# ADVERTISING IN THE OIL INDUSTRY

(A CASE STUDY OF SELECTED OIL COMPANIES IN NIGERIA)

**BY**

***MISS IYALLA ALALIBA DARLING***

REG NO. G93BAP 7300

INSTITUTE OF ADMINISTRATION
AHMADU BELLO UNIVERSITY, ZARIA

NOVEMBER, 1998

TITLE PAGE

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# ABSTRACT

Advertising does not just inform, as the simplest definitions would infer. Its responsibility is more extensive than that. Advertisement must promote, it must become a personal salesman to millions of individuals who could not logistically be approached by an actual personal salesman.

There is this general notion that advertising despite its wide scope is limited to certain phase of life and that was the main reason this project was carried out in order to prove to people that advertising occurs in all facets of life including the oil industry. Although, advertising in oil industry may have a different motive apart from the normal assumption that, as one advertise its products to millions of people, the tendency to create awareness of their product is increased and this will lead to attracting more people to buy their products thus, increasing sale volume, leading to high volume of finance.

Meanwhile, in the oil industry, most of the oil companies advertise so as to create awareness to the entire world that they are not neglecting their host communities, but rather they are providing the social amenities to the host communities, knowing quite right that, they can only operate successfully in a peaceful environment which will lead to increase in performance, efficiency and high return on investment

Again, it is also worthy to note that, not all products of the oil industry can be advertised. Since, they are not visible, but the end products of the raw products can be advertised.

# ACKNOWLEDGEMENT

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My deepest and profound gratitude also goes to my uncle, Chief Chamberlain O. Oyibo, Col. Lawal Jafaru Isa, Baba Ciroma, NNPC Zonal Manager. Alh I.C Umaru, Alh Sabo, Alh Moh'd Saleh, Alh Shehu Nuhu all of NNPC Zonal Office Kaduna, for their committment to the success of my studies. I am eternally grateful to all of you and I pray that God will bless them abundantly.

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May God reward you all abundantly, amen.

## CERTIFICATION

This thesis titled "Advertising in the oil industry. A case study of selected oil companies in Nigeria, by Miss Iyalla Alaliba Darling meets the regulation governing the award of the degree of masters in Business Administration (MBA) of the Ahmadu Bello University, Zaria and is approved for its contribution to knowledge and literary presentation.

---

MALLAM MUKTAR ABUBAKAR
PROJECT SUPERVISOR

24/1/02
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11/03/03
DATE

# DISSERTATION

This research project report is submitted to the Institute of Administration, Ahmadu Bello University, Zaria in partial fulfillment of the requirements for the award of a Master Degree in Business Administration.

**Ahmadu Bello University**
**Kongo Campus, Zaria.**

# DEDICATION

**I dedicate this project work to the Almighty God, who is the source of my survival throughout my academic pursuit.**

# DECLARATION

I hereby affirm that, this is an original work and a product of my research findings and that it has not been submitted elsewhere for any Degree awarding purpose(s).

All references are duly acknowledged in the body of the work.



Miss A.D. IYALLA ..... NOVEMBER, 1998 .....

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# CHAPTER ONE

## 1.0 INTRODUCTION

In order to choose the consumer needs, suggestion and information about what is available, what might suit his personal preferences, what could be new and interesting experience, before buying goods or services, he wants to hear about the performance or satisfaction which those goods and services will give him.

Advertising owes its existence in this way to the service it gives the consumer, it becomes a vital service also to the producer. To the producer, advertisement offers the least cost channel of communication for his messages in offering the goods or services he has for sale. As a result of low cost communication to millions of people with considerable frequency, he can achieve economies of scale which enables him to reduce prices. He can influence demand in such a way as to maintain a steady flow of production.

Advertising which is a branch of business concerned with selling goods and services is also used for recruiting purposes, for informing people of things wanted as well as things to be sold, for making public announcements that are not commercial.

Hanson in 1974, stated that "there is no economic objections to purely informative advertising."

Also, according to Jon et al (1980), large amount of money is spent every year on advertising in Nigeria."

The principal forms are through the medium of the press and television. These are the most expensive means of advertising particularly as they are

brought to the notice of the greatest number of people both regionally and nationally."

