



POEV

# What the Best Fuel Retailers Evaluate Before Their Next Contract

Why leading operators are rethinking fuel partnerships earlier than ever.

## EXECUTIVE SUMMARY

In today's fuel retail environment, operators face tighter margins, rising operating costs, evolving customer expectations and increased competitive pressure from both large chains and alternative retail formats. As a result, selecting a fuel supplier has become far more than a branding decision. It is now a strategic operational choice that directly impacts profitability, reliability, customer loyalty and long-term business stability.

Forward-thinking retailers increasingly begin evaluating fuel partners 12 months or more before contract renewal. The reason is simple: the quality of a fuel partnership affects daily operations long after the contract is signed. While many retailers initially focus on brand recognition, short-term incentives, or promotional programs, experienced operators know the real value of a fuel relationship is measured through operational execution, pricing transparency, supply reliability, and ease of doing business.

This white paper explores the key factors successful fuel retailers prioritize when evaluating suppliers, why early evaluation matters, and how strategic partnerships with companies like CITGO Petroleum Corporation can help operators strengthen long-term business performance.

## THE EVOLUTION OF FUEL PARTNERSHIP DECISIONS

Historically, many retailers selected fuel suppliers primarily based on upfront economics or legacy relationships. In a low-margin business, short-term incentives and rack pricing often dominated discussions.

However, the operating environment has changed significantly.

Today's fuel retailers must navigate:

- Volatile fuel markets
- Higher labor and operating costs
- Increasing customer expectations
- Greater competition for traffic



- Supply chain uncertainty
- Growing pressure to maximize inside-store sales

Under these conditions, the fuel supplier relationship becomes deeply operational. Retailers are no longer simply asking:

“What is my cost per gallon?”  
They are asking:

- How reliable is this supplier during market disruptions?
- How predictable are my margins?
- How responsive is support?
- How easy is this company to work with?
- Does this partnership simplify operations or create friction?

The most successful operators increasingly view fuel procurement as a long-term business strategy rather than a routine renewal exercise.

## WHY LEADING OPERATORS EVALUATE EARLY

One of the clearest industry shifts is timing. Many retailers now begin evaluating fuel options 12 months or more before their existing contracts expire. This proactive approach allows operators to:

- Compare multiple suppliers objectively
- Avoid rushed negotiations
- Better assess long-term economics
- Evaluate operational support structures
- Understand transition requirements
- Negotiate from a position of strength

Waiting until the final months of a contract often limits flexibility and forces retailers into reactive decisions. Early evaluation allows retailers to focus on operational realities rather than short-term pressure.

“We see many retailers start evaluating their options well before renewal—not because something is wrong, but because they want more predictability in how their business operates. The operators who make the most confident decisions are the ones who focus on how the partnership actually works day to day—not just what it looks like upfront.”

—GREG CAPONEGRO, GENERAL MANAGER, CITGO PETROLEUM



## WHERE MANY RETAILERS MISCALCULATE

Fuel partnerships are often evaluated based on highly visible factors:

- Brand recognition
- Promotional programs
- Short-term incentives
- Initial pricing offers

While these factors matter, they rarely determine long-term success. Experienced operators understand several important realities:

- ▶ **Brand Recognition Alone Does Not Guarantee Profitability.** A strong consumer-facing brand may drive traffic, but traffic alone does not ensure healthy margins or operational efficiency. If operational support is inconsistent, pricing lacks transparency, or supply reliability suffers, retailers can experience significant friction despite strong branding.
- ▶ **Upfront Incentives Often Fade Quickly.** Many introductory programs look attractive at signing but become less impactful over time. Retailers frequently discover that hidden fees, operational complexity, or unpredictable pricing structures offset initial benefits.
- ▶ **Ease of Doing Business Has Financial Value.** Small operational inefficiencies compound over time. Delayed support responses, difficult technology systems, billing complexity, or inconsistent communication create friction that affects both profitability and store operations. The best operators increasingly prioritize partnerships that reduce operational headaches rather than add them.

## THE FOUR PILLARS OF A STRONG FUEL PARTNERSHIP

Across the industry, four consistent themes emerge when retailers describe successful supplier relationships.

