

# Retail Marketing Of Imported Petroleum Products: Evidence From The Downstream Petroleum Sector Of The Gambia

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**Abstract** — The downstream petroleum sector is a key contributor to the Gambian economy with the absence of upstream petroleum exploration. The growth of the industry is highly dependent on ensuring that imported refinery petroleum products are distributed consistently and timely to consumers through an effective and efficient supply chain system as well as adopting innovative marketing programs. This is the ideal situation yearned for by stakeholders of the sector. To this effect, this research aims to explore the perspectives of retail petroleum marketing as well as challenges of petroleum import, storage and sales in the Gambia's downstream petroleum sector. A qualitative method was adopted for the study through in-depth interviews in a semi-questionnaire format. The study discovered that OMCs downstream marketing strategies, programs and activities shifted from undifferentiated commodity imported refinery products marketing (old/previous marketing scenario) to branded value added services differentiated petroleum products (present marketing scenario) marketing owing to increase in both downstream energy market liberalization and market competition. The study also revealed that industry players face many challenges ranging from inadequate legislation, government interference, limited fuel terminal tanks, supply chain and other operational difficulties, high import duties and lack of subsidy on imported petroleum products. The study recommends that OMCs should develop and implement marketing strategies, programs and activities in line with product differentiation, branding and value added services. This research equally recommend that the stakeholders in the industry should work on the amendments of downstream petroleum legislation, expand the fuel terminal tank storage facility, adopt and enforce national downstream petroleum quality standard in the daily operations and work towards realizing full deregulation in the sector.

**Index Terms** — Downstream Petroleum Sector, Oil Marketing Companies, Marketing scenarios, The Gambia.

## I. INTRODUCTION

The oil and gas industry is one of the largest and most complex industries in the world today that touches on peoples' everyday lives with services ranging from transportation, electricity, heating, lubricants and a host of chemical and petrochemical products. Globally, a whopping 30 billion barrels of oil is consumed per year. The United States Energy Information Administration (EIA) projects that the world's energy consumption will increase by 53% by the 2035. In Europe and Asia, oil accounts for 32% of energy consumption, whilst in the Middle East, 53%. For South and

Central America the figure is 44% whereas in North America it is 40%. The total energy consumption in Africa stays at 41% [1]. The petroleum industry includes the global processes of exploration, extracting, refining, transporting and marketing petroleum products. The industry is usually divided into three major sectors: upstream, midstream and downstream. The upstream is concerned with exploration and production, the midstream deals with storage, marketing and transportation of commodities like crude oil, natural gas, natural gas liquids (NGLs, mainly ethane, propane and butane) and sulphur. The downstream sector involves oil refineries, petrochemical plants, petroleum products distributors, retail outlets and natural gas distribution companies. Midstream operations are usually considered a part of the downstream sector [8].

In the Gambia, petroleum products account for about 12% of total energy consumption and about 100% of Gambia's commercial energy needs. [13] revealed that domestic petroleum consumption range between 50,000 and 80,000 tones. Petroleum products is the second most important source of energy in the country, after fuel wood, accounting for about 17% of total primary energy needs. Gasoline and kerosene accounted for nearly 50 percent of domestic consumption of petroleum products with other distillates accounting for nearly all of the remaining. In addition, the value of import of petroleum products decreased from D3.5 billion in 2014 to D3.1 billion in 2015. The petroleum requirements of the country consist of gasoline (regular and premium), kerosene, diesel oil (gasoil), LPG and jet fuel. Furthermore, the consumption of liquid products grew from 86,974 metric tons in 2010 to 108,470 metric tons in 2014. Only 5% of imported kerosene is used in households as a source of lighting. The main petroleum consuming sectors are used for electricity generation, transport, and construction. It is also revealed that The Gambia consumes 84,000 metric tons of HFO annually which is mainly used for electricity generation [7].

