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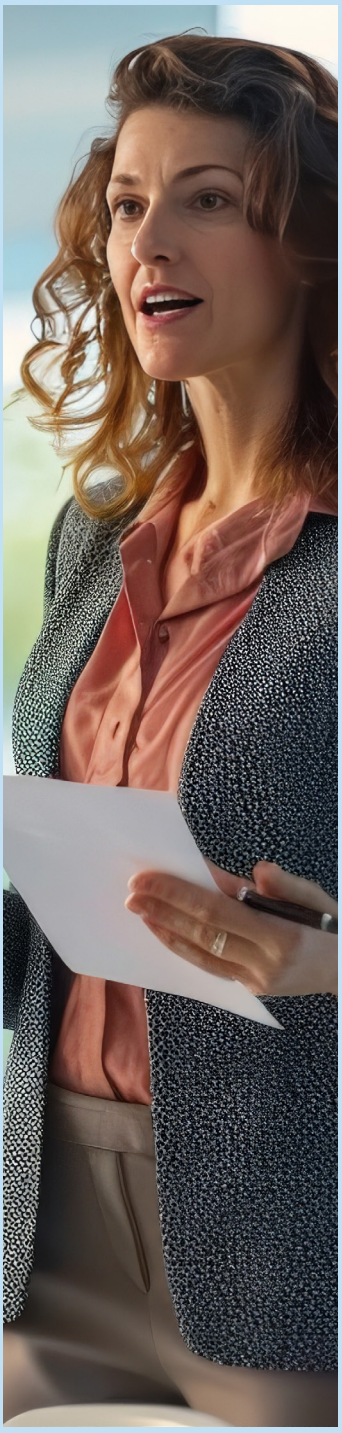

THE STRATEGIC OPPORTUNITY AHEAD FOR GLOBAL FUEL BRANDS

FROM FORECOURTS TO PLATFORMS: RETHINKING OWNERSHIP, EV STRATEGY AND CAPITAL IN GLOBAL FUEL RETAIL

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Executive Summary

Global fuel brands are entering a period of structural transition. Electrification, digitalisation, cost inflation, regulatory pressure and capital market scrutiny are reshaping the traditional economics of fuel retail. At the same time, new growth pools are emerging across convenience, payments, services, and data-driven customer engagement.

The central strategic question is no longer whether fuel retail has a future. It is how fuel brands redesign their operating models to balance capital intensity, customer control, margin capture and long-term relevance.

Across global markets, brands are moving from ownership-heavy retail structures toward hybrid portfolios that combine selective physical control with platform-led orchestration. EV charging economics are accelerating this shift, challenging the logic of universal infrastructure ownership and increasing the importance of EMSP (eMobility Service Provider) capabilities. Parallel to this, fleet and fuel card businesses are evolving into broader B2B mobility marketplaces.

This paper outlines:

- The structural shifts reshaping fuel retail
- The full spectrum of operating models now in play
- How EV changes the ownership logic
- The expanding role of fleet and B2B platforms
- The platform transformation required to deliver the future model
- The influence of activist capital discipline

The conclusion is clear: the fuel brand of the future will be a platform integrator, not merely a network owner.

Structural Shifts Reshaping Fuel Retail

Fuel retail remains one of the most frequent physical touchpoints in mobility. However, its economics are evolving rapidly.

Simultaneously, traditional site economics face cost pressure. Labour inflation, compliance requirements, shrink, energy costs and digital integration expenses are compressing margins in company-operated models.

At the same time, margin pools are shifting. Growth increasingly lies in:

- Foodservice and convenience retail
- Digital loyalty and personalisation
- Payments and transaction economics
- Fleet and B2B services

EV charging access and subscriptions

The strategic challenge is not fuel decline per se. It is how to rebalance capital and operating structures toward scalable service-led revenue while preserving brand strength and market presence.

Operating Model Evolution: From Ownership Structures to Portfolio Strategy (Including EV)

Fuel retail operating models are often simplified into company-operated versus dealer-operated. In practice, the industry operates across a broad spectrum of ownership and operating constructs that distribute capital, risk and margin in different ways.

At the company-owned end of the spectrum sit models such as COCO (Company Owned, Company Operated), COFO (Company Owned, Franchise Operated), CODO (Company Owned, Dealer Operated), COMO (Company Owned, MSO Operated) and COCM (Company Owned, Commission Marketer). These structures provide the highest degree of brand control and direct retail margin capture. They enable tight integration of foodservice, loyalty, payments and EV charging. However, they are also the most capital-intensive and expose the brand to labour risk, shrink and operational complexity. In the EV era, they also imply direct exposure to charging infrastructure economics.

