

Research and Analysis on the Development and Marketing Strategy of Petroleum Equipment Market

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Abstract. Oil is called "industrial blood" and "black gold". It is not only closely related to our daily life, but also an indispensable strategic resource for the survival and development of the country, and guarantees the national economy and national security. China's oil is mainly distributed in the northeast, Ordos, Qaidam Basin, Junggar and other regions. The name oil was originally named by Shen Kuo, a scientist from the Northern Song Dynasty. Through drilling, mining, refining and other processes, oil can form a variety of petrochemical products, such as gasoline, diesel, lubricating oil, asphalt, etc., to facilitate our daily life. If oil is to be used by us, it must go through a series of mining, refining and other processes, and petroleum equipment is the basis for completing these processes. Therefore, the market development and marketing strategy of petroleum equipment is very important. This paper will briefly analyze the market development of petroleum equipment and propose appropriate marketing strategies.

Keywords: Petroleum equipment; Market development; Marketing strategy.

1. Introduction

With the development of society and the continuous improvement of the economic level, the status of oil in the world is becoming more and more important. It can be said that oil has become an indispensable substance in the development of the world and in our daily life. Whether it is the country's industrial development, transportation, or our food, clothing, housing and transportation, every oil is inseparable. Oil exploitation and utilization are inseparable from petroleum equipment. Oil-related equipment belongs to petroleum equipment. It is roughly divided into drilling equipment, derricks, drill bits, drill pipes, casings, drill collars, drilling rigs, mud pumps, turntables, and Sprayers; oil extraction equipment, oil trees, sucker rods, oil pipes, pumping units, electric submersible pumps, etc.; as well as equipment for storing and transporting petroleum, petrochemical-related pipeline equipment, etc[1]. The continuous development of China's petroleum industry has driven the development of petroleum equipment. In the contemporary era, the development level of China's petroleum industry is constantly improving, and the petroleum equipment manufacturing industry produces more and more petroleum equipment. However, there are still some problems in the development and marketing of China's petroleum equipment market, so the market development and marketing of petroleum equipment. It is necessary to conduct in-depth research.

2. Status of World Offshore Oil Equipment

At present, the world's offshore oil equipment technology can be broadly divided into two categories: the US-based western developed countries, where offshore oil equipment technology dominates and the developing countries dominated by China are accelerating the process of localization of offshore oil equipment.

2.1 Status of Offshore Oil Equipment in Developed Countries

The western developed countries, which are mainly based in the United States, have long studied high-tech offshore platform equipment and have long been engaged in the development of offshore engineering. Since 1887, developed countries in the West have begun to study technologies such as oil exploration and equipment installation in the ocean. They have accumulated rich experience in these aspects, mastered a large amount of theoretical knowledge of offshore oil and gas development, and possessed the conditions for offshore oil development. In addition, it also has a complete system

development and supporting capabilities, as well as a high-tech core technology [1]. Therefore, for a long time, the offshore oil equipment technology of the western developed countries represented by the United States has been in a leading position in the world.

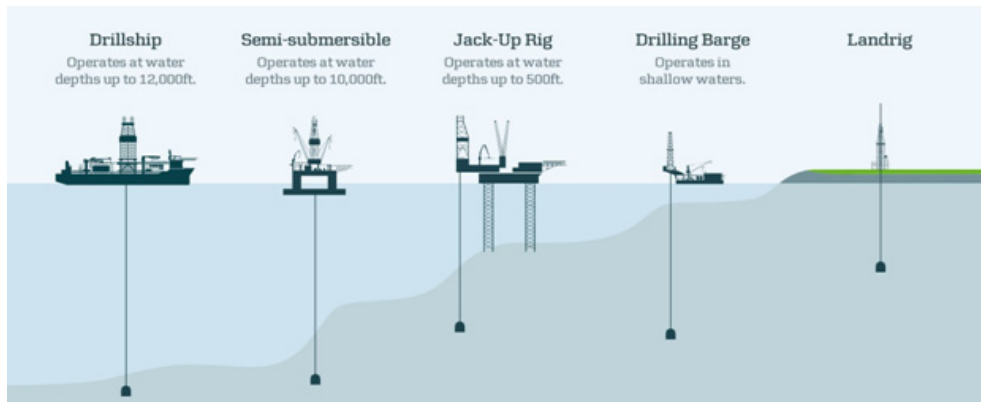


Fig. 1 China Offshore Oil Equipment Drilling Platform Type

2.2 Status of China's Offshore Oil Equipment

China's offshore oil equipment industry generally originated around 1970. Although it has been studied and explored for decades, China's oil exploitation is still concentrated on land, and oil and gas development in the ocean is still relatively small. Compared with the world level, China's marine oil and gas discovery rate is extremely low, and only a small number of drilling platforms (as shown in Table 1).