However, both the downstream and emerging upstream petroleum sectors of the Gambia are regulated by the Public Utility Regulatory Authority (PURA). The discovery of oil in commercial quantities and its first pilot drilling test in 2018 raised the expectations of stakeholders and consumers alike of the petroleum sector on its significant role and contribution to Gambia's developmental efforts in accelerated economic growth, job creation, poverty reduction and general

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prosperity to the people of the Gambia [15]. The new Energy Policy of 2005 sets out the objectives of the Government for the energy sector and ensure the sustainable supply of renewable energy / fuels / device / technologies at competitive prices through private sector participation. As a result of this new policy guideline and effort, the downstream petroleum sector, which is expected to play a pivotal role in Gambia's petroleum sector, is saddled with numerous problems and challenges which needs to be addressed if constant supply of petroleum products is to be reliable and sustain [7].

Distribution and marketing of petroleum products are carried out by private companies, which must apply to the Government for a license. Oil prices are set by the Government with emphasis on keeping pump prices stable. From 1998 to now, pump prices have been changing periodically. These periodic prices change has direct impact on transportation and consumer products, leading to increase in prices of goods and transportation fares [16].

Furthermore, the Gambia, like most oil importing countries, is susceptible to any exogenous shocks such as price increases in world oil prices. Any increases in external costs translate directly to higher importation costs and as a result higher prices at the pump. Taking into account Government taxes, any further increase in world oil price will lead to an erosion of the gains in the country's development efforts through a balance of trade deficit [15].

Despite these challenges, there are an increasing number of companies that sell downstream petroleum products in the Gambia. Some of the key current market players are Petrol Gas Ltd (formerly Galp Energia Gambia Ltd and Shell Marketing), Total Ltd, Atlas (formerly Elton Oil) Ltd, Castle Oil Ltd, Gambia National Petroleum Company (GNPC), Jah Oil Company, Sandalee Oil & Trading and Speed Limited [18].

The objective of this paper therefore is to:

- study the characteristics of downstream petroleum products marketing in the Gambia
- Investigate key marketing strategies and programs that Oil Marketing Companies (OMC) is currently using
- Examine prospects for future growth of the sector

It worth mentioning that study is limited to marketing of imported petroleum products in the Gambia and practices that impact the effective and efficient operation of activities on the downstream petroleum sector from when refinery petroleum products arrive in the country until it reached the final consumer. Thus, activities or practices pertaining to the upstream sector were not considered.

## II. LITERATURE REVIEW

### A. Downstream Petroleum Industry

The word "Petroleum" is derived from Latin 'Petra' -rock and Oil from 'Oleum'. Petroleum first came up in wells drilled for salt. People found it useful as illuminating oil and the demand for it steadily increased. Samuel Kier, a Pittsburgh druggist, bottled and sold Petrol as medicinal cure. To market a de-odorized variant, he designed the first primitive refinery in 1852, which was a huge improvised kettle, connected to a metal tank. Years later, 'Colonel'

Edwin Drake and 'Uncle' Billy Smith drilled a well with the specific objective of finding oil, and on August 27th, 1859, they "struck oil" at Titusvale, in North Western Pennsylvania, USA. This was the first formal discovery of oil but started gaining importance from 1860s, when the world witnessed vast industrial development with a lot of petroleum refineries also coming up during that time"[ 5].

Literature relating to oil, gas and other petroleum products marketing especially in the downstream petroleum is scanty. However, with a realization of effective linkage between marketing and supply chain management, the trend is increasingly changing. According to [10], the importance of the sector in fulfilling the majority of transportation needs, providing power and serving as a foundation for petrochemical business underpins the survival of other essential industries especially oil and gas industry. The goal of marketing is to deliver maximum customer value and satisfaction at the lowest cost possible. Currently, more opportunities exist for coordinating marketing as well as supply chain activities across oil and gas operations due to improved information and communication systems as well as technologies [4]. According to [3] the downstream oil distribution is increasingly adopting a variety of dynamic marketing activities and supply chain solutions ranging from crude oil selection to product distribution at the retail outlet in the face of uncertainties related issues such as oil prices, refining margins and long lead times associated with crude purchasing as well as product trading.

