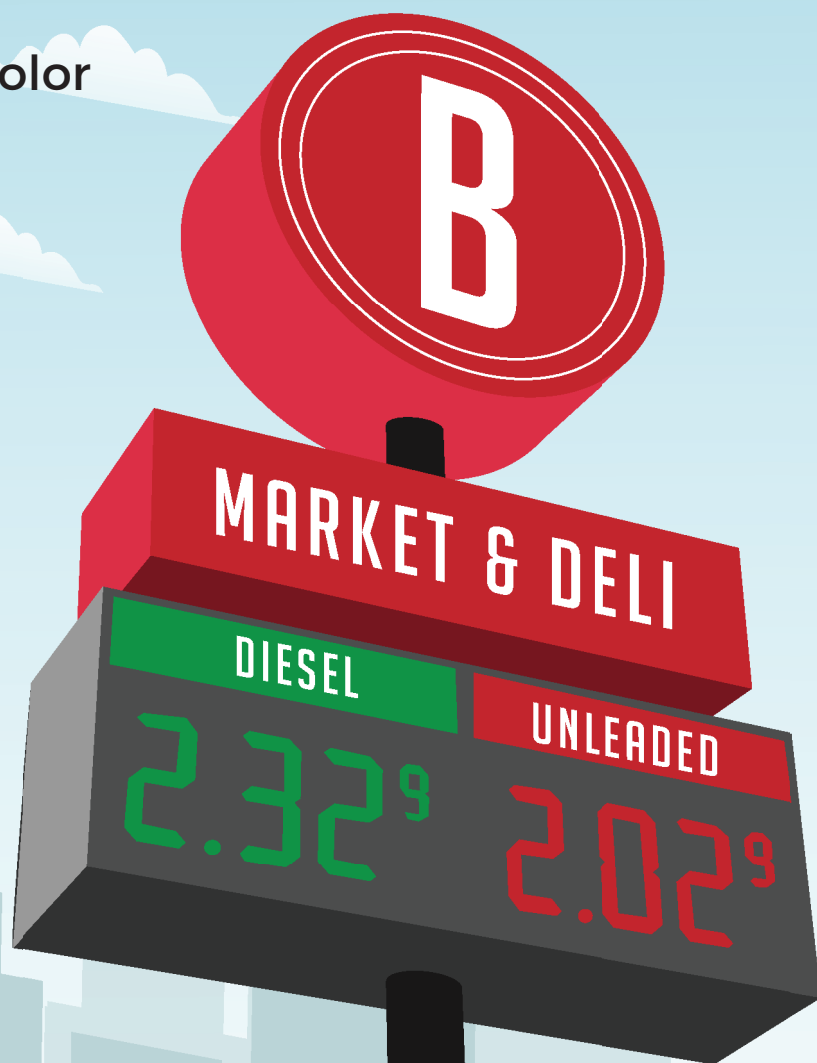


# Red Light. Green Light.

How Fuel Price Signs and Color  
Impact Buyer Behavior





**While there is no single industry standard for colors used to represent commodities on external fuel price signs and gas price changers, there are some commonalities.**

Green is often used for diesel and red is often used for unleaded, but retailers are free to use colors at their own discretion.

A new study of retailers and consumers, conducted during the fall of 2017 by Skyline Products and Convenience Store News, found that neither fuel retailers nor general consumers overwhelmingly support efforts to standardize colors. However, the study revealed some interesting findings on how retailers plan to use color in the future and how color impacts consumers' fuel buying decisions.

The first survey received responses from 166 fuel retail chains, including convenience stores, grocery and big box stores, truck stops and travel plazas, and card lock locations. More than 500 consumers completed the second survey.

For the purpose of this report, Diesel, E-85, E-15, Ethanol-Free, CNG, and EMV charging stations are classified as specialty fuels.

Assumptions are based on both percentages and actual responses. The number of respondents per question varies and some sub-segments are small – for those small segments, the data might represent a market trend but the sample sizes are not statistically valid. Due to the small number of responses outside the U.S. and Canada, all responses from countries other than the U.S. and Canada were excluded.

