

C-Stores Look to the Future, But See Gasoline as King

[Brad Perkins](#) March 23, 2023

Although gasoline is still the top choice for fuel, alternatives such as electric vehicles and ethanol are becoming more accessible.



When the average price of gasoline soared past \$5 in the summer of 2022, it seemed like the electric-vehicle future might be accelerated. But don't discount gas just yet.

"The shock and awe of \$5-\$6 gas has come and gone, and it was a rough couple of months," said Anthony Perrine, owner of [Lou Perrine Gas & Grocery](#), which operates two stores in Kenosha, Wis. "We were seeing a massive drop in fuel, less transactions, less gallonage."

Despite that, Perrine said he's still bearish on fuel because of the high price points for electric vehicles and supply chain issues that affected the availability of parts over the past year.

But as gas vehicles become more efficient, drivers are consuming less gas — 6% less in 2021 than in 2019, according to the [U.S. Energy Information Administration](#). Coupled with improving prices on electric vehicles, that could lead to convenience stores looking to other types of gasoline.

"Some things gas stations can do is look for alternative fuel that can be priced lower, like ethanol fuels," he said. "My new location has E85, and we saw an increase in usage."

But he cautions against playing the "penny game" of offering lower price points to bring in business.

"I think it's not good for the industry and not good for individuals," he said.

Electric Vehicle Incentives

While fuel is still king, regulations are making electric vehicles more accessible for buyers, and the Bipartisan Infrastructure Law allocated money for electric vehicle chargers, meaning it could be only a matter of time before more c-stores opt to add chargers. But gas or electric is not an either/or proposition.

"The future is not just electric vehicles. The future is not just gas and diesel," said Daniel Burrus, CEO of [Burrus Research Associates](#), which monitors global advancements in technology. "We're not getting rid of gas. We're not getting rid of diesel. We're adding electric."

While incentives to add electric vehicle chargers may be enticing, Perrine cautions to look at location and offerings. With the time to charge more than 30 minutes, stores need amenities to not only keep drivers busy, but interested in coming in.

"I think you've got to have a foodservice component," Perrine said. "Some of these states that have gaming — that's a perfect addition. I think a lot of partnerships with quick-service restaurants, or creating your own foodservice program, and having seating or an environment where people would want to hang out will help."

U.S. Plug-In Electric Vehicle Share of Light Duty Vehicle Sales



Source: The Fuels Institute, "Addressing the Elephant in the Room: Decarbonizing the Internal Combustion Engine," November 2022; Original graph from Wards Intelligence