### B. The Gambian Economy and the Downstream Petroleum Sector

Petroleum products are distributed throughout the Gambia by petrol station companies. The major import petroleum products include petrol, diesel/gas oil, kerosene and lubricants. Petroleum products consumption in The Gambia stood at 140, 068metric tones in 2005 and today the consumption has significantly increased due to increase in car ownership and the production of electricity while the price has also been doubled in the past ten years [20]. The new Energy Policy of 2005 sets out the objectives of the Government for the energy sector and ensure the sustainable supply of renewable energy/fuels/device/technologies at competitive prices through private sector participation. The main petroleum products highlighted under this act include Petrol, Diesel, Oils, Kerosene and Liquefied Petroleum Gas (LPD). These products are currently imported and marketed by various Oil Marketing Companies (OMCs). The Gambia relies entirely on imported petroleum products consumption by all categories of customers [7]. This total reliance on foreign importation has caused countless instances of perennial petroleum product shortages, balance of payment deficit, acute shortage of electricity supply, low investment in productive sectors of the economy due to high cost of fuel, periodic increase of pump price leading to increase in commercial transportation fares among others. However, the discovery of oil in commercial quantities and its first pilot drilling test in 2018, plus the liberalization of the service sector will significantly minimize these energy economic challenges in the near future [12].

### C. Key Players in Gambia's Downstream Petroleum Sector

The key players in the downstream petroleum sector of the

Gambia include the Ministry of Petroleum and Energy (MoPE) responsible for policy formulation, planning, monitoring and evaluating energy sector policies while the Gambia Public Utility Regulatory Authority (PURA) is primarily mandated to regulate among others energy services such as electricity, petroleum and gas business activities. Oil Marketing Companies (OMCs) otherwise known as petrol station companies import and sell refined petroleum products to both bulk and retail consumers through fuel station outlets whereas Gam Petroleum is the only key sector player mandated to store imported refined petroleum products for onward distribution and sales in the various petrol station outlets of OMCs throughout the country [7].

#### *D. Ministry of Petroleum and Energy*

The division of Petroleum under the Ministry of Petroleum and Energy is responsible for petroleum exploration, as well as the development and production of crude oil in the Gambia. The division of Energy on the other hand was created in 2007 in order to implement government policy in relation to the supply of electricity, water management, petroleum products and renewable energy. The combination of the two divisions make up the Ministry of Petroleum and Energy whose core mandate is playing a supervisory role of all government policies in the above two divisions of the ministry. Its principal duties are policy formulation, planning, monitoring and evaluating energy sector policies. The Ministry is to ensure the provision of adequate, reliable and affordable supplies of energy to Gambian households in a sustainable way to assist poverty reduction and economic development. Its goal is to make energy services universally accessible and readily available in an environmentally sustainable manner [14].

#### *E. Public Utility Regulatory Authority (PURA)*

The Gambia Public Utilities Regulatory Authority (PURA) is mandated to regulate the activities of providers of certain public utilities in the various economic sectors. Amongst them are the energy services (electricity, petroleum and gas), communications services (telecommunications, broadcasting and postal services), water and sewerage services and transport services (on land, water and in the air). By extension, PURA is the sector regulator for both upstream and downstream Petroleum Sectors of the Gambia. PURA was established by an act of Parliament in 2011. The vision of the corporation is to create a competitive environment for Utilities to expand their services and strengthen their infrastructure, thereby ensuring that services to consumers are available, accessible and affordable [11].

#### *F. Oil Marketing Companies (OMCs)*

According to [19] the marketing concept philosophy states that, "marketers should first identify what are the needs and wants of customers", then develop and implement marketing strategies accordingly to deliver the perceived customer product benefits. Therefore, better knowledge of consumers become key in choosing a set of marketing strategies to influence and satisfy those consumers. In analyzing consumer characteristics and decision making process, marketers developed and implement strategies gear towards influencing consumer awareness and choice decision making. The studies of [9, 19] all alluded that, in measuring these factors that

influence customer's preferences, OMCs should develop and execute marketing strategies that focus on fulfilling customers' needs and wants, thus gain a competitive advantage. The business environment is dynamic hence subjected to rapid changing circumstances and making it essential for organizations to redesign their activities in order to succeed [2, 12]. Today, many Economies in developing countries like the Gambia have loose restriction leading to new markets and new entrants of companies especially service providers like petrol station companies in order to encourage market liberalization.

