

Specialty Motor Oils Pour into Lube Market

by Garrett McKinnon
NOLN Staff Writer
garrett.mckinnon@noln.net

Have you been to the cereal aisle of a grocery store lately? Chances are, there's a breakfast cereal for just about any appetite under the sun. Supermarkets have cereal with raisins, peaches, "fresh" strawberries, etc. Good old Lucky Charms (a childhood favorite of an entire generation of Americans) is still around, as are other kid favorites like Trix, Cocoa Puffs and others. Even Shrek has his own cereal brand.

The reason for the huge variety of breakfast cereals is that American consumers love having choices. The days of shoppers being satisfied choosing between two or three brands or product types is long gone. Today's consumers want options, and more and more companies are working hard to deliver those options.

The motor oil market is no different. Time was when the only choice a consumer had to make was what weight of motor oil to add to their vehicle. Now, though, consumers can choose from a wide variety of motor oils.

By some estimates, specialty motor oil sales now make up as much as 20 percent of the motor oil sold by oil companies. By 2010, some estimates peg that number as high as 50 percent, demonstrating the phenomenal growth in the specialty motor oil category.

Savvy fast lube operators have picked up on this trend, as well, because not only do today's consumers desire having options available to them, they're more than willing to pay extra for products they perceive as delivering extra benefits. It's why some breakfast cereals are much, much more expensive than generic bran flakes — consumers see them as premium products and they're willing to spend more for them.

Fast lube customers are the same way. They're often willing to pay extra for a premium product.

"Premium product is important," said

THE VALVOLINE COMPANY



Specialty/Synthetic Oils Offered:

Valvoline SynPower
Motor Oil
(Full Synthetic)

Valvoline DuraBlend
Motor Oil
(Synthetic Blend)

Valvoline MaxLife
Motor Oil
(High Mileage)

Specifications Met:

API: SM, CF
ILSAC: GF-4
(5W-20, 5W-30, 10W-30)

API: SM, CF
ILSAC: GF-4
(5W-20, 5W-30, 10W-30)

API: SM
ILSAC: No

Grades Available:

5W-20, 5W-30,
10W-30, 5W-40,
20W-50

5W-20, 5W-30,
10W-30, 10W-40,
15W-40, 20W-50

5W-30, 10W-30,
10W-40, 20W-50

For more information, call (859) 357-7777.

SHELL LUBRICANTS



Specialty/Synthetic Oils Offered:

Pennzoil High Mileage
Vehicle

Pennzoil SUV, Truck and
Minivan

Pennzoil Platinum

Pennzoil Platinum Hybrid

Specifications Met:

API: SM
ILSAC: No

API: SM
ILSAC: GF-4
(5W-20, 5W-30, 10W-30)

API: SM
ILSAC: GF-4
(5W-20, 5W-30, 10W-30)

API: SM
ILSAC: GF-4

Grades Available:

5W-30, 10W-30, 10W-40,
20W-50

5W-20, 5W-30, 10W-30,
15W-40

5W-20, 5W-30, 10W-30,
5W-50, 5W-30 Euro,
5W-40 Euro

0W-20

Shell Lubricants continued on next page...

Craig Lange, market space manager for Quick Lubes with BP Lubricants USA, in a recent interview. "Synthetic and premium oils are becoming a bigger part of the market."

Lange said that customers feel safe coming to lube shops that offer premium products, even if they don't purchase those products. Going back to the cereal analogy, consumers might not always purchase the most expensive cereal brand, but they tend to shop at the supermarkets that at least give them the option of making that purchase.

Ray Sparling, director of Programs at ConocoPhillips, said in a recent interview that the growing market for specialty motor oils presents a golden opportunity for lube operators.

"There's an opportunity by installers to be able to offer greater performance and value," he said "Installers can differentiate themselves from their competition."

Here at *National Oil & Lube News*, we've identified six specific categories of 'specialty' motor oils. Following is a list of those oils and what makes them unique:

Synthetic Motor Oil

Probably the oldest category in the specialty motor oil market, synthetic motor oils have been around for more than 30 years, and they remain one of the biggest specialty categories. The reason? In a word, protection.

"(Synthetic motor oils provide) superior protection under high operating temperatures and extreme driving conditions," said David Kunkel, Retail/Installed/Private Label Sales and Marketing manager, Automotive Lubricants at CITGO Petroleum. "They also provide superior cold temperature protection through faster oil flow at start-up."

