CARGAS®

TOP TECHNOLOGY TRENDS
IN FUEL DELIVERY

2021 BENCHMARKING REPORT

CONTENTS

INTRODUCTION

Welcome to the 2021 Top Technology Trends in Fuel Delivery Benchmarking Report, brought to you by Cargas. We're excited to share the findings of our second annual Tech Trends Survey.

Technology plays a critical role in business strategy. Software and related tools help companies automate tasks and streamline processes so they can focus on what's most important—growing and running their businesses.

In a competitive market like the energy industry, technology offers an advantage, helping you get more done faster, understand your business better, and prepare for the future.

These findings will help you understand how other fuel dealers are using technology to support their businesses. You'll learn how your organization compares and discover where you might want to take your technology strategy in the future.
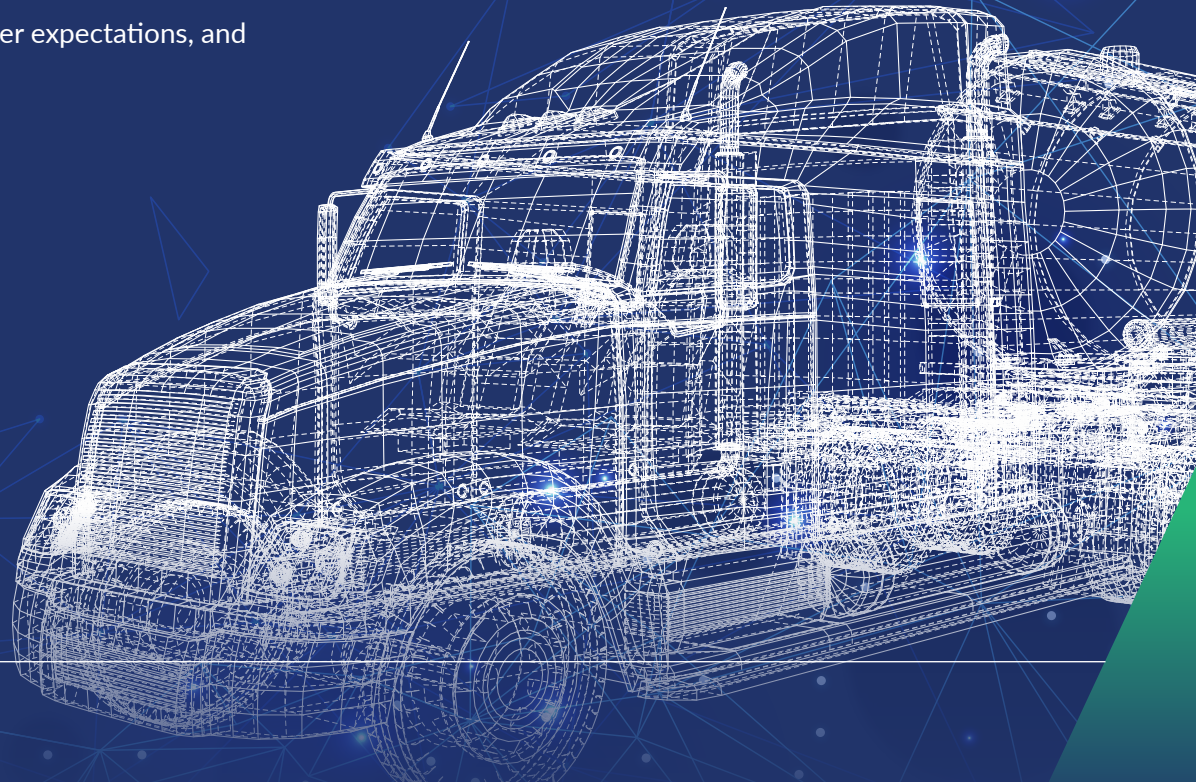
TECHNOLOGY LANDSCAPE

The energy industry has historically adopted new technology at a slower rate when compared to other industries. However, the unique circumstances of 2020 have led businesses across industries to turn to technology to support new working practices. In the energy industry, this accelerated the adoption of new software, especially tools that help fuel dealers provide contactless customer service.
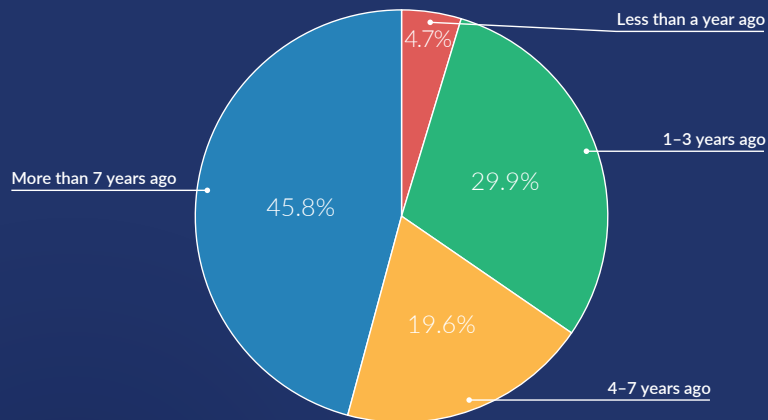
Fuel dealers today are driven to purchase new software and other tools to streamline operations, improve efficiency, meet customer expectations, and support future growth.

OVERVIEW: TECHNOLOGY LANDSCAPE

About 45% of respondents purchased their current fuel delivery software more than seven years ago. According to tech industry benchmarks, this means they'll likely start exploring new solutions. Nearly 35% of respondents purchased their software within the past three years.
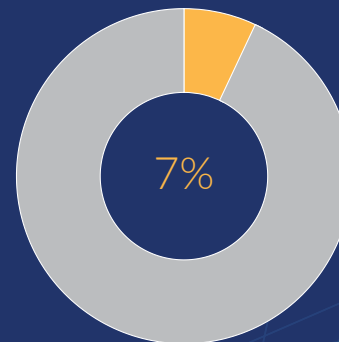
More than 10% of respondents want to update their fuel delivery software within the next year, up 4% from last year's survey.

When did you purchase your current fuel delivery software?

Less than a year ago — 4.7%

1–3 years ago — 29.9%

More than 7 years ago — 45.8%

4–7 years ago — 19.6%

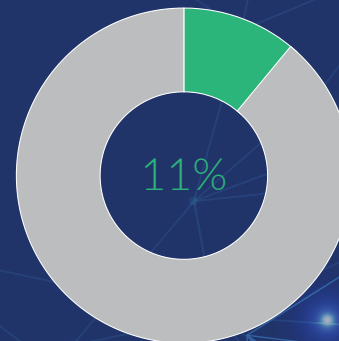*Number of responses: 107*

2020 Results

7%

Respondents who plan to replace their fuel delivery software within a year.
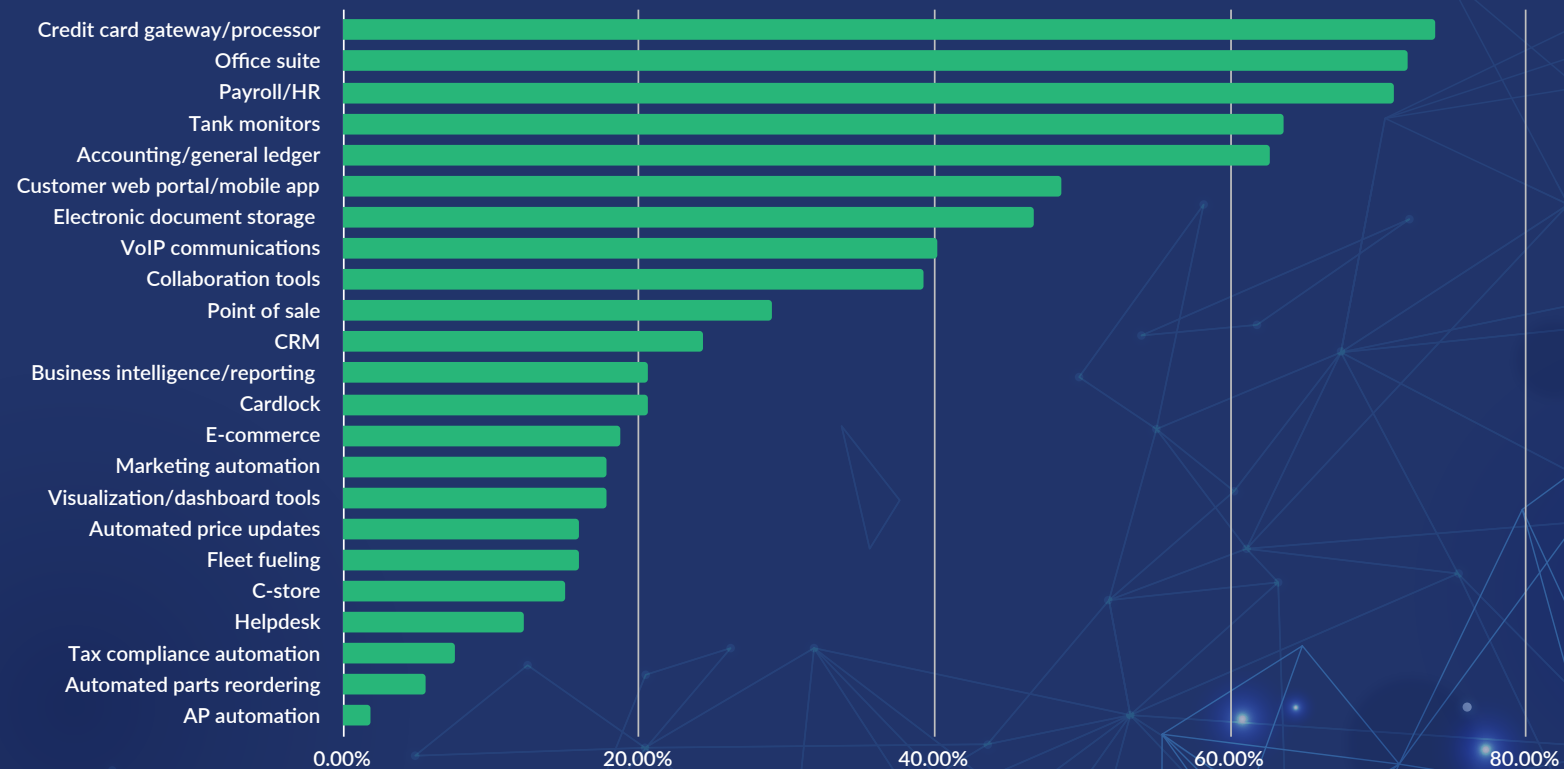
Number of responses: 69

2021 Results

11%

Respondents who plan to replace their fuel delivery software within a year.

