

Analysis of the Lubricants Market in Algeria- Case of NAFTAL-

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Abstract:

With globalization, national economies have had to deal with the opening of the domestic market for the marketing and distribution of petroleum products, particularly lubricants.

The objective of this study is to analyze the market and identify the various actors constituting the Algerian lubricants market, with a focus on NAFTAL, a major national company with considerable advantages. However, true competition has emerged in the field of lubricant distribution and marketing in recent years.

Our study demonstrates that the Algerian lubricants market is fully liberalized and offers opportunities to other operators who are already present in this market and whose number is constantly growing. Thus, NAFTAL must adapt to the evolving market trends, which requires a radical change in its management methods that have governed it since its inception in the market, allowing it to consolidate its position as a market leader.

Keywords: Market, lubricants, marketing, distribution, Enterprise.

Jel Classification Codes: : D21, D39, F19,L11.

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1. INTRODUCTION

The national lubricants market is a very competitive market, where NAFTAL must face numerous companies operating in the fields of production, distribution, and marketing of lubricant products.

This new situation was instantly felt in the market shares of NAFTAL's most profitable activity, in this case, lubricants.

Gradual transitions were made to adjust management according to new criteria. As this is a radical change compared to the managed economy that was current, the adaptations are taking place at a too slow pace compared to global developments due to the lack of a global strategy that really takes into account the cumulative experiences, the available potential, and those to be acquired.

An elaborate strategy would make it possible to adjust, whenever necessary, the constraints that cause problems for the company's development in order to maintain a leadership position and increase market share compared to competitors freed from any constraints in investment matters.

✓ **The problem:**

“What is the lubricant environment in Algeria and its impact on NAFTAL’s lubricant activity?”

From this main problem arise the following questions:

- What is the environment of the lubricants market in Algeria, and how is it evolving?
- What is the situation of the “lubricant” activity within NAFTAL?
- Are the strategies adopted by NAFTAL adequate to achieve the objectives?

✓ **Assumptions:**

- NAFTAL’s existing structures/infrastructure are an asset to achieving its objectives

- The lubricant market environment influences NAFTAL's "lubricant" activity.

2. General information on lubricants:

A hundred years ago, lubricants were almost all of animal or plant origin, and it took centuries of refinement and research to develop a few compounds. But, over the last decades, the development of industrial sectors and technologies for bringing lubricants has evolved rapidly to become a specialized sector.

2-1 Definition and specification:

2.1.1 Definition:

Lubricants, bitumen, fuel oil and gasoline are petroleum products resulting from the refining of crude oil.

From the exploitation and refining of oil we distinguish 3 types of derivatives:

- Liquid fuels: fuel oil, diesel, kerosene, gasoline, and LPG.
- Naphtha come from the distillation of petroleum, from which a very large number of common materials are derived: plastics, synthetic textiles, synthetic rubbers, detergents, adhesives, fertilizers, cosmetics, etc.
- Heavier fractions (less volatile): lead to bitumens, paraffins and lubricants.

Lubricants can be liquid or fluid (oils), consistent (greases or silicone gel), or solid (graphite, Teflon)(AYEL & BORN, 1998).

2-1-2 Roles and functions:

Lubricants have the essential role of reducing friction between two metal bodies or reducing the passive resistance of fixed parts, but their functions extend much further:

- Reduce friction,
- Combat premature wear of moving organs and parts in machines,
- Participate in thermal balance by absorbing part of the calories produced,
- Contribute, through their fluidity, to gas and liquid tightness,
- Eliminate impurities produced by machines to extend their lives.

2-2 Types of Lubrication:

- Hydrodynamics: separation of two surfaces by a relatively thick film, by a dynamic movement of the moving part.
- Hydrostatic: introduction of lubricant under pressure between moving surfaces (pressure source).
- Elastohydrodynamic: similar to hydrodynamic, but one of the surfaces rolls (bearing, profiled gear tooth).

The performances and characteristics are different from one lubricant to another; their only common point is a main constituent called "lubricating base," which represents 75% to 85% oil or grease and which can be of petroleum or synthetic origin.

2-3 LUBRICANT BASES AND ADDITIVES:

2-3-1 LUBRICANT BASES:

All lubricating oils consist of a main component called a "base," to which "additives" are added, which give the lubricant the specific properties required to obtain a finished engine oil.

- Mineral bases are made from crude oil. They are by far the most used, both in automotive and industrial applications. These are mixtures of hydrocarbons that have undergone numerous refining operations.
- Synthesis bases are products obtained by the chemical reaction of several components. Two main families of products are used for the formulation of lubricants: esters and synthetic hydrocarbons. These products have a remarkably stable viscosity whatever the temperature. This property is a major superiority over mineral bases which require the addition of viscosity improving additives in larger quantities. Their resistance to oxidation is also increased, resulting in greater oil longevity which allows for greater spacing between oil changes.

Note that there are also so-called semi-synthetic oils which are obtained from a mixture of the two previous ones (generally 70% to 80% mineral oil and 20% to 30% synthetic oil) Bloch, 2000).

2-3-2 ADDITIVES:

Additives are present at 15% to 25% in finished oils:

- Either to reinforce certain properties of the base oil,
- Or to provide the base oil with properties that it does not naturally possess.

✓ **. Viscosity improvers:**

They allow the oil to be sufficiently fluid when cold and viscous when hot to avoid contact with moving parts.

✓ **Anti-wear additives:**

They reinforce the anti-wear action exerted by a lubricant on the organs it lubricates.

