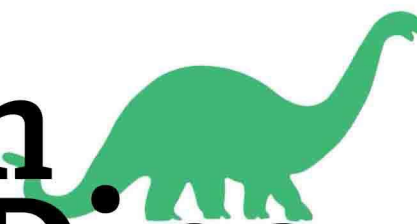


No Extinction for This Dino



Sinclair Oil pursues national expansion as it celebrates its 100th anniversary

By Linda Lisanti

On Thanksgiving morning this year, Jack Barger, vice president of marketing and supply for Sinclair Oil Corp., was not watching the Macy's Thanksgiving Day Parade from the warmth and comfort of his home like he usually does. Instead, he and his family were among the millions of spectators lining the streets in New York City taking in all the action live.

No doubt, Barger's favorite attraction in the parade was Dino, Sinclair Oil's longtime brand mascot. For

At its peak, the company was publicly held and ranked the seventh largest oil company in the United States. Today, it is family-owned and its marketing division comprises 400 branded distributors and 1,325 stations in 24 states. With the exception of just a handful of sites, its current operations are all concentrated west of the Mississippi River.

With a new brand licensing program, though, Sinclair has its sights set once again on having a national presence, expanding east of the Mississippi and marketing its fuel coast to coast, according to Barger. The last time the brand was national was in the mid-1970s.

"Our brand licensing program will be a significant part of our business in the future," Barger, who has been with the company six years, told *Convenience Store News* in an exclusive interview. But he quickly added that as Sinclair navigates its next 100 years, it will stay true to its past and committed to the core attributes the brand has come to be known for.

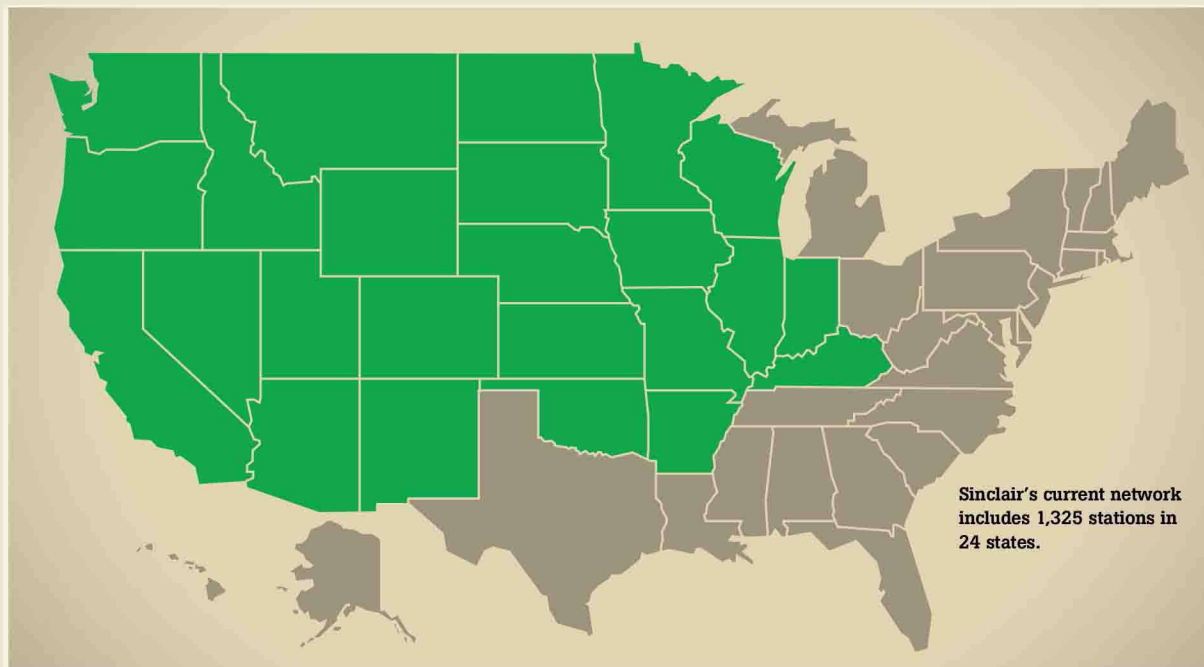
"Because we're privately owned, our customers tell us all the time that we manage and operate our business a lot like they do. We're more flexible; we are more adaptable to what our customer needs are. We don't have lot of layers of management. Our owner comes to work every day and knows everyone here," Barger explained. "We're just friendlier. We're known for our personal relationships, which is why some of our customers have been with us for more than 50 years. We really care about their success, and we try to respond to the challenges they're facing and help them through our brand investments and promotions."



Sinclair's highly recognizable Dino image differentiates its stations.

the first time since 1976, Dino (pronounced die-no) took part in this year's festivities as a 72-foot-long giant balloon. His return to the parade provided the perfect way for Sinclair to kick off what will be a full year of celebrations around its 100th anniversary.

Founded May 1, 1916, Salt Lake City-based Sinclair takes great pride in the fact that it is one of, if not the, oldest continuous brands in the oil business. At one point, it was also one of the largest U.S. oil companies, with a national network coast to coast.



SETTING SINCLAIR APART

When talking about what differentiates Sinclair from other U.S. fuel franchisees, Barger points first to the highly recognized Dino brand and the favorable perception it has among consumers. Whereas most oil companies have modified their corporate emblem over the years, Sinclair's trademark has remained unchanged. The reason? Everybody loves a dinosaur.

"We've resisted making modifications," Barger said of the apatosaurus (originally thought to be a brontosaurus) that first appeared in Sinclair marketing in 1930 as part of a campaign to educate customers on the origin of fossil fuels and then was trademarked in 1932.

"It largely comes back to that everyone loves our dinosaur and recognizes our logo, and we feel strongly that's a positive attribute for us. It really is what customers know us by," he added.

