kwikchek

Fueling innovation: When stopping for gas becomes a connected, customized experience

Overview
Country or Region: United States
Industry: Retail

Customer Profile
Kwik Chek Food Stores is a chain of convenience, grocery, quick food, and gas venues with 39 locations across Texas and Oklahoma.

Business Situation
To increase customer satisfaction, Kwik Chek implemented a mobile commerce and behavioral marketing platform with personalized services and a streamlined path-to-purchase.

Solution
Kwik Chek transformed its business by connecting POS apps running in stores and on mobile phones with the cloud. Customers can use phones to locate stores, pay securely, and receive reward points and targeted digital offers. The company leverages the cloud-based POS system for quick, reliable transactions and advanced analytics.

Benefits
- Increases customer loyalty with improved convenience and personalized service with digital offers
- Operational efficiencies transform business operations quickly and affordably, connecting stores within four hours
- Predicts anomalies with increasing precision by receiving alerts from the system, and feeding information back into it to identify root cause

P97 networks

They're a ubiquitous part of any town's landscape: the corner convenience store and gas station. For many customers, a stop at one is a quick, anonymous transaction, conducted out of necessity, and the quicker, the better. But one Texas-based convenience store chain is aiming to change all of that. Building on the Internet of Things, Kwik Chek is pioneering new connected, personalized experiences for its customers, upending expected standards for engagement and loyalty and in the process creating exceptional business value that has the potential to redefine the convenience industry.

The opportunity is enormous: According to industry estimates, the country's 151,000 convenience stores posted $696 billion in sales in 2013, with single-store operators accounting for approximately 63 percent of locations. At that scale, there is incredible potential for meaningful insights from data to translate into bankable value across the industry.

Kwik Chek's new technologies connect its customers' mobile phones to gas pumps, store point of sale (POS) terminals, loyalty programs and more, while integrating existing store infrastructure and software that tracks inventory and fuel. The resulting connected system is transforming operations for the Texas-based chain, vastly improving reliability and efficiency of its processes and staff. It's also enabling unprecedented insight into customer habits and desires, resulting in improved sales and inventory for Kwik Chek, and happier and more loyal customers across its 39 store locations in Texas and Oklahoma.

Convenience from insights
Kwik Chek partnered with P97 Networks, building on Microsoft Azure IoT services and other Microsoft technologies to create a pair of solutions: PetroZone Mobile

Commerce, a mobile app that enables navigation, cashless payment and smart digital offers, and PetroZone Retail Fuels Module (RFM), a cloud-based solution powered by Microsoft Dynamics AX modern point of sale system that integrates with the forecourt system which controls the fuel pumps, back office and financial systems.

The mobile app, PetroZone Mobile Commerce for Windows, Android and iOS, enables customers to connect via the cloud to geo-locate the nearest Kwik Chek location, reserve a pump from the convenience of their car, and find out about the availability of a car wash, ATM and other services. Using secure, multifactor authentication, the app allows secure payments to be made from customers' debit/credit card or linked to their checking account, so that payment is accomplished by a scan of a mobile phone, rather than the swipe of a card. That can be a big security advantage for customers, says Chief Technology Officer Daniel Gaddy. "When you have credit card information stolen, all sorts of damage can occur, from identity theft to charges online. With the PetroZone app, no cardholder data is ever stored or transmitted to or from the phone; even if you lose your phone, there are ways to wipe that phone remotely. It's a far more secure method of payment." For clients using the app with their checking accounts, it saves credit-card fees on both sides of the transaction, helping Kwik Chek reduce a major line-item expense and potentially reduce customers' gas costs by as much as 10 cents a gallon.

Increasing in-store traffic
The mobile commerce solution also offers opt-in features that track customers' mobile purchase history,

then use that data to generate relevant digital discount offers that are sent to customers' phones in real time, while they're still onsite. These marketing innovations help Kwik Chek address a common and persistent industry problem: "Today, as an industry average, approximately 70 percent of our fuel customers never come inside the store," says Kevin Smartt, CEO of Kwik Chek. "These offers are bringing more of them in, resulting in increased in-store sales from formerly fuel-only customers. It's a big advantage for customers, too, who save money on things they're likely to buy anyway."

PetroZone's cloud-based platform is powered by Microsoft Azure — which can either be licensed or hosted and managed by P97 and is integrated with Kwik Chek's loyalty system. With each purchase, customers accumulate points toward future discounts, increasing the benefits of repeat business. And while customers are saving money, new insights from customer data enables Kwik Chek to better control inventory, reduce costs and create much more effective marketing. It's a win-win situation. "The mobile experience and loyalty program create a one-to-one relationship between us and our customers," says Smartt. "Having customers' data really helps us offer them the best possible service, customized to their preferences and needs. It's really transforming the whole experience."

A fast, reliable system
Inside the store, P97's Dynamics-based RFM integrates critical systems including store inventory, POS, pin-pad systems and fuel pumps, providing better management of everything from purchasing, inventory and pricing to payments and accounting. The module also works with existing infrastructure, such as fueling site controllers, electronic payment systems and car-wash systems.

The Dynamics AX modern POS is built to work with a variety of interchangeable and low-cost mobile tablet devices. Its touch screen is based on familiar Windows technology that reduces training time and costs, enables self-serve help, and allows for faster checkout and more timely service of busy customers. "People count on us for quick transactions," says Gaddy. "They want to save time by coming to a convenience store. So reliability is core to our industry. The system also allows for rapid updates to stay current with new innovations from Microsoft, P97 and its partners."

The chain's previous technologies were extremely unreliable and inflexible. "Something as simple as a power surge could take down your store for hours and hours, if not days, depending on how far that store is from your support team," says Gaddy. That's a real kiss of death in the convenience industry.

Rapid deployment and systems monitoring are supported by Azure Service Bus and Azure Event Hubs running on the mobile commerce site software. Kwik Chek's new systems can be monitored and updated remotely, greatly reducing the number of required onsite visits to keep systems current and running. Pricing and other updates are accomplished in near real time, and bringing a new store online takes less than four hours. "It's a far more flexible solution," says Gaddy. "In terms of disaster recovery, you don't lose all of your data, because it's living in the cloud. You've got automatic software updates. It's far more secure. It's more scalable."

It's faster, too. "People who have been in this industry for a long time are flat-out amazed at how fast the P97 solution is," says Lew Bezanson, P97's chief technology officer. "Compared with using a card swipe at the pump, it's 30 to 40 percent faster to fuel your car; no more fumbling for a wallet and typing in ZIP codes. And the in-store experience is so much faster; the technology is quicker and the workflows are better."

P97 plans to roll out its solution to 5,000 locations in 2015, both for Kwik Chek and other customers in the U.S. — a major sweep it believes will signal a turning point for the convenience industry. "We think P97 has created a solution that our industry has not seen yet," says Gaddy. "With Microsoft's backing, I think this technology can really take the convenience industry by storm."

Microsoft

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