Synthetic motor oils' advantages over conventional motor oil are many. Improved deposit control. Improved viscosity. Reduced oil consumption. Improved fuel economy. Reduced heat and emissions. Reduced wear. And, as stated above, outstanding protection in high and low temperatures.

"Full synthetics are still a small overall part of the market share," said Mark Ferner, the head of Technical Research & Development at Shell Lubricants' Quaker State brand. "But as OEMs design higher requirements, the trend seems to be going

SHELL LUBRICANTS (continued from previous page)



<u>Specialty/Synthetic Oils Offered:</u>	<u>Specifications Met:</u>	<u>Grades Available:</u>
Q Advanced Engine Full Synthetic	API: SM ILSAC: GF-4 (5W-20, 5W-30, 10W-30)	5W-20, 5W-30, 10W-30, 5W-50,
Q 4x4 and SUV Synthetic Blend	API: SM ILSAC: GF-4 (5W-20, 5W-30, 10W-30)	5W-20, 5W-30, 10W-30, 10W-40, 15W-40
Q Hi-RPM Synthetic Blend	API: SM ILSAC: GF-4 (5W-30, 10W-30)	5W-30, 10W-30, 20W-50
Quaker State High Mileage Engine with Slick 50	API: SM ILSAC: GF-3 (5W-20, 5W-30)	5W-30, 10W-30, 10W-40, 20W-50
Quaker State Winter Synthetic Blend	API: SL ILSAC: GF-3	5W-30, 10W-30
Q Diesel Plus Synthetic Blend	API: SJ/CF ILSAC: No	5W-40
Q European Engine Full Synthetic	API: SL/CF ILSAC: No	5W-30, 5W-40



<u>Specialty/Synthetic Oils Offered:</u>	<u>Specifications Met:</u>	<u>Grades Available:</u>
Formula Shell Full Synthetic	API: SM ILSAC: GF-4	5W-30, 10W-30
Formula Shell Synthetic Blend	API: SM ILSAC: GF-4	5W-30, 10W-30
Formula Shell High Mileage Formula	API: SL ILSAC: No	10W-30, 10W-40

For more information, call 1-800-990-9811 (Pennzoil), 1-800-BESTOIL (Quaker State) and 1-800-840-3806 (Shell).

ROYAL PURPLE



<u>Specialty/Synthetic Oils Offered:</u>	<u>Specifications Met:</u>	<u>Grades Available:</u>
Royal Purple High Performance Motor Oil	API: SL (5W-20, 5W-30, 10W-30) CI-4 (10W-30, 15W-40) CF-4 (10W-30, 10W-40, 15W-40, 20W-50) CI-4+ (15W-40) ILSAC: No	5W-20, 5W-30, 10W-30, 10W-40, 15W-40, 20W-50

For more information, call (281) 354-8600.

toward higher-performance oils.”

Currently, synthetic motor oil accounts for 5 to 10 percent of total motor oil sales at many oil companies. Some companies project, however, that by 2010, synthetic motor oil will account for as much as 40 percent of motor oil sales. Even conservative estimates place the percentage as high as 15 percent, meaning the synthetic motor oil market is poised for rapid growth in coming years as more automakers recommend synthetic lubricants in their vehicles.

Already, many European automakers recommend synthetic motor oil, which is why more oil companies are designing their products to meet both American fuel efficiency standards and European protection standards. Pennzoil's new Platinum synthetic motor oil is one such product.

Some lube operators have been reluctant to embrace synthetic motor oil due to concerns about extended oil change intervals, a few motor oil manufacturers insist that extended intervals should be embraced, with higher ticket averages offsetting reduced car counts. Amsoil has long recommended 7,500-mile intervals with its best-selling XL 7500 synthetic motor oil, and ExxonMobil recently introduced Mobil 1 Extended Performance, a synthetic motor oil the company says is designed to last up to 15,000 miles. And ConocoPhillips says synthetic motor oils have “extended drain potential versus conventional mineral oils.”

While the argument over synthetic motor oil and extended drain intervals continues, suffice it to say that synthetics will continue to be one of the most popular choices that fast lube consumers make, now and in years to come.

