



A POSITIVE YEAR

Arthur Renshaw of Experian Catalist takes a look at Northern Ireland's forecourt retail market and how it performed in 2013...

For the second year running Northern Ireland ended 2013 with a net increase in the number of open forecourts compared to prior years.

We also saw a partial bounce back in overall fuel and shop volumes after the fall in 2012. In the past six months Experian Catalist has visited and re-surveyed all the open forecourts across the country and this article is our analysis of the forecourt market in Northern Ireland at the end of 2013.

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 came 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



Northern Ireland	Open Sites	Retail MF Volumes (Million litres)	Average MF Vol ('000 litres)
2013	559	915	1,638

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 is about the same as in the Republic of Ireland but this contrasts sharply with the average for the whole of the UK of some 4.2 million litres average across the 8,600 sites.

MARKET STRUCTURE

In Northern Ireland in 2013 the structure of the market has remained relatively stable. The Dealer sector continues to have the dominant fuel Market Share at around 62% with the Hypermarkets increasing their share to 30%.

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 from their 36 sites 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%.

Northern Ireland Site Ownership	Open sites	Outlet share %	Market share (MF Vol)	Average MF Vol	Mkt Eff
Company	36	6%	8%	1,963	1.20
Dealer	487	87%	62%	1,175	0.72
Hypermarket	36	6%	30%	7,578	4.63
Open sites NI	559	100%	100%	1,638	1.00

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

Northern Ireland Counties	Open sites	Oulet %	MF Vol %	Fct Shop Sales %
County Antrim	170	30%	44%	37%
County Armagh	69	12%	8%	10%
County Down	127	23%	24%	27%
County Fermanagh	35	6%	4%	4%
County Londonderry	65	12%	9%	12%
County Tyrone	93	17%	11%	10%
Open Sites NI	559	100%	100%	100%

MARKET SHARES

There are essentially only three of the traditional major brands remaining in the Market – Maxol, BP & 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 7 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.

Northern Ireland Share Brands	Open sites	Oulet %	Market Share (MF Vol)	Average MF Vol	Mkt 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%	100%	1,607	1.00

Overall, as for the last eight years, in Northern Ireland Maxol is the most common pole sign with 101 sites followed by BP with 52 sites.



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%). The numbers are more or less the same as in 2012.

After the fall in Forecourt Shop sales in 2012 we have seen a marginal increase in 2013 from £283 million to around £288m.

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).

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 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.

The hypermarkets in Northern Ireland have less influence here as they place only limited reliance on their forecourt shops but the Minor Brands and 'Unbranded' sector, particularly in the less populated parts of the country, can often have the most important local shop for the surrounding district. The Minor Brands and Unbranded sector have increased their position again in 2013 to around 30% of the forecourt shop market between them.

FORECOURT SHOP FASCIAS

The schedules below show the fascia count for the forecourt shops with 10 sites or more in Northern 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.

Northern Ireland 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%



CONCLUSION

As in 2012 Northern Ireland continues to be a buoyant market and has actually grown in site numbers since 2011 and although both fuel volume and shop sales have come back they are still below the 2011 levels.

All sectors continue to invest money in developing sites although the hypermarkets appear to have slowed their investments more recently. There were 16 brand new sites in 2013 including the recent GO development on Great Victoria Street in the centre of Belfast

Whilst in European terms the Northern Ireland retail forecourt sector is not a large market it still sets some high standards and continues to be a

stop-over on the itinerary of those executives looking at examples of best practise, particularly in forecourt shops.

The forecourt industry in Northern Ireland has its own unique issues to address particularly with product supply and distribution and the proximity of the border and as we have seen with HM Revenue & Customs raids on fuel laundering operations being reported on a regular basis, the issues that can distort the market.

However, as we have said before, the Northern Ireland forecourt sector will continue to be resourceful and adaptable and will no doubt move ahead in 2014.

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