

## Marketing Services by Example





Applying the iconic Texaco Star logo as a starting point we designed the exterior graphics motif for the generic "Star 21" Texaco retail facility.



Pictured above the Shell Retail Visual Identity matching the international brand standards with a co-branded Burger King QSR.



### Noted Clients

As the primary marketing communications agency for Texaco's U.S. downstream refining and marketing operations I developed marketing communication materials, both print and digital, to help brand managers and category managers launch numerous programs and marketing initiatives.

### Prior Experience



I had earlier honed these skills providing similar services, serving as the information hub, to American Medical International, a Fortune 100 health care company with 268 hospitals worldwide with 50,000 employees. This far-flung or-

ganization was based in Los Angeles and was in constant need of effective communication tools to help manage its operations.

Two energy companies turned to James McFarlin to improve operating performance while at the same time retaining some of the largest ad agencies in the world.

### Background.

In 1995 Texaco was searching for a vendor to become an integral part of their marketing team. They were looking for a smaller group, more of a "boutique" firm, as opposed to their mega-ad agency that handled brand advertising.

The hope was that the smaller, special projects marketing firm would be more flexible and able to deliver at the fast pace Texaco was looking for. In short, Texaco wanted to find a marketing, communications and PR partner to help them manage and grow their brand.

My team of highly qualified professionals offered the optimal mix of creativity, experience and solid business knowledge. Unlike agencies that focus on brand positioning and advertising, we 'get in the trenches' and interface with various functional departments within the organization to create cohesive marketing programs and tools to ensure the smooth execution and ultimate success of a marketing initiative.

By late 1999, after retaining our firm for five years as Texaco's marketing, communications & PR agency, Shell and Texaco formed a joint venture to merge their U.S. refining and marketing operations. Prior to the merger a study of both brands business practices was conducted and Texaco emerged as the more evolved of the two. James McFarlin was then selected as the marketing and PR agency for both brands.

We spent the next five+ years focusing on both brands. The main challenge involved assisting the Shell brand by updating its marketing implementation practices.

### Our Services

#### An Illustrative Example

Shown on the following pages are examples of how James McFarlin provided services to Texaco and later both Texaco and Shell for over 12 continuous years. The subject of this case study involves an initiative that spanned several years and consisted of two separate phases.

Initially, when it was first launched in 2001, it involved converting nearly 15,000 Shell retail facilities in the U.S. to the Shell international facility design standards, Retail Visual Identity (RVI). This was mandated by Royal Dutch Shell, the global parent company of Shell U.S. Subsequently, when Shell decided to terminate the joint venture and acquire Texaco's interest, the RVI initiative was extended to convert the majority of 14,000 Texaco retail facilities to the Shell brand.

With James McFarlin assistance Shell stealthily re-branded, on a market-by-market basis, 10,000+ Texaco retail outlets to the Shell brand, a process that was completed in June 2004 and is the largest retail re-branding initiative in U.S. business history to date.

*The U.S. adoption of the Shell international facility design standards was much more than an exterior upgrade. The intent was to deliver a new customer experience by revitalizing the Shell brand in every way, from the exterior look to merchandising and customer service. A comprehensive brand advertising campaign and unique local store marketing (LSM) program were critical elements.*

To accomplish the ambitious objective of this initiative, we developed the B2B, B2C and PR components including the local and regional advertising campaign incorporating a grand-reopening program. The local store campaign included a series of promotions designed to create consumer awareness of the upcoming change (pre-construction promotion), and a customer retention and growth program after the upgrade (grand-reopening and sustaining promotions). This was a critical initiative closely monitored by Royal Dutch Shell. Promotions included TV/radio spots, signage, site decoration kits, giveaways, co-op funds, discounted national-brand merchandise and a direct-mail program. Because this initiative involved significant capital expenditures and the channel partners (independent retailers and wholesalers), who owned 80%+ of the Shell-branded retail facilities, needed to be persuaded to upgrade their gas stations in concert with the company-owned locations in their market. This was necessary for the planned local media buys and to maximize the impact. Needless to say, it was a massive marketing initiative that demanded the participation of tens of thousands of people within the organization.

