

# Profiting From Your Mobile App

**C-stores must focus on engaging customers via games, promotions, coupons and more**

By Tammy Mastroberte

**M**obile apps continue to explode on almost every type of electronic device, from tablets to smartphones to today's new televisions. No matter what consumers are looking to do, they can find an app to help them do it.

Convenience store retailers have been in the app game for the past few years, with many evolving their apps from location finders and gas price updates to mobile payments, games and tying in loyalty rewards.

But like all customer engagement technology, simply offering an app does not guarantee success. The goal is

to keep customers coming back to the app, and eventually roll this engagement into increased store visits and increased spending.

"The main goal if you are going to invest the money to create and maintain an app is for it to be something the end user has a good reason to engage with on a daily basis," said Jonathan Stark, a Providence, R.I.-based author and mobile strategy consultant who has worked with companies including CVS Pharmacy and Staples. "For a lot of retailers, this is not realistic. But for c-stores, it makes sense because someone might stop in every morning for coffee, or as part of their daily routine."

Many c-store chains partner with mobile app companies to develop and integrate their apps. For example, Casey's General Stores Inc. and QuickChek Corp. both work with OpenStore by GasBuddy, while Rutter's Farm Stores and Kenjo Markets have teamed up with Verge Retail. Other c-store chains, when starting a loyalty program, will work with their loyalty provider to create a mobile app. This is the route CITGO Petroleum Corp. took for its Club CITGO app.

"The Club CITGO app framework was created by Outsite Networks Inc. and is tailored to meet specific CITGO needs," explained Alan Flagg, assistant vice president, supply and marketing for Houston-based CITGO. "The customization allows [our] retailers to receive all the benefits of the program, while making it unique to each of their retail locations."

## TANGIBLE RESULTS

C-stores want to not only offer convenience via their app, but also want to drive tangible results such as deal and coupon redemption, increased store traffic and increased sales. The key to achievement is engaging users to visit the app often.

"Coupons, deals, savings, surprises and games can all drive engagement if it's the right kind," advised

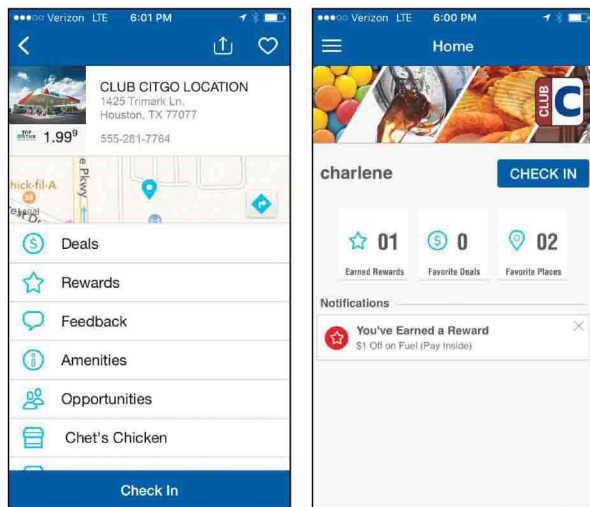
Increasing store traffic for its marketers is the goal of the Club CITGO app.



Mike Schneider, chief marketing officer at OpenStore. “Experience is the new channel. Before it was a coupon or offer on a website or in an app. Now, it’s not just about having the functionality, but how and when it’s presented.”

One way CITGO is driving results through its app is by requiring customers to check-in to utilize the deals and promotions offered, Flagg said, including entering sweepstakes.

“Increased store traffic is our biggest benefit, as the app requires check-ins at CITGO locations in order to take advantage of many of the discounts, sweepstakes or other promotional offers,” he noted, adding that the 2016 national promotion is the Ultimate Road Trip Sweepstakes, where consumers can enter by checking in with the CITGO app at any CITGO location to win a Jeep Wrangler Unlimited Sport, plus \$5,000 cash, gas for a year or CITGO gift cards. “And increased traffic leads to increased sales on both c-store products and [our] TriCLEAN gasoline.”



**“Checking in” at CITGO locations unlocks rewards for users of the Club CITGO app.**

Checking in allows customers to access additional rewards, and they are engaged with discounts and coupons for gasoline. CITGO partners with local event venues as well, whereby customers can be rewarded by attending an event via bounceback coupons to the CITGO retail location.

Since launching its app in January 2015, CITGO has experienced increases in app users and engagement per location year over year, and the redemption rate on rewards is more than 50 percent, according to Flagg.

Like CITGO, QuickChek, based in Whitehouse

**“Just like you have to get customers to walk through the door to the store, you have to give them a reason to open that app in the morning.”**



— Eric Rush, QuickChek Corp.

Station, N.J., and operating 140 locations, also launched an app in early 2015. Since then, the retailer has continually evolved and updated its app to offer customers more, and increase overall engagement.

The goal when launching an app was to add mobile foodservice ordering, but the chain worked to build a base of users first. This past March, QuickChek added the app ordering as an extension of its in-store ordering system, said Eric Rush, digital marketing manager.

“Customers can place an order and choose when they want to pick it up in the store,” he explained. “They can then shop the store and pay for it all.”

