

RETAIL MARKETING SURVEY



MARCH 1991

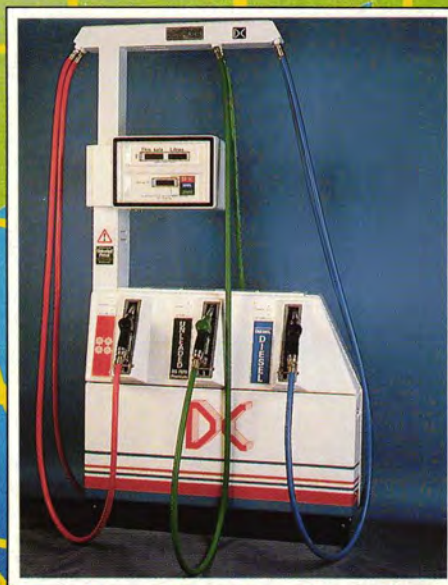
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RETAIL MARKETING

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March 1991

£25.00

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Editorial

In the past the UK Retail Marketing Survey formed an integral part of the March issue of *Petroleum Review*.

Because we know that this survey is valued by many of our readers and that its statistics are used as an information tool throughout the year, we have decided to produce it as a separate publication. It now comprises 32 pages, with more tables and information than in other years.

Sources are given on some of the tables. However, the majority of the tables and diagrams have been specially compiled at the Institute of Petroleum from information supplied direct by over 60 companies in answer to a questionnaire sent out recently. This procedure makes sure that the survey is as comprehensive and up-to-date as possible and explains why the survey is so widely read and used.

Petroleum Review is very grateful to Mrs Catherine Cosgrove, IP Information Officer, who is entrusted with the laborious task of obtaining and collating all these facts and figures ready for publication.

Additional copies of this supplement (price £25.00 each) can be obtained from the Library, The Institute of Petroleum, 61 New Cavendish Street, London W1M 8AR.

This UK Retail Marketing Survey forms a supplement to the March issue of *Petroleum Review*.

An annual subscription to *Petroleum Review* costs £50.00 (UK) or £62.00 (overseas).

Please contact Mrs Anne Poynter, Institute of Petroleum, 61 New Cavendish Street, London W1M 8AR. Tel: 071-636 1004. Fax: 071 255 1472.





RETAIL MARKETING

SURVEY • SURVEY • SURVEY • SURVEY • SURVEY • SURVEY • SURVEY • SURVEY

Regional Breakdown of Petrol Outlets

| Brand Name | England & Wales | % of area total | Scotland | % of area total | Northern Ireland | % of area total | Channel Islands | % of area total | Isle of Man | % of area total | Isle of Wight | % of area total | Total U.K. |
|---------------------------|-----------------|-----------------|----------|-----------------|------------------|-----------------|-----------------|-----------------|-------------|-----------------|---------------|-----------------|------------|
| Shell | 2,092 | 12.5 | 384 | 22.3 | 112 | 13.0 | 34 | 29.1 | 20 | 60.6 | 11 | 22.4 | 2,653 |
| Esso | 1,980 | 11.9 | 338 | 19.6 | 124 | 14.4 | 58 | 49.6 | 10 | 30.3 | 10 | 20.4 | 2,520 |
| BP/National | 1,403 | 8.4 | 421 | 24.4 | 135 | 15.7 | 19 | 16.2 | — | — | 14 | 28.6 | 1,992 |
| Burmah/Major | 1,061 | 6.4 | 147 | 8.5 | 166 | 19.3 | — | — | — | — | — | — | 1,374 |
| Texaco | 1,116 | 6.7 | 76 | 4.4 | 63 | 7.3 | — | — | — | — | 13 | 26.5 | 1,268 |
| Jet | 970 | 5.8 | 84 | 4.9 | 58 | 6.7 | — | — | — | — | — | — | 1,112 |
| Mobil | 890 | 5.3 | — | — | — | — | — | — | — | — | — | — | 890 |
| Q8/Pace | 857 | 5.1 | 19 | 1.1 | — | — | — | — | — | — | — | — | 876 |
| Fina | 843 | 5.1 | — | — | — | — | — | — | — | — | 1 | 2.0 | 844 |
| UK | 664 | 4.0 | 4 | 0.2 | — | — | — | — | — | — | — | — | 668 |
| Elf | 659 | 4.0 | — | — | — | — | — | — | — | — | — | — | 659 |
| Total | 591 | 3.5 | — | — | — | — | 6 | 5.1 | 3 | 9.1 | — | — | 600 |
| Anglo | 526 | 3.2 | 1 | 0.1 | — | — | — | — | — | — | — | — | 527 |
| Gulf | 306 | 1.8 | 75 | 4.4 | — | — | — | — | — | — | — | — | 381 |
| Murco/EP | 348 | 2.1 | — | — | — | — | — | — | — | — | — | — | 348 |
| Butler/Arndale | 276 | 1.7 | — | — | — | — | — | — | — | — | — | — | 276 |
| Maxol | — | — | — | — | 202 | 23.5 | — | — | — | — | — | — | 202 |
| BFL | 174 | 1.0 | 6 | 0.3 | — | — | — | — | — | — | — | — | 180 |
| Heron | 165 | 1.0 | — | — | — | — | — | — | — | — | — | — | 165 |
| Flare | 158 | 0.9 | — | — | — | — | — | — | — | — | — | — | 158 |
| Rix | 148 | 0.9 | — | — | — | — | — | — | — | — | — | — | 148 |
| Proteus | 140 | 0.8 | — | — | — | — | — | — | — | — | — | — | 140 |
| Power/Freedom/John Hudson | 130 | 0.8 | 1 | 0.1 | — | — | — | — | — | — | — | — | 131 |
| Phoenix | 106 | 0.6 | — | — | — | — | — | — | — | — | — | — | 106 |
| Thames | 7 | — | 98 | 5.7 | — | — | — | — | — | — | — | — | 105 |
| Heltor/Gulf | 85 | 0.5 | — | — | — | — | — | — | — | — | — | — | 85 |
| Avia | 83 | 0.5 | 1 | 0.1 | — | — | — | — | — | — | — | — | 84 |
| Beca | 80 | 0.5 | — | — | — | — | — | — | — | — | — | — | 80 |
| Thrust | 75 | 0.4 | — | — | — | — | — | — | — | — | — | — | 75 |
| J. Sainsbury | 58 | 0.3 | — | — | — | — | — | — | — | — | — | — | 58 |
| Little David | 57 | 0.3 | — | — | — | — | — | — | — | — | — | — | 57 |
| Telegraph | 54 | 0.3 | — | — | — | — | — | — | — | — | — | — | 54 |
| WCF | 45 | 0.3 | 8 | 0.5 | — | — | — | — | — | — | — | — | 53 |
| 3D | 52 | 0.3 | — | — | — | — | — | — | — | — | — | — | 52 |
| NEF | — | — | 40 | 2.3 | — | — | — | — | — | — | — | — | 40 |
| Others | 484 | 2.9 | 20 | 1.1 | — | — | — | — | — | — | — | — | 504 |
| Total | 16,683 | 100.0 | 1,723 | 100.0 | 860 | 100.0 | 117 | 100.0 | 33 | 100.0 | 49 | 100.0 | 19,465 |

Regional Breakdown of Derv Outlets

| Brand Name | England & Wales | % of area total | Scotland | % of area total | Northern Ireland | % of area total | Channel Islands | % of area total | Isle of Man | % of area total | Isle of Wight | % of area total | Total U.K. |
|---------------------------|-----------------|-----------------|----------|-----------------|------------------|-----------------|-----------------|-----------------|-------------|-----------------|---------------|-----------------|------------|
| Shell | 1,913 | 14.3 | 331 | 23.5 | 96 | 14.2 | 12 | 21.1 | 13 | 56.5 | 9 | 25.0 | 2,374 |
| Esso | 1,677 | 12.6 | 294 | 20.9 | 87 | 12.9 | 32 | 56.1 | 8 | 34.8 | 10 | 27.8 | 2,108 |
| BP/National | 1,222 | 9.2 | 341 | 24.3 | 106 | 15.7 | 11 | 19.3 | — | — | 9 | 25.0 | 1,689 |
| Burmah/Major | 840 | 6.3 | 118 | 8.4 | 139 | 20.5 | — | — | — | — | — | — | 1,097 |
| Texaco | 962 | 7.2 | 70 | 5.0 | 48 | 7.1 | — | — | — | — | 8 | 22.2 | 1,088 |
| Jet | 725 | 5.4 | 75 | 5.3 | 57 | 8.4 | — | — | — | — | — | — | 857 |
| Mobil | 717 | 5.4 | — | — | — | — | — | — | — | — | — | — | 717 |
| Fina | 695 | 5.2 | — | — | — | — | — | — | — | — | — | — | 695 |
| Q8/Pace | 577 | 4.3 | 11 | 0.8 | — | — | — | — | — | — | — | — | 588 |
| Elf | 532 | 4.0 | — | — | — | — | — | — | — | — | — | — | 532 |
| UK | 464 | 3.5 | 4 | 0.3 | — | — | — | — | — | — | — | — | 468 |
| Total | 413 | 3.1 | — | — | — | — | 2 | 3.5 | 2 | 8.7 | — | — | 417 |
| Anglo | 380 | 2.8 | — | — | — | — | — | — | — | — | — | — | 380 |
| Murco/EP | 287 | 2.2 | — | — | — | — | — | — | — | — | — | — | 287 |
| Gulf | 209 | 1.6 | 71 | 5.0 | — | — | — | — | — | — | — | — | 280 |
| Heron | 165 | 1.2 | — | — | — | — | — | — | — | — | — | — | 165 |
| BFL | 155 | 1.2 | 5 | 0.4 | — | — | — | — | — | — | — | — | 160 |
| Maxol | — | — | — | — | 144 | 21.3 | — | — | — | — | — | — | 144 |
| Butler/Arndale | 120 | 0.9 | — | — | — | — | — | — | — | — | — | — | 120 |
| Flare | 119 | 0.9 | — | — | — | — | — | — | — | — | — | — | 119 |
| Rix | 118 | 0.9 | — | — | — | — | — | — | — | — | — | — | 118 |
| Power/Freedom/John Hudson | 88 | 0.7 | 1 | 0.1 | — | — | — | — | — | — | — | — | 89 |
| Proteus | 86 | 0.6 | — | — | — | — | — | — | — | — | — | — | 86 |
| Phoenix | 78 | 0.6 | — | — | — | — | — | — | — | — | — | — | 78 |
| Thrust | 65 | 0.5 | — | — | — | — | — | — | — | — | — | — | 65 |
| Thames | 5 | — | 55 | 3.9 | — | — | — | — | — | — | — | — | 60 |
| Avia | 57 | 0.4 | — | — | — | — | — | — | — | — | — | — | 57 |
| Beca | 51 | 0.4 | — | — | — | — | — | — | — | — | — | — | 51 |
| WCF | 42 | 0.3 | 2 | 0.1 | — | — | — | — | — | — | — | — | 44 |
| Telegraph | 43 | 0.3 | — | — | — | — | — | — | — | — | — | — | 43 |
| Heltor/Gulf | 42 | 0.3 | — | — | — | — | — | — | — | — | — | — | 42 |
| 3D | 38 | 0.3 | — | — | — | — | — | — | — | — | — | — | 38 |
| Others | 449 | 3.4 | 28 | 2.0 | — | — | — | — | — | — | — | — | 477 |
| Total | 13,334 | 100.0 | 1,406 | 100.0 | 677 | 100.0 | 57 | 100.0 | 23 | 100.0 | 36 | 100.0 | 15,533 |



*Theres something new
on the horizon.....*



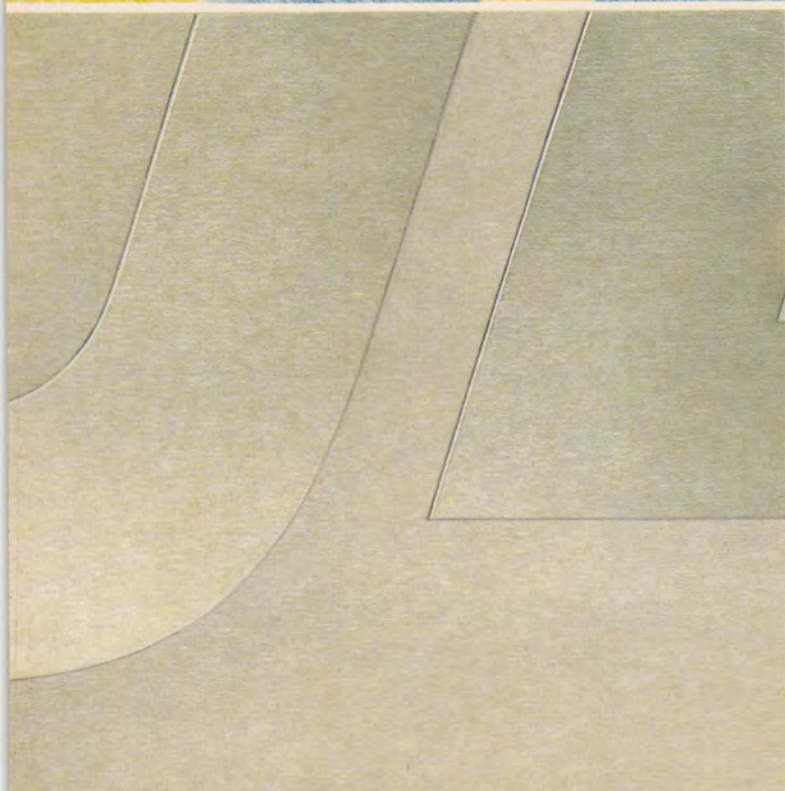
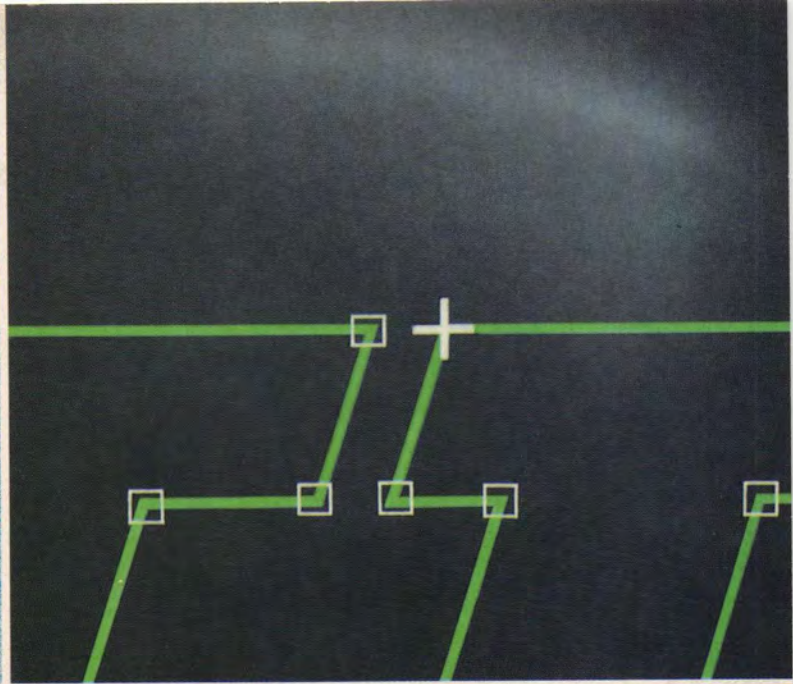
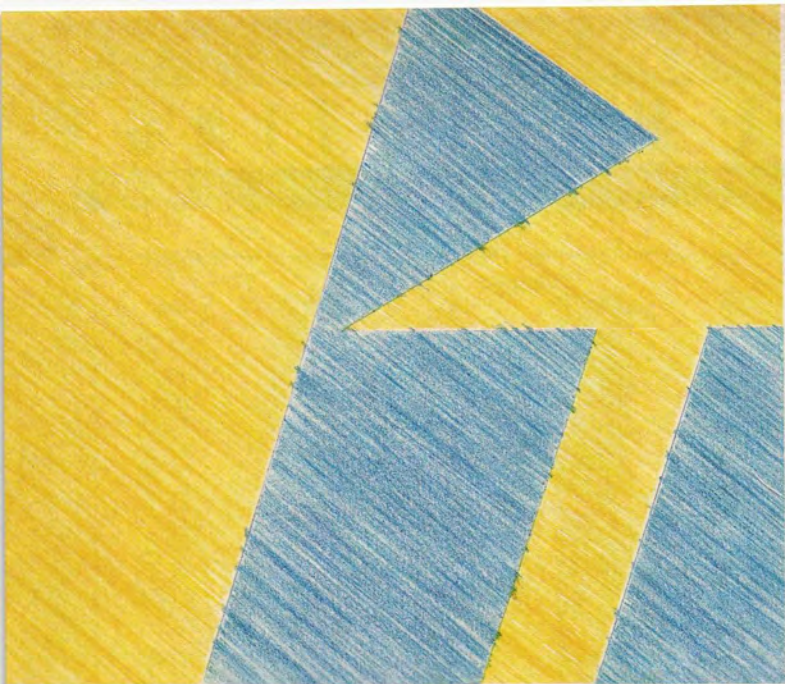