However, recent years in The Gambia witness an increase number of companies who import and sell petroleum products within the economy. To this effect, there is a growing challenge for marketing practitioners and academics concerning the increasing number of companies selling almost the same products, to the same customers. Today's customers are unique and their needs are diverse, in addition having different taste and preferences [6]. According to [12] in order for marketers and companies to successfully market a product, they must measure the factors that influence consumer preference, lay emphasis on market segmentation through preferences and product positioning in order to meet consumer's need. Hence the fact that consumers are different in terms of their needs and preferences makes it compelling for companies to unveil the various elements or factors that influence consumer preferences. The research -concluded that OMCs in the Gambia can tackle these challenges by adopting marketing strategies that are gear towards branding, positioning and differentiation marketing of their petroleum products.

In the Gambia, OMCs procure and sell refined imported petroleum products to bulk consumers and the general public through retail outlets like fuel stations and other reselling outlets. The key OMCs or petrol station company players in the Gambia's downstream energy sector are Petrol Gas Ltd (formerly Galp Energia Gambia Ltd and Shell Marketing), Total Ltd, Atlas (formerly Elton Oil) Ltd, Castle Oil Ltd, Gambia National Petroleum Company (GNPC), Jah Oil Company, Sandalee Oil & Trading and Speed Limited [18].

#### *G. Gam-Petroleum Gambia Limited*

The Gam-Petroleum company was established in 2008 with a modern storage facility at the Mandinari Fuel Storage Depot located on the Western Region of The Gambia. This Fuel Terminal was built at a cost of €32 million (US \$50 million) with a split of equity share between Gam-Petroleum's holding group and major OMCs. It consists of 17 fuel tanks couple with total storage capacity of 51,000 metric tons of heavy and light fuel oils as well as LPG (liquid propane gas), 19 loading bays for tanker trucks, state-of-the-art technology in gauging and metering equipment, a fully equipped LPG bottling plant and 3 off-shore pipelines of 2.5 km each to access the draft for birthing big fuel tankers. Gam-Petroleum now operates the sub-region's largest oil and gas storage container facility which is set to boost supply not only in The Gambia but also in neighboring countries, and it is hoped that the terminal will act as a refueling stop and bunkering hub for vessels route to South Africa and South America. The only petroleum terminal storage facility in the Gambia is a Public Private Partnership (PPP) model of

business establishment as a result of the recent years' service sector liberation and replaces 1940s smaller capacity built in Banjul at Half-Die area [7].

### III. METHODOLOGICAL APPROACH

This research adopted a qualitative method approach in order to gain a much deeper understanding of Gambia's downstream petroleum sector. Data collection tools included an interview guide and semi-structured questionnaires which were administered personally. The purpose of this key stakeholder interview was to facilitate a complete understanding of the downstream oil and petroleum sector, its retail marketing strategies, future trends of supply chain, the economic demand and supply dynamics of petroleum products, and associated downstream petroleum business regulation in the Gambia. In addition to the method used, there was a comprehensive review of literature on the sector to facilitate a deeper understanding of the global petroleum industry and Gambia's downstream petroleum sector in peculiarities. Information gathered from the literature was used to support extensive interview data from key stakeholders/actors in the sector. Key personnel from the Ministry of Petroleum and Energy, Public Utility Regulatory Authority, Gam Petroleum Limited as well as Oil Marketing Companies (OMCs) were purposively selected and interviewed. This type of methodology was adopted simply because lack of academic research literature in this premise. Also, the methodology helps the researcher to conduct Service Quality Analysis between expected service and perceived (actual) service ( $Q = P - E$ ) of industry players, thereby identify the gaps and challenges as well as suggest possible solutions as remedies to overcome the challenges of the sector. According to [17] "Service Quality Gap Analysis" is a research approach that premised on the fact that service quality is dependent on the size and direction of the gap between expected and perceived services which include both "technical quality or outcome quality of a service"; and the "functional quality or process quality of the service".