Synthetic Blend Motor Oil

While full-synthetic motor oils rely on very highly refined conventional base stocks or on man-made polyalphaolefins, synthetic blend motor oils rely on a combination of those high-quality base stocks and regular conventional base stocks. And while they do not offer the same high level of protection as full synthetics, they do offer protection superior to conventional motor oil at a price that's not as expensive as full synthetics.

At least one company so believed in the power of synthetic blend motor oil that it changed its entire line of oil to blends.

EXXONMOBIL



<u>Specialty/Synthetic Oils Offered:</u>	<u>Specifications Met:</u>	<u>Grades Available:</u>
Mobil 1	API: SM, CF ILSAC: GF-4 (0W-30, 5W-20, 5W-30, 10W-30)	0W-30, 0W-40, 5W-20, 5W-30, 10W-30
Mobil 1 Extended Performance	API: SM, CF (10W-40, 15W-50) SL ILSAC: No	5W-30, 10W-30, 10W-40, 15W-50
Mobil Clean High Mileage	API: SM, CF ILSAC: GF-4 (5W-30, 10W-30)	5W-30, 10W-30, 10W-40
Mobil Clean 7500	API: SM, CF ILSAC: GF-4	5W-20, 5W-30, 10W-30
Mobil 1 Truck & SUV	API: SL, CF, CI-4 ILSAC: No	5W-40

For more information, call 1-800-ASK-MOBIL.

CONOCOPHILLIPS LUBRICANTS



<u>Specialty/Synthetic Oils Offered:</u>	<u>Specifications Met:</u>	<u>Grades Available:</u>
76 High Performance Full Synthetic Motor Oil	API: SM, CF (5W-30, 10W-30) SJ, CF (20W-50) ILSAC: GF-4 (5W-30, 10W-30)	5W-30, 10W-30, 20W-50
76 Super Synthetic Blend Motor Oil	API: SM ILSAC: GF-4	5W-20, 5W-30, 10W-30
76 High Performance Motor Oil	API: SM (10W-30) SL (10W-40, 20W-50) ILSAC: GF-4 (10W-30)	10W-30, 10W-40, 20W-50
76 Pure Synthetic Motor Oil	API: SL, CF ILSAC: No	5W-40

ConocoPhillips continued on next page...

ConocoPhillips announced last fall that its GF-4 motor oils would be made entirely of synthetic blends.

“We created quite a stir in the mid-tier pricing structure,” said ConocoPhillips’ Sparling. “But installers know it’s good for business.”

Sparling said the move was a positive one, as the company has seen “terrific” growth in its 5W-20 and 5W-30 offerings.

“The synthetic blend strategy has a lot of people’s attentions,” he said. “Because of our position, we’re starting to see more opportunity.”

Like full synthetics, however, there is some concern about extended oil change intervals when consumers switch to synthetic blends. For instance, Mobil’s synthetic blend motor oil, Mobil Clean 7500, was designed to “extend engine life and protect engines from sludge and harmful deposits for 7,500 miles between oil changes.”

Mobil officials said the extended interval recommendations were in response to customer expectations.

Still, synthetic blend motor oil continues to be a lower-priced alternative to full-synthetic motor oil, and many fast lubes have adopted conventional, synthetic blend and full-synthetic oil changes as a “good, better, best” strategy, one that is attractive with consumers.

As we’ll see, however, the ‘better’ category isn’t limited to synthetic blends.

High-Mileage Motor Oil

Valvoline created the high-mileage category with its MaxLife motor oil, and in the years since, the category has burgeoned. Today, almost every major oil company offers at least one high-mileage motor oil brand.

High-mileage motor oils are designed for older vehicles, typically those with more than 75,000 miles of service. The oils were created with additional seal conditioners and cleansing agents to protect engines while keeping critical parts clear of sludge and other deposits.

“There really is a difference in the product,” said Ferner. “It’s important to condition intake valve seals to prevent oil from leaking past the seals. You also want to make sure the oil that is left in the chamber doesn’t burn off.”