QuickChek started mobile ordering with just breakfast subs and salads, but now it’s rolled out for the chain’s entire foodservice offering, including hot and cold smoothies. Currently, customers pay in-store rather than in the app to encourage in-store shopping and increased baskets, Rush shared. The chain worked with OpenStore on the app and Expedian, its in-store ordering company, created the mobile ordering piece.

Customers can also interact with the QuickChek app through games. It launched with a bubble pop game, where users can win a prize if they match three things. The retailer has also added a slot machine game. These are both very popular, with 3,200 to 3,500 people per day playing the games alone, according to Rush.

“Our app engagement is really high, with 50,000 actions per week, and just loading the app counts as an action,” he said. “The app really turned into a direct line of communication with the customer, and we have received a lot of feedback on it. We were able to significantly improve our direct-to-customer feedback interaction.”

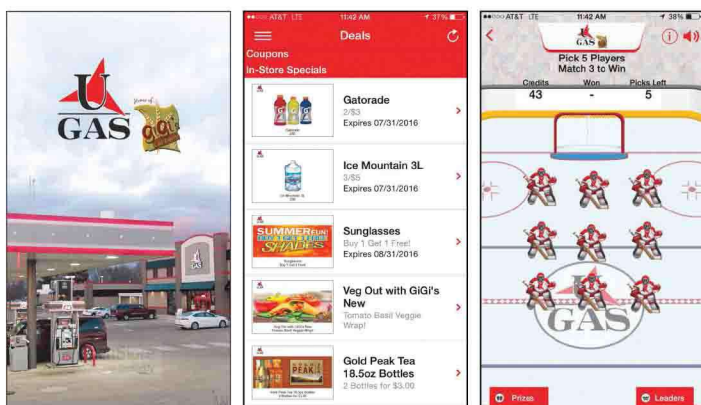
Another OpenStore customer, U.S. Gas, based in Fenton, Mo., and operating 19 U-Gas locations, also finds the game feature on its app the most popular among users. U.S. Gas offers prizes as a traffic driver, at times partnering with vendors to offer a free product.

The prizes have a high redemption rate of 75



percent, and customers will often pick up something else while they are in-store claiming their prize, explained Rodney Moentmann, pricing and business development manager at U.S. Gas.

The U-Gas app launched in March of this year, along with a Dirt Cheap app for the company's liquor stores. The U-Gas app provides real-time fuel prices, games, exclusive giveaways and contests, and deals and promotions, such as packaged beverage deals and twofers, according to Lisa Merlotti, marketing coordinator for the company. It also allows the chain to capture more customer data.



U.S. Gas' U-Gas app features elusive giveaways, contests and games.

### MEASURING THE ROI

At QuickChek, more than 113,000 people have downloaded the app since its launch, and the chain utilizes push notification for coupons and weekly deals, as well as in-store beacons so they know when customers are at one of their locations.

Through the OpenStore dashboard, the retailer can see the number of delivered coupons, if it was opened, and how many were used at the point-of-sale to measure the effectiveness.

"We measure ROI [return on investment] with coupon redemption and market basket, as well as iTunes and Google Play ratings, user downloads, how often people engage with our app, and the clicks they make within it," Rush said, pointing out that now with the addition of mobile ordering, they can track what food is being ordered as well.

U.S. Gas also looks at coupon redemption as a direct measure of effectiveness, along with game usage and overall app activity. The OpenStore technology allows the chain to tag customers and segment them into groups — for example, those who redeemed coupons or, even more

granular, those who redeemed an energy drink coupon.

"I won't send a Monster energy coupon to every customer because not everyone is interested in that, so we are gathering the data now to do more targeted campaigns in the future," Moentmann said.

Gathering data first to create a robust and segmented list can help with targeting promotions in the future, according to consultant Stark. Gathering data, looking for patterns and drilling down to a granular level can help target the right promotions to the right customers, thus increasing effectiveness overall of the app.

"You can drastically increase effectiveness by sending relevant stuff," he noted.

CITGO keeps an eye on the effectiveness of its app using a variety of analytics, including engagement, redemptions, check-in frequency at the store level, and other activity-based metrics. "The ROI is measured based on funded deal payouts vs. cost of participation," said Flagg.

### THE FUTURE OF APPS

Although retailers in the c-store industry are at various levels of advancement when it comes to app development, all of those in the app game have room for additional enhancements in the future.

"I see apps becoming more seamless and more experience oriented, and I see location-based services, beacons and near-field communication becoming more tightly integrated with them," OpenStore's Schneider predicted.

QuickChek just launched its full foodservice menu with ordering via the app, and is looking into possibly adding a mobile payment component in the future.

"Ultimately, we want to get users to make our app a part of their daily routine, and we are always thinking about what else we can provide, based on internal and partner discussions and customer suggestions," said Rush.

His advice to other c-stores is to treat their apps like a mini-store, and make sure it always offers fresh and new things. It could be as simple as creating a game, but it has to be something fun that customers can engage with.

"Just like you have to get customers to walk through the door to the store, you have to give them a reason to open that app in the morning," he shared.

U.S. Gas is focused on driving downloads and app engagement, but would like to incorporate its loyalty program with Kickback Rewards into the app in the future. The retailer is also looking at mobile payments and incorporating ordering into the app at some point, said Merlotti. **CSN**