Establishing Practices for the Strategic Positioning of Kwik Trip as Charge Point Operator

Prepared for: Kwik Trip

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Executive Summary

Kwik Trip wants to establish its brand as a Charge Point Operator in the Midwest and create brand loyalty among Electric Vehicle (EV) Drivers. Growth is anticipated in the EV Driver Market, and Kwik Trip wants to create a competitive advantage using its branding when entering this market. The Fantastic Five conducted research on the EV Market, EV consumer preferences, and Kwik Trip's current branding to create recommendations for the best strategic practices.

Researching the EV Market

There are approximately 50,000 public charging stations in the US, with ChargePoint as the largest network, followed by Tesla, Electrify America, and EVgo. Tesla dominates the direct current (DC) fast charging station market with a 60% share (Loveday).

Consumer Preferences Regarding Charging Stations

Eighty-four percent of electric vehicle owners use their EV daily (Kane). The three major aspects consumers seek in EV charging stations are reliability, price, and speed (Kane).

Best Strategic Practices

Onsite Representative: A Kwik Trip employee trained in EV charging would be stationed out at the charging ports to help customers, fix chargers, and ensure there are no issues. A large-scale issue in EV charging is the availability of working charging ports, and an onsite operator would eliminate this issue for Kwik Trip.

Charging Finder: Kwik Trip's EV Charge Finder will allow customers to locate a charging station nearby. This app could provide live updates about charging stations, including the number of chargers when they will be available, and the time remaining. This will reduce the waiting time for EV owners, leading them to choose Kwik Trip Charging stations over others.

Kwik Rewards Plus: A new "Plus" feature on the app would track the number of visits to charging locations and offer benefits after a certain number of visits. This could attract new customers and retain the existing ones, strengthening Kwik Trip's position as a charge point operator.

In-App Payments: The In-App Payment feature will allow customers to load their credit or debit cards into the app, pick their charger location, and tap to pay. Since other large operators use in-app payments, implementing this feature will help Kwik Trip compete in this market.

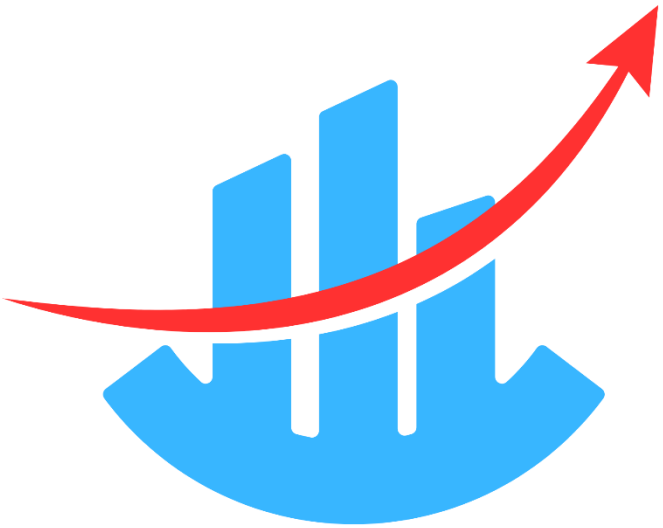
Logo Redesign: Kwik Trip could implement a logo redesign to increase awareness and help brand the company as a charge point operator. This change includes switching the "I" in “Kwik” to a lightning bolt to convey its EV charging services and fast and effective service.

Search Engine Optimization: Adjusting Kwik Trip’s websites and online descriptions to appear in EV charging-related searches could boost visits to Kwik Trip's website and stores and increase customer awareness of its new charging options.

Introduction

Kwik Trip is looking to establish Itself as a "luxury charge point operator" throughout the Midwest and is looking to answer the question, “What are the best practices for the strategic positioning and branding of Kwik Trip as a Charge Point Operator?” Kwik Trip wants to create brand loyalty among EV drivers because Kwik Trip predicts the EV market will grow over 900% by 2040 (Schwartz, Personal Communication, April 3, 2023). If Kwik Trip can position its company effectively as a Charge Point Operator, it can capitalize on the rapid growth of the EV Market.

This report covers market research of major charge point operators in the United States. It analyzes what and how their competitors are doing regarding market share and current competitive positioning in Wisconsin. This report will also Investigate the current and future market of EV drivers and what criteria they value when using public charging points. Understanding what is valued will help Kwik Trip meet the wants and needs of its customers. Finally, the report will cover how Kwik Trip positions itself in the minds of its consumer and recommendations on how Kwik Trip can use its current positioning to create new loyal customers when establishing itself as a charge point operator.