### IV. RESULTS AND DISCUSSIONS

The study unearthed two key marketing dimensions namely previous and present petroleum products marketing in the downstream petroleum sector of the Gambia. Also, data collected and analyzed from the various actors within the downstream sector brought forward key petroleum products marketing challenges that impacted on the effectiveness and efficiency of OMCs operational activities. These challenges identified are ultimately affecting the overall national goal by the government of Gambia in ensuring timely and consistent supply of petroleum products to consumers. The analysis concluded by giving recommendations to both OMCs and key government stakeholders in the sector as to how to increase efficient petroleum products supply and sales through mitigation of the challenges.

#### A. Previous Downstream Petroleum Marketing scenarios in The Gambia

Since the Gambia gained independence in 1965, the downstream petroleum industry in the Gambia has been

marketing fuel and related products as simple undifferentiated commodity products. The sector is a key contributor to the economy of the Gambia. The importation of petroleum products in the first republic (from 1965-1994) was a mixed format where both the Government and the Private OMCs were involved in the importation. At that time, the market was characterized by few industry players enjoying simple government regulation with almost monopoly status driven by the social objectives set by the government along with the price of retail petrol. During these years, petrol station companies never fought brand or price war for securing greater market share from each other. The OMCs at that time never thought that in the near future, they would be compelled by market forces to battle for more market share in selling petroleum products. The message is loud and clear that Government was not interested in allowing retail petrol entities to set up pump prices in this domain simply because the successive increment in pump prices was used for national financing of budget deficit as well as maintain price stability. This is also one of the topmost reasons why petroleum companies were not practicing major marketing activities at the time.

The second republic (1994-2016) carried on the mixed method of petroleum product importation up to a decade and a half, after which the government monopolized the market by giving exclusive right to only one company (Global Trading Group) to import petroleum products. This market situation persisted until the new political change in December 2016 after which the government decided to completely liberalize the market except setting up of retail pump prices and it changes.

As mentioned above, over several decades, petrol has been an undifferentiated commodity' in the Gambia because consumers did not found any difference in petrol imported and sold by companies operating in this market. In other words, consumers did not find any significant difference between the petroleum products sold at different OMC outlets. Since the price is set up by the government not OMCs, the 'reliability' factor was similar and more because they were selling the 'same thing' at the 'same price'. As a result, consumers did not patronize the 'petrol selling companies but rather the petrol pump outlets in their specific geographical areas.

The loyalty for petrol-pumps was based on consumer assumption and perception philosophy of pumps attendants giving the right quantity' and not indulging in 'adulteration' practices since petrol was an undifferentiated commodity. With this environment at hand, it became obvious to the companies that their sales depended on the number of outlets (petrol pumps) they owned. Therefore, in order to increase their sales, OMCs just focused on increasing the number of outlets (petrol pumps) and capturing good locations for their petrol pumps. Petrol selling companies knew very well that they were selling a commodity whose price they did not have any control over. Moreover, government always indicated time and time that the main reason behind the successive increment of fuel prices was to finance national budget deficit as well as maintain moderate price for consumers. Consequently, the OMCs did not have any good reason and incentive to go for aggressive marketing of petrol at that time.

### B. Current Downstream Petroleum Marketing scenarios in The Gambia

In the Gambia today, the Government considered petrol as a product of national significance as any fluctuations in its price and supply directly affected the prices of other products and services, so government did not allow private sector players including Foreign Direct Investors (FDI) to set up their own operating price in this market. Even though the government adopted and implemented Economic liberalization policy in 2007 which allowed foreign investment in many productive sectors of the economy including downstream petroleum sector but it did not still allow anyone to set up retail petrol pump prices. This government liberalization policy was intensified in 2017 with the ushering in of the new political and governance dispensation and now OMCs are not only competing in pump sales but also securing license to refine crude oil and adoption of flexible, easy access besides profitable import supply route of petroleum products.

