



## MARKETING STRATEGIES OF MINING AND DRILLING INDUSTRY DURING PANDEMIC COVID'19

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### ABSTRACT

*The World is facing the disaster situation of the Century with Pandemic Corona virus. The economic position of the countries is ruined with lockdown. All the industries are facing the recession. So, to overcome this situation everyone has to follow new way methods to reduce the production cost and unique marketing techniques to boost the sales volume. This article concentrating on the problems faced by the Drilling and Mining Industry methods to be followed to handle the situation. Drilling Rigs can be massive structures housing equipment used to drill water wells, oil wells, mining excavation drilling or mineral exploration or they can be small enough to be moved manually by one person and such are called Augers. Drilling Rigs can be mobile equipment mounted on trucks, tracks or trailers, or more permanent land or marine-based structures. These are the instruments used to excavation of mines and drill water wells for various purposes.*

*Marketing Strategy & Marketing Mix is used to describe the combination of the fair inputs which constitute the core of a company's marketing programme. These elements are often described as FOUR P's: Product, Price, Promotion and Place. The marketer needs to study these four P's in order to draft a marketing programme to achieve its marketing goal. The Marketing strategy consists of Product, Price, Place, Promotion strategies to meet competitive environment with the aim to meet the requirement of the customers.*

**KEY WORDS:** *Drilling Rigs, Mining Industry, excavation, Pandemic, Marketing Strategy*

### INTRODUCTION

A Drilling Rig is a machine that creates holes in the earth's subsurface. Drilling Rigs can be massive structures housing equipment used to drill water wells, oil wells, or natural gas extraction wells, or mining excavation drilling or mineral exploration or they can be small enough to be moved manually by one person and such are called Augers. Drilling Rigs also used to collect sample subsurface mineral deposits, test rock, soil and groundwater physical properties, and also can be used to install sub-surface fabrications, such as underground utilities, instrumentation, tunnels or wells and also used in Canal Construction and in Irrigation Projects. Drilling Rigs can be mobile equipment mounted on trucks, tracks or trailers, or more permanent land or marine-based structures (such as oil platforms, commonly called 'offshore Oil Rigs' even if they don't contain a Drilling Rig). The term "Rig" therefore generally refers to the complex equipment that is used to penetrate the surface of the Earth's crust.

Small to medium-sized Drilling Rigs are mobile, such as those used in mineral exploration drilling, blast-hole, water wells and environmental investigations. Larger Rigs are capable of drilling through thousands of meters of the Earth's crust, using large "Mud Pumps" to circulate drilling mud (slurry) through the drill bit and up the casing annulus, for cooling and

removing the "Cuttings" while a well is drilled. Hoists in the Rig can lift hundreds of tons of pipe. Other equipment can force acid or sand into reservoirs to facilitate extraction of the oil or natural gas; and in remote locations there can be permanent living accommodation and catering for crews (which may be more than a hundred). Marine Rigs may operate thousands of miles distant from the supply base with infrequent crew rotation or cycle

### **MARKETING STRATEGIES**

Marketing strategy is a broad plan for achieving marketing objectives. A marketing strategy that is well-articulated will enable one to focus on marketing activities to achieve the organisational goal

Philip Kotler, "Marketing Strategy is the marketing logic by which the business unit expects to achieve its marketing objectives."

A marketing strategy should be centered on the key concept that customer satisfaction is the main goal. Fulfilment of wants of the prospects is one the important goals of marketing activities. A prospective buyer is known as a prospect. To frame a marketing strategy one should first take into consideration the Vision and Mission statements of the company.

**Vision Statement** Developing a vision statement is the first step in planning. Vision is what a firm would ultimately like to become, it encompasses the basic strategic intent of a firm. Vision acts as a strong motivator to take necessary action for bringing aspirations into reality.

### **REVIEW OF LITERATURE**

**According to the research report (2001)** by Tata Energy and Research Institute (TERI) sustainable development of mine industry gets influence on political influence either as a result of political shift or new rules being implemented.