Number of responses: 107

OVERVIEW: TECHNOLOGY LANDSCAPE

Fuel dealers use more than their back-office software to support their operations. The most popular industry-specific add-ons include a credit card gateway or processor (74%), tank monitors (64%), and a customer portal (49%). More than 60% of respondents use an office suite like Office 365, an HR/payroll solution, and an accounting system.

In addition to your fuel delivery software, what other technology do you currently use to support your business?

Number of responses: 107

OVERVIEW: TECHNOLOGY LANDSCAPE

The top three technology investments fuel dealers are considering for the future are customer-supporting applications, tank monitors, and sales or marketing tools.

Customer-supporting applications. Fuel dealers are prioritizing online and mobile customer-facing technology like portals, text communications, e-commerce ordering capabilities, and electronic transactions like online bill pay. This highlights the importance of customer care and retention in the industry.

Tank monitors. The ongoing growth of tank monitors highlights delivery efficiency and accurate forecasting as priorities for fuel dealers. Tank monitors also allow for contactless meter readings, eliminating the need for drivers to go on-site.

Sales and marketing tools. Fuel dealers are evaluating sales and marketing solutions like CRM software, marketing or email automation tools, and social media platforms. While sales tools support growth, many of these products also focus on maintaining and improving existing customer communication.

Outside of the tools mentioned before, survey respondents are considering investing in technology like:

- Electronic meters
- Business analytics tools for reporting and dashboarding
- Accounting software
- Cloud hosting/storage
- New fuel delivery software
- Routing software
- Point of sale software
- Time tracking software
- Companion mobile applications for drivers and technicians

Number of responses: 60

OVERVIEW: TECHNOLOGY LANDSCAPE

Most survey respondents are satisfied with the technology available to them. When asked what technology the industry is missing, these were the top responses.

Customer tools. Respondents indicate a need for more automated customer communication tools like texting or email automation and mobile apps for customers. Generally, respondents are looking for tech that improves the customer experience for millenials and makes it easier for them to do business with fuel dealers.

Enhanced tank monitoring capabilities. Respondents are interested in monitors for oil tanks, longer battery life, and an all-in-one solution combining monitoring and dispatching for automatic tanks.

Better routing software. Respondents indicate that the routing capabilities available to the industry could be improved—specifically GPS tracking for delivery trucks and service vans and auto-routing.

Are you satisfied with the technology available for your industry?

No

20.6%

79.4%

Yes
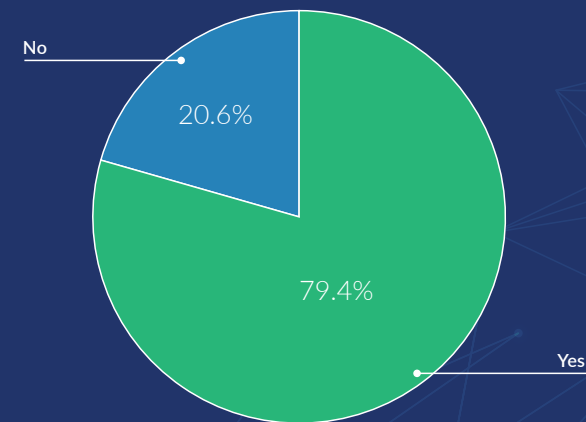
Number of responses: 107
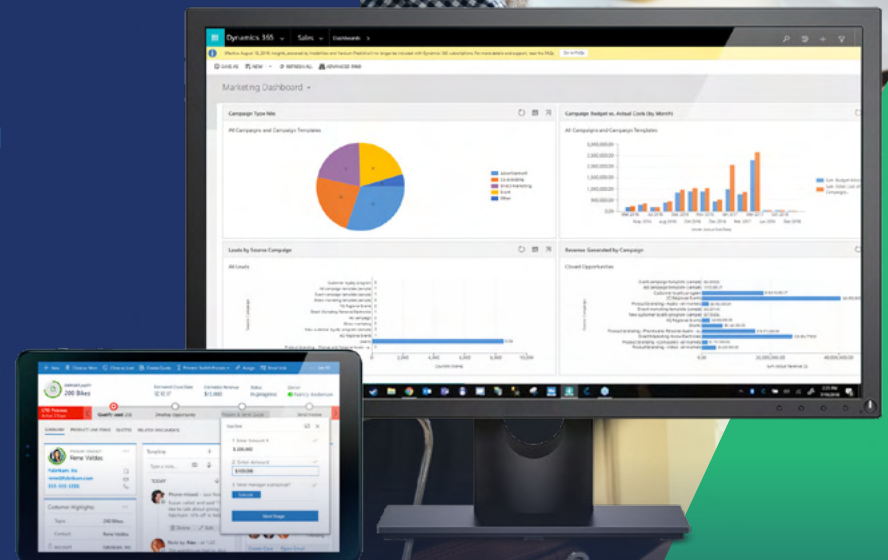
SALES & MARKETING TOOLS

Attracting new customers and retaining existing ones is crucial for success. This is why fuel dealers use a variety of technology to stay connected with existing and prospective buyers. Fuel dealers are making an effort to meet consumers where they are with a strong online presence and mobile-friendly options.

Key Benefits

- Keep track of every sales opportunity
- Take advantage of cross-sell and upsell opportunities
- Manage and track interactions with buyers
- Maintain regular communication through nurture campaigns and email automation
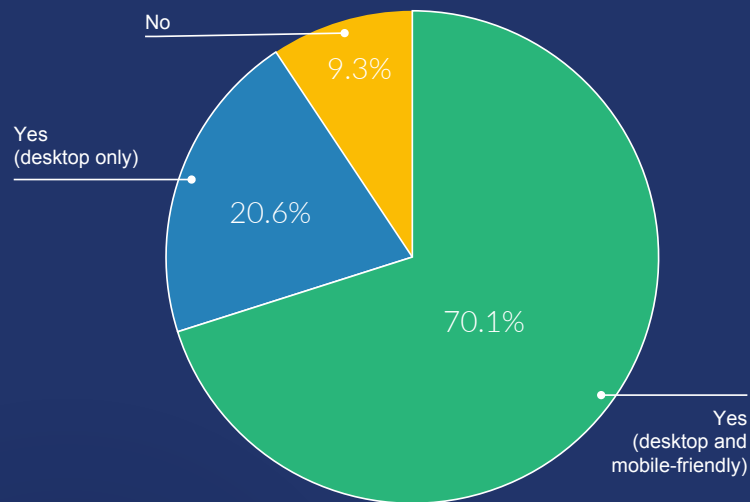
Competitive Advantage

Customer experience is a key component of sales and marketing strategy. Sales and marketing technology helps you put your best foot forward so you can attract and retain new customers. All while helping you track and manage every interaction you have with new and existing buyers.
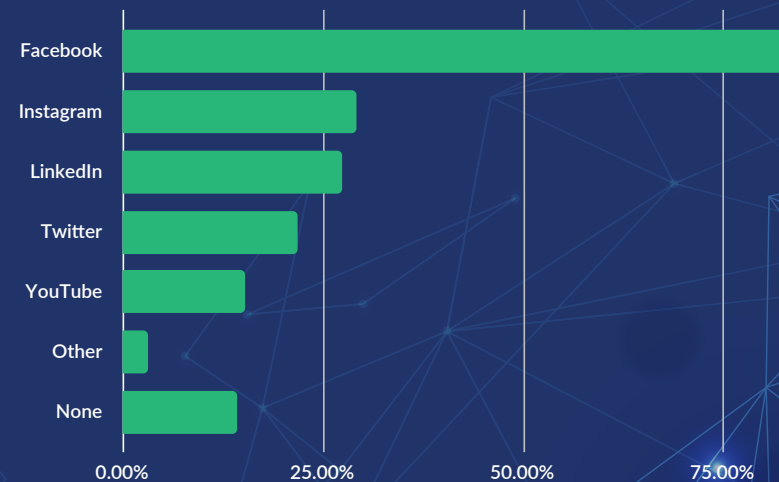
TREND 01: SALES & MARKETING TOOLS

An online presence is important to respondents—more than 90% have a company website, and 70% have a website that is both mobile- and desktop-friendly. In addition, 82% have a company Facebook account.

Do you have a company website?

- No: 9.3%
- Yes (desktop only): 20.6%
- Yes (desktop and mobile-friendly): 70.1%

Number of responses: 107

What social media platforms do you use for your business?

