

Mobil gas stations coming back to Jersey Shore

Written By:
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April 19, 2014



Service station attendant Madan Sindh gasses up cars at the Mobil station in Bradley Beach. / BOB BIELK/STAFF

Forced to leave New Jersey 15 years ago as part of an anti-trust settlement, Mobil gasoline stations are returning to the Jersey Shore, bringing back a familiar brand to an industry that is undergoing major changes.

In choosing to align themselves with the brand perhaps best known for its red Pegasus, the stations' owners find themselves in the middle of a business case study around this question: how much do motorists care about the brand of gasoline?

“When you're buying gas, there's two things: convenience and price,” said Rick Melendez, 49, of Belmar, while stopping in the Mobil station in Neptune City to check on lottery tickets. “That's what it's coming down to.”

The quandary — brand versus price — is about to play out again at the Shore, where stations are switching over to more environmentally friendly — and expensive — gasoline for the summer and increasing prices by as much as 20 cents a gallon, said Tom Kloza, chief oil analyst for GasBuddy.com in Wall.

Shore-area consumers can add one more brand to the mix. Gas station owners have introduced Mobil stations in Neptune City, Bradley Beach and Toms River. And a fourth is scheduled to open in Neptune by the end of the month.

It comes more than a decade after the U.S. Federal Trade Commission forced what was then Exxon Corp. and Mobil Corp. to sell Mobil's stations in New Jersey to help clear the way for the two oil companies to merge.

The stations were well-traveled, at least from a corporate perspective. They were sold in 2000 to Tosco, which was acquired by ConocoPhillips. They then were sold to Lukoil. But retail stores owned by oil companies are becoming rarer.

Independent owners

Mobil's re-emergence here reflects that trend. This time, ExxonMobil doesn't own the retail stations. Instead, independent service stations contracted with Mobil to carry its brand.

Before Mobil left the state of New Jersey, it was probably the most recognized retail brand in our state," said Ravi Gill, vice president of Creative Management Inc. in Matawan, which owns the three Monmouth County stations. "Mobil offers some of the best product, at least fuel product, in the market. It has a loyal following among its customer base."

More changes might be in store. Hess Corp. said a year ago it would sell its retail stores and focus on oil exploration and production.

Yet some wonder if gas station brands have as much power as they used to.

"We're kind of at a crossroads in this country," said Kloza, whose GasBuddy.com alerts consumers about the least expensive gasoline stations. Its smartphone app has been downloaded by more than 38 million people.

"One school of thought says it's all about price, and the name of the brand doesn't mean anything anymore," Kloza said. "But you still have a few major companies such as BP and Shell that are spending a lot of money trying to differentiate their gas from no-name or house-brand gas."

It's a debate that played out at the Mobil in Neptune City. Alex Ortiz, 30, of Long Branch, said he remembers the Mobil brand well, even though he was only a teenager when it left the state. If you have a nice car, you would want to use high-quality gasoline, he said.

But with an economy still trying to pick up speed from the recession and workers pinched, the fact that gasoline was selling for \$3.29 a gallon at the Mobil station — among the lowest in the neighborhood — might have been a bigger lure than the new brand.

"Everybody is looking for price right now," Melendez said.