CONOCOPHILLIPS (continued from previous page)



<u>Specialty/Synthetic Oils Offered:</u>	<u>Specifications Met:</u>	<u>Grades Available:</u>
Conoco High Performance Motor Oil	API: SL ILSAC: No	20W-50
Conoco Super All Season Synthetic Blend Motor Oil	API: SM ILSAC: GF-4	5W-20, 5W-30, 10W-30
Conoco Syncon High Performance Synthetic Motor Oil	API: SM, CF ILSAC: GF-4	5W-30, 10W-30



<u>Specialty/Synthetic Oils Offered:</u>	<u>Specifications Met:</u>	<u>Grades Available:</u>
Kendall GT-1 Full Synthetic Motor Oil	API: SM, CF SL (5W-40) ILSAC: GF-4 (5W-30, 10W-30)	5W-30, 10W-30, 5W-40
Kendall GT-1 Synthetic Blend Motor Oil	API: SL ILSAC: No	10W-50
Kendall GT-1 High Mileage Synthetic Blend Motor Oil	API: SL ILSAC: No	5W-30, 10W-30, 10W-40
Kendall GT-1 High Performance Motor Oil	API: SL ILSAC: No	20W-50
Kendall GT-1 High Performance Synthetic Blend Motor Oil	API: SM ILSAC: GF-4	5W-20, 5W-30, 10W-30



<u>Specialty/Synthetic Oils Offered:</u>	<u>Specifications Met:</u>	<u>Grades Available:</u>
Phillips 66 TropArtic Full Synthetic Motor Oil	API: SM, CF ILSAC: GF-4 (5W-30, 10W-30)	5W-30, 10W-30, 5W-50
Phillips 66 TropArtic Synthetic Blend Motor Oil	API: SM ILSAC: GF-4	5W-20, 5W-30, 10W-30
Phillips 66 TropArtic Racing Synthetic Blend Motor Oil	API: SL, CF ILSAC: No	15W-40
Phillips 66 TropArtic Racing Motor Oil	API: SL ILSAC: No	20W-50
Phillips 66 TropArtic Turbo Motor Oil	API: SM ILSAC: GF-4	10W-30

For more information, call 1-800-435-7761 (76 Lubricants), 1-800-255-9556 (ConocoPhillips), 1-800-766-0050 (Phillips 66), and 1-800-368-1267 (Kendall).

SUV/Truck Motor Oil

One of the newest motor oil categories is one we're calling SUV/Truck. Essentially, these motor oils (which may be formulated with conventional, synthetic-blend or full-synthetic base stocks) were created to meet the needs of sport-utility vehicles (SUVs) and pickup trucks, most of which have larger engines than a typical passenger car.

"Typically, truck and SUV oils meet API and ILSAC standards, but on top of that they have additional protection built in," said Ferner.

"We assume these engines will be running hot, so we build extra heat protection into the oil."

Companies like Castrol, Pennzoil and Quaker State all offer some type of SUV/Truck motor oil — most of which are available in heavier grades than typical passenger car motor oils.

Racing/High-Performance Motor Oil

Though racing motor oils have been around for years, oil companies have only recently begun to market high-performance motor oil to fast lube customers.

Racing oils (which, again, may be formulated from conventional, synthetic-blend or full-synthetic base stocks) generally differ from conventional motor oil by having extra wear protection for racing applications and high-performance vehicles.

High-performance motor oils made with synthetics also tout their ability to increase horsepower and torque.

Brands like Kendall and Royal Purple are marketed almost exclusively as high-performance motor oils, and companies like ConocoPhillips (with its 76, Conoco and Phillips 66 TropArtic brands) and Quaker State also offer high-performance motor oils through fast lubes.

"With high-performance motor oil, we add reinforced protection for heat," said Ferner. "Then we add special friction modifiers to unleash horsepower at high rpm. We make the oil more slippery for extra horsepower."

Ferner added that at high rpm, conventional motor oil can become 'frothy' as air becomes entrained in the oil. Racing and high-performance motor oils are formulated to resist this air entrainment.

CITGO PETROLEUM



LUBRICANTS

<u>Specialty/Synthetic Oils Offered:</u>	<u>Specifications Met:</u>	<u>Grades Available:</u>
CITGO Supergard Synthetic	API: SM, CF ILSAC: GF-4	5W-30, 10W-30
CITGO Supergard UltraLife	API: SL ILSAC: GF-3 (10W-30)	10W-30, 10W-40

For more information, call (832) 486-4862.

