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**AL TAREEQAH**  
Management Studies FZE

**SBS**   
SWISS BUSINESS SCHOOL

# **MARKETING MANAGEMENT**

## **SBS MBA/MSc**

### **Assignment – Bahrain 2020**

STUDENT ID

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UNIT TITLE / CODE:

Marketing Management - MKT 501

NAME (in Full):

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**Prof. Cley Gervais**

**Total Marks \_\_\_\_\_/100**

# Marketing Management Assignment Structure

## Marketing Strategy (Brand)

For your brand of choice please prepare a marketing strategy on the below guidelines. This should clearly reflect the marketing mix – product, place, price, promotion and packaging as discussed in the class. The learnings on Brand Equity in the class should be the emphasis of the assignment.

### The Task

1. Please note the brand should have linkage in the UAE – must be an existing brand or a brand that intends to be introduced in the UAE.
2. 1. Executive Summary – summarizing points 2-8.
3. 2. Brand Overview – describe the current status of the brand with a brief historical background. Also define the brand's current state on the Product Life Cycle.
4. 3. Competition Overview – Define competition
5. 4. Target Market – Define who is being targeted
6. 5. Segmentation – Demographic, Behavior, Psychographic
7. 6. SWOT – on brand or industry
8. 7. Market Research if any carried out – if no research carried out then suggest a need if any
9. 7.1 Product – BCG matrix. Also include packaging plans if any.
10. 7.2 Place – Choice of retail strategy
11. 7.3 Price – penetrative or skimming or competitive
12. 7.4 Promotion – pull or push strategy including choice of medium – digital or traditional
13. 8. Conclusions and Recommendations – suggestions for change in current practices if any to make it more effective should be discussed.
14. 9. Appendix – Any other information you may provide.



(Aramco, 2020)

## Executive Summary

Saudi Aramco is a greatly recognized brand all over the world, which would be considered memorable, meaningful, transferable, and protectable, when evaluating the brand elements. They achieve marketing objectives through effective and innovative techniques which compose market Research. Saudi Aramco also has defined a mission and a vision to fulfill succession in the long run in the international market.

When comparing Aramco and its competitor Equinor, it would be necessary to indicate that both companies are differentiated from one another, while indicating a key link in both companies between the diversity of products, related operations, and the experienced board members.

As Aramco's customers and potential customers are distributed around the globe, it is crucial to define these audience in order to examine their interests and needs. The precious asset of strength that Aramco always strive to sharpen is its cutting-edge science excellence and innovativeness. This leads to their techniques in managing their 4P's as a result of their marketing continuous huge efforts.

All of this is recapitulated in the company's master Strategic Path, to be their guide to a great financial contribution to regional and global economy state of the Kingdom of Saudi Arabia.

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# Assignment Content

## ARAMCO Overview

Saudi Aramco - the national state-owned oil corporation of the Kingdom of Saudi Arabia - is a completely incorporated, with wide oil entertains and a globe leader in the examination, production, purifying, distribution, marketing, and petrochemicals manufacturing. It manages the world's greatest proved conventional crude oil and hoards reserves of 260.2 billion barrels, besides controlling the world's fourth-biggest natural gas reserve of 288.4 trillion cubic feet. Saudi Aramco is also among the top producers of essential oil. (Abratt, 1989)

Saudi Aramco is a greatly recognized brand all over the whole world which would be considered memorable, meaningful, transferable, and protectable, when evaluating the brand elements. The brand, market wise, is in the top list of its field, and recognized as the biggest combined oil enterprise globally. It is in control of the fourth gas reserve in size world-wide. Their slogan gives a clear picture of what type of a brand Aramco is, and how strong of an industry it occupies: **“Energy is opportunity.”** (Aramco, 2020)

- **Background:**

According to researches, Saudi Arabia has the biggest oil reserves, estimated with 262 billion barrels. As per the history of Saudi Arabian oil and oil sector, the industry has been converted from being under the guardianship of the Arabian American Oil Company (Aramco) to be under the full control of the Saudi government. This resulted restructuring the Saudi Arabian oil company or Saudi ARAMCO profoundly. (Pierce. 2012)



