

**STRATEGIES & TOOLS FOR MARKETING AND SALES BY THE DOWNSTREAM
PETROLEUM PRODUCTS SECTOR IN THE COVID-19 CRISIS ERA**

BY

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At the Maiden International Conference of the

UNN Business School, University of Nigeria

25th & 26th of March 2021.

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Introduction

Background of the Study

The COVID-19 crisis had profoundly impacted the short- and long-term oil and gas industry. How radically the oil and gas ecosystem will reconfigure, and when, will depend on potential supply-demand outcomes and the actions of other stakeholders, such as governments, regulators, players, and investors. Given the delicate, volatile, and highly volatile international crude oil prices during the COVID-19 crisis, comprehensive and vigorous marketing is imperative for the survival and growth of the Downstream Petroleum Products Sector of the Oil & Gas Industry.

Statement of the Problem

The Downstream Sector is the face of the Oil & Gas Industry to the man on the street. Once products are not flowing into the fuel stations, the image of the industry is at stake. The worst outcome is fuel scarcity. The adverse effect of petroleum product scarcity, which leads to queues at fuel stations, is better imagined than observed.

Objective of the Study

The main objective of the study is to identify the sales and marketing strategies used by the downstream petroleum products sector during the COVID-19 crisis.

The Specific Objectives are:

- a. To identify the effects of COVID-19 in the oil and gas industry.
- b. To ascertain and evaluate the various marketing techniques being used in the industry.
- c. To determine any challenges and proffer solutions or recommendations.

Significance of the Study

The study will enlighten the public not only about the activities of the downstream sector but also about how marketing can be incorporated into the oil and gas industry. It will also help industry professionals make effective decisions and aid in addressing future crises.

Literature Reviews

Conceptual Reviews:

COVID-19 is a disease caused by a new coronavirus called SARS-CoV-2. (WHO). The COVID-19 pandemic, which led to high price volatility, adversely impacted the global oil and gas market adversely. A marketing strategy is a business's game plan for reaching prospective consumers and turning them into customers of their products or services (Investopedia).

Marketing strategies revolve around a company's value proposition. The ultimate goal of a marketing strategy is to achieve and communicate a sustainable competitive advantage over rival companies. A thorough marketing strategy covers "the eight Ps" of Marketing. Marketing tools are used to execute marketing strategies, and the marketing mix is defined as the "set of marketing tools that the firm uses to pursue its marketing objectives in the target market" (Wikipedia).

Methodology

The following techniques were used to identify and analyse the data acquired for this study, and these techniques enhanced the production of the information in this paper, which includes the following:

- a. Research- Online articles and journals were used to gather data.
- b. Experience- Valuable years spent in the industry by the author.
- c. Documents and records.
- d. Observations.

Results & Findings

COVID-19 and Effects on the Oil & Gas Industry.

The industry comprises three sectors: Upstream, Midstream, and Downstream. Vigorous marketing is imperative for the survival and growth of the Downstream Petroleum Products Sector.



The Downstream Sector is the face of the Oil & Gas Industry to the man on the street. The result shows that the COVID-19 crisis created tension and devastation worldwide. Shutdowns were implemented on roads, and air and marine movements were restricted.



This led to a decline in the demand for crude oil and petroleum products. Supply exceeded demand. The prices crashed. Economies collapsed.

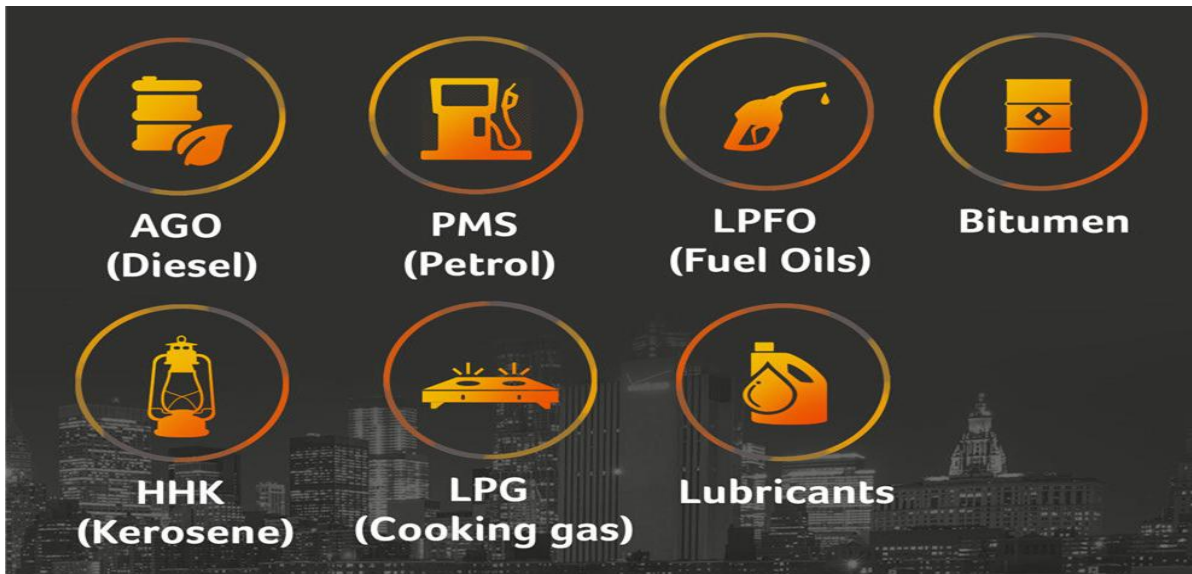
The Nigerian economy was not spared. The Government announced a loss of revenue, job losses, and full deregulation of the PMS market.



