



# COMPETITIVENESS IN THE RETAIL FUEL MARKET - AN EMPIRICAL STUDY IN A FAMILY BUSINESS

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## RESUMO.

Esse trabalho apresenta uma pesquisa científica com o objetivo geral nas análises estratégias competitivas e como essas podem contribuir para o aumento da participação, no mercado varejista de combustíveis, para uma empresa familiar. Com os objetivos específicos de identificar as atuais estratégias de competição da empresa, avaliar e caracterizar as novas estratégias utilizadas para o varejo de combustíveis, analisando a participação da família na tomada de decisão. Estudo empírico feito em uma organização do setor, propondo um aproveitamento de oportunidades que gerem diferenciais de mercado para resultados acima da média para a organização diante os problemas e avanços enfrentados nessa área como o alto desenvolvimento de veículos elétricos ou a grande variação e oscilação de custo publicadas regularmente pelas principais distribuidoras da região. Utilizando a metodologia qualitativa, foram realizadas 4 coletas de dados na forma de entrevistas individuais semiestruturadas, aplicadas e respondidas in loco, na empresa. Os resultados seguem há necessidade de melhorar as ofertas existentes, passando a centralização do veículo para o cliente pensando assim em um resultado a longo prazo. Além de um plano estratégico voltado afim de proporcionar uma experiência útil e agradável aos clientes e além de combustíveis de qualidade determinando um resultado superior ao atual.

**Palavras-chave:** Empresa familiar, Varejo de Combustíveis, Estratégia no varejo.

## ABSTRACT.

This paper presents scientific research with the general objective analyzing of competitive strategies and how these strategies can contribute to the increase of participation in the retail fuel market for a family business. With the specific objectives of identifying the current strategies of competition of the company, evaluate and characterize the new strategies used for the fuel retail, analyzing the participation of the family in the decision making. The empirical study was conducted in an organization of the sector, proposing a use of opportunities that generate market differentials for results above average for the organization facing the problems and advances faced in this area as the high development of electric vehicles or the great variation and oscillation of cost published regularly by the main distributors in the region. Using the qualitative methodology, the data were collected in the form of individual semi-structured interviews, which were applied and answered in the company. The results indicate that there is a need to improve existing offers, passing the centralization of the vehicle to the customer thus aiming of a long-term result. In addition to a strategic plan aimed at providing a useful and pleasant experience to customers and beyond quality fuels determining a higher result than the current one.

**Keywords:** Family Business, Fuel Retail, Retail Strategy.



## 1. INTRODUCTION

Representing the abilities of companies to have relevance in the face of competition, competitiveness was a highly relevant factor in this study. Through this project, a study was developed to exploit opportunities through competitive strategies in a family business in the retail fuel sector.

The development of the Internet has impacted the multiplication of distribution channels in terms of number and diversity, with many traditional channels losing space while new and innovative channels show growth. Most of these new channels have sophisticated technology and their competitive advantage over existing ones is linked to their efficiency and coverage. PWC (2021) surveyed 2,801 decision-makers in family businesses in 87 territories, including 282 people in Brazil. Even with a slight drop in sales for Brazilian family businesses during the pandemic scenario DeMassis; Rondi (2020), compared to the global average, they showed better results. However, 32% of them inform that they are not prioritizing digital transformation (PWC, 2021). The rapid growth of new distribution channels puts the company in a difficult position because existing channels still represent a major part of revenue, and a sudden change could be conflicting. On the other hand, avoiding the new channels means remaining in the traditional ones, so organizations seek a balance between the traditional and the new resources (KUMAR, 2004).

Making goods and services available to consumers includes distribution channels, which are a network of organizations that collectively perform the functions necessary to connect production companies to end users. Retailers in a distribution channel, also known as intermediaries, are independent companies specialized in connecting sellers and consumers or small organizational buyers. These intermediaries

make exchanges more efficient by offering products and services to target markets. Through their contacts, experience, specialization, and operational scale, intermediaries generally offer the company more than it would obtain by itself and contribute to the reduction of transaction costs (CHURCHILL; PETER, 2011).

