**Background**

BP is a leading global energy business operating in 100 countries and serving 13 million customers every day. Its main activities are the exploration and production of crude oil and natural gas; refining, marketing, supply of hydrocarbons; and the manufacture and marketing of petrochemicals. The company also has a growing presence in the gas and power sectors and in solar power generation. BP owns popular brands such as BP, am/pm, Aral, Castrol and Arco.

**BP in India**

Castrol India Limited is the largest company of the BP group operating in India today. Whilst lubricants is BP's main business activity in India, the company is also involved with solar power, chemicals and oil trading, and is in the process of developing its gas and power businesses.

Castrol commenced operations in India in 1919 as a trading unit for C C Wakefield. In 1983 the company went public, with 60 per cent equity held by Indian shareholders. In 1994 Burmah Castrol increased its shareholding to 51 per cent and following the takeover of Burmah Castrol by BP in 2000, BP increased its shareholding to 71 per cent. Subsequently, on the amalgamation in May 2003 of Tata BP Lubricants India Limited with CIL, BP now holds 71.3 per cent of the paid-up capital of the company.

Castrol India manufactures and markets a range of automotive and industrial lubricants. It markets its automotive lubricants under two brands: Castrol and BP. The company has leadership positions in most of the segments in which it operates including passenger car engine oils, premium 2-stroke and 4-stroke motorcycle oils and multigrade diesel engine oils.

The company has five manufacturing plants and a wide distribution network of distributors and dealers across the country. In 2003, the company registered a gross sales turnover of US$ 280.9 million. Over the years, Castrol India has built a strong competitive advantage by:

- Creating distinctiveness driven by continuous innovation in all areas of business
- Building strong relationships with all stakeholders: consumers, customers, distributors, intermediaries, original equipment manufacturers, suppliers, strategic partners, local communities and its own staff

BP companies are working closely with Non-Government Organisations (NGOs) in various parts...
of the country mainly in the area of road safety and community development. The company supports the development of rural communities where it has operations, and Tata BP Solar works mainly in the area of rural development and with the underprivileged sections of society. The company was awarded Road Traffic Education (RITE) and Prince Michael International Road Safety Award (PMIRSA) 2003 for its commitment to building a positive road culture through safety attitudes and practices towards reduction of road accidents.

**Tata BP Solar**

BP is involved in solar power, chemicals oil trading and aviation and is developing gas, power and fuel marketing businesses. Through a joint venture with Tata Power (Tata BP Solar), BP designs manufactures and markets a wide range of solar photovoltaic and solar thermal products. Its 38 MW Solar Module manufacturing facility is amongst the largest of its kind in the world.

**Leading private company in the Indian lubricant market**

Castrol India is the second largest by market share in the Indian lubricant market. In the retail automotive segment, the company is the market leader with a share of 38 per cent in the retail segment. Many of its brands are market leaders in the segments in which they operate e.g. Castrol CB1 (in the multigrade diesel engine), Castrol Activ (4 stroke motorcycle engine oils) and Castrol GTX (multigrade passenger car engine oils).

**Factors for success**

Castrol India has consistently increased its market share in a price-sensitive market despite the advantages enjoyed by its public sector competitors in retail infrastructure. Over the years, the company has increased its market share from around 6 per cent in 1991 to the current 26.7 per cent in the automotive market. BP has succeeded by building strong brands catering to different segments, robust distribution networks and strategic partnerships furthering its brands and reach.

**Building powerful brands**

Over the past 85 years of its existence in India, Castrol has consistently invested in its brands. Castrol CRB, GTX and Super TT are leaders in their segments.
and have the highest top-of-mind recall amongst consumers. The company has built strong brand equity through consistent, focused and clear communication messages delivered through mass media as well as through direct consumer contact programmes.

Given the popularity of cricket, Castrol instituted the “Castrol Cricketer of the Year Awards”, given to outstanding cricketers. This has helped the company strengthen its association with cricket. Additionally the company has roped in popular cricketers (The company has appointed Rahul Dravid, Vice-Captain of India’s cricket team as its brand ambassador.

Whilst the Castrol branded products have a long and successful record in the country, the BP brand came into the Castrol India portfolio only recently, following the amalgamation of Tata BP Lubricants India Limited with Castrol India. BP branded lubricants cater mainly to the trucking segment and within a short time span, the BP brand has established itself as a serious contender in the diesel engine oil segment.

Strategic Partnerships
Original Equipment Manufacturers (OEMs) play a strategic role in the lubricants industry. Castrol has a long and successful history of partnership with leading manufacturers across all vehicle segments e.g. Tata Motors, Mahindras, Ford, Escorts, Maruti, Bajaj Auto to name a few.

Expanding distribution networks
Castrol has the widest network for distribution in the lubricant industry, consisting of C&FAs, distributors and customer service agents directly reaching over 40,000 dealers and thousands of institutional and industrial customers.

Diverse product portfolio to effectively segment the market
Castrol India has been a pioneer in the Indian lubricant industry, leading the market in introducing products with the latest technology. Castrol products set the standards for the Indian lubricant industry and are often developed in partnership with vehicle manufacturers to meet their specific demands and also to cater to changing engine technologies.

Over the years, the company has established a
reputation as a technology leader in the Indian lubricants industry by bringing in the latest international products and technologies for Indian consumers. With the increasing popularity of four stroke engines, the company has launched a new product, Activ4T. Castrol and BP have a wide array of products ranging from 2 wheeler oils to the high-end super premium oils for turbo-charged trucks.

**Leveraging R&D advantages India**

The Castrol India Research & Development Centre is one of the five BP lubricant Centres of Excellence across the world. Besides adapting international technology to suit local conditions, the Centre has also developed several products indigenously to suit the demanding and unique Indian road and vehicle conditions.