Emirates petroleum strategic positioning

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Introduction

Emirate's petroleum is a Dubai-based petroleum corporation with a strong presence in the Emirates market. It was founded in 1980 and captured the local market by retailing petroleum, terminal service, aviation fueling, and lubricants marketing. The petroleum business is always profitable as many people nowadays use private vehicles to reach their destination and maintain their aristocracy. This report will highlight the current position of Emirates petroleum, and a roadmap will be prepared for the company where some changes that will be helpful for the firm will be suggested.

Part 1

Critically analyse the current position of Emirates petroleum

Emirate's petroleum has been ruling the petroleum industry since its foundation. Dubai is leading the supplier market of petroleum worldwide. Hence, it can be said that the company is following a strategic way to increase its petroleum business and maintain consistency (Miller & Verhoeven, 2020). As the petroleum industry is a leading industry in the UAE market, significant competitors of Emirates petroleum have been found.

Major competitors of Emirates petroleum

Due to having strong petroleum business possibilities, many companies are focused on doing petroleum business in the UAE. Esso Canada is the major competitor of Emirates petroleum, whose current revenue is $26 billion. Kuwait Petroleum International ($34 million), RKA petroleum companies ($608 million), McDougal energy ($10 million), etc., are the major competitors of Emirates petroleum (Mordointelligence.com. 2022). The establishment of these companies is similar to Emirate's petroleum and operating successfully in the market.

Change in structure due to pandemic

COVID 19 pandemic has an emerging impact on the petroleum industry. From price to sales of petroleum, each segment effect brutally. As the movement has been restricted since the quarter of 2020, price fluctuation in petroleum products increased rapidly. Due to the closure of almost every sector, vehicles movement was reduced (Krzymowski, 2020). The petroleum industry is based on the movement of transport. If vehicles do not move, they will not require petroleum and diesel. Thus, automatically the sales of petroleum decreased. It was stated that around 20% of sales in petroleum had been found in the UAE market. Due to the lower oil prices, a budget cut down of around 5.3% has been found in the UAE compared to 2020 (Mordointelligence.com. 2022). As petroleum products demand was low, the production of oil and petroleum products was reduced. If the UAE government policies support the petroleum industry, it can be said that the market will recover by 2022. To enhance the refining capacity, worth USD 45 billion projects was launched by this country (Mordointelligence.com. 2022). By 2025, this project is expected to enhance the refining capacity of the UAE by approximately 65% means 1.5 million barrels every day (Mordointelligence.com. 2022).

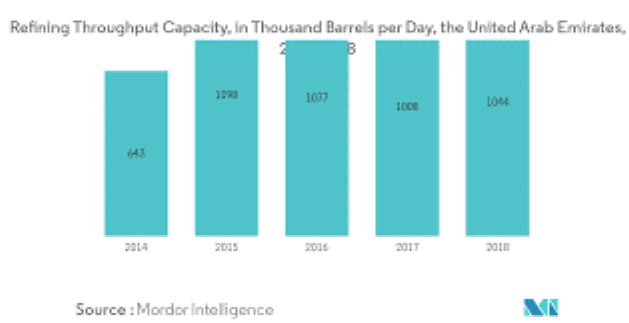

Figure 1: Emirates petroleum market share

(Source: Miller & Verhoeven, 2020)

Based on the pandemic situation, it cannot be said that competition from rivals is increased in the UAE petroleum industry, which can create a barrier for Emirates petroleum to operate their business successfully. As the money circulation and unemployment rate across the globe were enhanced, it is better to say that buyers' bargaining power was increased, due to which the petroleum companies were bound to fall their prices (Mosteanu & Alghaddaf, 2019). Without this, the companies would not sustain themselves in the competitive market. Price deterioration was the only way to sustain. Suppliers' bargaining power was also low because they lost their significance from the market due to fewer supply orders from the petroleum companies. A new competitor's entrance was not found in the UAE market (Miller & Verhoeven, 2020). During the pandemic, the closure of companies was noticed. However, opening a new company was kind of impossible on the globe. Petroleum's substitute product can only be diesel if the vehicle suits. Emirates petroleum used to sell both the items. Hence, the substitute products barrier was not found.