# THE FINDINGS

## Electronic Signs Dominate the Fuel Market

Eighty-nine percent of fuel retailers utilize electronic signs and 22 percent still rely upon manual fuel price signs. There were no significant differences in the type of signs used based on the size of retail chains – single store operators demonstrated similar trends to chains with 500 or more stores. Additionally, no trends appeared between privately branded and fuel branded locations.



**22% OF RETAILERS STILL USE MANUAL PRICE SIGNS**

## Privately Branded Retailers Offer Larger Variety of Fuels

Nearly all of the respondents sell Unleaded, Mid-Grade and Premium Unleaded, followed closely by Diesel – with many also offering other specialty fuels. There was a distinction between privately branded retailers and fuel branded retailers within their specialty fuels offerings.

### Sold among privately branded retailers:

**36%**  
Ethanol  
free

**45%**  
E-85

**24%**  
E-15

**36%**  
DEF

**18%**  
EMV

### Sold among fuel branded retailers:

**16%**  
Ethanol  
free

**47%**  
E-85

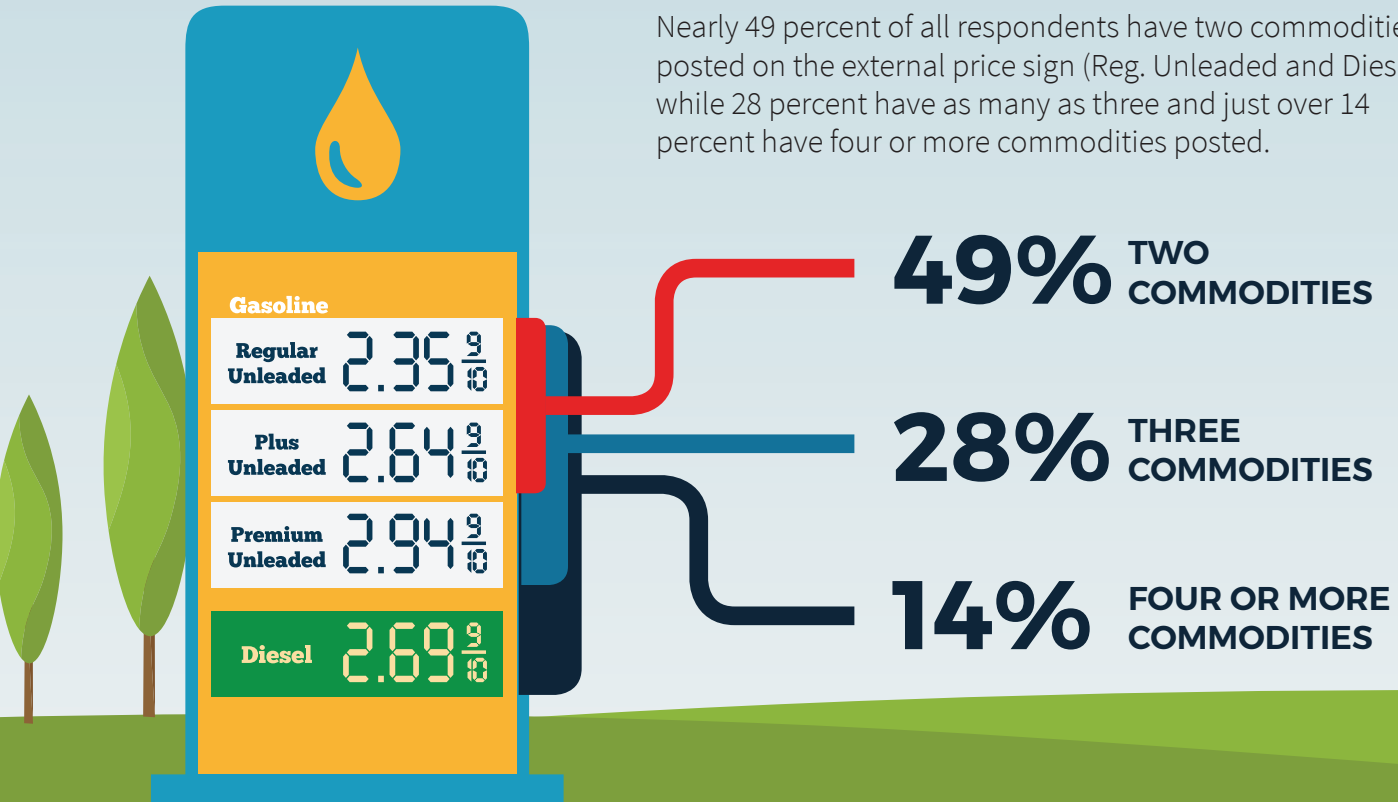
**0%**  
E-15

**14%**  
DEF

**5%**  
EMV

# TWO FOR THE ROAD

Nearly 49 percent of all respondents have two commodities posted on the external price sign (Reg. Unleaded and Diesel) while 28 percent have as many as three and just over 14 percent have four or more commodities posted.



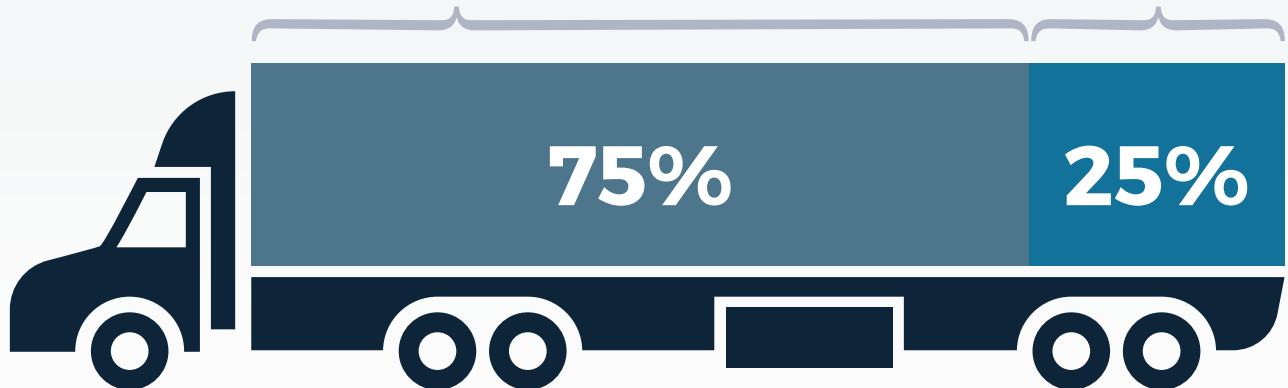
**2X**

Single store owners are more than twice as likely to have only one commodity posted compared to all other responders.

Truck Stops and Travel Plazas advertise the fewest commodities

75 percent post two commodities

25 percent post three.