<b>Industry</b>	Oil and gas
<b>Predecessor</b>	Arabian Standard Oil Company
<b>Founded</b>	1933 (as California-Arabian Standard Oil Co.) 1944 (as Aramco) 1988 (as Saudi Aramco)
<b>Headquarters</b>	Dhahran, Saudi Arabia
<b>Area served</b>	Worldwide
<b>Key people</b>	Amin H. Al-Nasser, President & CEO Yasir Al-Rumayyan, Chairman Wes Meadows, Executive Director
<b>Products</b>	Oileum, natural gas and other petrochemicals
<b>Operating income</b>	674,871,000,000 Saudi riyal (2019)
<b>Owner</b>	Government of Saudi Arabia (98.5%)
<b>Number of employees</b>	76,000 (2020)
<b>Website</b>	www.Aramco.com (Aramco, 2020)

- **ARAMCO life cycle**

A Saudi Aramco belief is that business marketing is the hallmark of their commitment to customers. It achieves marketing objectives through effective and innovative techniques which compose market Research. Saudi Aramco also has defined a mission and a vision to fulfill succession in the long run in the international market. They are currently exporting the company's products to many countries all over the world. (Aramco, 2020)

Currently, Saudi Aramco is following the Business-to-Business (B2B) connection strategy. It is a given reality that oil products are commodities that can hardly be graded and the cost is closely direct, but Saudi Aramco has completely added value and benefited its customers well. The upcoming project of Saudi Aramco committed that by 2020, "Saudi Aramco is the world's guiding incorporated power and chemicals corporation, centralized on maximizing revenue, ease the endurable and variegated expanse of the Kingdom's economy, and empower a globally competitive and vibrating Saudi energy sector." (Abratt, 1989).

As a major part of Saudi Vision 2030, it is stated clearly that Saudi Arabia will transform Aramco from an oil producing company into a global industrial conglomerate. This will be a huge boost to both, Aramco and the Saudi economy in a mutual benefit resulted from such a humongous harmonic transformational strategy. (Vision2030, 2019)

- **ARAMCO Vision**

Aramco Board of Management, Leaders, and Staff believe that energy is a necessity demand and a growing opportunity, and so have worked to improve this concept to be adopted widely in their reviving vision, which used to be earlier this decade:

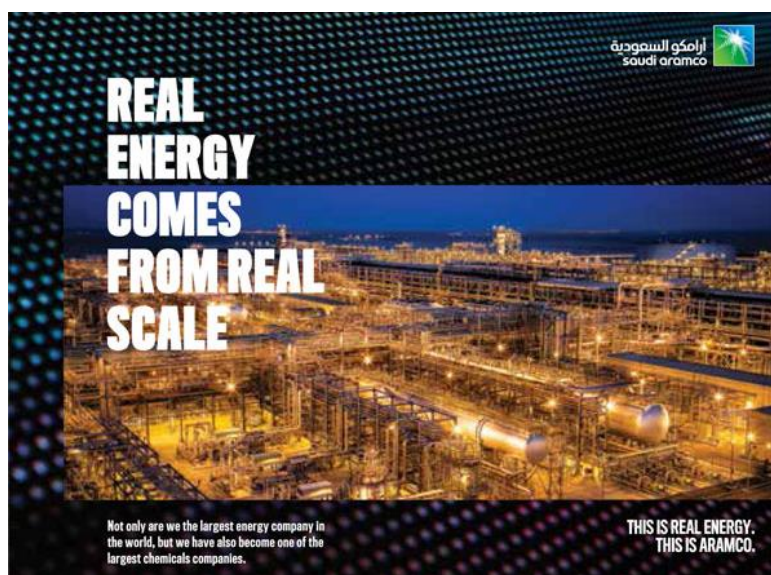
“Whether it is the energy of their resources or the intellectual and creative energy of their people, they are focused on harnessing their full potential. This belief is at the core of everything They do.” And became lately: “In 2020, Saudi Aramco is the world’s leading integrated energy and chemicals company, focused on maximizing income, facilitating the sustainable and diversified expansion of the Kingdom’s economy, and enabling a globally competitive and vibrant Saudi energy sector”. (Aramco, 2020)

- **Aramco Mission:**

“Today, we continue to deliver on our core mission of reliably supplying energy to the Kingdom and the world, and continue to progress towards becoming the world’s leading integrated energy and chemicals enterprise, a top refiner and a creator of energy technologies”. This is how they state their mission nowadays. (Aramco, 2020)