RETAIL MARKETING

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Number of company petrol sites
as percentage of total

| Brand | Total | Self-service | Company-owned | Retailing der |
|---------------------------|-------|--------------|---------------|---------------|
| Shell | 13.6 | 14.3 | 17.0 | 15.3 |
| Esso | 12.9 | 12.9 | 16.3 | 13.6 |
| BP/National | 10.2 | 14.8 | 12.9 | 10.9 |
| Burmah/Major | 7.1 | 4.6 | 3.2 | 7.1 |
| Texaco | 6.5 | 10.9 | 10.3 | 7.0 |
| Jet | 5.7 | 6.8 | 3.8 | 5.5 |
| Mobil | 4.6 | 7.4 | 7.7 | 4.6 |
| Q8/Pace | 4.5 | 2.2 | 1.2 | 3.8 |
| Fina | 4.3 | 5.6 | 3.6 | 4.5 |
| UK | 3.4 | .3 | .2 | 3.0 |
| Elf | 3.4 | 4.8 | 5.4 | 3.4 |
| Total | 3.1 | 4.7 | 7.1 | 2.7 |
| Anglo | 2.7 | .6 | .3 | 2.4 |
| Gulf | 2.0 | 3.0 | 2.3 | 1.8 |
| Murco/EP | 1.8 | 1.5 | 1.8 | 1.8 |
| Butler/Arndale | 1.4 | .1 | .0 | .8 |
| Maxol | 1.0 | .4 | .6 | .9 |
| BFL | .9 | .0 | .0 | 1.0 |
| Heron | .8 | 1.5 | 2.4 | 1.1 |
| Flare | .8 | .1 | .0 | .8 |
| Rix | .8 | .3 | .4 | .8 |
| Proteus | .7 | .1 | .1 | .6 |
| Power/Freedom/John Hudson | .7 | .1 | .1 | .6 |
| Phoenix | .5 | .1 | .2 | .5 |
| Thames | .5 | .1 | .1 | .4 |
| Heltor/Gulf | .4 | .1 | .0 | .3 |
| Avia | .4 | .1 | .0 | .4 |
| Beca | .4 | .0 | .0 | .3 |
| Thrust | .4 | .3 | .2 | .4 |
| J Sainsbury | .3 | .5 | .8 | .2 |
| Little David | .3 | .0 | .0 | .2 |
| Telegraph | .3 | .5 | .8 | .3 |
| WCF | .3 | .0 | .0 | .3 |
| 3D | .3 | .0 | .0 | .2 |
| NEF | .2 | .0 | .0 | .1 |
| Cyma | .2 | .1 | .2 | .2 |
| Action Petroleum | .2 | .3 | .5 | .2 |
| Spur | .2 | .3 | .1 | .1 |
| Peva Petroleum | .2 | .0 | .0 | .2 |
| Rowilco | .2 | .0 | .1 | .1 |
| M.O.C.O. | .1 | .0 | .0 | .2 |
| PP | .1 | .0 | .1 | .2 |
| British Benzol | .1 | .1 | .0 | .1 |
| Oak | .1 | .0 | .0 | .2 |
| Minster Fuels | .1 | .0 | .0 | .1 |
| NWF | .1 | .1 | .0 | .1 |
| BJ/Texaco | .1 | .0 | .0 | .1 |
| Lion | .1 | .0 | .0 | .1 |
| Cumbria | .1 | .0 | .0 | .1 |
| Dragon | .1 | .0 | .0 | .1 |
| Swan | .1 | .1 | .0 | .1 |
| BDW/Paramount/Gulf | .1 | .0 | .1 | .1 |
| ECF | .1 | .0 | .0 | .1 |
| Sabre | .1 | .0 | .0 | .0 |
| T.A.C. | .1 | .0 | .0 | .1 |
| Curran | .1 | .1 | .0 | .1 |
| Haven | .0 | .0 | .0 | .0 |
| Prince | .0 | .0 | .0 | .0 |
| BB Fuels | .0 | .0 | .0 | .0 |
| White Rose | .0 | .0 | .0 | .0 |
| Shopping Giant | .0 | .0 | .0 | .0 |
| Ascot | .0 | .0 | .0 | .0 |
| Little David | .0 | .0 | .0 | .0 |
| Grand total | 100.0 | 100.0 | 100.0 | 100.0 |

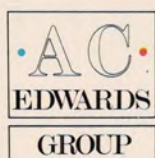


To maximize its brand identity for the 90's, Jet has entrusted AC Edwards with vital elements of its re-imaging programme. Why? Because AC Edwards excels at petrol retail sign design,

TOTAL SIGN MANAGEMENT

prototyping, development, manufacture, installation and maintenance . . . in other words, 'Total Sign Management'.

To join the growing number of major companies signing with AC Edwards, simply contact Peter Franklin, Sales Director.



people





RETAIL MARKETING

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Average UK retail prices for motor spirit (petrol) — per litre

| | 4 Star | | †Unleaded | | Derv | |
|------|--------|-------|-----------|-------|--------|-------|
| | pence* | duty | pence* | duty | pence* | duty |
| 1989 | | | | | | |
| Jan | 37.29 | 20.44 | 36.02 | 18.42 | 34.21 | 17.29 |
| Feb | 37.85 | 20.44 | 36.88 | 18.42 | 34.55 | 17.29 |
| Mar | 38.58 | 20.44 | 37.30 | 18.42 | 35.37 | 17.29 |
| Apr | 39.30 | 20.44 | 37.69 | 17.72 | 35.37 | 17.29 |
| May | 41.92 | 20.44 | 40.10 | 17.72 | 36.32 | 17.29 |
| Jun | 42.39 | 20.44 | 40.83 | 17.72 | 36.35 | 17.29 |
| Jul | 41.69 | 20.44 | 40.27 | 17.72 | 36.31 | 17.29 |
| Aug | 40.44 | 20.44 | 39.11 | 17.72 | 36.19 | 17.29 |
| Sep | 39.71 | 20.44 | 37.84 | 17.72 | 36.09 | 17.29 |
| Oct | 40.68 | 20.44 | 38.79 | 17.72 | 37.12 | 17.29 |
| Nov | 40.62 | 20.44 | 38.74 | 17.72 | 37.76 | 17.29 |
| Dec | 39.85 | 20.44 | 37.94 | 17.72 | 37.89 | 17.29 |
| 1990 | | | | | | |
| Jan | 40.35 | 20.44 | 38.51 | 17.72 | 39.56 | 17.29 |
| Feb | 40.73 | 20.44 | 38.87 | 17.72 | 38.13 | 17.29 |
| Mar | 41.00 | 22.48 | 38.75 | 19.49 | 37.48 | 19.02 |
| Apr | 43.31 | 22.48 | 40.72 | 19.49 | 38.83 | 19.02 |
| May | 44.00 | 22.48 | 41.46 | 19.49 | 39.18 | 19.02 |
| Jun | 43.87 | 22.48 | 41.33 | 19.49 | 38.87 | 19.02 |
| Jul | 43.49 | 22.48 | 40.95 | 19.49 | 38.01 | 19.02 |
| Aug | 45.75 | 22.48 | 43.09 | 19.49 | 39.34 | 19.02 |
| Sep | 49.53 | 22.48 | 47.03 | 19.49 | 41.69 | 19.02 |
| Oct | 51.18 | 22.48 | 48.60 | 19.49 | 45.13 | 19.02 |
| Nov | 48.04 | 22.48 | 45.45 | 19.49 | 44.57 | 19.02 |
| Dec | 45.93 | 22.48 | 43.35 | 19.49 | 44.19 | 19.02 |
| 1991 | | | | | | |
| Jan | 44.42 | 22.48 | 41.83 | 19.49 | 43.42 | 19.02 |

To convert the price per litre to price per gallon multiply by 4.54609

*Duty and VAT (15%) included in the price.

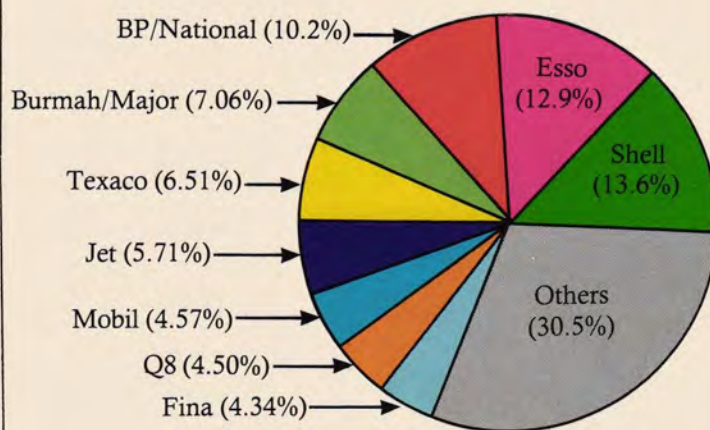
Source: Petroleum Times Price Report

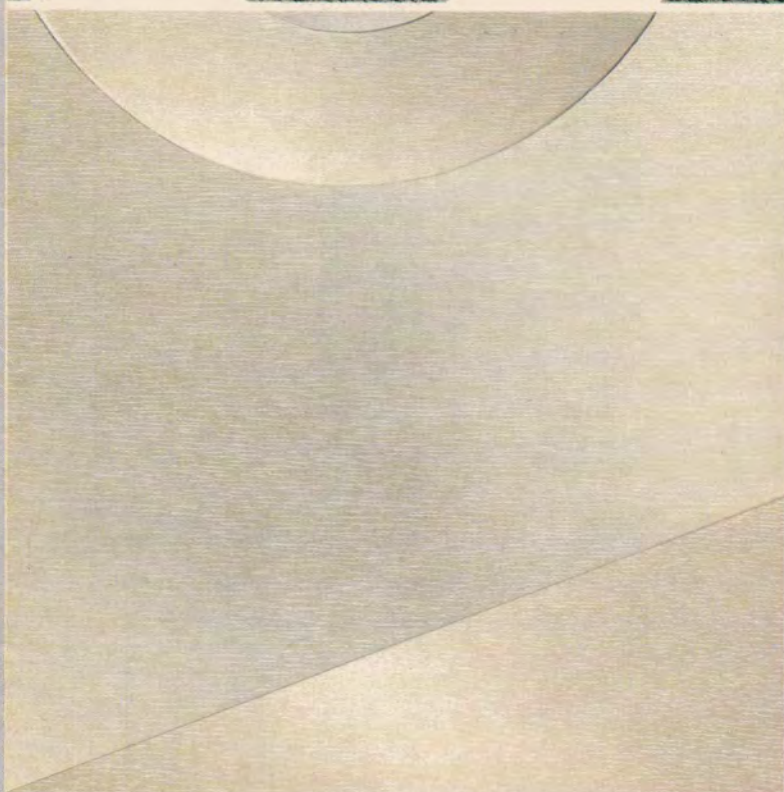
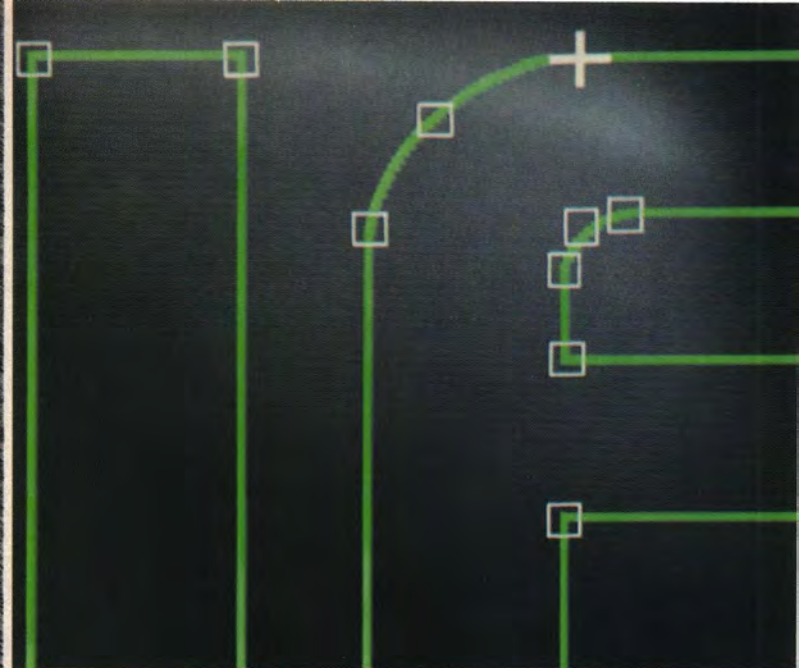
†Jan-Mar 1989 prices from Energy Trends (Department of Energy)

Outlets selling unleaded petrol

| Brand | | Brand | |
|---------------------------|-------|--------------------|--------|
| Shell | 2,615 | Little David | 51 |
| Esso | 2,450 | 3D | 46 |
| BP/National | 1,878 | NEF | 38 |
| Burmah/Major | 1,317 | Peva Petroleum | 33 |
| Texaco | 1,268 | Spur | 33 |
| Jet | 1,065 | Cyma | 32 |
| Mobil | 883 | Action Petroleum | 31 |
| Q8/Pace | 828 | M.O.C.O. | 26 |
| Fina | 824 | British Benzol | 25 |
| Elf | 655 | Minster Fuels | 23 |
| Total | 561 | Oak | 23 |
| Anglo | 488 | NWF | 22 |
| UK | 468 | Cumbria | 18 |
| Gulf | 366 | Dragon | 17 |
| Murco/EP | 348 | Lion | 17 |
| Butler/Arndale | 265 | BJ/Texaco | 16 |
| Heron | 165 | Swan | 16 |
| BFL | 150 | WCF | 16 |
| Maxol | 147 | Rowilco | 15 |
| Rix | 137 | PP | 12 |
| Flare | 135 | ECF | 11 |
| Proteus | 135 | T.A.C. | 10 |
| Power/Freedom/John Hudson | 125 | Curran | 10 |
| Thames | 86 | Haven | 9 |
| Avia | 84 | Sabre | 9 |
| Phoenix | 81 | BDW/Paramount/Gulf | 7 |
| Beca | 80 | Bretts | 6 |
| Heltor/Gulf | 68 | Prince | 6 |
| Thrust | 67 | White Rose | 3 |
| J Sainsbury | 58 | BB Fuels | 2 |
| Telegraph | 54 | Shopping Giant | 2 |
| | | Total | 18,436 |