# COLOR BLIND?

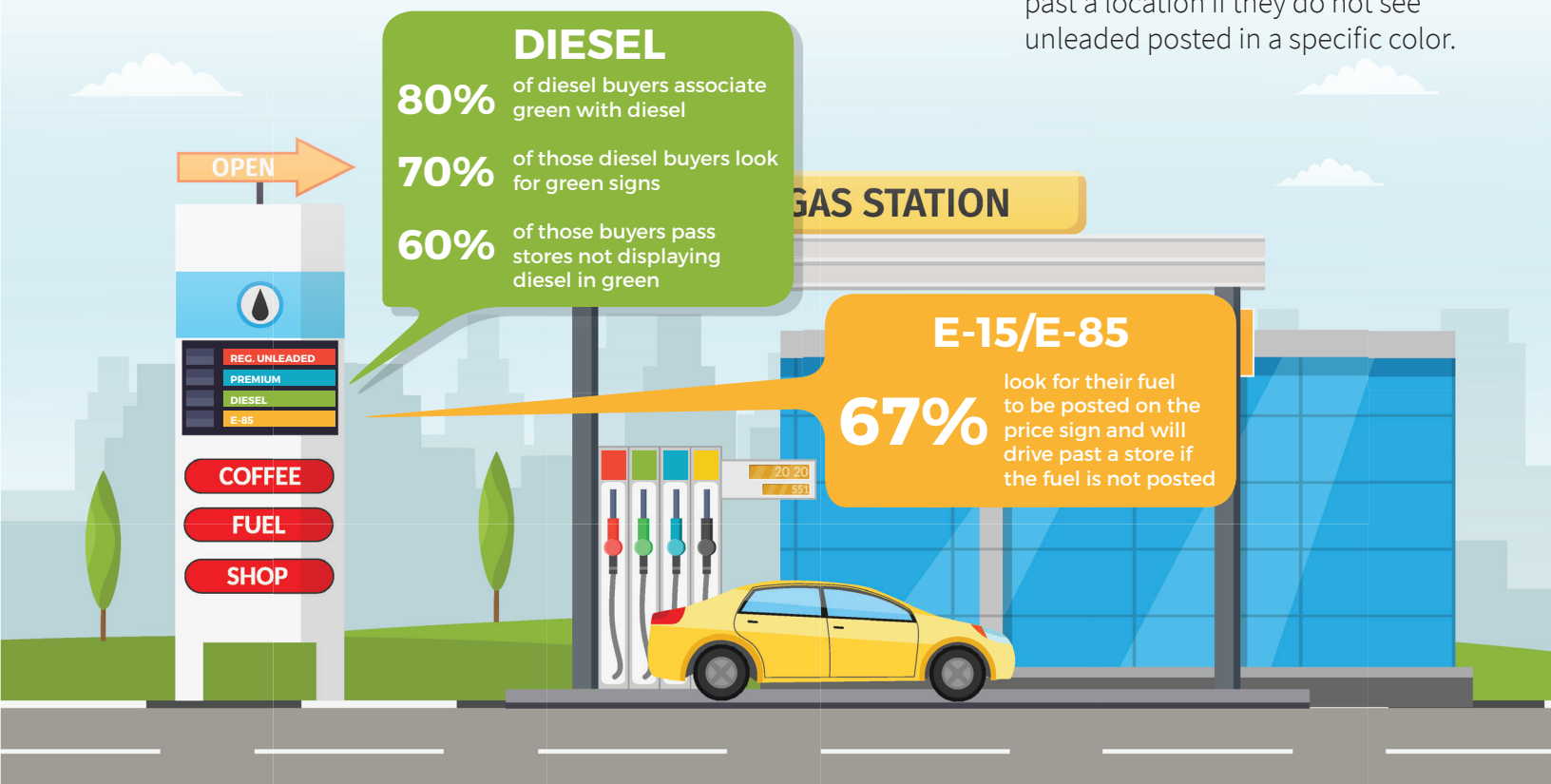
While there is not a formal industry standard for advertising fuel types with specific colors, there are distinct trends. The vast majority of fuel retailers use red for unleaded fuels, green for diesel, and yellow/amber for E-85. Commodities that are less commonly sold (E-15, CNG, DEF) show a slight trend to be represented with blue or white. While there were a smattering of different colors used for the sign background color, the majority of signs (76 percent) use black.

## How does color resonate with consumers? It depends on what type of fuel they use.

Consumers who use diesel in their passenger vehicles are most sensitive to the color of price sign numbers. Eighty percent of diesel buyers associate green with diesel and 70 percent of those consumers look for green on external price signs. Additionally, the survey suggested that 60 percent of those buyers will pass a retail store that does not display diesel only to find one with diesel displayed in green.

Those who use E-85 and E-15 are not as sensitive to color but they do look for their fuel type posted on external price signs. Nearly 67 percent look for their fuel to be posted on the price sign and will drive past a retail store if the fuel is not posted.

Unleaded users are blind when it comes to sign colors – 46 percent make no correlation to a specific color for unleaded fuels while 33 percent do identify red for unleaded. The slight color correlation, however, did not influence their buying behavior. The vast majority, 89 percent, of unleaded users do NOT search for a specific color when buying fuel and only 27 percent will drive past a location if they do not see unleaded posted in a specific color.