By means of a literature review, the research presented the theme that served as the basis for understanding the elements related to the objectives. An exploratory and descriptive research was conducted according to Lakatos and Marconi (2003). Using a qualitative methodology, as proposed by Richardson (2011), data collection happened in the form of semi-structured interviews, applied and answered on-site, with the managing director and coordinators of the production, purchasing, commercial and financial areas of the organization taking part in this study. The interviews were analyzed and interpreted according to Flick (2007).

The retail fuel segment presents a fragmented market in Brazil, with a total of 40,544 sales stations, according to Agência Nacional de Petróleo (or National Petroleum Agency, in English) in its report Boletim Abastecimento em Números nº14 (2019), Supply in Numbers Report, in English. It is worth mentioning that this is a scientific initiation project linked to an extension project being developed at the Mackenzie Presbyterian University. For its development, the following research problem will be formulated:

### 1.1 Research problem

How can competitive strategies contribute to increasing market share for a family-owned company in the retail fuel market?

### 1.2 Justification

This project is justified by proposing identification, utilization, and improvement

in the competition strategies of the studied company with the possibility of researchers' intervention through empirical analysis. The project could contribute to a better relationship between the company and the school through the participation of the student with the teacher-researcher in the company's facilities. The project aims to take advantage of opportunities that generate market differentials for above-average results for the organization.

According to Kotler and Keller (2012), it is essential that the company finds ways to increase the total market, then protects its position with defensive actions, and finally tries to increase its market share, even if the total market size has not changed.

Increasing market share can represent a significant gain in resulting revenue; however, gaining a small market share tends not to be accessible, and therefore, before heading in that direction, it is necessary for the company to evaluate the impact on profitability, which may not necessarily be positive. According to Kotler and Keller (2012), other companies participating in the market may take the stance of attacking, assuming the role of challengers, or remaining neutral, with some assuming the role of market followers.

According to Mattos and Guimarães (2005), this competitive advantage can increase or create value for a customer by either reducing their costs or meeting their expectations. Mattos and Guimarães (2005) also note that many companies invest aggressively and successfully in technologies to retain customers, improve their current processes, and ultimately meet market expectations, with distribution being a way to meet certain expectations. Thus, companies should select channels that provide value, offering products and services according to customer choices (CHURCHILL; PETER, 2011).

Through distribution, companies serve large and heterogeneous markets in smaller segments that can be reached more efficiently and effectively with products and services that meet their unique needs (KOTLER, 2006).

### 1.3 Objectives – General and Specific

To address the research problem of this project, the following general objective will be adopted: To understand how competitive strategies can contribute to increasing market share for a family-owned fuel retail company. Therefore, the following specific objectives will be developed:

- 1) Identify the company's current competition strategies;
- 2) Evaluate new strategies used in retail;
- 3) Characterize new strategies for fuel retail;
- 4) Evaluate the family's participation in decision-making.

## 1. THEORETICAL REFERENTIAL

### 2.1 Strategy

According to Mintzberg (2008), formulating a strategy can be compared to a group of blind people feeling an elephant. By adding up the parts touched, they certainly do not complete the elephant. However, to understand the whole, it is also necessary to understand the parts. For different situations, people, and times, we will find different definitions of strategy, many of which do not distinguish the concept from the creation and expectation of the objective to be achieved, thus compromising an understanding that is applicable to all situations (ULWICK, 1999). Strategy can then be seen as a conscious process of choosing a desired future, in which organizations and people within the organization, within their competitive environment and with their limited resources, will develop and execute action plans to achieve an objective that

would not occur without people's intervention (FERENCE; THURMAN, 2012).

According to Costa (2006), the strategy developed by an organization allows it to create a way of observing, evaluating, and studying the market advancement scenario to develop a vision of the future and set goals and objectives. This way of facing the market trends shows how the organization will use strategies to deal with changes and adaptations. According to Barney and Hesterly (2007), most companies agree that to stay in the market and succeed, they need to know how to choose and implement a good strategy, with implementation occurring when the organization exercises conduct and principles consistent with what was established in the strategy.

According to Kluyver and Pearce (2010), it is interesting for the company to create different strategies according to the scenario so that the organization can broadly anticipate the future, in search of trends. Thus, the company will be better prepared to deal with market changes and can make decisions such as growing, developing, maintaining, or just surviving. These are the four classic types of strategies adopted by organizations or a combination of them, according to Valadares (2003). According to Gemawat (2000), organizations need to have a strong position to obtain a competitive advantage, which even within the same sector leads to performance differences even among direct competitors. The generation of competitive advantage occurs through knowledge and potentiation of the organization's resources, being a collective responsibility within an organizational culture based on the idea that every job must be understood and executed with the aim of obtaining that advantage (BARNEY; HESTERLY, 2007).

