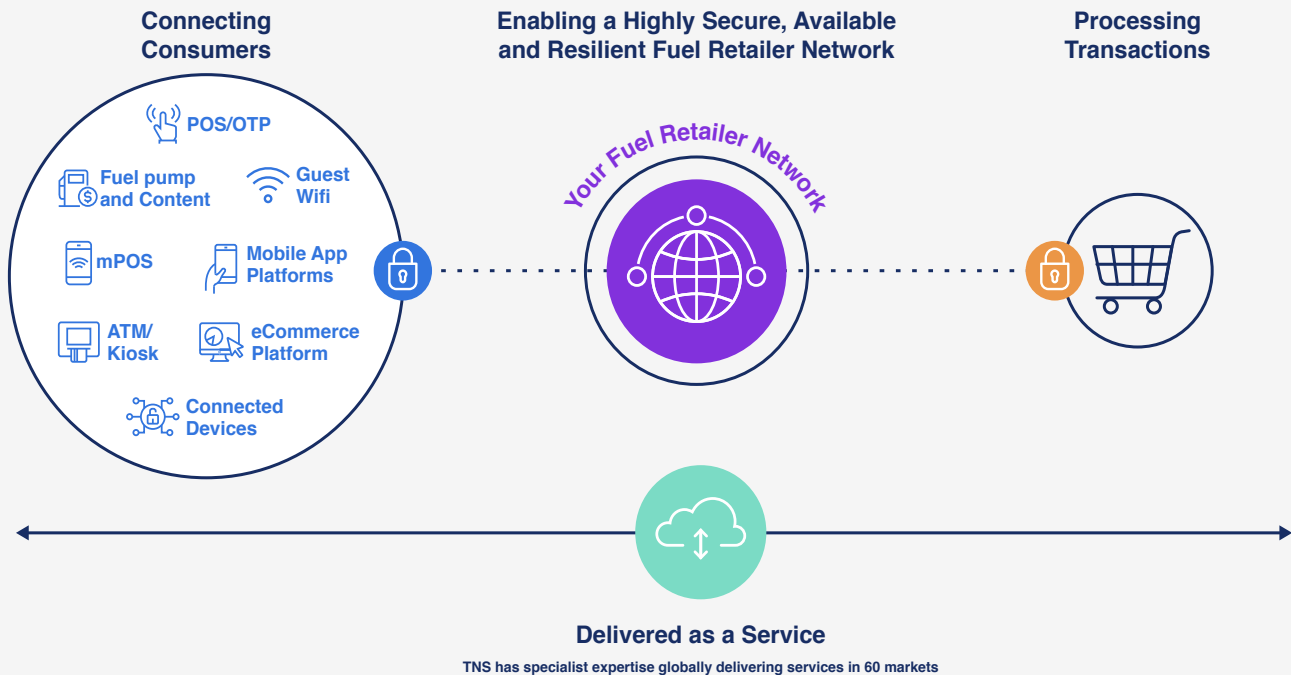
New revenue streams need to be explored to meet the growing mobility retail needs of consumers. Examples include new fuels, food and other services like parcel pick up.



Adding Fuel: TNS Helps Retailers Stay Ahead

Personalized digital engagement, security and payments are the ‘fuel’ of a cohesive fuel retail consumer experience. They help create a seamless connection between technology, supply, convenience and user demand.

At TNS, we help you accept, connect and securely process transactions through a highly secure, available and resilient gas station network.



TNS enables payment acceptance and additional consumer touchpoints through:

- Multi-channel payment acceptance in-store, at-the-pump and online
- Guest Wi-Fi and secure mid-office cloud connectivity
- On-site device connectivity, digital content distribution and self-service capabilities

TNS connects your devices, sites and enterprise or cloud-hosted applications on a secure and reliable global network with:

- High availability, without single points of failure, minimizing downtime
- TNS’ secure and reliable PCI DSS certified private cloud links
- End-to-end visibility of mission-critical payments traffic from retail sites to your payments partners

TNS can overlay the store connectivity network with value-added services:

- Payment switching for authorization and settlement
- Tokenization and encryption services to improve security and reduce cost and scope of PCI DSS
- Other enhanced payments services applicable to fuel and convenience retailers

Backing It Up: A TNS Case Study

Z Energy sets the stage for next-gen customer experience through managed secure SD-WAN.

The Challenge



New Zealand-based Z Energy operates more than 200 service stations, about 160 truck stops and supports another 130 owner-operated service stations with digital services. The capabilities of the incumbent network had been eroding and with the pandemic's sudden impact, the brand couldn't afford to lose the trust it had built with consumers over many years.

Z's leadership saw the need to continue on their journey of investing in innovation to strengthen the customer experience and site systems managers saw the opportunity to improve the connectivity between their systems and customer touchpoints with a more resilient, robust and reliable network.

The Solution



Z Energy chose TNS to integrate connectivity touchpoints while increasing processing power into a secure, private, software-defined network.

With TNS' Secure SD-WAN, Z implemented a seamless connectivity and network infrastructure as a managed service. Z's retail network and security are centrally controlled and continuously monitored by TNS.

Backed up by TNS' infrastructure security partner Fortinet, Z also now has additional security protections and protocols such as anti-virus controls with anti-malware and spyware, URL filtering and TLS packet inspection, dynamic policy management and regular firmware updates.

The Results



With Z's infrastructure upgrade, operational speed, reliability, and security were dramatically improved by partnering with TNS.

Their retail sites are running smarter and faster with a range of new capabilities including monitoring and analyzing customer movement, automatic number plate recognition for payments and EV charging stations. Dozens of on-site devices can plug into a single switch with a more precise and uniform configuration, and the entire site time setup was reduced from six hours to thirty minutes.

“There’s less administration for us, and so much more we can do that we haven’t even imagined yet. The list of innovations keeps getting longer, and the capabilities and speed that we have now with the TNS Secure SD-WAN service has really put our previous limitations in surprising perspective. By deploying TNS’ Secure SD-WAN as a managed service, we deliver the capabilities and network platform performance that we need now to get us where we’re going.”

Andy Stewart
Head of Site Systems, Z Energy



Taking the Lead: Becoming the New Mobility Retailer

Fuel & Convenience retailers must reinvent their core businesses to open new revenue streams while meeting compliance and security standards.

By focusing on new revenue streams, as well as reevaluating their in-store investments, retailers can prepare for the quickly changing future.



Managing the Revenue Mix

Transforming forecourts

Retailers must introduce more attractive forecourt formats, offering consumers added choices and alternatives, with personalized content at the pump.

Introducing new adjacencies

Retailers must focus on natural and emerging adjacency services across new fuels, food, retail and other services.

Fulfilling customer needs

Retailers must introduce loyalty, Wi-Fi, a personalized experience and digital apps. The modern customer journey starts at home through promotions.



Managing Expenses

Managing site and operations

Retailers must introduce self-service, cashless payments, and out-of-hour offerings. Manage back-office, headquarter and utility expenses.

Controlling portfolio of services

Retailers should consider partnerships or joint ventures to optimize their service station network and geographical positions.

Maintaining compliance and security levels

Retailers must remain compliant with industry standards and stay secure across the service station network.





**Contact us to see how TNS can help transform
your Fuel and Convenience retail business.**

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