CHEVRON GLOBAL LUBRICANTS



<u>Specialty/Synthetic Oils Offered:</u>	<u>Specifications Met:</u>	<u>Grades Available:</u>
Supreme High Mileage Motor Oil	API: SL ILSAC: No	5W-30, 10W-30, 10W-40
Supreme Synthetic Motor Oil	API: SM ILSAC: GF-4 (5W-20, 5W-30, 10W-30)	5W-20, 5W-30, 10W-30, 5W-40
Supreme Synthetic Blend Motor Oil	API: SL ILSAC: No	5W-30, 10W-30



<u>Specialty/Synthetic Oils Offered:</u>	<u>Specifications Met:</u>	<u>Grades Available:</u>
Havoline High Mileage Protection	API: SM ILSAC: No	5W-30, 10W-30, 10W-40
Havoline Synthetic	API: SM ILSAC: GF-4 (5W-20, 5W-30, 10W-30)	5W-20, 5W-30, 10W-30, 5W-40
Havoline Synthetic Blend	API: SL ILSAC: No	5W-30, 10W-30

For more information, call 1-800-822-5823.

Niche Motor Oil

Some motor oils defy placement in a set category, so they end up here. Make no mistake, though, the niche motor oil market is growing as quickly as any oil segment around. These days, it's possible to find motor oil for just about any specialty application.

For instance, Castrol's GTX Start Up motor oil was designed with advanced anti-wear additives that cling to metal surfaces and protect engine parts during the start-up period, thus reducing wear and tear and extending engine life.

Quaker State's Winter Synthetic Blend was formulated for winter driving in brutal climates, and promises improved flow in cold temperatures.


Pennzoil's Platinum Hybrid motor oil was created for hybrid vehicles.

"There's still a bit of mystery about what hybrids are. Most hybrid vehicles have what's called an integrated motor assist, where the engine shuts down when the vehicle stops. Unless the vehicle has an electric oil pump, the oil will be subject to 'baking,' because it's not circulating and it's still being exposed to heat from the engine," said Ferner. "We're trying to find ways to enhance oil to have benefits for certain types of driving situations and vehicle platforms."

Several oil companies (most notably Castrol and Quaker State) have created European formula motor oils (both conventional and synthetic) designed especially for European automobiles and their specialized lubrication needs. (Many European automakers stress protection more than fuel economy and emissions in their motor oil requirements.)

Phillips 66 even markets a Tropartic Turbo motor oil designed especially for vehicles equipped with turbocharged engines.

And just when you thought it was safe to catch your breath, along comes word that an entire line of new motor oils designed exclusively for passenger cars, SUVs and light trucks with diesel engines is on the horizon.

As you can see, with a motor oil designed specifically for almost every type of automobile and driving style, motor oil is looking more and more like breakfast cereal every day. 

BP LUBRICANTS USA



Specialty/Synthetic Oils Offered:

Castrol Syntec

Specifications Met:

API: SL, CF (0W-30, 5W-40)
SM (5W-20)
SM, CF (5W-30, 5W-50,
10W-30, 10W-40, 20W-50)
ILSAC: GF-4 (5W-20, 5W-30)

Grades Available:

0W-30, 5W-20, 5W-30,
10W-30, 5W-40, 10W-40,
5W-50, 20W-50

Castrol Syntec Blend

API: SM
ILSAC: GF-4 (5W-20, 5W-30)

5W-20, 5W-30, 10W-30,
10W-40, 20W-50

Castrol Syntec Truck Blend

API: SL, CI-4
ILSAC: No

15W-40

Castrol GTX High Mileage

API: SM
ILSAC: No

5W-30, 10W-30,
10W-40, 20W-50

Castrol GTX Start Up

API: SM
ILSAC: GF-4 (5W-30)

5W-30, 10W-30, 10W-40

Castrol Syntec European Formula

API: SL/CF
ILSAC: No

0W-30

For more information, call 1-888-CASTROL

AMSOIL



Specialty/Synthetic Oils Offered:

XL Synthetic Motor Oil

Specifications Met:

API: SM, CF
ILSAC: GF-4
(5W-20, 5W-30, 10W-30)

Grades Available:

5W-20, 5W-30,
10W-30, 10W-40

Series 2000 Synthetic Motor Oil

API: SL
ILSAC: GF-3

0W-30

European Formula Synthetic Motor Oil

API: SL, CI-4+
ILSAC: No

5W-40

100% Synthetic Motor Oil

API: SL, CF
ILSAC: GF-3

5W-30, 10W-30,
10W-40, 20W-50

For more information, call (715) 392-7101.