Only 3 months away from the planned launch in the first group of markets and a scheduled presentation to Royal Dutch Shell executives, we were charged under pressing deadlines to create the communication tools that would facilitate the information dissemination to the marketing field offices and the vast network of channel partners as described on the following pages.





## A. What We Did:

### Developing Communication Materials to Complement Advertising & Promotional Campaigns, and Completing the Critical Assignment On Time.

We quickly developed a set of communication tools to support the initiative and complement the national brand advertising. We created a program guide (A.1) for field personnel which clearly conveyed the objectives, benefits, program elements, procedures, time lines, and resources they could tap into to support channel partners. We created an introduction booklet (A.2) for channel partners that addressed the “what,” “why,” “when,” “how,” and “what’s in it for me?” in a more succinct form.

In terms of digital media, we created an RVI site (A.3) on Alliance’s extranet. It initially mirrored the printed marketing materials and naturally would be kept up-to-date to reflect any program updates and latest promotions.

Lastly, we updated Shell’s famed landscaping guide (A.4) by replacing images of gas stations of the old facility design with images of retail facilities showcasing variations of the RVI design standards in pristine environment. These powerful images would inspire retailers to upgrade their facilities.

The promptness with which our agency responded to this assignment and our commitment to deliver our work products on time allowed Alliance to meet all its critical deadlines and launch the initiative on schedule with much fanfare.



### A.1 Internal Program Guide

This comprehensive program guide was developed for brand coordinators and marketing field reps to understand all aspects of the initiative. It outlined the responsibilities of the field organization in rolling out the program and provided information on resources available to them and other marketing programs available to the network of retailers and wholesalers to support the initiative.

### A.2 Channel Partner Introduction Booklet

This introduction booklet was developed for retailers and wholesalers to understand the initiative. It outlined the key components of RVI and described the 3 levels of facility upgrade options that were available. Just as importantly, it communicated what they could expect from their marketing coordinator ensuring accountability of the field reps.

## A.3



### A.3 RVI Extranet Site

The RVI site we developed contained 3 main sections.

1. Document download section to access the latest program updates
2. Promotions section to access the latest promotions by region and category
3. Local store marketing (LSM) section to cover tips and instructions on how to develop an LSM program including:
  - Surveying your market
  - Establishing objectives
  - Determining strategies
  - Developing activities
  - Executing a plan
  - Evaluating the results

## A.4



### A.4 “Flower Power” and Shell

One of the important visual keys of the Shell retail identity was the use of flowers and greeneries to enhance the overall look of the facility, creating an inviting environment for customers. This landscaping guide was created to assist retailers in selecting the suitable flower types for each geographical region. The guide also covered proper cultivation and fertilization, and provided a landscaping layout guide.



**B. What We Did:  
Providing Added-value Services**

In addition to the communication materials we created specifically for the RVI initiative, we made a significant contribution to the overall success of the initiative in two critical aspects.

**B.1**



Shell Co-brand local market mailer

Examples of marketing materials created online for local store marketing campaign for a Shell convenience store with a Taco Bell quick serve restaurant and ArmorAll branded car wash.



Bag Stuffer/Flyer



Point-of-sale Signage

**Technology Breakthrough.  
We Devised The First Ever Online Solution for Creation of Local Store Marketing Materials**

While local store promotions were central to the success of the RVI initiative, the 'one size fits all' national media advertising created by JWT and Ogilvy could only focus on products & services that were universally available at all gas stations, such as gasoline and credit cards. The reality is each gas station has a unique mix of offerings such as convenience store, car wash, auto center, fast food, etc., in addition to fuel. We saw a need to provide a customizable, yet cost-effective, local store marketing (LSM) option that could draw potential customers' attention to the unique offerings of individual retail business .

To facilitate the creation of custom LSM materials by each retailer to promote his/her own business, we devised an online system and proposed it to Alliance. It was immediately adopted and incorporated in the program materials for the RVI initiative.

This online custom LSM system (B.1) was added to Alliance's extranet and was built out concurrent with RVI roll-out.

For the first time, facility operators now had the ability to go online, using their back office PC, and create their own promotional materials to meet their exact specifications.

The custom local store marketing orders, created by the network were then aggregated, printed, and distributed at significant cost savings. The response rates were tracked and exceeded 27% in some cases, far beyond typical response rates.