PERCENTAGE OF PETROL SITES PER COMPANY 1990



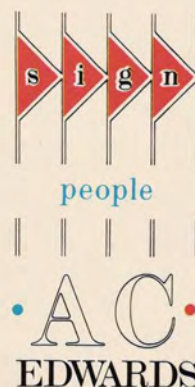
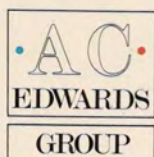


To maximize its brand identity for the 90's, Elf has entrusted AC Edwards with vital elements of its re-imaging programme. Why? Because AC Edwards excels at petrol retail sign design,

TOTAL SIGN MANAGEMENT

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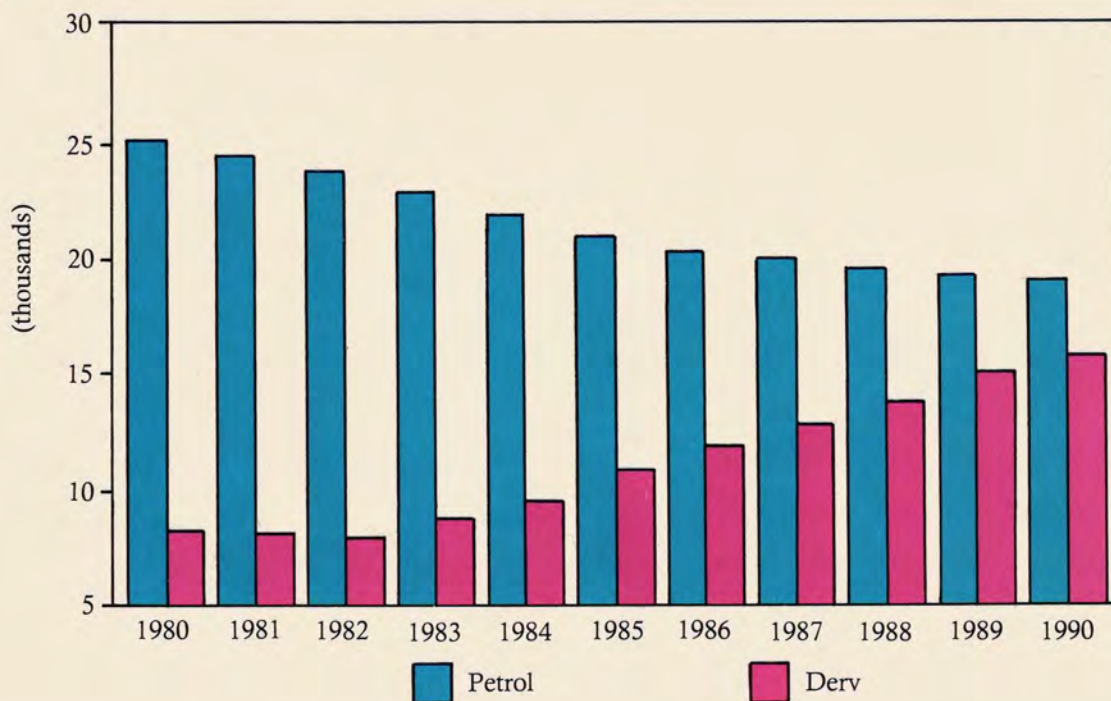
RETAIL MARKETING

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UK outlets
retailing derv

| Brand | Total | Self-service | Company-owned | Brand | Total | Self-service | Company-owned |
|-------------------------------|-------|--------------|---------------|------------------------|--------|--------------|---------------|
| Shell | 2,374 | 1,504 | 1,130 | Little David | 36 | 1 | |
| Esso | 2,108 | 1,288 | 982 | Peva Petroleum | 30 | 2 | |
| BP/National | 1,689 | 1,368 | 769 | Action Petroleum | 29 | 29 | 26 |
| Burmah/Major | 1,097 | 464 | 189 | Cyma | 28 | 15 | 12 |
| Texaco | 1,088 | 1,050 | 665 | J Sainsbury | 28 | 28 | 28 |
| Jet | 857 | 545 | 210 | M.O.C.O. | 26 | 3 | 3 |
| Mobil | 717 | 673 | 441 | PP | 26 | 2 | 8 |
| Fina | 695 | 515 | 192 | Oak | 24 | 2 | |
| Q8/Pace | 588 | 199 | 75 | Minster Fuels | 22 | | |
| Elf | 532 | 465 | 311 | NWF | 21 | 10 | |
| UK | 468 | | 3 | British Benzol | 20 | 15 | 2 |
| Total | 417 | 340 | 306 | Lion | 18 | 3 | 2 |
| Anglo | 380 | 63 | 19 | NEF | 18 | | 1 |
| Murco/EP | 287 | 120 | 96 | Spur | 17 | 12 | 4 |
| Gulf | 280 | 236 | 134 | Swan | 16 | 8 | |
| Heron | 165 | 165 | 165 | Rowilco | 15 | | |
| BFL | 160 | | 1 | Dragon | 14 | | |
| Maxol | 144 | 43 | 41 | Cumbria | 12 | | |
| Butler/Arndale | 120 | | | BJ/Texaco | 11 | 1 | |
| Flare | 119 | 7 | 3 | T.A.C. | 10 | | |
| Rix | 118 | 35 | 24 | Curran | 10 | 9 | |
| Power/Freedom/ John Hudson | 89 | 14 | 7 | BDW/Paramount/ Gulf | 9 | | |
| Proteus | 86 | | 4 | ECF | 8 | 2 | 1 |
| Phoenix | 78 | 7 | 12 | Bretts | 6 | | |
| Thrust | 65 | 33 | 17 | Haven | 6 | | |
| Thames | 60 | 15 | 4 | Prince | 6 | | |
| Avia | 57 | 7 | | Sabre | 6 | 2 | |
| Beca | 51 | | | BB Fuels | 2 | 1 | 1 |
| WCF | 44 | 3 | 3 | White Rose | 2 | | 1 |
| Telegraph | 43 | 43 | 43 | Little David | 1 | | |
| Heltor/Gulf | 42 | 7 | | | | | |
| 3D | 38 | 2 | | | | | |
| | | | | Total | 15,533 | 9,356 | 5,935 |

Stations
selling petrol
and derv





RETAIL MARKETING

SURVEY • SURVEY • SURVEY • SURVEY • SURVEY • SURVEY • SURVEY

UK petrol sites

| Year ending | Total | Self-service | % of Total | Company owned | % of Total | Average site throughput (IG) |
|-------------|--------|--------------|------------|---------------|------------|------------------------------|
| 1990 | 19,465 | 11,043 | 56.7 | 6,847 | 35.2 | *360,635 |
| 1989 | 19,756 | 10,836 | 54.8 | 6,796 | 34.4 | †349,249 |
| 1988 | 20,016 | 8,841 | 44.2 | 6,704 | 33.5 | 335,513 |
| 1987 | 20,197 | 9,088 | 45.0 | 6,420 | 31.8 | 316,392 |
| 1986 | 20,641 | 8,742 | 42.4 | 6,463 | 31.3 | 299,762 |
| 1985 | 21,140 | 8,307 | 39.3 | 6,642 | 31.4 | 276,248 |
| 1984 | 22,032 | 7,946 | 36.1 | 6,925 | 31.4 | 261,612 |
| 1983 | 23,097 | 7,677 | 33.2 | 7,333 | 31.7 | 239,545 |
| 1982 | 24,108 | 7,145 | 29.6 | 7,563 | 31.4 | 225,868 |
| 1981 | 24,760 | 6,712 | 27.1 | 7,796 | 31.5 | 211,914 |

*Estimated, †revised.
(IG) = Imperial gallons.

Breakdown of sites included in 1990 survey

Motorway

| Brand | Petrol | Derv |
|-------------|--------|------|
| Esso | 29 | 37 |
| Shell | 26 | 39 |
| BP/National | 21 | 21 |
| Texaco | 16 | 16 |
| Mobil | 14 | 27 |
| Total | 4 | 4 |
| Fina | 2 | 2 |
| *TOTAL | 112 | 146 |

*including share sites

Hypermarkets/ Supermarkets

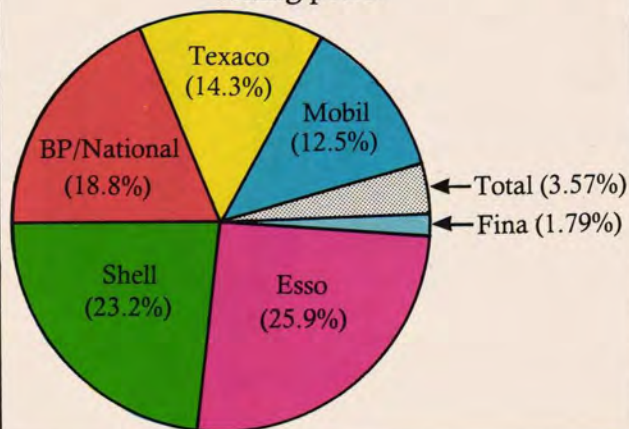
| Brand | Petrol | Derv |
|----------------|--------|------|
| Texaco | 79 | 19 |
| Gulf | 58 | 17 |
| J Sainsbury | 58 | 28 |
| Mobil | 53 | 0 |
| Esso | 48 | 13 |
| BP/National | 43 | 19 |
| Shell | 32 | 22 |
| Jet | 30 | 16 |
| Elf | 17 | 8 |
| Total | 10 | 9 |
| Fina | 7 | 4 |
| Burmah/Major | 3 | 1 |
| Shopping Giant | 2 | 0 |
| Thrust | 2 | 2 |
| Rix | 1 | 1 |
| TOTAL | 443 | 159 |

Some supermarkets/ Hypermarkets

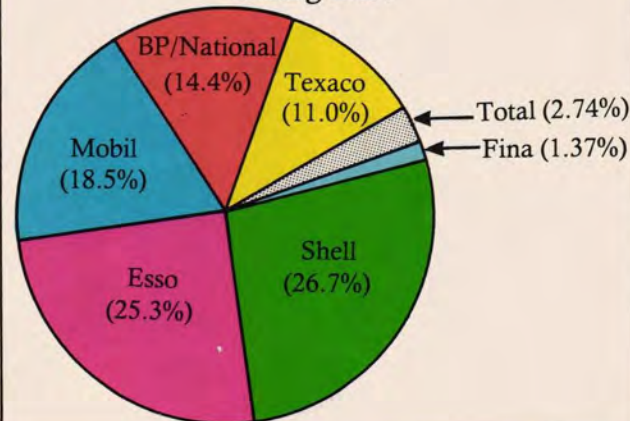
| Hypermarket | Petrol | Derv |
|----------------|--------|------|
| Tesco | 115 | 26 |
| Asda | 93 | 10 |
| J Sainsbury | 58 | 28 |
| Safeway | 14 | 12 |
| Gateway | 12 | 2 |
| Shopping Giant | 2 | 0 |
| *TOTAL | 294 | 78 |

The brands listed are those displayed at service stations. More than one brand may be sold at one super/hypermarket. Sainsbury and Shopping Giant are listed as brands in their own right as they do not display other brand names at their sites.

MOTORWAY SITES Companies share of number of sites selling petrol



MOTORWAY SITES Companies share of number of sites selling Derv





RETAIL MARKETING

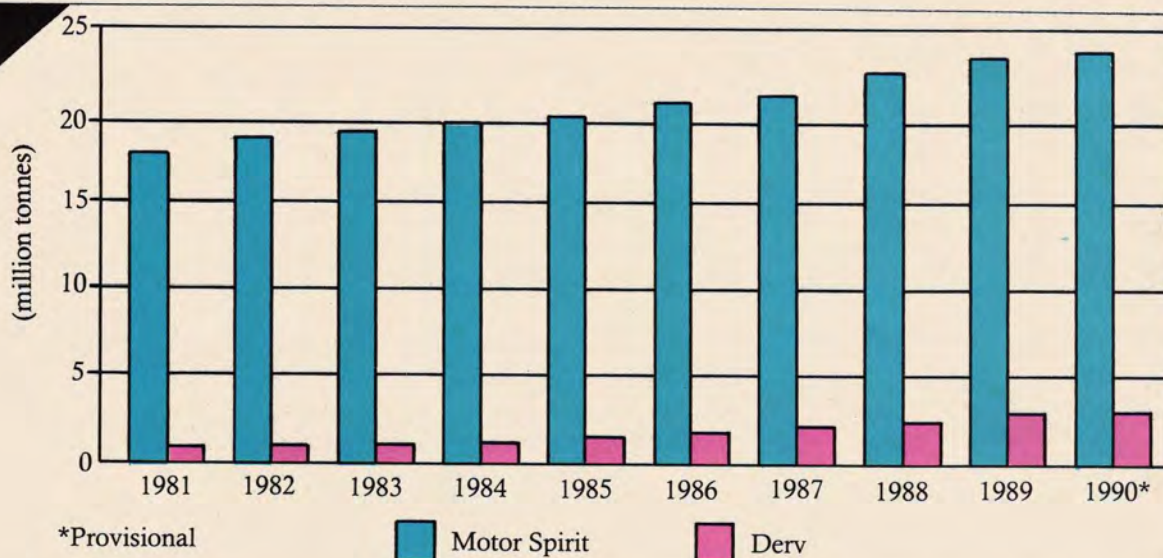
SURVEY • SURVEY • SURVEY • SURVEY • SURVEY • SURVEY • SURVEY

Motor spirit
and derv deliveries
(in tonnes)