According to Guindani and Martins (2013), an organization develops a competitive advantage through a strategy that creates value for customers and anticipates market

trends, thus generating above-average gains compared to its competitors in the retail market.

As defined by Kotler and Keller (2012), retail includes all activities related to the sale of products or services directly to the final consumer, for personal and non-commercial use. According to Kotler and Keller (2012), any organization that uses this form of sales to end consumers, whether manufacturer, wholesaler, or retailer, is practicing retail. No matter how goods or services are sold, whether by personal sales, mail, phone, or vending machine; or where they are sold in a store, on the street or at home, the activity related to the end consumer is called retail (KOTLER; KELLER, 2012).

The concept of retail emphasizes that high-performing retailers need to be strong competitors. They cannot achieve high performance by simply satisfying customer needs. The goal is to satisfy both rational and emotional factors of consumers by delivering products, services, and experiences. They also need to be vigilant to ensure that competitors do not attract their customers (LEVY; WEITZ, 2000). Retailers try to minimize competition by offering unique products and services that are difficult to copy. Since retailers typically buy the products they will sell, competitors can often buy and sell the same products. Retailers cannot patent a unique store design, nor their assortment of products or services. That's why it's so important for any retailer to obtain and maintain a long-term competitive advantage (LEVY; WEITZ, 2000).

Given all the definitions and concepts brought up so far, retail can be summarized as follows: retail represents the final and definitive moment of the distribution chain, in which the end consumer must mean the perfect alliance of the supplier market with the consumer market, always unfolding in synergies that exceed the expectations of



these two parties. And how to choose paths for the company in retail?

## 2.2 Strategy Applied in Retail

Imagining the future has always been a difficult exercise, and in recent years technological advances have made this task more difficult (SCHWARTZ, 2006). Shopping in physical stores offers consumers something unique and valuable compared to the digital domain: a social experience and a tactical experience.

Comparing how consumers made their purchases in the last decade and how they do it today, it hasn't changed much. But it is certain that in the next ten years, retail will be completely different from today. The speed of this evolution, the growth of e-commerce, and a supposed decline in retail have generated the so-called retail apocalypse (LEVY; WEITZ, 2000).

It is evident that online sales will continue to grow in the coming years, but one should pay attention to the prospects for the sector considering strategy, CRM usage, and loyalty.

What is common in the digital world highlights a deficiency in physical retail: the need for personalization and product recommendations. With the empowerment of the consumer, regardless of the purchase channel, allowing them to feel unique, and not just another one. Retailers need to satisfy consumers' desires with smarter and more personalized experiences, thus maintaining competitiveness (LEVY; WEITZ, 2000).

Through digital transformation, personalized experiences for the customer should be created, business should be remodeled, and innovation should be provided to maintain competitiveness, these are the three pillars driven by digital transformation.

In retail, digitization is crucial for improving communication and customer

service, and supporting the flexibility and adaptability required to serve customers wherever and however they want. Digital transformation in retail is no longer a trend, but a market necessity. Changes in consumer behavior, such as the use of smartphones to interact with brands, products, and services, have altered the way things were done before (Thompson; Strickland III; Gamble, 2008).

The cellphone will indicate the product the customer wants and the best price option within the store. Ultimately, this is a fundamental transformation in the consumer-retailer relationship. The main point is to understand that the mission of retail will change substantially: moving away from the primary role of distribution, to become a center for intelligence and consumer solutions.

Through artificial intelligence, a customer enrolled in a loyalty program enters a store and is identified in real time by a facial recognition system, which knows their age range, preferences, and purchasing habits. It is then possible to make personalized product, service, and offer recommendations. Additionally, information such as how long the customer stayed in the store, where they spent the most time, whether they took a product off the shelf, returned it or purchased it, can all be collected through the use of intelligence.

The retailer does not need to have all digital technologies and innovations, but they should make good use of them, partnering or associating with startups, and always ensuring a great shopping experience for the customer (Morais, 2017). The strategic intention requires a considerable effort from the organization. Current capacities and resources are not enough. This forces the organization to be more inventive, to make the most of its limited resources (Burgelman, Christensen, Wheelwright, 2012) and apply them to the market in which it works or intends to enter.

