Fueling Retail Loyalty

Cloud Data Warehousing and Analytics at Drop Tank

Remember to provide your session feedback in the app!

Fueling Retail Loyalty

Cloud Data Warehousing and Analytics at Drop Tank

June 15, 2020

Introductions

Timothy Miller: CTO, Drop Tank
- 30+ years in the Fuel Retail System space
- Formed Drop Tank in 2012 to develop a new loyalty solution to Fuel and Convenience retailers

Tim and Dan Vlamis: Vlamis Software Solutions
- Dan started firm in 1992, Tim joined in 2007
- Experts in Oracle analytics, data warehousing, data visualization, machine learning, and geo spatial analytics
- Co-authors of "Data Visualization for Oracle Business Intelligence"

Discussion Topics

1. Drop Tank Overview
2. Technology Overview
3. Oracle Analytics Cloud (OAC) Implementation
4. Benefits Expected
5. Project Learnings
6. Q&A

About Drop Tank

Founded in 2012 to deliver end-to-end loyalty solutions for U.S.-based fuel brands

Delivering consistent loyalty experiences across thousands of independent gas stations

Launched large scale loyalty solution for energy industry in May 2018; Partnered with Southwest Airlines & Wyndham Hotels
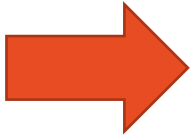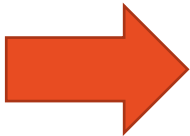
Actively running loyalty solutions in over 4,000 U.S. gas stations, and growing.

Challenge / Opportunity
- Rapid integrations with partners
- Scaling trx volume and retail connections
- Data capture and analysis for loyalty

drop tank
Rewards that go farther.™

Drop Tank Operations

FUEL PRICE SAVINGS!!!

An Evolving Company

2017-2019

"We need to transform into a Loyalty Company"

David VanWiggeren, CEO Drop Tank LLC

The Challenge – Introduce the ability to

– Manage Memberships
– "Earn and Burn Component"
– Offer Management

The Prize – A unique, data rich solution in an untapped market

• Delivers fuel brand loyalty

• Solves a CPG data gap

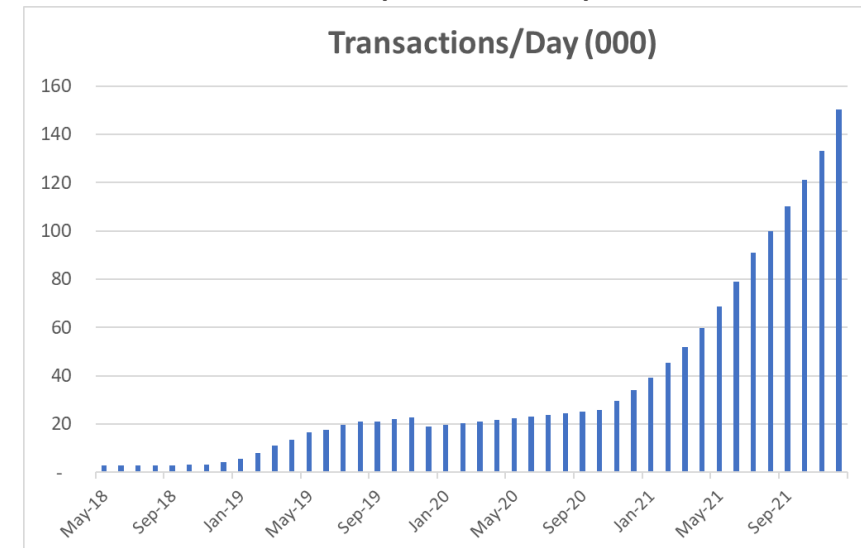• Grows with network effect

• Difficult to replicate

2020>

"We need to focus on growth"

David VanWiggeren, CEO Drop Tank LLC

The Challenge –

– Introduce more programs
– Expand Offer capabilities, coupons, non-fuel rewards
– Improve insight capabilities
– Increase Member engagements
– Introduce new partnerships

Transactions/Day (000)

