



PAYING AT THE

PUMP

Report

WHAT DRIVES MOBILE ADOPTION

PYMNTS.com



57.4%

of respondents listed saving money is **the main reason** they use mobile apps while paying for gas.

5.9%

of respondents consider having the ability to pay for gas using an app to be **"very" or "extremely"** important.

47.0%

of High Income Millennials said **mobile app data theft** was the top factor discouraging their use.

JULY 2018

PAYING AT THE PUMP Report

ACKNOWLEDGMENT

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EXECUTIVE

SUMMARY



From ridesharing to parking, the smartphone has proven itself to be a powerfully disruptive tool in the transportation market.

Consumers using ridesharing services like Uber and Lyft can use smartphones to summon vehicles to their exact locations, share their destinations and make payments when their rides are completed. Drivers, meanwhile, can quickly find passengers and receive payments for their time behind the wheel.

Smartphones have also [altered](#) the ways motorists pay for and monitor parking meters. Instead of fishing for change tucked into their car seats, they simply find a parking spot on a mobile app and tap a button to pay for or add more time to the meter's clock.

While smartphones and apps have dramatically changed how consumers access rides or pay for

parking, very few use them to pay for gas at the pump — a costly missed revenue opportunity for gas stations. PYMNTS' [Digital Drive Report™](#) found 39 percent of commuters used apps to find and occasionally pay for gas, influencing the annual purchase of \$59.6 billion in fuel.

So, what's keeping mobile apps' adoption stuck in neutral? To answer that question, we asked 10,049 mobile-using consumers about their gas-buying habits. Roughly half had used a mobile device for gas-related purchases, including shopping for the most competitive price, locating the closest station and getting directions to a pump.

The PYMNTS Consumer Pulse Survey™, in collaboration with GasBuddy, explores consumers' mobile app priorities, at-the-pump payment preferences and the barriers to broader mobile payments adoption.

The Driving Force

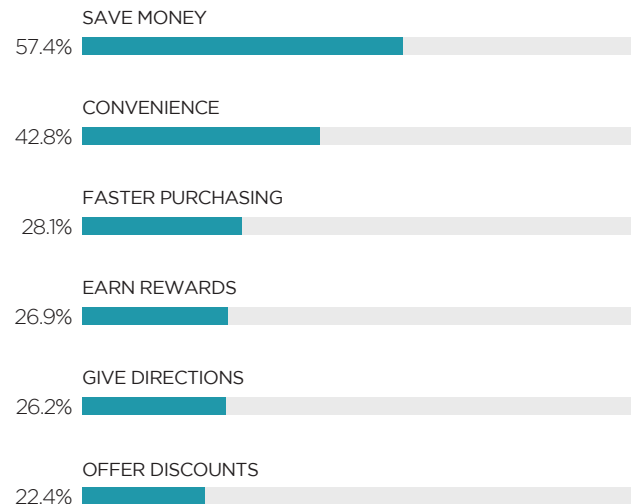
Behind Consumers' Mobile App Usage For Gas Purchases

Our surveyed consumers made it clear: Their top concerns for mobile apps at the gas pump are cost, convenience, checkout speeds and loyalty rewards.

As seen in Figure 1, 57.4 percent of mobile app users cited saving money as their primary reason for tapping into mobile apps to pay for gas. Convenience came in second, followed by a faster purchasing experience and collecting loyalty rewards for their purchases. Getting directions and accessing discounts were less frequently listed.

That said, who are the consumers most likely to use mobile apps at the gas pump? They tend to be in their early 40s, according to our survey's results, earn higher incomes and are more likely to be educated. In fact, 37 percent of the sample held a college degree and earned approximately \$65,000 per year, on average.

FIGURE 1: Factors motivating consumers to use apps for gas purchases
The mobile app benefits with the most appeal for survey respondents



ONLY
22.4%
of respondents said
they use mobile apps
to find discounts while
gas shopping.

Priorities

When Making Mobile App Gas Payments

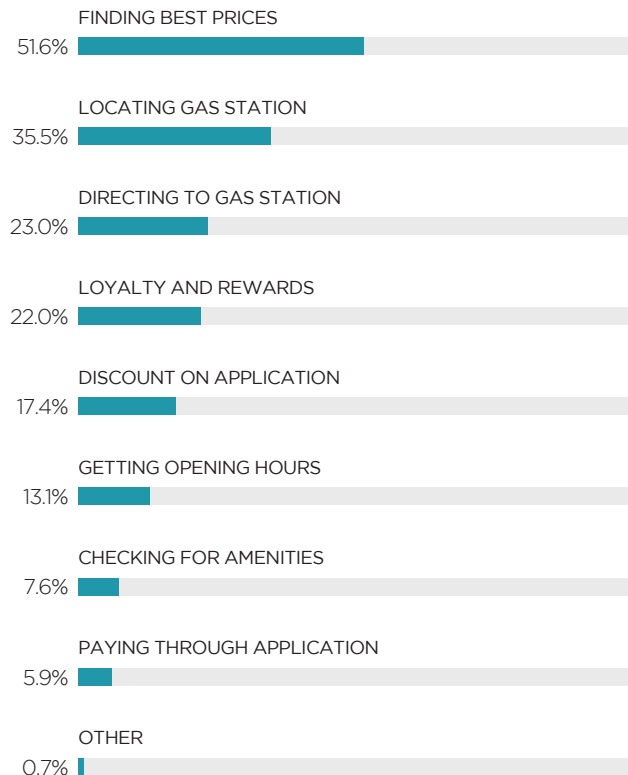
Consumers may use gas-related apps to compare gas prices, find nearby stations and get directions, among other purposes, but using them to make payments is not a top priority – at least not right now.

Of those who used that feature, only 6 percent consider having the ability to use a mobile app to pay for gas to be “very” or “extremely” important, indicating some issues with adoption (at least, compared to the importance given to other features, such as finding the best prices, locating a station or getting directions).

From this analysis, it appears most consumers are creatures of habit, preferring to buy gas at the pump with more widely established payment methods like credit cards, debit cards and cash.

Consumers are considerably more likely to use mobile apps for research than to pay for gas, according to PYMNTS’ analysis. Most, 81.2 percent, consider the ability to shop for the best prices to be a “very” or “extremely” important mobile app feature, as are locating a gas station and getting directions.

FIGURE 2: Top features for gas mobile apps
Mobile app functionalities that matter most to consumers



Shifting Consumer Attitudes

A small group makes payments with a mobile app, and even fewer consider it to be a “very” or “extremely” important feature, potentially suggesting that consumer attitudes could be a significant barrier to their widespread usage for gas payments.

PYMNTS found consumers are essentially evenly split on whether they want to incorporate mobile apps into their gas purchasing transactions. Slightly less than half (49.4 percent) said they used apps in some way to make gas purchases. The use cases for those who used apps included finding competitive prices, locating stations, getting directions and determining if loyalty programs were available.

Those who used mobile apps for gas-related purchases tended to be younger, earned higher salaries and were more likely to hold a college degree compared to non-users. The group earned an annual salary of \$65,000 and its average age was 42. Non-users, on the other hand, had an average age of 49, earned an average of \$61,000 annually and, at 31 percent, were slightly less likely to hold a college degree.



