

STILL A BUOYANT MARKET

Arthur Renshaw of Experian Catalist takes an all-Ireland view of the forecourt retail market and how it performed in 2013...

SUMMARY

During 2013 Experian Catalist staff visited over 2,200 sites across Ireland and this article is our analysis of the forecourt market in both Northern Ireland and the Republic of Ireland at the end of 2013.

Continuing on from the previous three years the retail forecourt sector in both Northern Ireland and the Republic of Ireland has seen significant investment in both new greenfield sites and in the redevelopment of existing sites.

The investment we have seen in 2013 is primarily by independent dealers and some of the oil companies.

What we haven't seen in 2013 is any further expansion of the multiple retailers (hypermarkets) into the fuel sector.

Ireland overall had nine more open sites retailing fuel at the end of 2013 compared to the end of 2012 and we recorded the sites selling more or less the same amount of fuel as in 2012.

Northern Ireland had 559 open forecourts at the end of 2013 which is a net increase of 14 sites on the figures we reported at the end of 2012. With figures very similar to 2012 we saw 15 sites close and 13 sites re-opened as well as 16 new sites come into the market in 2013 – including a new Sainsbury's in Bangor that opened earlier in the year.

Hidden behind these figures is also the fact that 35 dealer-owned forecourts changed fuel supplier and the brand on their pole sign in 2013 – this is down on previous years and represents only 7% of the dealer network. Overall we believe the 559 sites are now selling around 915 million litres of motor fuels (MF) per year which is almost 5% up on the previous year. However forecourt shop sales are still down against 2011 but marginally up by around 1% compared to 2012.

The average annual motor fuel throughput remains at around 1.6 million litres per site. The average throughput in Northern Ireland



N.I.	OPEN SITES	RETAIL MF VOLUMES (MILLION LITRES)	AVERAGE MF VOLUMES ('000 LITRES)
2013	559	915	1,638

contrasts sharply with the average for the whole of the UK which is some 4.2 million litres average across the 8,600 UK sites.

The Republic of Ireland now has 1,828 open sites according to our records which is a net decrease of just three sites on 2012. However hidden behind these figures is the fact that we recorded 48 sites closing during 2013 (compared to 77 in 2012) but 35 sites that were closed at the end of 2012 actually re-opened during the year.

We also saw a further 10 new greenfield sites added in 2013. These new builds were spread around the country outside of the cities

R.O.I.	OPEN SITES	RETAIL MF VOLUMES (MILLION LITRES)	AVERAGE MF VOLUMES ('000 LITRES)
2013	1,828	2,857	1,565

(four in Co Louth & two in Co Meath) and included six unbranded sites.

For the record, of the 35 sites that re-opened during the year 22 were unbranded, four Texaco and four TOP. Six of them were in Co Mayo and four each were in Co Dublin, Co Donegal and in Co Galway.

In addition to these changes we also recorded pole sign brand changes on 81 sites during the year (90 in 2012) – 21 sites changed to unbranded, 17 to TOP, nine to Topaz and six to Great Gas.

The losing Brands were Texaco (15), Esso (14) and Emo (8).

These brand changes were most evident in Co Galway, Limerick and Mayo. It is worth noting here that 81 brand changes only represents some 5% of the Dealer market in the Republic of Ireland which would indicate that the majority of Dealers are re-signing with their existing supplier when their contract comes up for renewal.

As we have mentioned previously we are aware that some industry experts talk about a 'more realistic' figure of less than 1,400 sites in the Republic of Ireland.

Both numbers are, however, correct in that our figures include every location where there is fuel on sale to the motoring public and we include over 500 unbranded sites (sites with no recognised retail identification).

This type of site often has just one or two pumps and serves the local community and is supplied in small loads by a local distributor. These sites tend to be excluded from the industry figures and the 1,400 number is more representative of the mainstream forecourt sector.

However on our surveys we visit all the small locations and we have photographs to prove their existence!

We recorded only a small reduction in overall motor fuel sales in the Republic of Ireland in 2013 down by less than 1% from 2012 to a total of 2,857 million litres.

The average MF volume throughput in the Republic of Ireland has remained steady at 1.565 million litres per site.

In terms of forecourt shop sales Northern Ireland has seen sales hold up in 2013 but the Republic has seen a further 4% decline in shop sales in 2013, although this is much improved compared to 2012/2011.