## 2.3 The Fuel Retail Sector

Until the 1990s, Brazil's fuel market was marked by excessive government intervention. Prices were regulated throughout the 1980s and used as an instrument of macroeconomic policy to contain inflation. In 1993, a gradual process of deregulation began, culminating in 2002 with the liberalization of prices at fuel stations to protect consumers' interests regarding price, quality, and availability of fuel. Another consequence of deregulation was the emergence of many stations without an exclusive contract with any distributor, known as "white label," stations. The fuel retail sector gained a new dynamism, mainly in terms of prices. In today's market, where competition is the norm, retailers vie for consumers' preference by adding services to their stations and seeking to improve customer service to build loyalty. Under competition, the market is governed by competitiveness, driving companies to optimize their business, aiming to win the competition and achieve greater profitability.

According to Porter (1986), companies in the industry are identified by their unique selling point and their internal effort or by being the first in the market. Product differentiation in this market is achieved through the service provided to customers during the sale, but this can be replicated if customers are not loyal.

The fuel retail market is characterized by being a highly fragmented market with the predominance of family-owned companies that do not often disclose their results. According to Agência Nacional de Petróleo (or National Petroleum Agency, in English) in its report Boletim Abastecimento em Números nº14 (2019), there were more than 40,000 retail stations in the country at the end of 2018, with 44.1% of them being unbranded, which allows emerging

distributors that do not have their own retail network to sell to these retailers.

In the retail market, the cost of obtaining information regarding pricing practices can lead to an asymmetric response from fuel stations to variations in distributors' prices. However, consumers can also cause an asymmetric effect on the market when they anticipate consumption in response to information that fuel distributors face increased costs and possibly higher prices. As a result, demand and prices increase. This hypothesis was discussed by Balke et al. (1998), and the movement causing the asymmetry would occur from retail to wholesale (SINERGIA, 2022).

The fuel retail sector is currently experiencing a period of disruption. This is being represented through the adoption of new business models, sales strategies, product offerings, as well as electric vehicles, ride-sharing services such as Uber, and the development of autonomous driving. This evolution presents a significant threat to retailers.

BCG conducted an in-depth study of the fuel retail industry, detailing four very different market environments that are likely to emerge worldwide, each defined by changes in consumer mobility and lifestyles that will occur by 2035.

**Figure 1- Competitiveness in the fuel chain**



Source: BCG Analysis (2021)

Thinking of compensating for future decline, the scenario foresees the need to build a long-term competitive advantage by

focusing on three areas. Improving existing offerings by shifting the vehicle's focus to the customer and meeting their end-to-end needs. Transforming the network and asset portfolio to capture new opportunities, using digital technologies to create an engaging and continuous experience. Developing new capabilities and knowledge by investing in infrastructure, expanding alternative fuel offerings such as EV charging, and considering partnerships and collaboration with mobility and retail ecosystem participants.

## 2.4 Family Businesses

A common characteristic of family businesses spread throughout the world is their concentrated ownership structure, where family members control the company's decision-making process directly as executives or indirectly on the board of directors (BRESSAN; SCHIEHLL; PROCIANOY; CASTRO, 2019). Bornhold (2005) defines a family business as any organization with links that go beyond corporate and economic interests and is managed by family members. Pursuing a central objective, which is the reason for the company's existence. This objective consists basically of satisfying the needs of both its customers - through the products and services offered - and its investors - through profit generation.

According to Lopes and Carrieri (2010), such ties make family business management more complex. The great challenge for a family business is to remain competitive in the market. While it is possible to enjoy a supposed security because they are members of the same family, there may be a lack of separation between personal matters and business, conflicts between family and business interests.

According to Fortes, Danieli, and Müller (2013), it was very common to have family successors continue the organization's

prospects, stretching the company in the mold left to them as an inheritance by the founder. What brings great difficulties to the current scenario are the idealizations created by the progenitor, questioning whether these will continue to prosper. This raises the issue of succession, which can cause business disorganization due to conflicts of ideas and objectives.

Family businesses had to adapt to survive. They needed to understand and address their specificities. Tondo (2008) points out three basic conditions for a company to be considered a family business: control of social capital, active family participation in the company's management and strategies, and a close relationship between family and business.