In addition, this market liberalization policy accords OMCs the opportunity to freely import refined petroleum products into the country and sell them to the final consumers. Also, a drastic liberalized market change in this environment is equally compelling the companies to re-evaluate and have a fresh outlook of their marketing strategies. Now, OMCs cannot survive just by adding their distribution outlets but rather by the adoption of holistic marketing programs and strategies. Hence, the petrol selling companies are now doing a lot of activities such as petroleum product branding, value added services, innovative retailing, advertisement & sales promotion, consumer behaviors & marketing research as part of gaining more market share other than focusing only on distribution outlet increment. For example, all LPG cylinders of OMCs are now fully branded with their own cylinder colors, logos name tags etc. besides the introduction of a cylinder exchange pool by all OMCs.

Furthermore, current trends of downstream retail petroleum marketing have showed a shift from selling undifferentiated commodity to differentiated branded petroleum products. Imported refined oil products are now stored at the Central Fuel Storage Depot. From this facility imported refined products are then distributed to various petrol station outlets of OMCs via pipelines fuel tank storage cars. The progression of timely as well as adequate distribution and sales of high quality petroleum products to both individual and corporate customers greatly determine the channel efficiency, swiftness, sustainability as well as the success of OMCs marketing actions. This research analysis brought to light key activities of the downstream petroleum sector in the Gambia as depicted in Figure 1.

### C. Downstream Petroleum Liberalization Status

Market liberalization in general means the removal of government controls from an industry or sector, to allow for a free and efficient market place interaction. This includes allowing the forces of demand and supply to determine ex-pump prices of products as well as to set operating margins and tariffs in the industry. It also means ensuring that there are no barriers to entry, any cartelization, etc. By extension, it is about driving the market toward perfect competition amongst the players. The downstream petroleum market

liberalization process in the Gambia can be said to have been a cautioned success, with all the targets largely met except the price decontrol target. It has been modified, to ensure that there is full cost recovery to all investors in the downstream, while taking into consideration the quality of petroleum products. Government control on importation of petroleum products as well as its control in the establishment and operation of facilities has been reduced to a laid back regulatory role, present only to ensure sanity and allow market forces to work effectively and efficiently.

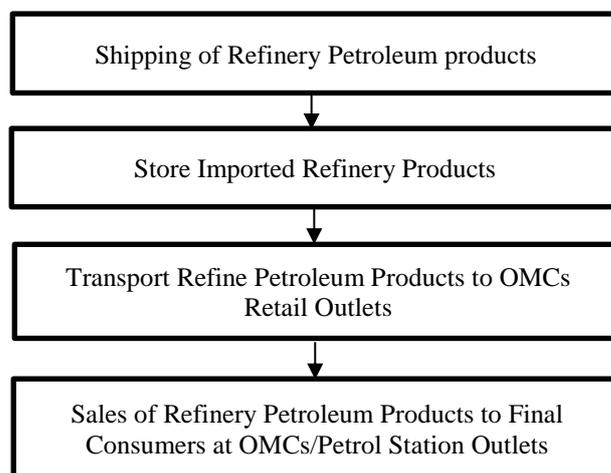


Fig. 1. Gambia's Downstream Petroleum Marketing Chain.

### D. Challenges of Downstream Petroleum Import, Storage and Sales in the Gambia

Data collected from different actors within the downstream sector brought forward key challenges that impacted on the effectiveness and efficiency operational activities of importation, storage and sales of refined petroleum Products. These challenges identified ultimately affects the overall national goal by the government of the Gambia in ensuring timely and consistent supply of petroleum products to consumers. These challenges are tabulated (See Table 1) and described with specific reference to key actors mandate as well as their strategies.

