



## Overview of U.S. fuel market ahead of NACS Show 2016

**In two weeks' time the NACS Show 2016 will open its doors to showcase the industry's latest products and ideas.**

Over 25,000 professionals are expected to gather at the NACS Show 2016, the leading trade show for the convenience and fuel retailing industries in the United States, which takes place in Atlanta, Georgia, October 18-21.

The 400,000 sq. ft. expo displays thousands of the latest products and services that c-stores sell and use every day, from fuel equipment to candy and snacks.

The Petroleum Equipment Institute (PEI), which has held its annual meeting as part of the NACS Show since 2002, believes EMV migration and the challenges higher octane fuels pose for the industry will be some of the key topics at the show.

"The hallway discussions will be about EMV migration (October 2017 deadline), the timeframe marketers plan to accomplish this, and the shortage of service techs to help customers get there," says Bob Renkes, Executive Vice President at PEI.

*More information about this year's exhibitors can be found in PetrolPlaza's [\*\*PEI at the NACS Show 2016 exhibitors gallery\*\*](#).*

### **Overview of the U.S. fuelling market**

With the U.S. economy slightly improving and cheap fuel available across the country, the volumes of fuel sold by retail outlets has increased in comparison to 2015: From January to July of this year 25.4 million gallons per day were sold on average, 300.000 more than in 2015, according to the U.S. Energy Information Administration.

"I'd say business has never been better for our retail customers. Consolidation in that sector is a major trend as the larger get larger and the smaller marketers are made part of larger marketers who seek to get bigger," adds Mr. Renkes.

Across the U.S., there are 121,446 gas stations doing around \$250 billion worth of annual sales. The presence of convenience products at fuel stations continues to grow – currently 82.2% of all stations include c-stores, according to data from September 2016 published by Statistic Brain.

The number of sites in the U.S. has suffered a steep decline since 1994, when the total number of stations topped 202,800.

Unleaded regular gasoline still accounts for most of the income, representing 50.72% of all sales, followed by diesel (14.87%), unleaded mid-grade gasoline (7.2%), and premium gasoline (5.31%).

Over 20 percent of sales belong to drinks, food, and other products.

In August 2016, with the price of regular gasoline at \$2.18 per gallon, consumers were paying 21% of that in taxes, 14% for distribution and marketing, 19% for refining, and 47% for crude oil. The breakdown of what drivers pay for in a gallon of diesel, which averaged a price of \$2.35 during August, showed similar percentages with a slightly higher margin for distribution and marketing.

While price still dominates gas purchasing decisions, loyalty programs and the quality and diversity of the convenience store offerings increasingly play a bigger role for the customer.

During the exhibition and educational sessions at the NACS Show and PEI Convention, all of the issues facing the fuel retailing and convenience industries will be explored and discussed. Other key topics for fuel retailers include new forms of payments, the increasing presence of alternative fuels, and new ways of engaging with the customer.

*Written by Oscar Smith Diamante*