

Analysis of the success of the castrol brand



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Castrol is a name of industry and automotive lubricant brand. Castrol brand is part of BP's group which is global oil and Gas Company that headquartered in London, United Kingdom.

In February 1899, Charles Cheers Wakefield resigned from the Vacuum Oil Company because of a disagreement about Vacuum Oil's foray into the railway lubricants sector. Not long after that, the firm which he had left changed its name became Mobil Oil.

Then he rented three small rooms on the third floor of 27 Cannon Street in the central of London. On Thursday 9 March 1899, C. C. Wakefield & Co opened its doors for the first time. In 1909, the company started to produce a new automotive lubricant named "Castrol".

In 1966, Castrol was acquired by British oil company Burmah, which was renamed Burmah-Castrol. Castrol brand continues to be sold around the world.

Products

Castrol offers lubricants for virtually all domestic, commercial and industrial applications. For automotive lubrication (including motorcycles 2-stroke and 4-stroke, car petrol and diesel engines), they sell products include extensive range of manual and automatic transmission fluids, chain lubricants and waxes, coolants, suspension fluids, brake fluids, greases, cleaners and maintenance products. Castrol also produces lubricants for agricultural machinery, plant, general industry and marine engineering uses.

Castrol products are divided into: (2)

For Cars: Edge, Magnatec, Syntec and GTX; less commonly, XL, GTD, Formula RS, Synt and SLX

For Motorcycles: Power1, PowerRS, TT, TTS, GP, GPS and Go!

For Heavy Duty Vehicles (Builder) : Elixion, Enduron, Hypuron, Tecton, CRB and Agri

For Ships: Cyltech and TLX Plus

For Industrial Machinery: Hyspin (hydraulic), Aircol (compressors) and Alpha (industrial gears)

Differences between Across Country and Home Country

Castrol has spread its branches to over 50 countries. Their world class products backed up by a network of sales, engineering and research and manufacturing operations. With their technological expertise and in-depth experience, they can meet the diverse needs of customers from around the world. Broadly, Castrol divides their country targets into four areas;

Americas, Asia Pacific, Europe, Latin America

Castrol was established in London at the first time so the home country is considered in London, England. Basically, Castrol does not discriminate between home country and host country. They decide the same regulation on some important and standardized procedures like the waste system and environmental responsibility system.

Castrol oil Lubricants Company has the same way with another common industrial company to conduct the CSR (Corporate Social Responsibility). For

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example, Castrol branch in South Africa. Castrol tries to focus on job creation, HIV/AIDS solver, road safety and environment. Castrol offers sponsorship in any project as long it has mutual relationship between the community and the Castrol itself. Castrol emphasizes on people rather than things. Castrol do not support political organization, religious and sectarian cause, commercial fund-raising agencies, bursaries, individuals, etc.

Another example, we can take from Castrol branch in India. Castrol tries to minimize the accidents that possibly happened in the Factory, not to harm people, and prevent the damage to the environment. Castrol tries to establish social investment in India by planning safety project and rehabilitation for the post-disaster effect. In order to conduct the safety project for the country, Castrol builds link and corporation to some private institution like; The traffic police, The Mumbai Municipal Corporation, The Western India Automobile Association, etc. For the rehabilitation project, Castrol help the victims of disaster like Tsunami, Mumbai's Floods etc by reconstructing housings and boarding, providing healthy and hygienic drinking water and sanitation facilities, supporting the woman empowerment, giving sustainable income, and building school (mid-day meal scheme).

Competitive advantage and strategy

Castrol has a lot of branches that are spread in over 50 countries. Each branches have different beneficial establishment that is completing each other in the Castrol own organizational body. Castrol has some competitive advantages like the specific variants for specific usage, customer satisfaction

oriented programs, partnership relationship and environmental responsibility system.

Castrol creates specific variant of products (has been shown in the products of Castrol) such for Cars, Motorcycles, Heavy Duty Vehicles, Ships, and Industrial Machinery. Castrol also specify their products by specifying deeper specification for each machine. For example, motorcycles with 2-strokes engine have different type of lubricants to have and so do the 4 strokes engine. Castrol also varies their products to fulfill the lubricants need for every part of machines like chain lubricants and waxes, coolants, suspension fluids, brake fluids, greases, cleaners and maintenance.