N.I. SITE OWNERSHIP	OPEN SITES	OUTLET SHARE %	MARKET SHARE MF VOL	AVERAGE MF VOL	MRKT EFF
COMPANY	36	6%	8%	1,963	1.20
DEALER	487	87%	62%	1,175	0.72
HYPER MARKET	36	6%	30%	7,578	4.63
OPEN SITES NI	559	100%	100%	1,638	1.00

R.O.I. SITE OWNERSHIP	OPEN SITES	OUTLET SHARE %	MARKET SHARE MF VOL	AVERAGE MF VOL	MRKT EFF
COMPANY	313	17%	33%	3,036	1.94
DEALER	1,495	82%	63%	1,200	0.77
HYPER MARKET	20	1%	4%	5,763	3.69
OPEN SITES ROI	1,828	100%	100%	1,565	1.00

N.I.	TOTAL FCT SHOP SALES (€M)	REDUCTION (%)	AVERAGE SALES (€'000/YR)
2013	288	+1.5%	568
2012	283		568

R.O.I.	TOTAL FCT SHOP SALES (€M)	REDUCTION (%)	AVERAGE SALES (€'000/YR)
2013	753	-3.7%	476
2012	782		494

MARKET STRUCTURE

In Northern Ireland in 2013 the structure of the market has remained relatively stable. The Dealer sector continues to have the dominant number of sites (87%) and fuel Market Share at around 62% with the hypermarkets increasing their share to 30% from their 36 sites.

Maxol continues to be the only one of the major brands represented in the Northern Ireland market that has any company owned sites remaining. The hypermarkets – Asda, Sainsbury's and

Tesco - have a 30% share of the MF volume in the Northern Ireland market but it is worth noting that the hypermarkets share is some 12% less than for the whole of the UK where their share is over 42%.

In the Republic of Ireland the market structure has remained relatively stable in 2013. The independent dealers continuing to dominate, with over 82% of the sites and a 63% share of the fuel volume. They dealer channel has seen a net gain of 10 sites in 2013 – at the expense of the company owned network.

In terms of geographical structure across the counties the figures are shown below.

For Northern Ireland the figures are the same as in 2012 where 68% of the MF Volume is sold in two counties – 44% in Co Antrim and 24% in Co Down. Co Tyrone is the next highest with 11%

The share of the forecourt shop sales has a similar pattern to fuel sales with 37% of the shop sales seen in Co Antrim and 27% in Co Down.

Co Down has again been the winner in 2013 with an extra seven sites added during the year.

In the Republic of Ireland, as in previous years, Co Dublin has 22% of the MF Volume sales and of the other 25 counties only Co Cork gets into to double figures with Co Galway next on 5% for the percentage of MF Volume sold.

The share of the forecourt shop sales in the Republic is slightly more evened out across the counties behind Co Dublin (15%) which reflects the fact that the forecourt shop outside of the city areas can be a significant player in town and village life.

MARKET SHARES

In Northern Ireland there are essentially only three of the traditional major brands remaining in the Market – Maxol, BP and Texaco – although Maxol and Texaco have lost a few sites in 2013 BP has maintained its 52 sites.

In terms of fuel market share Tesco has remained at No.2 to Maxol in Northern Ireland with a share of 14% (from only 18 sites - no change from 2012) Maxol continues to be the market leader even with a slight reduction to a 17% fuel market share.

Texaco has dropped further down the rankings with a remaining 8% market share from 44 sites (50 in 2012) The major gainers in 2013 were Solo, Topaz and Emo – Solo increasing its sites by 16 to a new high of 46. Of the 16 new sites coming into the market seven were unbranded, three Topaz and two each for Solo, Top and Emo

The unbranded sector in Northern Ireland has again added a net three sites in 2013 – seven new sites plus seven sites opened or re-opened as unbranded and 11 unbranded sites closed. This sector has around 25% of the sites but only 8% of the MF volume and 12% of the forecourt shop sales.

Overall, as for the last eight years, in Northern Ireland, Maxol is the most

N.I. COUNTIES	OPEN SITES	OUTLET %	MF VOL %	FCT SHOP SALES
Co. ANTRIM	170	30%	44%	37%
Co. ARMAGH	69	12%	8%	10%
Co. DOWN	127	23%	24%	27%
Co. FERMANAGH	35	6%	4%	4%
Co. LONDONDERRY	65	12%	9%	12%
Co. TYRONE	93	17%	11%	10%
OPEN SITES NI	559	100%	100%	100%