**Warren J. Keeyan, (2002)** A revolutionary development in the shift to the strategic concept of marketing is in the marketing objective from profit to consumer benefits. There is a growing recognition that profits are a reward for performance (defined as satisfying customers in socially responsible or acceptable ways). To compete in today's market, it is necessary to have an employee team committed to continuing innovation and to producing quality products. In other words, marketing must focus on the customers and deliver value by creating consumer benefits. This change is revolutionary idea that is accepted today by a vanguard minority marketing practitioners.

**Andoh, (2002)** has also supported by studying that noise disturbance and vibrations caused by blasting of rocks in mining areas leads to cracks in buildings while crushers in mine sites and noise generated from traffic movements to and from the mining site is a great nuisance to mining communities. In this study, the researchers also support the observations of the study.

**Kotler & Armstrong (2003)**, there are five traditional IMC elements quoted as Advertising, Sales Promotion, Direct marketing, Personal selling and Publicity/Public relations. According to Institute of Practitioners in Advertising (IPA), Advertising refers to "the means of providing the most persuasive possible selling message to the right prospects at the lowest possible cost".

**Krishan Kant (2005)** states that Integrated Marketing Communication is a term used to describe a holistic approach to marketing communication. It aims to ensure consistency of message and the complementary use of media. The concept includes online and offline

marketing channels. Online marketing channels include any e-marketing campaigns or programs, from search engine optimization(SEO), pay-per-click, and affiliate, and email, banner to latest web related channels for webinar, blog, micro-blogging, RSS, podcast, and Internet TV. Offline marketing channels are traditional print (newspaper, magazine), mail order, public relations, industry relations, billboard, radio, and television. A company develops its integrated marketing communication program using all the elements of the marketing mix (product, price, place, and promotion).

**Foux (2006) suggests** Social media is perceived by customers as a more trustworthy source of information regarding products and services than communication generated by organizations transmitted via the traditional elements of the promotion mix.

**Ashmole (2008)** studied that the best practice in the exploration for dimension stone and to outline the latest technologies applied in the mining of dimension stone. These technologies are varied and the specific combination of technologies applied in any given quarry is determined by both the physical properties of the material as well as the influence of geology, which significantly impacts on the recovery of saleable material and hence the economics of the quarry.

#### **OBJECTIVES**

1. To study the Drilling and Mining Industry
2. To analyze the manufacturing instruments of Drilling companies
3. To study the Marketing strategies
4. To Find the problems facing by the Drilling industry during the Pandemic period

#### **MINING AND DRILLING INDUSTRY**

Mining Drilling Rigs are used for two main purposes, Exploration Drilling which aims to identify the location and quality of a Mineral, and production drilling, used in the production-cycle for Mining. Drilling rigs used for Rock Blasting for surface Mines vary in size dependent on the size of the hole desired, and is typically classified into smaller pre-split and larger production holes. Underground mining (hard rock) uses a variety of Drill Rigs dependent on the desired purpose, such as production, bolting, cabling, and tunneling.

In early Oil Exploration, Drilling Rigs were semi-permanent in nature and the derricks were often built on site and left in place after the completion of the well. In more recent times drilling rigs are expensive custom-built machines that can be moved from well to well. Some light duty drilling rigs are like a mobile crane and are more usually used to drill water wells. Larger land Rigs must be broken apart into sections and loads to move to a new place, a process which can often take weeks.

Small mobile Drilling Rigs are also used to drill or bore piles. Rigs can range from 100 ton continuous flight auger (CFA) rigs to small air powered rigs used to drill holes in quarries, etc. These Rigs use the same technology and equipment as the Oil Drilling Rigs, just on a smaller scale.

The drilling mechanisms outlined below differ mechanically in terms of the machinery used, but also in terms of the method by which drill cuttings are removed from the cutting face of the drill and returned to surface.

