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Castrol India: A pioneer of development under Ömer Dormen's leadership

Energy efficient
hydraulic fluids with
Evonik's DYNAVIS®
technology

Recovery and growth
in Indian
lubricant market

"Accessing the right
information has proven
crucial more than ever"



Castrol India: A pioneer of development under Ömer Dormen's leadership

Ömer Dormen, Castrol's youngest General Manager in the world and now Castrol's General Manager in India for three years, gave us key information about the rapidly growing and developing Indian market, and shared his experiences and observations.

First of all, we would like to get to know you. Who is Ömer Dormen as a key representative of the lubricants sector with long years of experience?

I was born into an artist family but followed a completely different career path. After completing my high school and university education in the UK, I started my professional life at Turkpetrol. I took office at different levels in sales and marketing of fuels, lubricants and LPG products. I had the opportunity to work with the then deans of the sector in Turkey. I was appointed as Castrol's youngest General Manager in the world when I was just 34 years old, and I pioneered the establishment of Castrol in Turkey. I have been working abroad since 2004. I was

BP's Middle East Director for the first 7 years, and then I worked as the Regional Director for Turkey, Russia, Central Asia and North Europe for the next 4 years. Since October 2015, I have been taking office as Castrol's General Manager in India.

My biggest chance is my family

Soon it will be your third anniversary at this position. What is the secret of your success?

I consider myself very lucky to have found the chance to work with and to gain the management skills from visionary managers who were trained from the cradle of



this industry and who attach importance to teamwork. They taught me to ask the right questions, always aim for the better, take risks and excel in teamwork. Within the 11 years I spent under the roof of Turkpetrol, I gained a good command of trading. I learned to harmonize this attribute with a corporate structure under the roof of Castrol and BP.

I always worked with very good teams. It was a priority for me to create the necessary atmosphere to work in harmony as a team and succeed together. I tried my best to set customer-oriented goals, which every employee can understand, get excited about and identify their work with. Instead of rigid approaches, I went for leading venturesome and innovative approaches. It is always a source of joy for me to see that my team is developing, coming to work in high spirits every day. Therefore, I have always cared about the satisfaction of my teams by placing emphasis on communication skills that will create a link among the differences.

Besides, my family is my biggest chance; they have always stood by my side. I have Ayşe and my daughters Yasemin and Alya to thank for coming with me when I had to move to a new country, for accommodating themselves to the new conditions immediately, and for always supporting me.

Well, are there any differences between the management approaches in Turkey and India? Do you face any challenges in this regard?

Every country has its own characteristics... I had the chance to work with many states and the nationals of various countries from Europe to Middle East and Asia. All of them have different values, beliefs, backgrounds and world experiences. It was a great wealth for me to learn new cultures, understand the values that are important for them, and be able to manage a team consisting of these differences.

In India, there are more than 2000 ethnic groups, 9 main religions known, 22 different languages spoken, and the community of each region is quite different. There is a festival and celebration every week. The food and clothes change from region to region. I mean, India is like a large continent which consists of many different countries... And despite all, 1.3 billion people can live in harmony within the same country as much as possible.

I believe all of these have been a great source of wealth for me, and helped me develop further as a manager.

I worked as a manager in Turkey until 2004, and I thought I knew everything. After I started to work abroad and took over the management of people from different cultures, I realized that I actually knew nothing. This delightful voyage of discovery continues in India.

Based on your experiences and observations, can you please make an overall assessment of the global lubricants industry?

World lubricant market is around 38 billion liters. On



Ömer Dormen
Castrol's General Manager

one hand, the market continues to grow with developing economies such as China and India and increasing sales volume; on the other hand, consumption per vehicle declines with new technological advances. The demand for high quality lubricant products continues to increase with new engine technologies. Developing Central and South American countries, Central Asia and Africa regions with their emerging industries contribute to the growth of this market. It is expected that the global market volume will increase due to these reasons in the following years.

A new motorcycle is sold every two seconds

What is the latest situation in the Indian lubricants industry? Can you share some information about the volume of production and exports in India?

India has the second largest population in the world, following China. In the last two decades, the Indian economy has grown about 6 percent every year, and it is estimated that it will outgrow Chinese economy within the next decade.