REPUBLIC OF IRELAND COUNTIES	OPEN SITES	OUTLET %	MF VOL %	FCT SHOP SALES
Co. CARLOW	31	2%	2%	2%
Co. CAVAN	56	3%	2%	2%
Co. CLARE	66	4%	2%	2%
Co. CORK	205	11%	10%	12%
Co. DONEGAL	105	6%	5%	5%
Co. DUBLIN	173	9%	22%	15%
Co. GALWAY	123	7%	5%	6%
Co. KERRY	86	5%	4%	5%
Co. KILDARE	61	3%	5%	5%
Co. KILKENNY	35	2%	2%	3%
Co. LAOIS	41	2%	2%	2%
Co. LEITRIM	27	1%	1%	1%
Co. LIMERICK	94	5%	5%	4%
Co. LONGFORD	27	1%	1%	1%
Co. LOUTH	56	3%	3%	4%
Co. MAYO	89	5%	4%	4%
Co. MEATH	64	4%	3%	4%
Co. MONAGHAN	45	2%	2%	2%
Co. OFFALY	43	2%	2%	2%
Co. ROSCOMMON	47	3%	2%	2%
Co. SLIGO	35	2%	1%	1%
Co. TIPPERARY	101	6%	4%	5%
Co. WATERFORD	41	2%	2%	2%
Co. WESTMEATH	52	3%	3%	3%
Co. WEXFORD	84	5%	3%	5%
Co. WICKLOW	41	2%	2%	3%
OPEN SITES ROI	1,828	100%	100%	100%

common pole sign with 101 sites followed by BP with 52 sites.

In the Republic of Ireland the market leader Topaz continues with a 25% MF volume market share having had a net gain of three sites during the year. The next two major

brands Texaco and Esso lost 28 sites between them in 2013 and the unbranded sector in the Republic of Ireland has moved into second place based on fuel market share – the unbranded sector now constitutes 28% of the sites with a MF volume market share of

“ The Republic of Ireland forecourt shop sales has continued to decline but at a much slower rate

around 13% and a shop sales share of 17% - however the average fuel throughput of these unbranded sites is only around 740,000 litres per year – less than half the overall average fuel volume.

Overall in the Republic of Ireland Topaz continues to be the most common pole sign with 295 sites, some 87 ahead of Texaco in second place.

FORECOURT SHOPS

In both Northern Ireland and in the Republic of Ireland the forecourt shop sector continues to be extremely well developed and the sector can be compared favourably with any other country in Europe.

In Northern Ireland 88% of the forecourts have a shop – either a c-store (47%) or a standard forecourt shop (41%). In the Republic of Ireland 84% of sites have a shop – either a c-store (29%) or a standard forecourt shop (55%)

After the fall in forecourt shop sales in 2012 we have seen a marginal increase in 2013 in Northern Ireland from £283 million to around £288 million.

The average forecourt shop in Northern Ireland in 2013 has not changed from 2012 – it is 64 sq metres in size and turns over some £11,000 per week (£568k per year)

The Republic of Ireland forecourt shop sales has continued to decline but at a much slower rate (-4%) down to €753m.

The average forecourt shop in the Republic of Ireland is 52 sq metres in size and turns over some €9,000 per week (€476K per year)

In Northern Ireland the dealer sector continues to retain over 90% of the Shop sales market.

The three traditional major brands (BP, Maxol & Texaco) have forecourt shops on nearly all of their sites and their share



N.I. SHARE BRANDS	OPEN SITES	OUTLET %	MARKET SHARE MF VOL%	AVERAGE MF VOL	MRKT EFF
MAXOL	101	18%	17%	1,561	0.95
TESCO	18	3%	14%	7,239	4.42
BP	52	9%	14%	2,425	1.48
UNBRANDED	140	25%	8%	535	0.33
SAINSBURY'S	9	2%	8%	8,111	4.95
ASDA	9	2%	8%	7,722	4.71
TOPAZ	36	6%	7%	1,668	1.02
TEXACO	44	8%	6%	1,322	0.81
STAR	37	7%	5%	1,354	0.83
SOLO	46	8%	4%	843	0.51
GO	16	3%	3%	1,847	1.13
EMO	19	3%	2%	1,129	0.69
TOP	13	2%	1%	981	0.60
FOOD STORE	16	3%	1%	616	0.38
MORGAN	3	1%	0%	1,200	0.73
OPEN SITES NI	559	100.0%	100.0%	1,607	1.00

R.O.I. SHARE BRANDS	OPEN SITES	OUTLET %	MARKET SHARE MF VOL%	AVERAGE MF VOL	MRKT EFF
TOPAZ	295	16%	25%	2,385	1.52
UNBRANDED	512	28%	13%	741	0.47
TEXACO	208	11%	13%	1,788	1.14
ESSO	124	7%	10%	2,417	1.55
MAXOL	157	9%	9%	1,719	1.10
TEDCASTLES	185	10%	7%	1,115	0.71
APPLEGREEN	41	2%	5%	3,727	2.38
TESCO	20	1%	4%	5,763	3.69
MINOR BRAND	71	4%	4%	1,496	0.94
GREAT GAS	70	4%	4%	1,456	0.93
EMO	52	3%	2%	1,097	0.70
CAMPUS	45	2%	2%	1,120	0.72
AMBER	30	2%	1%	1,350	0.86
MORRIS OILS	18	1%	0%	361	0.23
OPEN SITES ROI	1,828	100.0%	100.0%	1,565	1.00



of the forecourt shop sales market is 52% a decline of a further 2% on 2012.