#### **DRILLING RIG CLASSIFICATION**

There are many types and designs of Drilling Rigs, with many Drilling Rigs capable of switching or combining different drilling technologies as needed. Drilling Rigs can be described using any of the following attributes

#### **Power Used**

- (a) **Mechanical** The Rig uses torque converters, clutches, and transmissions powered by its own engines, often diesel
- (b) **Electric** The major items of machinery are driven by electric motors, usually with power generated on-site using internal combustion engines
- (c) **Hydraulic** The Rig primarily uses hydraulic power
- (d) **Pneumatic** The Rig is primarily powered by pressurized air
- (e) **Steam** the Rig uses steam-powered engines and pumps (obsolete after middle of 20th Century.)

#### **Pipe Used**

- (a) Cable
- (b) Conventional
- (c) Coil Tubing

#### **Height**

Rigs are differentiated by height based on how many connected pipe they are able to "stand" in the derrick when needing to temporarily remove the drill pipe from the hole. Typically this is done when changing a drill bit or when "logging" the well.

- 1. Single, 2.Double 3.Triple 4.Quadri 5.Rotary Table 6.Top Drive 7.Sonic 8.Hammer
- 9. Conventional 10.Slant

#### **DRILLING TECHNIQUES**

There are a variety of drilling techniques which can be used to drill a borehole into the ground. Each has its advantages and disadvantages, in terms of the depth to what it can drill, the type of sample returned, the costs involved and penetration rates achieved. Some types included are Rotary Cut, Rotary Abrasive, Rotary Reverse, Cable Tooling, and Sonic Drilling.

Hydraulic Rotary Drilling

Percussion Rotary Air Blast Drilling (RAB)

Air Core Drilling

Direct Push Rigs

Auger Drilling

Automated Drill Rig

#### **MARKETING STRATEGIES-OVERVIEW**

Marketing strategy is the technique used by the business organization expect to achieve its marketing objectives

**Marketing Mix** is the term coined by Neil Borden and is used to describe the combination of the fair inputs which constitute the core of a company's marketing programme. These elements are often described as FOUR P's: Product, Price, Promotion and Place.

#### **PRODUCT:**

product is anything that can be offered to a market that might satisfy a want or need of consumer. Managing the product includes product planning, product development, product design, product mix, product innovation, standardization and branding.

Positioning is an important aspect which helps the people to categorize the product. What message about the product or service is the company trying to put across? Developing a positioning strategy depends much on how competitors position themselves. Offering a benefit which is superior depends much on the marketing mix strategy the organization adopts. The pricing strategy must reflect the benefit offered and the promotion strategy must communicate this benefit.

### **Positioning Strategies**

There are seven positioning strategies that can be pursued:

**Product Attributes:** What are the specific products characteristics?

**Benefits:** What are the gains to the customers?

**Usage Occasions:** When / how the products are utilized?

**Users:** Identify the class of customer's .Against a Competitor: Positioned directly against the rival companies.

**Away from a Competitor:** Positioned away from the rival company's

**Product Classes:** Compared to different categories of products.

### **PRICE:**

The management is required to determine the basis for fixing the price of the product Various Pricing strategies generally adopted by the firms are:

### **Penetration Pricing Strategy:**

Here the product is introduced throughout the market at a lower cost. Penetration pricing is the pricing technique of setting a relatively low initial entry price, usually lower than the intended established price, to attract new customers. The strategy aims to encourage customers to switch to the new product because of the lower price.

### **Skimming Pricing Strategy:**

Skimming pricing strategy emphasizes on launching the product at a high price. This strategy is effective when the potential market size is limited, buyers are willing to pay high price and potential competition is limited.