| Platform	
Facebook	
Instagram	
LinkedIn	
Twitter	
YouTube	
Other	
None	

0.00%   25.00%   50.00%   75.00%

Number of responses: 107

TREND 01: SALES & MARKETING TOOLS

While referral or word-of-mouth advertising is the leading way respondents acquire new customers, their company website is a close second, followed by social media. In addition, 93% of respondents acquire customers from multiple sources.
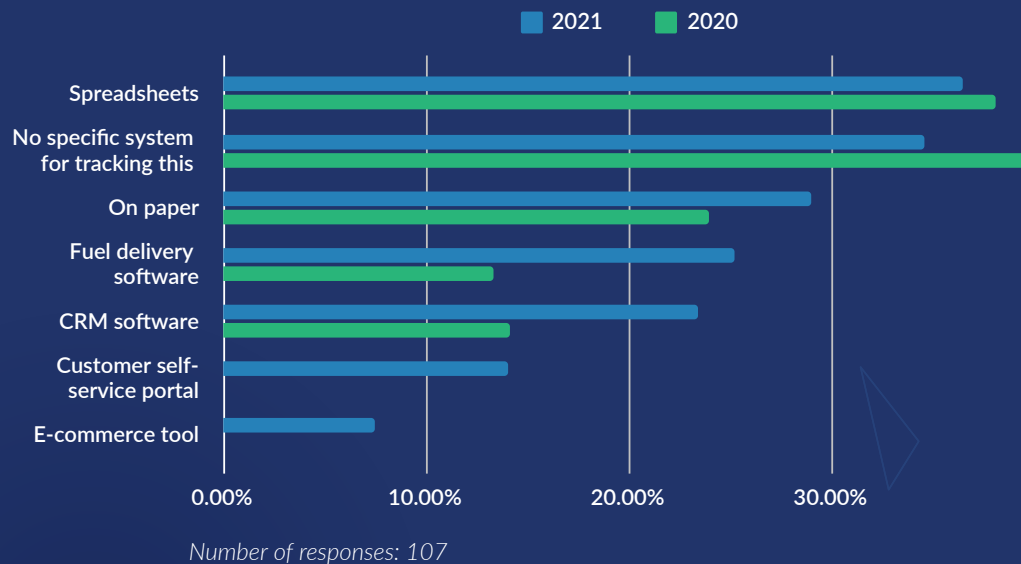
How do you acquire new customers?
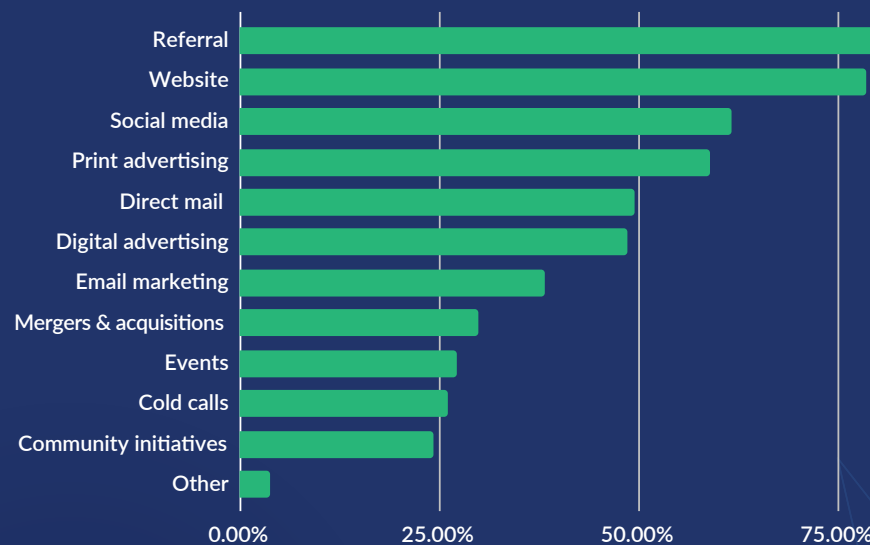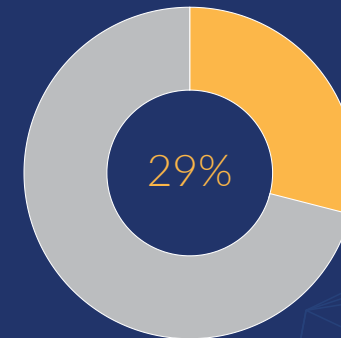

Number of responses: 107

TREND 01: SALES & MARKETING TOOLS

Most respondents do not have an efficient way of tracking sales opportunities. However, this year's responses indicate an increased use of software to track this information. Similarly, while a majority of participants do not use marketing automation, more respondents reported using it this year over last year.

### How do you track sales opportunities and prospective customer information?

Bar chart legend: ■ 2021 ■ 2020

Categories (top to bottom): Spreadsheets, No specific system for tracking this, On paper, Fuel delivery software, CRM software, Customer self-service portal, E-commerce tool

X-axis: 0.00%, 10.00%, 20.00%, 30.00%

Number of responses: 107

2020 Results

29%

Respondents who use marketing/email automation

Number of responses: 69

2021 Results

36%
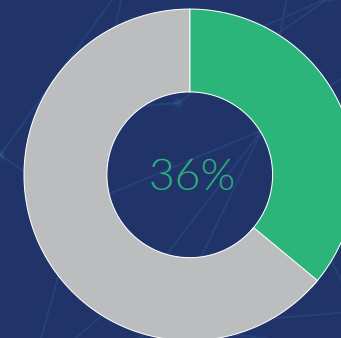
Respondents who use marketing/email automation

Number of responses: 107

TREND 02:

CUSTOMER EXPERIENCE TOOLS

Customer experience has always been an important area of focus for the energy industry. While before, customer experience was driven by in-person interactions, the industry is evolving to meet the preferences of a new generation of consumers. Fuel dealers are adopting new tools to allow customers to interact with them in new ways.

Key Benefits

- Improve customer satisfaction
- Keep existing customers engaged
- Understand what consumers are saying about your business
- Reduce call volume
- Improve cash flow and order volume
- Create new avenues for marketing messaging

Competitive Advantage

Today's consumers primarily interact with businesses online. Their expectations are influenced by e-commerce sites like Amazon, mobile applications for everything from banking to healthcare, and automated communications about appointments and other important events. Companies that don't provide online resources for customers stand out negatively.
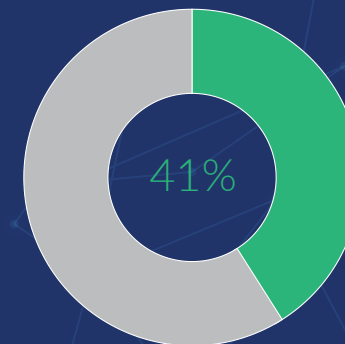
TREND 02: CUSTOMER EXPERIENCE TOOLS

Fuel dealers are adapting to meet customer expectations. Only about 19% of respondents do not offer any kind of self-service option for customers. Respondents are primarily using their own websites or a third-party web portal to give their customers access to self-service tools.

What self-service options do you offer your customers?

Number of responses: 107
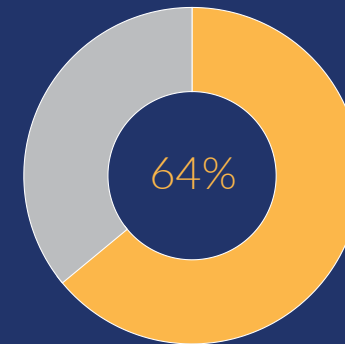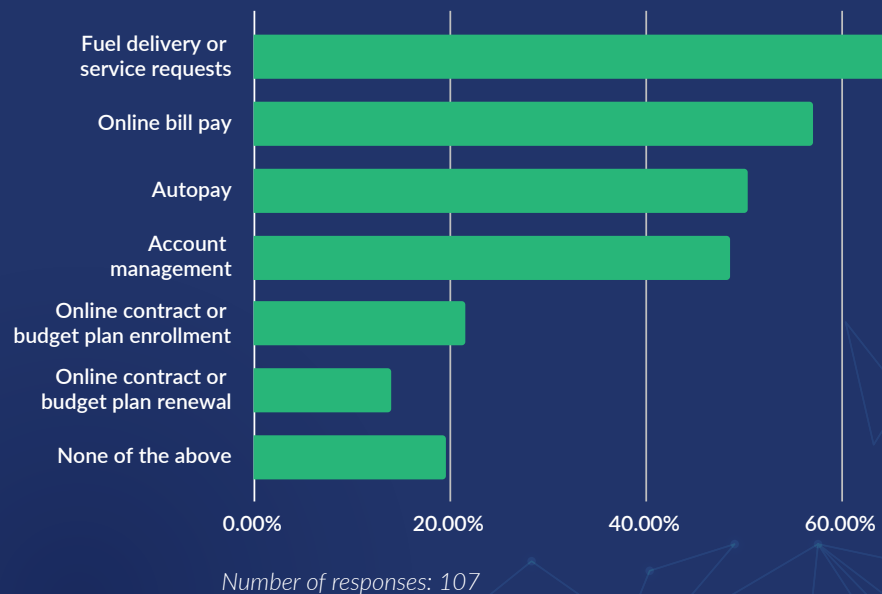
Respondents provide self-service tools through their company website


Respondents provide self-service tools through a third-party portal

Number of responses: 107

TREND 02: CUSTOMER EXPERIENCE TOOLS

While fuel dealers are offering customers new ways to communicate with them, a majority of respondents still rely on phone calls to communicate with customers. That said, nearly half of participants also use email and social media for customer communications.

### What tools do you use to create and send your customer communications?
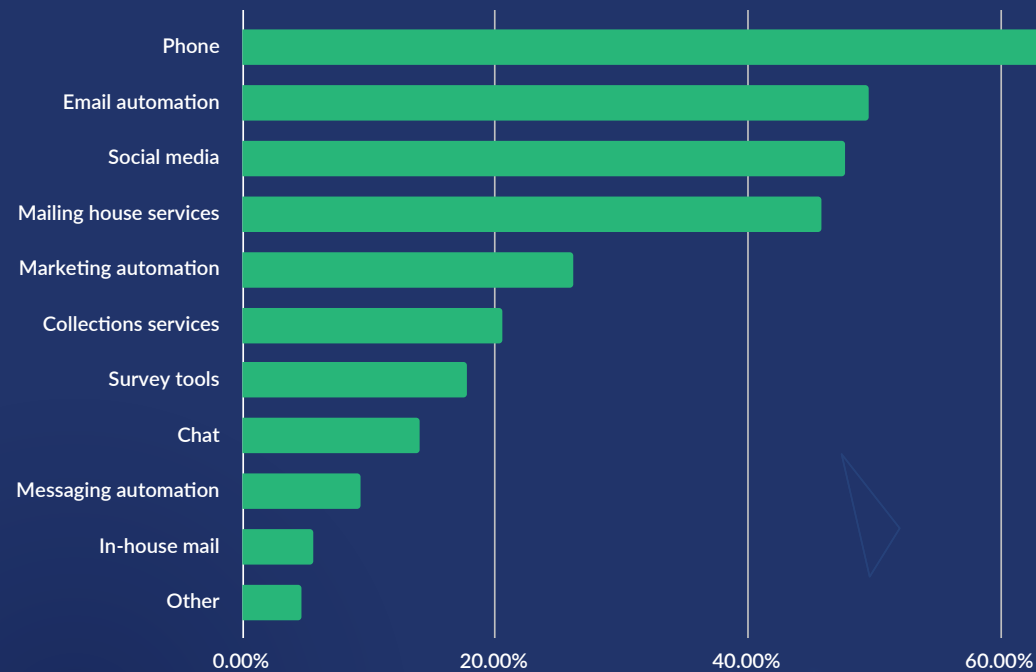
Number of responses: 107

TREND 02: CUSTOMER EXPERIENCE TOOLS

Review sites and social media play a major role in monitoring and managing customer feedback. Google My Business is the leading site respondents visit to look at customer reviews.