# CHANGING TIMES – CHANGING SIGNS

The vast majority of retailers - nearly 88 percent - do not plan on adding new commodities to their price signs.



The numbers are reversed, however, when it comes to specialty fuels. While the numbers aren't huge – some retailers do plan to sell new commodities, primarily E-85, E-15 and EMV charging. Of those retailers, 83 percent that are adding E-85 also plan on adding new commodities to their price sign while 80 percent of those adding E-15 also plan to add the commodities to their price sign.

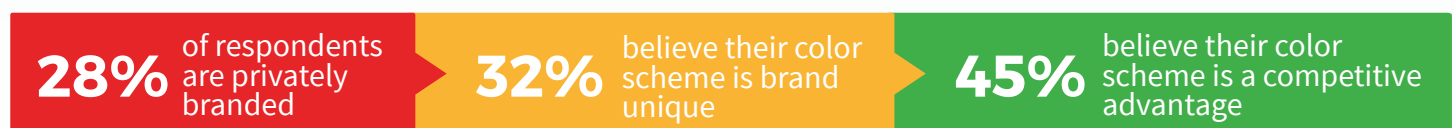
Similarly, nearly all of those few retailers who either currently have or plan to add EMV charging stations also either currently advertise or plan to add EMV to their external price signs. A few retailers indicated they are removing mid-grade and premium unleaded from their fuel price signs – possibly to make room for these new fuels.

The decision for retailers who are adding these commodities to their price signs closely aligns with consumer's buying behavior – as noted earlier, they search for their fuel types on price signs.

## Private Branding and Use of Color

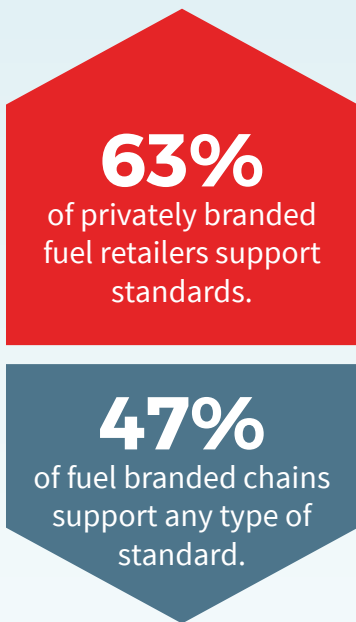
While 28 percent of respondents are privately branded, only 32 percent of those privately branded retailers believe that their price sign color scheme is unique to their brand and only 45 percent believe that their unique color scheme offers a competitive advantage.

Only one segment of respondents, while quite small, held a different opinion. Seventy-five percent of privately branded card lock operators believe their price sign color scheme is unique to their brand and that it offers them a competitive advantage.