1

### Operational Reliability

Supply interruptions can result in lost fuel sales, reduced inside-store traffic, customer dissatisfaction and long-term damage to the store's reputation.

Reliable supply infrastructure becomes especially important during severe weather events, market disruptions, pipeline interruptions and regional shortages.

2

### Pricing Transparency

Predictable economics matter. Retailers want to clearly understand pricing formulas, program structures, fee schedules and margin expectations. Unexpected costs and opaque pricing structures can quickly erode profitability. Transparent supplier relationships allow operators to plan more effectively and maintain healthier long-term financial performance.

3

### Ease of Doing Business

Day-to-day operational simplicity has become a major differentiator. Retailers value suppliers that provide responsive support teams, clear communication, efficient systems, straightforward program administration and fast issue resolution. Operators increasingly recognize that operational friction consumes time, labor and management attention.

4

### Fairness and Flexibility

Strong fuel partnerships function as collaborative business relationships, not transactional arrangements. Retailers value suppliers that understand independent operator realities, offer flexibility and transparent communication. It is also important to provide consistent support throughout the contract lifecycle.



## THE REALITY OF SWITCHING FUEL BRANDS

Many retailers hesitate to explore new fuel partnerships because they assume rebranding will be highly disruptive. Well-organized transition programs typically include dedicated management, defined timelines, coordinated branding updates, distributor collaboration and operational planning to minimize downtime.

Although operational performance is critical, branding still plays an important role in fuel retail success. Consumers associate brands with trust, quality, reliability and consistency. The strongest partnerships combine brand value with operational performance.

Effective fuel suppliers increasingly differentiate themselves through:

- Proven fuel quality
- Reliable supply infrastructure
- Transparent business practices
- Marketing support
- Operational responsiveness
- Long-term partnership stability

Programs such as TOP TIER™ gasoline standards help reinforce consumer confidence while supporting engine cleanliness and performance expectations.

## CITGO'S APPROACH TO FUEL PARTNERSHIPS

In an increasingly competitive marketplace, many retailers are looking for partners that combine brand recognition with operational reliability and practical business support.

CITGO Petroleum has positioned itself around several key retailer priorities:

**Operational Support:** CITGO emphasizes structured transition management through dedicated brand management and image teams designed to help minimize operational disruption during rebranding projects. Timelines, communications and ongoing support are factors to consider when considering a fuel brand.

**Transparency Matters:** In today's market, transparency and clear communications have become more important than ever. CITGO has built a reputation for delivering clear, straightforward programs that help operators plan with confidence. From easy-to-understand pricing structures to consistent program execution, the company is known for minimizing surprises and reducing operational complexity. This commitment to transparency gives retailers greater visibility into their business and the predictability they need to make informed decisions and drive long-term success.

## CONCLUSION: FUEL PROCUREMENT IS A STRATEGIC DECISION

Fuel partnerships influence far more than the canopy's appearance.

They affect:

- Operational efficiency
- Margin stability
- Customer trust
- Inside-store traffic
- Daily management complexity
- Long-term business performance

The most successful operators increasingly treat fuel procurement as a strategic operational decision rather than a last-minute contract renewal.

They evaluate early.

They prioritize predictability.

They focus on long-term execution over short-term incentives.

And they seek partners who make their business easier to operate every day.

In the end, the difference between fuel suppliers is not simply what they promise at signing. It is what retailers experience throughout the life of the relationship.



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## About CITGO

CITGO Petroleum Corporation is a recognized leader in the refining industry and operates under the well-known CITGO brand. CITGO owns and operates three refineries located in Lake Charles, La.; Lemont, Ill.; and Corpus Christi, Texas, and wholly and/or jointly owns 42 active terminals, eight pipelines and three lubricants blending and packaging plants. With approximately 3,300 employees and a combined crude capacity of approximately 807,000 barrels-per-day (bpd), CITGO ranks as the fifth largest and is one of the most complex independent refiners in the United States. CITGO transports and markets transportation fuels, lubricants, petrochemicals and other industrial products, and supplies a network of approximately 4,000 locally owned and independently operated branded retail outlets, all located east of the Rocky Mountains. CITGO Petroleum Corporation is owned by CITGO Holding, Inc.