

Into the Black

Maverik's new debit/loyalty cards discount fuel and consolidate shopper incentives.

BY DEBBY GARBATO



With many of its 244 convenience stores nestled deep in the Rocky Mountains, Maverik bills itself as “Adventure’s First Stop.” Locations are decorated with three-dimensional snowboarding murals; customers can win rock climbing trips. Huge monster trucks can often be seen prowling its parking lots.

Launched February 18, Maverik’s new debit and loyalty card program aims for the same level of excitement — along with the kind of convenience a high frequency channel demands.

Like other debit and loyalty cards, Maverik’s Black Debit Card awards points, tracks shopper behavior and makes payments. But it has some unusual perks: a 6-cent-per-gallon fuel discount, matching of competitors’ fuel prices and consolidation of all of Maverik’s consumer incentives into one card. The Salt Lake City-based company is tweaking its loyalty program to tie rewards to its Isis mobile wallet, which it plans to launch in May.

Growing Usage

Maverik wants to make shopper programs more convenient while at the same time encouraging more people to use debit and loyalty cards, particularly for in-store purchasing. “Bringing incentives together increases convenience and is a global change in how we execute the rewards business,” said Ernie Harker, executive director of create for Maverik. “When I looked at what customers wanted, I found 50% of fuel customers have loyalty cards. This dropped to 10% in stores because there wasn’t enough value.”

In addition to being awarded purchase points, in-store customers can now use the Black Debit

Card to enter sweepstakes and take part in a “buy 10 get the 11th free” program. Maverik has also tied in discount programs aimed at growing select customer segments, particularly moms and teens.

Harker wants in-store loyalty card use to grow from 10% to 40%, with half a million cards activated within a year — 10% from Black Cards, the rest with its non-debit Chrome Loyalty Card. As of mid-March about 80,000 cards had been activated.

With fuel, he is hoping for a 50% participation rate — a very achievable goal. Shoppers are so sensitive about fuel pricing these days that within 10 days of the Black Card’s launch, an impressive 50,000 cards were activated at a rate of 230 per hour, said Harker. Overall, Harker expects to grow the fuel business 10% to 15% via new customers and by gaining an additional monthly fill-up from existing customers.

A nice perk: Increased debit card use will alleviate high credit card transaction fees for Maverik. The savings on credit card swipe fees (averaging 2% to 3% per transaction) will pay for fuel discounts, said Harker. At 22 cents, debit card fees are more palatable.



A Prize-Winning Card

With the Black Debit Card, customers earn one Trail Point for every gallon of fuel purchased and two for every dollar spent in stores (the Chrome Card awards one Trail Point per gallon and one point per dollar). Points are tripled on Tuesdays. Shoppers do not have to present a card to earn points, just give their phone number. Points can be redeemed for gift cards, which can be used to buy merchandise, enter sweepstakes or purchase Maverik hats and T-shirts. They can also be donated as cash to assorted charities.

The Black Card is linked to Maverik's existing Punch-It! program. Originally a paper system, Punch-It! went virtual when Black Card launched. Under Punch It!, Black card shoppers can buy 10 and get one free in categories such as fountain drinks, frozen yogurt and hot beverages.

Early this year, Maverik replaced its vendors' text-to-win programs with weekly drawings. Consumers win prizes like the M&M Playstation or a TV from Bud Lite. Now, Black and Chrome cardholders can use their accumulated points to enter these drawings

Increased Black Debit Card use will alleviate high credit card swipe fees for Maverik.

when they buy one of these suppliers' products (non-card holders can enter by sending a self-addressed, stamped postcard). "The weekly sweepstakes is much less costly than texting," said Harker.

Consumer Insights

In April, Maverik linked the Black Card to Maverik Underground, an existing program aimed at growing its mom and young adult shopper groups. During certain periods, various items are offered as "buy one, get one free."

While these two groups are small, they are valuable. Moms' purchases, for example, average \$6 per visit. "The card will give us an idea of what moms like," said Harker. "Bubba is still our largest customer. He spends about \$5

per visit and comes several times daily. But we're happy with Bubba and want to grow other segments."