In order to satisfy and fulfill the costumers need, Castrol put some effort to help the costumer cut their cost on lubrication management system. Castrol has just launched two offerings that possibly help the costumer to focus less on lubrication management and more on core values within the business. The new products are Fluidsmart; it is an integrated modular fluid management system and Optival which is a value delivery order.

Fluidsmart offers a One-Stop Solution which is includes products, technology, processes and people which enable the costumer to focus on the business while Castrol takes care of total fluid management. Optival lubrication management solution is sent through a patented system which enables customers to count their savings.

Partnership Corporation has been a competitive advantage also for Castrol. Castrol has corporation with BMW Group, Komatsu, Jaguar, Volvo, Land Rover and Aston Martin. For example with BMW, BMW has already announced that <https://assignbuster.com/analysis-of-the-success-of-the-castrol-brand/>

Castrol is their official recommended lubricants oil for them. Castrol oil is used in every part of BMW lubricants need such; manufacturing machines, first engine fill for BMW cars and motorcycles, and after sales lubricants recommendation.

Castrol also implement some rules and regulations in its own company in order to treat the environmental social responsibility. REACH (established by European Union) is Registration, Evaluation, Authorization, and Restriction of Chemical. REACH plays a great role to manage the risks that chemicals possibly pollute the health and environment. The chemical that is mentioned not only chemicals that used in industrial processes but also in daily life e. g. detergent, dishes soaps, etc. The objectives are improve the protection of human health and environment from cause of pollution by chemicals, create competitive advantage to other countries outside the European Union, promote the method for the assessment of hazards of substance, and ensure the free circulation of substances inside the European Union internal market. REACH method can be used to reduce the VOC (Volatile Organic Compounds) emission. By reducing the VOC emissions, some benefits can be got like improved health and safety, assisted with ISO 1400 compliance, more responsible to the environment and improved environment for the workforce and local community.

Country and Corporate Culture to Gain Success

Castrol's former and founder, Charles Cheers Wakefield has implemented his original philosophy that brings success to the Castrol Company till now so far. He drew on the help and encouragement of his costumers to develop his new Castrol Oils; it was done because he had the foresight to see that

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working in partnership was the best way to achieve success for both companies. That rationale is really working inside the Castrol itself.

Castrol's awareness to the social environmental responsibility can be the key success of Castrol. Castrol's attention to the social environment creates appreciation from any community and individuals. Nowadays, "green" things are really demanded that any company who can show their "greens" can gain much attentions and appreciations from the public so do Castrol.

Castrol has a principle who says "Reduce Environmental Impact, Optimize Financial Advantage". By putting this principle, Castrol's company orientation becomes more "green" so that Castrol has a lot of brilliant system and benefit of "green" things. Castrol gets much attentions from costumers and community because their supports for the better and greener life. Castrol contributes benefits to the costumers by helping their businesses to get innovative and better lubrication technologies.

Each branches of Castrol in the world have their own country's culture. For example, in Asia, like India, the woman's power is not so shown and appreciated. Castrol tries to help the India's culture to be more developed by bringing rationale that gentleman and woman are same and equal. This kind of development helps the women in India to be more respected and appreciated. Although this kind of approach evokes pro and con, Castrol has done good job to develop a country's development.

A lot of sponsorship that are given by Castrol gives a great supportive effect to the communities where the sponsorship is given. For Example, Castrol

Racing competition, Castrol Football competition, Castrol Support for Marine Corps, etc.

PESTEL Analysis(3)

Political

Government effects are various to the Castrol Company itself. For example, in India, the government policy is quite flexible for the Castrol Company to do the development of the country itself. Every government of course wants to develop their own country to reach the betterment of life in the country. Castrol Company has already been integrated to the India's government by helping their country's condition like housing and education. Castrol helped the victims of Tsunami and Mumbai's flood by rehabilitating the housing and education. Castrol constructed new housing for people who lost their housing and also establish new school and its facilities to help the study activity.

So far, Castrol has no offence both from the government and citizens of country where Castrol Company is working. For Example in England, minimum wage that had introduced in April 1999 has been implemented by Castrol well. Castrol also accept the 48-hours/week in works time.

Castrol has intangible asset which can prevent Castrol products from the falsification. By the universal and international patent and copyright Castrol can keep their existence in order to keep the image of Castrol Lubricant Oil.

Economic

Castrol lubricants product's price possibly affected by the oil price that is getting increase and increase every day. When the oil price in market is

getting higher, Castrol Lubricants Company should consider about the product's price in order to keep the oil's price stabilization.