Drop Tank 3.0 – 2020 and beyond

Mobile Hub
- API Service
- PUSH Service

SOA Cloud
- Service Bus
- API Connectors

OIC Cloud
- BPEL
- API Connectors

Oracle Loyalty Cloud
- Memberships
- Promotions

Oracle Responsys
- Communication
- Automation

OKE Services
- Micro Services

ATP   ATP   ADW

Oracle Analytics Cloud
- Dashboards
- Reporting

points

Southwest   Wyndham

droptank
Rewards that go farther.™
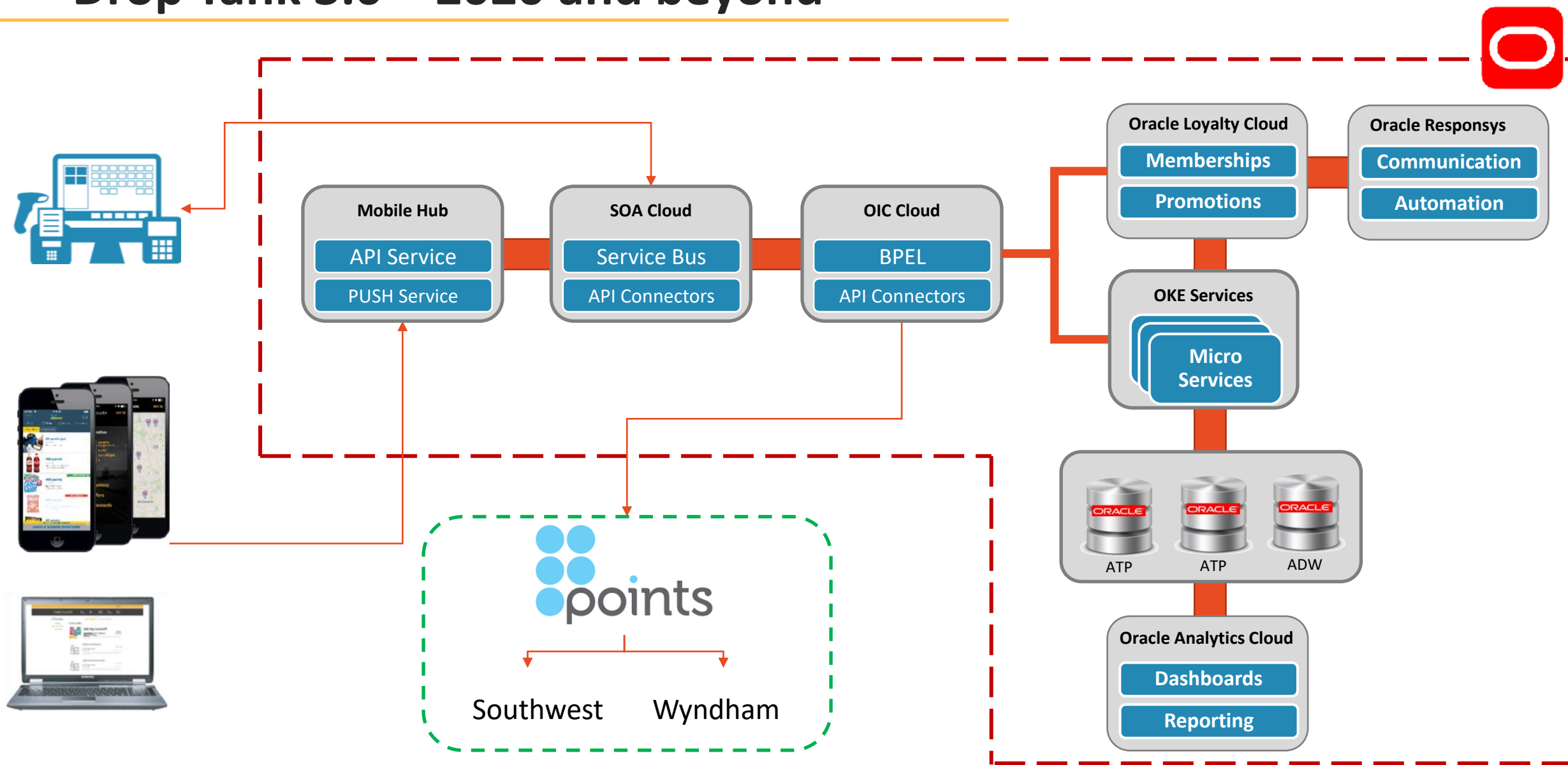
Drop Tank's Analytics Journey