When consumers think of the Sinclair brand, the company's research has shown that it's perceived to be a "friendly" brand and a "good oil company," according to Barger. Throughout its entire history, consumers have consistently had very favorable responses to the Sinclair brand, he said, noting "We're not Big Oil and we're very intent on not changing that."

Seeking to leverage its highly recognized brand even more, Sinclair launched its Centennial Image Program three years ago. As of November, the chainwide reimagining was roughly 75 percent completed and the goal is to be finished by the end of next year.

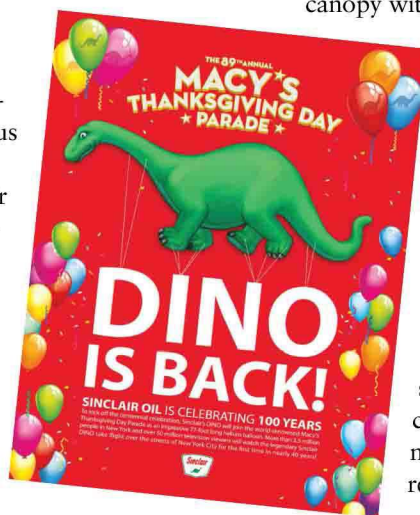
"Our previous image was dated. It was a white canopy with a green stripe. We have evolved to

more green, less white, and we have incorporated a lighted dinosaur on our canopy. That's the symbol people know us by. It's highly recognizable, and it's what customers tell us they like most about our image," said Barger.

Another differentiating factor for Sinclair is its DinoCare gasoline, which rolled out in 2014. DinoCare is a high-quality additive that cleans harmful deposits from engines and fuel systems, which in turn optimizes a vehicle's fuel economy and reduces maintenance costs. Sinclair with DinoCare is a registered Top Tier gasoline.

"DinoCare exceeds the quality requirements of today's most complex engines," Barger said.

The final piece of Sinclair's differentiated offering is its payment programs. For starters, the brand's credit card programs are "best-in-class," the marketing VP stated, noting that the company processes all the major credit cards and maintains a processing cost structure for its retailers that Sinclair believes is either near or at



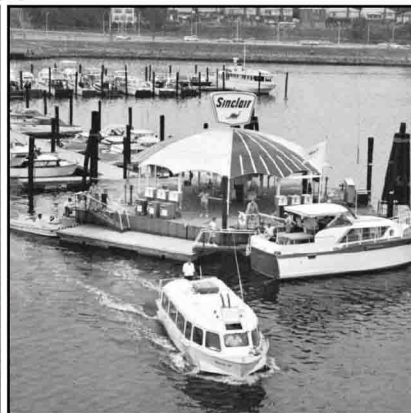
Sinclair Stations Through the Years



1910s



1950s



1960s

the bottom of its competition.

The company also has its own proprietary Sinclair credit card that is actively promoted and always offers users 5 cents off per gallon of fuel. Various promotions throughout the year will bump up the savings. Just last month, users enjoyed a 10-cent-per-gallon rollback.

Keeping up with the evolution of payments, Sinclair is now actively rolling out a mobile payment solution called DinoPay. Available to all its retailers, the mobile app program is powered by P97 Networks Inc.'s PetroZone Mobile Commerce Platform. Using the app, customers can locate and navigate to Sinclair gas stations, receive location-based digital offers and rewards for fuel and in-store purchases, and initiate fuel purchases from the comfort of their vehicles. Sinclair has been testing DinoPay with its longtime retailer partner Stinker Stores, based in Boise, Idaho, and anticipates a network-wide rollout next year.

Further investments are planned for 2016, including a significant boost in brand advertising and promo-

tion, particularly publicizing DinoCare gasoline. The brand promotion process already got a kickstart when Sinclair launched an all-new website in November. Throughout 2016, Sinclair will tout its 100th anniversary through celebrations across its 24-state network involving all its constituents: employees, retailer customers, key vendor partners and consumers.

AMERICAN ICON

As for the next 100 years, Sinclair is ready to once again serve Americans coast to coast.

The fully integrated oil company is involved in exploration, refining, transportation and marketing. The company owns two refineries: one in Sinclair, Wyo., and the other in Casper, Wyo. While its supply capabilities are currently limited to the 24 states where it operates today, the new brand license program will provide unlimited expansion potential. (The company also doesn't require minimum volume standards because it markets in a lot of rural locations.)

A licensed location is identical to every other Sinclair location, but the company does not provide the fuel supply. The retailer does, however, have to source a gasoline that meets or exceeds Top Tier standards.

With its biggest license markets in the West Coast states, particularly California, Sinclair is steadily extending eastward. Since 2011, the company has grown by 40 percent in the Rocky Mountain region, and much of its branded growth focus this year has been on the Midwest.

By the end of 2015, Barger told *CSNews* that Sinclair expects to have 80 locations in the brand license program, including sites on the East Coast. From this point on, the goal is to double the number of sites year over year — adding another 80 in 2016, 160 in 2017, and so on.

"Our goal is to have Sinclair branded stations in every state. After all, everybody loves the dinosaur," he concluded. **CSN**

STAYING TRUE: THEN & NOW

Many facets of Sinclair Oil have remained the same over the last 100 years

- Sinclair's Dino logo hasn't changed since the 1930s. Dino first appeared in marketing as part of a campaign to educate customers on the origin of fossil fuels.
- Sinclair is an American brand. The company has never operated internationally.
- The corporation has only had six CEOs in its 100-year history. The current CEO is Ross Matthews, son-in-law of Earl Holding, who purchased Sinclair in 1976.
- Sinclair's retailer customers then and now describe the company as friendly, dependable, flexible and loyal, according to Jack Barger, VP of marketing and supply.