

In conversation with...

Erin Durham, Vice President, Global Sales & Marketing, Kline Group



For those unfamiliar with Kline and its services, can you introduce us to your company and your role within it?

Kline Group is a B2B market intelligence and insights firm that provides high quality syndicated reports, custom research and consulting services to a selection of market segments. From our 1959 origins as a chemicals consulting business, Kline today is a market leader fully immersed in the energy sector, covering the entire 360° value chain. We have a seasoned team that spans across our global offices, situated on four continents. They are highly qualified, multi-cultural industry experts and guide clients towards actionable insights and viable business decisions with the use of in-depth market analysis and personalised consulting services.

Our clients range from start-ups to multi-nationals, and many are specifically focused on finished lubricants, base oils and petroleum specialty products and related markets. They tend to be working for or invested in the downstream petroleum industry, with a specific focus on finished lubricants, base oils and petroleum specialty products and related markets.

In my role as Vice President of Global Sales, I oversee the sales team for the market research division of the company and work very closely with our Key Energy Accounts. From the insights and strategy side of the business, Milind is Vice President of our Lubricants and Base oils Market Research Team and Yana is Vice President for our Lubricants and Base oils Custom Research and Consulting Services. The three of us work very closely together and between us have a combined total of more than 30 years' experience.

How is Kline's approach different to other service providers?

Where we stand out in our field is that our product insights can be acted upon, they're not just data or observations. Through our approach, clients can better understand, evaluate, track and analyse the present markets so they can build and support their future business strategies. We leverage our historical knowledge base, our industry expertise, our global-to-local coverage and, most importantly, connect with the end-use sectors. Ultimately, they will shape and define the demand for our areas of focus, including end-use applications, mega-trends, key end-use industrial sector trends.

Our broad, in-depth portfolio of reports and databases covers all important aspects of the lubricants industry, from base oils and finished lubricants, to additives and other industry adjacencies. We expand our portfolio every year to make sure that we are offering not only our core reports that are published regularly, but also new topics that are Top-of-Mind issues for our clients and the industry. We cover 90+ countries in our industry reports and are expanding our scope annually as well.

How relevant is your research to the lubricants' market?

Our research is conducted by experienced industry researchers with a very strong grounding in the market dynamics and understanding of the local market conditions. They are constantly working to bring in the view of external/macro drivers and best practices from other industries to make sure we are not insular in our perspective. Having such a seasoned team in place allows us to have a 360-degree

perspective of the industry and its dynamics over the long and short-term. We strongly believe in partnerships with best-in-class sources in relevant areas to supplement our in-house knowledge and deliver the best results to our clients. We recognise the value of diverse perspectives and leverage our extensive network of specialists and partners to create a holistic coverage, both geographically and subject-matter wise.

We pride ourselves on our transparent research and market analysis process that is backed by market models that permit scenario analysis. These scenarios anticipate market changes and adaptations and allow our clients to see how those changes could impact their business in a truly interactive and realistic way. We also work with our clients to provide regular presentations about our findings and conduct Q&A sessions to make sure that they are getting the most out of their purchases and our team's knowledge. Many of these meetings are usually conducted LIVE but of course, for now, this has all moved on-line.

We offer multiple modes of sharing knowledge and insights with clients and the larger industry and work very hard to give as much as we get. We appreciate that the world of lubricants is global, but in many ways, it is also a small community. We are committed to increasing overall awareness and knowledge within the industry by collaborating with associations like UKLA, industry conferences, trade shows, events. We value the importance of giving back and sharing insights to improve the industry as a whole. Our team is structured to be able to provide both the broader, shared industry overviews, as well as the confidential and proprietary strategic consultations that our clients value when working on their business plans.

How did Kline adapt its services to overcome the 2020 challenges faced by global business markets?

Staying visible and relevant is paramount for a trends' and insights firm like ours. Like everyone else we faced the challenge and impact of having to work remotely, quickly. We temporarily closed most of our international offices, but our already established, flexible approach to remote-working made the overall transition fairly smooth for us. Our global team more or less ran "business as usual", though they shifted to working full-time from home and had to quickly adapt to 100% virtual, remote communication and

engagement. The first and foremost challenge for us was in identifying what topics, insights and data would be most relevant to help our clients deal with the highly uncertain environment and unprecedented changes that they are facing during this crisis. Knowing that no one has a crystal ball, we felt we had to develop a view/scenarios to leverage our expertise and help our clients by giving them whatever guidance we could to navigate, plan and prioritise under very challenging circumstances. The crisis forced us all to review what is essential from what is nice to have, and we will use these hard-learned lessons to reshape and refine what value we add to our clients, and also to think harder about our purpose and vision as a company.

How have your clients been able to communicate with you throughout this time?

One of the greatest challenges that we, like so many other businesses, have faced during the pandemic, is the ability to stay in communication and closely connected to our clients, our industry, and even our colleagues. As we do so much of our work LIVE with onsite interviews, client meetings, refinery visits, retail shop assessments, after COVID struck we had to reinvent ourselves quickly to be able to still get our clients what they needed while also staying in touch with the industry as a whole.