In the current business environment, in which the pace of change is gaining speed, profit will need to be aligned with purpose (PWC, 2021). Large family businesses that survive for many generations ensure that their ownership spirit is permeated with a strong sense of purpose (CASPAR; DIAS; ELSTRODT, 2010).

These have the necessary characteristics and capabilities to gain an advantage in situations where competence and ethics are mandatory. However, they will be compelled to rethink their priorities and review behaviors by increasing investment in digital tools and applications to achieve economic resilience and redefine the concept of transmitting a business to future generations (PWC, 2021).

## 3. METHODOLOGICAL PROCEDURES

### 3.1 Study Environment

The company object of this study is a gas station located in the East Zone of the city of São Paulo, whose history goes back to 2007 when a new partner joins the business and becomes the sole owner from 2010. This is the embryo of what would become a network of retail fuel trade spread

throughout the city of São Paulo. The development, administration, and history of a large part of the participants in this type of retail trade are characterized by entrepreneurship and family structure.

### 3.2 Research Methodology

This research project is exploratory in nature, which, according to Vergara (2000) and Sampieri, Collado, and Lucio (2016), is an investigation to be carried out in an area where there is little accumulated and systematized knowledge and descriptive. The research method used will be qualitative, which, according to Godoy (1995), is used when one wishes to know the phenomenon, mainly because it is research that begins without assumptions. The qualitative method seeks to understand the nature of a social phenomenon, without using statistical tools (FLICK, 2007), focusing on the totality of the individual as the object of study. It is accepted that beliefs and values influence theories, methods, and interpretations of research results. For Flick (2007), qualitative data also encompasses different information such as videos, films, paintings, and soundtracks. Thus, by using this method, it is intended to understand and compare the factors that lead to the strategic choices of different companies.

In this way, data are collected by seeking a greater understanding of relevant points of view. The following techniques and instruments will be used for data collection in this study: interviews with semi-structured scripts, developed from literature review, observation, as well as the follow-up of work routines and documentary analysis (CRESWELL, 1998; BRYMAN, 2004). According to Cervo and Bervian (2007), the interview is one of the main data collection techniques, while Gil (2008) considers it appropriate to obtain information about what people know, believe, expect, feel, or desire. As a result, interviews will be conducted in person,

recorded if allowed by the interviewees, and transcribed for analysis. The identification of the interviewees will be kept confidential unless explicit permission is given for publication. The interviewees for this study, considered key informants by Yin (2010), will be the owner, the operations manager, and people involved in the fuel trade in the company's operating region. However, other subjects may be incorporated for interviews because, according to Duarte (2002), "in qualitative research, the number of subjects can hardly be determined a priori, as everything depends on the quality of the information obtained." This data will be collected in Greater São Paulo, State of São Paulo, at the company's headquarters.

As the research approach is qualitative in nature, the strategies used for data treatment will be those of text interpretation. Flick (2007) states that for a correct and coherent interpretation of data collected in qualitative research, it is necessary to verify if the procedure was correctly applied, meaning if the semi-structured interview has a logical sequence of questions.

The data analysis technique aims to interpret the information obtained through interviews to understand the exposed situation. According to Flick (2007), the interview can be initiated through a conversation about common situations, recorded and transformed into text for interpretation. It is necessary that the elaboration of questions has a logical order and is clear, avoiding ambiguity, to generate an assertive analysis and increase the comparability of the collected data.

While research analysis can be done with certain rules, interpretation is not subject to rules, but depends on the person who makes it and their previous knowledge. For a good interpretation, specialized literature points out undesirable attitudes that can compromise research. These attitudes are overvaluing empirically obtained data and getting lost in theoretical constructions. When supported by sufficiently confirmed



theories, interpretations can support the questions raised in the research (GIL, 2008). For the validity of the obtained information, it is necessary to evaluate if the degree of truthfulness sought was achieved by confronting different sources.

