

## LUBRICANT MARKET AND FUTURE SCOPE IN INDIAN MARKET

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### ABSTRACT

*In industrial applications, lubricants are an important part of giving the machine and instrument a longer life. It is important because it contributes to the reduction of friction and the efficient transfer of heat. Lubricants consist of 10% to 90% additives and base oils. The base oils may be synthetic liquids or vegetable oils, such as silicones, hydrogenated polyolefin, esters, and fluorocarbons. India is a developing nation and the country's industrialization is increasing at a high level. With the change in reliance on oil and gas from other nations to domestic oil and gas production, one of the major growth contributors is increased investment in the development of offshore oil and gas fields. In addition, the acceleration of economic growth has mainly contributed to a rise in the number of on-road vehicles. The need for automotive repairs increases the demand for lubricants. The main application that will expand with a CAGR of around 7 percent by 2025 is the usage of Indian industrial lubricants in the automotive and oil & gas sectors. Significant demand for automotive lubricants is created by rising vehicle sales and increasing demand for lightweight as well as heavy duty vehicles. In the Indian industrial lubricants industry, which had a market size of around 4.68 billion as of 2018, demand for lubricants from various sectors is generating numerous opportunities. In addition, during the forecast period from 2019 to 2025, the market for Indian industrial lubricants will see a healthy CAGR of about 4.6 percent.*

**KEYWORDS:** *Lubricant Market, increasing sales, demand for Libra*

### INTRODUCTION

The market for lubricants in India, after the USA and China, is the third highest in the world. The Indian lubricant market was dominated by PSUs in the 1990s (IOCL, BPCL and HPCL). Around 8 to 10 percent of the total global output of lubricants is provided by India. Lubricant demand in India is approximately 9.6 percent of the overall global demand for lubricants[1]. After 1992, when liberalisation took place, the Indian lubricant market shifted. There were too many private lubricant companies entering the Indian market after liberalisation. The administered pricing system was later abolished by the Indian government and a free pricing policy was permitted in the lubricant sector[2]. The Indian government's deregulation policy has allowed many foreign lubricant

manufacturers to grow their business in India. Too much rivalry was imposed by the entry of multinational corporations between PSUs and private players that benefited the end consumers[3]. For automobiles, lubricant oil is very significant. As we all know, cars are dependent on lubricants only and it won't work well without that. Different types of lubricants are on the market and categorization is carried out on the basis of fuel use and market share. The dominant player in the Indian lubricant industry continues to be the Indian oil servo, assisted by cutting-edge product creation, high-quality customization and comprehensive blending and distribution network. A full range of Automotive Engine Oils, Gear Oils, Transmission Oils, Specialty Oils and Greases[4] is available from Mak Lubricant of Bharat Petroleum. HP Lubes is an integral part of one of India's frontline oil majors, Hindustan Petroleum Corporation Limited, committed to providing energy and fuel growth in every major development field. The public sector oil companies were dominated by the Indian lubricant industry with a market share of 90 per cent[5] prior to the liberalisation of the Indian economy. More advanced lubricants are imported, accounting for a relatively small share of the market. In total, there are 1380 producers of lubricants worldwide. Earlier, for oil companies, the percentage share of lubricants was very small. Yet today's lubricant sector plays a key role in raising profits for oil firms. Out of 1380, approximately 180 oil companies manufacture lubricants. There are 1200 lubricant companies that only produce lubricants as their core company. These independent producers of lubricants typically buy raw materials from the open market. A very limited amount of money was spent by the lubricant producer on research and development.

**Table : Presented and Expected Consumption of Lubricant 2004-2020 in Kb)**

Year	Consumption (in KB)
2004	265
2005	267
2006	272
2007	281
2008	264
2009	250
2010	270
2011	273
2015	282
2020	284

### Objectives of the study

1. To evaluate the essential variables for automotive lubricant brand positioning in India
2. Determining the relation between the positioning of the brand and its significant factors

**Table :** component matrix

	Component				
	1	2	3	4	5
Price	.154	.062	.164	.762	.115
Packaging	.157	.504	.616	-.289	-.010
Advertising	-.022	.472	.599	-.175	.025
Purchasing	.088	-.122	.442	.531	.073
Availability	.035	.209	.297	.650	.081
Superiority	.278	.687	-.478	.060	-.108
Promotion	.078	.506	.574	-.258	-.023
Credibility	.798	-.186	.035	-.076	.182
Innovativeness	.814	-.362	.040	-.115	-.018
Reliability	.225	.718	-.430	.178	-.108
Reputation	.797	-.149	-.033	.063	-.185
Commitment	.880	-.114	.045	-.044	.081
Quality	.324	.690	-.202	-.042	-.113
Experience	-.065	.383	-.195	.127	.537
Extra Benefits	.073	-.054	.093	-.216	.623

### Indian Industrial Lubricants Market Outlook:

In industrial applications, lubricants play an important role in giving the machine and instrument a longer life. It is necessary because it helps to reduce friction and to transfer heat effectively. Lubricants consist of 10% of the additives and 90% of the essential oils. The base oils may be synthetic liquids or vegetable oils, such as silicones, hydrogenated polyolefins, esters, and fluorocarbons. India is a developing country and the country's industrialization is growing at a fast rate. With the change in reliance on oil and gas from other countries to domestic oil and gas production, one of the major growth contributors is increased investment in the development of offshore oil and gas fields. In addition, accelerating economic growth mainly raises the number of on-road vehicles. The need for automotive repairs increases the demand for lubricant. The main application that will expand with a CAGR of around 7 percent by 2025 is the use of Indian industrial lubricants in the automotive and oil & gas industries.

