Postmerger B2B Marketing Strategies in the Oil industry.

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After more than a decade of savage cost cutting, oil companies face the truly vexing problem of finding new ways to restore and grow earnings. Industry executives are contemplating which business models will bring long-term success. Increasingly, mergers and alliances offer companies opportunities they simply cannot find anywhere else. But while hunting the big benefits of integration is increasingly common, the quarry is no less elusive.

The vital question is whether two (or more) companies can in fact achieve the potential performance expected from the combined venture. Far too often, consolidation that is supposed to be a solution brings little more than disappointment. Half of all mergers and alliances fall short of expectations-often drastically short. In a recent Accenture survey, less than one-third of energy industry executives expect their companies to fully realize potential gains from integration. Of wise leaders and savvy companies, the question begging to be asked is why. Answers are often hard to find, and, once found, difficult to understand.

The difficulties of integration may appear insignificant from a high-level perspective, but, as always, the devil is in the details. It's the details that can derail the achievement of merger gains. To get an understanding of the details requires an integration plan, and, though it may seem like common sense, the earlier an integration plan is created, the better. After all, it is hard to get anywhere without a road map.

Before a company can successfully integrate, it must decide why it is integrating and what are the skills, capabilities and assets of the proposed partner. Successful integration usually begins with formation of deal strategy. The marketing strategies of those firms in the postmerger stage were one of their key issues in the integration plan and for the success of the merger.

Mergers like Exxon-Mobil, BP-Amoco, and Total-Fina-elf, lies in the same category in mergers. The goals and complexity of this type of integration have evolved from the risk-sharing motives of the first wave to goals of gaining skills and capabilities, improved efficiency, greater market share, increased traffic, enhanced political clout, and reduced costs and overhead.

Obviously, these types of mergers and alliances are complicated deals that touch more areas of the company. In these areas, it is not only the hard financial inputs and outputs that have to be controlled, but other, softer areas and competencies such as knowledge sharing and technology transfer. Deals such as Exxon and Mobil or BP Amoco and Arco are ample examples in the upstream, downstream and retail areas. The marketing strategies of those firms in the after merger stage was one of their key issues for the success of the merger. In our study, we will make a comparative study of the marketing strategies of three of those mergers. Exxon-Mobil, BP-Amoco, and Total-Fina-elf.

Our study will contain several attributes:

- Strategy
- Branding
- Digital Marketing
- Market Segmentation and Market Targeting
- Positioning Decisions

While for the sake of comparing the 3 mergers from a business-to-business point of view, we will be focusing on the downstream side of the business, i.e. Lubricants & Fuels marketing, We will also be considering the Upstream and Mid-stream side as they directly affects the whole corporation directions.