If you monitor customer reviews through review sites, what sites do you use?


Number of responses: 84
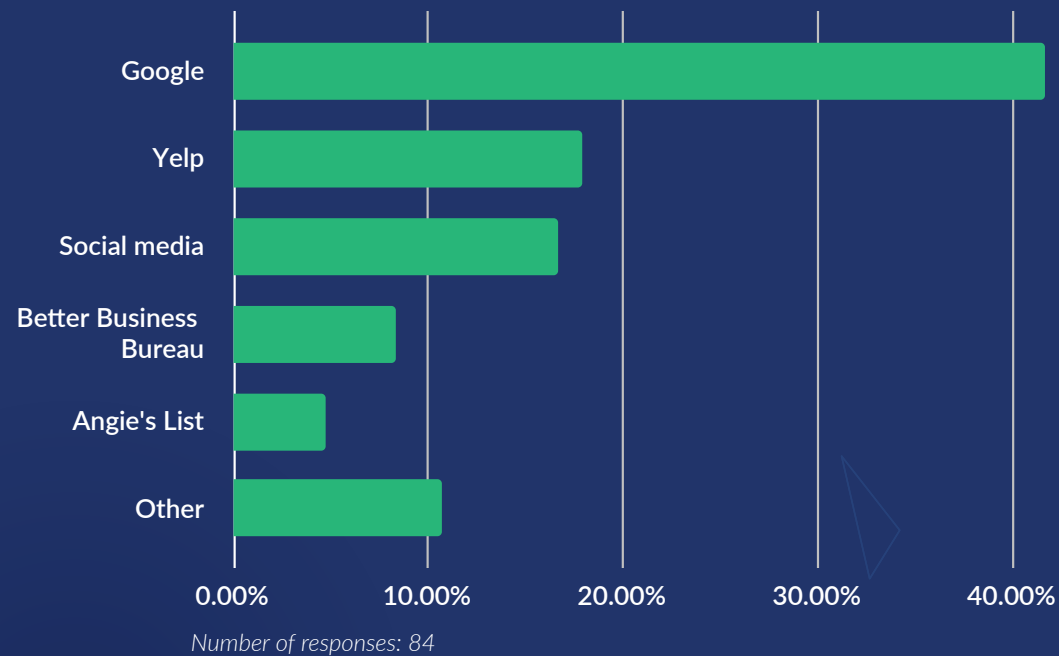
TANK MONITORS

Accurate forecasting is a crucial component of delivery efficiency and the overall success of a fuel dealer. Tank monitors take the guesswork out of forecasting, providing up-to-the-minute tank level readings so you know exactly when to deliver. As the technology continues to improve and prices continue to drop, tank monitors are becoming less of a trend and more of an industry standard.

Key Benefits

- Manage tanks with inconsistent usage
- Manage tanks in remote locations
- Eliminate runouts
- Improve delivery efficiency
- Improve customer satisfaction

Competitive Advantage

When you know exactly when you need to deliver, you can plan better routes and avoid small drops and runouts. Improved delivery efficiency saves you money and reduces wear and tear on your fleet, while accurate deliveries keep your customers happy.
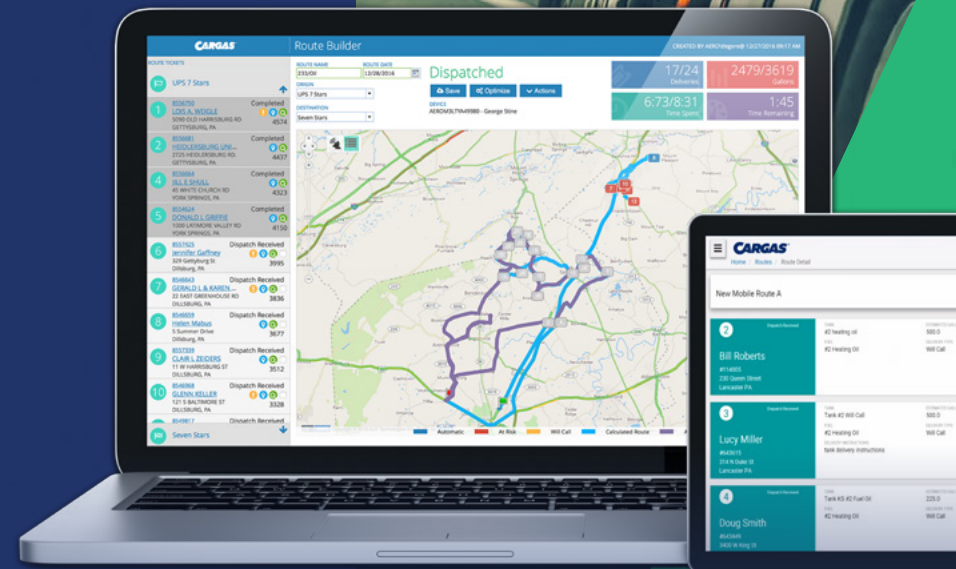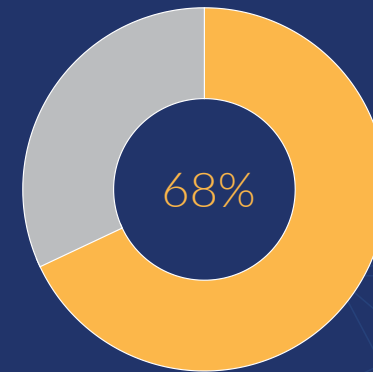
TREND 03: TANK MONITORS

While K-factor and degree days remain the most popular forecasting methods, 61% of respondents have fuel delivery software that supports forecasting using tank monitor readings. In addition, 68% of respondents are using tank monitors.

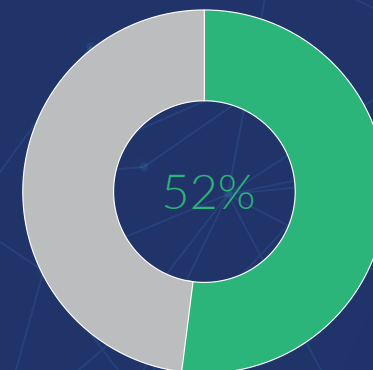## What forecasting capabilities does your fuel delivery software offer?
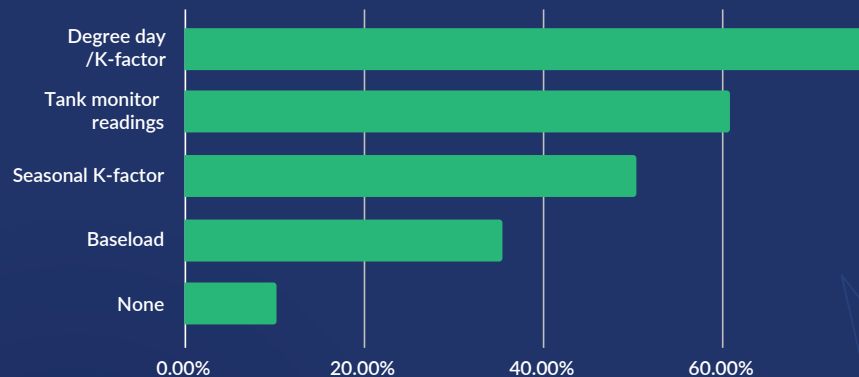
Number of responses: 107

68% Respondents are using tank monitors

52% Respondents deployed more or spent more on tank monitors in 2020
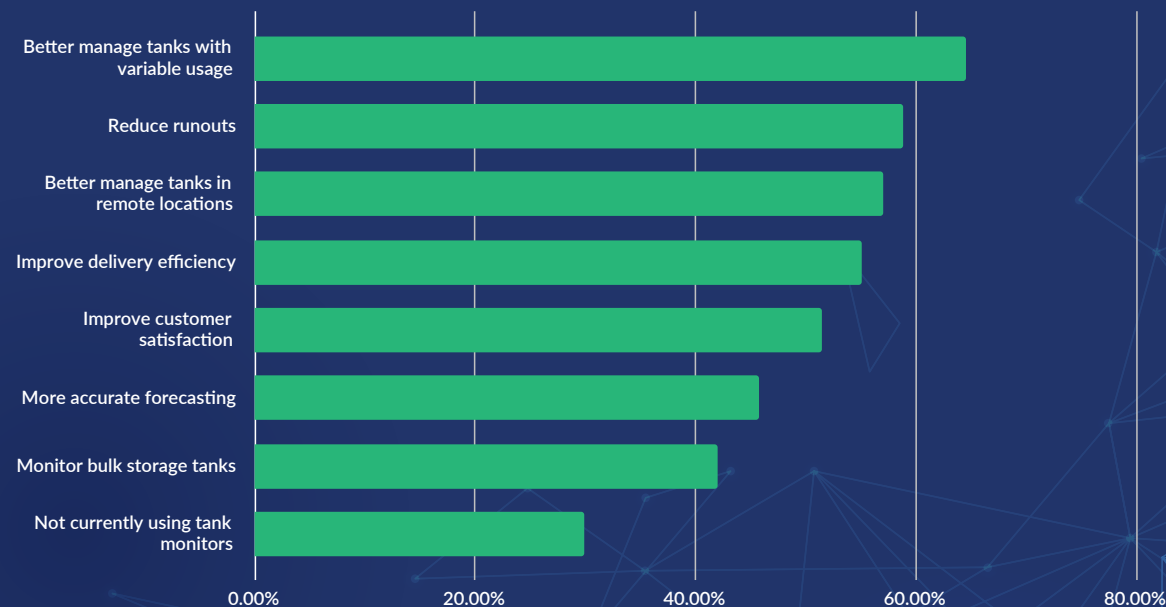
Number of responses: 107

TREND 03: TANK MONITORS

There are many reasons fuel dealers may adopt tank monitors, but these motivations generally fall into two categories.

Savings/profitability. Tank monitors improve delivery efficiency through more accurate forecasting. They also help you better manage tanks with variable usage or in remote locations, saving you money and adding to your bottom line.