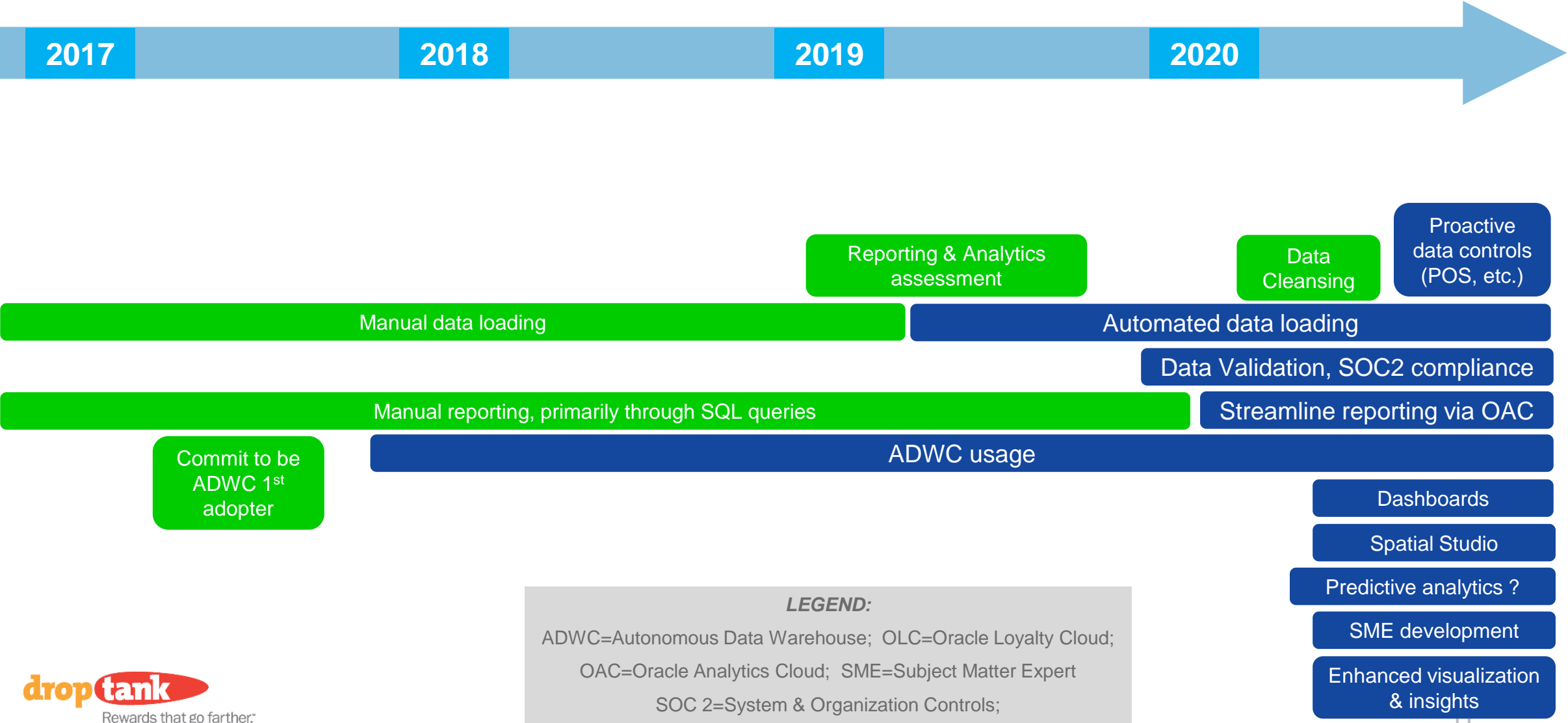Our steady growth over the past 7+ years has been accomplished with very basic analytical tools and reporting

- o Excel spreadsheets and charts
- o Manually intensive SQL queries to support standard reporting + ad-hoc analysis
- o Sub-optimal internal ways of working
- o Focus on reporting historical performance

We are making a significant commitment to upgrade all aspects of our analytics capabilities (technology, process development, and personnel) in service of providing excellent service and value to our clients

- o Oracle Analytics Cloud (OAC) implementation
- o Shift to data mining, valuable insight identification, predictive analytics within fragmented industry
- o Analytical expertise development (commercial + technical) in support of internal/external stakeholders
- o Data Integrity Assurance process development

Analytics & Reporting Roadmap

2017 **2018** **2019** **2020**

Reporting & Analytics assessment

Data Cleansing

Proactive data controls (POS, etc.)

Manual data loading

Automated data loading

Data Validation, SOC2 compliance

Manual reporting, primarily through SQL queries

Streamline reporting via OAC

Commit to be ADWC 1st adopter

ADWC usage

Dashboards

Spatial Studio

Predictive analytics ?

SME development

Enhanced visualization & insights

LEGEND:

ADWC=Autonomous Data Warehouse; OLC=Oracle Loyalty Cloud;

OAC=Oracle Analytics Cloud; SME=Subject Matter Expert

SOC 2=System & Organization Controls;

droptank
Rewards that go farther.

