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Customer Success

Customer Success Story

Drop Tank



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Encouraging Loyalty and Driving Sales for Gas Station Operators

- Drop Tank works with thousands of fuel service stations to roll out loyalty rewards programs that boost sales—at the pump and in the adjacent convenience stores.
- They use Oracle Autonomous Data Warehouse to store loyalty data and share insights with retail partners.
- Oracle Analytics empowers the business community to visualize that data—both at the store level to track sales, and in aggregate to help partners understand purchasing trends.
- Complementary Oracle Cloud services round out the solution, including Oracle SOA to integrate point-of-sale data and Oracle Loyalty to turbocharge the rewards programs.
- Thanks to Oracle Cloud technology, Drop Tank can support a rapidly growing data set, an escalating transaction volume, and complex data visualizations.

THE BACKGROUND: FUELING CUSTOMER LOYALTY FOR SERVICE STATIONS

Drop Tank's unique, data-driven services help consumer package goods (CPG) companies sell more goods and help fuel marketers sell high-margin convenience store items—all while building more loyal customers. The Chicago, Illinois-based company helps independent and company operated service stations align with national loyalty programs that were formerly available only to the large service station brands. All in all, Drop Tank unlocks loyalty data for approximately 5,000 retail outlets.

THE BUSINESS CHALLENGE: CREATE TARGETED OFFERS TO UPSSELL CONSUMERS AT THE PUMP

Most U.S. gas stations are independently owned and operated under a variety of regional groups. Each station has unique point-of-sale equipment, products, and customer loyalty programs. Drop Tank was founded to help these service stations gain economies of scale and derive valuable insights from their point-of-sale data. The small but rapidly growing company partners with fuel and convenience store brands to form loyalty networks.

In addition to creating effective loyalty solutions, Drop Tank mines insights from point-of-sale data to help gas station operators and consumer packaged goods (CPG) companies identify trends and make intelligent decisions about future promotions and sales strategies. CPG companies typically sell through distributors that place goods at retail stores, but point-of-sale data rarely reaches the manufacturer. Many of these firms don't even know how much their products sell for. Drop Tank captures point-of-sale data and shares it with its partners to unlock these customer insights. By analyzing point-of-sale data and sharing the insights, Drop Tank helps its partners understand purchasing trends and influence consumer behavior at thousands of service stations and convenience stores. This allows CPG companies to produce more of the items that sell well and yield the best margins, while service stations boost revenue with high-margin goods.



Drop Tank gathers insights that help gas station operators and consumer packaged goods companies identify trends and make more intelligent decisions on future promotions and sales strategies. Thanks to self-managing cloud technology, its business users have gained ownership of the entire process, from capturing data to visualizing metrics, with minimal IT support.

The Power of Automation

- Quick, easy access to a growing volume of data
- Augmented analytics that yield rapid results
- Turnkey visualizations for business users

SIMPLIFYING DATA MANAGEMENT WITH AUTONOMOUS TECHNOLOGY

Previously, Drop Tank used an on-premises database management system to store point-of-sale data, but as the company grew, maintaining the IT environment became progressively more difficult. The technology team, led by CTO Tim Miller, needed a more efficient way to capture, analyze, and manage data from thousands of retail locations, all with different systems running their operations.

Miller selected Oracle Autonomous Data Warehouse as the hub of a new set of integrated cloud services. Drop Tank also uses Oracle SOA Cloud, an integration platform that transforms many types of point-of-sale data into a common format and rationalizes differences among various types of information systems. Because these are fully managed cloud services, Drop Tank's small IT team can focus on analyzing data rather than on managing information systems. They don't have to maintain hardware infrastructure, update software applications, tune databases, or run backup procedures. "Oracle Autonomous Data Warehouse has been flawless," Miller says. "Everything is maintained behind the scenes without any impact on our operation and no interruption of service. We can focus on analyzing data rather than on managing the database."

RAMPING UP MARKETING WITH SELF-SERVICE ANALYTICS

In conjunction with Oracle Autonomous Data Warehouse, Drop Tank uses Oracle Analytics to visualize the point-of-sale data—both at the store level to track sales, and in aggregate to help its partners understand short- and long-term purchasing trends. Dynamic reports and dashboards allow the marketing team to determine which products are popular, and then send targeted offers to consumers to encourage them to make convenience store purchases along with their gas. According to David VanWiggeren, CEO of Drop Tank, the Oracle technology allows business users to visualize various types of metrics related to site participation, member participation, and member engagement.