According to the above quoted authorities, advertising has now become a necessary part of the expenses of every firm which wishes to maintain and extend its sales.

Talking about advertisement in terms of the oil industry, huge amount is being invested on it, and secondly, it is not just for the marketing of products of the industry, it is mainly for the assistance of the host community in which they drill their oil.

## 1.1 STATEMENT OF PROBLEMS

The subject, advertising according to its critics, seems to promote undesirable and dangerous consumption, manipulates consumers, provide cultural background noise, appeals to the lowest common denominator, promotes concentration of economic power and higher consumer prices etc. In nutshell, it could be misleading, harmful and wasteful. These are the accusations that advertising must bear for being such an obvious and intensive tool for bringing goods and services to the knowledge of the consumers.

Thus, advertising in the oil industry is often subjected to public criticism, yet this fact is part of its basic strength. For operating in the public limelight, demanding incessant public attention as no other form of business activity does, in Nigeria can result only in subjecting it to perpetual scrutiny and appraisal.

## 1.2 PURPOSE OF THE STUDY

The purpose of advertising can be described broadly as that of selling an idea to a prospect or customer. Thus, informing customers of the availability of products or services, what use buyers can make of them, and in many instances how to use the products or services.

The purpose of advertisement is also to make or help make a scale, perhaps, it is artificial to separate this from the first purpose because spreading information is a way to make sales and persuading someone to buy a thing or think about buying is a method of spreading information. Nevertheless, the separation helps make the point that the imparting of information is a necessary part of selling.

Thus, in view of the notion that, advertising involves huge amount of money being spent, in the expectation of increased market share, increased sales volume and above all increased profitability.

In general terms, it is not the abundance of material things but our attitude towards them that might be bad. The best protection therefore against this consumption literacy in this area is the development of high literacy in consumption.

Thus, it is the purpose of this study to:-

(a) Identify advertising as a tool of building the overall company image.

(b) To suggest alternative ways of combining the advertising mix.

(c) Show advertising is an unavoidable tool in the hands of a successful business.

(d) To create more awareness to the entire world through advert that, the oil industries are not neglecting its host communities.

## 1.3 SIGNIFICANCE OF THE STUDY

An appraisal of the economic, social and public policy implication of advertising is essential for the purposes of a functional analysis of marketing, both from a broad or over all view points as well as from the stand point of marketing management, in as much as those who plan and carry out advertising programs can do so more, effectively by understanding advertising as a part of the social scene.

The significance of the study is to facilitate the profitable exploration and development of markets for new or improved products and uses. It has tended greatly to encourage innovation and technology.

The educational effect is another advertising significance, both directly or indirectly. The indirect effect of advertising upon education is undoubtedly even more potent.

Constructive advertising lessens to a great degree the necessity for buying ability. In the days of the more simple life, it was possible for buyers to be judges of the quality of the article they purchased, since, these were comparatively few in number.

Another important service of advertising lies in its beneficial effect on the standard of living. One measure of a nation's material progress is a cross section of the wants of the common people. In other words, advancing civilization is accompanied by increases in the quantity and variety of wants and the means of

satisfying them. Advertising has done much to encourage better homes, architecturally, mechanically and functionally.

In a nutshell, the nature of advertising in the oil industry is of significant importance to three parties.

(a) **The Host Communities:-** It creates awareness to its host communities that, they, the oil companies are really assisting, since, it has come to their notice that, some unscrupulous people will just sit down and eat the money given to the host communities, but with the aid of the advertisement, even outsiders will come forth to notify and educate them the more about what the oil companies are doing for them.

(b) **The Oil Companies:-** By advertising, they are trying to redeem their image (in terms of their host communities), again they inform the public partially about their products, which leads to high demand then, to increase in sale's volume and finance.

(c) **The Customers:-** The targeted audience (customers) now know clearly which products to actually go for in order to satisfy their wants.

## 1.4 RESEARCH METHODOLOGY

The methods used in collecting data for this project can be classified into two major groups:

(a) Primary Sources.

(b) Secondary Sources.

(a) **Primary Source:-** The researcher's method of investigation includes oral interview, which involves personal discussions with persons

directly involved in advertising in the oil industry. People interviewed were mainly of the middle and top management.