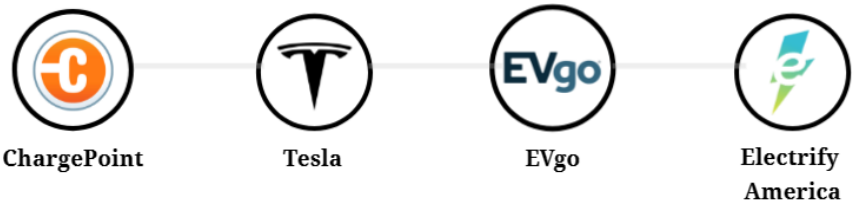


Major Operators of EV Charging

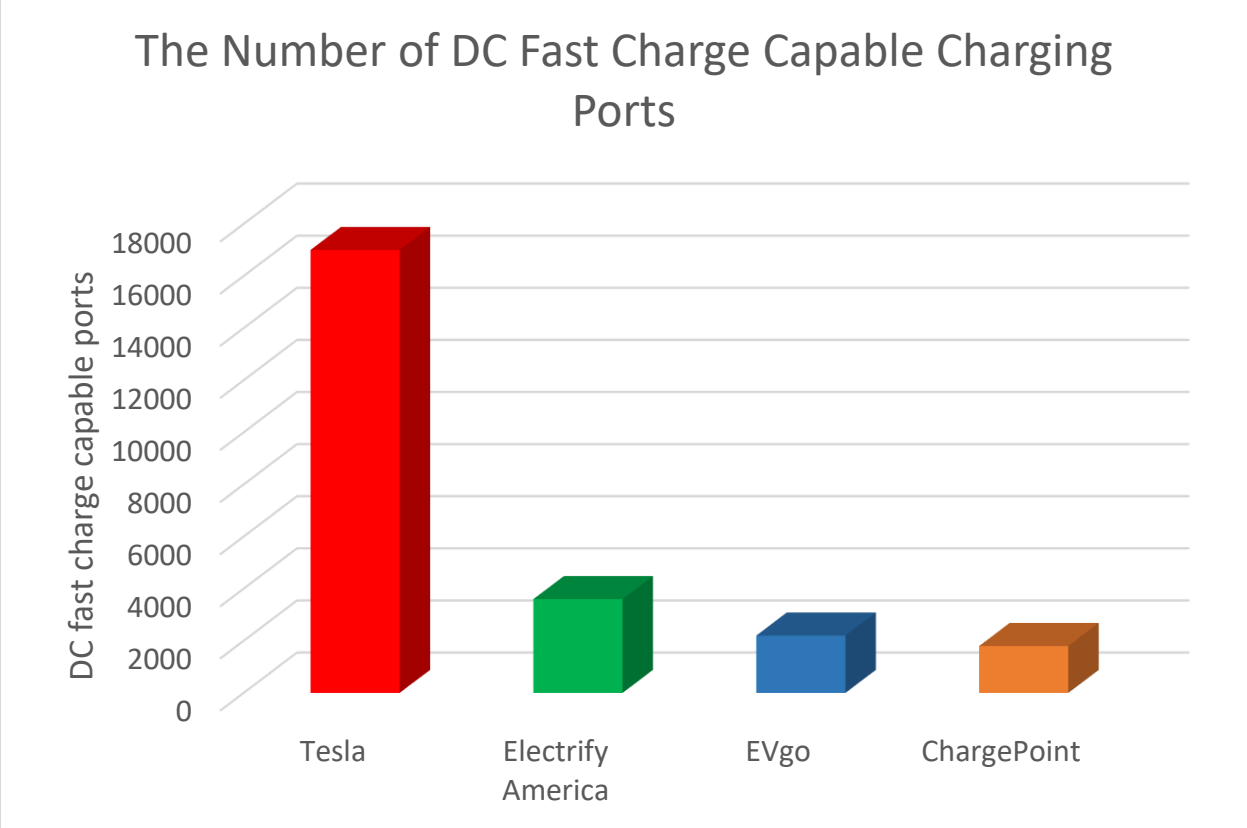
Kwik Trip is entering a relatively new market, with other companies who are pre-established charge point operators. It is important to understand these companies and what they currently do so Kwik Trip can compete and differentiate themselves in this market.

