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Building Brand Equity is a Team Effort by Mark Radosevich

Multi-state MLP's and other large fuel supply aggregators, coupled with the expansion of sophisticated multi-store chain operators continue to apply relentless pressure on small to mid-sized fuel marketers to maintain fuel volume from a diminishing stable of viable dealers. To survive and prosper in this highly competitive environment, marketers must begin to proactively adjust their dealer relationships. The days of branding up dealers and reacting when one fails an image mystery shop are ending.

This business reorientation becomes more essential in light of the lucrative supply deals that the major oil companies are offering to build their respective brands in the marketplace. They have strategically placed the wellbeing of their brands in the hands of their marketers, offered lucrative incentives to motivate new and existing dealers to enter into long term commitments, and in some cases have been willing to remit these brand incentives out to the end of the contracts. This is the "push" side of the brand building equation. On the "pull" side, they have stepped up their brand marketing by offering programs designed to garner motorist engagement and loyalty, thereby further benefiting the company, their marketer and dealer stakeholders.

The current retail branding environment now entails a higher level of marketer and dealer commitment. Oil companies have a tangible expectation of reciprocity on the part of both marketers and dealers to hold up their end of the brand building bargain. No longer are dealer image score failures met with a simple slap on the wrist and a promise to get better. Marketers that fail to properly manage their dealers, and dealers that fail to consistently maintain image standards and service expectations run the risk of a de-brand notice, resulting in expensive incentive money recapture and volume commitment erosion.

This lends credence to something that I've been touting over the years; the creation and implementation of "dealer development programs," whereby the relationship between marketers and dealers moves beyond a simple and sometimes confrontational fuel pricing/delivery model to a more proactive win-win business relationship.

The first step is for marketers to embrace the need to reorient how they interact and support their dealers, and then commit the time and manpower to properly develop a comprehensive program. In the beginning it won't be easy, as dealers are typically an independent and skeptical bunch, generally resistant to change, hard to motivate and used to the status quo. Thus, expectations of short term success should be tempered by taking a long term view and embracing the development program as the new normal for future dealer relations.

The next step is to convene a series of uninterrupted meetings whereby the team takes a pragmatic view of the overall business and discusses strengths, weaknesses and opportunities to foster closer ties with the existing dealer network and ways to proactively enlist new dealers.

The team is comprised of sales management and select sales and operational personnel. A free and open dialog should be encouraged, with the imposition of preconceived notions or undo influences avoided.

Discussion should focus on inexpensive tools and techniques that can deliver “added value” to the ongoing dealer business relationship. Once defined, these tools (or tactics) are packaged into a program that helps set the business apart from other fuel marketers. Printed presentation materials are created to assist sales teams with the implementation of the program to the respective dealers. Branded product delivery is simply the foundation of the support offered by the company to help promote dealer success.

Program tactics may include the coordination of dealer participation with training programs offered by state fuel marketer associations or product vendors. This training can focus on any number of topics, including theft deterrence, store merchandising and fuel management, to name just a few. Have the sales team ask their dealers what type of training would be valuable to them. Pick topics that have a direct application to a single site retail operation. Once the various topics have been decided, create an annual training calendar as part of the overall program presentation materials, to foster program legitimacy and motivate dealer participation.

Another potential tactic may include the coordination of financing for needed dealer upgrades using available brand incentive monies. Consider tying in with an established equipment leasing company to create and incorporate a customized program as an approved tactic within the overall program. Other tactics may include enlisting the services of site survey companies to support new-to-market dealer projects. These are just a few of the many potential dealer support tactics that a fully engaged marketer development team could define and package into a unique marketer-specific program.

The overall objective is to focus the new marketer sales process on the added value that a long term business relationship will deliver to their respective dealers. This will also tangibly demonstrate key stakeholder commitment to building brand equity, fostering improved dealer loyalty and mutually enhanced business performance, while putting image score failures in the rear view mirror.

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