Independents are fuelling Africa

By John Harvey

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Independent petrol retailers are making impressive gains across Africa, presenting a challenge to franchise operators for oil giants that have monopolised the continent's markets for decades.

As Africa continues its economic revival, so emerging wealthy individuals have turned their attention to independent businesses that are able compete with established brands on the national level - the retail petrol industry being no exception.

However, these executives have acknowledged that their burgeoning companies and franchises require a successful business plan, with branding and signage an integral aspect of future operations.

In the highly competitive petrol retail sector, brand is arguably as important as the quality of product.

A very different story

Soala Ariweriokuma is the author of the acclaimed *Political Economy of Oil and Gas in Africa* and a member of the Nigerian National Petroleum Corporation, and believes that the emergence of independent petrol retailers in Nigeria has "made the story very different".

"The Nigerian downstream sector was dominated by majors like Texaco, Agip, and Mobil some years ago," Ariweriokuma says.

"Now, a large number of independents have sprung up and displaced the majors through acquisition. Currently only Mobil and Total are still in the downstream. The Nigerian market is very dynamic and competitive. The independents are very creative and take the opportunities for various forms of branding, signage in particular, to gain a competitive edge."

(Image: Wikimedia Commons)

Nigerians choose the independents

Giving credence to his belief is that according to the latest statistics from think tank NOI Polls, an astonishing 28% of Nigerians bought petrol from independent retailers in the first quarter of 2014, where this group was a virtual non-entity a few years ago.

And in the South-East zone of the country, a remarkable 44% of Nigerians bought petrol from independent filling stations.

Further monthly trend analysis reveals a downward trend in the proportion of Nigerians who purchased petrol from major marketer filling stations; there was a nine-point decline from January (78%) to February (69%) and a further 23% decline in March (46%).

Although the South African market is still largely dominated by the oil giants, the situation is beginning to reflect that of Nigeria, particularly in the rural areas and towns where a host of new independent stations are to be found, and their names becoming more familiar through branding.

And in SA?

With the coming-of-age of the African independent retailer, so South African-based signage company First African Holdings has increasingly found itself playing a major role in the development of these businesses.

Thanks to its signage and branding with Nigeria's Oando, the oil retailer has grown to more than 500 outlets around the country in only two years. Such has been the success that it is anticipated that the branding solutions will be rolled out to Oando's other West African countries in which it has presence, including Ghana, Togo and the Republic of Benin.

First African has also assisted in the untold growth of Zimbabwe's Sakunda Energy.

"The first two sites were going to be Sakunda's flagship sites and needed to be built from the ground up. This meant a completely new design of pylon, canopy cladding, spreaders, trash valets, column cladding, and shop front signage.

"We worked alongside Sakunda to come up with a design plan they were satisfied with, which was practical and effective, while remaining within their budget," says First African spokeswoman Mariette Beukes.

"We used 3D modelling software to conceptualise the design, which helped us give Sakunda a good idea of what the final product would look like. They are exceptionally happy with the result."

For further information, visit www.firstafrican.com.

ABOUT JOHN HARVEY

John Harvey is Media Relations Consultant at Roger Wilco, an established, award-winning digital marketing agency based in Cape Town. He was weaned and came of age on a very unhealthy diet of newsprint and post-midnight deadlines - yet still comes back for more.

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