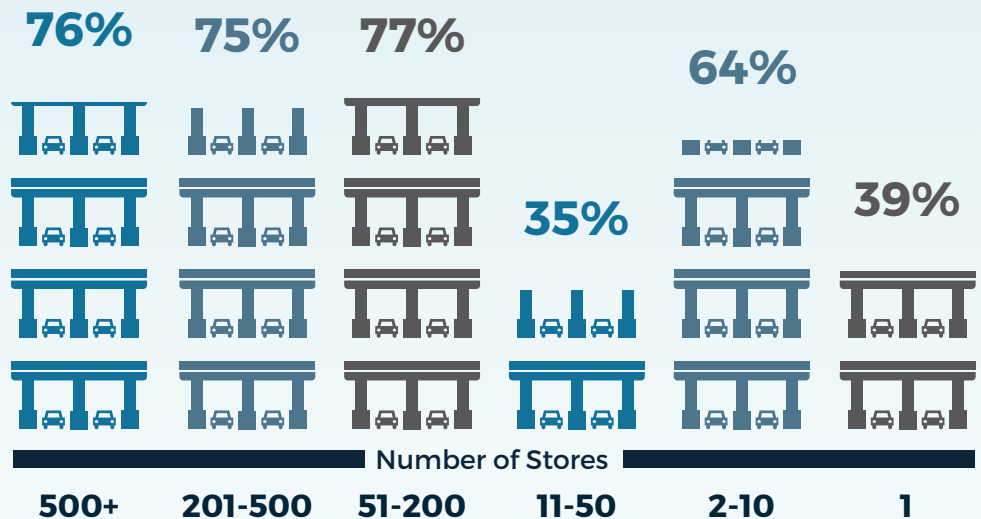


# INDUSTRY STANDARDS?

When asked if they believed there should be industry standards that retailers should follow for gas price/commodity correlation, only 60 percent of fuel marketers supported the idea. But breakdown responses by chain size and brand expose different opinions.



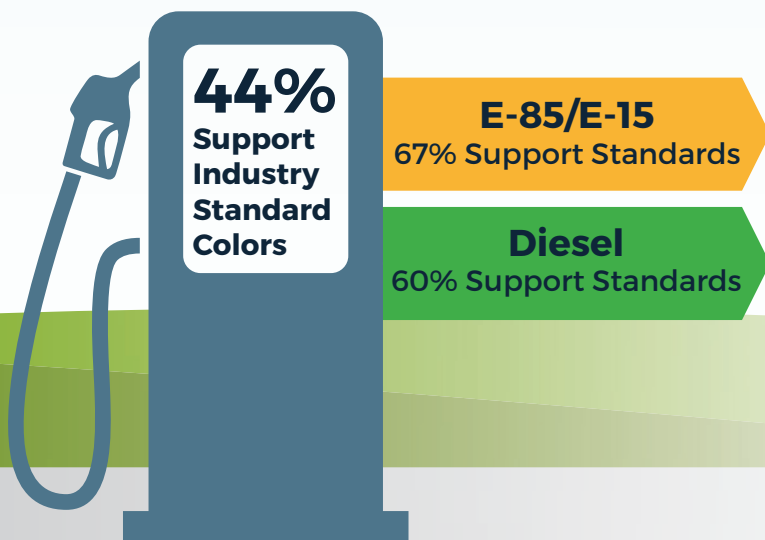
Support of standards also declines with the size of the chain:



When brand and size elements are combined, an even greater disparity appears. Ninety-one percent of chains with 51 or more stores are private or co-branded, of which 72 percent believe there should

be some type of standard. Among retailers with 50 or fewer stores, the branding shifted. Fifty-three percent are completely fuel branded and among those only 44 percent support standards.

## How do consumers feel about industry standards?



In general, the responders were split – only 44 percent of all fuel buyers said there should be an industry standard for colors. However, the opinion differs among specialty fuel buyers. Sixty-seven percent of E-85/E-15 customers and 60 percent of diesel customers support industry standards for commodity colors.



### **Conclusion:**

The majority of fuel buyers within the United States and Canada utilize unleaded gasoline for passenger vehicles – and our countries have a long history of unleaded retail sales. Therefore, it is no surprise that consumers do not care what color is posted on the retail price sign because they are trained to simply look at the lowest price – knowing that it represents unleaded fuel. Those that utilize medium or premium grade also know, from experience, the average spread between regular and premium grades so they are less sensitive to exterior price signs.

Not all stores offer diesel, E-85 or E-15 – which has conditioned customers to seek out those that do. This survey clearly demonstrated that these specialty fuel customers look for stores that display their specific fuels on external price signs. For retailers who currently or plan to sell these specialty fuels, posting these commodities to their external price signs would appear to have a direct impact on sales.

As for industry standards, only a slight majority of retailers (63 percent) support the standardization of colors and only 44 percent of consumers desired standardization. In fact, the majority of consumers were somewhat indifferent regarding the use of color – with the exception of diesel and E-85/E-15 buyers. While these sample sizes were small – they did represent the percentage of consumers utilizing these fuels within the market. Of the responders, sixty percent of diesel customers support standardization and 80 percent of those customers associate green with diesel while 67 percent of Ethanol blend customers support standardization (although no specific color was determined).