

Grease Lubricant (VoC Survey)

Market Study on Grease Lubricant in Kingdom of Saudi Arabia

BUSINESS SITUATION

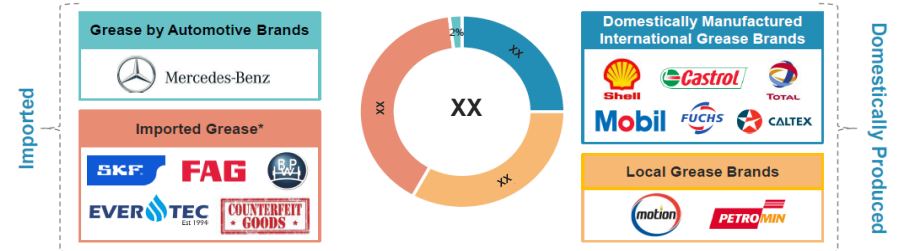
A Saudi manufacturer of grease lubricant wanted to study and further understand the KSA market for their products and analyze the demand along with their positioning in the country against competition based on consumer behavior

SOLUTION FRAMEWORK

- To support the client's needs, Aranca conducted desk research on KSA grease market & its usage in commercial vehicle market by covering following aspects:
 - Market size, growth trends, pricing & distribution channels
 - Industry value chain, distributor profiling, competitive benchmarking and end-use market analysis
- Aranca conducted ~20 primary interviews with respondents from different user segments with distinct consumption patterns for assessing the consumer behavior, which included:
 - Shortlisting process of grease products and vendors by end users
 - Key decision makers in selecting grease products and vendors
 - Willingness level to experiment a new/different grease product across end-user segments
 - Satisfaction level of existing & imported grease products being used

SAMPLE ANALYSIS TEMPLATES

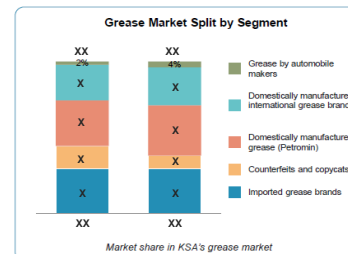
Competitive Structure of KSA's Grease Market



- The KSA has strong demand for grease products, and the market has a variety of brands available, including local brands (Motion), international brands manufactured in the KSA (Mobil and Castrol) and various other European and Asian lubricant brands (FAG, SKF, ETG, BPW). *Imported grease products also face competition from counterfeit products.
- Petromin is the most commonly used grease brand in the country primarily because it is locally manufactured.
- Along with the presence of global lubricant players in the grease market, grease products manufactured by Mercedes-Benz (which are used for servicing Benz HCVs) are available in the market. The company has a mandate of using the stipulated grease and does not allow usage of any other grease brand for any application while servicing.
- Among imported grease brands, SKF was found to be the most preferred grease brand and is synonymous with the word grease in lubricant retail outlets. These imported grease brands are primarily used in wheel bearing applications.

Market Share of Grease Manufacturers in KSA by different Segments

Market Share of Grease Manufacturers in KSA
2012–16 | Figures in Percent (%)



Market Share of International Grease Manufacturers in KSA
2012–16 | Figures in Percent (%)



- SKF, BPW and FAG operate in the premium segment where grease is predominantly imported. This segment accounts for about 30% of demand in the KSA.
- Among many players that import grease in the KSA, SKF has the highest market share and has been the market leader. In 2013, there was a brief disruption in supply of SKF grease due to a fallout with a national distributor, resulting in an increase in sales for other brands, especially BPW.
- After 2014, other imported grease brands, such as ETG and FAG, have slowly gained their market share by providing a highly competitive selling price and better incentives/margins to distributors and retailers.