

## Case Study

# Replatforming Texaco Star Rewards for enhanced engagement and loyalty

Valero Energy Corporation is the world's largest independent petroleum refiner, international distributor and marketer of transportation fuels, and owner of the Texaco brand in the UK.

Texaco Star Rewards is currently offered at over 800 sites in the UK and Ireland, providing customers with reward points in exchange for litres of fuel purchased, which can then be redeemed for gift vouchers from a range of popular retailers.



## The Challenge: Driving change and preparing for the future

Whilst fuel is a necessary product, it isn't really seen as an exciting purchase. As such, it can be challenging to inspire enthusiasm amongst motorists for one brand over another.

As drivers we tend to fill-up whenever we get low on fuel, no matter whose branding is on the forecourt. Many people don't even check the price at the pump. The resulting challenge – and opportunity – for fuel retailers is how to build loyalty with consumers, for what is essentially considered to be a low-interest commodity product.

Against that backdrop, Texaco competitors weren't standing still in the mission to acquire brand advocacy, influence consumer behaviour and grow 'share of wallet'.

Valero recognised that in order to win emotional loyalty, Star Rewards would need to become more relevant and compelling as a consumer proposition for the digital age. Ability to innovate, to personalise the brand experience and mitigate risk of competitive pressure, would increasingly become an essential factor to long-term success.

It was time to invest in the future. Valero embarked on a competitive tendering process in 2017, ultimately selecting HTK to provide the Horizon platform and hands-on client services to drive forward Star Rewards.

The approach would require improved data analytics to enable personalised real-time experiences on the forecourt, in the shop, and through all digital brand assets including a new mobile app.



Digital transformation was at the heart of the Texaco strategy. Star Rewards was based around a tried-and-tested mechanic of earning points for litres of fuel purchased – offering the most generous rate in the market – but points could only be redeemed through paper vouchers. This was cumbersome for both customers and staff, resulting in relatively low adoption.

It's often said that "there's no loyalty without redemption", so things needed to change. A contactless and truly 'mobile-first' strategy was developed, where – rather than swiping plastic – customers could download a digital Star Rewards card to their device wallet, allowing them to 'tap' the payment terminal for instant points earning and redemption of digital fuel vouchers.

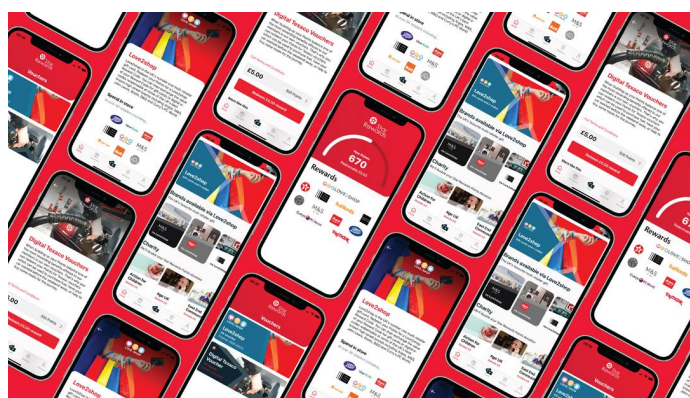
HTK worked with Valero's chosen mobile app developer to enable personalised in-app content and push notifications – all driven by Horizon – to lay the foundations for a seamless, frictionless, real-time and channel-agnostic brand experience.

Now it was time to turn attention to data, to maximise customer engagement and boost sales. Using a combination of geospatial location data, behavioural analytics and RFM modelling, a comprehensive CRM plan was put in place to encourage app downloads and drive personalised offers.

So what does the future have in store for Texaco Star Rewards?

As a business, Valero supplies wholesale fuel and doesn't own or operate Texaco-branded forecourts. However, Valero *thinks* like a retailer and is determined to provide maximum value to its retail partners through success of the Star Rewards program to acquire, grow and retain customers.

Future plans may include Horizon-powered tools for owners and operators to create and deliver their own local offers. One thing is for sure – the loyalty landscape is changing, and Valero is at the forefront of innovation to create a 'win win' for consumers and sites who choose Texaco.



**Justin Bowser**

Chief Operating Officer, HTK

**HTK**

*"The loyalty landscape is changing and that means that generic, transactional programs are no longer as effective. Texaco needed to shift their program to create emotional loyalty and deeper, more valuable customer relationships."*

*"We're thrilled to be working with a globally-recognised brand like Texaco, to deliver highly personalised and real-time experiences to their customers across the UK and Ireland."*

## Solution Focus: Horizon

Horizon is a cloud (enterprise SaaS) platform that offers integrated modules for customer data management, CRM and marketing automation, advanced analytics and loyalty program management – including personalised offers.

Horizon leverages a real-time transaction engine that will apply personalised offers based on any information known about the customer, their location and the basket contents, right down to individual line items.

Valero uses Horizon to incentivise mobile app usage, purchase of premium fuels and more – leveraging data insights from Horizon AutoPilot to target the right customers and measure the return on investment.



## The Results: A successful partnership that continues to drive results

- Migrated the existing loyalty scheme, Texaco Star Rewards (over 800,000 members) to the HTK Horizon platform, ensuring a seamless transition.
- Delivered a capability for real-time points issuance and redemption, integrated with the Ingenico payment terminals at around 800 sites.
- Supported a roadmap of innovation, including the introduction of a fully digital ("mobile first") and contactless loyalty program strategy.

**Stuart McBride, Brand Marketing Manager at Valero says:**

*"Texaco has seen loyalty increase to the point where we can see customers will now buy a small quantity of petrol at a competitor just to keep them going until they can get to a Texaco forecourt to fill up. Some people in our database, such as small businesses, are going out of their way to come back to our forecourts to redeem their loyalty points".*



Get in touch today to discuss the challenges you're looking to solve and schedule an online demo.

Just send a message to

[hello@htk.co.uk](mailto:hello@htk.co.uk)