

Directors' review (marketing)



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The year 2009-10 was another tough and challenging financial year for IndianOil. While the volatility in global crude oil prices had come down to some extent as compared to the previous fiscal, prices continued to rule high in the international market, averaging at about \$ 70 a barrel for the full year. Despite business constraints we registered a significant growth in market share as well as sales volumes. Among the major challenges was the changeover to quality-upgraded BS-III and BS-IV transportation fuels, and several teams had to work overtime to meet the stipulated deadline.

As a company that prides itself on fuelling the growth of the core sectors, IndianOil has been continuously building on its inherent strengths in bulk sales, infrastructure expansion and upgradation – at existing as well as new bulk storage locations in line with growth in demand across the country. The emphasis was on covering the extra mile, to reach products and services closer to customers at the least cost. This goes hand in hand with optimisation of the supply & distribution network, sometimes requiring closure of locations based on considerations of costs, safety and security.

IndianOil has been registering robust growth in retail sales too, with its rapidly-growing network of *Kisan Seva Kendra* outlets in rural areas making a handsome contribution to overall sales of petrol and diesel. Its branded fuels too continue to be in the lead despite the price sensitive nature of the market. The growing usage of the XTRAPOWVER fleet card has been further supplemented with the launch of the 'Easy Fuel' card as a pre-paid gift card, with added advantages, especially for corporate customers.

It was a proud moment for IndianOil when *Indane* (LPG cooking gas) became its second energy brand (the other being *SERVO*) to earn the coveted *Superbrand* status during the year. With customer strength reaching 568 lakhs,

Indane continues to grow in volumes, reach and services, maintaining market leadership in bulk, packed and autogas as well. Accordingly, the focus is on setting up new bottling plants in upcountry locations, augmenting existing capacity, and modernising filling operations for efficiency and speed.

IndianOil's *SERVO* remains the #1 lubricant of India, backed by world-class R&D and the best technical services expertise in the industry. Product approvals from reputed original equipment

manufacturers and tie-ups with major first-fill consumers in the domestic market have ensured significant growth in sale of finished lubes as well as base stock. Launched in Qatar recently, *SERVO* is fast emerging as a global brand with wide acceptance in the neighbourhood, Middle East, Africa and other markets. Despite continuing turbulence in the aviation industry, IndianOil's Aviation Service, offering refuelling services at about 100 locations, consolidated its #1 position with substantial gain in sales volumes and new business.

IndianOil launched a number of innovative initiatives during the year. These included all-India toll-free numbers for customer feedback; SMS/IVRS facility for ease and convenience in booking LPG refills; vehicle tracking system for use of its retail and consumer sales network; a 'check-and-fill' campaign at IndianOil retail outlets, which drew excellent response and appreciation from customers, etc.

Other ongoing initiatives were the scaling up of presence in rural areas through the *KSK* network; extension of LPG to under-served areas, especially villages; allied facilities at highway outlets, smart cards, etc. Underlining each of these activities will be the all-encompassing priority accorded to safety and standard operating practices in day-to-day operations.

As in the past, there was no dearth of accolades and recognitions during the year. IndianOil bagged the *Reader's Digest* Trusted Brand Gold Award – Petrol Station category for the third year in a row. Similarly, it was chosen as the 'Most Admired Rural Retailer' at the India Retail Forum and for the award of 'Retailer of the Year - Rural Impact' at the Asia Retail Congress for the *Kisan Seva Kendra* rural initiative, both for the third consecutive year. IndianOil also scored a hat-trick at the 3rd Loyalty Summit, by bagging the Customer & Brand Loyalty Award in the Oil & Gas category.



Reaching homes, winning hearts