

Marketing Globally in the Oil and Gas Industry



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Gelb

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Overview

Gelb, with Gulf Research, our joint venture with Gulf Publishing Company, has tracked Oilfield Service Brand Equity since 2003 and is the recognized definitive measurement of an oilfield service company's performance for serving clients, building customer loyalty, and commanding premium pricing. One important sector being tracked is the differing attitudes and priorities amongst different areas of responsibilities (AOR). Being a global player in the oil and gas service industry requires knowledge of how different geographic markets require a specific and precisely tuned approach.

This paper will draw upon studies done in 2005 and 2008 to highlight key points of interest. For more information on how you can see how your company rates in the global environment, please see the contact information at the end.

Challenges in Global Marketing

Being a global company requires overcoming many global marketing challenges. With new technology advancing rapidly, the global marketplace is becoming more interconnected, and at the same time, cultures fearing assimilation into one homogenous society are expressing their uniqueness. This can present a challenge to modern-day global marketing. The customer is smarter and companies need to utilize local approaches without losing the foundation and alignment of their global strategy.

Companies such as IBM embody this challenge. IBM realized early that the key to operating on a global level was to retain a central key message and a look and feel that is instantly recognizable anywhere in the world. Coupled with an understanding of their local markets and tailoring their message so that the meaning is clear across all regions, and it is clear to see why IBM has been as successful as it has in spreading across the globe. IBM's multinational approach allows them a firm control of the brand while having headquarters distributed globally to create centers of expertise. IBM's expansion into India showcases how they were able to cater to the local market and leverage India's large pool of skilled engineers. Today, IBM has 86 centers worldwide and the ability to both cultivate local ties and have a global brand that conveys the same message of quality and trust no matter where in the world the customer sees it. This is a line that only top global companies are able to master and doing so requires a keen understanding of global marketing and knowing what resources are available to help make the best decisions.

Servicing a Global Need

With more global oil and gas service companies making decisions closer to the customer in geographic markets, misalignment presents as a realistic threat. The challenge is understanding the idiosyncrasies of each local area while still prioritizing enterprise resources strategically.

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The key in mastering the global market is to be responsive to local markets, while still being an integrated and cohesive unit. There are several ways to show how your company is responsive to local markets; this paper focuses on the importance of some key metrics when operating on a global scale.

Managing Your Global Brand

In order to make the best business decisions you need all the relevant information available to you. Knowing how your business is doing is important, but in making decisions that could impact the global industry you need to know how your competition is doing as well. Using Gulf Research studies to fill in your information gaps allows you to better plan and create business tactics.

The Gulf Research Global Marketing study measures several key metrics on company performance in different area AORs. Below, you can see how Company A has a significant lead over Company B in customer satisfaction in all areas except Canada. This could give an indication where future resources and initiatives could be directed. Similarly, in the second table Company C is the industry leader in effectively communicating but is lagging in the UK. It is this kind of vital information that guides policy.

		Satisfaction by AOR					
	Overall Satisfaction	US	Canada	Brazil	Mexico, Central/South America	Middle East	United Kingdom
Company A	68%	71%	50%	69%	70%	74%	67%
Company B	59%	58%	61%	39%	57%	60%	50%

Please indicate your level of satisfaction with how well each of the following oilfield service companies address your regional needs in your country on an operational basis: Percents are those that rated satisfaction as "Excellent" or "Above Average"

		Effectiveness by AOR					
	Overall Effectiveness	US	Canada	Brazil	Mexico, Central/South America	Middle East	United Kingdom
Company A	66%	69%	46%	60%	71%	67%	75%
Company C	78%	73%	64%	69%	71%	76%	69%

Please rate the overall effectiveness of the communication you received in your country. Percents are those that rated effectiveness as "Excellent" or "Above Average"

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Listening to the Voice of the Customer

One very important tool for the oilfield marketing director is being open to hear what the customer has to say in their own words. Gulf Research uses open-ended questions to allow the respondent to accurately describe their situation. As noted below, we also program surveys in multiple languages.

When asked what types of information are most important to have in their local language, responses included a want for technical information as well as safety manuals.

“Technical information - detailed drawings and good procedures - often sadly lacking even from the big suppliers on regularly used products “

“I would say the most important material to have in the local language is safety and operational instructions, followed by the manuals.”

When asked what is the most important action service companies can take to improve communications, one of the most common answers was directed at difficulties in communicating across languages.

“My company is a major and is multi-cultural company with language issues as such. Service and Major oil companies need to train employees in major languages such as English, French, Spanish and Arabic.”

“The language barrier we have run into mostly has been with foreign engineers that do not speak clearly in English and are so heavily accented, and no understanding of our common idioms that communication is difficult”

Overcoming the Language Barrier

Having a global operation means interacting with a variety of cultures, preferences, and languages. English is the preferred language of international business within the oil and gas industry; in fact, over 90% of respondents primarily speak English at work but only 50% report English is their native language.

Even though nearly all industry employees speak English at work, there are some that need to see work literature in their native language. 20% of those in which English was not their native language said it was desirable or essential they receive technical papers in their native language. The French and Portuguese especially value having written material translated.

When operating globally, it is important to remain flexible. English should be the primary language for business, but having native speakers in your AOR can be just as important. Over half of all respondents from Brazil agreed that service companies must offer languages other than English to gain acceptance in real-time collaboration environments. This also suggests

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that keeping local representatives in such areas for extended periods of time builds stronger bonds.

Channels of Communication

When working with different regions and multiple cultures, it is important to understand how local preferences shape the client interaction. AORs have their own priority on which channel of communication works best for them. Some regions prefer technical articles while others prefer more personal contact. Knowing this information can help build targeted regional plans to best focus communications.

Building Your Brand Equity

In addition to global marketing studies, Gulf Research conducts brand equity tracking reports. These reports are an invaluable tool to the market director for knowing where your company stands and what forces are driving customer relationships. Knowing what drives customer loyalty and how your customer differs across regions makes creating a well defined global strategy much more actionable.

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About Endeavor

Endeavor Management, is an international management consulting firm that collaboratively works with their clients to achieve greater value from their transformational business initiatives. Endeavor serves as a catalyst by providing pragmatic methodologies and industry expertise in Transformational Strategies, Operational Excellence, Organizational Effectiveness, and Transformational Leadership.

Our clients include those responsible for:

- Business Strategy
- Marketing and Brand Strategy
- Operations
- Technology Deployment
- Strategic Human Capital
- Corporate Finance

The firm's 40 year heritage has produced a substantial portfolio of proven methodologies, deep operational insight and broad industry experience. This experience enables our team to quickly understand the dynamics of client companies and markets. Endeavor's clients span the globe and are typically leaders in their industry.

Gelb Consulting Group, a wholly owned subsidiary, monitors organizational performance and designs winning marketing strategies. Gelb helps organizations focus their marketing initiatives by fully understanding customer needs through proven strategic frameworks to guide marketing strategies, build trusted brands, deliver exceptional experiences and launch new products.

Our websites:

www.endeavormgmt.com

www.gelbconsulting.com

www.gulfresearch.com

If you have any questions or would like to learn more about Gelb's and Gulf Research's syndicated and custom market research studies, please contact

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