With regard to the lubricants sector, India is the world's third largest lubricant country with a sales volume of 2.4 billion liters. Automotive lubricants account for the half of the total volume, while the other half corresponds to industrial and process lubricants. Commercial vehicle market comprises of approximately 30 percent of the total market, and there is an increase in lubricant sales as a result of infrastructure investments.

There are over 200 million vehicles in India, and motorcycles account for 70 percent of it. A new motorcycle is sold every two seconds... India has moved up to the fourth place in the world with its annual automobile sales volume. It aims to become the world's third largest automobile hub in the next decade. In parallel to the growth in the motorcycle and automobile market in the last decade, there is a sound increase in lubricant sales.

What is Castrol's position in the Indian lubricants sector?

Castrol has been in the Indian market for over 100 years, and it operates in all segments of the lubricant market. We have a very wide product range from mineral to synthetic oils, from engine and transmission oils to greases.

Castrol is the leading brand in the automotive market. Brand recognition of products such as Castrol Activ, Castrol CRB and Castrol GTX is way over the world average. In addition, Castrol is a market leader in the industrial market with its metalworking fluids and anti-corrosion fluids.

We are aiming to increase our share in the industrial segment

Can you be more specific about industrial oils? What is the market share of Castrol? Which operations do you have in this regard?

Indian industrial market covers a very broad portfolio



from energy production to automotive industry, from textile to cement. Thanks to the incentives given for developing the national industry, the manufacturing sector has advanced significantly.

As Castrol, we attach great importance to the industrial market. Currently, the industrial segment's share in our total sales is 15 percent, and we are aiming to increase this rate in the upcoming period. We have implemented this 5-year strategic plan and we intend to raise our share in the industrial market.

Another factor that boosts Castrol's competitive power can be defined as its ability to develop customer-oriented technological products. For example, this year we have released the world's first zero carbon product for use in the wind power industry. Similarly, our Hysol XBB product, a synthetic metalworking fluid that does not contain boron and biocide, both protects the health of the machine operator and is longer lasting.

With the aim of raising the production quality of our customers and contributing to the efforts to decrease costs, we are working to provide our industrial products that we developed with advanced technology with a quality service approach.

Can you briefly describe the sales channels and consumer patterns in the country?

There are almost 500 cities, around 8,000 towns and over 600 thousand villages in India. The countryside's contribution to national economy is gradually increasing; therefore it is becoming more important for us to reach every corner and make our products easily available.

Castrol India has the most developed and most far-reaching distribution network in the lubricant market. We are working with more than 350 distributors, reaching over 100 thousand sales points. Around two thousand employees in the field are providing services to our customers on behalf of Castrol. We make out 150-200 thousand invoices monthly.

Major part of sales in the automotive market is realized in retail shops that sell spare parts. However, car mechanics constitute a key group which shape consumption. Drivers follow their advice when making a decision.

Castrol India invests in the development of car mechanics to help them keep up with the developing technologies. In the last decade, the Castrol team has directly contributed to the development of 200,000 car mechanics.

As the middle class is economically developing, the increase in motorcycle and automobile sales continues. There has been a significant increase in scooter sales in parallel with the increase in the number of female drivers. Similarly, the advancing motor technology brings along a rise in synthetic lubricant consumption.

It has been settled to adopt BS6 (Euro 6) standards in 2020. Thus, vehicle manufacturers are making investments to be ready for this transition. With its experience in lubricants, Castrol is working with them to complete this transition smoothly.

There is a highly developed commercial mentality in India

When you compare India with Turkey and/or other countries, which characteristics stand out the most?

The biggest difference between India and other countries is the size... You have to multiply everything by 10 or even 100.

Competition is very harsh in India, that's why companies have to go after innovation all the time. Consumers have high brand awareness and they always want to buy the best brand for the lowest price; whereas the priorities of the Y-generation are evolving with the ever-developing technology.

The commercial mentality is highly developed. We are reading about hundreds of start-ups in the news every year, but 90 percent of them fail. India is going through an economic development and change at an unprecedented pace.

Castrol India is the third largest country in the Castrol world, and it will be one of the fastest growing countries in the next decade. But we are aware of the fact that it will not be possible to realize this growth if we do not keep up with this fast-paced change and pioneer the development. This is definitely breathtaking.