✓ **Antioxidant additives:**

They slow down lubricant oxidation phenomena and contribute to the spacing of oil changes through better resistance to high temperatures.

✓ **Detergent additives:**

They prevent the formation of deposits or varnish on the hottest parts of the engine such as the piston grooves.

✓ **Dispersing additives:**

They keep in suspension all the solid impurities formed during engine operation: unburnt, gum, sludge, diesel soot, deposits cleaned by detergents.

✓ **Basicity additives:**

They neutralize acid residues from fuel combustion, mainly on diesel engines, as they form.

✓ **Anti-corrosion additives:**

They prevent the attack on ferrous metals, an attack due to the combined action of water, oxygen in the air and certain oxides formed during combustion.

✓ **Anti-freezing additives:**

They allow the lubricant to maintain good fluidity at low temperatures (from -15°C to -45°C).

✓ **Anti-foam additives:**

These additives aim to limit the dispersion of a large volume of air in the oil.

✓ **Extreme pressure additives:**

Their aim is to reduce friction torques and consequently save energy and protect surfaces from heavy loads (SPAGHT, 2005).

2-4 Oils:

Oils are used for friction reduction (lubricating oil); prevent corrosion; electrical insulation; heating or, on the contrary, the evacuation of heat, via a radiator.

To obtain base oils from which finished engine oils are manufactured, the atmospheric residue is taken and passed to vacuum distillation. Then we undergo a whole series of treatments.

Various additives are added to these base oils. Here the addition of additives does not serve as advertising or sales arguments, but meets the needs of specific functions during the use of the oils. We must therefore keep in mind that here, exceptionally, the additives meet real performance needs. These additions are the results of extensive laboratory research.

In conclusion, there are three types of lubricants:

- Oils and greases for internal combustion engines,
- Oils and fats for industry,
- Marine oils and greases.

3-The market:

In economics, the market is a system of exchange where supply and demand meet. It is also the set of rules, legal or informal, by which this type of economic operations can be carried out. The market, which concerns both exchanges of goods and services as well as active financial and real estate exchanges, is one of the fundamental concepts of the economy.

3-1 Concepts on the market :

The market can be defined as a meeting space between suppliers and requesters of the same goods or the same economic service.

And according to Ph.Kotler and B.Dubois: we define a market as “all the customers capable and willing to carry out an exchange allowing them to satisfy a need or a desire” (PHILIP & BERNARD, 2000).

In a market economy, production and prices are regulated by the law of supply and demand, unlike in the managed or planned economy. The market must be monitored and guaranteed by a third party (arbitrator, stock broking company, state, etc.). Supporters of free trade consider that State constraints on the quantities offered or purchased, or on the price level, make the market lose its effectiveness, by preventing it from approaching the right price or the optimum of resources.

The market is made up of different players who are:

- Consumers,
- The distributors,
- Providers.

The conditions for the existence of a market are:

- A clear need.
- A request linked to the satisfaction of this need.

- An offer responding more or less completely to this need.
- A price corresponding to the observed exchange value of the product expressed in monetary units.

3-1-1 The company/market relation ship:

The market is the place where supply and demand for a good come together. There are as many markets as there are different goods (Gregory, 2010).

The different markets are not independent of each other because, to varying degrees, goods are substitutable for each other. Thus, margarine and butter, winter sports and sea cruises are substitutable. Said that two goods are substitutable when they satisfy the same need. A company's competitors are therefore not only the manufacturers of similar goods, but also the producers of substitutable goods.

In every market, there is a supply function and a demand function.

The supply function indicates, for the various possible prices, what quantities suppliers are willing to supply. This function generally increases in relation to the price because, the more remunerative a price is, the more companies are encouraged to offer the corresponding good.

Conversely, the demand function indicates, for the various possible prices, the quantities purchased by the demanders. It is a generally decreasing function in relation to the price, because the higher the price, the more buyers are encouraged to save the corresponding good.

The supply and demand functions meet and determine the market equilibrium price for which the quantities supplied and demanded are equal.

3-1-2: Market characteristics

The market can be characterized from:

Table 1:Market characteristic

Nature of the offer	Form of the market
Seller	Monopoly
Some sellers	Oligopoly
A large number of sellers	Competitive

Source: elaborated by the authors.

The structure of the offer: in this case, we distinguish three forms of market

• The monopoly :

A monopoly exists when a single company delivers a good or service in a given market.

A company in a monopoly situation could charge high prices while refraining from any advertising, leaving the consumer with no other choice.

The monopoly under supervision results in more moderate prices and better service imposed in the name of the public interest.

• Oligopoly:

An oligopoly consists of a small number of companies manufacturing or marketing the same product; In a differentiated oligopoly, the products sold are distinct.

We fight over quality, features, style or service. Each competitor is looking for a distinct advantage likely to justify its positioning with customers.

- **The competitive:**

These are all companies or organizations manufacturing the same type of product (a large number of sellers).

3-1-3 The law of supply and demand:

According to the theory developed by Alfred Marshall (ALFRED, 2003), the confrontation of supply and demand, in a competitive market, makes it possible to predict both the price and the quantities of goods exchanged (manufactured products, raw materials, bonds, stocks, etc.).

This theoretical equilibrium point corresponds to the price for which sellers are willing to provide the same quantity of goods that buyers want to acquire. This assumes that actors behave rationally and are only concerned about price. In addition, competition must be perfect (atomicity of supply and demand, identical products, rapid and complete information about all players, etc.)

