

Case Study: Oil & Gas

Shaping Strategies for a Major Oil Company Until 2040

A major oil company was worried about falling behind in a rapidly-evolving energy world. We gave them a window of opportunity for the future.

These are challenging times for oil companies. While our global appetite for energy continues to grow quickly, concerns over climate change means consumers are increasingly abandoning fossil fuels in favor of low-carbon alternatives. Internal combustion engine (ICE) vehicles are giving way to electric cars and trends, such as car sharing and self-driving vehicles, which is leading to potential shifts in car ownership patterns. This could lead to profound changes in the hydrocarbon market.

The company partnered with Idea Couture, a Cognizant Digital Business that analyzes the present to shape the future. Our objective was to help the client prepare for the future by establishing a vision for its business in 2040. Unlike most research organizations, Idea Couture has dozens of anthropologists who can identify the social motivations that drive consumer and technology trends.

At a glance

A major North American oil company faced uncertainty due to a shift toward low-carbon energy and a homogenous industry. Idea Couture, a Cognizant Digital Business, used anthropological and foresight research to create future scenarios in which the client could regain the interest and confidence of its customers. These scenarios are now being used to shape the company's strategies until 2040.

Outcomes

- Uncovered insights about customer behavior that lead to a better understanding of the company and the broader industry
- Established a vision for the company in order to shape long-term product and service development
- Identified opportunities and threats to the business as a means to appeal to potential acquirers and partnerships

Following an immersion with stakeholders, our team conducted two concurrent streams of work: (1) ethnographic research, to better understand the current experience of energy company customers and (2) foresight scanning, to anticipate broader changes taking place around the business. We explored the role of refueling in the lives of customers and uncovered a series of key hidden challenges facing the oil industry today. Anthropology shows how people behave differently in non-places than any other place in their lives. Unpacking these behaviors revealed a wealth of opportunity for experience design (XD) untapped by the rest of the industry.

These findings added color to our client's concerns, but also provided unexpected insight into how to shape the business for the future. We advised the company to:

- **Address new modes of mobility.** The rise of electric vehicles and ridesharing apps, such as Lyft and Uber were going to present a challenge to traditional notions of car ownership and refueling. We urged the client to confront these changes rather than ignore them
- **Reframe loyalty.** Our research found that a loyalty program does not necessarily make customers feel truly loyal. Loyalty requires action that puts people first and builds upon customer relationships with employees
- **Resolve trust issues.** Our anthropological studies revealed that, like other gas providers, our client was seen as being part of an unfair system that is poorly understood by consumers and beyond their control
- **Create differentiation.** Our client's retail experience was much like that of others in the market, giving customers little incentive to choose the brand over alternatives

Based on these findings, we developed three strategies to help the oil company control the uncertainty it faced. They chose to be seen as fueling customers' lives and not just their vehicles. Some of these strategic components include:

- **Giving customers a greater sense of control** over energy purchases, pricing and carbon footprints
- **Creating new mobility and convenient experiences** that give time back to the customer
- **Helping customers make decisions that benefit the environment** and community without sacrificing their current way of life

These innovations are now being evaluated as part of the company's future roadmap, with many being developed into prototypes.

For more information, visit: <https://www.cognizant.com/energy-utilities-technology-solutions>

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Cognizant (Nasdaq-100: CTSH) is one of the world's leading professional services companies, transforming clients' business, operating and technology models for the digital era. Our unique industry-based, consultative approach helps clients envision, build and run more innovative and efficient businesses. Headquartered in the U.S., Cognizant is ranked 194 on the Fortune 500 and is consistently listed among the most admired companies in the world. Learn how Cognizant helps clients lead with digital at www.cognizant.com or follow us [@Cognizant](https://twitter.com/Cognizant).

Cognizant

World Headquarters

500 Frank W. Burr Blvd.
Teaneck, NJ 07666 USA
Phone: +1 201 801 0233
Fax: +1 201 801 0243
Toll Free: +1 888 937 3277

European Headquarters

1 Kingdom Street
Paddington Central
London W2 6BD England
Phone: +44 (0) 20 7297 7600
Fax: +44 (0) 20 7121 0102

India Operations Headquarters

#5/535 Old Mahabalipuram Road
Okkiyam Pettai, Thoraiyakkam
Chennai, 600 096 India
Phone: +91 (0) 44 4209 6000
Fax: +91 (0) 44 4209 6060

APAC Headquarters

1 Changi Business Park Crescent,
Plaza 8@CBP # 07-04/05/06,
Tower A, Singapore 486025
Phone: + 65 6812 4051
Fax: + 65 6324 4051