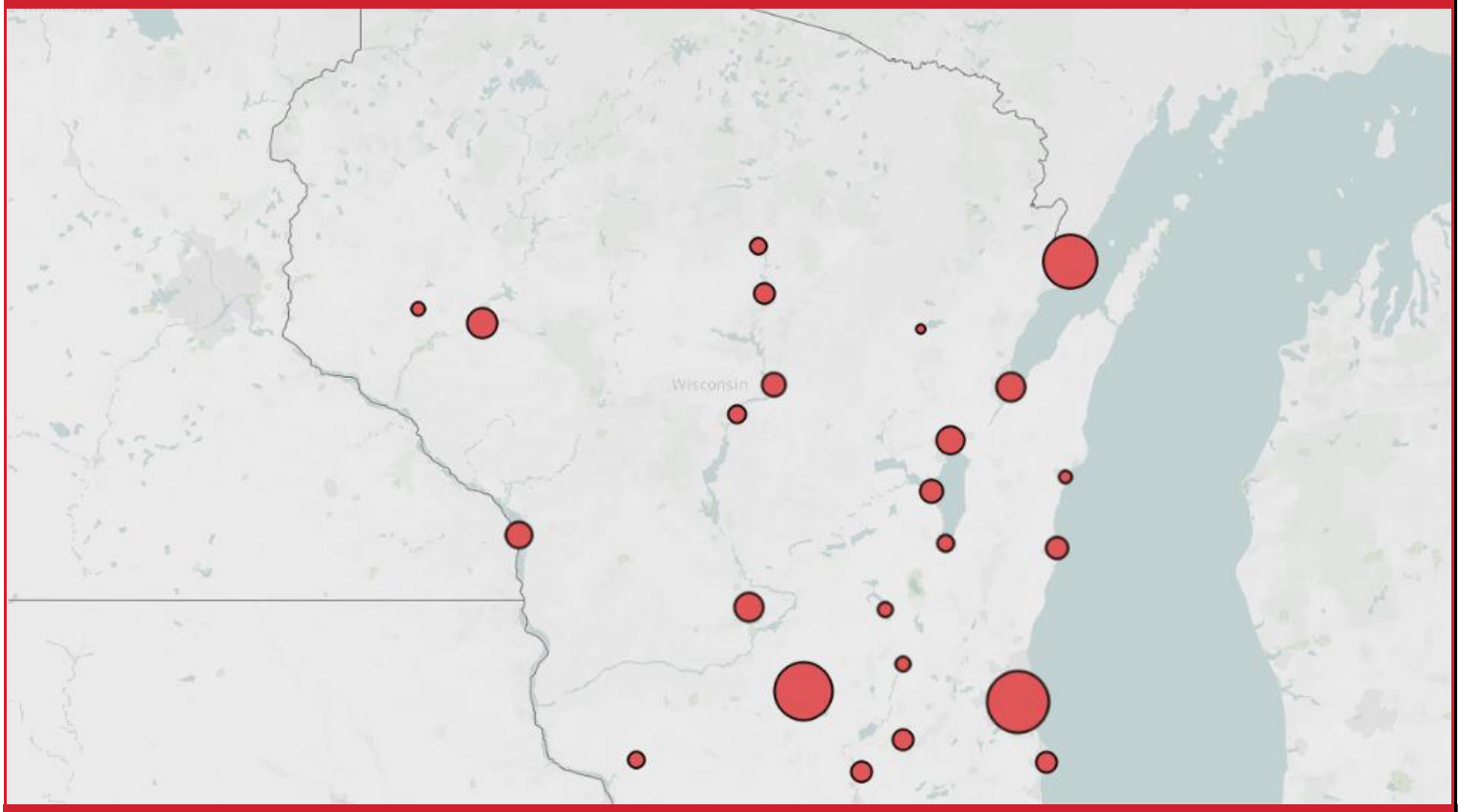
Currently, there are approximately 50,000 public EV charging stations in the United States, consisting of over 130,000 individual charging ports (Loveday). Of those 50,000 public charging stations, 44,000 are level 2 (chargers that do not have fast charging capabilities) with 100,000 ports (Loveday). Only 6,000 are DC fast charging stations with 28,000 DC fast charging ports (Loveday).

Today, four major charge pointer operators have significant footholds in the market: ChargePoint, Tesla, EVgo, and Electrify America.



ChargePoint is currently the largest EV charging network in the United States, with over 27,000 charging stations and 50,000 charging ports (Loveday). However, most of ChargePoint's locations are level 2 chargers, which are incapable of fast charging (Loveday). Following ChargePoint, Tesla is the second largest charge point operator with 6,000 charging stations, but only 1,600 of those stations are capable of DC fast charging. From the 1,600 charging stations, Tesla has over 17,000 DC fast charging ports which are currently 60% of the DC Fast charging station market in the United States. Compared to Tesla, Electrify America has roughly 3,600 fast charging ports, EVgo has about 2,200, and ChargePoint has around 1,800. These three companies combined own approximately 7,600 fast-charging ports, about 29% of the total market (Loveday).

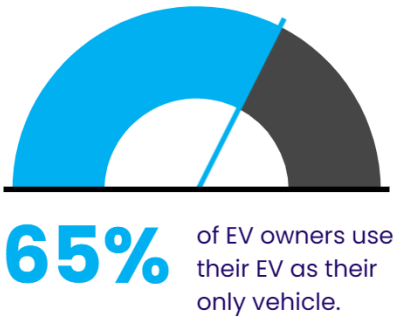




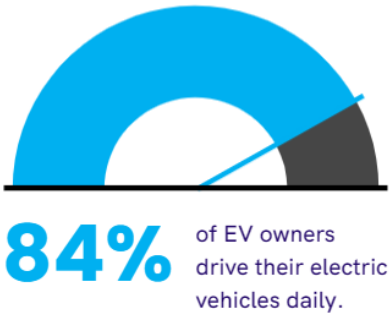
This map represents the number of charging ports in the state of Wisconsin. The bigger the circle, the more ports that city has.

When looking at these companies' presence in Wisconsin, Tesla has 23 locations, ChargePoint has 11, Electrify America has 4, and EVgo has none. Most of these locations are in Madison, Milwaukee, and Marinette at 357, 314, and 269 charging ports, respectively ("EV Charging Station Map"). The rest are located along the Wisconsin highway corridors in Oshkosh, Howard, Menomonie, Oak Creek, La Crosse, Wisconsin Dells, Tomah, Marshfield, Hudson, and Eau Claire ("EV Charging Station Map").

It is essential to understand the behavior of consumers who own an EV to target that market segment better. Roughly 65% of EV owners use their EVs as their only vehicle (Kane). In addition, 84% of EV owners drive their vehicles daily (5 or more times a week) (Kane). These consumers depend on a sufficient charge, whether at home or on the road.



65% of EV owners use their EV as their only vehicle.