"Oracle Analytics lets us visualize KPIs that reveal the overall health of the network," VanWiggeren notes. "How many active locations do we have? How many sites and members? How many sites have transacted within the last 7 days, or how many members have transacted in the last 30 days?"

The analytic environment also reveals growth patterns, which help justify Drop Tank's unique programs and services, as well as form partnerships with some of the nation's leading loyalty programs. Participants in the programs simply enter a phone number at the pump or inside the store to earn points every time they purchase fuel or specific convenience store items.

REINFORCING CUSTOMER LOYALTY WITH CLOUD-BASED SOLUTIONS

Customer loyalty is all about perceived value. The better Drop Tank understands consumer behavior—including each member's wants, needs, and buying proclivities—the better its marketers can convey the value of its programs. "Gas station owners earn their margins on convenience store items," VanWiggeren explains. "They hardly make any money on fuel."

To drive shoppers from the pump to the store and to encourage repeat purchases, Drop Tank uses Oracle Loyalty, a cloud application that helps Drop Tank sign up new members, register their transactions, and maintain point balances that can be exchanged for fuel discounts, among other things. "Loyalty Cloud allows us to create customer journeys that track points as members make purchases," Miller explains. "We load the data into our data warehouse so we can analyze those journeys and trigger personalized offers."

As Drop Tank's programs gain critical mass, analytics will become progressively more important to creating these journeys and achieving the holy grail of marketing: personalized, real time offers at the point of purchase. The data also reveals the success of these campaigns in aggregate, allowing Drop Tank to gauge the effectiveness of various

"We're not a large company, and as we grow, we don't want to have to hire a team of database administrators to manage databases, update software, create tables and indexes—all of the things DBAs historically do."

Tim Miller,
Chief Technology Officer, Drop Tank

"Oracle Autonomous Data Warehouse makes it easy to support new campaigns without having to worry about time consuming maintenance exercises like indexing, patching, and tuning."

Tim Miller,
Chief Technology Officer, Drop Tank



"Thanks to our investments in cloud technology, we can stay focused on targeting members with unique offers that boost loyalty and drive sales. Analytics is the key to creating unique customer journeys."

David VanWiggeren
CEO, Drop Tank

promotions. “Every time we do a marketing campaign, we can equate a data point that shows the impact of that campaign, and gauge how well certain marketing messages are working,” Miller adds.

CONCLUSION: A SCALABLE PLATFORM FOR LIMITLESS GROWTH

Drop Tank has established a scalable cloud solution that will allow them to launch digital campaigns to millions of members. “It’s easy to add capacity during big promotional campaigns, and then scale back down again,” reports VanWiggeren. “That’s key, since we are seeing a future that involves a lot more transactions, a lot more data, and a lot more uses for analytics. Universal product codes, quantities, prices, taxes—all of those items can now be related to individual consumers and analyzed in the context of specific offers. Thanks to our use of data, we were able to envision a fuel loyalty program that includes convenience store items. We are the first fuel brand to do that at scale.”

As Drop Tank executes this vision, the inherent scalability of Oracle Cloud services enables the company to grow its business virtually without limits—yet maintain a small IT staff. For example, in a recent one-year period, Drop Tank expanded its loyalty program to include five times as many members, boosting transaction volume eight-fold—thanks, in part, to its advanced technology platform.

“With some cloud vendors, in order to scale you have to shut everything down and rebuild your information systems,” Miller concludes. “You can’t just say, ‘I need more capacity.’ With Oracle Cloud, on the other hand, we can spin up new nodes and within five minutes everything will be ready to go. We don’t have to deal with management, patching, and security—and we can automatically adjust the cloud services to handle increasing volume.”

“Oracle has helped us fulfill our goal of making data and analytics accessible to people throughout the company”

David VanWiggeren
CEO, Drop Tank

“Data is the focal point of our business, and analytics guides everything we do and how we plan to evolve.”

David VanWiggeren
CEO, Drop Tank

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