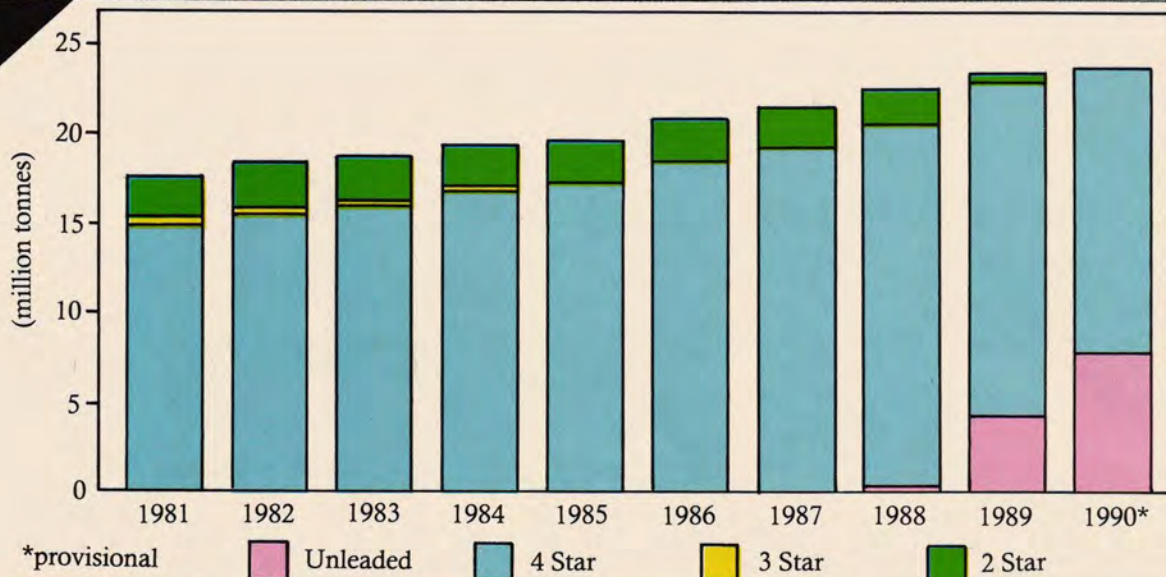
| Category and Grade (BSI Rating) | | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 | 1990* |
|---------------------------------|--------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Retail | Unleaded | — | — | — | — | — | — | — | 246,865 | 4,542,856 | 8,060,648 |
| | 4 Star | 15,041,674 | 15,656,604 | 16,106,500 | 16,990,452 | 17,360,965 | 18,621,460 | 19,519,514 | 20,599,117 | 18,325,360 | 15,576,761 |
| | 3 Star | 409,897 | 256,891 | 166,081 | 111,149 | 76,797 | 48,236 | 28,518 | 16,686 | 2,298 | — |
| | 2 Star | 2,285,610 | 2,482,676 | 2,431,426 | 2,330,662 | 2,187,798 | 2,051,904 | 1,876,506 | 1,668,552 | 321,221 | — |
| | Total Motor Spirit | 17,737,181 | 18,396,171 | 18,704,007 | 19,432,263 | 19,625,560 | 20,721,600 | 21,424,538 | 22,531,220 | 23,191,735 | 23,637,409 |
| | Derv Fuel | 867,866 | 936,521 | 1,065,087 | 1,256,279 | 1,438,687 | 1,695,082 | 2,094,593 | 2,509,272 | 2,882,922 | 3,020,282 |
| Total Retail Motor Fuel | | 18,605,047 | 19,332,692 | 19,769,094 | 20,688,542 | 21,064,247 | 22,416,682 | 23,519,131 | 25,040,492 | 26,074,657 | 26,657,691 |
| Commercial Consumers | Unleaded | — | — | — | — | — | — | — | 10,728 | 105,005 | 195,328 |
| | 4 Star | 718,561 | 615,665 | 620,869 | 560,830 | 552,239 | 534,853 | 582,160 | 547,532 | 581,751 | 474,857 |
| | 3 Star | 117,798 | 102,859 | 99,068 | 89,774 | 85,930 | 77,070 | 62,347 | 50,914 | 13,919 | — |
| | 2 Star | 144,380 | 132,096 | 141,682 | 142,835 | 139,057 | 136,169 | 114,803 | 108,788 | 31,148 | — |
| | Total Motor Spirit | 980,739 | 850,620 | 861,619 | 793,439 | 777,226 | 748,092 | 759,310 | 717,962 | 731,823 | 670,185 |
| | Derv Fuel | 4,681,571 | 4,794,588 | 5,117,638 | 5,498,572 | 5,666,975 | 6,170,462 | 6,374,188 | 6,860,565 | 7,235,016 | 7,872,383 |
| Total CC Motor Fuel | | 5,662,310 | 5,645,208 | 5,979,257 | 6,292,011 | 6,444,201 | 6,918,554 | 7,133,498 | 7,578,527 | 7,966,839 | 8,542,568 |
| Total | Unleaded | — | — | — | — | — | — | — | 257,593 | 4,647,861 | 8,255,976 |
| | 4 Star | 15,760,235 | 16,272,269 | 16,727,369 | 17,551,282 | 17,913,204 | 19,156,313 | 20,101,674 | 21,146,649 | 18,907,111 | 16,051,618 |
| | 3 Star | 527,695 | 359,750 | 265,149 | 200,923 | 162,727 | 125,306 | 90,865 | 67,600 | 16,217 | — |
| | 2 Star | 2,429,990 | 2,614,772 | 2,573,108 | 2,473,497 | 2,326,855 | 2,188,073 | 1,991,309 | 1,777,340 | 352,369 | — |
| | Total Motor Spirit | 18,717,920 | 19,246,791 | 19,565,626 | 20,225,702 | 20,402,786 | 21,469,692 | 22,183,848 | 23,249,182 | 23,923,558 | 24,307,594 |
| | Derv Fuel | 5,549,437 | 5,731,109 | 6,182,725 | 6,754,851 | 7,105,662 | 7,865,544 | 8,468,781 | 9,369,837 | 10,117,938 | 10,892,665 |
| Total Motor Fuel | | 24,267,357 | 24,977,900 | 25,748,351 | 26,980,553 | 27,508,448 | 29,335,236 | 30,652,629 | 32,619,019 | 34,041,496 | 35,200,259 |

*provisional

Retail
deliveries of
motor spirit and
derv



Retail
motor spirit
deliveries





TANK TO BANK

The Mirelec Group of Companies is in the business to provide the oil industry with electronic systems and services to improve the efficiency and safety of the industry's petroleum distribution and retailing functions.

MICRELEC

Retail automation systems from pump controllers to EFTPOS terminals to back office micro programs.

Normond SENS

Tank management and environmental control systems with a range of level gauges and hydro-carbon leak detection systems.

LECTRONIC

Specialists in electronic systems installation and servicing, from terminal automation to retail automation.

C.G.F.

Road tanker calibration services, tanker dip rods and signs.



MICRELEC

MICRELEC GROUP PLC

Hydrex House, Garden Road, Richmond, Surrey TW9 4NR, UK
Tel: 081 876 5127 Telex: 919193 Fax: 081 392 2774



RETAIL MARKETING

SURVEY • SURVEY • SURVEY • SURVEY • SURVEY • SURVEY • SURVEY

Suppliers of petrol to the UK retail market

| Brand Name | Total number of retail petrol outlets supplied | Total number of self-service sites incl. | Total number of company-owned sites incl. | Total number of outlets retailing Derv | Company | Area(s) of Operation |
|--------------|--|--|---|--|---|--|
| SHELL | 2,653 | 1,576 | 1,163 | 2,374 | Shell UK Oil, Shell-Mex House, Strand, London WC2R 0DX Tel: 071-257 3000 Fax: 071-257 1353 | UK |
| ESSO | 2,520 | 1,420 | 1,115 | 2,108 | Esso Petroleum Company Ltd, Esso House, Ermyn Way, Leatherhead, Surrey KT22 8UX Tel: 0372 222000 Fax: 0372 222556 | UK |
| BP/NATIONAL | 1,992 | 1,637 | 883 | 1,689 | BP Oil (UK) Ltd, BP House, Breakspear Way, Hemel Hempstead, Herts, HP2 4UL Tel: 0442 232323 Fax: 0442 224877 | UK |
| BURMAH/MAJOR | 1,374 | 513 | 217 | 1,097 | Burmah Petroleum Fuels Ltd, Burmah House, Pipers Way, Swindon, Wilts SN3 1RE Tel: 0793 511521 Fax: 0793 486790 | North East, North West, Central and Southern England, North Wales, Scotland and Northern Ireland |
| TEXACO | 1,268 | 1,208 | 705 | 1,088 | Texaco Ltd, 1 Knightsbridge Green, London SW1X 7QJ Tel: 071-584 5000 Fax: 071-584 6999 | UK excluding Channel Islands and Isle of Man |
| JET | 1,112 | 753 | 257 | 857 | Conoco Limited, Conoco House, 230 Blackfriars Road, London SE1 8NR Tel: 071-408 6000 Fax: 071-408 6099 | UK |
| MOBIL | 890 | 813 | 530 | 717 | Mobil Oil Company Ltd, Mobil House, 54/60 Victoria Street, London SW1E 6QB Tel: 071-828 9777 | England and North Wales |
| Q8/PACE | 876 | 239 | 85 | 588 | Kuwait Petroleum (GB) Ltd, Borgan House, The Causeway, Staines, Middlesex TW18 3PA Tel: 0784 467788 Fax: 0784 467600 | England, Scotland and Wales |
| FINA | 844 | 615 | 245 | 695 | Fina plc, Fina House, 1 Ashley Avenue, Epsom, Surrey KT18 5AD Tel: 0372 726226 Fax: 0372 744520 | England, Wales and Isle of Wight |
| UK | 668 | 33 | 12 | 468 | UK Petroleum Products Ltd, 61 Hartlebury Trading Estate, Hartlebury, Kidderminster, Worcs DY10 4JB Tel: 0299 251231 Fax: 0299 251423 | England, Wales and Scotland |
| ELF | 659 | 532 | 369 | 532 | †Elf Oil (GB) Ltd, Olympic Office Centre, 8 Fulton Road, Wembley, Middlesex HA9 0ND Tel: 081-902 8820 Fax: 081-902 0448 | England and Wales |
| TOTAL | 600 | 520 | 483 | 417 | TOTAL Oil Great Britain Ltd, TOTAL House, 4 Lancer Square, London W8 4EW Tel: 071-937 7777 Fax: 071-937 8055 | England and North Wales, Isle of Man and Guernsey |
| ANGLO | 527 | 63 | 20 | 380 | Repsol Petroleum Ltd, East Saxon House, Duke Street, Chelmsford, Essex CM1 1HT Tel: 0245 266977 Fax: 0245 261651 | England, Scotland and Wales |

†During 1990 Elf acquired the retail petrol outlets of Amoco.



RETAIL MARKETING

SURVEY • SURVEY • SURVEY • SURVEY • SURVEY • SURVEY • SURVEY

| Brand Name | Total number of retail petrol outlets supplied | Total number of self-service sites incl. | Total number of company-owned sites incl. | Total number of outlets retailing Derv | Company | Area(s) of Operation |
|---------------------------|--|--|---|--|--|--|
| GULF | 381 | 327 | 159 | 280 | ††Gulf Oil (GB) Ltd, The Quadrangle, Imperial Square, Cheltenham, Glos GL53 8AP Tel: 0242 225225 Fax: 0242 573059 | England, Scotland and Wales |
| MURCO/EP | 348 | 162 | 125 | 287 | Murco Petroleum Ltd, Winston House, Dollis Park, London N3 1HZ Tel: 081-349 9191 Fax: 081-349 4443 | England and South Wales |
| BUTLER/ARNDALE | 276 | 10 | | 120 | Butler (1843) Ltd, 11th Floor, Clifton Heights, Triangle West, Clifton, Bristol BS8 1EJ Tel: 0272 214651 | Midlands, East Anglia, South West England, South Wales, Central & Southern England |
| MAXOL | 202 | 45 | 41 | 144 | Maxol Oil Ltd, Maxol House, 261-263 Ormeau Road, Belfast, Northern Ireland BT7 3GJ Tel: 0232 642934 Fax: 0232 648911 | Northern Ireland |
| BFL | 180 | | 1 | 160 | British Fuels Ltd, Cawood House, Otley Road, Harrogate, Yorks HG3 1RF Tel: 0423 568068 Fax: 0423 506123 | Scotland, England and Wales |
| HERON | 165 | 165 | 165 | 165 | Heron Service Stations Ltd, 253/257 Farnham Road, Slough, Berks SL2 1HA Tel: 0753 347111 Fax: 0753 70382 | England and Wales |
| FLARE | 158 | 7 | 3 | 119 | Flare (1980) Ltd, Woodland House, Lyegrove, Badminton, Avon GL9 1EZ Tel: 045421 750 | England and Wales |
| RIX | 148 | 35 | 24 | 118 | Rix Petroleum Ltd, Carmelite House, Posterngate, Hull HU1 2JS Tel: 0482 26345 | North and South Humberside, North and East Yorkshire, Lincolnshire |
| PROTEUS | 140 | 16 | 4 | 86 | Proteus Petroleum Ltd, Barrett House, Savoy Close, Andover, Hampshire SP10 2HZ Tel: 0264 334440 Fax: 0264 334442 | Southern England |
| POWER/FREEDOM/JOHN HUDSON | 131 | 14 | 7 | 89 | Hargreaves Petroleum Ltd, The Pygmalion, 2/4 Market Street, Cleckheaton, W Yorks BD19 5AJ Tel: 0274 862200 | Northern England, Midlands, East Anglia, and North Wales |
| PHOENIX | 106 | 7 | 12 | 78 | Phoenix Petroleum Ltd, Phoenix House, Newmarket Road, Bury St Edmunds, Suffolk IP33 3TF Tel: 0284 755337 Fax: 0284 752623 | East Anglia |
| THAMES | 105 | 15 | 4 | 60 | Thames Group of Companies, The Studio, Albany Crescent, Claygate, Esher, Surrey KT10 0PF Tel: 0372 463545 Fax: 0372 462191 | Scotland, Northern & Southern England and Wales |
| HELTOR/GULF | 85 | 7 | | 42 | Heltor Ltd, Heathfield, Newton Abbot, Devon TQ12 6RW Tel: 0626 832357 Fax: 0626 834373 | Devon and Cornwall |

††The figures for Gulf do not include those for their wholly owned subsidiary **Telegraph** which are listed separately.