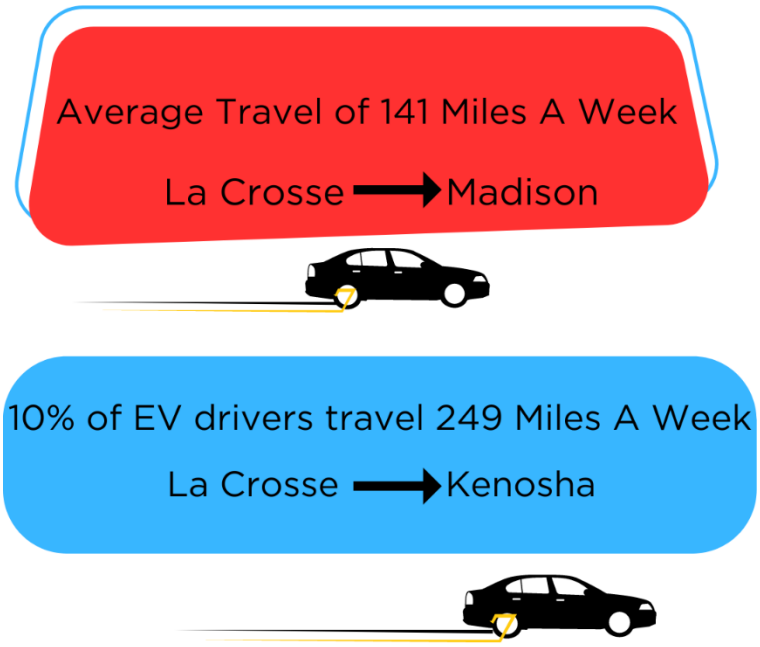


84% of EV owners drive their electric vehicles daily.

For work commuters without home chargers, on-the-go charging stations allow for convenient charging roughly once a week for a full charge and a couple times a week for a smaller charge. Understanding the consumer's behavior allows Kwik Trip to better market towards EV drivers. According to many online reviews, customers would often charge their vehicles up to 30-40% (*Station Plugscores*). This is because DC fast chargers still take roughly 30-45 minutes to charge a battery fully. Subsequently, EV users try to limit their time at a charger. Therefore, EV users will spend about 15-20 minutes at a public charging station

Driving Habits of EV Owners

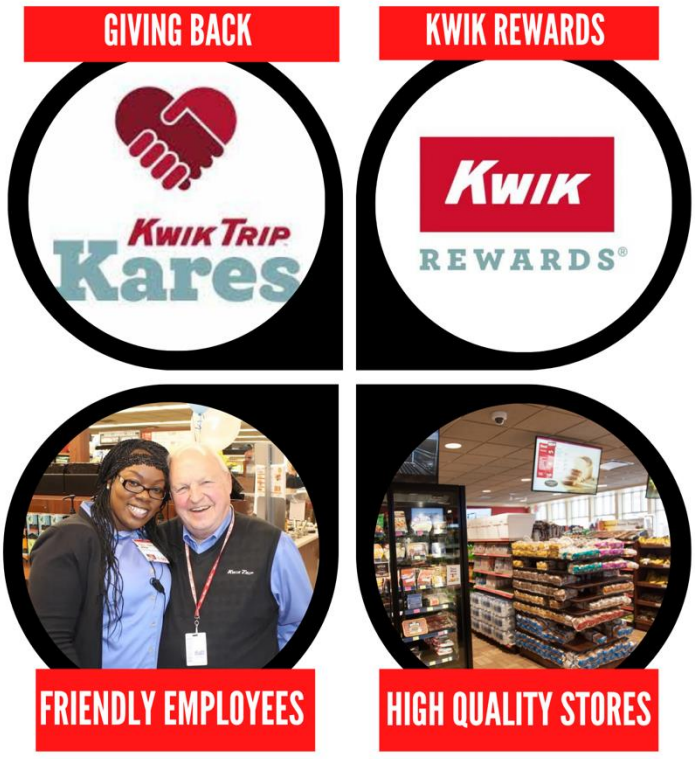
The average weekly mileage for EV drivers is 141 miles which is roughly 28 miles per day on weekdays. The average weekly mileage for EV drivers is 141 miles which is 28 miles per day on weekdays. Also, 10% of EV owners drive an average of 249 miles a week, mostly made up of those who have significant commutes or travel frequently (Kane). This accounts for the average mile limit of a fully charged EV battery and even more so during the colder months when batteries have a smaller range. This contradicts common beliefs that EVs are luxury cars as opposed to everyday vehicles.



When entering a new market, it is crucial to understand the consumer's wants and needs of a company. Understanding Kwik Trips' current position in the minds of their consumer is advantageous to help Kwik Trip translate its current positioning into the growing EV market. This allows further growth of their already existing loyal customer base.