Building

An App Consumers Want

A mobile app must offer the benefits consumers value most if they're going to consider using it more frequently for their purchases. This is where cost, convenience, speed and loyalty come back into play.

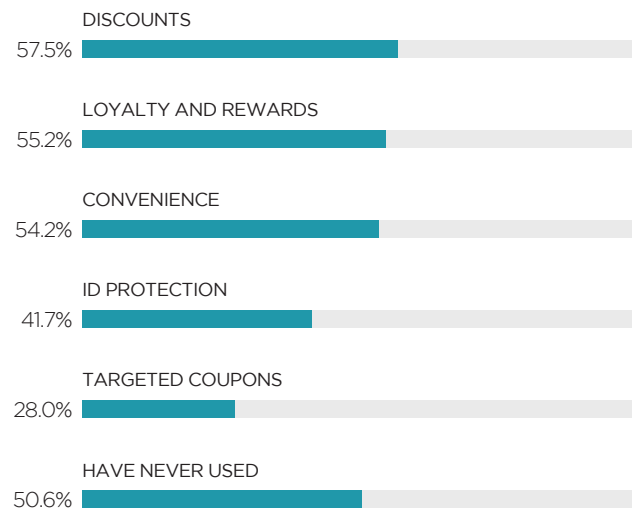
Mobile apps that save on the cost of gas could see greater adoption, as 57.5 percent of surveyed consumers cited price discounts as a top priority when using one. Recognizing them for their loyalty is also likely to go a long way toward keeping customers coming back to gas stations, and they listed convenience as the third-most important factor.

This insight indicates consumers expect mobile app usage to lead to future financial incentives if they continue using them. Loyalty rewards' availability could pave the way for more consumers to use mobile apps for their gas station purchases, a fact that appears to be independent of demographic factors.

Of all the attributes motivating consumers to use apps, loyalty stands out as the most valued. PYMNTS found 61 percent of gas-app users were encouraged by loyalty, compared to 49 percent of those not using gas apps. Sixty percent of those using gas apps named convenience as their top motivation, as did 48 percent of non-users, and 45 percent valued "better protection of personal data" compared to 38 percent for those not using gas apps.

FIGURE 3: Factors that encourage greater app usage

How respondents prioritize discounts, loyalty and rewards, convenience, ID protection and targeted coupons in mobile apps



57.5%
of respondents
cited discounts as
the top factor that
encourages them
to continue using
an app for
gas purchases.

The Long Tail

Of Mobile Apps

Consumers have a wide range of mobile app options for gas-related purchases, but one stood out. GasBuddy was the most commonly used gas payment app, with 38.7 percent of surveyed respondents saying they used it for gas payments.

Consumers used several other apps, too, albeit at a lower rate, as outlined in Figure 4. Google Maps, Shell Fuel Rewards and Waze were among the most common for gas purchases, as were popular brand names like Mobile, Yelp, Cumberland Farms, Chevron, Costco and a long list of others, as seen in Table 1.

FIGURE 4: Most commonly used gas apps

The most popular mobile apps among respondents

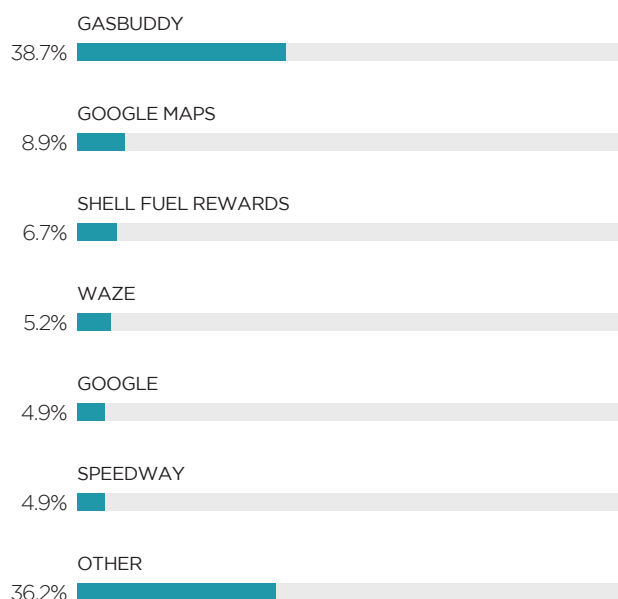


TABLE 1: Other apps popular with consumers

The long tail of gas-related mobile apps among respondents

OTHER APPLICATIONS							
ARCO	0.6%	Thorntons	0.8%	BPme	1.0%	Kroger	2.0%
CITGO	0.6%	Costco	0.9%	Sheetz	1.3%	Yelp	2.1%
AAA TripTik	0.6%	RaceTrac	1.0%	Safeway	1.3%	Kwik Trip	2.2%
Fred Meyers	0.6%	Apple Maps	1.1%	Chevron	1.6%	ExxonMobil	2.2%
Hy-Vee	0.6%	Gas Finder	1.1%	QuikTrip	1.6%	Gas Guru	2.2%
Price	0.6%	Walmart	1.1%	Cumberland Farms	1.7%	Mobile Gas	2.8%
SmartPay	0.6%	Apple Pay	1.2%	Wawa	1.7%		
Sunoco	0.6%	MapQuest	1.2%	7-Eleven	1.8%		
Circle K	0.8%	Plenti	1.0%	Gas App	1.8%		

Most Popular Apps

For Gas Purchases

Consumers' low interest in using mobile apps for gas purchases parallels a broader pattern in mobile wallet adoption. PYMNTS' most recent [analysis](#) indicates adoption is still relatively low among brands like Apple Pay, Walmart, Android Pay and Samsung Pay. This low usage appears to mirror that of mobile apps to pay for gas, used by fewer than 5 percent of respondents.

Some apps and mobile wallets were more widely used to complete an at-the-pump gasoline purchase than others. The most popular among those who used mobile apps for gas was Shell Oil's Fuel Rewards, used by 40.6 percent of people who use mobile apps to make gas

purchases. Google Pay (37.9 percent) and Apple Pay (33.3 percent) were also popular.

A closer examination of how consumers use Apple and Google's mobile wallets indicates a stronger likelihood of usage for both gas and non-gas purchases. Our analysis found that 21 percent of those who use Apple Pay and 17 percent who use Google Pay to pay for gas purchases also use the payment methods to pay for non-gas purchases.

Upside- and Apple Pay-wielding consumers also stood apart in terms of income. Apple Pay's had the highest annual incomes at \$82,000, on average, while Upside's earned an average of \$72,000 annually.



In Search Of An App

So Consumers Can Pay At The Pump

The question of what it takes to win consumers over persists in every industry. For gas station patrons, the answer is simple: Make it easy for them to pay for both gas and purchases at abutting convenience stores and quick service restaurants (QSRs).

PYMNTS asked consumers how a new and improved mobile app would impact their gas station shopping experiences. As it turns out, they want the ability to enter convenience stores or QSRs, pick up their orders and leave, having already completed their entire purchases from inside the app.