RETAIL MARKETING

SURVEY • SURVEY • SURVEY • SURVEY • SURVEY • SURVEY • SURVEY

| Brand Name | Total number of retail petrol outlets supplied | Total number of self-service sites incl. | Total number of company-owned sites incl. | Total number of outlets retailing Derv | Company | Area(s) of Operation |
|------------------|--|--|---|--|---|--|
| AVIA | 84 | 7 | | 57 | †††Avia Fuels (UK) Ltd, 27 Cedar Court, Windsor SL4 3QA Tel: 0753 866959 | South and Central Wales; Devon, Cornwall, Oxfordshire, Northern England, Midlands and East Anglia; Scotland |
| BECA | 80 | 2 | 2 | 51 | O J Williams & Son Ltd, Station Road, St Clears, Dyfed, Wales SA33 4BN Tel: 0994 230355 Fax: 0994 230732 | West Glamorgan, Dyfed, Powys, West Wales |
| THRUST | 75 | 34 | 17 | 65 | Thrust Petroleum Ltd, Bowcliffe Hall, Bramham, Wetherby LS23 6LP Tel: 0937 541111 Fax: 0937 845775 | Northern England, North Wales |
| J SAINSBURY | 58 | 58 | 58 | 28 | J Sainsbury plc, Stamford House, Stamford Street, London SE1 9LL Tel: 071-921 6000 Fax: 071-921 6132 | England and Wales |
| LITTLE DAVID | 57 | 1 | | 36 | *Little David Petroleum Products Ltd, Cliff Quay, Ipswich, Suffolk IP3 0BE TEL: 0473 830083 Fax: 0473 230059 | North Essex, Suffolk, South and Mid Norfolk |
| TELEGRAPH | 54 | 54 | 54 | 43 | Telegraph Service Stations Ltd, 1 Union Court, Castle Street, Liverpool L2 4SJ Tel: 051-227 4551 Fax: 051-227 4524 | Merseyside, North Wales, Manchester, Lancashire, Cheshire, Derbyshire |
| WCF | 53 | 3 | 3 | 44 | WCF Ltd, Geltsdale, Wetheral, Carlisle CA4 8LF Tel: 0228 61444 Fax: 0228 61626 | Central and Southern Scotland, Northern England, Humberside, Lincolnshire |
| 3D | 52 | 2 | | 38 | 3D Petroleum Limited, Normanby Estate Offices, Normanby, Scunthorpe, S Humberside DN15 9HS Tel: 0724 721212 Fax: 0724 720878 | Midlands and North England |
| NEF | 40 | | 1 | 18 | Ellis & McHardy Oils Ltd, Bannermill, Aberdeen AB9 2QT Tel: 0224 491601 Fax: 0224 637206 | Grampian & Tayside Regions |
| CYMA | 36 | 15 | 12 | 28 | Cyma Petroleum Ltd, 87 Sunnyside Road, London N19 3SL Tel: 071-263 3141 Fax: 071-281 5408 | London and Home Counties |
| ACTION PETROLEUM | 35 | 35 | 32 | 29 | Donald Humphries (Motor Traders) Ltd, 211 Ninian Park Road, Cardiff CF1 8US Tel: 0222 374674 Fax: 0222 224341 | South Wales |
| SPUR | 34 | 29 | 10 | 17 | Spur Petroleum (London) Ltd, Oil Terminal, Waltham Cross, Herts EN8 7PJ Tel: 0992 762391 Fax: 0992 88154 | North London, Hertfordshire, Essex, Bedfordshire, Kent |
| PEVA PETROLEUM | 33 | 2 | | 30 | PEVA Petroleum, Peva House, Middlewich Road, Byley, Middlewich, Cheshire CW10 9NX Tel: 0606 845221 Fax: 0606 845048 | Cheshire, Merseyside, North Wales, Lancashire |

†††As a result of changes in the composition of the Avia group during 1990, figures are not directly comparable with those for December 1989.

*There are a total of 57 Little David sites operated by Little David Petroleum Products Ltd and 1 operated by Hercoc Simpson (Petroleum) Ltd.



RETAIL MARKETING

SURVEY • SURVEY • SURVEY • SURVEY • SURVEY • SURVEY • SURVEY • SURVEY

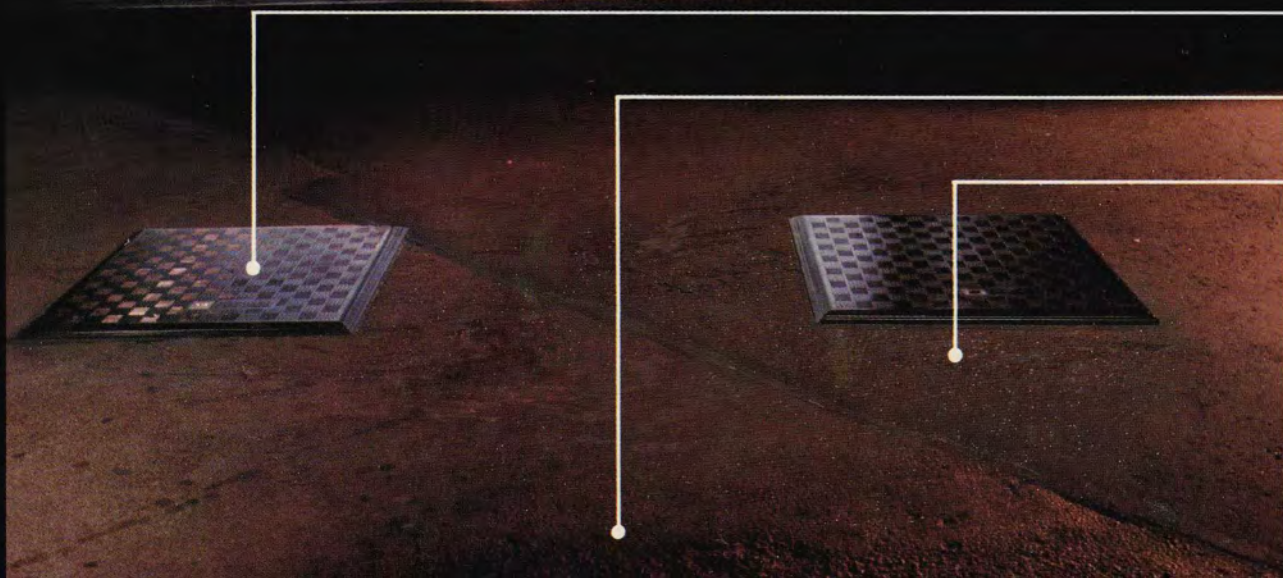
| Brand Name | Total number of retail petrol outlets supplied | Total number of self-service sites incl. | Total number of company-owned sites incl. | Total number of outlets retailing Derv | Company | Area(s) of Operation |
|----------------------------|--|--|---|--|---|--|
| ROWILCO | 32 | 2 | 4 | 15 | Rowland Williams & Co Ltd, 106 Cherry Lane, Liverpool L4 8SF Tel: 051-256 6565 | North West England |
| M.O.C.O. | 26 | 3 | 3 | 26 | CRM Fuels Ltd, Oakwood Hill Industrial Estate, Oakwood Hill, Loughton, Essex IG10 3TZ Tel: 081-502 1423 Fax: 081-508 7824 | Kent, Essex, Suffolk and Cambridgeshire |
| PP | 26 | 2 | 8 | 26 | Port Petroleum Ltd, PO Box 148, Woodhouse Lane, Wigan WN6 7NF Tel: 0942 31402 | Lancashire, Cheshire |
| BRITISH BENZOL | 25 | 15 | 2 | 20 | British Benzol Ltd, Harefield Oil Terminal, Harvil Road, Harefield, Uxbridge, Middlesex UB9 6JL Tel: 0895 56262 Fax: 0895 33316 | South of England |
| OAK | 25 | 2 | | 24 | George Oakley & Co (Fuel Oils) Ltd, Foregate House, St Michael's Street, Shrewsbury, Shropshire SY1 2HD Tel: 0743 236611 | Mid Wales, Shropshire and the West Midlands |
| MINSTER FUELS | 24 | | | 22 | Minster Fuels Ltd, Gundrymor Trading Estate, Three Cross Road, West Moors, Wimborne, Dorset BH21 6QW Tel: 0202 897771 Fax: 0202 891155 | Dorset, Hampshire, Wilts, Berks |
| NWF | 22 | 10 | | 21 | NWF Fuels Ltd, Wardle, Nantwich, Cheshire CW5 6AF Tel: 0829 260900 Fax: 0829 260604 | North Wales, Staffordshire, Cheshire, Shropshire and Manchester |
| BJ/TEXACO | 21 | 1 | | 11 | **Baxter Johnston Oils Ltd, Station Yard, Newtown St Boswells TD6 0PN Tel: 0835 23396 Fax: 0835 23966 | Edinburgh, Lothians, Borders and N Northumberland |
| LION | 21 | 3 | 2 | 18 | Lion Petroleum Ltd, B W Estate, Oldmixon Crescent, Weston-super-Mare, Avon BS24 9BA Tel: 0934 419675 Fax: 0934 635264 | South West England |
| CUMBRIA | 20 | | | 12 | A F Fuels Ltd, Cumbria House, Gilwilly Trading Estate, Penrith, Cumbria CA11 9BW Tel: 0768 62666 Fax: 0768 65670 | Cumbria and Lancs |
| DRAGON | 19 | | | 14 | Dragon Petroleum Ltd, Pantybuarth, Gwernaffield, Mold, Clwyd CH7 5ER Tel: 0352 740416 | North Wales |
| SWAN | 16 | 8 | | 16 | Swan Petroleum, Wood Lane, Ellesmere, Shropshire SY12 0HY Tel: 0691 623141 Fax: 0691 623438 | Shropshire, Cheshire, North Staffordshire and North Wales |
| BDW/ PARAMOUNT/ GULF | 13 | 4 | 5 | 9 | BDW Fuel Oils, Lowesden Works, Lambourn Woodlands, Newbury, Berkshire RG16 7RV Tel: 0488 72802/3 | Berks, Wilts, Oxon |

**5 of the 21 stations operated by Baxter Johnston Oils Ltd display the Texaco logo but are not included in Texaco's figures.

**Conder's been going over
your head for years . . .
now we're getting
under your feet . . .**



● CONDER



● CONDER

Conder's aim has always been to develop better products and building methods to accelerate the construction process — the sooner your forecourt is up and running, the sooner your return on investment. 30 years ago we introduced the prefabricated Canopy, later the GRP Interceptor and most recently the revolutionary Fibrelite Access Covers — with their light weight, you don't need a 'feat' of strength to lift them. Now, Conder can offer a complete range of ready-made products designed specifically for the forecourt.

Modular Convenience Store and Car Wash buildings delivered to site ready wired, plumbed and fitted out for rapid assembly; Access Chambers to contain possible fuel spillage and keep out sub-soil water; Silt Traps to avoid drain blockages and last, but not least, Pump Island Barriers — all from one source and delivered to site.



CONVENIENCE STORES



● **CONDER PUMP ISLAND BARRIERS**



● **CONDER INTERCEPTORS**

● **CONDER LIGHTWEIGHT ACCESS COVERS**

● **CONDER SILT TRAPS**



ACCESS CHAMBERS



CONDER

PRODUCTS ON THE FORECOURT

CONDER PRODUCTS ABBOTTS BARTON HOUSE
WORTHY ROAD WINCHESTER SO23 7SH
TELEPHONE: (0962) 863577



1991 Petroleum Retailing Conference

THE PROFITABLE FORECOURT

Tuesday 14 MAY 1991

**To be held at the
Cavendish Conference Centre, London**

Each year the Petroleum Retailing Conference organised by the Energy Economics Group of the Institute of Petroleum provides a valuable forum for retail management from the oil industry, station operators and suppliers of equipment and services from both the United Kingdom and elsewhere in Europe to meet and discuss topics of current interest to the retail petroleum market.

This year the topic will be The Profitable Forecourt, a subject of great concern both to station operators and to their oil company suppliers in the present difficult economic climate. Participants will have the opportunity to hear and discuss the views of three station operators representing the perspectives of different sectors of the market. Other papers will consider the ways in which new developments in forecourt equipment, shop merchandising, Electronic Funds Transfer and overall design and image can enhance forecourt profitability to the mutual benefit of the station operator and his oil company supplier.

The Keynote Address will be given by Mr J Slavin, General Manager, Retail Marketing, Shell UK Oil.

Presentations will include:

Operators' Perspectives

The Oil Company Managed Network
The Independent Chain
The Dealer Operated Station

Improving Profitability through Innovation

Car washes and other token operated equipment
Shop merchandising
'How to get the banks to pay for your EFT processing — and transfer your sales data for free.'

Design for Profitability

For further information and a copy of the registration form which will be available shortly, please contact:

Caroline Little, The Institute of Petroleum, 61 New Cavendish Street, London W1M 8AR, UK.
Telephone: 071-636 1004 Telex: 264380
Fax: 071-255 1742



RETAIL MARKETING

SURVEY • SURVEY • SURVEY • SURVEY • SURVEY • SURVEY • SURVEY

| Brand Name | Total number of retail petrol outlets supplied | Total number of self-service sites incl. | Total number of company-owned sites incl. | Total number of outlets retailing Derv | Company | Area(s) of Operation |
|----------------|--|--|---|--|---|---|
| ECF | 12 | 3 | 1 | 8 | ECF Ltd, Fuel Division, Helios House, Saxham Business Park, Saxham, Bury St Edmunds, Suffolk IP28 6RB | East Anglia |
| SABRE | 11 | 3 | | 6 | Sabre Energy Ltd, Lancaster Approach, North Killingholme, Grimsby DN40 3JZ Tel: 0469 540188 Fax: 0469 541023 | Humberside and Lincolnshire |
| T.A.C. | 10 | | | 10 | Town & Country Fuels, Prince Regent Way, Victoria Road, Diss, Norfolk IP22 3YQ Tel: 0379 652235 Fax: 0379 643529 | South Norfolk and Suffolk |
| CURRAN | 10 | 9 | | 10 | Curran Fuels, Roath Dock Oil Terminal, Rover Way, Cardiff CF1 5US Tel: 0222 225225 Fax: 0222 488285 | South Wales, Avon, Herefordshire and Powys |
| HAVEN | 9 | | | 6 | Haven Fuels Ltd, Salutation Square, Haverfordwest, Pembrokeshire SA61 2LG Tel: 0437 762467 Fax: 0437 760551 | West Wales |
| BRETTS | 6 | | | 6 | Bretts Fuels, Pipewellgate, Gateshead, Tyne & Wear, County Durham NE8 2BN Tel: 091 477 0854 | North East England |
| PRINCE | 6 | | | 6 | Prince Petroleum Ltd, 139 Abbey Lane, Leicester LE4 5QZ Tel: 0533 661828 Fax: 0533 610727 | Leicestershire and Nottinghamshire |
| BB FUELS | 5 | 2 | 1 | 2 | BB Fuels Ltd, London Road, Sellbrook, Bishops Stortford, Herts CM23 5NE Tel: 0279 653218 Fax: 0279 501763 | Hertfordshire, Cambridgeshire, Bedfordshire, Essex, North and East London |
| WHITE ROSE | 3 | | 1 | 2 | White Rose Fuel Services Ltd, Yarn Street, Off Goodman Street, Leeds LS10 1QA Tel: 0532 776882 | West and North Yorkshire |
| SHOPPING GIANT | 2 | 2 | 2 | | Norwest Co-operative Society Ltd, 1st Flr, Co-operative House, Civic Centre, Wythenshawe, Manchester M22 5RE Tel: 061 499 3322 Fax: 061 499 0019 | Oldham and Failsworth |
| ASCOT | 1 | | | | The Anglo-Scottish Petroleum Co Ltd, 227 Greenwich High Road, Greenwich, London SE10 8NB Tel: 081-858 3722 | Home Counties |
| LITTLE DAVID | 1 | | | 1 | *Hercok Simpson (Petroleum) Ltd, The Oil Depot, Syston Street, East Leicester, Leics LE1 2JW Tel: 0533 531500 Fax: 0533 532976 | Leicestershire |
| TOTAL ABOVE | 19,465*** | 11,043 | 6,847 | 15,533 | | |

*There are a total of 57 Little David sites operated by Little David Petroleum Products Ltd and 1 operated by Hercok Simpson (Petroleum) Ltd.

***This figure includes shared sites, ie on motorways, and is therefore higher than the actual number of petrol stations. Included in the totals above are 33 stations operated by Thames Rico Service Stations retailing under major company brands; also the supermarket/hypermarket petrol stations of Asda, Gateway, Safeway and Tesco.

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court space — profiting you, the proprietor, and your customers.

Tokheim Technology takes care all the way through — the most exact measurements and precise readings in the industry; superb back lit displays on the pump head, providing comfort to the client and the benefit of optimum return. Advantages too in retail stock control, tank monitoring and staff efficiency.

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Repsol prepares for 'quantum leaps'

Dick Dasent, Managing Director, Repsol (UK), discusses in an interview with *Petroleum Review* the national and international implications of the recent acquisition by the Spanish oil giant Repsol of the fuels marketing and specialist refining activities of Carless, the UK independent.

