

Product Knowledge Transfer in the Oilfield

What are the most effective methods for product marketing and re-marketing?



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Endeavor

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Overview

Are you still producing printed catalogs? Is there increasing tension between product line management and sales (and ultimately customers) regarding what methods are most useful to drive initial product introductions and re-marketing of existing products throughout the product life-cycle? This is a common situation so we set out to ask oilfield decision makers about what matters most to them.

A common question that arises when we are working with our oilfield services clients is “What is the best method for communicating the value of our new products and services?” Quite often the answer is “it depends”. To provide more precision in the answer we engaged over 60 buyers of oilfield equipment representing an annual spend of almost \$1billion.

One of the key insights is that the quality and richness of the information provided is more important than marketing flash when attempting to transfer product knowledge to prospective buyers. Meaningful case histories and specifications are more much useful than overworked marketing claims or basic product feature lists.

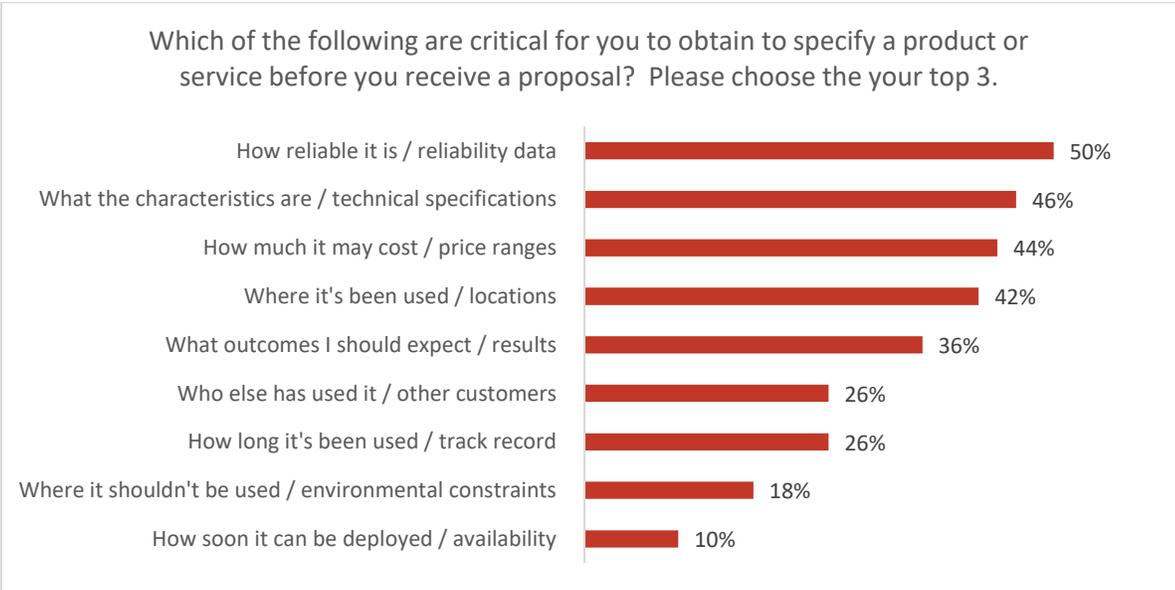
Product marketers should take particular note of the variety of information sources used by buyers – which ones matter most and to whom – when designing your product commercialization and re-marketing programs. A key rule of thumb – more accessible information, at the buyer’s fingertips, will best meet your marketing objectives.

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What Information is Sought?

Having assured ourselves of the validity of the data, we turned to the task of interpreting the information in a way that indicates a clear path to improved communications. We wanted to know what product data is most critical to the buyers, what delivery method is most effective, and how the information is communicated.