Capitalizing on adding value and exceeding the stakeholder’s expectations, Aramco is executing the mission statement by:

- Building and operating a full conversion refinery.
- Being reliable and cost efficient in their business.
- Conforming to the highest safety, health, environment and quality standards. (Aramco, 2020)



(Aramco, 2020)



- **ARAMCO Values**

- **Citizenship**

When employees work at a job, they recognize that stated behaviors are the trust in them. Majorly, all workers will execute the duties appointed to them on a way that is agreeable to administration and useful to the organization. They will also immediately retire manners that are hurtful. When employees go above and beyond the expectations out of them, that manner invites citizenship to everyone who belongs and sense as belonged. (Aramco, 2020)

- **Safety**

It is the condition of being blameless from hurt or risk. Safety administration is so vital and fundamental to many greatly critical industries alike self-employed crafts, aviation, oil, healthcare. To Aramco, it is a top value, which everyone can easily see so literal all around inside out. (Aramco, 2020)

- **Accountability**

The word accountability is narrated to responsibility but versed more from the optical of overlooking. An agent may be accountable, for example, for emphasis that a response to an RFP (request for proposal) perceives all the condition requirements. In the instance when the task is not fulfilled satisfactorily, there may or may not be consequences. Accountability, on the other side, signifies that the agent is held accountable for agreeably complemental work and will have to at least clear up the resulted failure causes and effects, if any. This is amazingly embedded to all levels of Aramco's organizational structure elements.

- **Excellence**

Excellence is determined as the mode of fine practices are the standards of high trust. It is the influential contrivance Aramco leadership expects from employees to perform in the workplace to reach such a level of highness. (Aramco, 2020)

To realize nation goodness, organizations desire to concentrate on the advancement and growth of individuals. These are all continuously encouraged to reach this value within Aramco. (Aramco, 2020)



- **Integrity**

It is the Art of being reliable and strictly adhering to well-built noble and ethical-moral codes and regards. In Aramco, rectitude is observed as the candor, trueness and fidelity of staff actions. Integrity always agree in antipathy to corruption, in that decision where the standards of purity overwhelm about intrinsic compatibility as valor, and inspire that persons property within themselves are honesty in the interior understanding of "integrality". They flow from qualities such as trustiness. As such, one may critic that others "have rectitude" to the proportion that they play according to the worth, beliefs, and moral code they maintain to possess. (Aramco, 2020)

These values are considered the pillars of the developing operation. Conducting integrity in Aramco's internal system guides the company to gain the client's confidence.

*In order to obtain more information in the marketing strategy of Saudi Aramco, we have to resort to studying many things that go beyond vision and mission, such as business plan and corporate strategy for more details and information see Appendix 1&2.*



(Aramco, 2020)

## Competition definition (comparison between Aramco & Equinor)

Saudi Aramco is one of the leading companies in the oil industry in the Kingdom of Saudi Arabia, MENA, and all over the world, as it competes with major and international companies. The comparison was chosen to be with a decent global competitor, such as Equinor: (Aramco, 2020) (Equinor, 2020)

	Saudi Aramco	Equinor
<b>The Regime in the Country</b>	Absolute Monarchy	Democracy
<b>Geographic Features</b>	Onshore Production	Offshore Production
<b>Geopolitical Risks</b>	High	Low
<b>The time of first discovery of oil</b>	The early times of the state	After establishment of institutions of the state
<b>The Initial Culture of the firm</b>	Created as a private company, nationalized later	Created as a state-owned enterprise, partially privatized
<b>Amount of Reserves under the control of the Firm (MMBOE)</b>	332,897	6,175
<b>Authority over the firm</b>	State	Shareholders
<b>Diversity in the Firm</b>	Low to Med	Med to High
<b>The Number of International Board Members</b>	Increased	Increased

When comparing Aramco and Equinor, it would be necessary to indicate that both companies are differentiated from one another. While the government in Saudi Arabia, is a monarchy, Norway, where Equinor is located, is a democratic structure type of a country. (Aramco, 2020) (Equinor, 2020)

Attributable to the geographies of Saudi Arabia, Aramco's oil exploration and production is located inside Saudi, while Equinor's oil exploration and production occurs generally abroad in the offshore of Norway. (Aramco, 2020) (Equinor, 2020)