## 4. RESULTS AND E DISCUSSION

### 4.1 Profile of Interviewees

Chart 1 – Profile of Interviewees

Interviewees	Age	Education	Position	Time Active
Interviewee 1	48	High School	Administrative Manager	5 Years
Interviewee 2	60	Account Science Technician	Financial Manager	14 Years
Interviewee 3	42	Law, Economics and Administration Bachelor	Lawyer and consultant of fuel dealer	15 Years
Interviewee 4	50	High School	Partner Director	23 Years

Source: The authors (2023)

After getting to know each of the managers and participants better in our interviews, we moved on to the next questions which involved family issues, retail, business management, and then perspectives. At this stage, we focused on the individual as the object of study. To address the first topic, we asked them to talk about the challenges of a family business, aiming to find both sides of this topic. As they say in:

One of the biggest challenges is coexistence. The issue of being with

<sup>1</sup> Original text: “Um dos maiores desafios é a convivência. A questão de estar com a mesma pessoa no seu local de trabalho e também em ambientes familiares. Mas a pessoa, sabendo separar essa relação não há discussões. E dentro da empresa, a gente respeita a hierarquia, evitando também problemas interpessoais. (Entrevistado 1 – Julho, 2022)”.

<sup>2</sup> Original text: “Os membros precisam ter uma visão empresarial e não de um grupo de benefício, agindo como empreendedores. E diante qualquer opinião diferente ou maneira alternativa de interpretar, é sempre bom reunir os envolvidos e discutir a melhor forma de conduzir e resolver os problemas visando sempre o melhor para a empresa. (Entrevistado 2 – Agosto, 2022)”.

the same person in your workplace and in family environments. But if the person knows how to separate this relationship, there are no arguments. And within the company, we respect the hierarchy, also avoiding interpersonal problems. (Interviewee 1 - July 2022)<sup>1</sup>.

Members need to have a business vision and not that of a group of benefits, acting as entrepreneurs. And in the face of any different opinion or alternative way of interpreting, it is always good to gather those involved and discuss the best way to conduct and solve problems, always aiming for the best for the company. (Interviewee 2 - August 2022).

I believe in a modern organization with a partnership philosophy that is concerned with partner agreement methodologies with clear rules and well-defined activities of the participating individuals. Obviously, family structures have particularities from the perspective of more difficult emotional relationships, as they do not worry about management processes, which inevitably impact the management of any business and make it "slow and heavy." (Interviewee 3 - August 2022)

Divergence of opinions is the great adversity. However, alignment meetings, having maturity to separate professional from personal, as well as departmentalizing functions, are sufficient for our integrated environment. And I believe that we have an advantage of having the "spirit of looking at everything as an owner" as our lawyer and consultant says, bringing even the issue of succession. (Interviewee 4 - August 2022)<sup>2</sup>.

Acredito em uma organização moderna com filosofia de partnership que se preocupa metodologias de acordos de sócios com regras claras e atividades bem definidas das pessoas participantes. Obviamente que estruturas familiares possuem particularidades sob o prisma de relacionamentos emocionais mais difíceis, pois não se preocupam com processos de gestão o que fatalmente impactam na gestão de qualquer negócio e o torna “lento e pesado”. (Entrevistado 3 – Agosto, 2022)

Divergência de opiniões é a grande adversidade. Porém as reuniões de alinhamento, ter maturidade para separar o profissional do pessoal além de departamentalizar as funções é o suficiente para o nosso ambiente integrado. E acredito que nós possuímos uma vantagem de ter o “espírito de olhar para tudo como proprietário”

As we analyze the relationship between the responses and the theoretical framework, we notice that both present pros and cons. Using the statement of one of the interviewees as a basis, most managers have the same central objective of satisfying the demands of their customers and investors through profit generation. On the other hand, caution is necessary due to the common lack of separation between personal matters and business or the conflict of interests, and even the possibility of family successors continuing the organization's prospects without adaptation, understanding that not only family businesses require this condition to survive.

However, when we asked the interviewees to better characterize the retail issue and what the biggest difficulties would be, 100% of them responded that it would be unfair competition. That is, those merchants who work with products outside the specifications of the Agência Nacional de Petróleo (or National Petroleum Agency, in English), such as adulterated fuels, resulting in a price below the average. It seems to us that equalizing values with competitors is unfeasible because the profit margin will be below the expected monthly projections. As they said in:

In the past, fuel prices were practically fixed. Today this no longer exists, competitors work with very low values, making it practically impossible to practice these prices. (Interviewee 1 - July 2022).

