

### The Road to Revenue and Rewards with Ackroo

In 1972 Mr. Gas Limited was among the first independent gasoline retail companies to compete in the Ottawa market. Mr. Gas Limited was established by Louis Philippe Gagnon and his two sons, Andre and Phil. Up until this time the Ottawa market had been dominated by major oil companies and their offbrand marketers. In 1973 the company established their head office in Orleans, Ontario and has been there ever since. Now over 40 years old with 24 locations and growing, Mr. Gas Limited is solidly established in the communities it serves throughout Eastern and Northern

#### Challenges & Objectives:

1. To improve the current gift card program in place to:
  - Increase the volume purchased
  - Better support their growing marketing needs
  - Reduce the overall cost to operate
2. To add a rewards program in order to:
  - Compete and differentiate with major and independent gasoline retailers
  - Drive more repeat visits
  - Increase the value spent per customer visit
  - Drive behaviours and gain valuable insight into their customers
  - Incent at least 25% of customers that come 80% of the time to visit 100% of the time
  - Attract new customers to increase overall customer base and revenues
3. Find a solution that fully integrates to their Infonet Point of Sale solution for operational, reporting, and settlement purposes.



#### Solution:

Via Ackroo’s API, their solution integrates directly with Mr. Gas’ Infonet POS solution providing one platform to manage gift card, loyalty and time based promotions.

Ackroo provided a Mr. Gas branded webs interface for customers to log onto the Mr. Gas website to check, transfer, and reload their gift card and rewards balances.

- Ackroo provided a program console that allows Mr. Gas to:
- Access real-time reporting data for marketing and reconciliation purposes
  - Make program admin changes
  - Modify rewards schemes and timing on the fly
  - Void and correct transactions
  - Set future reward campaigns
  - View a dashboard of important analytics on all aspects of their programs

#### Program Details:

Program launch:	May 4, 2015	0.005/L	Regular Gasoline/Diesel Fuel
Number of locations:	23	0.01/L	Mid Grade Gasoline
Radio/advertising budget May 2017:	\$50,000	0.015/L	Premium Gasoline
Cards in circulation as of May 29, 2017:	65,720	2.50%	Convenience items (except Lottery and Tobacco)
Cards registered as of May 29, 2017:	12,579	10%	Car Wash

- No purchase limits
- No redemption limits

Members accumulate Cash Rewards and are able to redeem their cash rewards once their card has been registered. Cash Rewards may be accumulated even if card is not yet registered.



## Program Statistics:

Activity								
	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017
# of Loyalty Customers	13,970	19,971	26,116	31,504	39,535	47,986	55,552	62,221
# of Loyalty Cards w/Transactions	13,970	14,281	16,767	16,819	21,238	23,869	24,402	24,439
% of Active Customers	100%	72%	64%	53%	54%	50%	44%	39%
Sales increase over previous year*								
	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017
Gasoline	8.07%	10.75%	15.57%	3.18%	13.76%	6.46%	4.72%	6.78%
C-Store	11.53%	13.92%	20.39%	12.58%	10.16%	11.92%	5.17%	7.28%
Car Wash	16.16%	1.93%	18.64%	-37.63%	7.79%	-2.76%	-24.41%	-14.23%
% of Sales with Loyalty								
	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017
Gasoline	10.06%	15.91%	18.98%	20.86%	20.55%	22.79%	27.08%	27.78%
C-Store	2.86%	4.08%	5.14%	6.08%	6.81%	8.26%	9.94%	11.29%
Car Wash	8.89%	13.30%	13.78%	15.30%	20.39%	25.90%	29.08%	28.99%
Transactions								
	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017
Non-Loyalty Customers	884,319	917,784	801,107	731,021	906,085	910,045	778,642	744,734
Loyalty Customers	55,402	89,518	99,642	101,302	123,342	140,810	149,286	152,070
Participation	5.90%	8.89%	11.06%	12.17%	11.98%	13.40%	16.09%	16.96%
Avg Transaction / Loyalty Customer	3.97	6.27	5.94	6.02	5.81	5.90	6.12	6.22
Average Basket Size								
	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017
Non-Loyalty Customers	\$28.84	\$28.29	\$27.15	\$25.21	\$26.61	\$25.87	\$27.09	\$27.40
Loyalty Customers	\$44.75	\$46.13	\$43.17	\$39.65	\$42.10	\$40.94	\$42.62	\$42.77
Variance	\$15.91	\$17.84	\$16.02	\$14.44	\$15.49	\$15.07	\$15.53	\$15.37
Reward Totals								
	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017
Total Loyalty \$ Rewarded	\$33,379	\$44,368	\$35,355	\$29,728	\$46,207	\$60,223	\$63,868	\$49,316
Total Loyalty \$ Redeemed	\$1,025	\$5,866	\$7,764	\$9,094	\$12,848	\$16,670	\$24,280	\$26,202

\*Many factors other than the loyalty program could have affected the sales increase.

## Program Results:

Almost two years after implementing Ackroo's gift card and loyalty solution, Mr. Gas has achieved significant benefits in terms of the customer experience and bottom line results:

- Sales increased YOY by 8.66% in gas and 11.62% in the C-store
- Average basket size for loyalty customers is \$15.71 more than non-loyalty customers (58% lift)
- Membership has almost doubled within the last year
- Percent of sales and average transactions made by Loyalty members is continuously climbing quarter over quarter
- 16% of all transactions were from loyalty customers
- Loyalty members have redeemed \$123k of \$409k funded