(b) **Secondary Source:-** The researcher's secondary source of information includes the use of text books of proven quality by eminent advertising writers, advertising manuals and documents, marketing text books etc..

In collecting this, the following sources have been helpful:

(i) Nigerian National Petrochemical & Corporation.

(ii) Elf Petroleum Nigeria Limited.

(iii) Chevron Nigeria Limited.

(iv) President Kennedy Library, Institute of Administration, Ahmadu Bello University, Zaria.

(v) British Council Library, Kaduna.

## 1.5 SCOPE AND LIMITATIONS

Advertising is not universally applicable, when the profit margin per unit is low and potential sales volume small, the possible total finance for advertisement are restricted. For many small sellers the geographical limitations of their market may also hamper advertising because the media available and the marketing area are badly matched. Furthermore, to be most successful, the product needs some distinguishing characteristics in the product itself, its package, or in user psychological satisfactions. Advertising power lies in its ability to transmit messages, it is the nature of the message that determines whether advertising can

succeed or not. In addition to this, fundamental limitation, because advertising addresses many people at once, it cannot adjust to suit individual taste and interest in the way that a salesman can, for instance. So, advertisement that charms and enthuses some of its audience may bore or annoy others, because in winning some customers we may lose others.

Similarly, anyone who fails to understand an advertisement cannot ask people (e.g regular television viewers) may have seen a particular advertisement so many times that they become irritated by it. Yet, other people may have seen it only once or twice and are still trying to grasp its implications.

Thus, advertising is a very wide scope, and this project work is limited to oil industry with particular reference to Elf Nigeria Limited, Chevron Nigeria Limited and Nigeria National Petroleum Corporation. The work shall look into advertising in the oil industry.

# CHAPTER TWO

## 2.0 LITERATURE REVIEW

In order to prosper, all business organisations have to continuously encourage potential and existing customers to buy their products, and they must do this as efficiently as possible. This is central to all marketing activities. Marketing is thus, not confined to advertising and selling, but covers everything related to what was once described as providing the right product in the right place, at the right price and at the right time. From the marketing point of view, it is right, if it gets the desired response from the required number of potential customers, efficiently and ethically. As customers, we expect to have a choice when we spend our money. We can also choose not to spend any money at all by deciding not to buy a product. When we do decide to buy, an exchange takes place.

## 2.1 MARKETING DEFINITIONS

It should be clear from the points already made that marketing involves an exchange process and this is central to one of the simplest accepted definitions of marketing which is:

Marketing is the study of exchange processes especially those associated with the provision of goods and services.

This definition provides no indication of the potential relevance and scope of the subject. This is better addressed in the definition proposed by the celebrated American author of marketing textbooks, Philip Kotler, which defines marketing as " the Human Activity Directed at satisfying needs and wants through an exchange process (Kotler, 1980). But, since 1980 Kotler's definition

has become developed. Thus, marketing is a social and managerial process by which individuals and groups obtain what they want and need through creating, offering and exchanging products of value with others (Kotler 1991). The British Chartered Institute of marketing (CIM) defines marketing as "the management process responsible for identifying, anticipating and satisfying customers' requirements profitably".

## 2.2 WHAT IS ADVERTISING?

Apart from the value of a definition from the academic reasons, the question is often important to businessmen who are concerned with whether a particular expense should be charged to advertising budget. There are various types of definitions:

Traditionally, advertising have been defined as any paid form of non-personal presentation of ideas, goods or the services by an identified sponsor, which involves the use of a wide variety of media, such as newspapers, outdoor posters, signs, magazines, promotional items, direct mails catalogues, directories, circulars etc. Again, NEIL H. Borden (1942), defines advertising as "those activities by which visual or oral message are addressed to the public for the purposes of informing them and influencing them either to buy merchandise or services or to act or be inclined favourably towards ideas, institutions, or persons featured. As contrasted with publicity and other forms of propanganda, advertising messages are identified with the advertiser either by signature or by oral statement. In further contrast to publicity, advertising is a commercial transaction involving pay to publishers or broad-casters and others whose media are employed."