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como diz nosso advogado e consultor, trazendo até a questão de sucessão. (Entrevistado 4 – Agosto, 2022)”

<sup>3</sup> Original text: “Antigamente, os preços dos combustíveis eram praticamente tabelados. Hoje isso não existe, os concorrentes trabalham com valores muito baixo sendo praticamente impossível praticar esses preços. (Entrevistado 1 – Julho, 2022).

Nosso lucro está sendo cada vez mais achatado pelos concorrentes desleais que praticam o adultério de combustíveis e devido o aumento dos impostos e dos valores na base. Comparando essa realidade com a década passada, os preços eram melhores trabalhados e esse tipo de concorrência era mínima. (Entrevistado 2 – Agosto, 2022).

As maiores dificuldades do ramo sem dúvida alguma seriam, a concorrência desleal, excesso de legislação fiscalizatória que

Our profit is increasingly being squeezed by unfair competitors who engage in fuel adulteration and due to increases in taxes and base values. Comparing this reality to a decade ago, prices were better managed, and this type of competition was minimal. (Interviewee 2 - August 2022).

The biggest difficulties in the industry are undoubtedly unfair competition, excessive regulatory legislation that makes the sector extremely dependent on an inefficient public sector, and the need for proper risk management (administrative, accounting, and legal). (Interviewee 3 - August 2022).

The main difference, comparing the current scenario of fuel retail with that of the past decade, is price stability. Literally, today the price of fuel to buy at the base is equal to that of the stock exchange, starting with one price and ending with another. In addition to the immense amount of taxes and tax persecution. It can also be considered that most owners of large gas stations are also responsible for the distributor, working with almost a resale price at the pump. (Interviewee 4 - August 2022)<sup>3</sup>.

The free competition is established in Article 170 of the Federal Constitution, guaranteeing the possibility for the entrepreneur to establish their business according to their own objectives, but it must occur within the limits of good faith and loyalty. In the case of the study of a company in the retail fuel market, unfair competition is the main opponent of a good business, in addition to the instability of base prices resulting in difficulty

torna o setor extremamente dependente do setor público ineficiente, gerenciamento de riscos (administrativos, contabilidade e jurídico adequado). (Entrevistado 3 – Agosto, 2022).

A principal diferença, comparando o atual cenário do varejo de combustíveis com o da década passada é a estabilidade do preço. Literalmente, hoje o valor do combustível para comprar na base é igual o da bolsa de valores, começa com um preço e termina com outro.

Além da imensa quantidade de tributos e uma perseguição fiscal. Podendo levar em consideração também, que a maioria dos proprietários de grandes postos, também são os responsáveis pela distribuidora, trabalhando quase com um preço de revenda no tanque. (Entrevistado 4 – Agosto, 2022)”.

establishing fuel prices at the pump and attracting customers through it. We also know that in this sector, the main differential for the consumer is the internal effort and services provided to customers at the time of sale, but this can have a rebound effect if there is no customer loyalty.

Regarding the management of the company and its perspectives, the responses of the interviewees are also aligned and mention a strategic plan aimed at providing a useful and enjoyable experience to customers and ensuring quality fuels, determining a result that would improve the market currently. In this way, the company protects itself from possible declines, based on the principle that the scenario requires building a long-term competitive advantage. This is evident in:

It is necessary to have good cash flow control, periodically review goals, invest in visual and digital communication, and have good management software. The differential is competitive prices, effective customer service, loyalty programs for frequent customers, product quality, and employees who indicate effectiveness. (Interviewee 1 - July 2022).

Gaining the customer's trust is the key, providing quality and prompt customer service, as well as promoting loyalty promotions. (Interviewee 2 - August 2022).

The individuality of the market allows for quality in the product and service provided, excellent financial and people management. Always seeking advanced solutions that aim for better

results in the management of our business and customers. However, I see that management processes, such as (but not limited to) expense provisioning and search for people incentive programs, should always be revitalized with a focus on better delivery of quality product and/or service to the customer. (Interviewee 3 - August 2022).

In our companies, we value the customer, whether they are with us every day or just stop by for an emergency, so they will certainly have qualified service from the moment they enter until they leave. We rely on proficient management software that works from the pump, convenience store, inventory, and through the office, with efficient and productive dashboards. And our loyalty program is one of our differentiators, where we offer exclusive prizes and discounts to our customers, encouraging their return and consistency. (Interviewee 4 - August 2022)<sup>4</sup>.