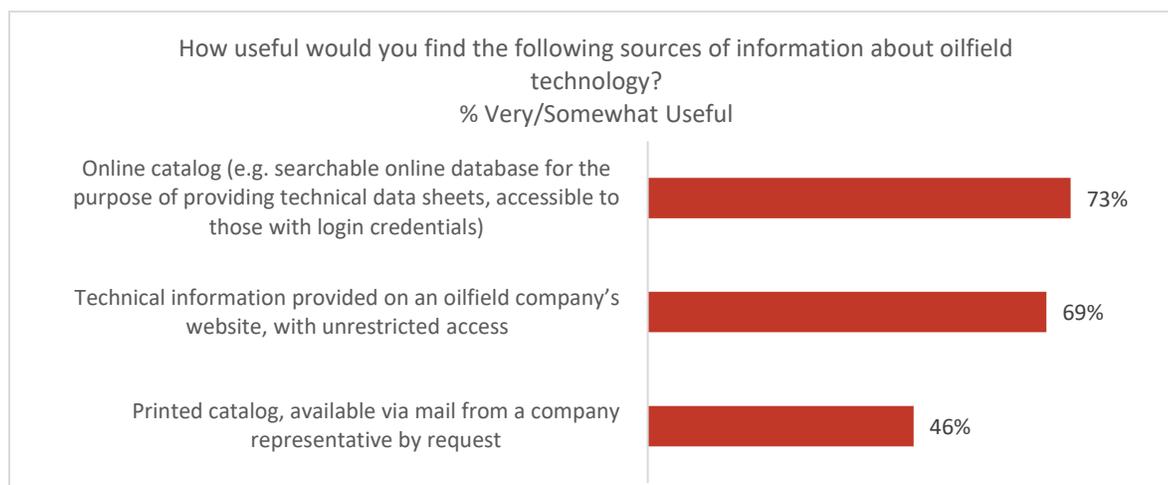
Survey responses, indicating the critical attributes of the required product data, are shown in the table below. Reliability and accuracy of the technical information comes to the top of the list; customers want to be sure that they are looking at verified information that is up to date and technically correct. Pricing and information on prior usage are next on the list. Buyers want to know if they are getting value for money and they want to mitigate operational risks by avoiding immature products and services being offered in the market. Environmental constraints and availability round out the information expected.



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What Are the Most Useful Channels?

There has been significant discussion over the past several years on the transition to the paperless economy. We are almost there but, as seen in the table below, some oilfield buyers still see value in printed catalogs – close to half of the respondents rated a printed catalog as “Very or Somewhat Useful”.



Nevertheless, even the oilfield is going digital. Digital product information is overwhelmingly preferred with almost 75% seeing value in online catalogs and company websites.

What Are Differences Between New and Existing Products?

To determine preferences in how buyers learn about new and existing products we asked them to rate the various methods used to transfer the knowledge. We asked them to rate various resources provided by service companies on their usefulness in learning about new and existing products. The ranked order did not change much between new and existing products but the difference in the level of usefulness was consistently 15 to 20%, with the resources seen to be more helpful when considering new products. Survey responses are presented in the table below.

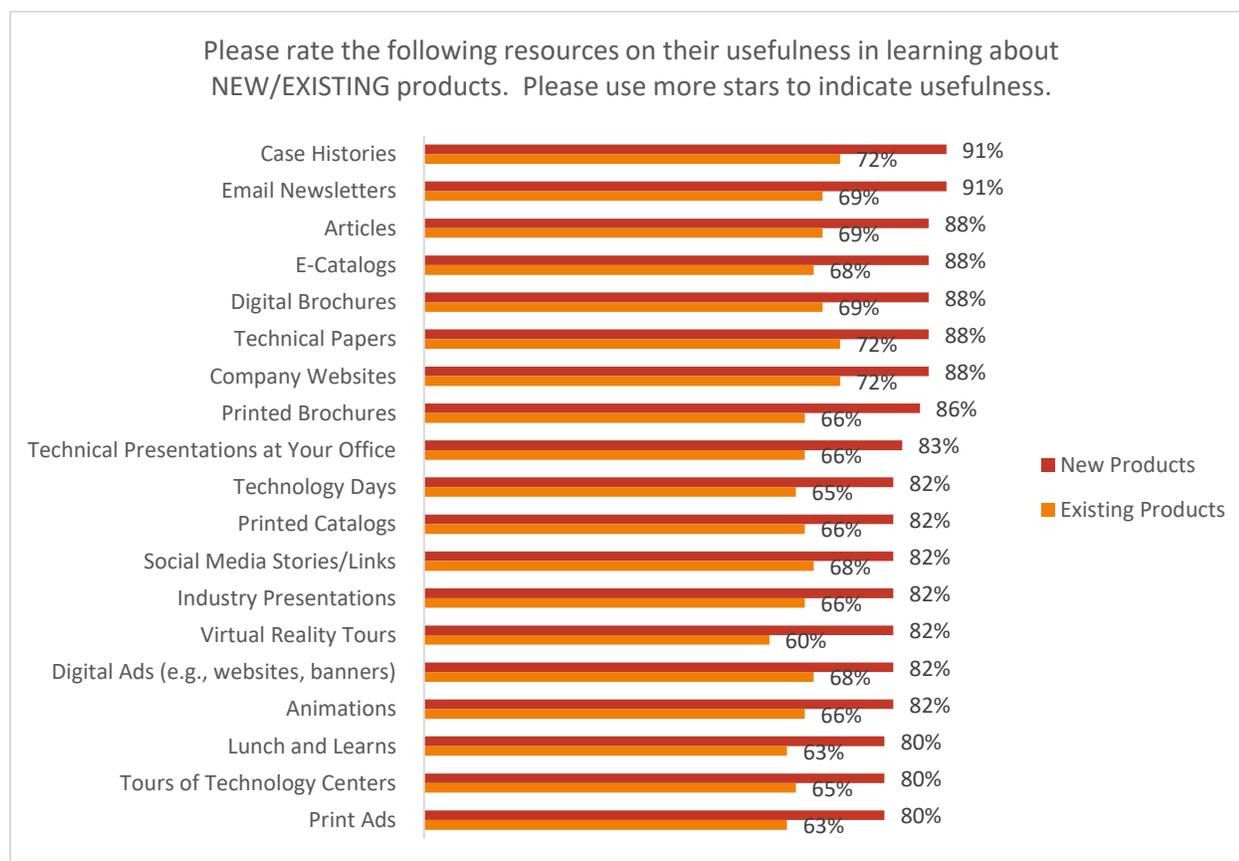
Top of the list for oilfield customers are Case Histories and Email Newsletters. They want to know that the product has been vetted under actual field conditions and they want to be proactively sent that information so that it is available quickly and easily.