In the middle of the spectrum sit dealer-owned and franchise-led structures such as DODO (Dealer Owned, Dealer Operated) and DOFO (Dealer Owned, Franchise Operated). These models transfer operational and inventory risk to the dealer while retaining fuel supply economics and varying degrees of pricing governance. They significantly reduce capital intensity and improve return on capital employed. In an EV context, they lend themselves to EMSP-led approaches, where the brand controls the customer interface while infrastructure may be partner-led.

At the asset-light end sit broker, distributor and commercial models such as jobber, BOCM (Broker Owned, Commission Marketer), BODO (Broker Owned, Dealer Operated) and pure commercial B2B supply arrangements. These are primarily supply-focused and capital-light. While they offer limited in-store control, they provide strong foundations for fleet, payments and marketplace-based service expansion.

The EV transition fundamentally alters how these models are evaluated. Under liquid fuel economics, ownership and control were tightly linked. With EV, infrastructure economics differ materially. Higher capex, grid dependency, utilisation volatility and technology obsolescence weaken the historical logic that ownership equals advantage.

Brands are therefore decoupling three elements that were once unified:

- Site ownership
- Infrastructure ownership
- Customer interface ownership

A brand may no longer own the site but still control the EV customer journey through an EMSP platform. It may own charging assets only at strategic hubs while relying on roaming elsewhere. It may divest retail networks yet retain commercial fleet and digital relationships.

Operating model choice has become a portfolio strategy across tiers rather than a binary decision.

Capabilities Leading Brands Retain In-House

As physical ownership becomes more flexible, certain capabilities are increasingly retained centrally.

Customer identity and loyalty architecture are foundational. A unified CRM layer enables cross-channel engagement across fuel, convenience, EV and fleet.

Pricing governance remains a strategic lever, particularly as margin volatility increases.

Payment infrastructure is becoming a core competitive differentiator. Transaction economics, subscription models and settlement platforms provide scalable revenue beyond physical site margins.

Fleet propositions are increasingly central to B2B growth.

EV governance—covering site selection, uptime standards, customer interface design and roaming agreements—is emerging as a key control point even where hardware ownership is distributed.

Across markets, the pattern is consistent: reduce operational exposure, strengthen digital and customer control.

How Other Global Fuel Brands Are Responding

Across global markets, fuel brands are responding to structural pressure in markedly different ways. Some are high-grading portfolios and reducing capital intensity. Others are doubling down on retail excellence. Several are repositioning themselves as mobility platforms rather than pure fuel operators. The divergence reflects differences in operating DNA, capital structure and appetite for infrastructure risk.

Integrated Energy Majors:
Portfolio Discipline and Selective Control

Several integrated energy majors are reshaping their retail portfolios to improve return on capital and reduce operational complexity.

Shell has signalled a strategy of divesting lower-return sites while concentrating investment in higher-performing mobility hubs. The focus is on quality over quantity, upgrading sites for foodservice, premium convenience and EV readiness rather than maintaining broad network ownership.

TotalEnergies has adopted a similar selective approach, growing dealer-operated networks in certain markets while investing directly in strategic charging corridors and premium sites.

Phillips 66 divested a majority stake in its European retail network following pressure from Elliott Management, retaining supply linkage but materially reducing capital exposure.

Suncor Energy undertook strategic retail reviews under activist scrutiny, reinforcing that capital-intensive retail must justify deployed capital.

The integrated major response pattern is consistent: reduce direct exposure where returns are subscale, retain supply and brand economics, and prioritise capital efficiency.

US Majors:
Asset-Light and Wholesale-Led Models

In the United States, several energy companies have long favoured capital-light structures.

ExxonMobil operates primarily through branded wholesalers and dealer networks, limiting direct operational exposure while maintaining brand scale and supply economics.

Chevron similarly leverages dealer and wholesale models across much of its downstream footprint, focusing on brand licensing and fuel supply rather than widespread direct site operation.

These models demonstrate that market presence does not require full operational ownership, particularly when digital, loyalty and fleet capabilities are layered centrally.

Retail-First Operators:
Doubling Down on Company-Operated Excellence

In contrast, retail-first operators continue to expand company-operated networks where execution excellence drives superior economics.

Alimentation Couche-Tard (Circle K) has continued to grow through acquisition and integration, leveraging operational discipline, private label strength and supply chain optimisation. EV is treated pragmatically—deployed where utilisation economics are attractive and often combined with partnerships.

Seven & I Holdings, owner of 7-Eleven, continues to operate a largely company-controlled model, focusing on store productivity, private label expansion and digital loyalty integration.