11

Drop Tank's Use of OAC

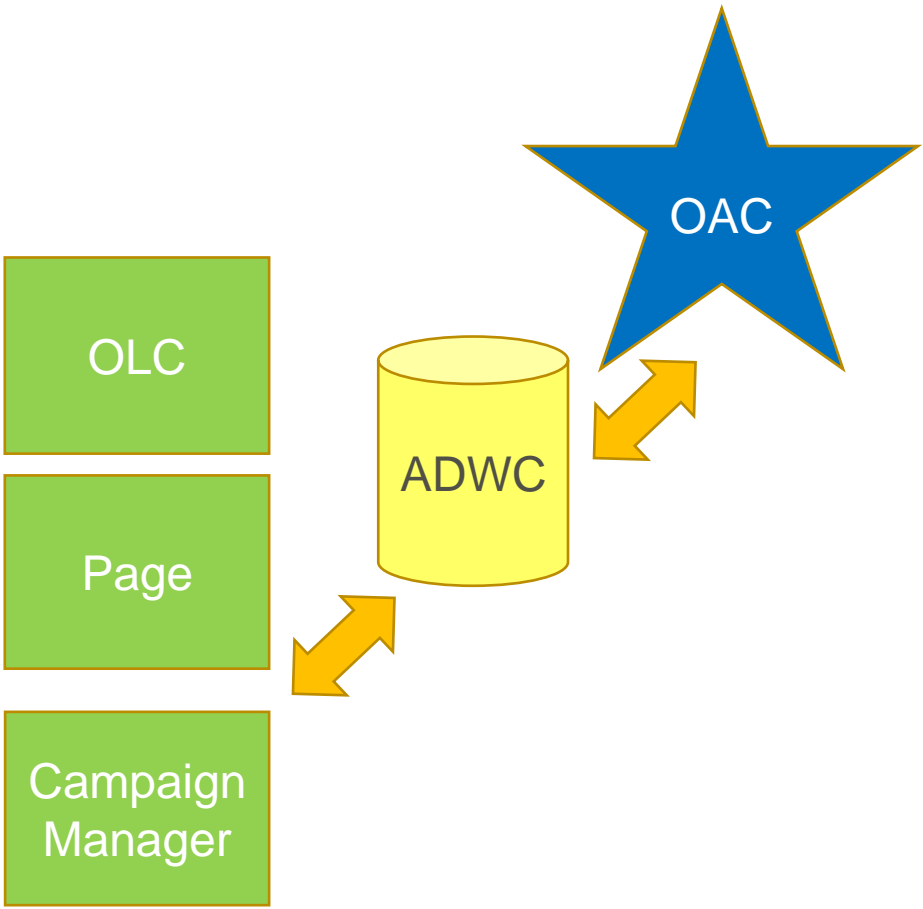| Governed Analytics		Self-Service Analytics		Augmented Analytics	
Dashboards	Pixel-Perfect Reports	Data Preparation	Data Visualization	Voice & Chatbot	Natural Language
Semantic Models	Query Federation	Storytelling	Collaboration	Data Enrichment	1-Click Explain
Role-Based Access Control	Excel Integration	What-If Analysis	Mobile	Adaptive & Personalized	Machine Learning