3-1-3-1 The offer:

“The supply is ensured by all the producers, who manufacture the product, and the distributors, who make it available to the consumer.”

- **The producers :**

Depending on the product and its life cycle, they are more or less numerous.

- **The distributors :**

They ensure product availability by transporting products from the producer to the consumer and ensuring the constraints of time, distance, price, volume and quality.

3-1-3-2 The request:

According to KOTLER and DUBOIS, “market demand for a given product is the total volume that would be purchased by a specific group of customers, in a specific geographic area, during a given period, under environmental conditions data in response to a given marketing program.

It is represented by the total quantity (kg, liters, etc.) or the overall value of purchases of a product during a given period, in a specific geographical area.

Demand is therefore defined by the notions of geographical territory and time (short, medium, or long-term).

4- Presentation of NAFTAL:

4-1 History of NAFTAL:

After the nationalization of hydrocarbons in 1971, the distribution of petroleum products in Algeria was entrusted to the “domestic market” division under SONATRACH.

The restructuring of SONATRACH in the 1980s gave birth to ERDP, the national company for the refining and distribution of petroleum products. The ERDP entered into activity on 01/01/1982 and in 1987 these operational activities were separated and entrusted by decree No. 87-189 of August 27, 1987 to two separate companies:

- **NAFTEC:** responsible for oil refining.

- **NAFTAL:** responsible for the marketing and distribution of petroleum products through the organization and management of a distribution network throughout the national territory, with the status of an economic public company.

NAFTAL joint stock company (SPA) with capital of 160,000,000,000 DA occupying a leading position in the distribution of petroleum products in Algeria.

4-2 NAFTAL in figures:

4-2-1 Material potential:

Covering the daily needs of the national market for petroleum products involves significant means of storage and transport to transport products from production sources to consumption areas.

and In order to fulfill these missions, NAFTAL has the following infrastructure and resources:

Tableau 2 : les infrastructures et moyens de NAFTAL

Région	Dépôt et centre de Distribution	Moyens de transport	Observations
East	15 depots and 14 distribution centers	NAFTAL: 76 teams Third parties: 142 Third parties	Each depot delivers its zone of influence
Center	06 depots and 09 distribution centers	NAFTAL: 105 teams Tiers: 142 teams	Each depot delivers its zone of influence
West	12 depots and 15 distribution centers	NAFTAL: 73 teams Tiers: 107 teams	Each depot delivers its zone of influence
South	10 depots and 11 distribution centers	Tiers: 40 teams	Each depot delivers its zone of influence
Total	43 depots and 49 distribution centers	NAFTAL: 254 teams Third parties: 431 teams	

Source : NAFTAL

4-2-2 Achievement Year 2020:

In 2020 NAFTAL marketed a total volume of 14.3 million tonnes of petroleum products, the distribution of which is as follows:

Table 3: Achievement of NAFTAL during the year 2020

Products	2020 achievements
Earth Fuels (million MT)	11,3
Aviation fuels (million MT)	0,29
Marine fuels (million MT)	0,27
LPG (million MT)	02
Bitumens (million MT)	0,39
Lubricants (thousand MT)	65,58
Special Products (thousand MT)	15,43
Vehicle tires (thousand units)	50,81

Source : NAFTAL

• **Turnover:**

For the year 2020, the company's activities generated a turnover of 317.66 billion dinars, down 16% compared to that achieved in 2019 (376.1 billion dinars).

• **Investments:**

Investment spending in 2020 reached an amount of 20.1 billion dinars.

• **Training:**

The workforce in 2020 trained in the company's core professions and other areas (Human Resources, Finance, Audit, etc.) amounted to 2811 agents compared to 11605 agents in 2019, a drop of 8794 agents.

• **Workforce:**

The number of employees employed as of December 31, 2020 stood at 32,073 agents.

• **Evolution of Lubricant Sales / Range:**

Tableau 4 :Evolution of Lubricant Sales by Range

RANGE	2018	2019	2020	2021	2022
PETROL ENGINE OILS	6 671,53	7 099,27	8 415,27	10 913,73	11 202,32
DIESEL ENGINE OILS	53 966,98	54 439,46	45 119,11	45 990,52	48 764,69
ENGINE TRANSMISSION OILS	437,66	1 846,16	1 902,57	1 639,77	1 575,45
INDUSTRIAL OILS	360,34	381,28	7 659,21	7 841,24	8 484,34
SPA	4 745,17	9 804,95	1 534,20	1 291,74	1 183,46
FATS	1 077,20	1 316,60	347,86	308,81	305,49
Total :	67 258,88	74 887,72	64 978,22	67 985,81	71 515,75

Source : NAFTAL

With an average annual growth rate of 2% recorded in recent years (with the exception of 2020/2019 which experienced a regression caused by the corona epidemic), the evolution of demand for lubricants on the national market remains low compared to:

- Rate of change in the Algerian automobile fleet, the main outlet for lubricants;
- The improvement in the quality and performance of these lubricants means that oil changes are increasingly spaced out.