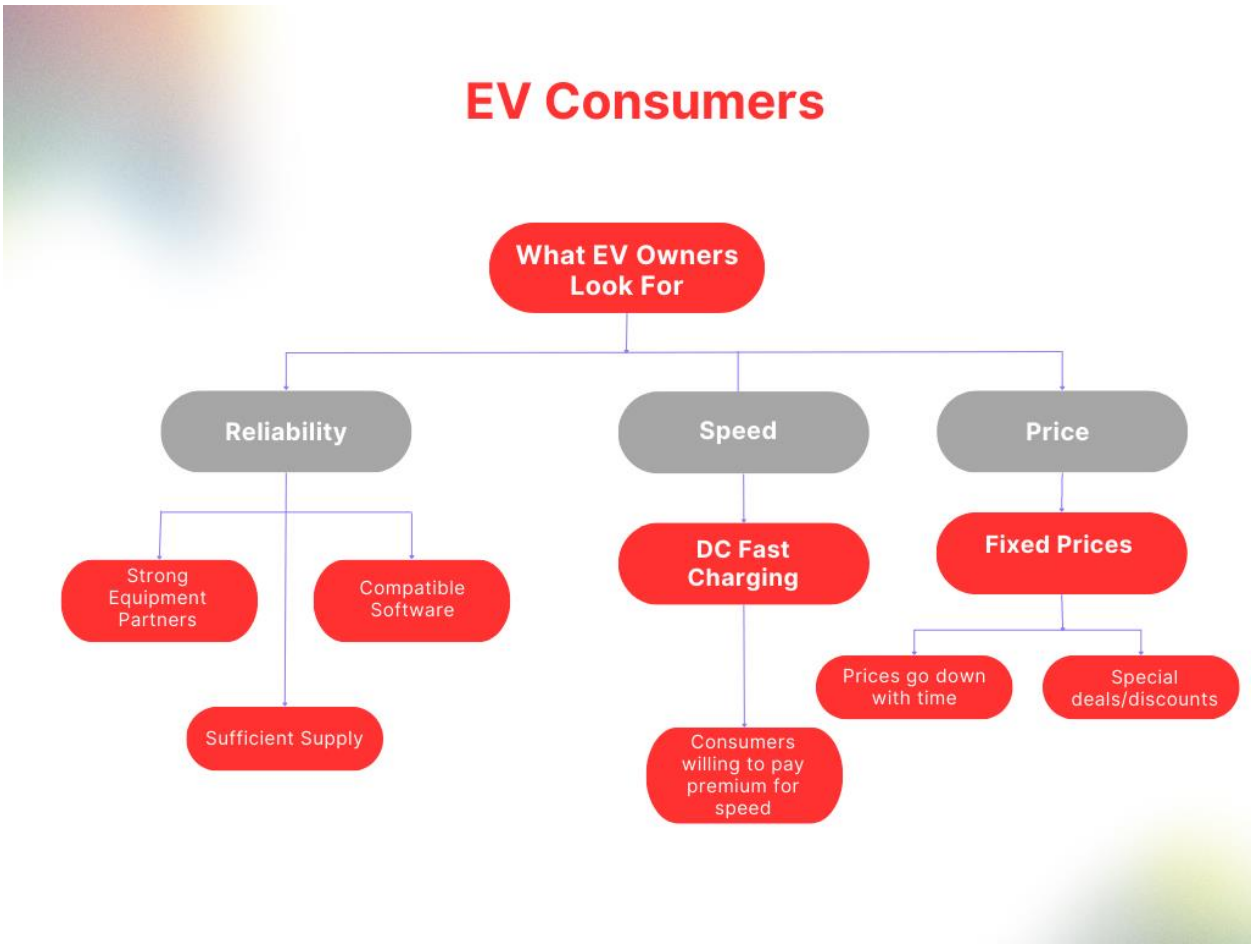
Kwik Trip's Current Loyalty Positioning

Kwik Trip positions itself in the convenience store market as a high-quality service and food provider, emphasizing clean facilities and friendly employees to provide the best experience for its customers. This approach to operating a convenience store established Kwik Trip as a household name and positioned itself as a grocery store that sells fuel in the consumer's mind ("Kwik Trip: Kwik Star"). This successful model can be applied to establishing themselves as a "luxury charge point operator" and can leverage their current offerings to create a better experience for EV drivers in the Midwest.



Consumer Preferences Regarding Charging Station

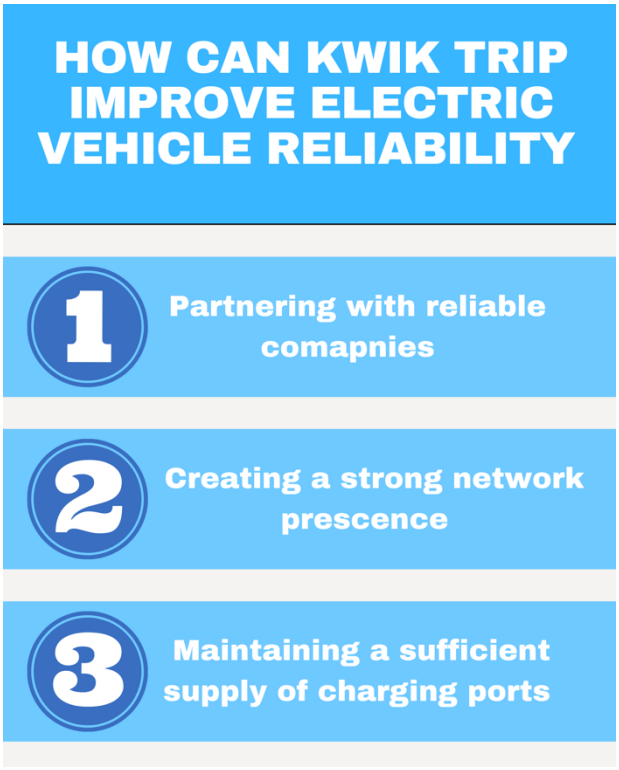
A study conducted by McKinsey and Company answered the question, “What do Electric Vehicle owners look for in a charging station?” With roughly 500 people surveyed, there were three main criteria that almost every respondent said were important aspects of a charging station. These are reliability, price, and speed (Kane). BCG Global found the same three criteria to be the most important for EV owners in addition to other factors like the location of the charger and the ease of payment and use (Hagenmaier).