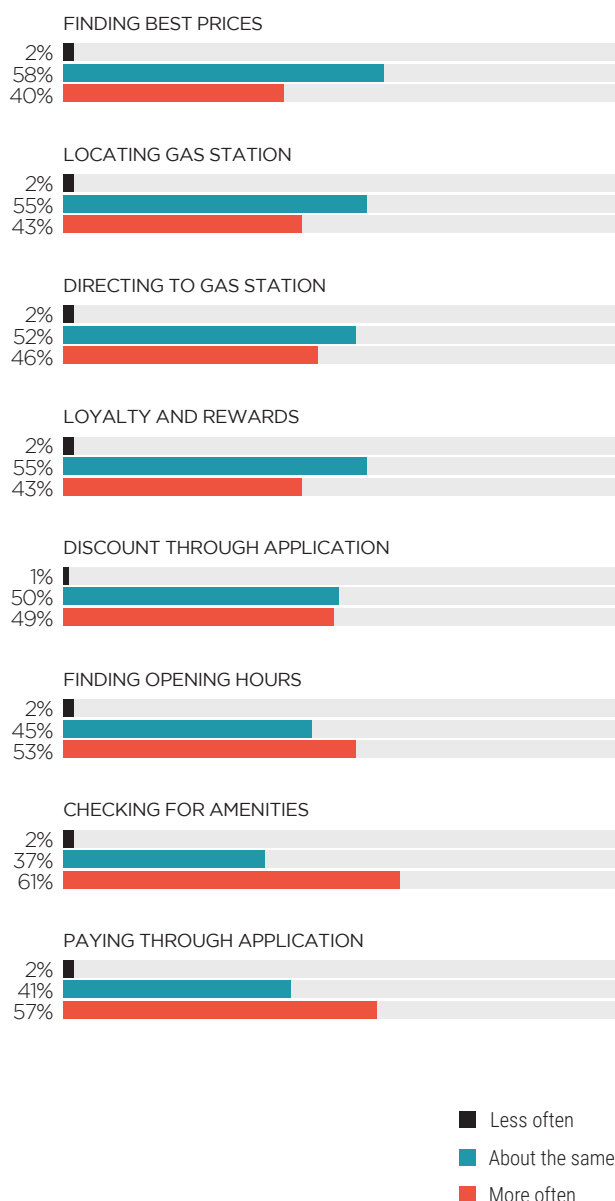
Offering this type of functionality in a gas station's app could have a noticeable impact among consumers who already use mobile apps for their gas purchases. More than one-quarter (27.6 percent) of surveyed consumers said they would visit a gas station more often if a mobile app offered this type of functionality, and 69.5 percent would visit the gas station with roughly the same level of frequency.

The availability of an upgraded mobile app could also have far-reaching implications among consumers who already use them at gas stations. Fifty-seven percent of current mobile app users indicated their visits to gas stations would likely increase if a mobile app with greater functionality became available.

PYMNTS' research further highlights how additional mobile app functionality could change

FIGURE 5: Consumer app usage insights

How mobile apps would change change consumers' gas shopping experiences



the ways consumers engage with a gas station across multiple purposes. Current mobile app users said they would use the upgraded app more frequently to search for amenities (61 percent), learn the gas station's operating hours (53 percent), receive price discounts (49 percent) and get directions to a gas station (46 percent), among other use cases.

Some companies are already experimenting with helping customers combine their gas and convenience store shopping needs. In-vehicle payment solutions firm Verdeva recently [launched](#) a pilot program called PayByCar. It taps into a network of electronic toll transponders currently in use by roughly 35 million cars, helping motorists more conveniently pay for gas and other items at the gas station.

Mobile Apps And Non-Gas Purchases

Fears of data theft are not just impacting consumers' usage of mobile apps for gas-related purchases. Our research found that data security concerns also deter consumers from making non-gas purchases.

Approximately 45 percent of respondents do not use apps for non-gas purchases. Breaking this group down further, 41.7 percent who do not use apps for non-gas purchases avoid using them because of data security concerns. On a similar note, 27.6 percent of non-app users said they did not want to share their information with app companies, and 21.8 percent did not want to learn how to use apps for purchases.

PYMNTS' research also found that stronger usage of apps to make gas purchases translates

to a higher rate of mobile app-related non-gas purchases. Fifty-seven percent of respondents who report using mobile apps to pay for gas also use apps to buy groceries and fast food.

Which non-gas items are consumers buying with mobile apps? Their self-reported top non-gas purchases were grocery products (28.2 percent), QSR or fast food orders (25.3 percent), hotels (21.1 percent), household bills (20 percent) and travel-related purchases (19 percent). Non-app users tend to skew older, with an average age of 51. Income and education were also lower than those of app users, a sign that app adoption for gas and other purchases is more likely to catch on with younger, more educated consumers who earn higher incomes.

Little Room

For Change For Non-Users Of Mobile Apps

There are several reasons consumers do not use mobile apps during their gas purchases, and key among them is a lack of awareness.

Nearly half (49.7 percent) of our survey respondents are unaware of apps that can be used to make gas purchases, suggesting app developers and gas stations, themselves, could do more to raise awareness and boost adoption.

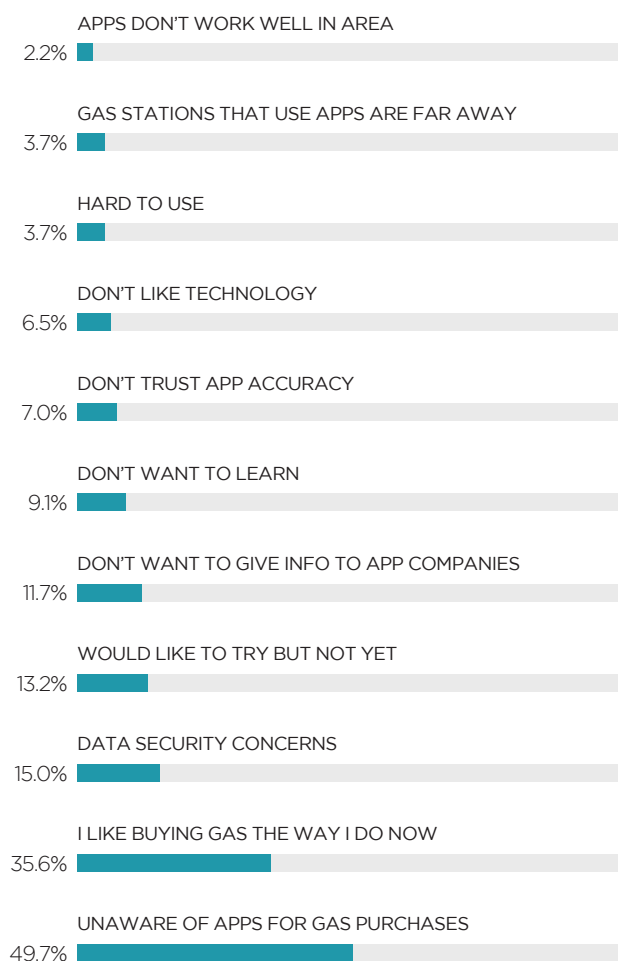
A lack of awareness is the not the only factor influencing consumers' non-usage at the gas pump, however. Roughly one-third said they preferred their current payment method, others voiced concerns about data security and still others said they do not want to share personal information with app companies.