The growth in demand for lubricants on the national market will maintain a rate of 2% per year by 2040. These growth forecasts are justified by:

- The upward trend in the Algerian automobile fleet;
- The increase in road traffic and mobility (increasing number of vehicles traveled per year);
- The expected industrial development which will result in more demand for industrial oils;
- Technological advances in improving the performance of lubricants.
- However, disparities among products and ranges will be recorded. The demand for diesel engine oils, following the expected demand for diesel, will experience significant growth compared to gasoline engine oils where moderate growth can characterize its long-term evolution.
- On the other hand, the expected industrial development will lead to increased demand for industrial oils, alongside fats which will see significant growth in the years to come.
- However, the weight of technical progress in the context of performance and environmental protection should not be marginalized, both in terms of new industrial processes and engine construction and in terms of production and the development of

lubricants. So we expect engines that require high performance lubricants with an extended lifespan, which will lead to some reduction in demand growth.

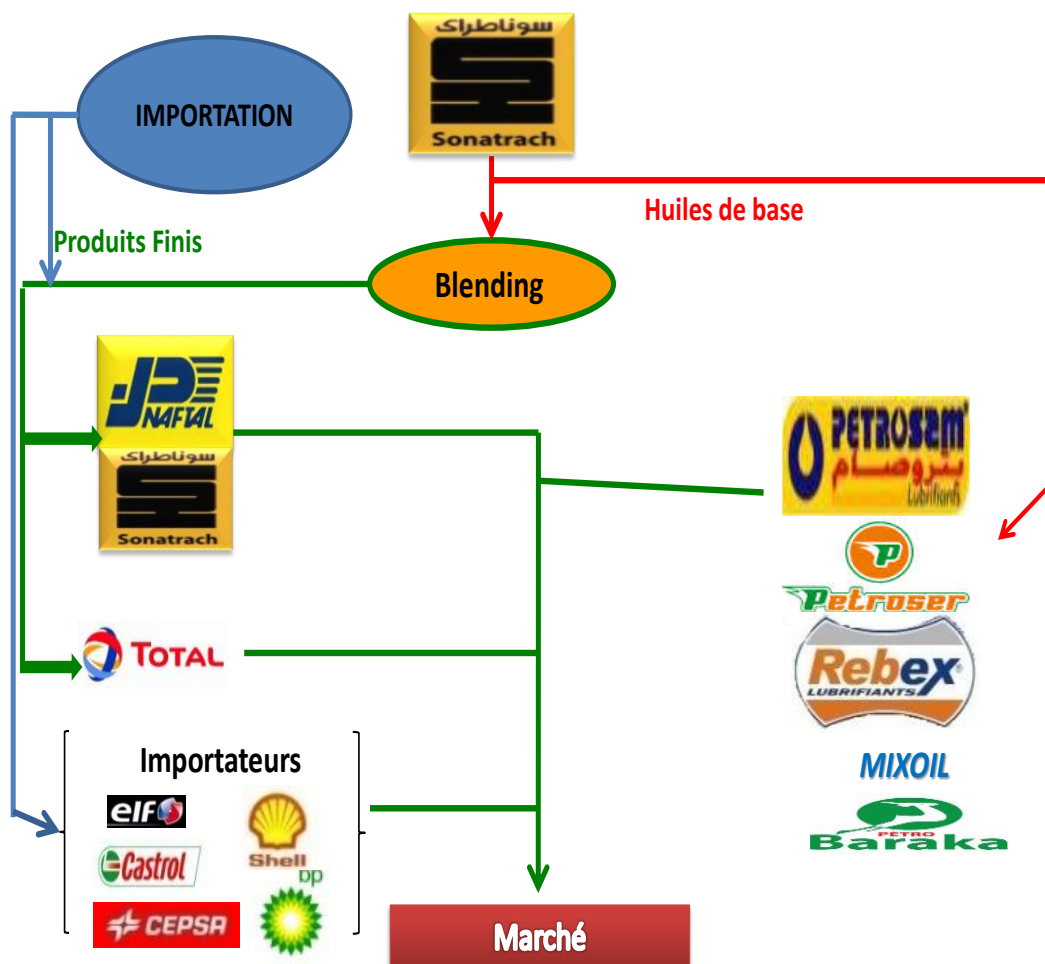
- The early signs of this state of affairs were marked by the emergence of synthetic lubricants in recent years, as well as scientific and technical advances in the field of biolubricants.

4-2-4 Formulation and distribution of lubricants:

For this area of activity, operators purchase base oils (semi-finished product) from the ARZEW refinery and carry out blending (formulation) in their own formulation center (for example: Petrosam, Rebex, Mixiol, Petroser ...).

After having identified the different types of operators operating on the Algerian market and their field of activity, we will present the configuration of the Algerian lubricants market, from its supply to its sale on the market:

Figure 1: The configuration of the Algerian lubricants market:

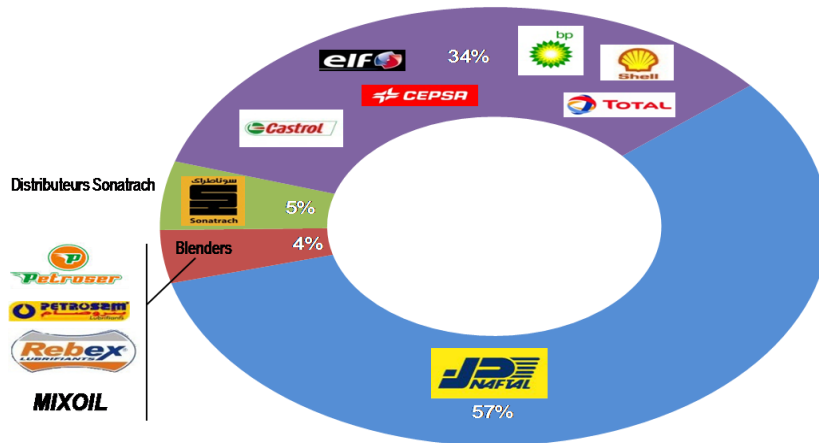


Source : NAFTAL

4-2-5 The market share of the different operators:

In the absence of real figures on sales from the various operators, the market share can only be estimated from data collected on the basis of supplies from the main operators:

Figure 2: The market share of the different operators:



Source : NAFTAL

The Algerian lubricants market was dominated by Naftal with 57% market share, followed by importers with 35% market share, Sonatrach distributors with 5% and blenders with 4%. Naftal performance can be explained by the implementation of its supply plan, whether at the local level (removal from the Arzew refinery) or through imports, thus improving the availability of these products.

