

Welcome to IF Consulting's e-Newsletter

December 2, 2005

Our regular email tackles the topical issues that surround all marketing channels and their underlying strategies.

Cards fail to fuel interest

A recent study conducted by business information company, Datamonitor, points to "lack of awareness" as a major barrier to fuel card uptake in Europe. Despite the many benefits of fuel cards, such as fuel discounts and services that can increase the effectiveness of fleet management, a significant proportion of businesses are unaware of the major providers or the associated benefits.

A shortage of traditional advertising may be partly to blame for this lack of awareness. Fifty percent of petrol and diesel consumed by European business are purchased using cash, cheque or credit cards, despite active telemarketing campaigns by fuel card providers. Datamonitor's research reveals that the main reason for the lack of fuel card usage is not because businesses choose not to use them, but because they are ignorant of their existence or benefits. Those businesses interviewed that were aware of fuel cards named Shell and BP as the main providers.

The direct marketing strategies of fuel card providers seem to be missing the mark; this study indicates that the audience being targeted tends to be those that are already aware of fuel cards. In order to turn this situation around the oil cards industry needs to raise general awareness in the business community, especially among the less transport-focused sectors.

<http://www.datamonitor.com/~603e2ce8c33b428eb80499c91a18e1f5~/industries/news/article/?pid=47851585-3FDC-43C5-A941-7EAE18428A80&type=CommentWire> (Because of the length of this URL you may need to cut and paste it into your browser's address bar)

IF Comment

The oil industry sells a commodity product with very few avenues for differentiation. Oil companies have added convenience stores, car washes and fast food operations to their sites to differentiate them.

Yet, based on the Datamonitor article, they have done little to utilize an already existing and profitable marketing tool, their fuel cards. It's also interesting to note that top of the mind awareness of fuel cards was with Shell and BP.

Historically, oil companies have been far better at prospecting for and finding oil than they have been at selling it. Convenience store and car wash know-how has traditionally been bought in by the oil majors.

Perhaps it is time for the same approach to be taken with fuel cards.

Snippets



Marketing Channel
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Fiery disputes with franchise operators are causing headaches for major fast food chains Quiznos and Burger King.

http://www.bizjournals.com/columbus/stories/2005/11/21/story5.html?from_rss=1

In a groundbreaking deal, Hollywood studio Warner Brothers and America Online have teamed up to create a new broadband network which will allow users to stream thousands of favourite old TV episodes for free on AOL.com.

http://news.yahoo.com/s/afp/20051114/tc_afp/usmediatelevision

According to a recent UK survey, the lack of suitable franchisees continues to be the biggest barrier to growth in the franchising sector.

<http://www.prnewswire.co.uk/cgi/news/release?id=159451>

Share the Knowledge

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<http://www.i-f.com>