Maxol and BP are the significant market leaders each with market shares of 24% and 19% respectively of the forecourt shop sales.

In the Republic of Ireland the dealer sector has 73% of the forecourt shop sales in 2013.

The four major fuel brands (Topaz, Texaco, Esso & Maxol) have a 54% share of the market for Forecourt Shop sales, only marginally down on 2012. Topaz retains the leading share of around 22% of the forecourt shop sales market. The Unbranded sector in the Republic of Ireland has a 17% share of the forecourt shop market from its 512 sites – many of these sites have recognised symbol branded stores on their sites.

FORECOURT SHOP FASCIAS

The schedules below show the fascia count for the forecourt shops with 10 sites or more in Northern Ireland and 20 sites or more in the Republic of Ireland.

In Northern Ireland SPAR has a significant lead in this sector and it has extended this lead in 2013 with its fascia on 26% of sites with shops representing over 40% of the forecourt shop sales in Northern Ireland.

SuperValu, Centra and Costcutter are in second, third and fourth place and their combined market share of the shop sales is 26%.

The unbranded sector has 17% of the forecourt shops but with only 6% of the shop sales.

In the Republic of Ireland the oil companies own shop brands are represented on the list but the Mace fascia is the market leader in terms of site numbers – 146 and these shops represents about 10% of forecourt shop sales.

Centra is the market leader in terms of market share with 11% from its 114 outlets.

N.I. MAIN FCT SHOP BRANDS	OPEN SITES	OUTLET %	FCT SHOP SALES %
SPAR/EUROSPAR	152	30%	43%
SUPER VALU	14	3%	10%
CENTRA	37	7%	9%
COSTCUTTER	42	8%	7%
MACE	38	7%	6%
VIVO	35	7%	4%
NISA	15	3%	4%
TESCO	18	4%	2%
DAY TODAY	17	3%	1%
SELECTED SITES	368	72%	86%

R.O.I. MAIN FCT SHOP BRANDS	OPEN SITES	OUTLET %	FCT SHOP SALES %
SPAR/EXPRESS/EUROSPAR	111	6%	10%
MACE	146	8%	10%
TOPAZ EXPRESS/RESTORE	111	6%	8%
GALA/EXPRESS	99	5%	6%
APPLEGREEN	39	2%	5%
XL/XL STOP & SHOP	75	4%	4%
DAYBREAK	70	4%	4%
LONDIS	52	3%	4%
ON THE RUN	30	2%	4%
COSTCUTTER/EXPRESS	42	2%	3%
TESCO	20	1%	1%
SELECTED SITES	909	50%	70%





Spar is in second place with 111 sites with a market share of 10% - just in front of Mace.

The unbranded sector in the Republic of Ireland has 28% of the forecourt shops with 20% of the shop sales.

CONCLUSION

The Republic of Ireland and Northern Ireland continue to be buoyant markets for the retail forecourt sector and they have held its own and indeed improved over the last year despite the effects of the recession and its effects on the retail sector in general. Fuel sales are more or less the same as in 2012 but whilst sites numbers have held up the downside is that forecourt shop sales are still down in both markets against where they were two years ago in 2011

The oil companies and the independent dealers continue to invest money in developing new and existing sites.

However the hypermarkets appear to have slowed their investment opportunities in both Northern Ireland and in the Republic. Good examples of this high level investment from either side of the border is the recent Topaz redevelopment of the Dublin Airport site and the prestigious GO Automat development in the centre of Belfast.

Whilst in European terms the Irish retail forecourt sector is not a large market it still sets some high standards and it continues to be a stop-over on the itinerary of those executives looking at examples of best practise, particularly in forecourt shops and specifically for its food offering.

“ The Republic of Ireland and Northern Ireland continue to be buoyant markets for the retail forecourt sector

The Northern Ireland sites continue to vie for prizes for ‘best in class’ at various UK awards ceremonies and there is still some truth in the saying that what Ireland does with its forecourts today the rest of Europe does tomorrow.

The forecourt industry in Ireland still has its own unique issues to address particularly with the economic climate and the issues with illicit fuel but as we have said before, the forecourt sector in both Northern Ireland and the Republic of Ireland will continue to be resourceful and adaptable and will no doubt move ahead in 2014. ■