Table 1. The number of drilling platforms for China's three major oil companies

	Fixed drilling platform	Jack-up drilling platform	Semi-submersible platform	Bottom drilling platform
CNOOC	24	30	5	0
Sinopec	1	8	2	3
PetroChina	0	8	0	5
Inside China	25	46	7	8

From the perspective of the domestic shipbuilding industry, there is not a professional offshore drilling development and construction company in China. The existing shipbuilding companies are mainly engaged in transportation. For offshore oil equipment manufacturing enterprises, most of China's petroleum equipment manufacturing enterprises mainly rely on equipment for producing land, and there are relatively few enterprises that are mainly based on offshore oil equipment manufacturing. In addition, China has little theoretical knowledge and practical experience in the exploration, exploitation and utilization of marine resources. Offshore oil development is an over-risk project. Because the country lacks policy support, companies dare not try it easily. Moreover, China's investment in human, material, and financial resources for offshore oil equipment technology is obviously lacking, and it lacks necessary manufacturing capabilities and experience. In summary, we can find that China's offshore oil equipment technology is obviously behind the world's advanced level.

3. Current Problems in the Development and Marketing of China's Petroleum Equipment Market

3.1 The Number of Enterprises is Large and the Competitiveness is Weak

After China implemented the market economy-based economic system, it accelerated the pace of state-owned enterprise reform, released the vitality and vitality of the company, and then derived a large number of private oil equipment manufacturing enterprises with more vitality and vitality. After the completion of the 12th Five-Year Plan for China's national economic and social development, China's petroleum equipment manufacturing enterprises are about 3,000, and the annual sales income is about 400 billion. According to the statistics of relevant state departments, there are about 700 annual sales revenues of China's petroleum equipment manufacturing enterprises that can reach more than 5 million yuan [2]. China has many petroleum equipment manufacturing enterprises, but this petroleum equipment manufacturing enterprises have limited technical level, weak market competitiveness, and insufficient market development and marketing capabilities, which hinder the further development of China's petroleum equipment manufacturing industry.

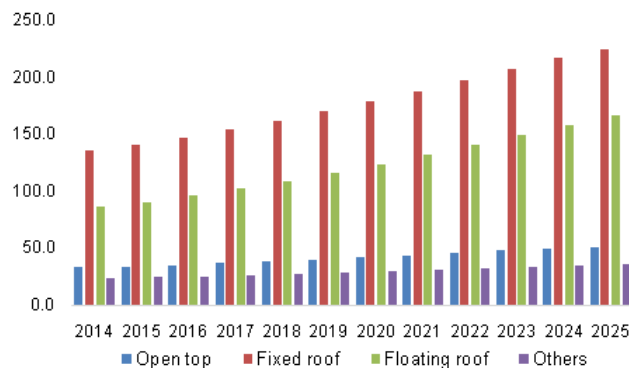


Fig. 2 Marketing Analysis of China Petroleum Equipment Market

3.2 Industry Competition Pressure

The similarity of products and the relative reduction of market demand have caused great pressure on the entire industry of China's petroleum equipment manufacturing industry. Previously, during the period of rapid development of China's petroleum equipment manufacturing industry, all petroleum equipment manufacturers were madly investing heavily in new production lines, which eventually led to excess product production, more market demand, and a large number of similar products lost. Competitiveness can only be sold through price cuts, which makes profits continue to decrease.

3.3 Brand Image is Difficult to Translate into Corporate Profits

Brand image refers to the personality characteristics of the company in the market and the hearts of the people, and can also reflect the evaluation of the enterprise or product by the consumers of the enterprise. Brand image and brand are closely related, which can reflect the essence and strength of the brand. The brand image contains many aspects, such as the quality of the products produced and the level of service. From the overall situation of the world, the developed countries in the West have also developed step by step from manufacturing parts and components, manufacturing complete equipment, and then to manufacturing, technology and services. China's petroleum equipment manufacturing industry lacks the ability to provide overall solutions and the level of service awareness is not high. Most oil equipment companies do not have the ability to professionally integrate services, and even some companies cannot guarantee the production of oil. The quality of the equipment is qualified. In addition to the important projects that China has repeatedly emphasized, petroleum equipment manufacturers will not seek professional supervision to obtain advice and guidance. Most enterprises pay less attention to product quality, so the quality of the products produced is not satisfactory, so that enterprises the brand image is not good and cannot be converted into corporate profits.