Geoffrey Mayhew: Should Repsol (UK) Ltd be seen as part of an international development?

Richard Dasent: Yes. Having been international for some time in exploration and chemicals, Repsol — the largest industrial company in Spain — has decided to expand its operations in a phased and sensible way over the coming years. The acquisition of what was the Carless Petroleum fuels marketing business, including some 500 Anglo brand retail outlets, provides the core for the UK development of this sector. At the same time Repsol, like Spain itself, has accepted the full meaning of membership of the EEC. Spain is opening up! And a good tactic is to be established in the other countries in good time.

In that respect, although just beginning and without a Repsol outlet as yet, should Repsol (UK) be classed as a major?

Yes, certainly, if only in the broader major concept of Europe. Repsol is a huge company across the whole oil and gas spectrum. The marketing infrastructure they have purchased here includes a small but highly evolving special products refinery which has equal safety and environmental responsibilities as other major companies.

Other entrants to the United Kingdom in the last 15 years who were quickly accepted as majors in the truest sense had much less to start with than us; Elf and Q8 were two of those companies.

I think the industry feels this too, as one cannot ignore the emergence of Repsol, and Spain, as a major player in the years to come. I hope to apply, and be accepted into the United Kingdom Petroleum Industry Association during 1991, and we can only benefit that organisation in the context of Europe.

As a leader in Spain, Repsol is

bound to set the pace for the exciting journey out from a somewhat insular history and it is very well placed in capacity and technology to lead the vanguard in internationalism.

Where else is Repsol striking new ground?

In downstream petroleum products it is active in Portugal, and firmly considering France, Morocco and, perhaps, Italy.

The retail market in the United Kingdom has often been unprofitable?

I dispute that broad, sweeping statement. The UK retail market has had its ups and downs but over a long period has proved to be a stable, sensible and good market. If that is carried back to the critical refining area as well, it can hardly be said that it is a 'bad' market for long periods.

Repsol is in the UK market, as it is and will be in other countries, for profit. In the operation of the Anglo brand outlets, 20 of which are company owned, and which total some 2.5 percent of retail outlets in the country, Repsol (UK) is profitable at this time. Profit is, of course, the true motive.

The United Kingdom is a sight better market than many I could name in Europe. I am confident and traffic forecasts for the future, as well as continued industry investment in this sector, point towards a continuing quality market.

When Repsol bought into the UK retail market and special refining market in August 1989, was it a case that it just had to be in 1989?

No. Repsol's Corporate Planning Division in Madrid had been looking ahead. They had been looking at Carless, the best organised UK independent, for some time. Carless itself was looking for a shareholder and at first

Repsol, who sent a team here to survey the company and the whole picture, were interested in a minority share of 30 percent. But then they decided they wanted 100 percent. They could see it was a sage move by Carless Petroleum some years earlier not to concentrate on the heavy end of the inland market but to move into retail operations, although small, through Anglo. That gave Carless a much stronger hand.

Is 1992 a significant date for Repsol (UK) — when you may wish to be in a certain real position?

It is significant only in the sense that 1992 is when Spain fully joins the EEC. I have laid down no plan for having to be 'something' in the United Kingdom by 1992.

We handle some one million tonnes of petroleum products and specialities and that already gives us a real position.

I came to Repsol believing deeply in their internationalisation project. It will take many years and it must be on good bases in the United Kingdom and elsewhere. We are not here to grab 5 percent of the market overnight. That is neither possible nor sensible — given the evolution yet to come on an international scale.

In general terms we are planning a rationalisation of our Anglo network and the introduction of quality type Repsol stations over a period which is as long as it takes.

What will Repsol outlets be like?

They will be main road outlets, situated in high-profile locations, with annual fuel throughputs of around 4 million litres and have a shop and a roll-over car wash.

You will see the first of these sites during 1991. The quality Repsol site will make its income from petrol and diesel sales, plus the shop and car



Dick Dasent

wash. We shall be concentrating on quality company owned sites at first and then dealers later.

While we do have representation through Anglo in Scotland, our operational area is chiefly in England and Wales — and that is where Repsol brand sites will be in the course of a five year rolling programme. As ever, economic factors will play the major role in regional decisions. The company wants a satisfactory return on its investment.

In a mature market, is this going to be difficult?

Nobody said it would be easy. It has always been difficult to break into any market. We have the patience to achieve the inevitable goal. Repsol does have a role to play in Europe, and the carrot that is Spain could be a key card in the game. We are here to break new ground.

How would that be?

It could be by taking the route of actually swapping some existing sites in one country versus another. However, this is always a difficult route, both philosophically and in valuation terms. Much more likely would be the classical supply swap routes of exchanges, reciprocal processings, straight processings, etc, as each company developed its own outlets in the other country.

Once Spain is a full member of the EEC, this will become a much easier scenario to embrace and both we and other companies are interested in it.

Does Repsol's appearance in the market mean there will be, to some extent, a change in sources of supply?

Inevitably, in the longer term. But Carless has old traditions and our growth must, and can, be based on a mixture of supply logistics which

include the excellent relationships we have with our partners of today. Having already said that we have no immediate intention of knocking Shell or Esso out of the market, I see a variety of international and pan-European supply deals being possible before the year 2000.

You will be opportunist and move quickly to buy a chain if a suitable one comes in sight?

Of course! We have already been rumoured to have made five such deals, although this was news to us. Again it is down to the bottom line — but we would be in there pitching if the right situation arose. Nothing is excluded in such a unique venture.

It may not be just chains of filling stations, of course!

We are also ready to build on our specialist refining capability, through Carless Refining and Marketing but I should stress that Harwich will not be linked to the petroleum supply side in its truest sense. Additionally the added-value market is growing as major refineries get out of producing specialities which are uneconomic for them but profitable for us.

Is this where the financial resources of Repsol in Spain would be vital?

Absolutely, because Repsol is a hugely powerful company and their resources will be fully used when, and if, the right opportunity arises. Of course we would have to convince them. Our first year together has been a period of education for us all and it is working very well — given the different directions from which we came. As an ex-Fina man, I know and support the sagacity of being convinced, or being convincing.

How quickly could you all react?

We could discuss and act within days. Acquisition money is, of course, separate from the normal budget. People should not take the Amoco scenario as a sign that Repsol did not act. We did look closely at it, but it was too early in our emergence and it came at a time when other major deals for the Group were in train. As we mature, we will react quickly to any situation which impinges on the long-term inevitability of Repsol's overseas growth.

Do you think the retail market is changing?

It is definitely moving into a more sophisticated and quality era but we are ready for that and the Group is well advanced in Spain in that area.

What shows that the public want quality?

Buying petrol is a distress purchase for the motorist and we should aim to improve the experience by ease of access and egress through space on the forecourt, and quality promotions etc. In other words we create a 'friendly' environment.

The move by the vast majority of motorists to self-service gas bars and the closure rate of mediocre sites is surely proof enough that the public do seek a quality service on forecourts.

Quality does mean more investment — is it justifiable economically?

Yes. Any worthwhile activity requires investment, together with a satisfactory return. We must ensure, by proper assessment of all the factors involved, that we justify these investments and achieve the necessary return.

Is Repsol going to be essentially a quality brand?

Yes, quality in all aspects, from the original site selection to the management and operation of the site. All must be of the very highest standard.

There will always be punters who concentrate on the lowest purchase price aspect when filling up but there are large numbers of motorists who are looking towards the 'friendly' environment I mentioned where they do not have to queue to get on to the pumps and the whole scene is much more relaxed.

Is Repsol management for the UK operation seen as British, European, international or Spanish?

It is totally flexible, as I am where Europe is concerned. The Group is fully in favour of complete flexibility across the Group and that staff and management should become totally interchangeable over a period. In more specific terms, the United Kingdom has a fantastic opportunity to pull together a small, efficient and highly flexible team of experts — using the best examples of this industry. But it will be in a measured way and linked to speed of growth and not for the sake of appearances.

What is the size of the investment?

During 1990 over £6 million was spent by Carless Petroleum (which will become Repsol Petroleum Ltd from 1 April). Carless Refining and Marketing (CRM) received some £3 million investment during 1990. Both of them have significantly higher budgets



Carless tanker at Harwich

approved for 1991. CRM's budget embraces the new distillation capacity project at Harwich, which is in excess of £5 million.

This investment backs up the benefits of great synergies which were always foreseen with the Spanish refining system. The petroleum side is much more complex and involved, and will take however long is necessary to evolve in the right way both from the marketing and supply angles — and this demands a flexible budgetary process at all times.

Was Repsol pleased to acquire Carless Refining and Marketing?

There were a number of other companies who were interested in this strong niche area, for low volumes of high quality products. We are carrying out a good deal of work for the majors. The parent company has been able to assist the smaller company, and CRM have had a big input into the Group situation. Both sides are forging excellent relationships. CRM will, with Repsol's full backing, be strengthening its classic position in the United Kingdom and Europe over the next five to 10 years, including acquisitions.

Would Repsol conceivably be interested in having a petroleum refinery in northern Europe?

Now you get me into trouble with the Group so early in my new career! The safe answer is 'yes', but that will not be the building of a new refinery. I have to leave the undoubted intelligence of the readership of *Petroleum Review* to read into that what they like, for there are

many forms of answer to your question.

It is interesting that the namer of petrol, and an early producer of it, Carless, is now helping an international company to develop?

Carless have great traditions and survived by reacting quickly and flexibly to a changing UK and world oil market. There are others who have been less astute, or lucky, and are suffering. Now Carless have one of the largest European companies behind them, which has real vision for the next 20 years. I am pleased that the resident Carless Managing Directors, Lou Stroud and Ken Wiseman, on the petroleum and speciality sides respectively, have been appointed to the Repsol (UK) Board.

Repsol are in the United Kingdom for the long term. They are in a strong market for oil and chemical development. We shall continue to monitor exploration and production prospects, not forgetting that Repsol Exploration (UK) obtained its first North Sea licence in 1976 and that Repsol Quimica has been in the United Kingdom since 1987.

The mountain we have to climb is very high, everybody tells me that, but it is climbable if people just realise what a long-term venture this really is. We may be small but we are greater in size than any other recent entrants were on their entry.

The quantum leaps will come, they always do, and Repsol, particularly its UK people, will be ready for them. ■



RETAIL MARKETING

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R Parker, Marketing Director for South and South-East, UK Petroleum Products Limited

In spite of the economic recession major refining companies continue to invest large amounts of capital to protect their prized market share and retailing image.

Much hype was made last year by the major oil companies that they would return to 'brand image' as a marketing weapon as against selling purely by price and promotions.

With the increased market share being obtained by hypermarkets and the pressures from politicians, motoring organisations and the general public, no doubt the market will continue to be one of price and market share driven.

Environmental issues will



continue to dominate the 1990s with both unleaded grades of petrol increasing their respective market shares on forecourts.

UK Petroleum is fully committed to the dealer market and will continue to offer a flexible response to dealer needs. At the same time we will continue with our policy of acquiring sites for our company owned network.

UK Petroleum's large distribution network will ensure that it maintains its lead in meeting 'local' demand throughout Great Britain.

LC Hughes, Divisional Sales Manager — Retail, Esso Petroleum Company Limited

In the future customers will be even more demanding, discriminating and better informed about what they want. Only the highest quality marketers, in tune with customer requirements, will succeed.

Although quality across the full range of facilities and service will remain important there has been an increase in emphasis on product quality. This will mean meeting the most exacting specifications, stringent controls on consistency and ensuring integrity of product handling. This is becoming so critical now that only a few brands will be capable of fully satisfying the motorist's needs.

Environmental concerns will be increasingly important. We fully support proper controls on hydrocarbon emissions but hope that good scientific logic is applied and that cost effective solutions are adopted. In a similar vein, we should avoid any changes to the way the industry markets its products that are not in the best interests of the consumer.

Improved facilities and service in the form of spotlessly clean, well laid out forecourts and shops with a wide variety of convenience goods, open 24 hours are becoming standard features at larger service stations. The provision of telephones, toilets and car wash facilities along with improved efficiency through automation is needed to meet the demands of today's customer.



N Lambert, Manager Retail Sales, Texaco Ltd

Following the extreme market volatility during the last 5 months of 1990, we enter 1991 in a mood of uncertainty.

There are a number of key factors and indicators which will have an impact — as yet unquantifiable — on our business in 1991.

Whatever the outcome of the current Gulf crisis, it is likely that the Middle East will remain unstable for some considerable time. Closer to home, although there is general agreement that interest rates and inflation in the United Kingdom will fall during the year, no one is predicting by how much and when.

In addition, few analysts are prepared to forecast how long and how severe the recession we are now undoubtedly going through, will continue to affect 1991 retailing activities.

Consequently the overall economic climate in which we must operate, certainly for the first half of 1991, continues to look rather gloomy. Allied to this, the possibility of a General Election, will further extend the mood of caution.

Given this uncertain outlook, our business will need even more effective management in order to achieve much needed increased margins and an improved return on capital employed.

Other issues which will play important roles during 1991 include the increasingly influential areas of safety and the environment. This is not just from the UK perspective, as particularly in the environmental field, the European Community has become the pre-eminent source of environmental legislation. We need to be aware that compliance will lead to higher costs in the petroleum retail business.

Equally important, is the need to address the question of the public profile of our industry. I was particularly dismayed, during August and September 1990, at the hostility directed against the oil

companies. We all have a duty, in 1991, to communicate more consistently and concisely to ensure more balanced media coverage is achieved.

Some other influences are easier to predict. The growth of hypermarket volumes, an increase in the unleaded sales ratio and very probably, further advances in diesel usage, are all entirely foreseeable. I am less certain of what the future holds for issues such as product differentiation, promotional activity, and dual pricing.

There will certainly be other challenges, presently unforeseen and not detailed above, that will surface in 1991. However difficult the climate, Texaco plans to make further progress in the market place and achieve improved retail profitability in 1991.



TEXACO



RETAIL MARKETING

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R Hunt, Marketing Manager, Elf Oil (GB) Retail

What an incredible year 1990 was:

The Monopolies Report in February, blender pump conversion in March and the Gulf crisis starting in August.

Three major industry events. And Elf had two more of its own:—

For the July launch of Elf Sport In-Gear — our most ambitious UK promotion ever — we linked with the Sports Council and sports outlet group Intersport.

At the time of publication, 500 of our 660 sites will be running the promotion which features a magnetic 'smart' card to collect points. Appeal will certainly widen following links with other major household names.

We completed our acquisition of the downstream activities of Amoco (UK) Ltd and we are relocating to new Wembley offices. Amoco image sites have disappeared and conversion to Elf's new image will cover all existing Elf old image sites before March 1992.

In 1991 we will achieve total Elf-Amoco integration and work towards our goal of better and more effective communication with operators and customers. The success of our new 'Concept Agreement'

has prompted development of a 'Concept 2' which will eventually replace our commission operation agreements. Furthermore, we will strengthen the Elf Retail Association with the addition of our new sites.

In summary I believe 1991 will despite its uncertain beginning for our industry hold more of the same for Elf — the same being success.



JR Turner, General Sales Manager, Maxol Oil Limited

A static market, economic gloom and rising unemployment. Despite these dire predictions the redevelopment and refurbishment of filling stations continues unabated in Northern Ireland.

1991 will undoubtedly be a year of challenge with the uncertainties arising from the Gulf conflict, greater volatility of prices and lack of growth in the retail market.