Customer satisfaction. Preventing runouts and delivering more accurately can help you retain customers long-term. Many tank monitoring companies also offer appealing customer-facing benefits, like the ability to check a tank's level using a mobile app.

Why are you using tank monitors?

Number of responses: 107

MOBILE TECHNOLOGY

Your business runs best when your office team and your drivers work in sync. Wireless mobile connectivity provides real-time communication across your team so everyone is on the same page. In the past, the cost of rugged mobile tablets may have been a barrier to implementing a mobile solution. But today, Android offers cost-effective options with better connectivity than any other provider.

Key Benefits

- Allow instant communication between the office and your drivers
- Respond immediately to new requests from customers
- Change tickets, routes, and prices throughout the day
- Track the progress of each driver in real time

Competitive Advantage

Modern mobile technology saves your team time and gives you the flexibility to respond to changes throughout the day. With instant communication across your team, it's easy to add emergency stops, change prices in the middle of the day, or respond to a customer's question about their delivery.
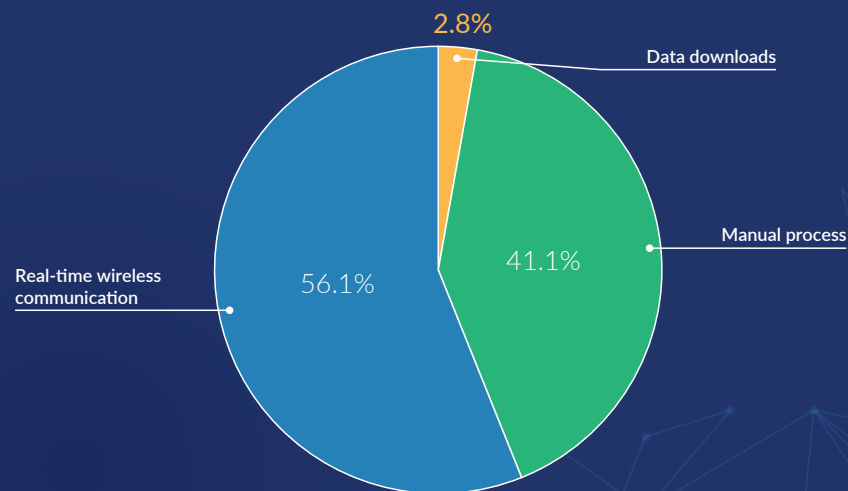
TREND 04: MOBILE TECHNOLOGY

While the data downloads associated with old mobile technology seem to be a thing of the past, 41% of respondents still rely on phone calls to communicate information to drivers in the field. This presents an opportunity for fuel dealers using real-time mobile communication to pull ahead of competitors who are not yet using this technology.

Nearly 40% of respondents are using fuel delivery software that does not provide mobile applications. However, 84% of participants report that mobile capabilities are an important consideration for future software purchases.

How do you currently get info to your drivers or technicians?

2.8%

Data downloads

Manual process

41.1%

Real-time wireless communication

56.1%

Number of responses: 107

39%
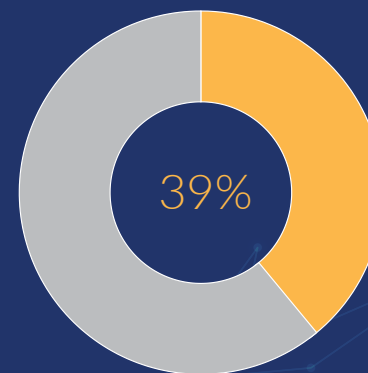
Respondents said their fuel delivery software does not include mobile applications

84%
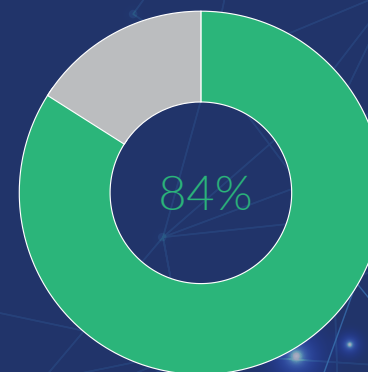
Respondents said when considering future software purchases, it is important the product has mobile options

Number of responses: 107
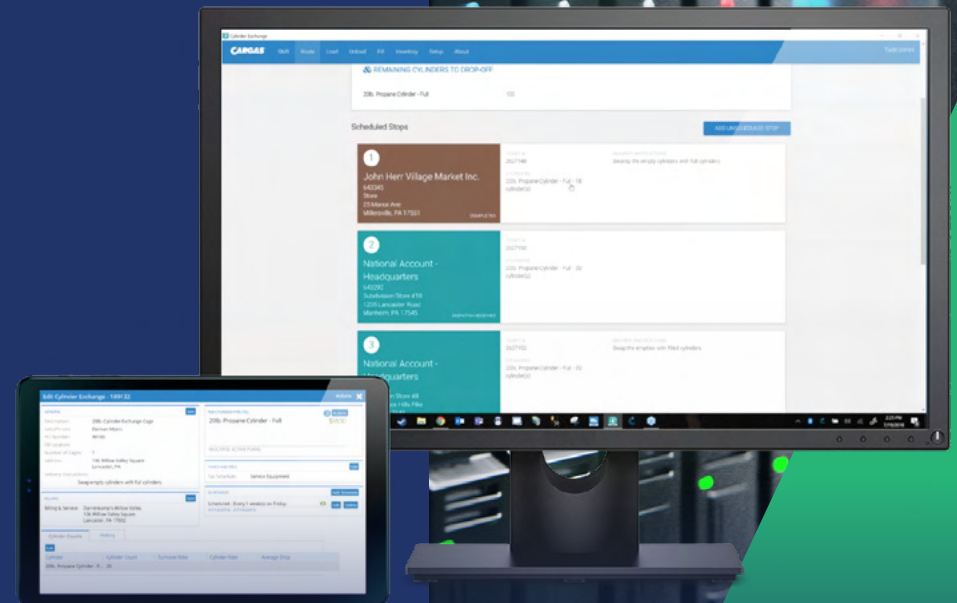
TREND 05:

THE CLOUD

Cloud technology is trending everywhere, not just in the energy industry. But it became critical in 2020 with the need to support remote employees and limit in-person interactions. Cloud technology allows companies to hold virtual meetings, process orders, accept payments, and manage their entire operation anytime, from anywhere.

Key Benefits

- 24/7 access anywhere from any device
- Real-time information flow
- Easy integrations
- No hardware requirements or server maintenance
- Enhanced security

Competitive Advantage

Cloud software is faster, more flexible, more secure, and less expensive than on-premise solutions. Fuel dealers using it gain an advantage over competitors who are limited by slower-moving systems. When it came to adapting to new working practices in 2020, cloud technology offered more flexibility than on-premise tools.

TREND 05: THE CLOUD

About 65% of participants are using cloud servers for their businesses, either on their own or in combination with in-house servers.

Is your company data stored on in-house servers or cloud servers?

Cloud servers — 26.2%

Both — 39.3%

In-house servers — 34.6%

Number of responses: 107

76%
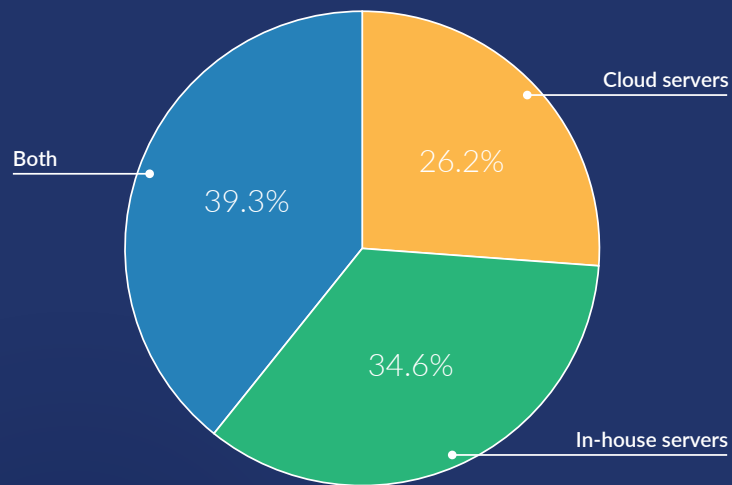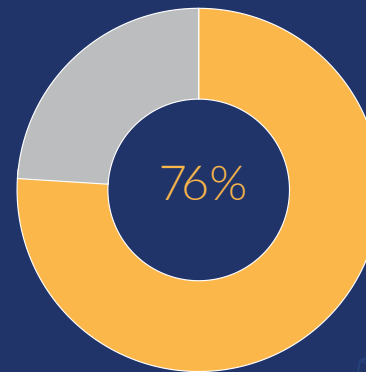
Respondents are already using cloud or web-based apps for their business

75%
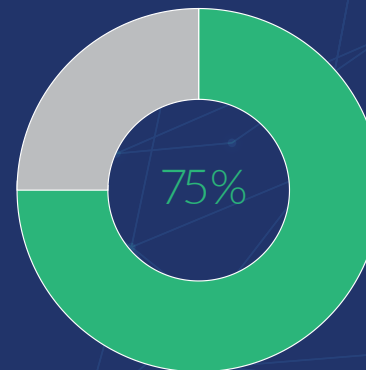
Respondents said a cloud or web platform is important for evaluating future software purchases

Number of responses: 107

BUSINESS INTELLIGENCE

Energy companies are largely seasonal businesses working within very thin margins. Because there's not a lot of room for error, understanding how your business is performing, identifying where you can make improvements, and having the data to support strategic decisions are key. Strong reporting capabilities in your existing software or a business intelligence tool that consolidates data across your organization can help you get the information you need.