- **Governed** – secure architecture than can be personalized
- **Self-service** – Comprehensive end-to-end environment allowing analytical freedom to exploit data
- **Augmented** – less human involvement, empowering end user to more easily obtain insights thru machine learning and AI (artificial intelligence)
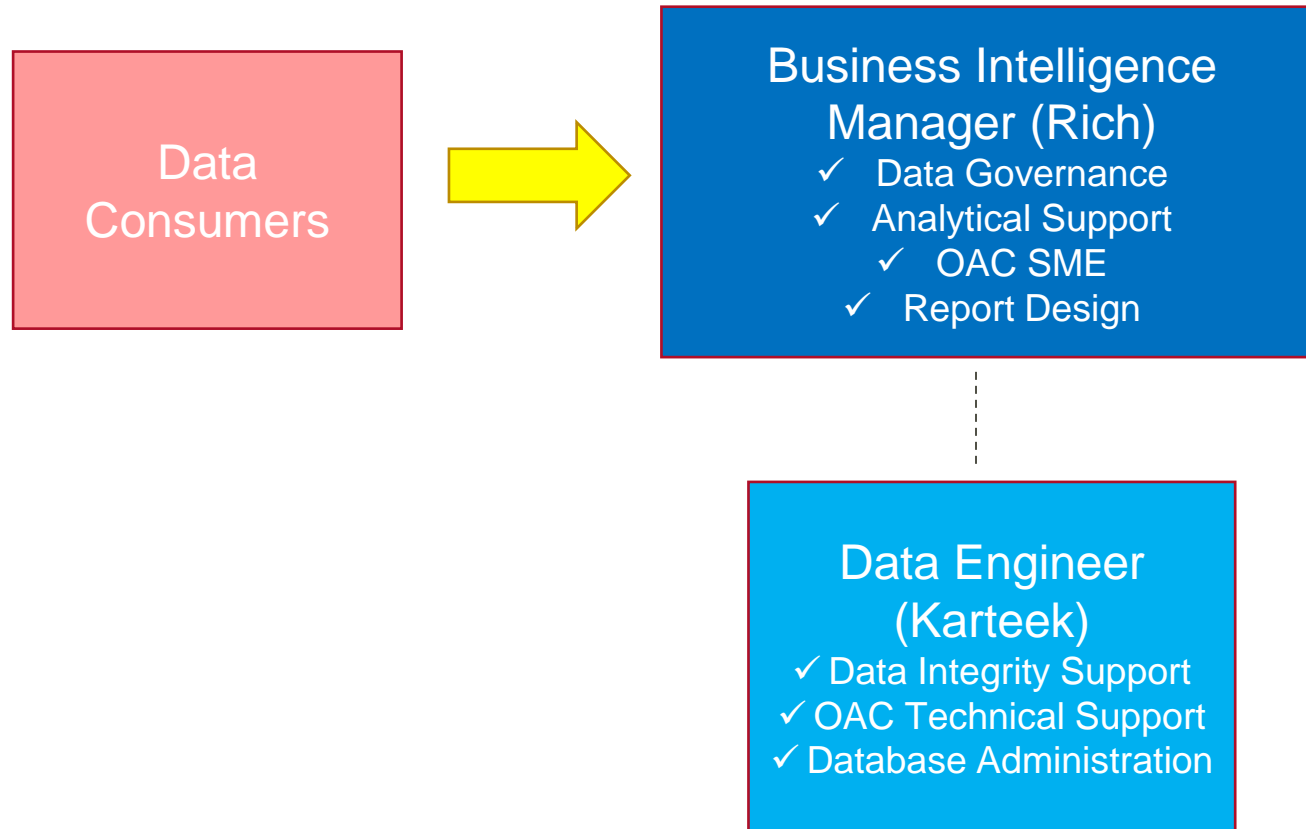
Drop Tank Data Flow

Our Analytical Support Model

Data Consumers

→

Business Intelligence Manager (Rich)
- ✓ Data Governance
- ✓ Analytical Support
- ✓ OAC SME
- ✓ Report Design

Data Engineer (Karteek)
- ✓ Data Integrity Support
- ✓ OAC Technical Support
- ✓ Database Administration

I'm smiling because once OAC goes live that Knucklehead is NOT going to ask me <u>so many</u> SQL questions!

3 Points to Remember:

1. Bring all of your reporting and analysis needs. Note, this will evolve over time as we gain experience with the tool and accurate date use