Emirates petroleum's capabilities

Emirates petroleum is capable of growing its e-commerce space. However, its competitors are also investing in incorporating AI and analytics tools in their businesses (Krzymowski, 2020). Brand awareness is the most valuable function only done by Emirates petroleum in the UAE market, which its competitors cannot imitate. This is the unique value that the company is giving to its customers (Oki, 2020). Thai firm positions itself firmly in the market by following a strong relationship with its wholesalers. Different digital strategies have already been implemented within this company. Though it is not rare, competitors can easily imitate this strategy. Brand awareness and positioning of the company are the two significant tasks on which the company is highly focused (Alam *et al.* 2019).

Part 2

Developing a roadmap for Emirates petroleum

Process of improving competitive advantage and market share of Emirates petroleum in the UAE's petroleum industry

The petroleum industry has a profound contribution to increasing the country's economy. Being a leading petroleum corporation, Emirates petroleum has a considerable market share in the UAE petroleum industry and the Middle East's oil production. 13.2% of oil is produced from UAE's oil industry. It is accounted for a production of 3.66 million barrels per day. The company should increase the percentage and reach it to at least 20% by 2025 (Mordointelligence.com. 2022). It is only possible if the corporation can get a competitive advantage. The petroleum industry helps the country in many other ways instead of giving petroleum to run vehicles. It provides employment opportunities to the country's people (Jaradt, 2019). It helps in increasing government revenues and reserving foreign exchange. To gain a competitive advantage, the company can reduce its production costs. Automation will be the best idea for the company to achieve its competitive advantage. It will help in gaining productivity along with maintaining consistency (Airswift.com. 2018). A high level of energy is required in industries to work fluently. Thus, automation will help by giving continuous service. Automation will transform the way of communication and data accessibility. Digital data handling procedure helps in accessing all the required data at the time when needed (Oki, 2020). IoT will help in accessing real-time data effectively during the needs. Communicating and interrogating with these data gives competitive advantages.

Automation makes the process of working first. If Emirates petroleum adopts an automation technique, it will reduce costs by around $700,000 per well (Mordointelligence.com. 2022). Security of data will be increased in Emirates petroleum if they adopt technological matters in their business. Offshore oil rigs can be inspected and accessed by augmented reality. Gas pipelines can be fixed easily by underwater robots. Human risks are reduced for introducing automation in the process (Alam *et al.* 2019).