Key Benefits

- Track your performance in real time
- Track progress against goals
- Identify and correct problems
- Identify and track trends over time
- Make strategic decisions with confidence

Competitive Advantage

When you have a quick, easy way to review and evaluate your data, you jump ahead of the competition. You'll understand your business better, be poised to take corrective action sooner, be equipped to make more accurate predictions, and be able to make strategic decisions quicker and jump on new opportunities faster.
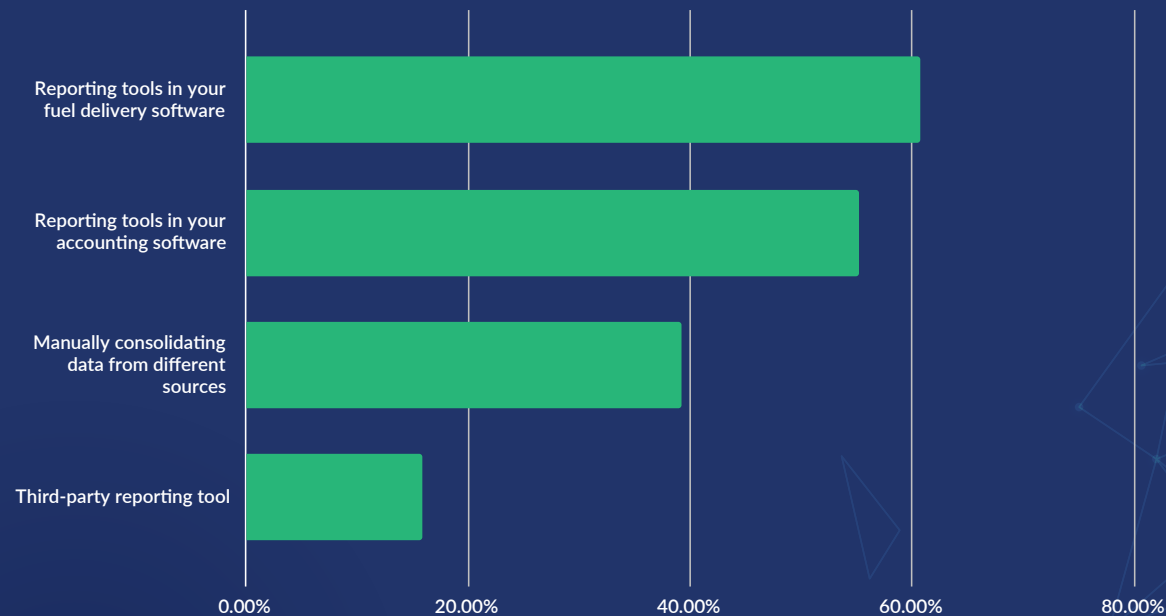
TREND 06: BUSINESS INTELLIGENCE

About 60% of respondents rely on their accounting or fuel delivery software to evaluate company performance. However, nearly 40% must compile data manually to get the information they need.

How do you generate reports to evaluate company performance?

Number of responses: 107

TREND 06: BUSINESS INTELLIGENCE

Top Metrics for Fuel Dealers

The top three metrics respondents are using to evaluate business performance fall under profit, sales, and gallons.

Profit: including net profit, gross profit, and profit by category, like customer type.

Sales: including total sales, new sales, and sales history.

Gallons: including gallons sold, gallons delivered, gallons pumped, customer gallon usage, gallons per day, gallons gained/lost, and cost per gallon.

Other metrics tracked by respondents include:

- **Cash-related:** payments, payment history, cash on hand, AR, and available credit
- **Margin-related:** markup, average margin, and margin per gallon
- **Customer-related:** number of customers, repeat customers, new customers, customer growth, customer retention, net customer changes, customer reviews, customer satisfaction, and NPS (Net Promoter Score)

- **Delivery-related:** number of deliveries, number of stops, revenue per delivery, delivery efficiency, delivery location, and number of runouts
- **Service-related:** number of callbacks, tank sets, and installations
- **Employee-related:** satisfaction, productivity, and hours worked
- **Other:** volume, product turnover, EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization), expenses, budget to actual, growth, net income, and revenue

Number of responses: 97

TREND 06: BUSINESS INTELLIGENCE

For more than 30% of respondents, someone at the manager or executive level is responsible for tracking business performance and generating reports. Streamlining data analysis could free up executives to focus on other high-value tasks like business strategy and planning.

Who is responsible for tracking performance information or generating reports at your organization?
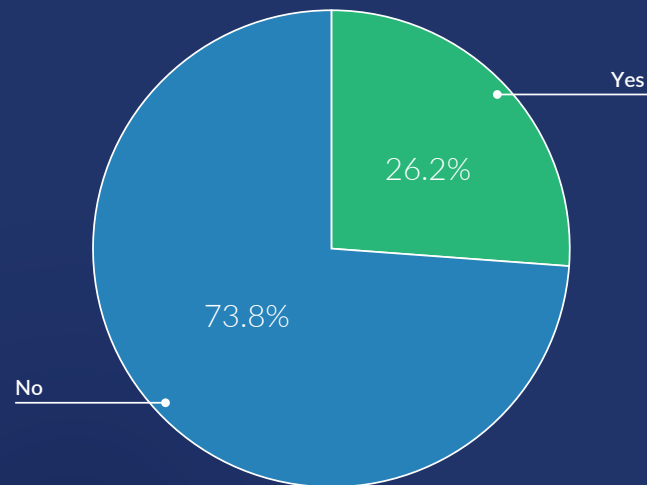

Number of responses: 107
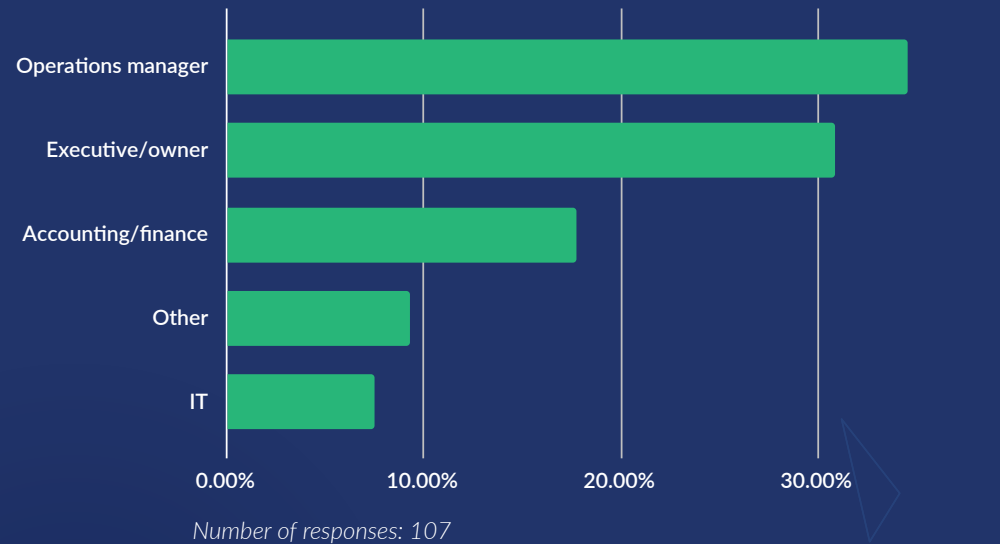
TREND 06: BUSINESS INTELLIGENCE

About a quarter of respondents indicate that they struggle to get the data they need to evaluate their business performance. For those respondents, the primary roadblocks are:

- The manual effort/amount of time required to get information
- A lack of dashboards or visualizations to review data quickly
- Having multiple data sources versus one source for all important information
- A lack of customizable or automated reporting

Do you struggle to get the data you need to evaluate your business performance?

Yes
26.2%

No
73.8%

Number of responses: 107

TREND 07:

CYBERSECURITY

Cybersecurity is less of a trend and more of an industry necessity. Especially because fuel dealers are managing their customers' personal information in addition to their own. Keeping data secure is a top priority for most businesses, and there are many ways to do it. Cybersecurity has been a greater area of focus for businesses in 2020 due to the need to support remote employees.

Key Benefits

- Reduce your chances of a security breach
- Better respond to a breach should one occur
- Minimize data loss

Competitive Advantage

Cybersecurity should be a top priority for any business, especially those handling customer data. A security breach that exposes customer information damages trust and will likely cause you to lose customers. Preventing a breach and having protocols in place to respond to a breach are important for your business and your customers.