2. New report, data, and analysis requests – open JIRA ticket under Project Vaughn ("PV")

3. Utilize "dw analytics" Slack channel with questions

drop tank
Rewards that go farther.™

CONFIDENTIAL

14

Current Reporting Examples

2018	New Confirmed Members	Total Confirmed Members (EoM)*	Total Members (EoM)	Total Members w/ 1+ Trx	% Total Members w/ 1+ Trx	Total Loyalty Trx	Avg Loyalty Trx/Member	Total Loyalty Spend	Avg Loyalty Ticket Size	Total Loyalty Fuel Trx	Total Loyalty Fuel Gallons	Avg Loyalty Gallons/Fill
MAY			72,739	24,479	34%	85,390	1.2	$ 2,410,116	$ 28.22	70,510	753,865	10.69
JUN			89,715	23,881	27%	89,017	1.0	$ 2,570,316	$ 28.87	68,609	790,604	11.52
JUL			99,500	23,258	23%	89,775	0.9	$ 2,662,011	$ 29.65	69,729	826,410	11.85
AUG	56,982	56,982	108,293	22,832	21%	91,919	0.8	$ 2,811,041	$ 30.58	72,634	883,411	12.16
SEP	7,296	64,278	117,834	22,277	19%	88,078	0.7	$ 2,771,079	$ 31.46	70,379	870,970	12.38
OCT	8,875	73,153	126,879	22,805	18%	95,108	0.7	$ 3,212,522	$ 33.78	77,010	1,007,160	13.08
NOV	17,004	90,157	143,521	26,429	18%	98,644	0.7	$ 3,137,546	$ 31.81	77,553	1,066,243	13.75
DEC	23,666	113,823	168,101	33,637	20%	126,294	0.8	$ 3,462,241	$ 27.41	97,044	1,332,816	13.73
2019	New Confirmed Members	Total Confirmed Members (EoM)	Total Members (EoM)	Total Members w/ 1+ Trx	% Total Members w/ 1+ Trx	Total Loyalty Trx	Avg Loyalty Trx/Member	Total Loyalty Spend	Avg Loyalty Ticket Size	Total Loyalty Fuel Trx	Total Loyalty Fuel Gallons	Avg Loyalty Gallons/Fill
JAN	24,801	138,624	193,819	40,569	21%	172,068	0.9	$ 4,535,861	$ 26.36	129,681	1,770,988	13.66
FEB	25,818	164,442	220,710	52,594	24%	228,006	1.0	$ 5,998,045	$ 26.31	168,081	2,218,826	13.20
MAR	32,371	196,813	255,197	73,827	29%	340,391	1.3	$ 8,859,214	$ 26.03	234,539	3,027,548	12.91
APR	35,188	232,001	293,511	88,454	30%	407,123	1.4	$ 10,913,931	$ 26.81	285,063	3,538,027	12.41
May	36,289	268,290	333,409	106,521	32%	516,810	1.6	$ 13,323,766	$ 25.78	351,843	4,348,841	12.36
June	37,148	305,438	374,209	112,053	30%	525,393	1.4	$ 13,173,049	$ 25.07	363,028	4,533,644	12.49
July	46,398	351,836	424,777	123,919	29%	605,532	1.4	$ 15,704,099	$ 25.93	432,169	5,255,212	12.16
Aug	43,591	395,427	471,622	131,777	28%	651,641	1.4	$ 19,377,563	$ 29.74	545,938	6,771,409	12.40
Sept	41,711	437,138	517,679	134,338	26%	632,248	1.2	$ 18,990,465	$ 30.04	538,780	6,683,920	12.41
Oct	44,932	482,070	567,095	144,687	26%	687,507	1.2	$ 21,208,128	$ 30.85	592,542	7,514,131	12.68
Nov	47,337	529,407	619,865	153,003	25%	680,735	1.1	$ 20,720,644	$ 30.44	588,879	7,529,442	12.79
Dec	51,280	580,687	677,310	144,998	21%	588,698	0.9	$ 18,149,635	$ 30.83	525,586	6,623,772	12.60

31-Dec	7-Jan	# of Sites	Category
		+2	Network-Net Wins/Losses
		5,986	Open Sites
		2,583	Direct Connects
71%	71%	4,277	Capable vs Open Sites
65%	65%	3,917	Active- HB within 0- 7 days, % of Open Sites
2%	2%	100	Inactive- HB within 8-90 days, % of Open Sites
33%	33%	1,969	Needs Deployed - HB 91+ Days + Never Had HB, % of Open Sites
28-Dec	**4-Jan**	**# of Members**	
		583,988	Total Confirmed Members
25%	24%	141,759	Active Members - 1+ transaction within 30 days, % of Confirmed Members

	22-Oct	29-Oct	5-Nov	12-Nov	19-Nov	26-Nov	3-Dec	10-Dec	17-Dec	23-Dec	31-Dec	7-Jan
Active with 7 Day Heartbeat	3,841	3,860	3,879	3,878	3,877	3,898	3,891	3,910	3,929	3,939	3,915	3,917
TOTAL WINS	22	36	35	21	22	35	15	30	30	29	10	14
New to Network	4	18	18	7	9	11	6	15	18	17	3	5
Reinstated Heartbeat in Last Week	18	18	17	14	13	24	9	15	12	12	7	9
TOTAL LOSSES (Dropped Heartbeat)	-27	-17	-16	-22	-23	-14	-22	-11	-11	-19	-34	-12*
Closed/Dealer Changes/Deactivations	-3	-3	-4	-6	-1	-1	-1	-1	-3	-1	-2	-2
NET GAIN/LOSS	**-5**	**19**	**19**	**-1**	**-1**	**21**	**-7**	**19**	**19**	**10**	**-24**	**2**