The poor performance of SONATRACH distributors (up to 35% market share previously) and blenders can be explained by supply constraints from Sonatrach and the commercial aggressiveness of Naftal.

On this, NAFTAL positions itself as the company which offers the best Quality/Price compromise across the entire range of lubricants.

4-2-6 Commercial policy:

Naftal has opted for the diversification of these lubricant products according to their viscosity grade and level of performance.

By importing high-end (5W40 and 5W30), mid-range (10W40) and 15W40 synthetic lubricants for heavy goods vehicles, Naftal has expanded its range in response to customer needs. For example, Naftal synthetic 5W40 oil (sold under various foreign brands) is used to lubricate the turbines of direct injection diesel engines and 5W30 oil is dedicated to diesel vehicles equipped with a particle filter.

However, NAFTAL is rather based on the offer without taking into account the needs, expectations and behavior of consumers. For example, consumers are unaware of the benefits of Naftal's recently released synthetic oils. Marketing communication is almost absent

5. Practical part:

5.1 The objective of the questionnaire:

The questionnaire is a method or instrument of collection, it is used to resolve the problems posed by the company whose objective is to report information as important and precise as possible, it also generally allows the company to be informed about the aspects of its environment, to give as faithful a reflection as possible of the problem studied, to evaluate the opportunities that arise and to choose its targeted market with more discernment.

Furthermore, in our case, the questionnaire serves to evaluate the efficiency of the distribution network and the opinions of NAFTAL customers regarding lubricants.

5.2 sample size:

Each manager must make a decision concerning the size of the sample, that is to say the number of individuals chosen by the investigator. In general, a large sample gives better results.

However in our case a non-probabilistic method, a sample of (100) people, of the latter will be adequate.

5.3 Types of questions used:

The preparation of a questionnaire calls for decisions on the nature, form, wording and sequence of questions, which can also be the cause of bias in the responses.

In our questionnaire we used three questions:

- ✓ Closed questions: the respondent must make two assumptions
- ✓ Multiple choice question: it offers a series of answers to the interviewee.
- ✓ Open questions: leave the individual free choice to develop their ideas.

5.4 Processing of results:

We targeted our survey on individuals, in the Cheraga service station (direct management) and the results we have are as follows:

✓ Question 1 :

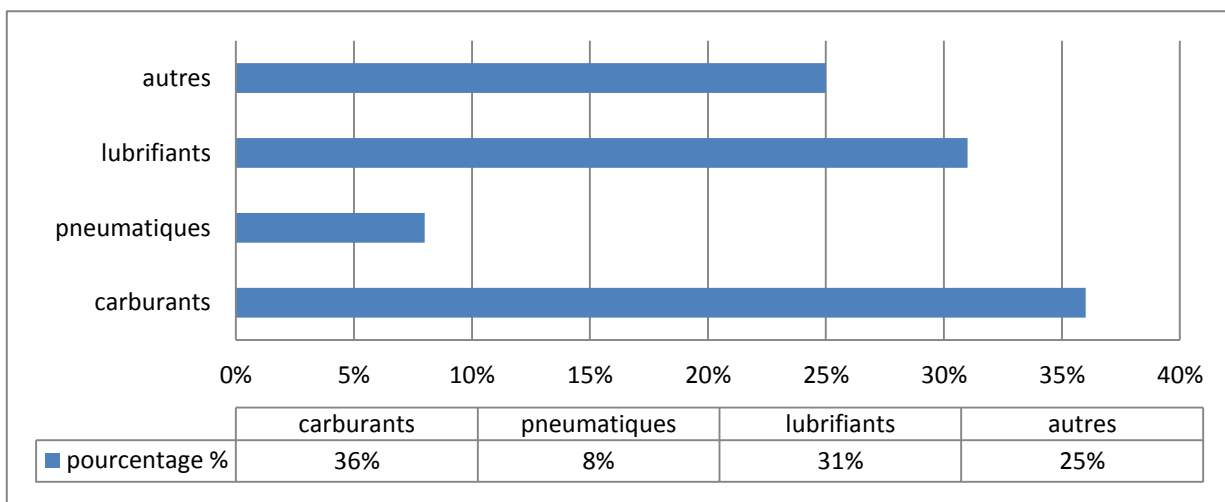
Do you ever frequent this gas station?