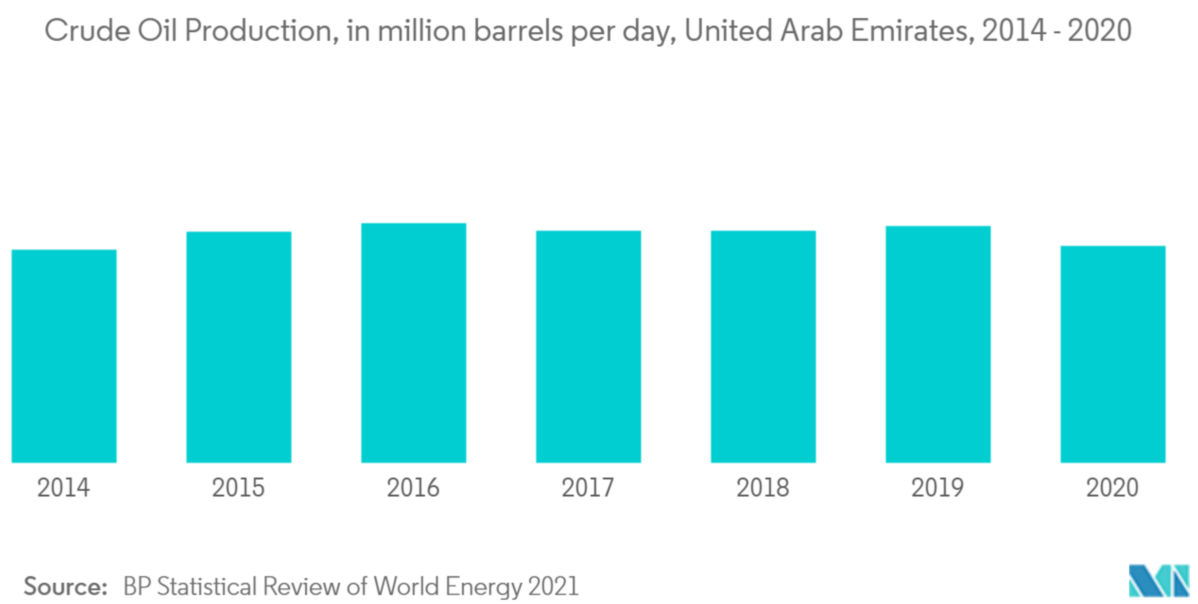

Figure 2: Crude oil production in the UAE

(Source: Mordointelligence.com. 2022)

Innovation in Emirates petroleum will be the only way to enhance its market share. The plan is like improving their market around 9% by 2025; the process should be fast (Mordointelligence.com. 2022). The corporation can target more buyers than previous. If they make their supply chain system faster than their competitors, it will benefit them to receive more orders from clients. If the company makes a system of automation in their filling system, clients will come to them due to faster proceeding. Time is a significant factor for many companies, and to save time, clients will be attracted to this company (Mosteanu & Alghaddaf, 2019).

Performance measurements

The performance measurement of Emirates petroleum can be said its goals. The main goal of this company should be to increase its market share by at least 10% in the next 5 years. It will be a challenging task for the firm (Jaradt, 2019). Though, due to the pandemic situation, this hard target must be taken as without it, sustaining competitively in the global market will be difficult.

How does Emirates petroleum deliver unique value to its customers?

This company is successfully positioned itself in the global market. It has a massive contribution to the Midldle east region's economy. Brand awareness is the main focus of the company. Following this, the company has become more custom-oriented (Krzymowski, 2020). Customers of this company mainly prefer to choose this brand due to having its firm brand name. As the company has been successfully operating for many years, faith has automatically been born among its clients.

On the other hand, the adoption of digital strategies bound customers to visit this corporation for their purposes (Alawadi *et al.* 2019). Their digital system makes their work fast and smooth. To save time and energy, many stakeholders and clients prefer to connect with this company and build a strong relationship that will last long.

Required changes in Emirates petroleum and process of implementing the change

Emirates petroleum works significantly in the global market, and it is marked as a milestone for most smaller petroleum firms. However, this company requires some changes to increase its market share globally (Alam *et al.* 2019). As a determined goal is already mentioned above, some changes will be needed in the company to reach the goal. Automation in every process is the best change that the company can make to enhance its market share. As automation helps reduce the cost of production and mitigate risks, adoption of it will be beneficial for the company. Automation in supply chain management will be fruitful for the company (Airswift.com. 2018). It will help them keep a track record of the vehicles that work for them. Improving the system to make it faster than the current situation can also be possible by adopting innovative technologies. The company can face much resistance during this change because the automation process is unknown to many employees (Jaradt, 2019). The company can follow Lewin's change model for change management, which is popular and most effective.

New employees hiring process in Emirates petroleum along with their unique solution process

As automation is suggested, hiring new employees will be essential. It is possible that existing employees do not have the required knowledge that will be needed while implementing automation within the process (Mosteanu & Alghaddaf, 2019). The company can mention what criteria they are looking for when recruiting a new employee in their recruitment advertisement. They can also note that these skills-enabled candidates can only apply, and a test at the beginning of the employee selection can be organized so that the HR team's time will not lose. And yes, the company should focus on the empowerment of the existing employees as, without it, the employee termination rate will be increased, which will negatively impact the company's reputation (Alawadi *et al.* 2019).

Conclusion

Emirates petroleum is a prominent company with a considerable market share in the global oil production and supply segment. The process that the company can adopt to increase its market share and other aspects, some suggestions are highlighted in this report that the company can follow to improve their competitive advantage and market share. The statistical data provided in the report will help better understand the current market position of Emirates petroleum.

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