They also differentiate in the structures of the firms. Basically, the initial cultures of these companies differ. Aramco was shaped as a global oil corporation by a group of oil majors, and then became state-owned nearly 50 years later. Equinor, nevertheless, was established as a 100 percent government-owned firm and was denationalized in 2001. Due to this difference in the ownership structure, authorities of management are not the same, since the first follows the state of the kingdom, while the second is fully controlled by shareholders. (Aramco, 2020) (Equinor, 2020)

When looking at the diversification in both companies, we find that Aramco's first try to expand its operations was in 1989, when they created the Motiva refinery with Texaco and Shell as a step in the direction of vertically integrating the company. At the same period, Aramco reorganized its board, replacing many of its expat members with Saudi citizens as part of the Saudization act by the government, keeping only three international members on the board. (Aramco, 2020)

Another major phase of diversification was the acquisition of Samarec in 1993, when Aramco owned the refineries and amplified its partnership with major oil companies. Considering the early partnerships of Saudi Aramco, in this new era, the relations with partners gained more importance. Kinnear became CEO at the time, who was recognized for his attitude of reestablishing relations and building positive image about Aramco. Aramco continued its strategy of expanding its operations over petrochemical investments. Aramco's greatest diversification shot triggered the biggest alteration in its board of management. After announcing the IPO in 2016, Aramco improved the number of expat members from three to five in 2018. The appointed members were petrochemicals knowledgeable executives. This weight of members with petrochemicals contextual helped Aramco capitalize on its operations in petrochemicals, buying shares in Sabic, the largest petrochemical business in Saudi Arabia, in 2019. (Aramco, 2020)

Changes in Equinor's board also took place in correspondence to its operations changes and corporation structure towards products diversification. A core transformation in the business occurred when it was merged with Norsk Hydro in 2007. Shareholders and stakeholders have elected members of management board which had their effect on the course of actions at the time. (Equinor, 2020)

The company then ventured into renewable energy in 2011, investing in the U.K. to airstream power plants. As a result, international members on the board raised twice in two years to go from two to four members in between 2010 and 2012. In 2018, company name was changed from Statoil to Equinor, reflecting its operations diversity, and elected its first member with knowledge in renewable energy line of products. (Equinor, 2020)

The above indicates a key link in both companies between the diversity of products, related operations, and the experienced board members. Leaders gave both companies weight and advantage options in presenting new auras of their road mapping strategies. They evidently made both companies abundantly compete in a globalized open market, where information is the strongest supportive element toward acquiring the targeted market share, in one of the toughest markets in the globe. (Aramco, 2020) (Equinor, 2020)

## Target Market of ARAMCO

Target market is the reason of exerting efforts to enhance the quality of oil productions. As Aramco's customers and potential customers are distributed around the local and global, it is crucial to define these audience in order to examine their interests and needs.

The following shape describes the criteria Aramco to consider when targeting its audience:



*Figure created for Assignment basis only by Saba Aljehani*

### • Clients

Saudi Aramco has formed a researching network world-wide to sustain a worldly excellence in innovative energy solutions and contribute in enriching the knowledge of its country's fellow citizens. They are continuously discovering oil and gas resources to fulfill the growing world energy demands. (Backus, 2000)

- **Costs**

Saudi Aramco has respected and studied its customer needs, and this is shaped in establishing many Services organizations, where they solve customer's problems concerning their points of interest. (Backus, 2000)

- **Communication**

People's aspiration leads to creativeness and achievements. As part of Aramco culture, they value and encourage natural attitudes. They deeply believe in the world's focus towards energy as a continuous golden chance, and they drive endlessly to give more of its resources' outcome to the benefit of whole globe. (Backus, 2000)

- **Convenience**

In crude oil, Saudi Aramco is the greatest pure provider in the globe: approximately 10% of the world's barrels of crude oil wherever is a result of Aramco's genuine efforts. (Backus, 2000)



(Aramco, 2020)

## ARAMCO Market Segmentation

Segmentation is strongly connected to the target market. It comes as a result of defining the market target. Segmentation is a division of specific market category to study its properties and characteristics. There are four major segmentation figures. Each depends on analyzing an aspect. For example, studying the behavior or physiological features of the clients is an important one. (Kotler, 2012)