We fully embraced digitalisation (probably a push that was well-needed for us anyway!). We all started working with Zoom, MS Teams and other programmes to conduct video presentations and interviews, video client meetings, video snippets for our sales & marketing efforts. We added a ChatBot to our website to offer real-time response to any requests as they came to our site. We invested in upgrading our online platform to make the online user experience much easier and more accessible for our clients. We also ramped up our online presence with social media like Linked In and increased our content-marketing significantly. We conducted online webinars and started testing interesting new formats like PodCasts and online "Debates with Industry Experts".

Many of these technological investments are here to stay, and will bring a lot of value long-term as we embrace this fast-track into the digital revolution; digital solutions can enhance and facilitate relationships; but they cannot and will not replace

the value of live discussions, the shake of a hand, the smile of bumping into someone you haven't seen for a long time in the hotel lobby, a coffee chat during an industry event, and the wonderful lunches and dinners that stimulated so much food for thought (no pun intended!) and great conversations over the years.

Emotional intelligence and empathy were also brought to the forefront during this crisis for us and so many others. We worked with our teams both on the research and the sales side of the business, as well as marketing, to make sure that we all were extremely conscientious of the crisis and what people could be going through. We tried to support our own team, as many of them were also touched by the crisis, and to also be respectful of what our clients and contacts were going through. The crisis touched us all in some form or another and yes, business must go on, but I believe this situation reminded us all of how important empathy and human connection really is, no matter what line of work you are in.

What impact has COVID-19 had on Kline's company outlook?

The crisis forced us to review what is essential from what is nice to have; these hard-learned lessons will be used to reshape and refine what value we add to our clients, identifying what topics, insights and data are most relevant to help them deal with the highly uncertain environment and unprecedented changes.

Additionally, another important change that has come out of this crisis is the development of our portfolio of new topics to suit the needs of our clients as they prepare for the post COVID-19 world. Around mid-2020, we supplemented all of our reports with a COVID-Impact update to evaluate in real-time how the Covid crisis was affecting the industry. We created best, worst and most likely case scenarios for the short-term future of the industry and provided customised scenarios and analyses for our clients.

What is the most significant trend facing our industry today?

Sustainability is a Mega-Trend of our time, and it will play a critical part of the future for our lubricants clients and their business strategies. There are many dynamics that are impacting our various clients in many ways, and we recognise that although there is a common underlying theme of sustainability that

is important to them all, the actions and impact on each business can be very different. Therefore, their strategies and needs are different as well.

We see the major lube suppliers facing challenges to prove their contribution in meeting the net zero requirements set by their corporate strategy, scrambling to improve efficiencies and reduce their impact on the climate and the environment to meet government demands, and smaller start-ups and local players activating changes and developing new offerings that meet the ever-growing expectations regarding sustainability. The industry as a whole is being pushed from the top down by government regulations and corporate commitments and from the bottom up from end-users, consumers, suppliers, partners... We are excited to be a part of the solution for our clients in both framing as well as detailing their sustainability strategies.

On the practical side, we already offer many reports on sustainable topics like: Lubes for Wind Turbines, Bio Lubes, Re-refined Lubes and Used Oils, EV Fluids, and most recently Hydrogen (Green H₂ in Europe). We expect to build this area of expertise further and support our clients not only with our syndicated reports, but also with customised advisory services that help them make the best decisions about sustainable business practices – the ones that are linked to the long-term ambitions of their customers and rooted in fundamental macro trends. As a part of these efforts, we will be looking to bring best practices from other relevant industries to see how they are meeting Sustainability objectives, looking to find some meaningful metrics to define and measuring how different parts of our industry perform and contribute to the sustainability agenda, and to demonstrate how sustainable practices can lead to a commercially sustainable business.

Moving towards a net zero landscape, what shape is the lubricants sector in?

The sustainability agenda has spawned a discussion on peak oil with different companies and market observers offering their view as to when oil consumption will enter into an era of permanent decline. For the lubricants industry, this discussion is dated given that due to technology improvement and use of long-life products, the lubricants industry has already experienced peak demand. The post COVID-19 changes in consumer behaviour

(e.g. increased use of work from home) could have appreciable impact on mobility and hence on lubricant consumption. The move to net-zero will take several routes with different implications for lubricant consumption. In all routes however, the market will experience volumetric decline.

That does not mean that there are no opportunities in this industry. Digitalisation, electrification, and penetration of fuel cell technology will create new product performance requirements. Growth in e-commerce, ride sharing, and new form of vehicle ownership will create new routes-to-market. Lubricant marketers need to continuously monitor these trends and be ready to capitalise on opportunities when they present themselves. The long-term future is bright for industry players who are able to identify opportunities and embrace the evolutionary changes that are on the horizon and execute decisively and consistently.

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