The survey also found privacy and technology security concerns to be significant barriers to mobile app adoption, at the gas pump and elsewhere. More than half (54.5 percent) of non-users said data theft concerns were the top factor discouraging them from using any type of app for a purchase. Non-users were discouraged by concerns over money theft.

A broader pattern of consistency is apparent among non-users of mobile apps for gas purchases — namely, 62 percent of this group generally does not use mobile apps to make payments of any kind. More than 13 percent of these consumers said they'd be willing to use mobile gas apps in the future, though.

Consumers who are willing to try to use apps to pay for gas are younger than other non-users, with an average age of 47. The data suggests there is room to make inroads with mobile app adoption among a small group of younger consumers.

FIGURE 6: Why consumers do not use mobile apps for gas purchases
Top mobile app deterrents among respondents



How Non-Gas Mobile Apps Are Used

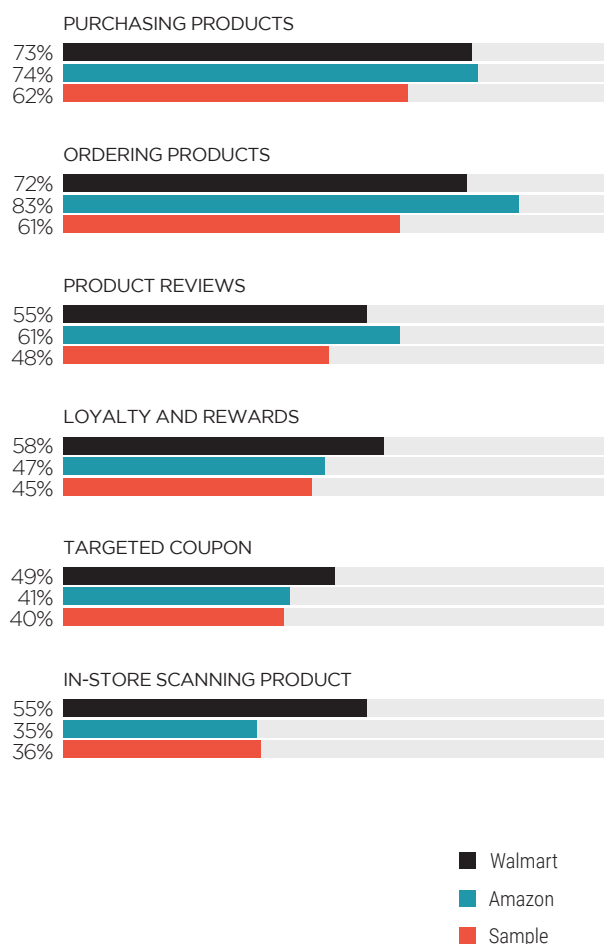
If developers want to better understand how mobile apps could be used at the pump, they might be well-advised to gain insights into how consumers use apps for non-gas purchases. Among the mobile apps designed for non-gas purchases, two big names stand out from the pack: Amazon and Walmart.

These two mega-retail apps took the top two spots among the 20 most commonly used for non-gas purchases. Amazon held the lead with 37.7 percent of consumers, and Walmart was second with 13.4 percent. All other apps in the list had a single-digit percentage ranking: eBay (9.6 percent), Target (7.7 percent) and PayPal (7.4 percent).

The most common usage of non-gas mobile apps was to pay for non-gas products, the top reason the general sample cited for using them. Amazon and Walmart mobile app users used these apps to make purchases at a higher rate than the sample average, coming in at 74 percent and 73 percent, respectively.

Like users of mobile apps for gas purchases, those of both retailers' apps value similar benefits more than others. Users of Walmart's app highly valued loyalty credits and rewards. Fifty-eight percent of Walmart app users highly valued loyalty credits and rewards, compared to 45.4 percent of the general sample. On the other hand, Amazon's apps' users are more focused on ordering products and product review information.

FIGURE 7: How consumers use non-gas apps
Functionality that respondents value in app-based commerce





In terms of demographics, users of both apps were similar in age, at 41, compared to the general sample that had an average of 46. This indicates younger consumers might be a factor in terms of how they prefer to use their mobile apps.

On the other hand, income could motivate them to prefer certain mobile app features over others. PYMNTS found that Walmart's users earned a lower income of \$58,000 per year, below the sample average of \$63,000 and the Amazon average of \$68,000.

This difference in incomes could point to a correlation between Walmart mobile app users' interest in rewards and loyalty credits, and a higher emphasis on loyalty among consumers who use apps to pay for gas. In other words, consumers who earn lower incomes might be more motivated to seek financial incentives

for their purchases — whether gas or non-gas products.

The analysis serves to highlight the elements of mobile shopping that are of top importance for consumers using apps during their shopping process and to complete purchases. Developers looking to lure consumers to gas pumps should note that these factors are likely to be top priorities.

While just 5 percent of consumers are using apps to pay for gas, usage of mobile apps for this purpose is higher among the younger ones. This rate could increase as this consumer base ages and gains a larger share of the purchasing influence. Gas stations that are prepared to meet this group's mobile shopping expectations are more likely to find them doing business at their pumps.



DEEP DIVE:

LURING HIGH INCOME MILLENNIALS
TO THE GAS PUMP



Convenience, cost, speed and loyalty are the top mobile app payment priorities of all consumers when paying for gas. A segment of consumers is more likely than the rest to use mobile apps to pay for gas, though, and is therefore well-positioned to wield considerable purchasing influence over the market: High Income Millennials.

Who are High Income Millennials? These consumers were born between 1978 and 1995, earn incomes that fall in the range of \$75,000 to \$150,000 per year and are more likely to have a college degree.

In our analysis, we zeroed in on how High Income Millennials' gas buying habits compared to the sample, formed by the rest of the surveyed consumers who could not be considered High Income Millennials. High Income Millennials accounted for 7 percent of the sample.

At 33, High Income Millennials were considerably younger than the average age of the sample (47), and are also more likely to earn higher salaries. The average annual income for the rest of the sample was \$59,800, but High Income Millennials boasted a higher average of \$103,600.

In terms of education, High Income Millennials were more than twice as likely to hold college degrees. While roughly 31 percent of the sample held a college degree, the rate was 65 percent among High Income Millennials.

While High Income Millennials accounted for just 7 percent of the entire sample, their purchasing power warrants special attention. Because High Income Millennials are younger than average, their opinions and spending habits regarding gas purchasing are likely to play a strong role in shaping how gas pump retail locations appeal to consumers in the coming years.

The Mobile App Features

That Matter To High Income Millennials

One factor that points to the influence High Income Millennials could have on how consumers purchase gas is the frequency with which this group currently does so.

PYMNTS found High Income Millennials are more likely to visit the gas pump at a higher rate than the sample. Sixty-five percent of High Income Millennials made at least one gas purchase per week, compared to 58 percent of the sample. Meanwhile, 11 percent of High Income Millennials bought gas at least once per day compared to 7 percent of the latter.