Black and Chrome cards are tied to Maverik's POS system and the data collected can be used to better merchandise stores and target marketing to shopper segments. While many large CPG suppliers have extensive data on top selling beer brands, for example, information is not specific to every store, said Harker. "We want to know who's buying and under what circumstances," said Harker. "Vendors say what's selling, but this isn't necessarily what Maverik customers are buying."

Maverik will add smart couponing to its Chrome and Black cards this summer. The sampling program involves analyzing purchasing data from the past 90 days. Shoppers are sent coupons for free samples of something they've never bought and must redeem the coupons within 24 hours. "We can see if they've tried our Bonfire salad," said Harker. "If not, we can load that offer onto the account."

If the customer does not use the coupon immediately, Maverik will make two more attempts to attract them. After three rejections, it automatically



Maverik's Black Debit Card awards points, tracks shopper behavior and makes payments; it also offers a 6-cent-per-gallon fuel discount, matching of competitors' fuel prices and consolidation of all of Maverik's consumer incentives into one card.



Smart couponing attached to Black and Chrome cards analyzes purchasing data from the past 90 days. Shoppers are sent coupons for free samples of something they've never bought and must redeem within 24 hours. If not, another offer is tested.

moves the person to another category. "We decide they don't like salads and we put them on the salad 'black list,'" added Harker. "Then, we'll try the same strategy with, say, a cookie. When the Smart Coupon is redeemed, we can see if they have become a repeat buyer of the product. This is a smart way to get pattern buyers to try something. I spend tons of money on billboards, radio and TV to promote Maverik — I'd rather just buy them a salad."

Reaching a Broad Spectrum

Maverik assembled its unique, customized program in-house rather than through an outside provider. "This is so different than what competitors do in loyalty programs," said Harker. "It was a little more expensive to do it in house. But it doesn't do us any good to have a program that doesn't fit."

Maverik offers the Black Card as both plastic swipe and phone number-activated virtual cards, which can be obtained online or via Maverik's mobile app. Shoppers supply bank account and routing numbers; secondary cards can be added.

Consumers keep track of their points by checking the bottom of paper receipts or going online or via the app.

"We reach a broad spectrum," said Harker. "We must excite Bubba, the old dude, teenagers and mom."

Aiming big, Maverik advertised the Black Card on local TV during the Superbowl. The retailer also promoted it via billboards in all markets and on its website. At the point of purchase, it is using pole signs, pump toppers, in-

store radio and counter stands to raise awareness of the program. Employees wear buttons touting the initiative. Harker hopes to announce sweep-stake prizes and winners on social media platforms. "We're hitting it pretty hard," he added.

Today, while consumers earn points from both cards, discounts earned by the Black or Chrome cards only apply to fuel. While the discounts might eventually apply to store merchandise, fuel is a destination purchase that drives store traffic so the focus is on that category — for now.

"The most important thing on their mind is fuel," said Harker. "If we can win customers with fuel by building confidence that we have the best deal, they'll most likely buy beer at Maverik. It doesn't mean we won't look at other areas — there's many things we've yet to scratch the surface on." **NACS**

Debby Garbato, former chief editor of several trade publications, is an independent business journalist and research analyst who has covered retail for 25 years. She can be reached at dgarbatocheers@aol.com.

A Chrome Finish or Black and Sleek?

CHROME CARD BENEFITS

- One Trail Point for every gallon of fuel purchased
- One Trail Point for every dollar spent in stores
- Two cents off every gallon of fuel purchased

BLACK DEBIT CARD BENEFITS

- Functions as debit card when making purchases at Maverik
- Six cent per gallon fuel discount
- Awards two Trail Points for every dollar spent in stores (except gift cards, lottery, tobacco and alcohol)
- Rewards portion will be tied to Isis mobile wallet program (spring launch)



BOTH CARDS:

- Awards one Trail Point for every gallon of fuel purchased
- Replaces cardboard Punch It! card in buy-10-get-one-free programs
- Automatically enrolls shoppers in vendor sweepstakes
- Linked to Maverik Underground, an incentive aimed at mom and teen shoppers
- Will be tied to smart couponing, a free sampling program that encourages shoppers to try new items (summer)