Falsification to the Castrol Lubricants can affect the Castrol's position in the market share that will always point to the Castrol's economical condition. Falsification will cause positive effect if fake product of Castrol has no problem inside whether the content and performance although, any type of falsification are bad and wrong. On the other hand, falsification can cause a great damage to the Castrol Images.

Social

Castrol pays attention to the society and environment in which they are placed by making technical and societal system that support the society and environment to be reached the betterment.

For the society, like the writer already quoted that Castrol cares to the society activities or problems by joining in the development of any country where the Castrol Company is existed. For instance, Castrol tries to focus on job creation, HIV/AIDS solver, road safety and environment in South Africa. Castrol try to absorb local employees in order to create the job opportunity for the local people. Castrol also joins the Anti HIV/AIDS campaign in South Africa by giving sponsorship. For the road safety, Castrol tries to have corporation with local authorized institution like Police station, etc. Castrol try to send message to the society to obey any road and traffic regulation that has already established.

Another quoted information for example in India; Castrol has helped the Indians to rebuild the destroyed places because of the disasters. Castrol

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supports the Indians by building new housing and new schools, providing clean water and sanitation, and supporting the sustainable income for women in order to create women empowerment.

For the environment, Castrol really pays attention to the lubricant ingredient and waste system. By adjusting the ingredients and waste system, Castrol have improve the protection of human health and environment from cause of pollution by chemicals, created competitive advantage to other countries outside the European Union, promoted the method for the assessment of hazards of substance, and ensured the free circulation of substances inside the European Union internal market.

Technological

Castrol has coordination to with their Technical Centre of Excellence across the world like USA, Germany and India. Castrol builds link with leading manufactures, scientific, technical centre and universities. For instance, Castrol Magnatec that is designed specifically for Diesel machines and Castrol Elixion which guarantee the costumer that the lubricant can save 4% of fuel usage.

The other innovation that Castrol has invented is Trizone. Trizone system works on 4 strokes motorcycles engine. Trizone system provides the ultimate combined protection on 3 critical part of engine; the engine, clutch and gear. The Trizone system helps the motorcycle user to get the most out performance of the motorcycle.

Castrol has invented cleaner for the engine so the used lubricant can be removed cleanly. Cleaning powder, Wonderclean, and Workshop Cleaner are <https://assignbuster.com/analysis-of-the-success-of-the-castrol-brand/>

the variant in which the cleaner can be used. Cleaning powder is used for removing oil, grime and grease from machinery. Wonderclean is detergent that can be used for removing oil, grease, dirt, road grime, smears, and marks very rapidly in any need. Workshop Cleaner can be used to clean the ingrained soil from workshop floors, machinery, and engines.

Environmental

Castrol has branches over 50 countries with their own culture and natural condition. Mostly, their branches are located in America and Europe and the branches type is distributor so any climates change or weather change won't affect the business process. Some branches who are placed in Asia are the supplier so it's important for Castrol to pay attention to the environmental condition like climates and weather.

Legal

Castrol has some legal restriction which can defense the Castrol image and name itself. Castrol has registered their trademarks that another people will never be allowed to use the name and logo.

Castrol has copyright which is put on their website that any copies of information should be asked to the Castrol's company first before can be used. Permission is needed in order to use the information publicly.

Three Majors Element of PESTEL

The 3 most important element of PESTEL Company Analysis for Castrol Company are Legal, social element, and economic element. Those three major elements need to be concerned because the other elements outside those elements are valued good enough to the company.

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Castrol already has some legal restriction in order to retain their position in the market. Castrol has the patent about trademarks and copyright. Castrol also implement the REACH for the betterment of the company. REACH has been legalized and patented that REACH just restrict in Europe.

Castrol has the social responsibility that is shown by implementing the REACH system which helps the company to be more responsible to the living society and environment. Castrol also tries to decrease VOC emission which can create health and safety, assisted with ISO 1400 compliance, more responsible to the environment and improved environment for the workforce and local community.

Castrol also support the society by giving sponsorship and charity. Castrol helps any organization which wants to get sponsored by Castrol. Castrol sponsors in some Racing Competition and also Sports Competition. Castrol also support the society by helping the victims of disaster, building housing, supporting the women empowerment, and establishing education building.

Castrol has been gaining much market share because of the qualified products. Castrol lubricant company has power to affect the market price, especially oil price. Castrol can give significant effect to the lubricant's oil price in the world because their power and product have been established successfully since the former tried to work on the company.