



## BuyingSmart



Sherrie Newman fills April's consumer reporter slot with this behind-the-scenes look at a Costco program. Send your questions about this article to: [buyingsmart@costco.com](mailto:buyingsmart@costco.com).

### By Sherrie Newman

IF YOU ARE a regular reader of *The Costco Connection*, you probably know about Kirkland Signature™ products at Costco. This exclusive brand identifies unique items brought in by Costco buyers that have the right combination of quality and price, which adds up to great value. Costco has applied this formula to everything from men's dress shirts to wine, and members have come to trust the commitment behind goods with the Kirkland Signature name.

One of the latest products to carry the Kirkland Signature label is, surprisingly, gasoline. Costco, as I discovered in discussions with the company's gasoline team, offers an excellent value at its 385 U.S. gas stations. My research found that there's more to gas than you might think—affecting both your vehicle and pocketbook.

### Cleaning your engine

Let's start with car engines. The heat and stress of combustion over time can cause a buildup of harmful deposits inside a vehicle's engine. The solution is deposit control additives, commonly called detergents, mixed in with the gas. These detergent additives are not soap—they are complex organic molecules designed to keep engines clean. Put simply, the best-performing gasoline contains more of these additives. "Clean intake valves and injectors help keep your car running like new, with fewer emissions and better performance," explains Tim Hurlocker, director of fuel quality and compliance at Costco. "Cleaning up existing deposits can also restore mileage lost to dirty engines."

As you can see by the price signs on any busy street corner, gas is a highly competitive business. Retailers differentiate themselves from the competition by the type and amount of additives they use in their gasoline. Jeff Cole, Costco vice president who oversees the gasoline program, explains to me how standards have been set for gasoline additives so consumers can know what they're getting.

First, there's the U.S. government standard adopted in 1995 by the Environmental



Kirkland Signature adds value to the gas pump

# Making the grade

Protection Agency (EPA), which requires that all gasoline sold in the country contain a minimum level of detergent additives. Costco gasoline has always contained these additives. In 2004 several major automakers set their own engine-cleanliness standard, based on

Wholesale, can be found at the website [www.toptiergas.com](http://www.toptiergas.com).

This all sounds a bit too industry-speak for me, but Jeff points out it's an important matter for consumers. "Clean intake valves and fuel injectors assure optimal performance and efficiencies for all engines," he says. And for Costco members, here's the important part, Jeff says: "Costco's Kirkland Signature Gasoline meets and exceeds Top Tier Detergent Gasoline standards, but at the consistently low prices our members expect from Costco. That's the value proposition that defines Kirkland Signature."

### The process of creating Kirkland Signature Gasoline

As Jeff and his team considered creating a Kirkland Signature Gasoline, they had to undertake a complete review of existing products and industry standards. "We want to ensure that both grades of gas we offer our members are the highest quality available," says Tim.

The first step was to do more research on additives and engine performance. Costco commissioned intake valve deposit testing by nationally accredited labs and reached important conclusions. "Our tests showed that the optimum amount of detergent additive was approximately five times the government minimum," says Jeff (see "The case for clean").

Further testing showed removal of the majority of intake valve deposits with the consistent use of Costco's Kirkland Signature Gasoline, Jeff explains.



### Kirkland Signature Gasoline at a glance:

- ✓ Certified by TOP TIER™ ([www.toptiergas.com](http://www.toptiergas.com))
- ✓ Five times EPA detergent requirement—in both regular and premium grades

For more information, visit: [www.costco.com/gasoline.html](http://www.costco.com/gasoline.html)

extensive testing of the cleaning power of detergents on engines, Jeff says. The automakers set the standard to be higher than that of the EPA testing to ensure optimal performance in today's advanced engines.