Maxol will continue to develop its established chain of sites and complete the new corporate identity programme instituted in 1989. Emphasis will again be placed on the further growth of its retail activities particularly the Maxol shop concept which after 25 years of development is now the centre piece of our activity.

Customer care and site appearance are again top of the list of priorities with the continuation of our popular Performance Awards Scheme. These seek to reward, not only dealer/licensee principals but also forecourt staff who play such an important role in relation to this activity. Maxol believes it is the only company to extend its motivation activity directly to forecourt staff.

Every effort will be made to

foster good working relationships with both our licensees and independent dealer trade and of course with the motoring public. Continuing promotional activity which has recently seen a link with the Ulster Cancer Foundation will remain an important component in the marketing mix.

I am confident that Maxol will continue to lead the way in Northern Ireland throughout the 1990s.



DJ Norman, Business Development Director, Burmah Petroleum Fuels Ltd

A doctor was advised by one of her students of his intention to specialise in diseases of the nose. 'Oh yes, which nostril?' was the reply. Fortunately, necessary specialisation in our business falls within the much broader discipline of retailing.

Efforts to improve the retail offer from business upgrades, higher operating standards, retailing technology, customer services and facilities have been well recorded in these pages and will continue and provide a major route towards

differentiation and profitability improvements.

But while the industry is striving to achieve the quality of operation evident in many high street shops, the results are as yet only skin deep.

More radical approaches are needed and a break from the 'me too' syndrome. Forecourt technology, site design and layout changes will lay the foundation; a concentration on broadening customer service and facilities and a better customer and employee environment will add needed impetus to improved retailing approaches. Also, recognition that different market sectors

require different retail solutions and a move away from homogeneity.

Dynamic and demanding times ahead.





RETAIL MARKETING

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S Jones, Manager — Retail Division, Gulf Oil (Great Britain) Limited

With world events dominating our thoughts, we enter this new decade speculating on the impact that they will have on our industry — 1974 and 1979 were watersheds, will this prove to be the beginning of another new order within the retail fuels market?

How might this 'new order' — if, indeed, it exists — manifest itself in 1991 and later years? Aside from the lessons of the MMC, I believe that petrol wholesalers now fully recognise and are responding to the need to communicate to their various publics. Environmental concerns and the anticipated changes in product quality, performance and availability will present significant communication challenges.

The commitment to 'total quality programmes' will impact on all levels of the business and set exacting standards for retail outlets. Improving standards of design, construction and facilities need to be matched by a high standard in every service provided through our outlets.

The assertion of brand will be the dominant feature of a market previously characterised by price and undifferentiated products. The search for a competitive edge has always existed but we may now expect it to emerge as a comprehensive

proposition to consumers which addresses quality of outlet, service, facilities and distinctive product performance.

Gulf is set to respond to these challenges — 1991 will mark the launch of a process of continuous change which will encompass every aspect of our business from product and identity through every service we provide. Our aim will be to build successful business partnerships with all our retailers and through them to provide the highest level of customer service.



J Slavin, Director & General Manager — Retail, Shell UK Oil

History tells us that Middle East conflict raises pump prices. History tells us that recession squeezes margins. Henry Ford tells us that history is almost always bunk.

Crystal ball gazing is not particularly easy when I am writing this on day eight of the Gulf War, so I will content myself with saying that in the short term we should prepare for the unexpected in what

may be a very volatile market.

The longer term lesson from history however is that motorists have an almost insatiable desire to drive more miles in ever bigger motorcars. At times like these they place an even higher priority on value for money, but part of that will remain the ability to fill at convenient sites which are open when they want them. They are also prey to the temptations of congenial shops, helpful staff and efficient car washes.

For Shell the longer view

G-L Motte, Retail Manager, FINA plc

Two events stand out in 1990. Firstly the Monopolies and Mergers Commission complete rejection of the anticompetitive charges laid against the industry enabled us to get on with the business of providing a better service for our customers.

Secondly of course the Gulf crisis dramatically interrupted the relatively stable run of prices in the first half of the year and led to a period of soaring prices followed by equally precipitate falls. Motorists have had to contend with 15 or so price changes since August catapulting petrol prices once more into the limelight and the popularity of hypermarkets as suppliers of petrol grew as a consequence.

These events overshadowed steady improvements in forecourt shops, the spread of 98 octane 'super plus' unleaded and occasionally controversial developments in wholesale/retailer relationships within the industry.

Fina is well advanced with plans to further enhance its highly developed retailing professionalism on a broad front and to share the expertise acquired through its new outlets programme with the Solus network. Big strides have been made in outlet design, shop retailing, retail automation and forecourt services.

The deepening recession may mean an end for a while to the strong motor fuels growth of the last decade. This coupled with the spread of hypermarkets could increase pressure on margins. It is to be hoped that the industry can avoid a replay of the destructive price wars of the past which serve neither consumer nor supplier in the long run.



encompasses the continued improvement of its network in terms of site quality, staff and the environment. This is also the way I see the industry going.





RETAIL MARKETING

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AJ Morgan, Director, Repsol Petroleum Ltd

The Gulf crisis dominated our thoughts during the second half of 1990 and one certainty is that events in the Middle East will continue to have a major impact on the United Kingdom retail market in 1991.

The rapid rise in prices following the invasion of Kuwait created some very price sensitive motorists and hypermarkets took full advantage of the opportunity handed to them on a plate. The reported growth of this sector's share of the market was spectacular and, in spite of overall growth of some 2 percent, inevitably led to other outlets experiencing a loss of sales in the last quarter. It is imperative that the oil companies claw back these losses in 1991 or we may well be faced with the possibility of a rapid contraction

of the national retail network which cannot surely be in the country's long term interest — particularly with a forecast of a 20 percent growth in the car population by 2000.

Continuing high interest and inflation rates will make it essential that we (wholesalers and retailers) maintain strict control of all costs and improve operating efficiencies wherever possible. Equally of course we must ensure that reasonable margins are achieved in order to justify further investments.

Another priority for our industry in 1991 will be the need to devote an increasing proportion of our resources to environmental and safety issues — recently highlighted by the long awaited publication of the Health and Safety Executive guidelines on the construction and operation of petrol filling stations. We must devote more funds to the train-

ing of those who operate our forecourts since the provision of quality service in a quality environment is a vital ingredient in the long term success of the retail sector. We will also need to grapple with the problems of dual pricing and improve the industry's PR machinery which failed miserably last year.

As for Repsol, this will without doubt be an exciting and challenging year. We will be introducing the first Repsol sites in the United Kingdom. The Repsol image has been widely acclaimed, and will bring to the United Kingdom a fresh, clean image with location, quality of construction and service as our major priorities.

We will also continue to develop our Anglo network and provide our dealers with a sensible and sound package of flexible finance, reliable distribution and a quality image.



M Fretwell, General Manager Retail Sales, Jet

Last year, although not without its difficulties, was a good year for the Jet brand. Jet's 'New Image', launched at the end of 1989, was 'rolled out' to over 400 sites transforming our appearance and visibility on the street. Within our owned and managed chain, 20 new sites were brought on stream and our Jiffy Shops continue to be the top performers in the industry. Independent dealers, recognising Jet's unique position in this market and attracted to the 'New Image', also joined the brand in record numbers.

In 1991, we look forward to completing our 'New Image' programme and commissioning a record number of rebuilt Jet service stations. In the dealer market, we'll continue to complement our traditional offer with relevant brand packages thereby enabling Jet dealers to stay at the forefront of the industry.

All in all, we expect 1991 to be another exciting and challenging year for Jet.



BD Kelly, Marketing Manager, Murco Petroleum Limited

'Apart from that, how did you enjoy the play, Mrs Lincoln?'

It has been quite a challenge to retail successfully in the environment which has prevailed since early August. The price switchback lost us the trust of motorists, placed additional financial burdens on our dealers and provided the hypermarkets with an opportunity which they accepted. But these are short term problems which we must take in our stride. The essentials remain the maintenance of a cost efficient system and of a retail network which meets customer needs. The retail battle will be fought with real estate not price cutting.

As a niche marketer we have been able to achieve good results despite the market turbulence.

Our formula of neighbourhood stations and closely integrated dealers will undoubtedly continue to succeed during 1991.





RETAIL MARKETING

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DJ Rae, Manager — Retail Marketing Division, Kuwait Petroleum (GB) Limited

No-one writing in this publication last year could have foreseen the events of 2 August and the effect that the invasion of Kuwait would have in the market place. Indeed, in a market that is always active, the fluctuations in price, the slow down in demand and side effects such as the changing attitudes to promotions and pricing have meant that many of 1990s predictions have fallen by the wayside.

The obvious links of this company with friends and colleagues caught up in the troubles in Kuwait has had a sobering effect on all who work here. But we have been encouraged by the fact that our UK operation has remained virtually unaffected and continues to operate on a 'business as usual' basis.

Whatever the outcome of the present situation in the Gulf — and as I write this in January 1991 nothing is resolved — there is no doubt that the repercussions of the Middle East situation will dominate world politics in 1991 and have a consequent effect on this industry.

This, added to the recession, will make 1991 a difficult year

for independent retailers and oil companies alike. High interest rates and static sales and an unstable political scene are not the ideal basis on which to begin a new year. However, I have every confidence that after all it will still be 'business as usual' for most of us.

Kuwait Petroleum (GB) Ltd look forward to the challenges and changes that 1991 will bring and to our continued development in the United Kingdom market.



MC Churn, Retail Marketing Director, Mobil Oil Company Limited

Current uncertainty in the Middle East makes predictions about 1991 retail activity highly speculative. However, in the medium and long term, the industry must clearly address the issue of the recent rapid growth in hypermarket petrol sales achieved by deep price discounting. This growth impacts both upon the future capital investment plans for the industry and the price/promotional stance to be taken at the point-of-sale. New initiatives can be expected to be taken to protect capital investment and upgrade the retailing image of the industry

in all aspects during the year in response to these developments.



AM Ryde, Manager — Retail, BP Oil UK Limited

The year of 1990 was when the retail motor fuel industry endured the closest scrutiny by official and unofficial enquiries. The charges and the verdicts were printed on the same page before the case had been heard.

The outcome of the examinations, while bringing some relief, also points a clear direction. We must communicate with our customers at every level and respond to their needs as people with our utmost concentration.

Reputation and image are in the mind and eye of the beholder. It takes a long time to establish a good reputation but very little time to destroy it.

As an industry we have known this for years but still fail to convince many of our good intentions. The retail motor fuel industry needs to work hard on improving its public image.



TM Silvey, Chairman, Flare (1980) Ltd

The chill wind of recession has reminded businesses large and small that investment is only worthwhile when it earns a positive rate of return.

Flare is a group of independent distributors whose customers are mostly private traders. When you are investing your own money you tend to take a short term, conservative view and your exposure is limited.

New legislation on the environment, trends in customer behaviour and distribution, new technology — there are so many factors likely to affect the business of a filling station that we believe investment should be recovered over a short term.

Good returns can still be made from filling stations large and small if unit costs are kept low with an eye to cash generation — a single busy pump can earn a profit where three are losing money.

Flare aims to provide a low

cost overall deal for its customers and our experience suggests we can prosper where big spenders fail.





RETAIL MARKETING

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CWG Butler, Commercial Director, Phoenix Petroleum Limited

As Phoenix approaches its hundred years marketing motor fuels, it will continue to build on its strength as a large and independent diversified regional distributor in East Anglia, with ever-growing resources applied and monitored with care and precision.

Its programme of buying, owning and operating large and modern flagship service stations will be expanded as opportunities occur. But at the same time, substantial efforts will be employed to develop a range of flexible and genuine partnerships with independent dealers, so that Phoenix expertise can help them to build their own successful businesses as the market evolves.

Phoenix is almost unique amongst oil companies in offering the whole range of fuel products from one supplier, including not just motor fuels, but also heating oils, and the widest all-purpose range of lubricants. Moreover, with its diversified fuel sourcing policy, Phoenix is able to offer the most reliable deliveries of all products over a widening geographical area from strategically-placed depots.

The programme which Phoenix has already launched, of commissioning the most modern and safest fuel delivery trucks in all major weight-carrying groups, is being continued. To ensure that these operate to the highest standards, Phoenix own maintenance installations, which cover everything from servicing executives' cars to

superb repair and spraying facilities for HGV's of all types, and these are being extensively re-equipped and expanded. Recent acquisitions have taken Phoenix much further into accident repair work of the finest quality for cars and light vans, much of it for third parties, so as to maintain the optimum workload.

Phoenix is a leader in developing packaged on-board computer systems, and is using these advanced technologies in building road tank wagons of the highest quality both for itself and for third-party customers.

Phoenix, with its valuable and highly-trained and motivated staff at all levels, looks forward with great optimism to expanding and improving its retail network in 1991.



INTERNATIONAL PETROLEUM ABSTRACTS INCORPORATING OFFSHORE ABSTRACTS

First Issue March 1991

Editor: Gretchen E Taylor

This new quarterly journal provides an extensive review of the onshore/offshore oil and gas industry. Literature concerning oil and gas exploration and development, petroleum refining and products, economics and offshore technology is covered. This selective compilation includes geology, geophysics, drilling, production, transport, refinery processes, analysis and testing, gas, oil and bitumen. This information is abstracted from a world-wide coverage of scientific and technical journals, conference papers, research reports, trade literature, standards and patents. The abstracts, which are indicative and partially informative, provide a comprehensive information service, which in combination with online access to the database via the Pergamon Orbit host, provides a key to all aspects of the petroleum industry.

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Plastic money buys a lot of petrol

Precise data is not available but there is wide acknowledgement that plastic money is eclipsing cash and cheques as a means of payment in the retail sector and, in particular, in service stations. Across the retail spectrum as a whole, 15 percent of purchases are made on cards. In the petrol sector that figure rises to 35 percent, and on some forecourts three out of four customers opt for the convenience of presenting a credit or charge card. The trend is welcomed by the oil industry because it boosts transaction efficiency. In a wide context, such efficiency compliments the image of service quality that the oil groups have carefully established. More prosaically, it cuts costs and delay and delivers operational benefits like reduced paperwork and enhanced control.

At the heart of that efficiency is technology. Paying for petrol was too often a time-consuming, frustrating experience. While considerable thought and investment had been channelled into making the forecourt more efficient, the payment area remained a bottleneck. It was unplugged with the introduction of EPOS (Electronic Point of Sale) and EFTPOS (Electronic Funds Transfer Point of Sale) card handling systems.

Over the past few years electronic card-processing machines have become commonplace. For retailers it has been money well spent. The laborious task of writing out payment vouchers by hand and imprinting them has gone, and the paper mountain has disappeared. By capturing and processing the transaction data electronically, losses from voucher mistakes have been eliminated, security has been improved, time-consuming voucher handling is now a thing of the past, and processing charges have been reduced (an EFTPOS transaction costs around 0.4 percent less to process compared with paper systems).

Advantages

But some petrol retailers are turning their backs on EFT. They complain it is taking six or seven days for the clearing banks to process vouchers and that they are suffering cashflow difficulties as a result. They add they will only return to their card-swipes when the banks deliver their promised four-day turnaround. The banks and the processing bureaux, while tending to

blame each other for the delays, admit that there are problems but point out that the volume of transactions has soared in recent years.

