



STATOIL

Building a new brand in petrol retailing

■ INTRODUCTION/ BACKGROUND

Statoil, the Norwegian State oil company was unknown in Ireland prior to its arrival in 1992 when it purchased the 260 BP petrol outlets located throughout the country. Pre-launch research indicated familiarity with Statoil at only 1% of motorists (see table overleaf).

At that time Irish motorists perceived two very different rankings of petrol companies: Esso, Texaco, Shell and Jet were in the first division on the basis of consumer familiarity, with BP and Maxol in the second division. BP was not seen as a leading brand; yet Statoil's objective was to be in the first division within five years of entering the market.

The risk that Statoil faced in transforming the chain to Statoil was that lack of familiarity with the Statoil brand, could cause customer defections to other more familiar brands.

It was agreed that a major communications campaign was necessary to ensure that this did not happen, that Statoil would retain the customers it was buying and ultimately would become market leader.

■ MARKET BACKGROUND

To most motorists buying petrol was seen as a mundane and even unpleasant experience. The market had become complacent with little or no attempt to derive competitive advantage through advertising or service innovation.

The major petrol chains were seen as faceless organisations, lacking the personalities that consumers could nominate in the retail sector such as Ben Dunne, Fergal Quinn and Maurice Pratt. There was no human face which personified any of the petrol companies. People had great difficulty in getting beyond the images of Dallas in their attempts to visualise a corporate boardroom. In the absence of any human face the brands

were expressed almost totally through the logo and station design, and advertising at that stage seemed to play little or no role in defining their corporate personae. Among the oil companies themselves a view had evolved that "convenience" was the sole factor dictating customer behaviour. In fact while physical proximity, either to a persons' home or place or work, was essential to service station choice; consumer's definition of "convenience" had become extended to include longer opening hours, forecourt service assistance and the personality and friendliness of owner/staff.

This cosy and uncompetitive marketplace had led to little price competition, little innovation, an over reliance on forecourt promotions and had confirmed the consumer perception that "all petrol stations are much the same".

In the consumers' view petrol stations were functionally adequate but none had strong positive brand imagery or a perceived commitment to satisfying the service needs of its customers.

In the background, as was happening in most industry sectors at that time, consumers' expectation of service was increasing. Retail outlets were setting the pace in terms of service levels, price and quality. Service stations were doing little to demonstrate their commitment to their customers and consequently were seen as being left behind by the service revolution.

■ MARKETING OBJECTIVES

For Statoil in buying the BP retail petrol chain there was a high level of risk because of the absence of any familiarity with their name. Lack of familiarity could cause customers to drift to the longer established big names in the market if they felt unsure of the new brand and considered all brands to be much the same.

Special Jury Prize

*McConnells
Advertising*

*Greg Jones
Padraig Burns
Gerry Kennedy
Tony Purcell*

“The retail chain most interested in providing its customers with good service”.

The marketing objectives therefore were:

1. To retain the loyalty of all BP customers during and after transition to the Statoil brand.
2. To begin to develop a brand image which had the capability of growing Statoil’s market share by taking customers from longer established brands.
3. As part of that brand image to begin the process of demonstrating that Statoil was different: different in its commitment to understanding and satisfying the needs of its customers.
4. Build on its Scandinavian heritage.

■ THE BRIEF

The key task that faced Statoil and its advertising agency were:

- To devise a communications programme which created rapid awareness of the new brand but which recognised that Statoil would only become available to people throughout Ireland on a rollout basis as station rebadging took place.
- To create and communicate the brand image which would have most credibility and appeal, and which would provide the framework for the development of a unique and competitive retail brand in the years ahead - a brand image which would be more likeable than the functional brand images of its competitors - a brand image which would represent a company committed to satisfying the service needs of its customers.

■ THE CAMPAIGN AND ITS IMPLEMENTATION

Phase 1: The Awareness Phase

The first phase of the campaign which covered the launch of the Statoil name in the Irish market and the rollout and rebadging of BP station was implemented using a twin track approach.

- Heavy national advertising promised “*a new standard of service station is on the way*”. This created excitement and

interest for those who could access a Statoil station and stimulated anticipation among those who would only have access to the chain as it expanded.

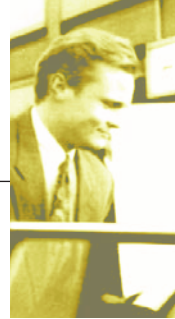
- The actual programme of rebadging of BP service stations was anticipated at a local level by 48 sheet posters in the areas of each station being transformed and local radio and local press advertorials which featured the station staff.