## B.2



### Leveraging Other Marketing Programs to Support The RVI Initiative

The RVI initiative was immensely challenging in that the facility design upgrade required significant capital investment at each site, and the conversion must be coordinated amongst all locations within a market area. However, over 80% of the retail sites were owned by independent retailers and wholesalers who would make an investment only if the project would increase bottom-line profit and financing was available. Alliance marketing field personnel needed to possess knowledge of all the existing marketing programs and resources available to the channel partners so they could present a convincing business case to the channel partners and persuade them to upgrade their facilities.

By the time our agency was tapped to create communication tools for the RVI initiative, we had helped Texaco, then Alliance, management to develop an array of programs for the channel partners to improve their business operation and profitability. We understood the inter connect-edness of these programs and how many of them could be leveraged to support the RVI initiative. We included in the RVI internal program guide summaries of these programs and illustrated how the RVI conversion could be the perfect opportunity to consider adding additional profit centers for business growth.

These programs that we had helped to develop included: Co-branding Assistance Program (B.2), Facility Development Incentive Program (B.3), Facility Development Financing Program (B.4), Formula Finish Branded Car Wash Program (B.5) and Merchandising Tool Box (B.6) . Additionally, these programs had complementary digital versions that could be updated with the latest information.

#### B.2 Co-branding Assistance Guide

Co-branding refers to the addition of a branded retail business, typically a Quick Service Restaurant such as McDonald's. The program guide would:

- Explain the co-branding concept and its evolution
- Outline assistance available to the retailers
- Provide site evaluation and analysis tools to assist the retailers in making the right decision on the co-brand partner
- Summarize information on available co-brand partners and serve as an information guide highlighting issues pertinent to co-brand franchise operations, especially fast food service.

## B.3



### B.3 Facility Development Incentive

Program offered financial incentives based on motor fuel volumes that would motivate channel partners to make capital investment and upgrade their facilities. The booklet for channel partners focused on program benefits; the internal program guide included procedures and action steps.

## B.4



### B.4 Facility Development Financing

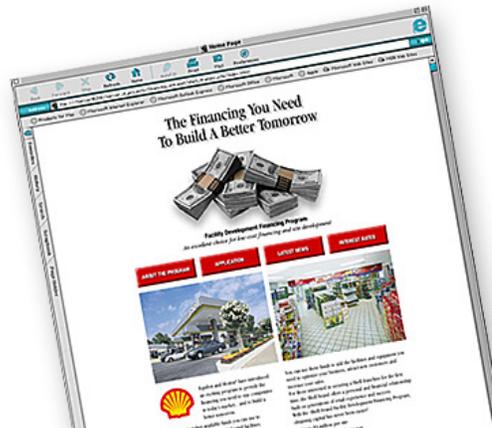
Alliance teamed up with a major lending institution to create special loans customized to the oil industry. We created communication tools to allow marketing coordinators to walk retailers and wholesalers through the loan application and construction process.

Two versions of the action steps guide were produced; one was from the perspective of the field rep, and the other from the perspective of the borrower. This ensured both parties were coordinating their actions in concert.

We also created a cash flow analysis model allowing the brand coordinator to input site-specific financial information and perform immediate "what if" analysis to show impact on cash flows of the investments, revenues and loan payments, etc.

### Intranet/Extranet Web sites

Digital versions of all programs were developed and posted to the company intranet/extranet sites. Latest updates and new implementation tools, were easily kept up to date and accessible to brand and marketing coordinators and channel partners.





*Car wash branding and exterior facility design by BrandMob*



## B.5

### **B.5 Formula Finish Branded Car Wash Program**

Closely linked to the RVI program roll-out was the Shell Branded Car Wash Program.

After extensive consumer research, Alliance contracted us to help it develop a branded car wash program to revitalize its network of car washes at Shell retail outlets. Primary features comprised highly visible architectural elements, state-of-the-art equipment technology, and customer satisfaction focus.

Program implementation elements (shown below) included branding design, facility design, brand standards guide, program implementation guide, extranet site and site analysis tools.

Comprehensive analysis was conducted. This included: car wash facility design and signage, site selection and evaluation process, compensation and profit-sharing arrangement with the retailer, pricing strategy, car wash operation, vehicle damage, customer complaint handling and local store promotions.