The automakers called this new standard TOP TIER™, a complete list of the certified fuel retailers, which now includes Costco



FRANCE FREEMAN

Based on the test results, Jeff notes, “We decided that all the gasoline we sell would contain the increased amount of detergent additives. Although we originally called it Clean Power, we determined that Kirkland Signature best describes the high quality of the product.” When you purchase Kirkland Signature Gasoline, you’re getting an excellent product for the lowest possible price (see “Consumer recognition”).

As the number of Costco gas stations grew, the challenge was to find an efficient way to mix the gasoline and the additives to meet Costco’s high standards. Tim says Costco decided the best system would be to blend the additives at Costco gas stations during the fuel delivery. This way, he explains, Costco could have complete control over both the process and the quality aspects of the fuel.

To accomplish this, Costco worked with

industry experts to design and implement a unique on-site additive system. “The quality of our attendants, and the pride they take in the reputation of both Costco and its fuel business, convinced us that we could reliably execute such a plan,” says Jeff.

### Different from the rest

One attribute that sets Costco gas stations apart from competitors is the station attendant in the yellow vest. “We provide trained staff at each station who offer service to members needing assistance, and ensure the safety of our members themselves—a key point of differentiation between us and most of our competitors,” says Jeff.

At their own Costco University, gas station employees are trained on emergency procedures, customer service and pump operations. They assist with spill cleanup, maintain tanks and filters, assist in safe fuel tanker deliveries and generally make sure everything runs smoothly so members can get in and out quickly. “Our highly qualified attendants manage the additives at each of our stations, during each and every fuel delivery,” says Tim.

While Kirkland Signature is the cornerstone of Costco’s excellent quality fuel, there is another aspect of fuel quality that does not garner the same attention, but is actually of equal importance, Tim adds. That element is good station maintenance. “Our highly capable attendants understand the sophisticated environmental monitoring systems built into every Costco station, keeping us in good stead with local, state and federal regulators, and keeping the gas station true to the first element of our company mission statement: Obey the law,” he says.

This entails taking frequent tank samples, and, most important, regularly timing the nozzle flow rates. A fast fuel flow gets members in and out quicker, but it also shows that the fuel filters are fresh, Tim explains. A slow nozzle flow rate means the pump filter is becoming clogged and may not be as effective.

(The maximum retail gas flow allowed by law is 10 gallons per minute.)

“We understand that quick fill-ups are important to members,” Tim tells me, “so we designed other features to make the fueling process more efficient. Our long hoses allow filling from both sides of the vehicle, and one-way traffic means there is



### ADDED BENEFIT:

## More cash back in your wallet

USE YOUR TrueEarnings Card from Costco and American Express and receive a cash-back rebate on gas purchases. For more information, go to [www.costco.com/gasoline-rebate.html](http://www.costco.com/gasoline-rebate.html).



## Consumer recognition

COSTCO’S KIRKLAND Signature Gasoline has been getting positive reviews from consumers. Read what they had to say:

- **Market Force**  
[marketforce.com/press-releases/item/market-force-study-shows-costco-is-most-popular-gas-station/](http://marketforce.com/press-releases/item/market-force-study-shows-costco-is-most-popular-gas-station/)
- **Gasbuddy.com**  
[blog.gasbuddy.com/posts/1715-561509-2221.aspx](http://blog.gasbuddy.com/posts/1715-561509-2221.aspx)

no jockeying for position from both directions at the pump.”

Also, no cash is taken (just American Express, debit and Costco Cash cards), which makes getting through the payment process as fast as possible. All of these steps help ensure that members can fill up and get going quickly—which is my favorite part of filling my gas tank at Costco (aside from those unbelievable prices).

Members trust Costco to deliver the best quality in everything they offer, and Costco is proud to provide top-quality Kirkland Signature Gasoline for a great value. Just think of it as the benefit you can’t see but you know is there, always cleaning your engine to keep your car running at peak performance. [E]

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## The case for clean

INTAKE VALVES tested with EPA minimum-standard gasoline (top) and Kirkland Signature Gasoline.

EPA minimum standard



Kirkland Signature Gasoline