Aramco is an entirely integrated, world-wide oil corporate, globally driving the wheel oil stages from locating to drilling all the way to purifying and selling in all shapes and for all purposes. Their principal ethics and values are driving them in whole towards a bright future. Safety, Citizenship, Accountability, Integrity, Excellence, and more, are the pillars of their Marketing strategies and concept. (IEA, 2020)

They've matured into the greatest incorporate world-wide oil corporation, with widening scope, domestically and internationally, working on:

- Marketing, distributing and supplying crude oil, oil products, natural gas, and sulfur.
- taking care of the whole crude oil international supply chain through a sister company.
- Refining Crude Oil, providing in-house produced petrochemicals and selling both of them with the support of allied and sister companies. (IEA, 2020)

Collaboration is their core game, as they operate closely with a wide network of allies in: Sales & Marketing, Refining & chemicals, Distribution & shipping, Exploration & Production, Sourcing, and purchasing of material and subcontracted services. These allies support Aramco in maintaining their flow of work sustainability and improvement, as a whole integrated structure. (IEA, 2020)

## ARAMCO SWOT Analysis

It is obviously recognized that Aramco has a well-established brand in the Gulf area and the whole world. The precious asset of strength that Aramco always strive to sharpen is its cutting-edge science excellence and innovativeness. Aramco keeps pushing toward supporting the world with implementing futuristic sustainable energy ideas as the oil market pioneer it always assures to be. (Aramco, 2020)

Aramco is arising in its typical style with a futuristic glimpse and a rapidly growing association of external environment pressure elements. All of this and more necessitate a bird eye vision and a hugely integrated strategic plan, to overcome what might occur in the future. They should always proceed as developers of the market trends and have it led by them. Consequently, the risk of falling at the back of their competitors be eliminated. Being qualified to site and combat opportunities can be of great thrust to a huge variety of business efficiencies and contents providing golden passes in their market. (IEA, 2020)

<p><b>STRENGTHS</b></p> <ul style="list-style-type: none"> <li>• Investing on substitute energy.</li> <li>• Spending on huge ventures.</li> <li>• An 80 years sustaining brand.</li> <li>• Highly skillful administration operating the business.</li> <li>• Technologically innovative development lead impact by Integrating transactions across the hydrocarbon value chain.</li> <li>• Highly skillful sale streams and distribution channels efficiently wide.</li> <li>• less market entry barriers, due to supply of crude oil, the input of various output products.</li> </ul>	<p><b>WEAKNESSES</b></p> <ul style="list-style-type: none"> <li>• Decreasing profit margin on the long run.</li> <li>• Future profitability</li> <li>• Declining rates of replacement.</li> <li>• Lacking the ability to compete on refined products, which results lower sales and lower top line growth.</li> <li>• Higher skilled manpower, mining and refining costs over the year, putting pressure on innovation costs.</li> </ul>
<p><b>OPPORTUNITIES</b></p> <ul style="list-style-type: none"> <li>• Expansion of Asian-Pacific economies and rising energy demands in related markets.</li> <li>• Innovative energy methods, e.g. alternative and Biofuel.</li> <li>• Continuous Increasing demand of energy solutions all over the world.</li> <li>• Profitability optimization chances by fulfilling demand growth rates.</li> <li>• High potential of exportation and innovative supply solutions.</li> </ul>	<p><b>THREATS</b></p> <ul style="list-style-type: none"> <li>• Lengthy world-wide recessions.</li> <li>• Union Strikes and other world-wide politic events, e.g. Eco-friendly event.</li> <li>• Global economic related issue, e.g. pandemics, wars, etc.</li> <li>• Costs inflations, e.g. labor, mining, refining.</li> <li>• Rising Competitors with less profit margins.</li> <li>• Unforeseen difficulties at customers' regions.</li> <li>• Regulation of Environmental nature which would limit Oil business.</li> </ul>

*Figure created for Assignment basis only by Saba Aljehani*

*In order to obtain sufficient and adequate information in the marketing field, it is necessary to study the pastel analysis and the 5-porter analysis, and therefore more information are found in Appendix 3 and 4.*



