
OIL COMPANY BECOMES MARKET PACESETTER AFTER

Restructuring Retail Network

CLIENT PROFILE

Major Global Oil Company

CHALLENGE

A market leader realized that the model for fuel retail success was changing. They saw that the in-store retail experience was increasingly important to maintaining forecourt fuel sales. This Kalibrate client realized that to maintain their market effectiveness, they might need to restructure their offering to maintain their position as a pacesetter in the industry.

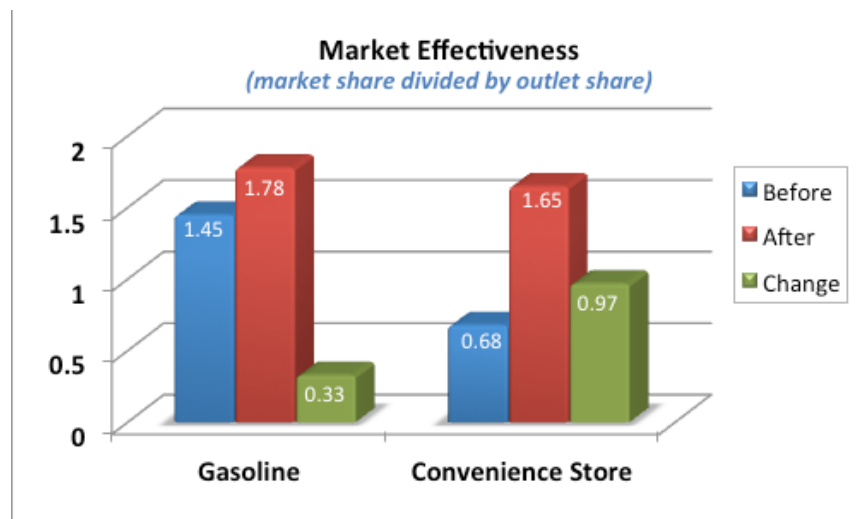
CLIENT QUESTIONS

Consumers are buying less fuel, but they respond to in-store offerings like fast food and well-priced merchandise. Given this shift

- *is our network still sited correctly?*
- *are our convenience store facilities and offerings optimized for this shift in consumer priorities?*

SOLUTION

1. **Identify and benchmark a test market.** The client formed a dedicated team to identify and benchmark various facility strategies within a specific test market.
2. **Test scenarios.** Using Kalibrate's retail network planning solution, the client team tested the outcomes of various strategies, including closing current sites, building new sites, adding services such as car wash or food service, and others. The client was able to see that which factors resulted in cannibalization of nearby sites and the results of various capital investment scenarios.
3. **Implement scenario strategies and assess results.** These test scenarios revealed the relative strength and outcomes of market movements. Kalibrate strategized a multipronged approach to strengthening the company's fuel network. The approach focused on enabling excellence in the 7 key retail drivers of success—location, price, market (competitive) intelligence, merchandising, operations, facility and brand.



RESULTS

- The client confidently implemented the recommended strategy in their test market and became a pacesetter there. A fuller implementation was given the go-ahead, and the concept was successfully rolled out in other markets.
- They improved market effectiveness from 1.45 to 1.78 for gasoline and from 0.68 to 1.65 for convenience store.
- They grew gasoline market share by 3% and convenience store market share by 10%.
- They increased average gasoline volume performance by 35% and average convenience store sales by 150%.
- They maintained this success by continuing to monitor the strength of all 7 elements against the strength of their evolving competition and improving where necessary.

ABOUT KALIBRATE

For over 20 years, Kalibrate (LSE: KLBT) has advised fuel and convenience retailers throughout the world on how to be best-in-class operators in the fast changing marketplace. Kalibrate's global footprint and local presence are the result of a merger between two market leaders: KSS Fuels, the forerunner in fuel pricing automation, and MPSI, recognized leaders of retail location intelligence. Clients gain fuller visibility, truer insight and more effective control over what matters most—what Kalibrate calls Your Adaptive Edge™. For more information, visit [Kalibrate.com](https://www.kalibrate.com).