Mobile apps also play a strong role in how High Income Millennials buy their gas. Half of those

surveyed said roughly 75 percent of their gas purchases were made using mobile apps in the past three months. Just under one-third (32 percent) of the sample group said the same.

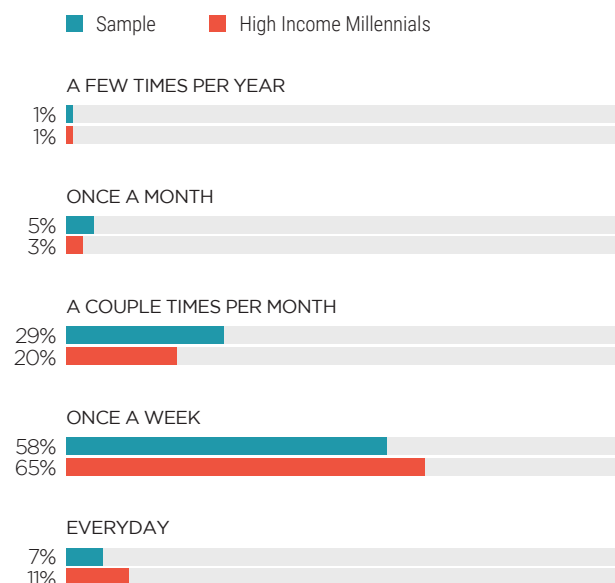
It's worth noting that a higher share of the sample (24 percent) said 90 percent of their gas purchases were made using mobile apps, compared to just 12 percent of High Income Millennials. This finding may indicate they are not the only consumers who are inclined to use mobile apps for their gas purchases.

When it comes to using apps to assist with their gas purchases, High Income Millennials are more likely to use a mobile app. Only one-third said they did not use a mobile app to make gas-



FIGURE 8: Frequency of gas purchases

How often High Income Millennials and other consumers buy gas



Half of all surveyed
High Income Millennials
 said approximately

74%
 of their gas purchases were
 made using mobile apps

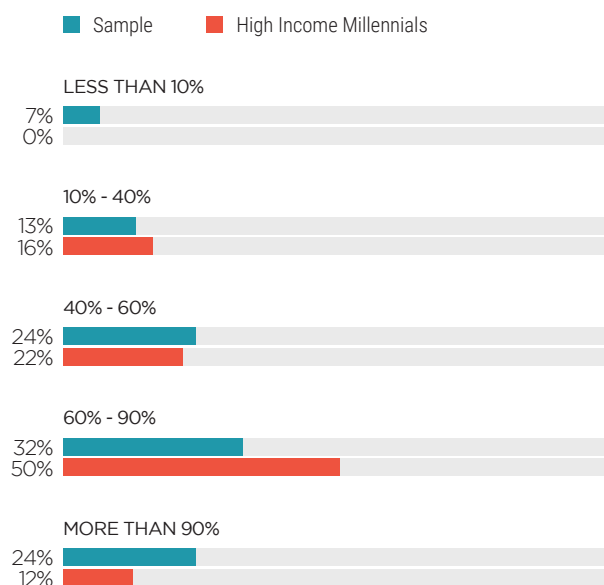
that encourage them
 to continue using apps
 for gas purchases.

related purchases, compared to 52 percent of the sample.

However, buying gas ranks on the lower end of High Income Millennials' priorities in terms of the reasons for using apps. Only 7 percent of them use an app to pay for gas compared to 4 percent of the sample. This might be a low rate, but High Income Millennials' usage of mobile apps to pay for gas is close to twice the rate of the sample. This indicates that as their purchasing influence further expands, demand for mobile app functionality that enables payments at the gas pump would likely increase.

So, what are High Income Millennials' reasons for using a mobile app for their gas purchases? The highest share of them said they used mobile

FIGURE 9: Share of gas purchases using mobile apps
 Frequency with which High Income Millennials and other consumers purchase gas



apps to find the best gas prices. Locating a gas station, getting directions and looking for loyalty programs also ranked among High Income Millennials' top priorities.

When it comes to ranking the importance of mobile app features, High Income Millennials have a similar attitude that parallels their reasons for using a mobile app for gas purchases. Searching for the best prices was considered a "very" or "extremely" important reason for using a mobile app among 82 percent of High Income Millennials.

After looking for best prices, this group wants to be able to use mobile apps to locate gas stations, get directions, access loyalty programs, look up a gas station's hours or find price discounts.

How High Income Millennials Pay For Gas

When it comes to using apps to assist with gas purchases, High Income Millennials prefer a wide range of options.

Among mobile apps, GasBuddy stands apart from the rest of the field among both High

Income Millennials and the sample, with 39 percent of both sides choosing this app to assist with their gas purchases. Other popular apps – including Google Maps, Shell Fuel Rewards, Google, Speedway, ExxonMobil and Gas Guru – saw lower overall usage among both groups.

FIGURE 10: Mobile apps used for gas-related purchases

Brands preferred by High Income Millennials and other consumers

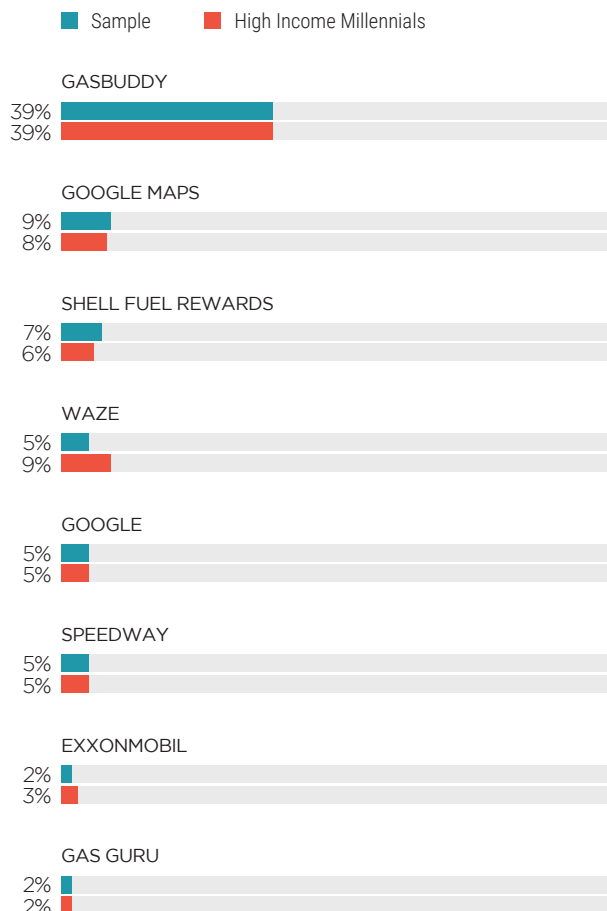
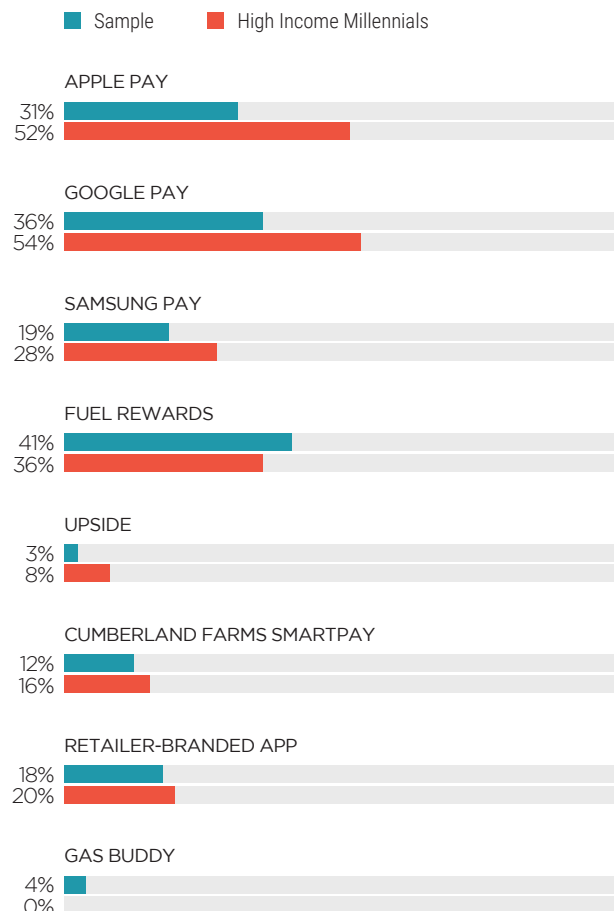