TREND 07: CYBERSECURITY

Respondents are using a combination of internal and external resources to support their cybersecurity needs. Internal resources are helpful for establishing and managing cybersecurity protocols and responding to immediate threats. External resources can evaluate your existing security, identify areas of weakness, and provide ongoing threat monitoring.
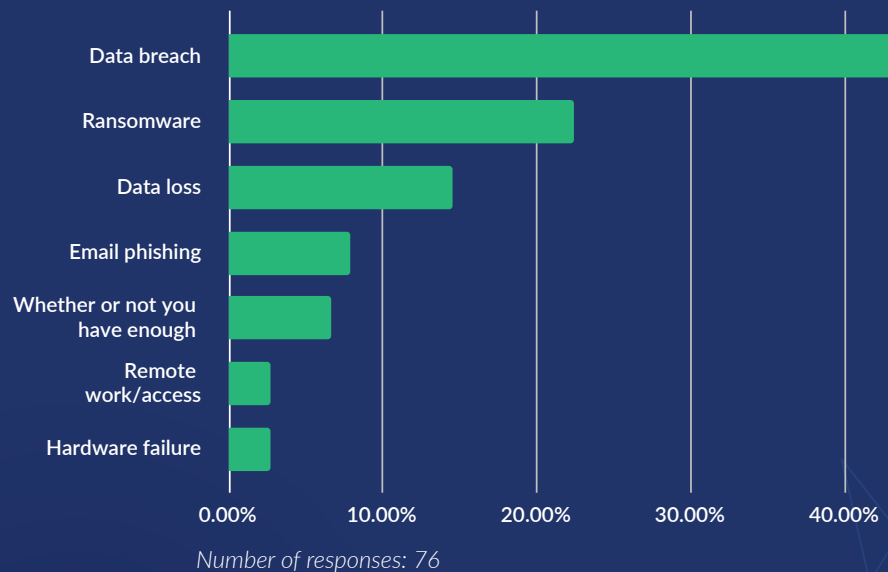
Who manages your cybersecurity?
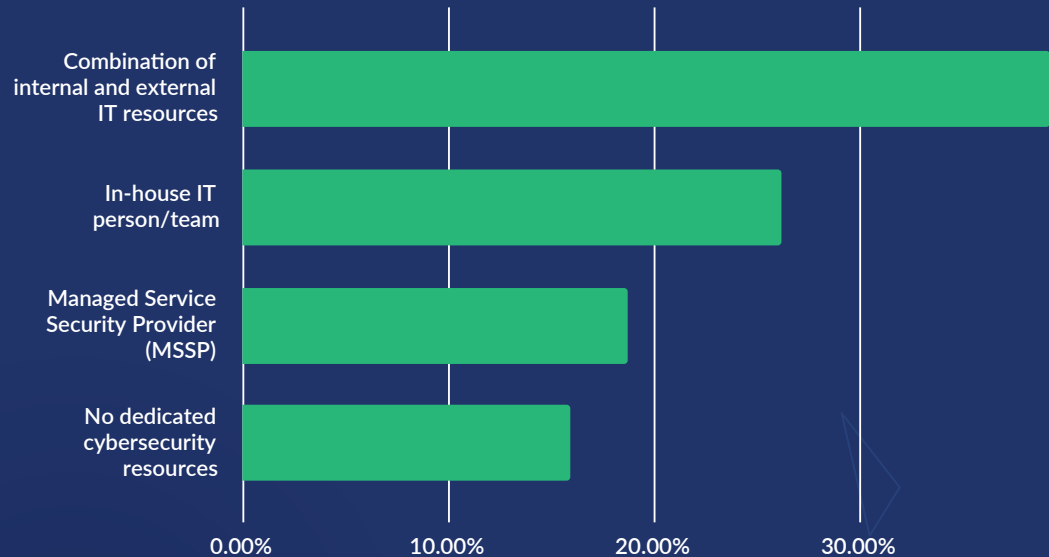
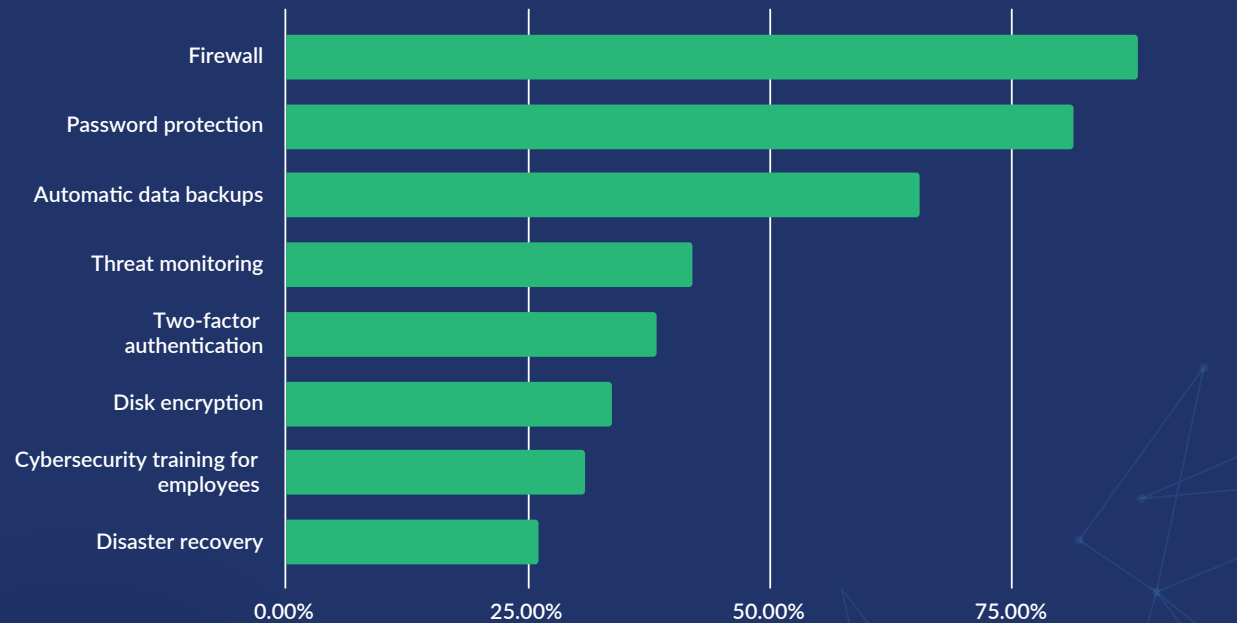*Number of responses: 107*

TREND 07: CYBERSECURITY

Respondents indicate that a data breach is their biggest cybersecurity concern, followed by ransomware and data loss. As a result, they're using a combination of security measures to keep their data safe.

What is your biggest concern related to cybersecurity?

Number of responses: 76

TREND 07: CYBERSECURITY

What security measures do you have in place to protect your company and customer data?

Measure	
Firewall	
Password protection	
Automatic data backups	
Threat monitoring	
Two-factor authentication	
Disk encryption	
Cybersecurity training for employees	
Disaster recovery	

0.00%   25.00%   50.00%   75.00%

Number of responses: 107

THE IMPACT OF COVID-19

The COVID-19 pandemic has changed the way many businesses use and think about technology. Because of the pandemic, 31% of respondents added new technology, and about 24% are considering new technology for the future. Several respondents also reported that they are using existing technology in new ways.

Respondents either added or are considering investing in these solutions:

- Video conferencing and centralized communication or chat tools
- Webcams
- Softphones/voice over IP (VoIP)
- Tools to support contactless transactions like customer portals, e-signature documents, or e-commerce capabilities on the company website
- Tools to support remote work, including hardware like laptops and remote desktop capabilities
- Mobile or cloud-based time-tracking software for employees
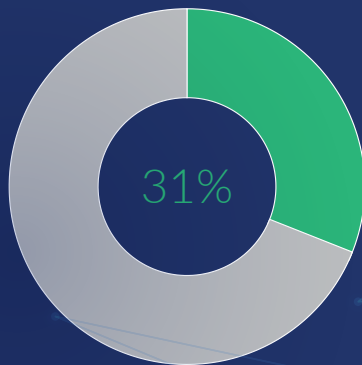
31% — Respondents added new technology because of the pandemic

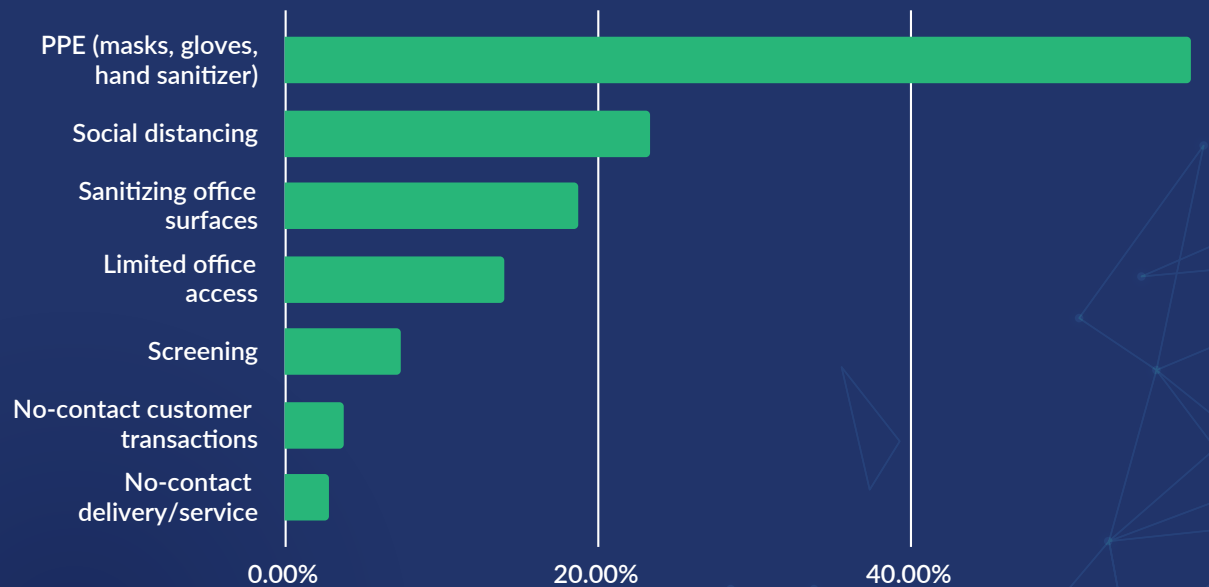*Number of responses: 104*
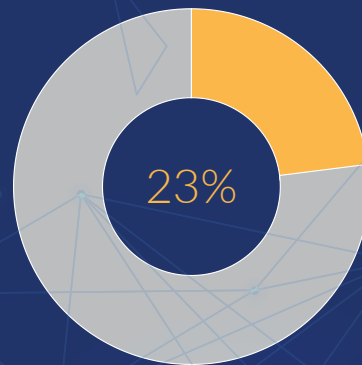
23% — Respondents are considering new technology because of the pandemic

Number of responses: 102

OVERVIEW: THE IMPACT OF COVID-19

In addition to new technology, fuel dealers have adopted new safety measures and working practices to keep employees and customers safe. Personal protective equipment like masks, gloves, and hand sanitizer, social distancing, and work surface sanitization were the top safety measures implemented by survey respondents. Many respondents also limited customer interactions by closing their offices to the public and transitioning customers to contactless transactions like online ordering or bill pay.

What safety features have you implemented due to the pandemic?

Number of responses: 107

FUTURE PROJECTIONS

Technology is constantly changing, and as it does, so will the tools being used by fuel dealers. Here are some things we believe are starting to or soon will impact the energy industry.

Paperless offices and remote workforces. We identified these as future projects last year and believe they have been accelerated by the COVID-19 pandemic. The pandemic has pushed many businesses to adapt to support remote employees and electronic versus paper transactions.

Energy e-commerce. E-commerce sites like Amazon set the bar for consumer expectations. And with the 2020 pandemic, many businesses are offering some form of online ordering, from major retailers like Walmart to locally-owned small businesses. Providing e-commerce options for fuel delivery and HVAC service will become a critical component of satisfying customers moving forward.

OVERVIEW: FUTURE PROJECTIONS

Tech for CSRs. The industry is transitioning to serve consumers who primarily interact with businesses online or through mobile devices. As it does, it will become increasingly important to equip your customer service team with technology that allows them to interact with customers where they are. This could mean relying more heavily on text, chat, email, or social media rather than phone calls to communicate with customers.

