

FORECOURT NEWS

A Blenheim Publication

April 1995

Shell row steps up a gear

The public dispute between Shell and sales promotion agency Don Marketing rolls on with the publication of the results of a survey carried out by the latter's Shell Corporate Conscience Pressure Group through a series of advertisements in the press, and a series of public allegations made against Shell and some of its employees.

The SCCPG also claims to have instigated Advertising Standards Authority proceedings against Shell in respect of the original dispute surrounding Make Money promotion.

Following the survey, the SCCPG has accused Shell of deception, theft of ideas and threats, and has challenged the company to take libel action against them.

Although Shell has maintained a low profile on the matter, adhering to a confidentiality agreement between the two parties, it has subsequently issued a forceful statement in response to the SCCPG taunts.

In it, Shell states, "Shell believes the courts are the proper forum for a commercial dispute of this kind, and wishes to see matters resolved there. However, due to the growing number of untrue and often offensive allegations being made about Shell in the campaign, the company feels it appropriate to comment more fully."

On the accusation of theft of ideas, Shell says, "The allegation is untrue. Don Marketing has no case and the legal actions are being strenuously defended.

On the publicised allegations, Shell says, "Don Marketing and the so-called pressure group have repeatedly attempted to goad Shell into issuing proceedings against them for what they are doing. Shell believes that any libel proceedings it brought would be likely to succeed. However, it doubts that Don Marketing and the so-called pressure group would have the funds to pay Shell's costs and the compensation it would be awarded."

Copies of the full statement are available from Shell on 0171 257 3247.

Elf launches new deal for independents

Elf has launched a new dealer package called Formula Elf which aims to free up the dealers' capital by taking away the onus of paying for fuel loads.

Instead the dealer will make his profit through an operating allowance and a commission on fuel sales. Elf will use its price modelling system to control pricing, which it says will offer both a competitive footing and a competitive margin for the dealer.

"We are taking a quantifiable risk on behalf of the retailer," says retail sales manager Chris Hunt.

"But this is no different to that on our own network. We have ambitious targets to increase our dealer penetration, moving up a gear with a package which includes promotions and merchandising support."

Full details pp. 14-15.

Elf's Chris Hunt: plans to increase dealer numbers.



All change as Mobil moves on

A period of substantial restructuring beckons at Mobil following the news that Prime Garages will following the rest of Mobil to Milton Keynes later this year.

Mobil is already relocating to the city, and the move will be completed in July, affecting around 450 staff.

Prime Garages, which operates 210 Mobil sites, will move from Leamington Spa to Milton Keynes in October.

Also, Mobil's director of fuels and marketing, Al Pinne, has left the UK, moving back to Mobil in the US. He is temporarily replaced by acting director, Ben Soraci.

Rumours in the industry suggest that Mobil is looking at a possible move towards a form of franchising.

It is thought that independent management consultants have been commissioned to look at the viability of a new form of company-owned operation across the Mobil network.

Total swaps com-ops for licensees

Total is changing its few remaining commission-operated sites to licence status. The sites, which are operated by Total's subsidiary, Petropolis, are being changed as part of a cost-cutting exercise.

"It's very difficult to maintain a different type of operation

when you have so few sites under it," said retail manager Ray Redmond.

Commission operators are being changed to licensees or offered relocation options.

Total is also the latest oil company to sign a deal with AT&T Istel for EFT polling and man-

agement information. The contract applies to 400 sites and will be a branded package called Total Poll. Total will use the system to enable retailers to claim the full sales price for credit card transactions by paying the merchant service charges. The system will also be used to

collect information on TOPS points collected by Total customers. The deal follows the setting up of Total's retail services development unit.

"We're cutting maintenance costs and using economies of scale to pass on benefits to our operators," said Mr Redmond.

Neglect forecourts at your peril P&H tells big brands

Palmer & Harvey McLane sales director, Maurice Foley, made an impassioned plea to brand manufacturers attending a one-day conference *Brands in Foodservice* at the London Hilton Hotel, to recognise forecourt retailing and be more responsive to its needs.

The underlying message which Mr Foley presented was that brand manufacturers need to address the forecourt sector, not because it is such a large and lucrative area of retailing, but because the survival of many of their brands, and indeed their whole businesses, may depend on it.

"Consider where the forecourt sector stands in today's retailing industry. The vast majority of them are open 24 hours a day, 365 days a year, in excellently designed and laid out premises. When the supermarkets, cornershops and day-time retailers have closed, it is

the forecourt sector, and dedicated all-night convenience retailers, who are the only source of your branded products," he told his audience.



P&H McLane sales director, Maurice Foley.

"Consider too that just one of the major oil companies has 25 percent more individual transactions in a month than one of the top three supermarket chains. Not only can you not afford to overlook a national platform like that for your

brands, you really need to put some resources, apply innovation and effort into maximising it, and it will amply reward you. Manufacturers who have recognised the forecourt sector and put effort into working with it, have gained enormously," he said.

He pointed out that pricing policies not only seriously disadvantage the forecourt sector, and indeed other retailers, but their own brands as well.

"You need to address this area to provide a viable margin for the forecourt retailer to compete on a more even level," he said.

Appealing for more flexibility and innovation from manufacturers, Mr Foley stated, "If you can be flexible and responsive, you will find that the oil companies and the distributive industry will greet you with open arms and will want to work with you."



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