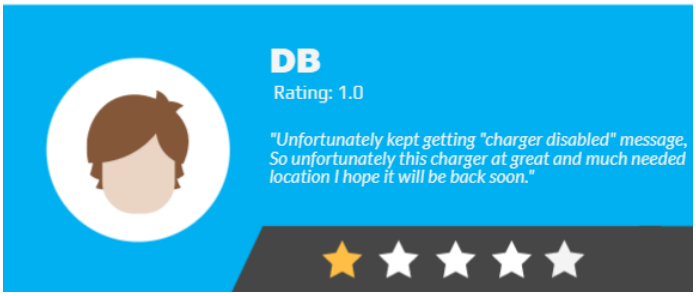
Reliability

The reliability of a charger is a key factor determining the quality of a consumer's visit. Reviews from EV users show that broken machines and miscommunication with maintenance led to poor experiences (*Station Plugscore*). To satisfy Kwik Trip's mission of providing the best experience to their customers, improving EV charging reliability is imperative. EV Connect offers three ways for charging stations to improve reliability, including strong equipment partners, compatible software, and sufficient supply (*"Charging Stations Reliability"*).

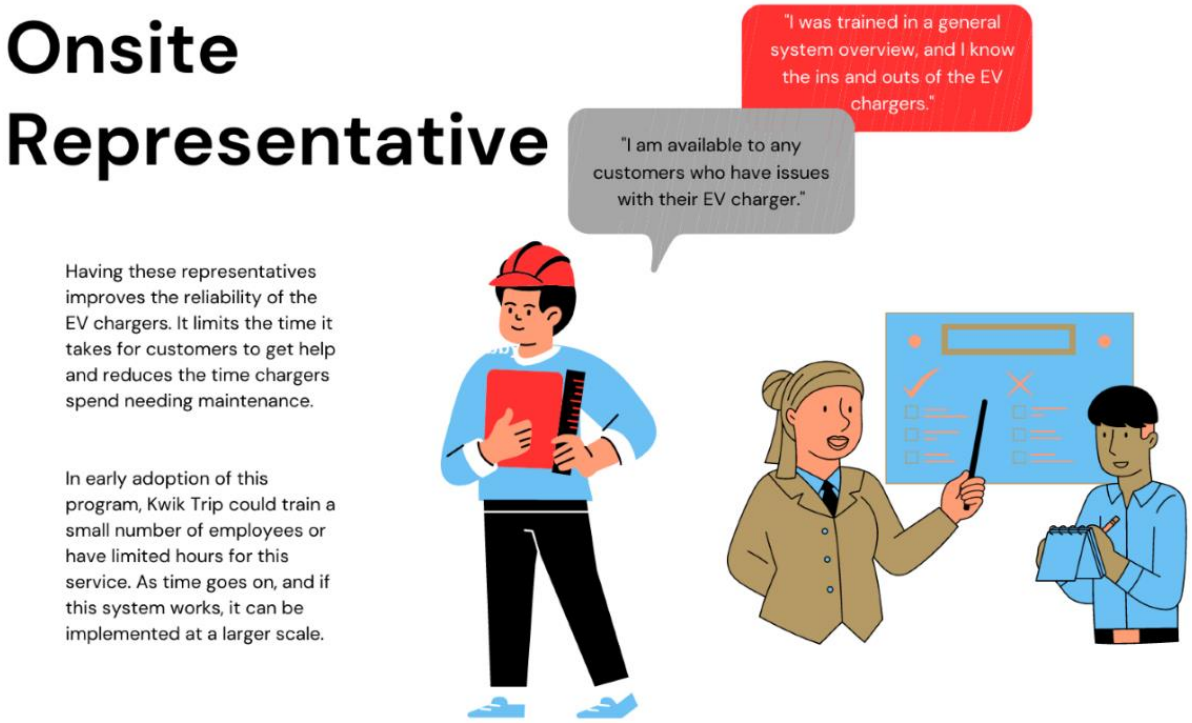
1. Charging stations must purchase or lease equipment from certain companies to have the necessary supplies for a charger. Partnering with companies that have a reputation for reliable equipment can mitigate the chance of product failure or the need for maintenance. BTC Power, EV Box, and EVO Charge are among the partners that have this sort of reputation (*"Charging Stations Reliability"*).
2. A strong network presence creates a more extensive outreach to new customers, showing the importance of compatible software. An open software model allows for new infrastructure as EV charging technology develops (*"Charging Stations Reliability"*).



3. An insufficient supply of charging ports will deter customers away from that location. Similar to many other industries, a low amount of supply compared to demand leads to dissatisfied consumers and less customer retention. Therefore, understanding consumer demand in the implementation area can lead to a better understanding of the supply needed for this charging station (*"Charging Stations Reliability"*).

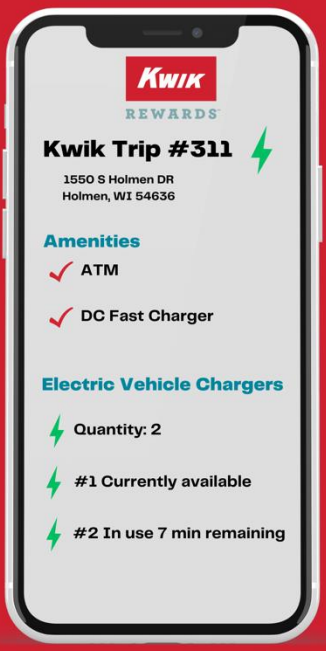


Reviews from EV owners demonstrate consumers' many negative experiences with poor reliability. These stem from malfunctioning charging stations, charging ports breaking down, unresponsive maintenance teams, and trouble with the app or payment. If Kwik Trip hopes to gain a competitive advantage over other major EV Operators, improving the reliability of these chargers is imperative (*Station Plugscores*).