### **PLACE:**

Under this the marketer has to look into various activities which place the product in the hands of the customers. Here the firm needs to select the appropriate channels of distribution and effective distribution system to place the product at right time in the market. Market segmentation becomes an important aspect in distribution. Market segmentation is sub-dividing the market into segments which are homogenous in nature for carrying out distribution efficiently to target markets. When one discusses market and market dominance there are four types of market dominance strategies:

### **Market Leader**

The market leader is dominant in its industry. A market leader has significant presence, substantial market share in the industry and is recognized as the leader by other firms. Competitors will always strive to attack the leader on its weak point or challenge in its strong area.

### **Market Challenger:**

A market challenger is a firm in a strong, but not dominant position that is following a forceful strategy of trying to achieve market share.

### **Market Followers**

Market followers choose to emulate the leader rather than attack it. Most follower firms make products as per the product innovations of the market leaders. If the follower targets a market leader with the similar quality offering and at the similar price, it might have to encounter severe attacks from the market leader.

### **Market Nicher:**

In Nicher strategy the firm focuses on a few selected target markets, thus also called as focus strategy. It is expected that by focusing marketing activities on one or two narrow market segments and adapting ones marketing mix to these specialized markets, one can better fulfil the needs of that target market. The Nicher has to be big enough to be profitable, but small enough to be overlooked by the major industry players. Market Nicher can be attacked by big companies once they note that the niches are booming.

### **PROMOTION:**

It includes all the activities carried out to make people aware about the product. Advertising, Personal selling and various promotional programmes are the major activities which do the work of informing and persuading the prospects to buy the products. It is a notice or an announcement to the public with the use of printing materials, pictures, or written words, audio or visual media. One can use Indoor Advertisements which are in the form of newspapers, magazines, radio, television and films; Outdoor Advertising in the form of posters, painted display, travelling display, electrical sign, sky writing. Direct marketing which are directly referred to individuals/institutions/companies through sales letters, circulars Indirect Advertising is through window display, interior display, showrooms and exhibitions. Digital advertising through mobiles, internet and on-line Personal selling refers to oral communication made by the salesmen. Push & Pull strategies of Promotion are:

Push Strategy

Pull strategy

**Differentiation Strategy:** A differentiation strategy calls for the development of a product that offers distinct features that are valued by the customers which are different from the product of the competitors.

**Focus Strategy:** The focus strategy concentrates on a narrow segment and within that segment attempts to achieve either a cost advantage or differentiation; by doing this the needs of the group can be better serviced by focusing entirely on it.

### **Buying Motives and Marketing Strategies**

Buying motive is an inner urge which makes a prospect buy a product. The marketer needs to understand the buying motive behind the purchase of mining products. Buying motives help to understand the reasons for buying/using a product.

**Rational Buying Motives:** When goods are bought taking into consideration the cost, utility, durability and economical viability then it is said to have a Rational Buying Motive. These motives are guided by rational thinking or reasoning power of the human beings.

**Emotional Buying Motives:** Here goods are bought without taking into consideration the economical/monetary aspect of the product but are bought on the basis of



emotions. It can be loyalty towards the brand, company or the retailer which can also be called as Patronage motive. Identifying the buying motive will further help in understanding the reasons for purchase.

### CONCLUSION

The manufacturing process Design, Model, Quality of the products is not having much variation to Multinational companies and Regional or domestic branded products. As The Pandemic recession a new way of marketing techniques or strategies should follow by the companies to meet the consumer needs as well as to overcome competition in the market. It is the time for the domestic branded companies to look for the export by giving challenge to MNCs with higher quality with Lower price. The traditional methods of strategies might not be much useful to sustain in the competitive market. New methods or techniques should implement to survive in the market.

### SUGGESTIONS

On the analysing the market the following suggestions are given:

Companies should look for new markets exploration

The Design, Model, Quality and Durability of the product may be enhanced

Decrease in Cost of Production by using quality of Raw Material, high skilled Technical personnel, reducing the wastage at every step of the production.

Offer more commission to dealers to promote the once companies product in their market

Penetrating price strategy may be implemented i.e. fixing of low price for high quality product

Different promotional strategies like discount, coupon, personal selling, and sponsoring events etc.

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