Chevron Business Model

Idea In Short

Chevron generates revenue by drilling for oil and natural gas, refining those raw materials into fuels and chemicals and selling the finished products to drivers, airlines, governments and industrial buyers worldwide. The company traces its roots to 1879 as Pacific Coast Oil Co. and grew through mergers with Gulf Oil in 1985 and Texaco in 2001 into one of the largest publicly traded energy companies in the United States. Its business spans upstream exploration and production, downstream refining and marketing and a growing chemicals and power generation segment. In 2025 Chevron completed its acquisition of Hess Corporation, adding a stake in Guyana's offshore oil fields. The company trades on the New York Stock Exchange under the ticker CVX and is led by Chairman and Chief Executive Officer Mike Wirth. This article breaks down how Chevron operates, earns money and competes.

Chevron ranks among the largest publicly traded energy companies in the United States, built on more than a century of exploration, refining and chemical manufacturing. The company's roots trace to Pacific Coast Oil Co., founded in 1879, which became part of the Standard Oil group in 1906 before splitting off as an independent company in 1911. Mergers with Gulf Oil in 1985 and Texaco in 2001 shaped the Chevron of today, an integrated operator with activities in more than 180 countries.

Chevron's business divides into two broad functions: upstream operations that find and extract oil and natural gas and downstream operations that refine those raw materials into usable products. That structure lets the company capture value at multiple points in the energy supply chain rather than depending on a single stage of production.

A brief history of Chevron

Pacific Coast Oil Co. began operating in California in 1879, decades before the state became a major producer of American crude.1 The company joined Standard Oil's network in 1906,

gaining capital and technical expertise, then became independent as Standard Oil Company of California after the 1911 breakup of the Standard Oil trust ordered by the U.S. Supreme Court.

The newly independent company grew through the early and mid-20th century, absorbing smaller firms and forming partnerships that made it one of the Seven Sisters, the group of companies that controlled most of the world's oil production and refining from the 1940s through the 1970s. That period established the operational scale and global reach the company still relies on today.

Two mergers reshaped the company into its current form. The 1985 combination with Gulf Oil, then based in Pittsburgh, created the Chevron name and brand recognized today and the 2001 merger with Texaco extended the company's refining and marketing footprint. In 2025, Chevron completed its long-delayed acquisition of Hess Corporation, adding a 30 percent stake in Guyana's offshore oil fields after resolving an arbitration dispute with ExxonMobil over the asset.2

Who owns Chevron

Chevron is a publicly traded corporation and its ownership is distributed among individual investors and institutional shareholders such as mutual funds, pension funds and insurance companies. Shares trade on the New York Stock Exchange under the ticker symbol CVX, making ownership accessible to anyone who buys the stock through a brokerage account.

The company's Board of Directors, elected by shareholders, sets overall strategy and appoints the executives who run daily operations. Mike Wirth has served as chairman and chief executive officer since 2018, after joining Chevron in 1982 and holding a series of engineering and executive roles across the company's global operations.

How Chevron works

Chevron's upstream division searches for and extracts oil and natural gas using techniques like seismic imaging to identify subsurface reserves before drilling wells to bring resources to the surface. This work spans environments from deepwater fields in the Gulf of Mexico to onshore operations in the Middle East and, following the Hess deal, offshore Guyana.

Downstream operations take over once crude oil and gas reach the surface. Chevron transports raw materials to its refineries, where they become gasoline, jet fuel, diesel and heating oil, along with feedstocks for chemicals used in plastics and detergents. The company sells finished products through thousands of branded service stations and through direct contracts with industrial, airline and government customers.

> Chevron's integration across exploration, refining and chemicals lets it capture margin at several stages of the energy supply chain rather than relying on one

Beyond its core fossil fuel business, Chevron has expanded research into biofuels, hydrogen and carbon capture technology, positioning these efforts as a hedge against the long-term shift toward lower-carbon energy sources.3 These programs remain a small share of overall spending compared with traditional oil and gas activity.

How Chevron makes money

Chevron's revenue model centers on selling the raw materials and refined products that come from its integrated operations. Crude oil and natural gas sales represent the largest share, followed by refined fuels sold to consumers and businesses through Chevron-branded stations and wholesale contracts.

Chemical manufacturing, conducted largely through the Chevron Phillips Chemical joint venture, converts feedstocks into materials used across the plastics and industrial sectors. Power generation from natural gas plants, licensing of exploration and production rights to other operators and early-stage renewable energy ventures round out the company's revenue base, though these segments remain smaller contributors than the core oil and gas business.

Chevron Business Model Canvas

The Chevron business model can be explained through the following business model canvas.

Chevron competitors

Chevron competes against a small group of global integrated energy majors that operate across exploration, refining and chemicals. ExxonMobil, the largest U.S.-based oil company by revenue, competes directly with Chevron for exploration rights, refining capacity and retail market share.4

BP and Royal Dutch Shell, both based in the United Kingdom and the Netherlands respectively, compete globally and have made larger public commitments to renewable energy investment than Chevron. TotalEnergies, based in France and ConocoPhillips, a U.S. exploration and production specialist, round out the field of major rivals contesting Chevron's position in upstream and downstream markets.