The increasing use of plastic cards is due to their inherent convenience and to a dramatic change in public acceptance of cashless transactions that has taken place over the past 10 years. Statistics by the Committee of London and Scottish Bankers show that in 1979, there were 5.5 million Visa credit cards in circulation in Britain, along with 4.3 million Mastercards. Ten years later, Visa could boast 16.5 million cardholders and Mastercard over 12 million.

Over the same period, there was a sharp proliferation in card issuers. Today, there is upward of 40 different credit and charge cards on the market and a large number of local and national 'store' cards. Access calculates the average spend on fuel rose 7 percent last year, to £16.64.

Fraud losses

As the volume and value of card transactions has risen, so too has fraud. In the past two years, it is estimated that card-issuer losses have leapt to £100 million a year. The fight to beat the thieves centres on more sophisticated card designs, more diligence by the retailer and, of course, improved technology to identify 'hot cards.'

Fraud is far from being the only problem card issuers face. After years of relative stability, the plastic card sector is now struggling to avoid being swamped by a tidal wave of change.

At the root of the change is 'duality.' In the past there was a neat division of the market; Visa was the almost exclusive preserve of Barclaycard, while the other major banks lined up behind Mastercard, in the form of Access. That cosy order collapsed last year under the weight of competitive pressures and card issuers, both banks and non-banks, started offering Visa and Mastercard.

New developments

The development brought forward an era of one-stop credit and charge card banking, with one point of contact for payment and authorisation. In its wake has come 'universality,' one single voucher for all cards.

Because of their market dominance, the leading card companies have twice

been investigated by the Monopolies and Mergers Commission, in 1980 and last year. In both inquiries, the 'no discrimination' clause in merchant agreements was a central issue. The card companies traditionally used that clause to insist that retailers treated card transactions as the equivalent of cash. It rankled with retailers because it prevented them from recouping the commission charge levied on each transaction by the issuer. In 1980, the MMC recommended that the clause should be scrapped. After several months of deliberation, however, the Department of Trade and Industry rejected the suggestion.

In August last year, after a two-year investigation, the MMC again recommended the abolition of the contentious clause. This time, it was successful.

The subsequently-introduced Credit Card (Price Discrimination) Order 1990 came into force at the end of last month. It effectively opened the door to differential pricing. In an attempt to clarify a potential highly confusing situation, related Price Marking legislation was also introduced.

In the petrol market, two-tier pricing is expected to be largely avoided by the oil companies continuing with their policies of providing financial support to retailers to cover credit card commission charges. The card issuers also have their eyes firmly fixed on the future. Debit cards are growing in popularity and will eventually replace cheques, telephone banking services will further add to financial convenience and data programmable, or 'smart', cards are around the corner. Currently, forecourt credit card transactions are processed off-line, by a third party computer bureau (Compower and Centrefile dominate), but the growth in debit cards is accelerating the arrival of on-line processing and almost instantaneous funds transfer.

Additionally, petrol 'fleet' cards will continue to increase brand loyalty and deliver much greater levels of control, efficiency and management information. In some parts of Scandinavia, plastic squares are the key to the success of unmanned forecourts. They could eventually provide a means of survival for marginal sites in Britain. Who said oil and plastic do not mix?

Peter Noble

Automation: the key to success in distribution

By George Hudson, TOPAS (UK) Limited

Because of the geographical spread of end-users in the commercial, industrial and domestic markets, road distribution is here to stay — at least for the foreseeable future. Neither rail nor pipeline can compete with its flexibility.

The problem with road transportation is that it is not cheap. Direct costs for operating a typical 38 tonne tanker are over 50p per mile. When driver costs, vehicle depreciation, maintenance and all the other overheads are added, this figure more than doubles. Efforts to improve service levels complicate the issue, as in order to meet specific customer needs, vehicles and drivers cannot always be operated or routed in the most logical cost effective manner.

The question that this raises, therefore, is how can the costs be minimised, while maintaining at least the same level of service?

Probably the most widely acknowledged solution is the implementation of sophisticated automated systems. This may seem a contradiction: how can a computerised distribution system costing between £10,000 and £1 million save an oil company money? And how can service levels be improved when people are replaced by computers?

The process of an oil company's distribution function comprises many elements: from order processing, vehicle planning and loading and physical delivery, to accounting and stock control. All these elements must be co-ordinated to ensure a satisfactory distribution service; and automation may be brought in at any level.

As far as order taking is concerned, it is essential to have all relevant information to hand, for example current product prices, customer account number, type of product required, quantity, delivery time, truck restrictions, and of course accounting terms. These details need to be not only readily accessible but also easily and quickly modified.

At this planning stage, information on required date, truck availability and driver availability are just a few considerations to be taken into account. Many savings are dependent on the production of a good plan but because of the time constraints on planners this is not easy to achieve.

At this same stage too, although maximum use must be made of all available resources, it is also important to keep the drivers happy. Automation can, for example, ensure that 'disagreeable' routes — if they have to be taken — are distributed equally between drivers.

On a safety level as well, automation plays a major role. Products must be loaded according to safety regulations. Human error is eradicated if a com-

puter system is set to adhere to these regulations.

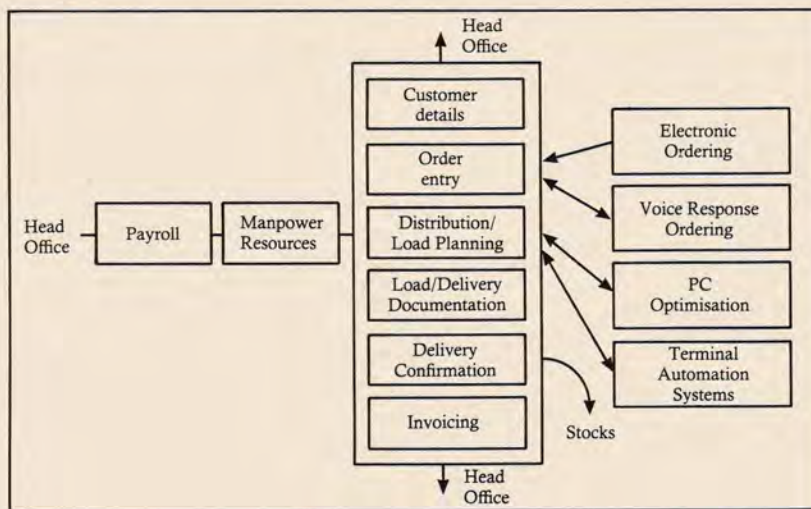
But the most important added value of any computerised distribution system worth its salt is that it provides a company with useful management reports and information that can be used to continually monitor, evaluate and respond to problems and changing market requirements. This information also enhances the companies quality control capability.

However, irrespective of all the benefits, computer systems can only help in the increase of efficiency if a company is prepared to help itself. Systems are only tools that give organisations guidelines to work to.

Before embarking on the route of automation, oil companies must evaluate themselves. This reveals the major areas for improvement and enables the company to ascertain exactly how they believe automation will benefit them.

Once a company has decided to automate its distribution operation, a system needs to be chosen. Systems come in all shapes and sizes and

Figure 1: Fuels distribution



obviously, the more you pay, the more you get. But realistically, a large multinational company that can afford the most sophisticated system, will have a need for it. The smaller the need, the smaller the budget. But even the smallest oil company can benefit from computerised distribution systems. Individual modules of these systems may be installed and made to run as a 'mini' system. By sitting down with a reputable supplier of distribution systems, a system can be tailor-made to meet all individual requirements.

Obviously the size of investment involved in acquiring and installing a computer system is such that companies in the oil industry need to be reassured that they are getting value for money and want to see a return on their investment as soon as possible. Fortunately, return on investment can be seen in months rather than years.

One company that has been experiencing the benefits of automation for several years is Esso. Nigel Law, Planning Manager, Marketing Operations, says of computerisation: 'The modern business environment not only demands efficiency but also tight and effective operational control. The right sort of automation investment combines these benefits, thereby enhancing safety and environmental performance in addition to financial gains.'

In 1981, Esso commissioned a system that was little more than an electronic card index system. Esso soon progressed to a customised version of TOPAS (Transaction Order Processing and Scheduling). Such was the success of this initial system that it was installed into the three further locations.

In the company's quest for greater efficiency and improved customer satisfaction, Esso centralised the petroleum distribution administration activities in 1987 when an 'Orderpoint' centre was set up at the Esso West London Terminal.

Today, the Orderpoint facility at the Esso West London Terminal operates 24 hours a day, seven days a week to co-ordinate the distribution from the 21 plants and terminals. So the challenge faced by the system is to enable the Orderpoint staff to deal efficiently with these large number of calls and deliveries each day.

These systems have been highly customised to suit the complexities and idiosyncracies of the Esso business. Today, TOPAS/400 takes care of customer ordering and enquiry, resource planning and confirmation, pricing, stocks reconciliation, data transmission to corporate systems, (for example, direct debit) and man-



Loading has been facilitated and made more cost effective by computerisation.

agement information. (See Figure 1).

The success of this system within the Esso operation is attributed to the fact that from day one, the users were involved in the development of the system, thus building in a high level of user friendly interactive screens. As the system has evolved, it has become a highly sophisticated distribution and logistics solution with interfaces to Terminal Automation Systems, Electronic Ordering devices and BACS; yet it has remained easy to operate by the Orderpoint staff.

Over the last five years the company has been able to contain staffing levels, achieve higher efficiency, improve cash flow and provide a high level of customer satisfaction.

Esso is only one of the major oil companies to benefit from automation. Conoco is another which sees efficient and speedy distribution of fuels as the key to minimising costs and maximising service levels.

One computer package Conoco relies on was installed some five years ago, to handle order transactions and processing for the entire Conoco distribution operation. The system still meets the demands of their extensive customer network, even in this advancing technological age.

Prior to 1985, the employees at Conoco's 20 distribution depots manually received and processed orders, and calculated the sale price. This bureaucratic system involved extensive form filling and telephone calls, and although it was effective, delays were encountered. With fuel market prices changing daily, price variances during the interim time of receiving an order and delivery/invoicing, required compensation by issuing numerous debit and credit notes.

The package was designed for a large distribution operation, and was jointly enhanced by Topas and Conoco. The system has proved very reliable over the last five years; and Conoco still holds the package in high

regard. A small number of refinements have been made but it has remained basically unchanged. One important development has been the interface with Conoco's mainframe accounting and pricing system, and the interface of the daily BACS system for cash collection.

The system successfully supports 20 fuel distribution depots throughout the United Kingdom, handling all white oil products and liquid petroleum gas, and the programme was specifically written for ease of operation by depot staff. The company's response to its customers has been speeded up enormously. It has helped create an operation which overall is efficient and quick, professional and accurate.

Stock control is another of the package's invaluable benefits. Covering both physical and book stock taking for each individual product tank, it records gains/losses, imports and exports and movements.

The system also contains customer profile information, for example, the size of their storage capacity. When an order is taken which exceeds the customer's storage capacity, or a product is ordered not usually associated with a particular customer, the system will highlight this.

Safety considerations too are built into the system. For example, the delivery tankers which transport the liquid petroleum gases are dedicated to either butane or propane; the system will indicate if the LPG is designated to the wrong vehicle. Also delivery vehicle MOT and licence renewals are indicated when due. The system will indicate incorrect loading quantities for the vehicle and its compartments, and prohibit the load entry of incorrect or incompatible products.

Between 1985 and 1989, Conoco's UK inland volume throughput has increased by 29 percent. 'The system has coped quite adequately', commented a Conoco spokesman 'it is the cornerstone of our business'. ■

Forecourt shops potential

By Clive Grant and Zoe Southwell,
The Corporate Intelligence Group

Some 15,000 of the nearly 20,000 British petrol stations now have significant sales of goods in forecourt shops, over and above their petrol sales, according to a new report.

These shops now include a growing number of full scale convenience stores, offering up to 3,000 grocery, toiletry and household items. Moreover, consumers are increasingly inclined to use them, to the extent that forecourt shop sales for 1990 are put at £1.5 billion. Yet very little has been published on the trade before and even most oil companies themselves have no overall picture of the retail activities of their independent garage customers, says the report.

Shell have most forecourt shops but only just over half are company-owned and of the total a mere 50 are classified as convenience stores. In contrast Esso and Texaco, for example, operate over 300 C-stores each among their forecourt shop totals and Mobil has double that number. In addition Texaco's independent owners have 125 convenience stores. At present Jet also has more convenience stores than Shell.

In reviewing the leading operators, the report examines the position of C-store specialists like Circle 'K', 7-Eleven and Mace in the forecourt trade, as well as detailing the oil majors' operations such as Shell's new Select shops and BP's Express format. Jet's Jiffy convenience stores have had a major positive impact on that company's recent fortunes, while Total is shown to have linked up with Circle 'K'.

Products

Petrol forecourt shops are now making

substantial inroads into the wider convenience retail market, which includes corner grocers and confectioners, tobacconists and newsagents (CTNs). Non-motorists and those who drive to forecourt shops for non-petrol purchases constitute a growing clientele in petrol stations. In turn the operators — both petrol companies and independent owners — have been further broadening their ranges of products sold.

Five categories make up the core product offer:

- Confectionery
- Cigarettes
- Oil/car care
- Crisps
- Soft drinks

The research shows that another 11 groups of other products are stocked, which range from flowers to solid fuels and can include groceries, hot snacks, music cassettes and video rental. Across the board, most products fall into two basic classes — 'impulse' purchases, like confectionery, magazines and flowers; or 'distress' items, like groceries, nappies and 'over the counter' medicines.

Figure 1

Forecourt Shop Totals by Leading Petrol Brand, 1990*

| | |
|--------------|-------|
| Shell | 2,500 |
| Esso | 2,300 |
| BP | 1,336 |
| Texaco | 450** |
| Burmah/Major | 1,000 |
| Jet | 1,000 |
| Q8 | 939 |
| Mobil | 900 |

Source: Corporate Intelligence Group estimates

*Totals comprise shops operated by the oil company or by independent owners of stations selling the petrol brand.

**Convenience store total only: most of Texaco's other 850 stations also have forecourt shops.

The number of petrol stations linked to superstores has been rising rapidly.

Superstores

However, by no means do all superstore operators have forecourt shops as part of their petrol stations and, if they do, they are often small. Many of Tesco's petrol station shops, for example, sell only a limited range, covering mainly confectionery and motor accessories. Asda's sites are mostly operated by Mobil or Esso, both of which have commonly introduced their own shop concepts. Sainsbury has just six, mainly small, shops selling basic motorist requirements. Wm. Morrison forecourt shops in Scotland range up to 400 sq ft, stocking accessories and impulse items, among them some own-label products. Larger than this are Safeway's small number of petrol stations, all their shops having a wide range of convenience items, many of them own-label. At present six of Safeway's 15 sites are operated by petrol companies, but Safeway is taking them over to add to the other nine it already operates directly.

In the future, the researchers expect superstore operators to increase their share of the number of petrol stations quite substantially, but in the service station market-place as a whole there are likely to be rather fewer, though larger, forecourts catering for ever more motorists. This, in itself, is a factor encouraging those already committed to forecourt shop development. Moreover, the margin potential in forecourt shops is at least as attractive to operators as their rising sales totals. Overall forecourt shops can be expected to evolve as a major segment of the growing convenience retailing environment. ■

The Corporate Intelligence Group produces a regular monthly analysis on all retailing sectors and retailers. It is available on subscription at £495 per year for 10 Reports. Single Reports cost £120.

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