Onsite Representative

Ensuring there is an onsite worker to fix any broken charging station or answer any customer questions will make sure that all charging stations are working properly and customers are satisfied. These onsite representatives will be trained in operating the entire system, and they will further establish reliability with consumers. Since EV drivers consider the reliability of a charging station to be a top priority when choosing a location (*"Charging Stations Reliability"*), having this onsite representative is crucial. By always ensuring that chargers are fully operational, EV drivers will quickly come to recognize Kwik Trip as a reliable stop for charging their vehicles, and customer loyalty will be created.



Charging Finder

Adding an electric vehicle charging finder could be helpful with consumers who are brand loyal to Kwik Trip. With more than a million Kwik Rewards users ("Kwik Trip: Kwik Star"), they will frequently look for places to charge their electric vehicles. As the popularity of electric vehicles rises, the demand for DC fast chargers will also increase, and the availability of charging stations will decrease (Kane). Soon, users will have difficulties finding open and usable charging stations. The app can offer live, up-to-date availability for each charge point operator on site. For example, as users search for a Kwik Trip location, they will see a green lightning bolt. This lightning bolt symbolizes that this specific location has charge point operators. Also, when users click on that particular Kwik Trip, they can view how many chargers there are. This could also include the number of chargers, if they are available or in use, and the time remaining. When customers use the charging station, the charge finder app will have a live chat box feature that implements AI technology. Consumers can provide feedback, ask questions, or request an onsite representative.

Implementing this finder will reduce the time users must spend at charging stations. If an electric vehicle owner arrives at a location and all stations are busy, they might have to wait for an open port. Giving customers a time estimate on their phone that allows them to see how long they might spend at any given Kwik Trip charging station before their arrival, subsequently creating customer loyalty. This will drive consumers to choose Kwik Trip's electric vehicle chargers over competitors.

Reduces the amount of time a user needs to spend at a charging station.

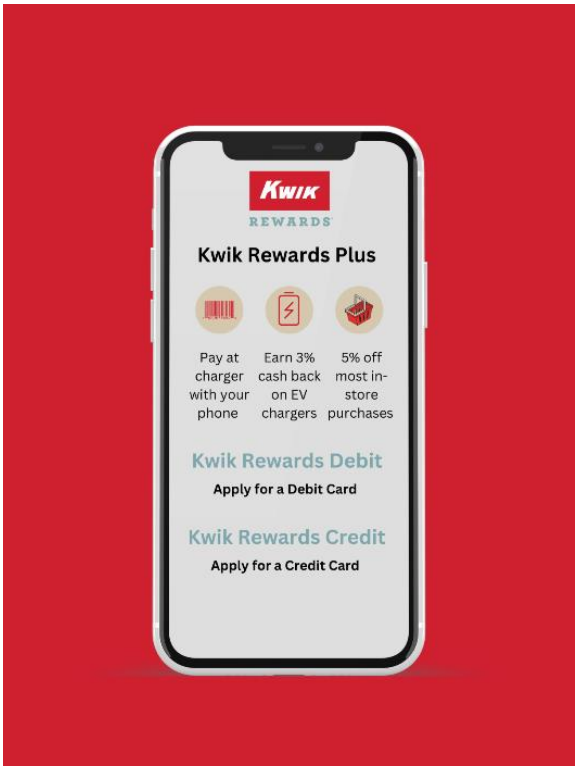
Price

In the United States, price is the second most important criterion in EV charging to EV owners. EV owners factor in the charging price and look to find the best deals to charge their vehicles (Hagenmaier). Currently, charging at home is the most affordable option for EV owners. However, not all EV owners have the required infrastructure to charge their vehicles at home. As more competition enters the market and electric vehicles become more available, the price of EV charging will likely decrease. Consumers will look to find the best deals on charging, making the price of charging a factor that needs to be considered (Kurczewski)

Currently, the price of charging is established by EV and charger manufacturers. This means companies like Kwik Trip do not have the ability to manipulate their price of charging. Therefore, Kwik Trip must find different ways to adjust the price beyond the dollar value.

Kwik Rewards Plus

Currently, Kwik Rewards successfully promotes the purchase of gas and in-store items. Since Kwik Trip has already established a group of loyal customers who use their Rewards Program, these consumers will accept and likely want to use new features. A new EV feature will mirror the existing fuel rewards, but it will be for electric charging. For example, it will track the number of times a customer visits a charging location, and after a certain number of visits, the customer will receive benefits. Creating this feature for consumers of Kwik Trip with an electric vehicle will build customer retention and brand loyalty.



EV charging stations only offer rewards through purchasing specific company credit cards. For example, Costco has a Visa card called “Costco Anywhere Visa Card by Citi.” This card allows consumers to receive the benefits of Costco’s store items while earning 4% cash back on eligible EV charging purchases for the first $7,000 spent annually (Rathner). Suppose Kwik Trip becomes the only company to offer a rewards program for electric vehicle charging. In that case, it will capture the attention of new consumers and retain the attention of existing consumers. This will strengthen Kwik Trip’s position as a Charge Point Operator in the minds of the consumers.

Speed

75-95% of EV owners charge their vehicles at home. However, most of the home chargers are Level 1 or 2 and are not capable of fast charging (Hagenmaier). Public charging stations will be required to meet the demands for faster charging speeds by using DC-fast charging ports. As the demand for electric vehicles increases, so does the need for DC-fast charging stations (Hagenmaier).