This question was chosen to find out the attendance rate of a service station managed by NAFTAL (GD)

According to the results, the majority of respondents (70%) are regular customers of the service station, due to its good management, strategic location and ease of access. The rest of the respondents (30%) constitute an occasional and transient clientele

✓ Question 2:

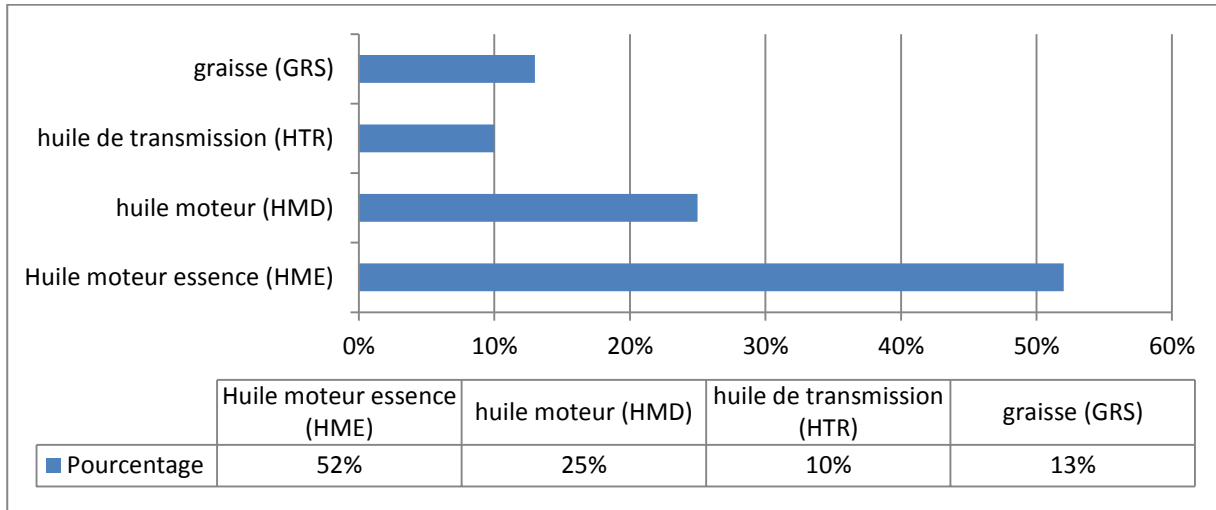
What products are you interested in?



The question was intended to determine the purpose of frequentation of the customers surveyed, and from the results we note that the needs of the majority of the customers surveyed are oriented towards fuel 36% and lubricant 31% given that these are consumer products compared to other products, while 25% responded with “other service provision” which is generally draining, washing and lubrication, and 8% are interested in tires.

✓ **Question 3 :**

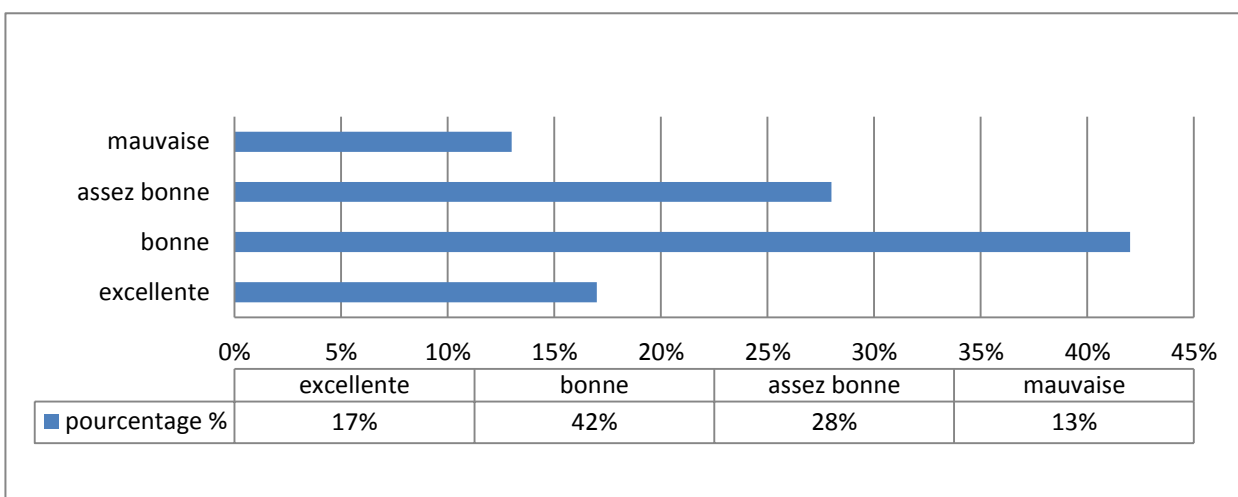
When it comes to lubricants, what range of products do you use?



The aim of this question was to identify the most sought-after range of lubricants. According to the results, we note that gasoline engine oils are the most requested (52%) and this is explained by the context of the Algerian car fleet. which is mainly composed of vehicles running on gasoline, then come diesel engine oils with a rate of 25%, followed by greases and transmission oils with 13% and 10% respectively.