FIGURE 11: Mobile apps used to pay for gas

Most popular mobile apps among High Income Millennials and other consumers



62%

of High Income Millennials
say **convenience**
encourages them
to use mobile apps.

Only one app saw a higher usage among High Income Millennials than the sample: Waze was the most commonly used app for buying gas for 9 percent of the former, compared to 5 percent of the latter.

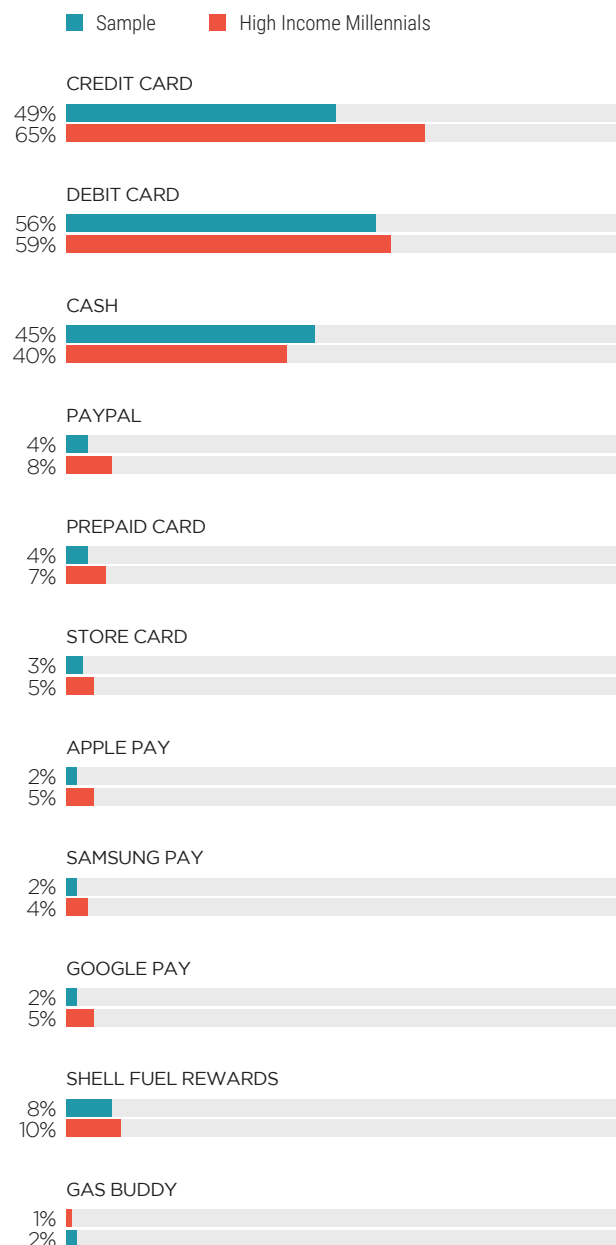
High Income Millennials are also more likely to use a mobile wallet to pay at the pump than the sample. As Figure 12 indicates, Google Pay ranked highest for mobile wallets among this group, followed by Apple Pay. Google Pay was the top mobile app preference among the rest of the sample, followed by Apple Pay.

In addition to mobile options, PYMNTS also found High Income Millennials prefer traditional payment methods to pay for gas. Credit cards, debit cards and cash are the top three payment preferences among this group.

In other words, while High Income Millennials are more likely to pay for gas using mobile apps, they still expect gas stations to accept traditional payment options.

FIGURE 12: Methods of payment

How High Income Millennials and consumers use various payment methods at the gas pump



The Importance Of High-Functionality Apps

Before gas stations can develop an app aimed at winning over High Income Millennial consumers, it's important to understand the app functions they consider the most important.

Like other consumers, convenience, loyalty and costs were High Income Millennials' top considerations for using mobile apps. Most said convenience would encourage them to use the app more frequently, followed closely by access to rewards and loyalty credits and price discounts. To the rest of the sample, price discounts were the top mobile priority, followed by rewards.

Gas stations that offer these functionalities in their mobile apps could see an uptick in visitations from High Income Millennials. Forty-three percent of them said they would visit a gas station more often if these activities were available on its mobile app.

The same trend can be seen among the larger sample, with 26 percent saying they would visit a gas station more often if its mobile app offered the functionalities they considered most important. This indicates that gas stations that invest in the right mobile app functionalities could win over more than just High Income Millennial customers.

FIGURE 13: Factors that encourage mobile app usage

App benefits that High Income Millennials and other consumers value most

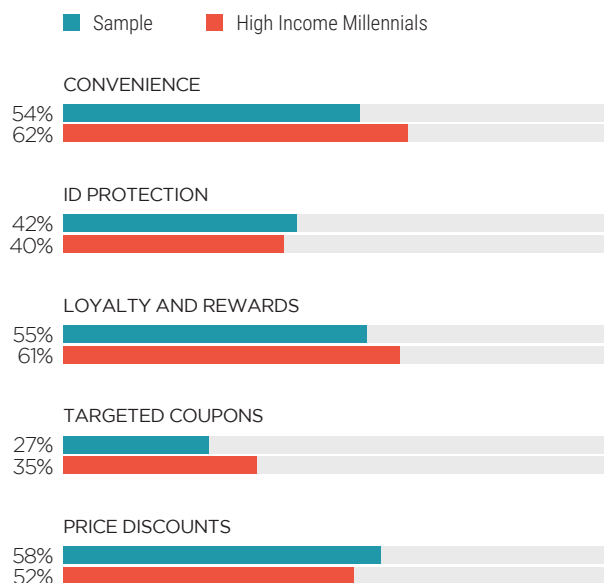
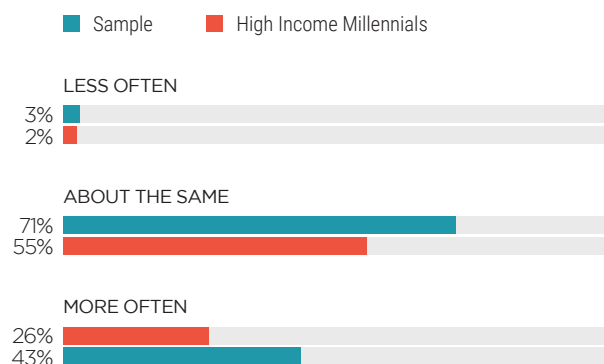


FIGURE 14: Changes in gas station attendance

How added mobile app functionality would change attendance for High Income Millennials and other consumers



It's not enough for a gas station to simply offer an app to win over this group of customers, though. Both High Income Millennials and the sample emphasized they want assurances that a gas station's app is safe and secure for storing their data and money.