1) **Product:** The product or service element refers to what you are offering to your customers whether a physical product, a service, or an experience. The product is primarily the heart of the trademark.

In the oil and gas industry, we offer various products, including PMS, AGO, DPK, ATK, LPFO, etc. These products must meet market demands and satisfy or exceed customer expectations.

NNPC used the Direct Sale of Crude Oil and Direct Purchase of Petroleum Products (DSDP) program as the tool to deliver products to consumers through the PPMC. In the COVID era, the PPMC ensured product availability throughout the entire country, even during the Christmas period, without a single queue in the stations.



2) **Price:** In the PMS market, price setting is one of the strategies used.

The Government, through NNPC and PPPRA, sets and regulates petroleum product prices, and the low-price regime supported the Government in fully deregulating the sector.



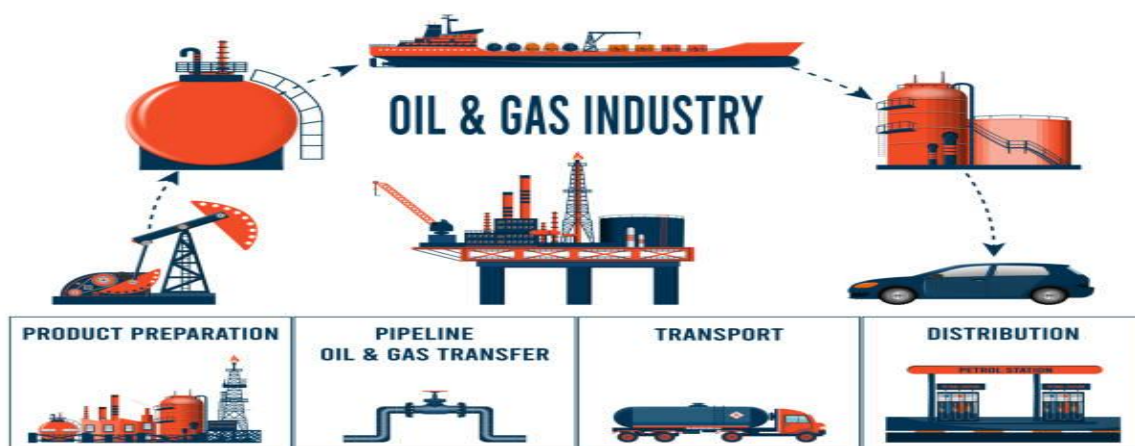
- 3) **Promotion:** Downstream companies used marketing tools such as vouchers, brand loyalty programmes, and product rebranding to ensure customer retention.



- 4) **Place:** In the oil and gas industry, products are distributed via pipelines, tankers, ships/vessels, and trucks.

NNPC owns and manages 5,001 km of pipelines in the country

The mandate of NNPC is to profitably maintain & operate NNPC's downstream pipelines, depots, and jetty infrastructure across Nigeria through the efficient transportation and storage of crude oil and petroleum products.



- 5) **People:** The people strategy refers to your customers, yourself, your staff, and anyone directly or indirectly involved in the business side of the enterprise. Despite the pandemic, staff had to sacrifice their lives to go to work to ensure product availability.
- 6) **Physical Presence Strategy:** This refers to evidence that a service or purchase occurred and proof of your brand's existence. Various tools, such as websites, logos, business cards, and signage, were utilised.



- 7) **Process:** Describes a series of actions that are taken in delivering the product to the customer. In the COVID era, companies made efforts to minimise costs and maximise value for customers through home deliveries, movement pass papers, etc.
- 8) **Performance/Productivity:** This is the ability to deliver to the customer what you promised. How satisfied are the customers? Marketing tools such as Know Your Customer (KYC) and Customer Service Week (CSW) were well utilised to improve customer relationships.

Conclusion

The strategies and tools for marketing and Sales by Companies in the Oil and Gas Sector of the Nigerian Economy are much the same as the fundamentals of Marketing as a profession. What affects the other Marketing industries also affects the oil and gas industry in terms of marketing its products, and there might be some peculiarities in the areas of marketing problems.

Recommendations

With the disruption of the global economy by COVID-19, the paper recommends the following:

1. The Downstream sector, being the face of the industry, should be appropriately managed by trained and qualified personnel
2. The petroleum products during a time of crisis should be competitively sourced
3. Professional marketing principles and strategies should be fully utilised under such circumstances
4. The 8 Ps of the marketing mix should be religiously employed
5. In practising Marketing as a career, professionals should always be transparent and accountable, and exhibit professional excellence.

References

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