



HEXAGON
RAGASCO



HIGHLIGHTS

- EC GAS, Philippines
- Private LPG Distributor
- Launched in 2013
- 24,5 Liters cylinders
- 40,000 new customers

REFERENCE CASE

SAFER HOMES IN THE PHILIPPINES WITH EC GAS

TRANSFORMING COOKING GAS INTO A SAFER AND USER-FRIENDLY EXPERIENCE

Eastern Petroleum is a privately owned fuel and LPG distributor in the Philippines. The company started in the gasoline business and later expanded into wholesale LPG and eventually retailing LPG to domestic and industrial users. With 20 years of experience and 20 gas stations around the country, the company has focused on introducing environmental solutions and multiplying entrepreneurial opportunities for Filipinos by offering franchises.

In September 2013, Eastern Petroleum introduced Hexagon Ragasco's composite LPG cylinders under the brand name of Eastern Composite Gas (EC Gas). Its unique franchise system helped expansion into domestic LPG distribution with a

new product category, bringing safety into Filipino households.

The cylinder offered to households has a water capacity of 24.5 liters and is available with a choice of two different regulators.





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MARKET INFORMATION PHILIPPINES

- LPG consumption, 2014: 1,146,000 Tons
- Increase of 2.8% from 2013
- Main applications: Domestic, Industrial and Autogas

The composite cylinders provide the end-user benefits such as safety, lightweight, translucency and corrosion free construction. This translates into real business benefits for Eastern Petroleum, giving them increased customer loyalty and a competitive advantage against other LPG companies. The EC Gas brand has also reinforced the image of Eastern Petroleum as an innovative and socially responsible company.

The cylinders were launched with a country-wide B2C campaign including promotions at handpicked locations, cooking events, a strong presence in Social media such as Facebook and YouTube and television commercials featuring celebrity chefs and the users themselves.

The EC Gas franchise system is widely advertised through its success stories. To open a franchise, applicants must go through a selection process. For the chosen candidates, EC Gas provides training focused on operations, product safety, sales and marketing. They also provide a marketing materials kit to promote new outlets in the local area.

End-users acquire their first composite cylinder with a deposit of approximately US\$91. They receive a cylinder full of LPG. Once the gas has been used and the cylinder is empty, the end-user calls a hotline and a new cylinder full of gas is delivered directly to their home for a fee, often by a motorbike messenger.

According to JC Martínez, Division Manager of Eastern Composite Gas, *“Hexagon Ragasco composite LPG cylinders are changing the LPG industry in the Philippines with the introduction of safer, more convenient and more durable characteristics for home-use compared to steel cylinders. EC Gas customers have reported good reviews wherein they greatly appreciate the translucency of the cylinders and the appealing design.”*

In less than two years since its launch, there are over 130 outlets and distributors of EC Gas. EC Gas has become a household name in the Filipino kitchens and changed the way Filipinos handle LPG. For Eastern Petroleum, EC Gas has allowed them to gain market share and convert over 40,000 customers.