

Threats, Opportunities & Consolidation in Fueling

Former Gulf CEO Joe Petrowski shares his outlook at SIGMA Annual Meeting.

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NASHVILLE, Tenn. — In the future, the number of retail gas stations will decline significantly and the operators of such locations will change dramatically, Joe Petrowski, founder and managing partner of Mercantor Partners LLC, said Tuesday during the 2014 Annual Meeting of SIGMA: America's Leading Fuel Marketers.

The former CEO of The Cumberland Gulf Group of Cos. projects the number of U.S. gas stations will drop from the current 140,000-plus locations to 115,000 sites. He did not provide an exact timetable for when this shift will take place during his speech, entitled "Shop TOC (Threats, Opportunities and Consolidation) in Mid and Downstream Fueling."

Due to the increasing acquisition of convenience store chains by master limited partnerships flush with available cash, the c-store industry will continue to consolidate. Hence, Petrowski told the large crowd gathered at the Omni Nashville hotel that he expects the future will be highlighted by:

- 32 major U.S. c-store retailers operating 56,000 gas stations;
- 15 grocery/hypermarkets with a total of 14,000 sites;
- Two mega distributors operating a combined 5,000 locations;

- 20 super distributors with 18,000 sites;
- Just 12,000 single-store operators, a large decline compared to today; and
- 10,000 unmanned locations.

Demand for fuel also will decline in coming years, stated Petrowski, due to what he referred to as “demand destruction.” Corporate average fuel economy standards, the rise of alternative fuels in the marketplace and the increasing number of people over 50 years old moving to urban areas will cause this demand destruction, he said.

Natural gas, electric, biodiesel and hydrogen will all be a part of the future fuels landscape, Petrowski added. Wind and solar energy should also see growth.

“The retailer of the future will have to have multi-fueling capabilities,” he asserted. “You’re not going to be a one-trick pony anymore.”

By Brian Berk, Convenience Store News



- *About Brian Berk Brian Berk is managing editor of Stagnito Business Information's Convenience Store News and Convenience Store News for the Single Store Owner, where he specializes in covering motor fuels, technology and financial news. He has served the magazine industry for 14 years and has also worked in the radio and newspaper fields. Berk holds a bachelor's degree in communications from the State University of New York at Cortland and a master's degree in journalism from Quinnipiac University in Hamden, Conn.*

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