## V. CONCLUSION AND RECOMMENDATIONS

### A. Conclusion

The objective of this research is to conduct an in-depth analysis of the Gambia's downstream Petroleum market, specifically retail market – with reference to a government policy and changes made in it over the years, the past and present marketing and consumption pattern of its downstream petroleum market as well as the quantity of imported petrol and its effect on balance of payment position of the country. By extension the study equally aims to understand the present changes which are currently taking place in the Gambia's downstream petroleum market as well as the impact of these changes on the marketing strategies of those petrol station companies. The study comprehensively examines Gambia's downstream Oil and petroleum industry through critically analyzing the fitness of their marketing strategies in the present scenario as well as their strategies long-term viability.

TABLE 1: SUMMARY OF KEY CHALLENGES IDENTIFIED BY ACTORS

Actor/Stakeholder	Mandate	Key Challenges	Strategy
Petrol Station Companies/ Oil Marketing Companies (OMCs)	Licensed to import bulk refinery petroleum products and sale to consumers and the general public through petroleum retail stations and outlets.	<ul style="list-style-type: none"> <li>- Poor forecasting leading to fuel and other petroleum products shortage</li> <li>- Inability of OMCs to refine crude oil locally.</li> <li>- No Government import subsidy for imported petroleum products</li> <li>-Government interference with downstream petroleum business</li> <li>-Weak local currency/frequent exchange rate fluctuation.</li> </ul>	<p>Proper and timely forecasting of the country's petroleum supply and demand need.</p> <p>Upgrade OMCs license to cover local crude oil refinery. Government subsidy or reduction of imported refinery petroleum products.</p> <p>Allowing market forces to determine product prices through deregulation.</p> <p>Making sure exchange rate is stable to ensure regular and steady supply of petroleum products.</p>
Gam-Petroleum Gambia Ltd	<ul style="list-style-type: none"> <li>• Mandated to store all imported refinery petroleum products in Fuel Terminal and provision of bulk transportation infrastructure for onward distribution to OMCs retail outlets.</li> <li>• Keeping strategic reserve stocks for the country.</li> </ul>	<ul style="list-style-type: none"> <li>-Lack of clear cut regulation for imported refinery petroleum products.</li> <li>-Inability to store separately different qualities of the same product.</li> </ul>	<p>Provision of amendments in the downstream petroleum legislation to include regulations of imported refinery storage and onward distribution.</p> <p>-Expansion of the fuel terminal tanks in order to enable separately store diverse fuel qualities of the same product differently.</p>
Public Utility Regulatory Authority (PURA)	<ul style="list-style-type: none"> <li>• Regulate the Downstream Petroleum sector</li> <li>•Ensure fair competition in the industry.</li> <li>•Periodic review of Petroleum product Prices to reflect private sector environment.</li> <li>•License and register downstream sector Operators.</li> <li>•Review and set margins to comparable levels within West Africa.</li> <li>•Develop database of price, supply, demand, and inventory of products</li> </ul>	<ul style="list-style-type: none"> <li>-Difficulty of matching the imported refine downstream petroleum pump price against its quality.</li> <li>-Difficulty in achieving maximum compliance of the National Fuel Standard Quality.</li> <li>-Inadequacy of the downstream legislation sector especially with regards to Gam petroleum functions, adoption of ISO standards and OMCs applications of locally refinery of crude oil.</li> <li>-Inadequate human and technical competent in the regulation of downstream petroleum sector.</li> <li>-Difficulty in enforcing the new downstream petroleum legislation on the already existing OMCs.</li> </ul>	<ul style="list-style-type: none"> <li>-Allowing product quality to determine its prices through deregulation.</li> <li>-Enforcement of the national fuel standard quality starting with a stakeholder engagement and a dateline for meeting compliance by OMCs.</li> <li>-Provisions of the amendments in the downstream petroleum legislation to include pipeline fuel terminal storage and adoption of ISO standard in the entire downstream petroleum business</li> <li>-Recruitment and training of staff in order to build technical competence of staff in administering downstream petroleum laws and regulations.</li> <li>- Solicit Stakeholder commitment towards voluntary compliance particularly OMCs.</li> </ul>
Ministry of Petroleum and Energy	<ul style="list-style-type: none"> <li>•Mandated to supervise government policies in the entire Petroleum and Energy division of the country's economy.</li> <li>•Principal duties include policy formulation, planning, monitoring and evaluating energy sector policies.</li> </ul>	Lack of adequate fund to timely implement, monitor and evaluate some energy policies issues especially legislations and technical geological research.	Timely acquiring of fund and implementing government energy plans, policies and strategies.