droptank — Rewards that go farther.™

Future Dashboarding
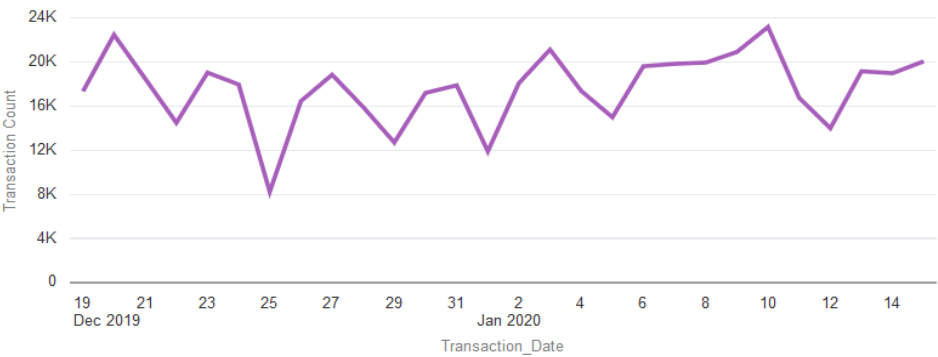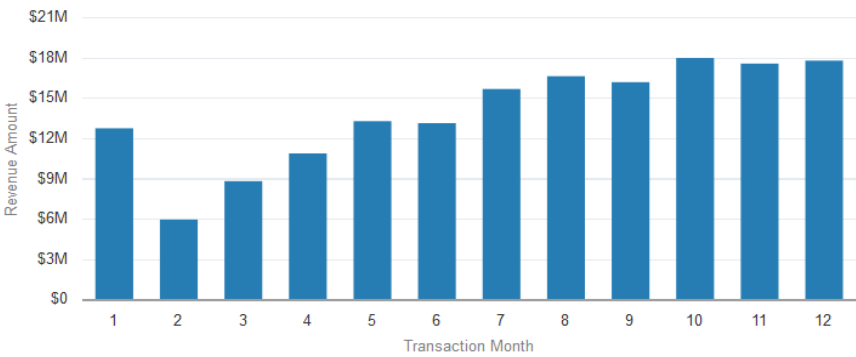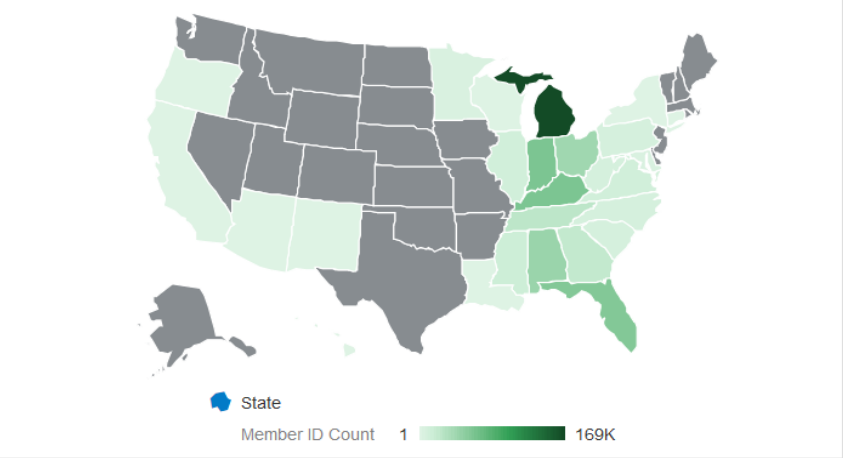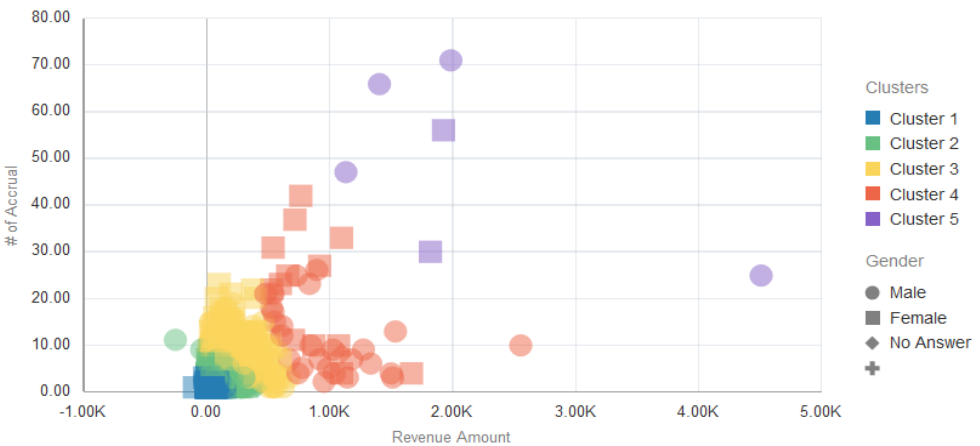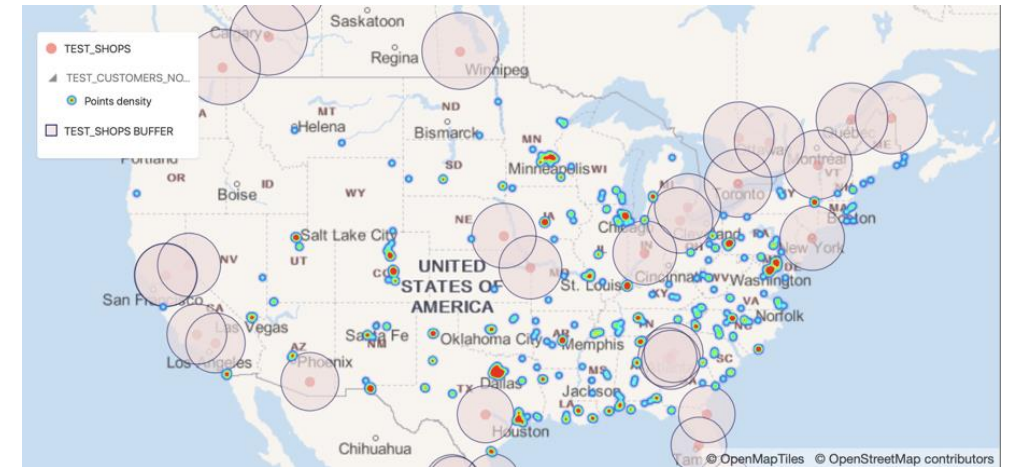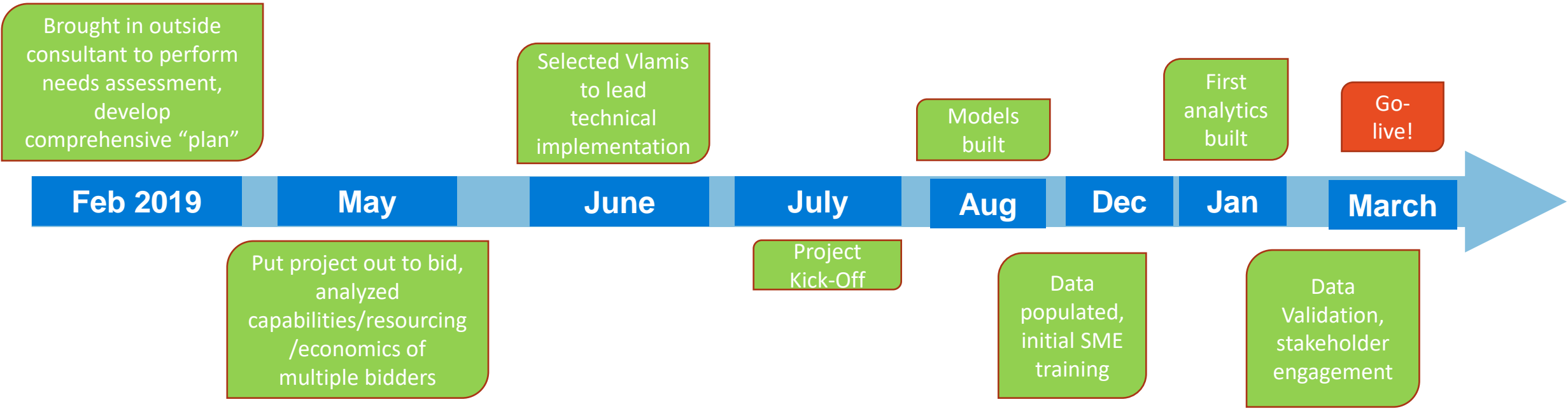
OAC Implementation Next Steps