It is evident that all members of the company recognize the need to adapt the business beyond offering unique customer service. Attention should be paid to perspectives considering strategy, the use of Customer Relationship Management (CRM), and loyalty. Emphasizing the need for personalization in service and product recommendations. And indeed, generating an experience and, like the company of the interviewees, using digitalization to their advantage, improving communication and customer service.

<sup>4</sup> Original text: "É necessário realizar um bom controle de fluxo de caixa, revisar as metas periodicamente, investir em comunicação visual e digital e ter um bom software de gestão. Tendo como diferencial preços competitivos, eficácia no atendimento, programa de fidelidade para os clientes enfrentes, produto e qualidade e colaborados com indicadores de efetividade. (Entrevistado 1 – Julho, 2022)

Conquistar o cliente de forma confiável é o diferencial, viabilizando um atendimento de qualidade e prontidão, além de promover promoções de fidelidade. (Entrevistado 2 – Agosto, 2022)

A individualidade do mercado é permitir qualidade no produto e serviço fornecido, excelente gestão financeira e de pessoas. Sempre buscando soluções avançadas que visam melhor resultado na gestão de nossos negócios e clientes. Entretanto,

visualizo que processos de gestão, tais como (e não restrito a eles), provisionamento de gastos e busca de programas de incentivos a pessoas devem sempre ser revitalizados com foco em melhores resultados de entrega de produto e ou serviço de qualidade ao cliente. (Entrevistado 3 – Agosto, 2022)

Nas nossas empresas, a gente preza pelo cliente, seja aquele está conosco todos os dias, até aqueles que param por emergência, então com certeza eles terão um atendimento qualificado desde a entrada até a saída. Contando com um software de gestão hábil, que trabalha desde a pista, loja de conveniência, o estoque e passando pelo escritório, com dashboard eficiente e produtivo. E, sistema de fidelidade sendo um dos nossos diferenciais, onde oferecemos prêmios e descontos exclusivos para os nossos clientes, incentivando o retorno e a constância desses. (Entrevistado 4 – Agosto, 2022)"

## 5. CONCLUSION

Due to the mentioned facts, we concluded that we achieved our general and specific objectives by understanding how competitive strategies can contribute to increasing the market share of a family-owned fuel retail company. Thus, the development of the work allowed an intrinsic analysis of the studied company, recognizing its current strategies and major adversities. In addition, the data obtained in the field research made the knowledge about how family relationships influence decision-making and the prospects for the future of the industry more consistent. Thus, the proposed objectives were truly achieved. In this way, we identified the current competition strategies of the company and simultaneously evaluated the new strategies used in retail. Thus, we were able to reformulate new characteristics of the strategy for the company.

Therefore, it was possible to recognize the main difficulties of the studied company, understanding that increasing sales through prices is difficult due to competitors working with a value below the average, whether by adulteration or by the benefits of a monopoly. The adopted strategy proposal would be to have contact with a range of bases that distribute fuel for the best price quotation. Or, in fact, to enter this sales monopoly, to gain advantages over the cost of fuel. It is of utmost importance to have knowledge of the prices worked by competitors, in order not to lose sales due to this aspect and to seek to equalize these values. On the other hand, it is known that in addition to the price issue, the best resources are used to keep customers loyal, understanding today that they are more important than the vehicle itself that needs fuel. The organization makes it clear that you need to be unique, and this is assimilated with the proposal of the theoretical reference. From customer service to established services, they need to be considered because this will be the

differential and what would stand out among others, even those with lower prices. Regarding family relationships, this ceases to be a problem because the organization's members deal very well with the issue, thus enjoying only the positive points of working with the family.

It is necessary to stop and reflect on the current scenario of fuel retail, considering that it has been surpassed through the adoption of new business models, sales strategies, and product offerings, making long-term strategic planning fundamental, considering ways to compensate for this, as well as thinking about what to add to the customer besides something that fuels the vehicle. And certainly, this was also a question in our article, but for fuel retail to survive, it is essential to adapt and leverage by keeping up with digital technology. By taking advantage of these strategic opportunities, fuel retailers can play essential roles for companies in consumers' lives. Thus, we conclude that in this way, they will not only survive but also thrive in the coming years.

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