3.4 Manufacturing Big Country Non-manufacturing Powers

China is a big manufacturing country, but it is not a manufacturing power. This can reflect that the product technology level is not high and the product quality is poor. It can also reflect that the product structure is not optimized enough. At present, from the overall situation, China's petroleum equipment manufacturing industry is too low, and the technical content of the products produced is not high and the added value is low. The developed countries in the West have a large number of high-tech and high value-added technologies, which has caused China's petroleum equipment manufacturing enterprises to remain at the low-end production level and unable to produce products with excessive technical level. China's petroleum equipment manufacturing enterprises produce a relatively simple type of drilling equipment for oil exploitation, and they do not have the ability to adapt to different geological environments. No matter the design level or production capacity, they cannot catch up with the international advanced level.

4. Petroleum Equipment Market Development and Marketing Strategy

4.1 Transforming the Concept of Operation and Development

In order to promote the continuous development of China's petroleum equipment manufacturing industry, we must first change the concept of operation and development, and transform the development concept of seeking excellence into a complementary, streamlined and win-win integrated industrial chain. In recent years, the world's economy has been in a downturn, coupled with the continuous reduction of oil reserves, the investment in oil exploitation is also decreasing. Therefore, through the integration of the integrated industry chain to fill the supply gap, divest the non-performing assets in the entire production line, concentrate all the power and resources, reduce the operation of the sideline business, and strengthen the management of the main business. In addition, we must constantly improve the level of production technology, increase the emphasis on product quality, minimize unnecessary investment, improve product quality as much as possible, and establish a positive brand image.

4.2 Adopting a Diversified Market Development and Marketing Model

The market is the core and key factor in determining the success or failure of petroleum equipment manufacturing enterprises. The excessive number of petroleum equipment enterprises in China has led to increasingly fierce competition in the industry, and the profit of petroleum equipment manufacturing enterprises is meager or even loss. Relatively speaking, the competition in foreign markets is smaller, and the profits obtained will be higher. However, petroleum equipment manufacturers have insufficient development efforts in foreign markets, so they should adopt a diversified market development and marketing model [3].

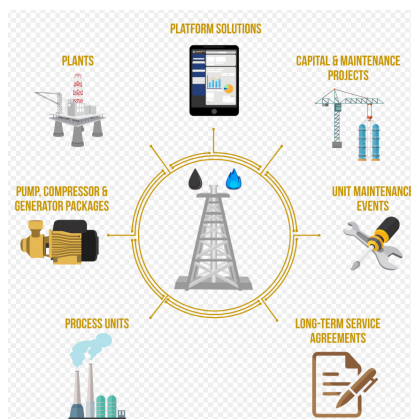


Fig. 3 Analysis of the development and marketing mode of petroleum equipment market

The first is to combine oilfield services with equipment leasing business. Petroleum equipment manufacturing enterprises can cooperate with petrochemical enterprises to expand service scope, improve service awareness and level, and make the industrial chain tend to be integrated, and adopt a cooperation mode of sharing risks and sharing interests to improve petroleum equipment manufacturing enterprises and petrochemical industries. The company's common anti-risk ability, improve core competitiveness and market competitiveness. Secondly, it is actively carrying out the general contracting business of the project or increasing the cooperation with the enterprises that already have the general contracting business, forming a mutually complementary market development and marketing model. Diversified market development and marketing models are conducive to promoting the sound development of China's petroleum equipment manufacturing industry, and help to promote the continuous progress of China's petrochemical industry.

5. Conclusion

The development and utilization of oil is conducive to the development of China's economy, and it can also improve people's living standards and transform people's lifestyles. Therefore, how to carry out market development and marketing of petroleum equipment is a question worth pondering. At present, China's petroleum equipment manufacturing industry is not developing very well. Therefore, it is necessary to change the development mode. It is necessary to continuously improve the quality and innovation of equipment, so that equipment can be more widely used in the development and refining process of petroleum. It is also necessary to adopt a diversified market development and marketing model to improve the market competitiveness of petroleum equipment manufacturing enterprises and promote the development of petroleum equipment manufacturing industry, thereby promoting the development and utilization of petroleum and promoting the continuous improvement of China's economic level and international status.

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