Phase 2: Identifying and Building The Brand

Probably the most difficult task facing Statoil and its agency was deciding the brand image which would have the maximum impact, credibility and long term potential. Pre launch research had indicated that Statoil’s Scandinavian origins were seen as a mixed benefit. Sterotypical views of Scandinavians were widespread. They were not seen to have a great oil heritage and there was little association with the technological sophistication of Saab, Volvo or the service commitment of SAS. The most widespread perceptions were of cleanliness and efficiency, neither of which were felt to be essential to the development of the warmer, more human image we require.

Nonetheless Statoil’s Scandinavian origins were a reality and it was finally agreed that it provided the best potential to create a distinctively credible and engaging brand personality. As we saw earlier the main competitors in the petrol retail market were seen as faceless, but functionally adequate. There was little warmth or liking for them. They were seen as quite inhuman with little interest in their customers.

To create a human and warmer face for Statoil, while exploiting the Scandinavian origin, it was recommended that a Scandinavian presenter be used. Initially it was considered using a Statoil staff member, but it rapidly became clear that the complexity and the demands of the role required an acting ability of a professional.



“A Scandinavian company committed to the highest standard of service to its customers, taking its commitments to its customers extremely seriously - but not taking itself too seriously”.

Following extensive casting search Carsten Norgaard was selected. Carsten was of Scandinavian origins but had excellent English, had starred in several feature films, yet his face was relatively unknown in Ireland.

Scripts were developed to exploit Statoil's Scandinavian origins in a positive and humorous way.

The intention was to make Statoil “A Scandinavian company committed to the highest standard of service to its customers, taking its commitments to its customers extremely seriously - but not taking itself too seriously”.

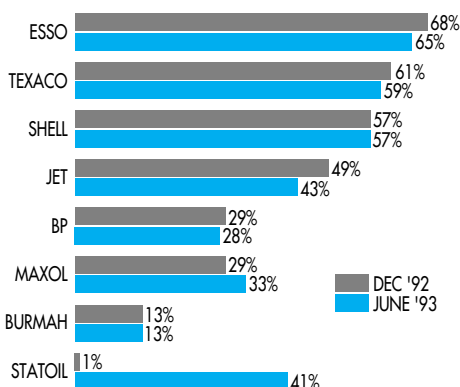
The Statoil brand was to be seen as friendly, more accessible and more committed to its customers than its competitors.

A series of television advertisements using the Scandinavian presenter were designed to demonstrate Statoil's commitment to providing its customers with the highest levels of customer service and functional attributes to ensure it would at least maintain functional parity with its competitors.

■ CAMPAIGN PERFORMANCE IN ACHIEVING OBJECTIVES

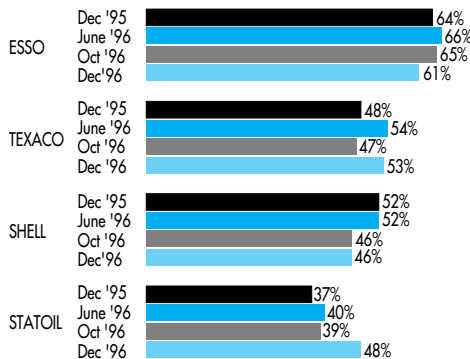
- To rapidly create a very high level of awareness for Statoil.

By June 1993, spontaneous awareness for Statoil showed that the six month launch campaign had a very significant impact. Statoil had already achieved spontaneous awareness of 41% , a comparable level with Jet. In prompted



awareness Statoil had reached almost 90% close behind the long established top three big brands.

By December 1996 Statoil had overtaken Shell in terms of spontaneous awareness to become one of the Top 3 petrol retail chains in Ireland.



Spontaneous awareness of petrol companies.

Statoil had achieved its objectives of creating rapid awareness to reassure its current customers during its transition from BP but had also gone far beyond that by establishing itself in a relatively short period as one of the leading retail brands in Ireland.

(Source: B&A Barometer June 1993/December 1996)

- To create a rounded, more likeable, more human brand which was committed to the provision of a unique level of customer service.

By December 1996, Statoil had become the leading Irish petrol retailer in terms of the following image criteria:

- “The retail chain most interested in providing its customers with good service”.
- Setting trends for others.
- Following the launch of Statoil's “Price Promise”, Statoil became second to only Jet in perceived good value.

Overall in just four years through distinctive and well planned advertising, Statoil had achieved all of its initial objectives and had established itself as a Top 3 retailer brand committed to satisfying the needs of its customers

(Source: B&A Barometer, December 1996)





TV commercial