Wawa operates almost exclusively through company-owned and company-operated stores. Its differentiation lies in foodservice, brand loyalty and store experience. EV charging is deployed selectively to complement dwell time economics, not as a standalone infrastructure play.

Buc-ee's represents an even more focused example of retail-led strategy. Operating large-format, company-owned travel centres, Buc-ee's prioritises in-store margin, merchandising scale and destination retail appeal. EV charging is integrated into the site proposition where it reinforces traffic, but the core economic engine remains high-margin retail.

Casey's General Stores continues expanding company-operated rural and suburban locations, leveraging prepared food and private label to sustain margin strength.

These operators demonstrate that physical retail remains highly profitable when operational excellence, food margin and customer loyalty are core competencies. However, their model requires deep retail capability and disciplined capital deployment.

EV Strategy Choice: Dual CPO–EMSP Model or EMSP-Led Model

The EV transition introduces a structural decision. Fuel brands must determine whether to operate as both a Charge Point Operator (CPO) and EMSP, or shift toward a primarily EMSP-led model.

Operating as both CPO and EMSP provides maximum control. The brand owns and operates charging infrastructure, manages grid relationships and hardware lifecycle, and controls the customer-facing layer. This protects brand experience at flagship sites but introduces high capital intensity, utilisation risk and long payback horizons.

An EMSP-led model focuses on the service layer. The brand aggregates access across multiple CPO networks, manages billing, subscriptions, roaming, fleet reimbursement and data analytics. It avoids infrastructure capex while maintaining customer ownership.

The trade-off is reduced direct control over physical uptime and margin sharing with infrastructure owners.

For many brands, the optimal solution is hybrid. Selective CPO ownership at strategic mobility hubs is combined with broad EMSP integration across partner networks. Long-term value increasingly shifts toward the service and data layer rather than pure electricity margin.

The Expanding Role of Fleet and Fuel Cards

Fleet and fuel card businesses are undergoing parallel transformation.

Historically structured as closed-loop fuel procurement tools—often supported by providers such as WEX and Corpay—fleet cards are evolving into broader B2B mobility platforms.

Hybrid open-loop and closed-loop architectures allow brands to expand merchant acceptance, integrate EV charging reimbursement, provide expense management and VAT automation, and embed insurance, maintenance and financial services.

These platforms allow continued participation in markets where retail assets are divested. Fleet relationships and transaction flows persist independently of site ownership.

Fleet platforms are capital-light, scalable and aligned with investor expectations for resilient earnings and improved valuation multiples.

Key Platform Transformation Required to Deliver the Future Operating Model

Delivering the future operating model requires comprehensive platform transformation.

A unified customer identity layer must span fuel, convenience, EV charging, fleet, payments and subscriptions. Fragmented systems cannot support cross-channel mobility bundles.

Payments architecture must become modular and interoperable. Closed-loop fuel economics must coexist with open-loop acceptance, roaming settlement, subscription billing and B2B reimbursement.

Data and analytics must operate as core infrastructure. Real-time integration across site performance, charging sessions, fleet behaviour and margin data is required to optimise utilisation, pricing and churn management.

An API-led ecosystem architecture is critical to integrate third-party CPO networks, insurers, maintenance providers and financial services partners. Marketplace economics require scalable integration capability.

Governance and commercial models must evolve. Dealer contracts, revenue-sharing agreements and platform P&L accountability must reflect service-led economics rather than purely site-level margin metrics.

Capital allocation must also shift. Investment emphasis must move from physical expansion toward digital infrastructure, analytics and platform capabilities. Without this rebalancing, transformation will stall under legacy return frameworks.

Conclusion

Although strategies differ, convergence is emerging across the industry:

- Integrated majors are reducing capital intensity.
- US energy brands favour wholesale and dealer models.
- Retail specialists are doubling down on company-operated excellence.
- EV infrastructure is being high-graded rather than rolled out indiscriminately.
- Fleet and digital platforms are expanding across all ownership tiers.

The competitive battleground is shifting. Scale of physical assets is no longer the sole determinant of advantage. Instead, differentiation increasingly lies in orchestration capability—control of the customer interface, integration across ecosystems, and the ability to monetise mobility beyond fuel volume.

The brands that combine disciplined capital allocation with platform-led growth are setting the direction for the next phase of global fuel retail.

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With 10 years of strategy, finance, product delivery, business consulting in the fuel retail & convenience industry, Nandkishor Wankhede has practical and comprehensive experience helping energy clients across the mobility and convenience sector. Nandkishor has worked across various business functions in the fuel retail industry, including digital & corporate business strategy, focusing on delivering rapid results in the digital transformation of mobility and convenience sector to improve customer experience.

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