Next on the list of buyer preference are Articles, E-Catalogs, Digital Brochures, Technical Papers, and Company Websites. The Articles and Technical Papers are important because they typically

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describe product applications and solutions (not just specifications) and they present the product information in context. Buyers certainly see the digital benefits in E-Catalogs, Digital Brochures, and Websites. Instant access and the ability to learn at their own pace are criteria that bring these methods near the top of the list.

In the third group of resources are Printed Brochures and Technical Presentations. These ‘face-to-face’ methods are still valued by customers, especially when introducing new products. The next group of the knowledge transfer methods are seen to be approximately equivalent in usefulness – Technology Days, Printed Catalogs, Social Media, Industry Presentations, Virtual Reality Tours, Digital Ads, and Animations. Ranked lowest in usefulness when learning about products and services are Lunch and Learns, Tours of Technology Centers, and Print Ads.



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Taking Action

Key takeaways for product marketers:

Customers continue to see Case Histories as the best way to understand the benefits of new and existing products. Examples of how the product has been used and what results were obtained go a long way in driving customer perception.

'Face-to-face' customer interaction is not dead. Digital interaction is gaining ground but customers still want to develop relationships and build trust in the individuals making product/service recommendations.

Take caution in continuing to pour money into outdated printed catalogs. Ensure any catalogs are digital and contain robust information.

To learn more about our approach to new product commercialization and how to jump start your marketing efforts, please visit our website:

<http://www.endeavormgmt.com/product-commercialization>

<http://www.endeavormgmt.com/sales-acceleration-services>

About This Research

To assure that our survey data was representative of the market we asked questions to understand the type of company that the buyer represents and their experience in the oilfield. Over 30% of the respondents work with oil & gas operators and 20% work with engineering/construction or oilfield service companies. The balance of respondents represents consulting firms, manufacturing companies and academia. Over 50% of the responses came from buyers with more than 25 years of experience. 32% of the responses came from buyers with 10 to 25 years of experience.

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About Endeavor Management

Endeavor Management is a management consulting firm that leads clients to achieve real value from their strategic transformational initiatives. We serve as a catalyst by providing the energy to maintain the dual perspective of running the business while changing the business through the application of key leadership principles and business strategy.

In 2012, Gelb Consulting became an Endeavor Management Company. Our combined experience (Gelb founded in 1965) offers clients unique capabilities to focus their strategic initiatives with a thorough understanding of customer needs to drive marketing strategies, build trusted brands, deliver exceptional customer experiences and launch new products. Our experienced consultants and analysts use advanced marketing research techniques to identify customer needs and spot high potential market opportunities.

The firm's 40-year heritage has produced a substantial portfolio of proven methodologies, enabling Endeavor consultants to deliver top-tier transformational strategies, operational excellence, organizational change management, leadership development and decision support. Endeavor's deep operational insight and broad industry experience enables our team to quickly understand the dynamics of client companies and markets.

Endeavor strives to collaborate effectively at all levels of the client organization to deliver targeted outcomes and achieve real results. Our collaborative approach also enables clients to build capabilities within their own organizations to sustain enduring relationships.