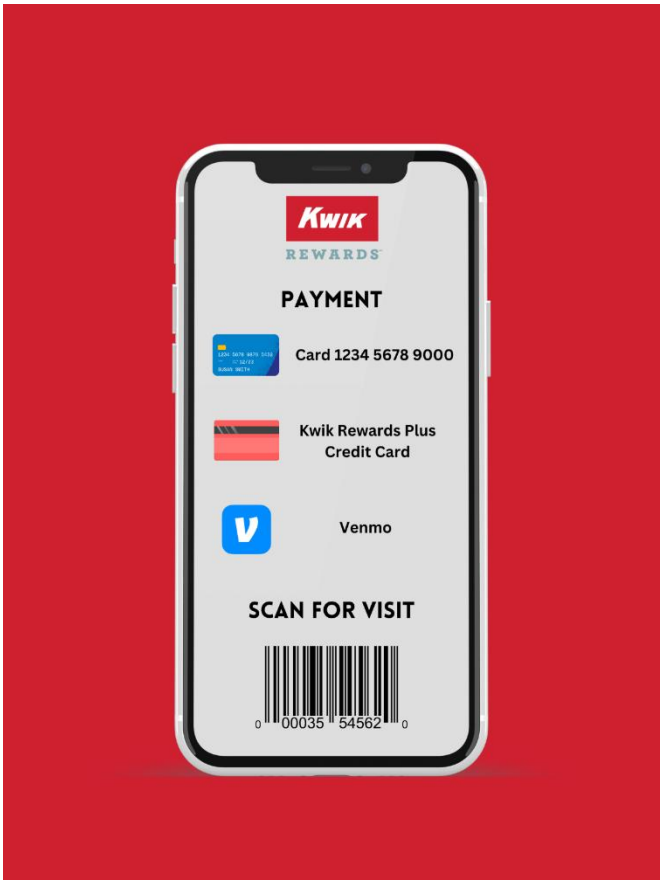
Reviews from EV owners correspond with the need for speed. Users are satisfied when the charger connects quickly and chargers their vehicle fast (Station *Plugscore*). Evidence from a survey of EV owners suggests that users are willing to pay a premium for faster charging stations (Kane).

As innovation continues, more fast chargers will be readily available from charging manufacturers. Establishing a presence now as a fast-charging provider will promote Kwik Trip as a major Charge Point Operator, attracting future consumers.

In-App Payments

Another way to strengthen the positioning of Kwik Trip as an EV operator is by implementing in-app payments. Currently, to charge at an EV charging station, payment is either by credit card, mobile app, or a monthly subscription service *(EPA)*. Many large EV Operators, including Tesla, ChargePoint, EVgo, and Electrify America, are using an in-app payment method for customers to charge their vehicles ("Drive Clean"). To use, customers download a specific app, load their credit card on the app, pick the location of their charger, and scan to pay *(EPA)*.

To compete with these major operators and strengthen their presence, Kwik Trip could add an in-app payment method. This feature could be added to the already existing Kwik Rewards App. The customers would load their credit or debit cards into the app, pick the location of the charger they are at, and tap to pay for the machine. Kwik Trip could implement this feature also to have in-app payments for gas. This feature will make payments easier and quicker for the consumer.



Additional Considerations

Logo Design

For many reasons, redesigning a logo to emphasize Kwik Trip's values as a marketing strategy can be a great brand shift. Firstly, it can communicate the brand's value for efficient and effective customer service. Secondly, the redesigning can highlight the shift into electric vehicle charging and the awareness about sustainability. These will appeal to Kwik Trip's customers, stakeholders, the public, and, most importantly, the EV consumer.

The redesign of the logo will include a lightning bolt to represent Kwik Trip's fast, efficient, and effective service. This lightning bolt will also symbolize the electric charge that Kwik Trip can now provide its consumers, which is more environmentally friendly.

One of the biggest motivations for consumers to purchase EVs is to create a healthier environment for the globe (“Why Buy an Electric Car”). Aligning the new logo with the consumers' values will bring more support to the business. Changing the logo to emphasize Kwik Trip's values will attract consumers compared to its competitors, as Kwik Trip is not only a fuel station but a convenience store with more benefits than just the charger itself.

Search Engine Optimization

Search Engine Optimization is critical to driving more customers to Kwik Trip's charging stations. When EV drivers search for a charge point, if Kwik Trip's locations appear first, EV drivers are more likely to visit Its locations. Research indicates that search engines are consumers' most popular information sources when looking for a product or service. Google handles 90% of search queries worldwide (Leung and Chan 1). Leung and Chan conclude that proper search engine optimization is critical to appearing more in searches and the importance of including keywords in website titles and descriptions (Leung and Chan 33). Kwik Trip could emphasize its positioning as a charge point operator by ensuring its charge points appear when consumers use search engines. Common search examples include: “EV chargers near me" and "Charging station."

Conclusion

As the electric vehicle market grows, Kwik Trip looks to capitalize by establishing itself as a charge point operator. To effectively establish itself as a charge point operator, Kwik Trip should properly understand its competitors, the future consumer market, and how it can use its current positioning to establish brand loyalty. The four key recommendations highlighted on the left, show improvements to customer experience at future Kwik Trip charging stations. When looking at significant charge point operators, a lack of DC Fast Charging provides an opportunity for Kwik Trip to position itself as a Fast-Charging

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