## Aramco 4 p's

- **product**

Aramco supplies petrochemicals, oil, and natural gas products. In means of petrochemicals, the corporation has eight regional refineries which sum up to the capacity of 1.8 million bbl./day. (Aghion, 2002)

Since the so called “Black Gold” is gradually being replaced world-wide with eco-friendly energy solutions, Aramco is shifting to this new era with many expanding plans. Solar Energy solutions along with other arms of alternative energy products are introduced and finding their premium attention and place in Aramco’s product list, and this is a pillar in Saudi Arabian Vision. (Vision2030, 2019)

The growth share matrix was framed on the formal system that market headship results in endurable higher returns. Ultimately, the market leader holds a self-strengthen cost benefit that competitors find impede to contest. These high growth rates then signal which markets have the most growth potential. (Aghion, 2002)

The matrix shows two substitutes that corporation should estimate when determine where to invest—corporation competitiveness, and market attractiveness—with relative market share and growth ratio as the fundamental drivers of these substitute. (Aghion, 2002)

Each of the four quadrants personate a remedy union of referring fair allotment, and effect, and Aramco’s products are harmonized accordingly:

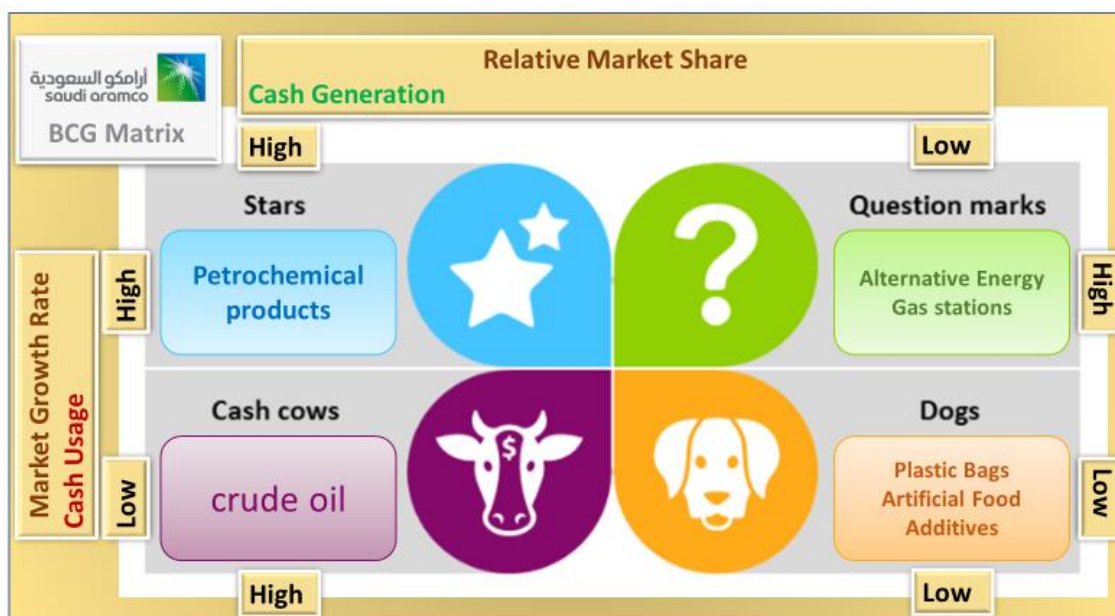


Figure created for Assignment basis only by Saba Aljehani

- **Low Growth, High Share:** Companies should foremilk these “cash cows” for cash to endow. In Aramco, it is obviously the crude oil, where they are having a great market share and slow yet steady growth, due to expanding global demand. (Aghion, 2002) (Aramco, 2020)
- **High Growth, High Share:** Companies should way dress in these “stars” as they have increases in the future influential. Petrochemical products are in this category when we look at Aramco’s offerings to the world these days. (Aghion, 2002) (Aramco, 2020)
- **High Growth, Low Share:** Companies should endow in or cashier these “question marks,” rely on their likelihood of becoming stars. Alternative Energy is the upcoming star of Aramco with a market they are shifting to in rapid yet planned steps, implementing the road map of Saudi Arabia’s Vision 2030. Gas stations high standard business model is a newly introduced “downstream” product by Aramco as well. (Aghion, 2002) (Aramco, 2020) (Vision2030, 2019)
- **Low Share, Low Growth:** Companies should liquidate, deprive, or reposition these “petted.” The plastic bags strategic business unit the artificially flavored products strategic business unit, due to the fact that consumer behavior is shaping towards losing the habits of using more plastic bags and artificial food additives, with all the eco-friendly and healthy food global trends. (Aghion, 2002) (Scott, 2018)

