Abstract

In today’s world, the consumer is the centre of the universe. The digital-native shoppers of today want their needs met regardless of the industry, product, or service with a delightful omnichannel experience.

Oil and gas firms are not exempt from this expectation. Energy companies must look beyond their traditional business models to focus on value creation for consumers. In this context, with the growing market for electric vehicles (EVs) and other forms of sustainable fuels, hydrocarbon-based gas stations must rethink their overall revenue model to capitalise on the opportunity each customer presents and the time they spend to refuel their vehicles.
Introduction

Traditionally, oil and gas (O&G) companies have focussed primarily on exploring, producing, refining, and marketing. The biggest challenge for O&G companies is to move from this process-centric and asset-centric thinking to people-centric thinking. At the heart of this shift is value creation for today’s on-the-move customers through retail conveniences and maximum utilisation of forecourts.

To achieve this transition, O&G companies must embrace innovative modern technologies and focus on digital transformation. Artificial intelligence and data-driven insights must be at the core of the strategy to help bring about a paradigm shift in their way of doing things.

Maximizing the Potential of Fuel Forecourts

With the advent of EVs, customers will spend more time in fuel forecourts/charging stations. Consequently, energy companies are foraying into convenience and retail to capitalise on this opportunity to generate new revenue streams. Forecourt design must focus on helping customers move through the stores without any wait time. Self-service kiosks, cashier-less storefronts, and contactless payment options can be enabled with a combination of smart devices, the Internet of Things (IoT), computer vision, sensors, and artificial intelligence (AI).

Capitalising on Adjacencies

With self-service and cashless options becoming ubiquitous, consumers can get a lot accomplished while they stop to recharge their EV. The fuel forecourts of tomorrow will be a network of adjacent needs such as food, groceries, medicines, postal supplies, car services, and more.

O&G companies must invest in studying consumer patterns and getting closer to the consumer. While this is new territory for many, some O&G companies ventured into such adjacencies a while ago. For instance, a large O&G operator embarked on this journey when they introduced convenience stores and car windshield cleaning at their fuel stations for customers to use while they refuelled. Understanding local consumer shopping and buying patterns will help O&G companies put together the right collection of stores and services in their forecourts to maximise consumer footfall.

The cluster of stores in a forecourt of a bustling city will need to be different from those on long highway stretches. The needs of the same consumer in these two scenarios will vary. Studying consumer behaviour is critical to providing the right mix of services to maximise the revenue from forecourts. Forging partnerships with the relevant vendors and service providers to present the right products and services to the right customers at the right forecourt is critical.

Leveraging AI and Other Technologies

Fuel and energy companies need to move away from traditional gas station models and find new ways to reach their consumers. They must collaborate with technology companies to build digital platforms that enable suppliers to connect with customers resulting in a seamless mobility experience in forecourts as well as online.

Leveraging AI can make a significant impact in this context. Data gathering and forecourt design are not one-time activities. AI platforms should constantly produce real-time analytics that give accurate insights into consumer behaviour. Product availability, store layout, billing, and other functions must be re-examined based on AI-driven insights and corrective measures implemented at speed and scale.

Based on buying patterns and real-time visual data, AI can be used to:

- Recommend products or services that are relevant to the customer’s needs
- Monitor the condition of vehicles and recommend ancillary services such as oil change and tire retreading or replacement

Other use cases for AI in fuel forecourts include:

- AI-enabled self-service kiosks for customers to refuel their vehicles without a human attendant. This will cut down the wait time for customers while reducing workload
- Virtual assistants to help answer customer queries and direct them to the services they are looking for in the forecourt

Designing Seamless Omnichannel Transactions

O&G companies must invest in forming partnerships with other service providers to ensure a seamless experience for consumers across the forecourt. Enabling frictionless movement between fuelling stations and convenience stores, ensuring cashless transactions, and providing an engaging digital experience overall should be the key focus.

A key aspect that is often overlooked is enabling customers to move in a frictionless manner between the physical fuel station and online experiences. Today’s consumer expects to move between the physical and digital world with ease. Therefore, O&G companies must design store layouts and planograms not just for their physical forecourts, but also with the online buying experience in mind.
Conclusion

The energy market is transitioning towards a more sustainable world. O&G companies need to explore new revenue models outside the traditional hydrocarbon-based fossil fuels. Apart from catering to new low-carbon fuels, energy companies must also invest in a deeper understanding of their consumers. Customers today want hyper-personalization and instant gratification. Business models must undergo a paradigm shift by branching out into adjacent streams of revenue and experiences revolving around the consumer’s growing needs.

Future planning must consider the ability to create an ecosystem for the user where fuel is one pillar in addition to other retail conveniences. To achieve this, energy companies must establish deep collaborations with partners, invest in technology, and rely on user data and insights.

O&G enterprises must accelerate their business model transformation by forging relationships with businesses that lend service adjacencies, reimagining the ecosystem, fuelling innovation in their forecourts, and building agility and resilience for a challenging and rapidly changing future.

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