### Indian Industrial Lubricants Market Growth Drivers:

#### The Rise in the Disposable Personal Income

Rising middle-class revenues and the resulting rise in demand for two-wheeler and four-wheeler vehicles are largely driving the production and sales of new vehicles, which is the key factor driving the Indian market for lubricants. Increasing demand for vehicle oils often results in high fuel prices on the market; nevertheless the performance and durability of the vehicles can be increased with lubricants and thus a higher return on investment can be obtained.

## **Marine Lubricants**

The growth of marine lubricants in the market will be driven by growth in seaborne trade in the region, along with growing tourism activities with cursing and recreational sports. In addition, the growth of marine lubricants in the market will be driven by the production of offshore drilling activities to meet the increased demand and demand for crude and petroleum products from the chemical and refining sectors.

## **Demand from the Growing Wind Energy Sector**

Each year the construction of wind turbines in the country is continuously growing. For lubricating the gear motor, gearbox, and other parts, gear oils are used. The wind turbine power generation processes are stringent and include load weights, corrosion and oxidation, elevated temperature, and wear of the bearing. The enhanced properties of gear oils are needed to boost the efficiency of the wind turbine; hence there is a growing demand for synthetic gear oils in wind turbines. Wind power generation is growing at a rapid pace, which is also demanding for wind turbine construction. The demand for gear oils driving the Indian industrial lubricants market is being fuelled by wind turbines.

## **Power Generation Helping the Market**

The power generation industry is the major contributor to the country's economy's growth. Advances in production technology and the establishment of numerous power plants involve lubricants for the smooth operation of the engine. There is widespread use of various power generation sources, including wind, solar, thermal and hydro turbines, which in turn are increasing the demand for lubricants, generating a plethora of opportunities in the Indian market for industrial lubricants.

## **Indian Industrial Lubricants Market Trends:**

- The launch of the current government's Make in India initiative and investments in smart cities are improving the industrial sector, which is driving lubricant demand. The government focuses on roads, mining and road growth, which with increased demand for lubricants, will see a recovery.
- Because of their low emission rates, robust viscosity, and improved safety measures, favourable government schemes for the adoption of bio-based lubricants would experience high demand. The government's key concern is to minimise pollution and greenhouse emissions, and the use of bio-lubricants will reduce stormwater pollution, and would mainly contribute to improving the quality of water for both marine and human life.

## **Indian Industrial Lubricants Market Challenges:**

Different OEMs are working to minimise emissions and to use effective philtres and advanced engine control systems under strict rules and laws by the government to increase the fuel efficiency and emission outputs. The movement to reduce the amount of CO<sub>2</sub> is leading to thinner oils. Thinner oils affect the degree of friction, especially in heavy vehicles. The concept of lubricant enhancements can be introduced using viscosity modifiers and dispersant technologies that help engineers and OEMs resolve the challenge without affecting the growth of the Indian market for industrial lubricants.

### **Indian Industrial Lubricants Market Key Players Perspective:**

Gulf Oil Lubricants India., Indian Oil Corporation Ltd., Castrol (BP Plc.), Hindustan Petroleum Corporation Limited., and Veedol are the main players in the Indian lubricant industry.

### **Indian Industrial Lubricants Market Research Scope:**

The study's baseline year is 2018, with projections for 2025. The report provides a detailed overview of the business environment, taking account of the leading companies' market shares. It also offers information on unit shipments. These provide the requisite business insight for the main market participants and help them understand the future of the Indian market for industrial lubricants. The evaluation includes a forecast, a description of the competitive structure, competitors' market shares and market dynamics, market demands, market factors, market challenges and product analysis. In order to understand their effect over the forecast period, the market drivers and constraints were evaluated. The key growth opportunities are further described in this report, while also outlining the key challenges and potential threats. The types of Indian industrial lubricants and their segmentation on the basis of the form comprising gear, compressor, hydraulic, turbine, and metalworking lubricants are the main areas of focus.

### **Indian Industrial Lubricants Market Report: Industry Coverage**

The study analyses the Indian industrial lubricant market's product demands on the basis of an application covering the automotive, marine, power generation, pharmaceutical, food processing and textile industries. The Indian Market Study on Industrial Lubricants also analyses the main geographic regions and the major countries in those regions.

### **CONCLUSION**

Researchers have identified four factors in this analysis. The first factor is product trustworthiness, which is a combination of trust, credibility, creativity and commitment variables. The second aspect is the quality of goods, which is a mixture of quality, supremacy and reliability variables. Marketing strategy, which is a mixture of advertisement, packaging and promotion variables, is the third element. Accessibility, which is a combination of price, availability and buying variables, is the

fourth factor. The factors found by the investigator are Product Trustworthiness, Product Efficiency, Marketing Strategy, Accessibility. By focusing on these features in their brand positioning, the automotive lubricant manufacturer in India will boost its market. Trustworthiness is a very critical aspect, as businesses can only keep their clients when they are trustworthy. The quality of goods is a very important factor, too. Only when the consistency of the product is higher than other rivals are customers loyal to the lubricant companies. Marketing strategy is another significant factor since it is very necessary to give the bulk of customer's knowledge about goods. Consumers would only buy the automotive lubricant of a specific company if they have complete product details, so automotive lubricant companies should choose the right channel for their marketing campaign. Another major factor in brand positioning for automotive lubricants is usability. The automotive lubricant of a specific brand should be readily available and can only be easily purchased by customers. To increase their market share, lubricant companies should concentrate on these factors. In order to gain the market share of rivals, automotive lubricants companies should do the enormous brand positioning to make the distinct picture of their lubricants in the mind of customers relative to other competitors. With the aid of multiple regressions, the relationship between brand positioning and established factors is also calculated.

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