## • price

Because of shortages in domestic supplies, international pressure is applied on Aramco to subsidize prices of its local natural gas productions, since they are the best prices in the Arabian Gulf area. Aramco is accountable to announce the Official Selling Price (OSP) according to crude oil quality and customers’ locations. (Aghion, 2002)

The pricing mechanism is competitive and involve many aspects, including the geopolitical factors, demand and supply of the market at a certain point, supply chain stability, global aspects, and many other influencing factors. (Aramco, 2020)

## • place

Aramco’s oil is transferred via pipelines, tankers, and ships. Vela International Marine Ltd., and the National Shipping Company of Saudi Arabia (Bahri) are part of their logistics subsidiaries. Main ports that operates their supply chain and output exportations are Port of Ras Tanura in the Arabian Gulf with handling space of approximately 3 million bbl/Day; Ras al-Juaymah facility; and Yanbu terminal on the cost of Red Sea at the western region of Saudi Arabia. (Aramco, 2020)

- **promotion**

The corporation's recent plans to enhance their products familiarity and realization empowers Aramco's brand to expand as the market familiarizes more about these products. This will place them in an advancement ahead of their competition. (Aghion, 2002)

Aramco's started aggressively promoting the brand during the last five years as a part of their IPO advertising campaigns. They have succeeded during this time to have their brand appear positively and been mentioned densely in major global TV channels, various social media platforms and they even have reached roads posters and international magazines. (Aramco, 2020)



(Aramco, 2020)

## Conclusion

Although oil market is considerably competitive, Saudi Aramco sustains a major role and market share. The expansion ratio of competitors and growths of corporation's cost of production are great challenges for Aramco. Aramco is very jutting in not keeping an effort pushing to reach its highest level of quality products, racing customer demand, diversifying their lines products, opening full innovation throttles while holding their horses on competitive cost ratio.

The global energy demand will never stop growing, and the technological and informational revolutions won't either. Aramco's strategic management of their marketing strategies and products sense of matching the global needs are closely associated with the necessity and aspirations of Vision 2030 implementation with the lead of the Kingdom of Saudi Arabia. All of this is recapitulated in the company's master Strategic Course, to be the source of a great financial contribution to the of the regional and global economy state of the Kingdom of Saudi Arabia.



(Aramco, 2020)

## Recommendations

- Saudi Aramco should always work as per emphasis on customer needs and wants. It is always their accountability to plan for the satisfaction of demand by providing the right product on the right time and place.
- World demand is reshaping and we could see how a crisis as big as Covid-19 is affecting the oil market. Innovations shall rule Aramco's future to reshape itself as well.
- Sales system is recommended to be restructured to touch basis with day to day business and evolve with the technological development. Deeper engagements with customers would add more value to marketing plans.
- Aramco is capable of being more than just an oil company. The high standards and experience built along its life span allows for wider diversification. Real-estate, construction, and even airline business are all potential business opportunities to expand by partnering up with the right allies.
- Safety is a major value of Aramco that is great to emphasize through promotions.



(Aramco, 2020)



## Appendix

### 1. Business plan

The vestment is part of the possession-owned society's shield of expenditure \$150 billion at abode and internationally through 2019. Saudi Aramco will veer their focalize on Asia, especially China and Korea.

Saudi Aramco is enlarging in wiredrawing and petrochemicals and tries to lift ligature with Asia as part of it covet to wax both mankind's biggest Oil and chemicals caused by the issue of the decennary. Last year, it twists a \$2 billion wager in S-Oil Corp., South Korea's third-biggest Oil refiner.