Concerns over data privacy and financial security are the top deterrents for using a mobile app for gas purchases. Among High Income Millennials, 47 percent said data theft concerns were the top factor that discouraged them from using a mobile app, followed by 35 percent who cited money theft. These were also the top concerns of the broader sample, with 55 percent discouraged by data theft and 38 percent discouraged by money theft. These were also the top concerns of the broader sample, with 55 percent discouraged by data theft and 38 percent discouraged by money theft worries.

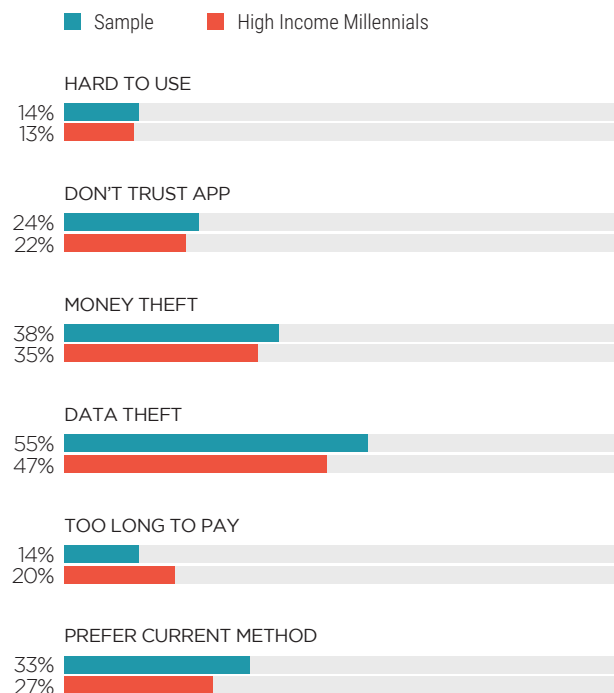
Overall, High Income Millennials appear to be more open to using mobile apps for their gas purchases. A look at the data in Figure 15 indicates there are fewer factors that can discourage them from using mobile apps compared to the sample, indicating this group is more open than other consumers to using mobile app technology at the gas pump.

Certain factors can discourage their mobile app usage at the gas pump, though. High Income Millennials place speed and efficiency among the top priorities for mobile app usage, meaning they are more likely to be discouraged by apps that take too long to enable payments, compared to the sample.

43%
of High Income Millennials said they would be more likely to visit a gas station if its app offered them convenience, loyalty and savings.

FIGURE 15: Factors discouraging mobile app usage

Concerns over data theft, money theft and current payment preferences are top mobile app deterrents





CONCLUSION

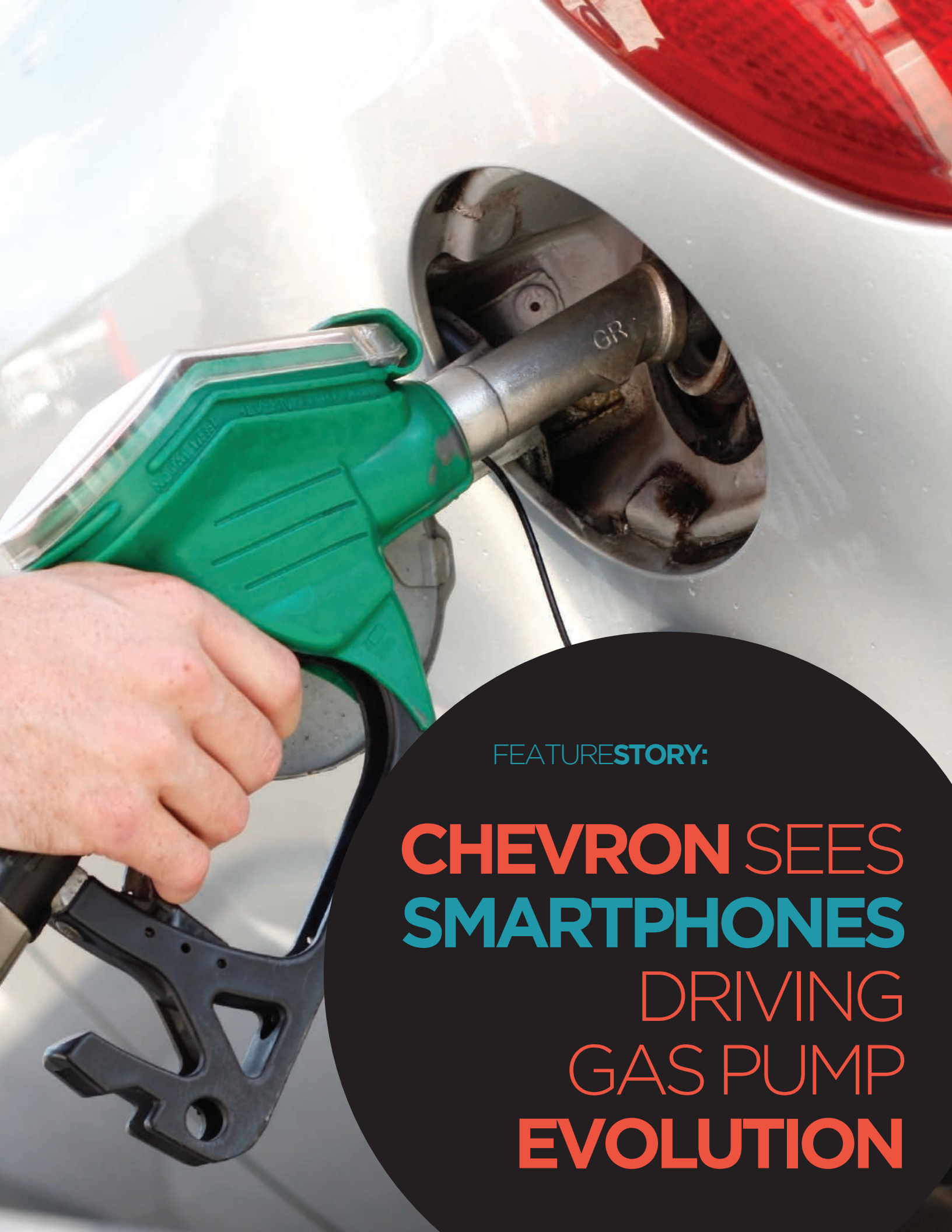
While High Income Millennials represent a small share of this sample, close attention should be paid to how this group prefers to use mobile apps in its gas purchases.

