



## Theme 7



### Features of international marketing in OGB





# 1 The pricing in the oil sector

Pricing system in the oil sector, as well as any mining industry, based on the existence of a category of rent. The main role is played by the relative (differential) rent, which arises from the fact that the extracted under different conditions of oil is sold at the same price, determined by the conditions of production on the worst fields. Affects the size of the differential rent as the degree of remoteness from the major regions of consumption.



# ***International marketing***

is the one that goes out of the limits of national borders. It differs from the notion of foreign trade firstly by proposing a systematic work for the investigation of peculiarities of different international market, secondly by covering a wide spectrum of bargain and operations at a foreign market on different stages of goods advancement to the customer who goes out of the limits of foreign trade, thirdly by directing its production to the satisfaction of consumers demand abroad.



# 1 The pricing in the oil sector

- Until relatively recently, the global oil market was seller's market and therefore the oil price was determined based on the cost of production on the worst deposits, the exploitation of which is necessary to meet the demand, ie on the principle of cost +. Since the oil produced in the Middle Eastern countries, was the cheapest on the costs of production, there was a continuous struggle between countries owners of mineral resources and mining oil companies for the distribution of income.
- In the early stages of the oil-producing countries receive only a fee for the use of nonrenewable natural resources (royalty) and a portion of the income tax. Subsequently, they were able to achieve the realization of the principle of "fifty-fifty", equal division of profits. After the nationalization of the oil industry oil-producing countries began to receive 80-90% of the income from oil.



# 1 The pricing in the oil sector

- In the future, the oil market has changed dramatically: from a seller's market it has become a buyer's market. Changed and pricing principles.
- The price of oil began to be built on the principle of «netback», ie, price set at a level which provides the refining and marketing of petroleum products required margin.
- Netback price is constructed as follows: the price of petroleum products excluded costs for oil refining, transportation of oil to the refinery, insurance costs, and other costs associated with the transportation and processing stages.
- Such a method of pricing for linking prices of interchangeable energy (coal, gas, oil). At the current stage prices are determined on the stock exchanges on the basis of supply and demand, as well as the many other factors (political, financial, technological, the state oil and others.).
- Oil prices can affect even the weather conditions (eg, cold and warm winters), the ratio of the prices for currency, gold and others. Prices are determined on three major markets (New York, London, Singapore). The main types of contracts are futures and options, are used as short-term forward contracts and transactions "swap" (with interchangeable delivery).



## 2 Using the rebranding of "Gazprom Neft", OAO Bashneft

- OAO "Gazprom Neft" has painted all his dressing in white and blue colors, spending rebranding more than 7 billion rubles. Ultimately, the new colors are calculated in the company should improve circulation and lead to an increase in the implementation of fuel by 15% OAO "Gazprom" has launched an advertising campaign for the withdrawal of the retail brand retail network - "Gazpromneft".
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- New retail brand, in fact, is the well-known logo of "Gazprom" with a torch and an additional word "oil" a slightly different shade of blue. In white and blue colors and sustained solution gas station.
- The new network of gas stations combines all the petrol stations acquired OAO "Gazprom Neft" for the last four years. Thus, the rebranding will affect filling stations "Sibneft", "Slavneft», EPetrol, Novosibirsknefteproduct ", " Alliance Oil Company. " The largest national oil company Socar Azerbaijan held a rebranding, has unveiled a new design of their communications. Rebranding held for communications companies in Europe. Socar this year launched a network of filling stations in Switzerland are expected to invest a few more projects. Rebranding held the famous German team Jung Von Matt.



**Thank You!**