✓ **Question 4 :**

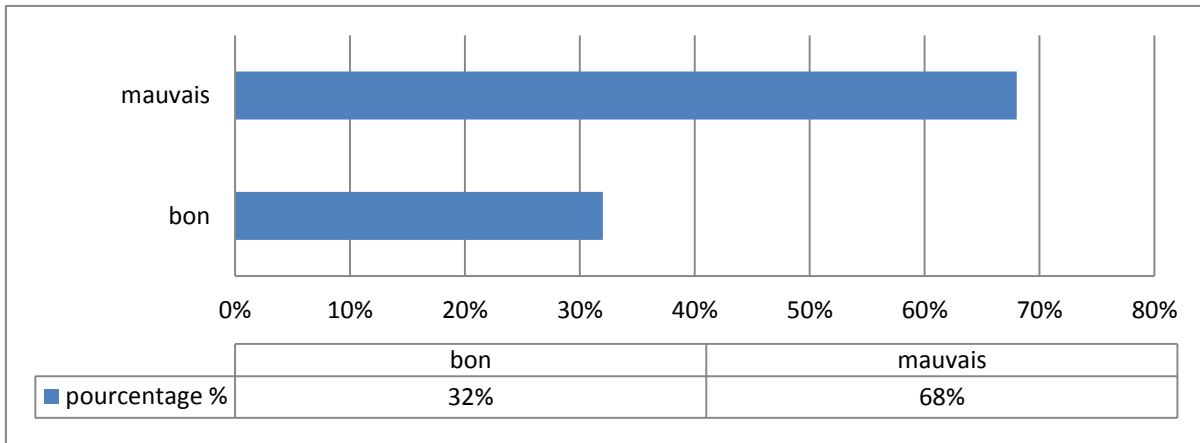
If you give an assessment of the quality of NAFTAL products, would you say what it is?



The question above was intended to evaluate the rating of lubricants marketed by NAFTAL among these customers, and according to the results the majority of respondents (69%) say they are satisfied and have confidence in NAFTAL lubricants, as for the rest (31%) evokes the design and packaging aspect of the product to be perfected.

✓ **Question 5 :**

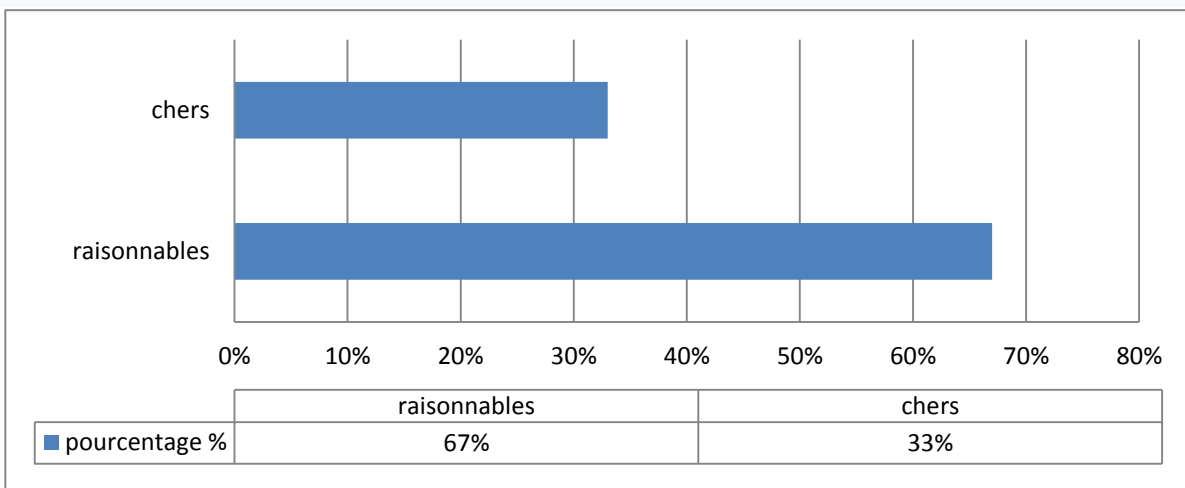
What do you think of lubricant packaging?



The purpose of this question is to know the quality of the packaging of the products marketed by NAFTAL, and according to the results, the majority (68%) of the customers surveyed criticize the packaging of the cans, and for the rest (32%) find the packaging good especially for users of synthetic oils.

✓ **Question 6 :**

How do you find lubricant prices?

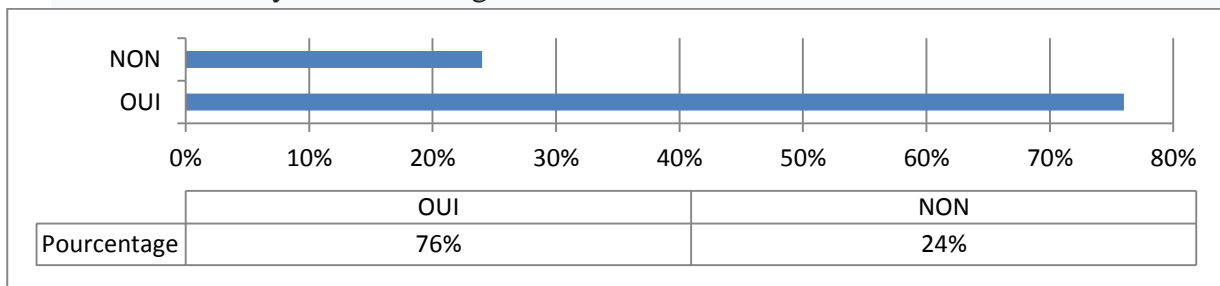


From the table above we see that 67% of those surveyed found the prices of lubricants reasonable, and 33% responded that they found them expensive.

The factors that were taken by the customers surveyed as a source for evaluating the price of lubricants are purchasing power and competitive prices.