For gas station businesses, focusing on the needs of High Income Millennials could have wide-ranging benefits, because they closely align with those of a broader consumer base. Any mobile app offered by a gas station should focus on helping its patrons save money, provide rewards for their loyalty, enable them to easily find the business on their phones, help them navigate to its location and make its hours of operation easily accessible.

But, increased adoption of mobile apps will only happen if consumers feel confident that their personal and financial information is kept safe. Data security concerns are a significant barrier to mobile app adoption at the gas pump. This puts pressure on gas station owners and app developers to build confidence in mobile app technology's security, not just its efficiency.

For gas stations, this means it's time to put mobile app innovation in the fast lane – or risk getting left behind.





FEATURE **STORY:**

CHEVRON SEES
SMARTPHONES
DRIVING
GAS PUMP
EVOLUTION

The routine trip to the gas station to refill a vehicle's gas tank is often the least enjoyable part of driving. It takes drivers off the road, adds time to their commutes and delays the process of getting to their final destination.

It's a challenge that Rod Tos, manager of customer payments and card services for energy provider [Chevron](#), admits is a problem for gas stations nationwide.

"Buying fuel is not a desirable purchase," he said. "It's generally viewed as a negative experience. We recognize that."

But, change could be on its way to the gas pump, and smartphone technology and mobile apps could help improve and speed a consumers' gas refill experience.

Chevron, which operates approximately 8,000 gas stations in the U.S. under both the Chevron and Texaco banners, is one of several companies — including Shell, Exxon Mobile, Gulf and Cumberland Farms — that see smartphones as key to reinventing consumer experience at the pump. And, as Tos told PYMNTS in a recent interview, the company has been exploring ways to integrate smartphones into the gas shopping experience.

Delivering speed & security at the pump

Most consumers who visit a gas station are looking to get the transaction over with as soon as possible.

Keeping that in mind, Tos said, it's important for gas companies and stations to prioritize consumer convenience as they reinvent the

gas-buying process. To deliver the convenience consumers expect, Chevron is placing emphasis on speed and security.

"They want that transaction to be as speedy as possible, and obviously they want it to be very secure," he explained. "They don't want their credentials stolen by a fraudster."

Tos sees both app- and near field communication (NFC)-based payments as ways to reinvent the gas station payment experience. Chevron has [worked](#) with Visa since 2015 to enable NFC payments at some of its stations, which can now accept both plastic cards and mobile payment options including Apple Pay, Samsung Pay and Google Pay.

Raising mobile payments' visibility

To date, only a small fraction of Chevron's stations — approximately 300 nationwide — are equipped to accept mobile payments, and their overall use to pay for gas is relatively low.

In fact, Chevron has seen just a 2 percent penetration rate for payments made using mobile apps at the gas pump, with patrons preferring to pay using credit or debit cards.

While mobile payment usage at Chevron pumps is relatively low, Tos said accepting mobile payments both helps the company to present itself as tech-forward and improve consumer satisfaction. Chevron customers who use mobile wallet technology are "extremely satisfied" with their payment experience, he said — more so than the average Chevron consumer.

"When we do focus groups of that customer set, they love it," Tos said. "They repeat that pattern."

It's always the same consumers, and they think more highly of our brand because we offer it."

Although mobile payment adoption is currently low, he believes this method will eventually catch on as awareness of the technology increases.

In that regard, Chevron is preparing to offer the payment functionality that consumers will someday demand. While its mobile app does not currently offer mobile payment functionality, the company is testing payment capabilities with its own app to make gas pump payments more convenient for its consumers.

This feature could be especially beneficial to consumers who do not want to leave their vehicles when the weather is particularly harsh or because they have children with them. They can instead use their mobile devices to authorize the gas pump. From there, they only have to leave the vehicle to insert the nozzle into their gas tanks to start and complete the fueling process.

"We believe that there is a segment of the population which will prefer that form of payment," Tos said.

Smartphone-driven payment innovation

While Chevron has enabled some of its pumps to accept mobile payments, Tos described the company as "payment agnostic" in terms of the options in which it invests. He added that Chevron's payment innovation strategy will be driven by the solutions consumers are seeking.

"We don't want to drive a certain behavior," he said. "What we want to do is meet the [payment] needs of our customers."

Anticipating how smartphones shape that behavior will be key to delivering payment experiences consumers will appreciate, Tos added. They are already proving to be heavily influential for gas station purchases, even if payments are not the key reason consumers use an app.

"They have more data at their fingertips to shop for price, to shop by location or to shop for the features they are looking for," he said.

For example, while not all Chevron stations carry diesel fuel, the mobile app can help consumers locate a station that meets their needs.

In addition to using apps to find the most suitable gas station, Tos added that app developers should pay particularly close attention to how



the smartphone-friendly millennial generation uses their devices at the gas pump. Millennial consumers tend to be younger and have less disposable income than older, more established consumers. These consumers also tend to be more tech-savvy than others, which means smartphones could play a greater role in the gas pump payment process as this group ages and gains a greater share of the purchasing power.

“In the beginning, you’re not going to see a great deal of penetration for this sort of payment,” Tos said. “It’s a small subset. It’s almost a niche, [and] we think it will grow over time as more people evolve toward using their smartphone devices.”

Automakers are also looking to help smartphones become more integrated with the payment process, he added, adding mobile apps into their vehicle lineups’ built-in software offerings.

Chevron recently [partnered](#) with South Korean original equipment manufacturer (OEM) Hyundai to integrate payments into a vehicle’s infotainment offerings. The service is designed to allow drivers to pull into a Chevron gas station and pre-pay by using the infotainment screen on the dashboards. Meanwhile, other OEMs, including Jaguar and Ford, are also working on in-vehicle gas and parking payment services of their own.

More changes on the way

Smartphones and mobile apps aren’t just changing the way consumers buy gas at the pump.

Tos pointed out that the technology has been driving changes in the transportation and mobility space for years, specifically in the rideshare market. Just as companies like Uber and Lyft have used smartphone technology to reinvent the way consumers get transportation, gas stations should also actively find ways to innovate to make consumers’ experiences more convenient.

“It’s incumbent on us to play in that digital space,” he said. “People are using digital apps to get rides, get information. That’s where we see that continuing to evolve and become increasingly digital.”

These innovations still might not make the task of refilling a vehicle’s gas tank any more enjoyable, but smartphone apps could go a long way toward making the experience more efficient for consumers — and toward helping them get back on the road, and to their destinations, more quickly.



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GasBuddy’s smartphone app offers crowdsourced information to help users find the most competitive gas prices, the nearest stations, operating hours and more on 140,000-plus gas stations across the U.S., Canada and Australia. The company also offers a B2B retailer-focused software-as-a-service solution, GasBuddy Business Pages, which aids fuel marketers and retailers in promoting their information, managing their brands and reaching their core audiences.

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