Social media. Social media has made the leap from personal to business. Companies can use social platforms to get their products in front of consumers and share content. Customers interact with businesses on social media and share feedback through reviews and comments. As the line between business and personal blurs, social media accounts may be just as important as websites for businesses like fuel delivery companies in a B2C industry.

Customer review monitoring. Reviews can influence potential buyers before they even interact with your business. While many survey respondents report that they are monitoring customer reviews manually or on a specific site or platform, there are endless ways for customers to leave feedback about your business online. Mid-market and large energy companies may benefit from a review monitoring tool that makes it easier to track business ratings across multiple sites.
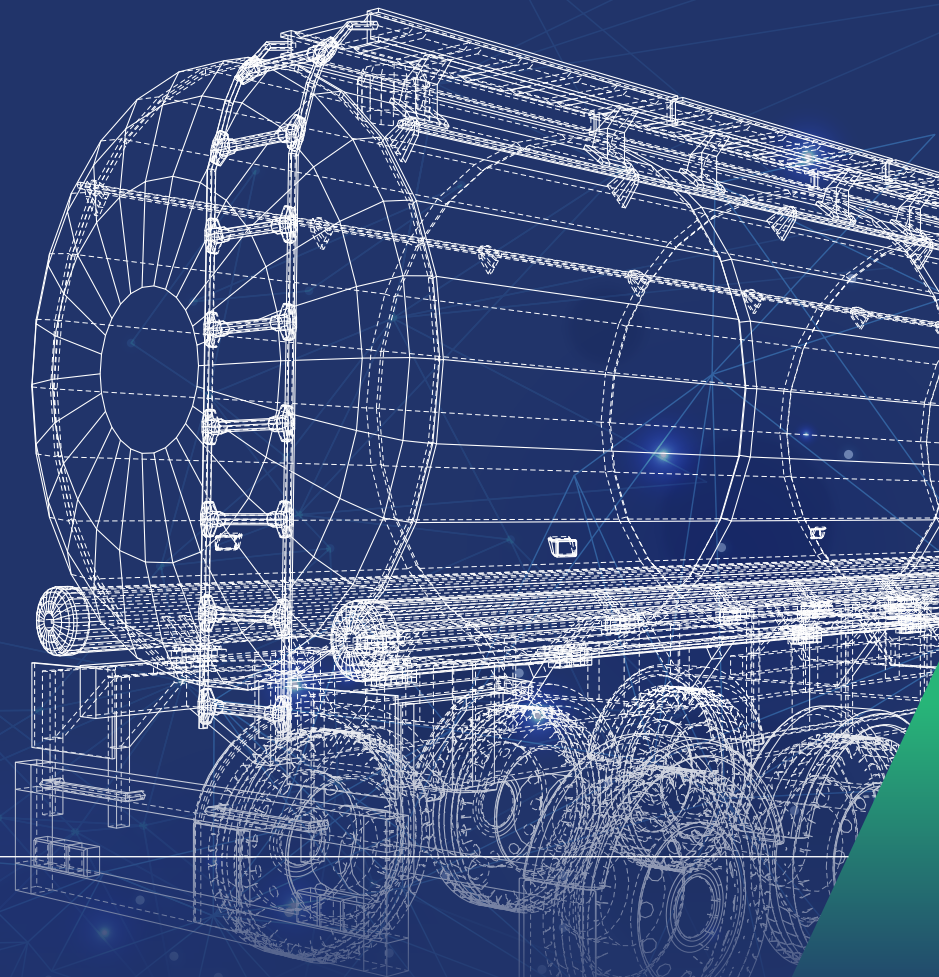
METHODOLOGY

This online survey was conducted in September through November 2020 with fuel dealers across North America solicited via email and on social media.

The survey had 107 participants who use a range of software and other technology to support their businesses. Not every participant answered all questions. The number of respondents for each question is listed below each chart.
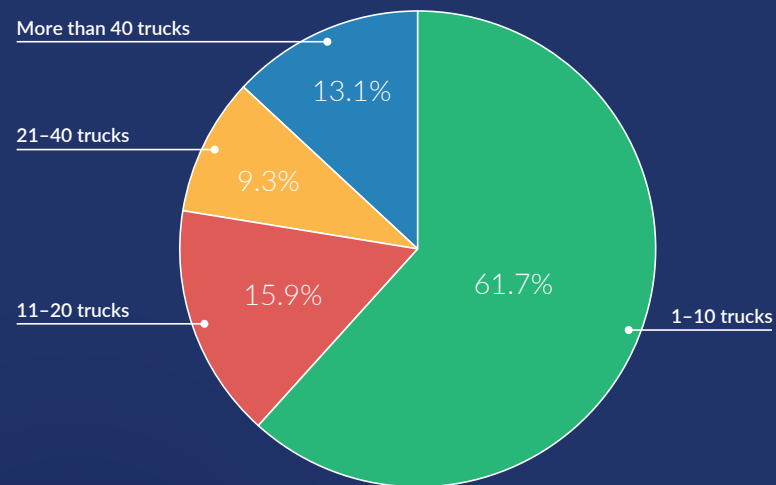
OVERVIEW: METHODOLOGY

Participant Overview

About 75% of participants can be classified as small- or medium-sized businesses.

How many delivery trucks do you have?

- More than 40 trucks — 13.1%
- 21–40 trucks — 9.3%
- 11–20 trucks — 15.9%
- 1–10 trucks — 61.7%

Number of responses: 107

Most survey participants have companies headquartered on the east coast or in the midwest.

Where is your company headquartered?

- South — 9.3%
- West — 4.7%
- Midwest — 28.0%
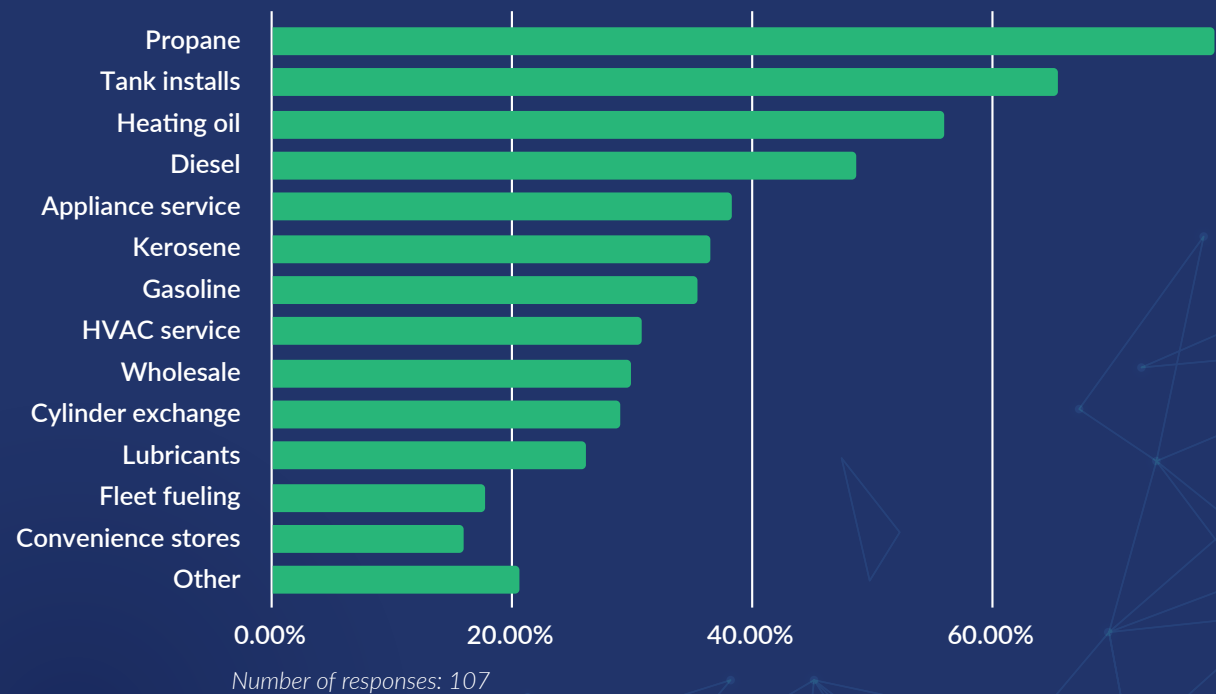- Mid-Atlantic — 25.2%
- Northeast — 32.7%
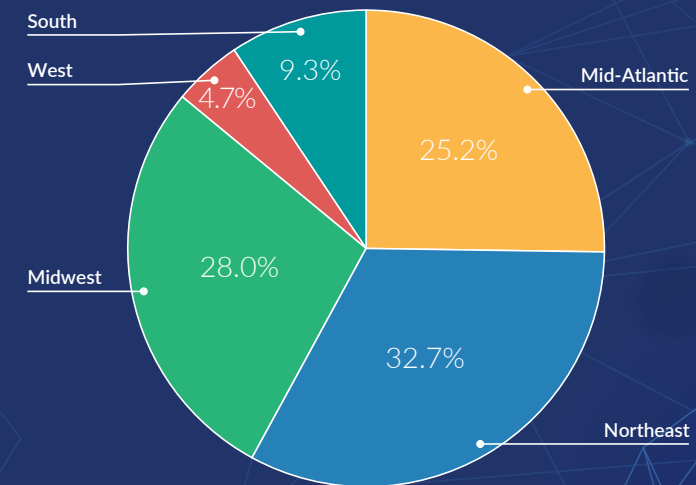
Number of responses: 107

OVERVIEW: METHODOLOGY

Survey participants offer a variety of fuels and services to their customers. Nearly 80% of respondents sell propane. Nearly 90% are diversified, offering more than one fuel type or service.

What products and/or services do you offer?

Number of responses: 107

ABOUT CARGAS

Cargas is an employee-owned software company with more than 150 employees. Cargas is the creator and provider of Cargas Energy, leading software for fuel delivery and HVAC service companies. With tools for fuel delivery, customer service, HVAC service, and cylinder exchange operations, Cargas Energy helps fuel dealers do more with the resources they already have so they can grow their businesses.

Through its unique employee-owned culture, Cargas fosters a commitment to excellence, a dedication to teamwork, and a high level of customer care. Established in 1988, Cargas has continuously been recognized as a Best Place to Work.

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