The corporation has join-hazard generate in China, defeat stick in purifies businesses in South Korea, Japan, and the U.S. and mart its raw and purified products globally. Aramco eases a \$10 billion lending in March that could be necessity to capital possible acquisitions. (Pierce. 2012)

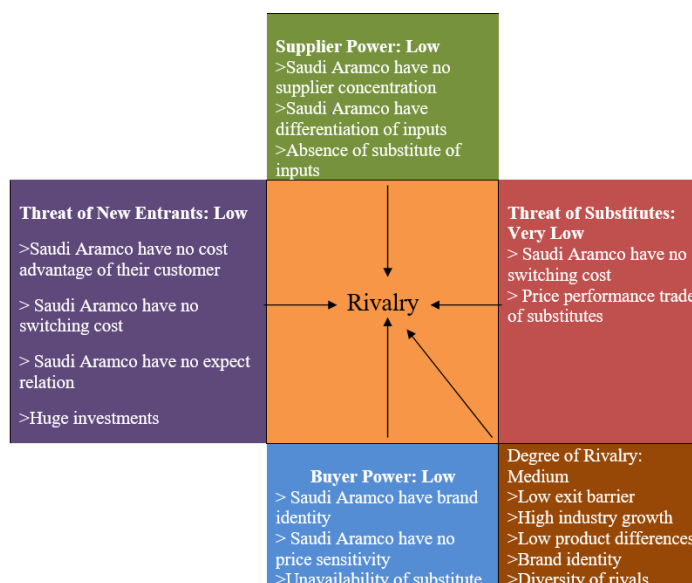
### 2. Corporate Strategy

As the complete population increase, economies enlarge, and standards of lives enhance, the resolution will abide to be an existent enabler of chance. Saudi Aramco is capital punishment an extensive-roam generalship to betroth that they are at the beginning of foreseeing the required efficiency — now and the morrow. Guided really by the Strategic Intent and judgment, SA's employment generalship will not only do commonwealth for millions of lead its benefits but it will also advance the jab embellishment of each and every servant who manufactures or are somehow adjunct to this association. (Pierce. 2012)

### 3. PASTEL Analysis (Pierce. 2012)

<b>Political Factors</b> <ul style="list-style-type: none"> <li>-Governments controlling world hydrocarbon reserves → significant impact</li> <li>- OPEC controlling 75.5% of world reserves → highly influential</li> <li>- Political risks: Instability, expropriation/nationalization of property, terrorism, civil conflicts, strikes, wars, etc. → adverse effect</li> <li>- Environmental treaties→ negative impact</li> </ul>	<b>Economic Factors</b> <ul style="list-style-type: none"> <li>-Interdependence between world economy and oil industry: economic growth → growing demand for oil; but also: continual supply of oil at reasonable prices → stable economy</li> <li>- Inelastic demand → positive effect</li> <li>- Exchange rates → impact on buyers and suppliers</li> </ul>
<b>Socio-cultural Factors</b> <ul style="list-style-type: none"> <li>- Values and beliefs shape preferences for energies → energy mix changing towards greener energies</li> <li>- Need for companies to show social responsibility → supporting sustainable human development through investments in education, training, social and environmental activities</li> </ul>	<b>Technological Factors</b> <ul style="list-style-type: none"> <li>- Extremely technology-driven: improved upstream technologies → better recovery of hydrocarbon, recovering oil from reserves considered exhausted → improved profitability (gains)</li> <li>- Breakthrough technology in ultra-deep water extraction → competitive advantage for Petro bras</li> <li>- Advanced technology → profound impact on long-term sustainability</li> </ul>
<b>Environmental Factors</b> <ul style="list-style-type: none"> <li>- One of the most polluting industries in the world → requirements for covering environmental damages and restoration of inactive sites →burden for companies' profitability</li> <li>- Special care of safety and quality of products and transportation →greater reputation and sustainable value creation → positive impact</li> </ul>	<b>Legal Factors</b> <ul style="list-style-type: none"> <li>- Subject to strict legal regulations: drilling, environmental-health-and safety protection controls, controls over development and decommissioning of fields, etc.</li> <li>- Large upfront concession fees and special royalties for oilfields →burden for companies</li> <li>- Obligations relating to environment and climate change → negative effect on profitability</li> </ul>

### 4. Porter's 5 Forces (Pierce. 2012)





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-----The End-----

***Many thanks to all SBS Staff for the valued cooperation and great support.***

***My sincere prayers to Allah to save our planet from these critical situations these days  
and all of our days ☺.***

***Best regards,***

***Saba F. Aljehani – Jeddah, Saudi Arabia***