



The Caltex recipe to success

2011 has marked an overall successful year for Caltex with major endeavours to transform and streamline the brand. *Wholesale Business* spoke to Teresa Booth-Oliveira, GM of Chevron Products Southern Africa to find out how the forecourt brand has managed its success.

A new focus

"2011 was a very important year for us. We celebrated our 100-year anniversary, had a highly successful year in terms of performance and saw our biggest yet network upgrade programme," says Teresa Booth-Oliveira, GM of Chevron Products Southern Africa. "It has been a time of re-looking at the current structure from a profitability point of view and also a time of consolidating the brand," she adds. In 2011, Caltex sold their market shares in various central African countries in order to be able to focus on the longer-term future of their key markets in Southern Africa.

Caltex Southern Africa is a subsidiary of the global Chevron Corporation, which ranks amongst the top global energy companies. Chevron operates in over 180 countries worldwide and runs over 800 service stations in South Africa under the Caltex brand.

Meeting the demand

Over the past year, Caltex responded to the rising demand in the market for cleaner fuel by introducing the 50ppm Diesel product to their service stations. The introduction has been received particularly well by the 4x4 market. The majority of new SUV technology requires the low sulphur fuel for operation and it increases the mileage per tank significantly as well.

Caltex also continues to benefit from the Techron additives to all their fuels, which



Teresa Booth-Oliveira is very proud of Caltex's achievements over the past year and will continue focusing on the streamlining process in 2012.

By MICHEL MACK

are designed to clean the engine while driving. "The additive has been introduced globally and we have been able to observe that in other markets with flexible fuel prices, customers will still choose Chevron, despite of having to pay slightly more, so that they can benefit from the Techron additive," says Booth-Oliveira.

Service excellence

"2011 brought big winds for Caltex. We had to sit down and determine what our customers need from us – and service

excellence remains the most important criteria. The way we serve our customers determines whether or not they will come back to Caltex," she says. Caltex responded to this by launching the 'Siyanqoba' training programme, aimed specifically at petrol attendants. Siyanqoba means 'we are winning' and was the motto of the trainers as they visited over 500 stations around the country in branded vehicles over the past year. The trainers were proficient in all 11 national languages, teaching the petrol attendants an effective and appreciated way of serving the customers. The success of the programme was confirmed by a customer survey. Customers were requested to rate the service of his respective attendant and in return, were entered into a competition. Caltex also issued a prize to the highest ranking service station. Change was

visible and Booth-Oliveira comments:

"This programme has been a winning recipe for us."

Convenience

The last year also saw a major upgrade of the exterior of Caltex service stations. "We sought to create beautiful and well-lit service stations with enough fuel pumps for the respective demand, and great service with a target market-specific product offering with maximum convenience for our customers," says Booth-Oliveira. Caltex already revamped 50 conventional service stations with the new design concept.



The Freshstop partnership with Fruit & Veg City enables Caltex to create a fresh produce offering at the stations, which is appropriate for the resident LSM class at each Freshstop.



Caltex continually makes an effort towards consistently excellent and efficient customer service.

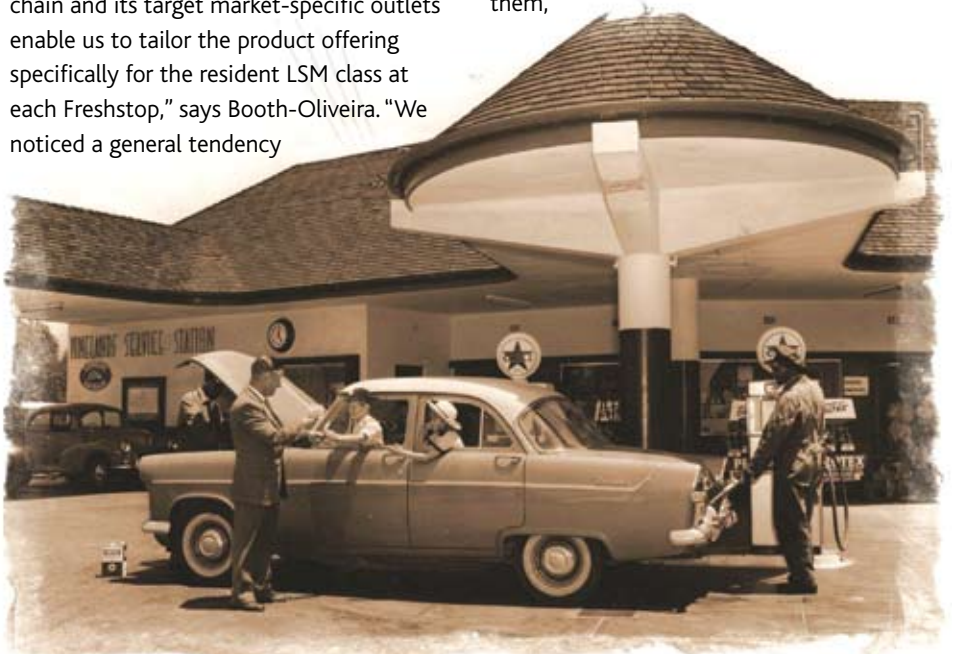
Freshstop

A major milestone of the past business year was the rollout of the Freshstop franchise model in partnership with Fruit & Veg City. The collaboration resulted in a unique concept of a C-store with a wide fresh produce offering, combined with its own bakeries – always offering fresh products and then rounding the offering off with a coffee shop. “We can’t influence the fuel prices, but we can give our customers a convenient store which is quick to use and competitively priced,” says Booth-Oliveira. The price level at all 70 already established Freshstops is kept at supermarket level and offers the customers a truly convenient alternative. At several locations, Freshstops are even able to maintain a price level below the local retailers.



The Siyanqoba trainers visited 500 service stations over the past year to train the petrol attendants in effective customer service.

“The partnership with Fruit & Veg City has huge value for us. As the biggest ‘super retailer’ in the fresh produce industry, Fruit & Veg City brings a very competitive supply chain and its target market-specific outlets enable us to tailor the product offering specifically for the resident LSM class at each Freshstop,” says Booth-Oliveira. “We noticed a general tendency



The first Caltex in South Africa was opened in 1911 in Cape Town. Today Caltex runs over 800 stations across the country.

among South Africans towards a healthier lifestyle and therefore strongly believed that this country is ready for a convenient store solution that is healthy and convenient. The concept has proven to be a full success and we are very proud of what Fruit & Veg City is doing,” she says.

Independent ownership

Another part of the streamlining process was the introduction of an independent ownership model. “We were faced with the question of how to deal with our large network of outlets across South Africa, which was very costly to maintain,” Booth-Oliveira says. As a result, 200 service stations were placed under branded marketers who operate their stations independently and establish their own logistics operation between the terminal and their respective retail sites. The concept was derived from the set-up of the petroleum industry in America and Caltex currently cooperates with five branded marketers who operate up to 40 stations each. All partners are level 1 BBBEE contributors and are supported by the National Development Fund.

Caltex in 2012

Booth-Oliveira concludes with a look ahead: “In 2012 we will continue focusing on efficiency and growth in Southern Africa, refreshing our network and expanding the service available to our customers. Our customers always come first and we will continue ensuring the best service for them,”