BP

Background

BP is the largest oil company and the second largest company by way of revenues. As the leading global energy business, it operates in 100 countries and serves 13 million customers, each day. BP’s activities span exploration and production of crude oil and natural gas; refining and marketing; trading of oil, oil products and gas; and the manufacture and marketing of petrochemicals. BP is also among the world’s most significant companies in renewable energy. BP’s brand portfolio includes BP, Amoco Ultimate, am/pm, Aral, Castrol and Arco.

BP in India

BP has been operating in India since 1989. While lubricants is BP’s main business activity in India, the company also operates India’s most successful solar power company as a joint venture with the Tata group. BP is a large trading and supply partner of oil and chemicals to leading Indian companies. BP is active and interested in developing businesses across the upstream and downstream value chain in India.

BP entered India through a joint venture with Tata Power to form Tata BP Solar. The company entered the lubricant business in India by taking over Burmah Castrol in 2000, with a 71 per cent shareholding. Subsequently, Tata BP Lubricants India Limited was amalgamated with Castrol India Ltd. BP now holds 71.3 per cent of the paid up capital of the company.

BP has a total investment of US$ 900 million in India with about 1500 employees on its rolls.

BP supports the development of communities wherever it has operations.

BP companies operating in India

Castrol India Limited

Castrol India Limited is the largest company in BP’s India operations. Castrol India manufactures and markets a range of leading automotive and industrial lubricants. It markets leading automotive lubricants under, both, the BP and Castrol brands. Castrol is among India’s most widely recognised lubricant brands, and leads in several market segments.
Castrol has four manufacturing plants in India; and sells through a network of dealers and distributors, spread across the country. In 2003, the company registered a gross sales turnover of US$ 280.9 million. Castrol India has built a strong competitive advantage by:

- Creating distinctiveness through continuous innovation
- Building strong relationships with customers, business stakeholders, communities and own staff

**Tata BP Solar**

Tata BP Solar has grown to be the leading renewables company in India. It has a robust presence in the Indian solar photovoltaic and applied systems market and also manufactures and markets solar thermal products. Tata BP Solar’s 38 MW Solar Module manufacturing facility is the largest of its kind anywhere in the world. Tata BP Solar exports 65 per cent of its production; and meets 25 per cent of BP’s global requirement.

**India is a key market for BP, both for upstream and downstream activities**

India is a large potential market for BP for customer-facing or downstream businesses. India offers scale and size for investment opportunities. Castrol India has the second largest share of the Indian lubricant market. Castrol leads in the automotive lubes segment. Most of its product-brands are leaders in their respective segments, as for instance the well-known Castrol CRB (multi-grade diesel engine oil), Castrol Active (4-stroke motorcycle engine oil) and Castrol GTX (multi-grade car engine oil).

BP views India as having significant potential for growth in exploration, production, refining and marketing.

BP believes India will emerge as among the leading markets for energy and energy related products.
Success factors

Building powerful brands

BP has spent time understanding the Indian consumer. The company has built strong brand equity through consistent, focused and clear communication. Brand messaging is delivered using mass media channels and direct consumer contact programmes. BP brands possess among the highest recall rates with consumers.

BP and Castrol brands have consistently increased market share despite the advantages enjoyed by rival brands marketed by public sector competitors through extensive fuel retail networks; and despite a fragmented highly competitive lubricants market in which most global brands are represented and are seeking to build share.

Partnerships

Original equipment manufacturers (OEMs) have played a strategic role in the lubricants industry. Castrol has a successful history of partnerships with leading vehicle and engine manufacturers.

India as a technology partner

BP is working with major Indian software companies to source its IT and business process needs.

BP is also engaged in a study to explore the development and use of alternate bio-fuels in cooperation with TERI (The Energy & Resources Institute).

The Castrol India Research & Development Centre located at Mumbai is one of BP’s five lubricant centres of excellence across the world. The Centre has developed several products to cater to Indian road and vehicle conditions.