This investigation reveals dynamic changing trends in the Gambia's downstream petroleum industry. This dynamic trends show that OMCs downstream marketing strategies and activities are moving from commodity and undifferentiated imported refinery products marketing (old/previous marketing scenario) to branded value added services differentiated petroleum products (present marketing scenario) marketing due to increase in both downstream energy market liberalization measures and competition. The study also reveals that industry players face many challenges

ranging from poor downstream industry infrastructure, to lack of government subsidy for petroleum imports, difficulty in matching the quality against price, government interference in activities of actors, inability to store separately different qualities of the same product and a weak local currency beside low injection of the needed capital for infrastructural expansion.

The study recommends that, both the Government and OMCs should inject huge capital for infrastructural development of the sector plus weaning off Government

interference in the activities of actors. In this case, key national players like OMCs should be given independent status. Furthermore, the stakeholders in the industry should work on amending the legislation in order to comprehensively cover all issues of downstream petroleum, expand the fuel terminal tanks to enable diverse storage of different fuel qualities, allow market forces to determine product prices through deregulation and enforcement of the national fuel quality standard.

#### B. Recommendations

The Government's downstream petroleum sector liberalization drive is greatly helping in creating the opportunity for healthy competition among OMCs through more private sector participation, hence the need for injection of the needed capital, human and material resources in enforcing and evaluating downstream petroleum regulations. To a large extent, market forces are being allowed to dictate dynamics of supply and demand of petroleum products although much still needs to be done particularly complete liberalization of the fuel pump price. This research is also recommending OMCs to adopt differentiation product strategies with emphasis on brand unique selling proportions to customers in the execution of their marketing strategies, programs and activities. By extension, petrol station companies should implement marketing strategies such as periodic sales promotion, innovative product advert, event sponsorship or association as well as provision of additional value added services like windscreen cleaning, water & air pumping, point of purchase (POP) convenience store, fuel and motor product accessories sales plus services (e.g. engine and oil filters, tires, etc.), in order to increase sales, promote brand touch points as well as retain a large number of buyers as loyal customers.

In addition, both the Government and OMCs should inject significant capital for infrastructural development of the sector plus weaning off Government interference in the activities of actors. This means that, key national players like OMCs should be given autonomous status. Furthermore, this study recommends the stakeholders in the industry to amend the downstream petroleum legislation, expand the fuel terminal tanks to enable diverse storage of different fuel qualities, permit market forces to determine product prices through deregulation and enforcement of the national fuel standard quality. Finally, the OMCs in consultation with the Government should identify economical, efficient and effective supply chain companies or countries that are willing and able to give better import or trade conditions beside superior refined petroleum products quality to the Gambia. This will help the Gambia to have reliable and affordable oil and petroleum products sales throughout the country.

#### C. Research Contribution

The study is the only research that examines the Gambia's downstream petroleum sector retail marketing of imported petroleum products. The study will benefit future researchers because it expands knowledge by providing new findings in this area because it shows the overview of the downstream oil and petroleum sector, its retail marketing strategies, future trends of supply chain, the economic demand and supply dynamics of petroleum products and its relationship to downstream petroleum business marketing activities as well

as downstream petroleum regulation in the Gambia.

#### D. Service stations

The petrol stations will benefit from the study by getting more ideas on where to spend their money in terms of marketing strategies towards expanding their customers and earning more business returns. The study also provides recommendations for petrol stations based on results and findings. No specific study of this nature has been carried out before in the petroleum retail sector of the Gambia, therefore any OMC who adopts and implements the recommendations will enjoy first strategic mover advantage.

#### E. Oil and gas industry

The study will moreover benefit the oil and petroleum industry as a whole because most of the income overall energy business domain comes from the downstream sector.

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