

“Gull Effect” Delivers New Plymouth Community \$2.7M

What Competitive Pressure Delivers New Zealand Communities Quantifying the “Gull Effect”

New Plymouth is one of many communities around New Zealand to be experiencing what has been described by the Automobile Association as the “Gull Effect”.

Gull New Zealand (Gull) arrived in New Plymouth in January 2017 with the launch of a new unmanned fuel outlet and since then, the price of fuel sold in New Plymouth has dropped by up to 29 cents per litre.

Comparing New Plymouth prices against the standard national price charged by the major oil companies during September and October 2019 indicates Regular 91 Octane fuel (91) prices for New Plymouth motorists have fallen by an average of 23 cents per litre. As at today the prices for 91 are at least 18 cents per litre lower – *regardless of what outlet you shop at.*

Crystal Feist, Pricing Analyst for Gull New Zealand, says Gull estimates that around 11.8 million litres of 91 are being sold to private motorists annually in New Plymouth. This is based on the number of vehicles in Levin at the 2013 census and so excludes passing highway traffic.

“A saving of 23 cents per litre equates to a huge \$2.7 million dollars annually across all of New Plymouth. The 2013 census data showed there were 27,000 households in New Plymouth. Quick maths puts this saving at \$101 per household annually which is another reason to smile in New Plymouth and enjoy the sunny climate, art galleries and beautiful parks that the city has to offer.”

“Competition brings enormous benefits to New Zealand’s communities and we celebrate being able to give back to the people,” notes Feist. “By opening we have distributed close to \$2.7 million dollars annually back to the New Plymouth community, regardless of whether people shop at Gull or not.”