✓ **Question 7 :**

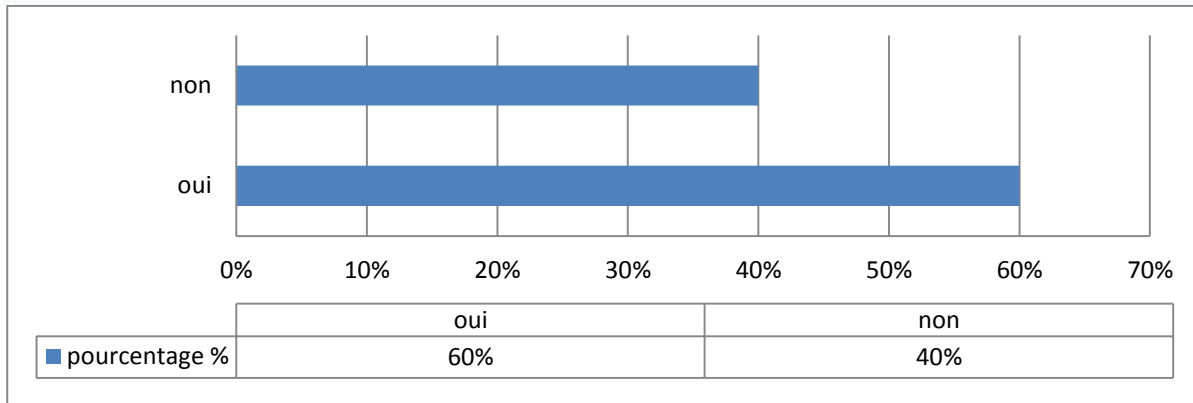
Is the lubricant you are looking for still available?



The objective of this question was to establish the availability of lubricants in NAFTAL service stations, and the majority of respondents which represent 76% find that lubricants are still available in-service stations, and for the others their denial is linked either to their specific need for oil or the absence of lubricants (linked to stock shortages).

✓ **Question 8 :**

Are you served quickly



To find out the quality of the service we asked this question and most of those questioned (60%) find that they are served quickly when the product is available, and the others find the service a little long.

✓ **Question 9 :**

In your opinion, what should NAFTAL do to better serve its customers?

The customers surveyed suggest that NAFTAL make more effort in the management of its service stations by providing them with more service, better assistance, and by setting up an information system to inform its customers about the availability of its products, improved the packaging quality of lubricants and built more multi-service stations.

5.5 Summary of survey results:

According to the study of the survey which was carried out with the customers of the direct management service station of CHERAGA we noted that the majority of respondents share the following recommendations and suggestions:

- Be closer to customers;
- Improved the quality of bottles and their packaging;
- More service provision at service stations;
- Change the packaging to make it more attractive;
- Open stations 24 hours a day, 7 days a week for the entire network;
- Inform customers about product availability;
- Be stricter in security measures.

6.Conclusion:

Our research work focuses mainly on the analysis of NAFTAL's lubricant activity in the face of changes in its environment. And this allowed us to draw the following conclusions:

- In a growing market marked by tough competition, NAFTAL must demonstrate responsiveness to changes.

- In terms of supply, NAFTAL is mainly dependent on the ARZEW refinery.
- More than 70% of operators on the market market the same product (from the ARZEW refinery), some national and international operators just repackage it in divisional packaging and sell it at a price higher than that charged by NAFTAL.
- NAFTAL relies on solid financial and material resources, which allow it to adapt to its environment and face possible threats
- NAFTAL follows a development strategy to maintain its market shares as well as an internationalization strategy to conquer other markets.

Our result affirms that NAFTAL's existing structures/infrastructure are an asset to achieve its objectives and that the lubricant market environment influences the "lubricant" activity with NAFTAL, for the following reasons:

- Capitalized experience in the field of distribution
- Storage infrastructure distributed across the national territory
- Sales networks across the entire national territory.
- 100% membership in a major international group (SONATRACH)
- Substantial material resources (transport fleet, means of handling and maintenance, etc.)
- Viable financial situation
- Capital trust in the quality of NAFTAL products among customers

And after our study of the lubricants market, we recommend the following points to NAFTAL:

✓ **STRATEGIC:**

- Take internal measures to improve the company's brand image
- Further consolidate the relationship with SONATRACH, in order to streamline the flow of information and develop the customer/supplier relationship
- The presence of automobile dealers has seen a sharp increase in Algeria, NAFTAL will have to establish an effective commercial relationship based on the promotion of lubricants with these dealers. To do this, NAFTAL must launch negotiations with car dealers for the use of NAFTAL label lubricants during the warranty period by offering them competitive prices.
- Create a unit which will aim to fill the gap in relation to the quantities offered by the refinery (ARZEW) and also to diversify the sources of supply. The latter will specialize in the production, blending and packaging of finished lubricants, and developing new technologies in the field of lubricants (synthetic oils, biolubricants, etc.).

✓ **ORGANIZATION AND OPERATION OF THE COMPANY:**

- Make the decision-making system more flexible by giving more latitude to line managers, which should result in faster decision-making

✓ **MARKETING:**

- Diversify and improve the quality of product packaging (design, appeal, size).

- Tend in the short term towards ISO certification given the assets the company currently has
 - Develop a specialized sales force and provide it with the necessary means of action to visit or receive current and/or potential customers in order to ensure the promotion, sale and sometimes after-sales service of products and services relating to the lubricant activity. Each “Commercial District” at the national level must have its sales force which will be made up of technical sales representatives.
 - Developed external communication (press, technical day, open days, advertising spot, internet)
 - Build more multi-service stations, especially on new roads
- ✓ **COMMERCIAL:**
- Implement a more attractive pricing policy, taking into account the competitive context
 - Ensure the permanent availability of all the ranges to be offered
 - Expand the sales network
 - Provide training for staff in direct contact with customers
 - Renew the transport fleet

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