Chevron SWOT analysis

Chevron's scale, integrated operations and financial strength give it the flexibility to invest through commodity price cycles that smaller producers cannot always weather. Its century-long operating history and global infrastructure network, including pipelines and refineries built over decades, create barriers that new entrants would struggle to replicate.

The company's dependence on fossil fuel revenue exposes it to long-term demand risk as governments tighten emissions regulations and consumers shift toward electric vehicles and renewable power. Oil price volatility directly affects quarterly earnings and past environmental incidents have created legal and reputational liabilities that persist for years.5

Growth opportunities include expanding in emerging markets where energy demand is rising, investing further in hydrogen and biofuels and applying digital technology to improve exploration efficiency. Threats include accelerating regulatory pressure on emissions, competition from renewable energy providers and the operational risks inherent in drilling and transporting hydrocarbons.

Key Partners

Chevron works with a network of suppliers that provide equipment, materials and services for exploration and production. Joint venture partners share the cost and risk of major exploration and production projects, particularly in regions where operating independently

would be prohibitively expensive. Research institutions support technology development, while governmental and non-governmental organizations partner with Chevron on environmental and sustainability initiatives tied to its operations.

Key Activities

Chevron's core activities include oil and gas exploration, production, refining and marketing across its global operations. Research and development supports both traditional extraction technology and newer investments in lower-carbon energy sources. Managing joint ventures and coordinating a global supply chain across upstream and downstream operations round out its primary activities.

Key Resources

Physical assets, including oil and gas reserves, refineries, service stations and distribution networks, form the backbone of Chevron's operations. Brand recognition and reputation support customer loyalty at its retail network. Intellectual property, including patents and proprietary extraction technology, along with substantial financial resources and a skilled workforce of engineers and geoscientists, round out the company's key resources.

Value Propositions

Chevron offers individual consumers a reliable fuel supply backed by a global network of service stations and consistent product quality. Industrial and airline companies rely on Chevron for dependable bulk fuel supply and high-quality jet fuel that keeps their operations running. Government entities gain a trusted energy partner, while utility companies receive a steady supply of electricity from Chevron's power generation assets. Chemical manufacturers source raw materials through Chevron Phillips Chemical and environmentally conscious customers can access the company's growing renewable energy offerings.

Customer Relationships

Chevron maintains customer relationships through its official website, which offers frequently asked questions and self-service support. Social media channels let the company engage directly with consumers and respond to inquiries. Dedicated sales teams manage relationships with large industrial, government and utility customers, while email and

telephone support handle routine service needs.

Channels

Chevron reaches customers through its official website, thousands of branded service stations and direct sales relationships with large industrial customers, utilities and airlines. Wholesalers and retailers extend the company's reach into markets where it does not operate its own retail locations.

Customer Segments

Chevron serves individual consumers who buy fuel for cars and homes, industrial and airline companies that need bulk fuel for their operations and government entities that require energy supplies for vehicles, buildings and power generation. Utility companies purchase electricity generated at Chevron's power plants, while the chemical industry buys materials produced through Chevron Phillips Chemical. A growing segment of sustainability-focused customers, including corporations and municipalities, seeks Chevron's renewable energy offerings.

Cost Structure

Chevron's costs include exploration and extraction expenses, refining and distribution of energy products and salaries and benefits for its global workforce. Maintenance of physical assets, research and development spending and regulatory compliance and environmental remediation costs make up the remainder of its cost base.

Revenue Streams

Chevron generates revenue primarily from the sale of crude oil and natural gas, followed by refining and marketing of fuels to consumers and businesses. Sale of chemicals, power generation, licensing of exploration and production rights and early-stage renewable energy investments contribute additional revenue streams.

- 1Chevron Traces Its Origins To 1879 In California
- 2Chevron's 2025 Acquisition Of Hess Corporation
- 3Chevron Has Expanded Investment In Renewable Fuels And Hydrogen

- 4ExxonMobil Ranks As The Largest U.S. Oil And Gas Company By Revenue
- 5Oil And Gas Companies Face Ongoing Environmental Liability Exposure

Summary

Chevron's integrated structure, spanning exploration, refining, chemicals and power generation, has let it absorb oil price swings better than pure upstream producers. The 2025 completion of its Hess acquisition added deepwater production in Guyana, reinforcing reserves at a moment when many rivals are trimming exploration budgets. That expansion sits alongside a separate, smaller bet on renewable fuels, hydrogen and carbon capture, areas where Chevron still lags dedicated clean energy companies. Regulatory pressure on emissions, volatile crude prices and the long-term shift toward electrification remain structural risks the company cannot engineer away. Chevron's response has been to keep fossil fuel operations lean and cash generative while funding lower-carbon projects incrementally rather than betting the balance sheet on a rapid pivot. Whether that pace satisfies investors, regulators and climate-focused customers at the same time will shape the next phase of its business model.