❑ Complete Data Validation

❑ Additional report design

❑ Bug/modification management

❑ Dashboard creation

❑ Spatial Studio usage   >>>>>>>

❑ Oracle Day-by-Day mobile application usage

❑ Data Cleansing/Data Dictionary build

❑ Become DT's Subject Matter Expert

Implementation Timeline

Brought in outside consultant to perform needs assessment, develop comprehensive "plan"

Selected Vlamis to lead technical implementation

Models built

First analytics built

Go-live!

Feb 2019 | **May** | **June** | **July** | **Aug** | **Dec** | **Jan** | **March**

Put project out to bid, analyzed capabilities/resourcing/economics of multiple bidders

Project Kick-Off

Data populated, initial SME training

Data Validation, stakeholder engagement

Benefit Expectations

Transformation from report generation to analytical and decision support
<u>EXCELLENCE</u>!

Unlock Value-added **insights, trends**, and improvement opportunities

Shift work focus proportions (i.e. growth > manual, daily ops)

Lessen data transfer error **risk**

Streamline data accessibility

Improved utilization of **data richness** (demographics, geo trends, member segmentation)

Reduce time between activity and knowledge transfer = **acceleration of decision making**

Project Learnings

✓ Clear **accountabilities** are key: client (business intelligence, technical) + consultant (project management, technical)

✓ Frequent and regular **communications** between client and consultant is critical!

✓ Ensure source system is **stable** (OLC took longer to implement)

✓ **Data integrity** is foundational. Dedicate appropriate time + be unbiased to understanding current condition, future safeguarding procedures

✓ Be **flexible**, adjustments will need to be made!

Closing

Questions?