## B.5.1

### **B.5.1 Formula Finish Program Implementation Guide**

A program guide was created for internal personnel involved with program implementation. This comprehensive guide included the following elements:

- Key components of the branded car wash program
- Variations of the facility design
- Signage and identification items
- Site potential review worksheets



## B.5.2

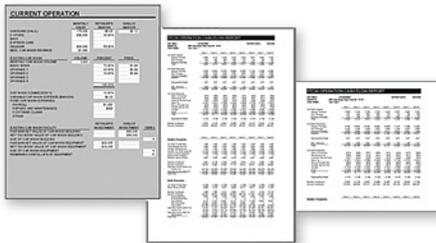


### B.5.2 Formula Finish Brand Standards Guide

An information guide was developed for retailers covering branded car wash facility image and operation standards, including:

- Key components of the branded car wash program
- Variations of the facility design
- Signage and identification items
- Car wash operation guide
- Cashier training manual
- Complaint-handling procedures

## B.5.3



### B.5.3 Formula Finish Site Analysis Tools

Site analysis model was developed for detailed car wash operation profitability analysis, from both the company's and the retailer's perspectives, and for both the "status quo" and "with branded car wash program" scenarios.

## B.5.4



### B.5.4 Formula Finish Local Site Marketing Package

Several types of on- and off-site promotions, including direct mail, were tested during the market-test phase of the program. Ultimately, a multi-pronged promotional campaign including direct mail, hand distribution of flyers and door hangers along with ad inserts in local publications and on-site POS proved to be the most effective. In one test market, a coordinated promotional campaign consisting of on- and off-site promotions received a whopping 27% response rate.

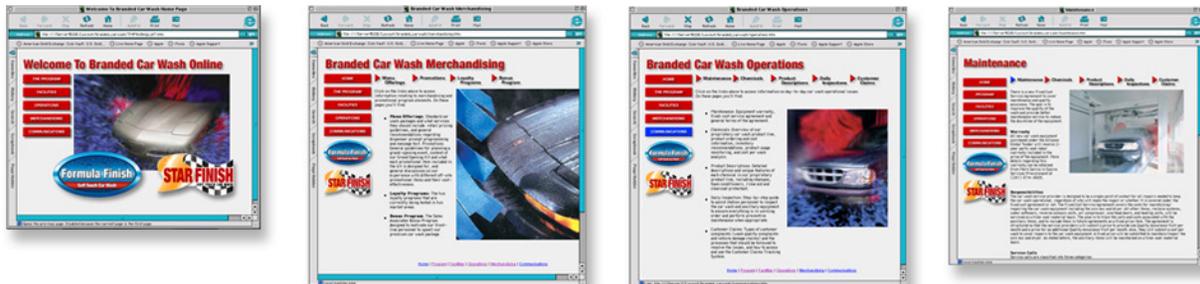
## B.5.5 Branded Car Wash Program Website

Digital versions of the program implementation guide and brand standards guide were developed.

These sites contained similar topics in a more condensed form, plus:

- Database of current branded car wash sites and development status
- Latest news and program updates
- Downloadable program implementation guide, order forms, ancillary planning and project tracking tools
- Latest local store marketing campaigns

### B.5.5



## B.5.6 Cashier Training Guide

Promoting Car Wash Upgrades and Consistent Customer Service and Customer Satisfaction.

Designed to improve the cashiers knowledge about the car wash and increase car wash up-sales and overall car wash enthusiasm among cashiers.

### B.5.6



## B.6



### B.6 Merchandising Tool Box

Working closely with merchandising category managers, we created an ongoing program that would transfer the knowledge and best practices of category management to the non-company-owned retail outlets. The program we created consisted of printed documents guiding retailers through the program and a digital media component allowing retailers to combine their purchasing power and get the latest updates. Key aspects included:

- Comprehensive program guide for sales consultants
- Guide to space management
- Guide to package beverages
- Guide to priority categories including cigarettes pre-paid phone cards, cold dispensed beverages and hot dispensed beverages
- Guide to top SKUs
- Guide to shelf labeling software
- Guide to equipment
- Monthly promotions
- Guide to interior graphics