This definition excludes such activities as exhibiting at trade shows, use of premiums, samples and free goods, and many miscellaneous activities and regards these activities as constituting sales promotional effort rather than advertising effort.

Advertising is further defined as "Any form of public announcement intended to aid directly or indirectly in the sale of a commodity, in securing employment, etc." -Welster.

It is also an identified sponsor's paid sales message about a product, a service or an idea delivered in a communications medium, such as Newspaper, Television to Audience which is representative of a market for the offering" Reichert (1976).

BERSTAIN (1974) said that "Advertising is the origination and or communication of ideas about products in order to motivate consumers towards purchases."

Smith (1974) says that "Advertising substantially is a marking function and as such it can contribute very much to the promotion of an industrial product".

This is because the Advertising executives in the industry, unlike his colleagues on the customer side, cannot readily justify expenditure on publicity in terms of measurable increase sales, thus, industrial Advertising therefore becomes an act of faith. Higher management in the consumer section of the industry cannot yet appreciate the fact that real function of Technical Advertising is not to sell industrial goods but to build up interest in them and to soften up the market.

Frank JEFKINS (1958) says "Although Advertising is single in any marketing mix, it is associated with all the elements, borrowing from or interpreting them".

GRELETT (1987) describe Advertising as a form of persuasive Advocacy directed at large number of people by means of the mass media. In his view mass Advocacy of any sort deals in simplification and can never provide a comprehensive picture of the Truth.

## 2.3 ORIGIN OF ADVERTISING

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The Art and the process of buying and selling is known as commerce, and Advertising is one of the activities of commerce. Thus as a society becomes sufficiently developed so that a person could specialize in a trade and have goods and services to sell, the trader would naturally want his or her business to be successful, that is availability of the right product which involves using some forms or modes of Advertise to the target Audience.

In the early period, the attempt to persuade or convince people to buy goods were lacking, it was merely to announce to the audience what was on sale and to remind the people to buy them.

Advertising remained in an embryonic state until the ardent of mass circulation media, the first of which were the Newspapers-during the industrial Revolution, with much debate about it's eighteenth century until the middle of the Nineteenth century until the introduction of printing in Europe in the 15th century, Advertising existed in forms only: shop, sign, Town criers and wall signs.

Selling goods in ancient times involved personal salesmanship. The merchant needed to identify his place of business with a symbol that untold his



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customers so and so shop signs were born. The merchant had to make a point of impressing the qualities of his wares to his customers, but to do workload, time factor is against him, so he has to use hired men called criers to Advertise out his wares for him. Another form of Advertising that is still very much with us today was also used in the Ancient world. These are lettered signs, Advertising entertainment events, the location of taverns and goods for sale place on walls of buildings near important places.

After the criers came signs, most of the signs, in ancient times were symbolised. A good example was a sign of Diary in Rome. In the early 17th century, an important New medium gave Advertising a substantial pull forward.

The first English Newspaper, the weekly News was published in 1622 by Nicholas Bourn and Thomas Archer. One Advertising Historian, Harry Sampson, cited as the first Bonafide Newspaper Advertising one that appeared in 1650 in several proceeding in parliament. Joseph Addison was a devotee of Advertising in Nio. He tried to develop certain principles of Advertising.

The First issue of colonial Americans first successful Newspaper published in 1704, contained an Advertisement promoting the Newspaper as a medium for Advertisers. In 1721, Benjamin Franklin often referred to as the Father of American Advertising and public relation began publishing his gazette Advertising and Publicity. He put Advertisement before editorial in the top head of the First issue of the Pennsylvania Gazette.

## 2.4 MARKETING AS AN ORGANISATIONAL FUNCTIONS

Within all types of organisation, it is generally considered good management practice to identify activities and responsibilities and allocate these

within specific organisational functional areas such as production or accounting. For most organisations advertising, sales promotion and marketing research would be considered core marketing function activities, while other activities would be dependent upon the type of organisation. For example, within a retail organisation the buying function is likely to be classified as a marketing function whereas, in a manufacturing organisation it would normally be considered a production function. Other functions of marketing involve risk bearing, standardization, pricing, transportation, selling, financing. But, apart from all these functions, proper and adequate focus will be given to advertising.

## 2.5 OBJECTIVES OF ADVERTISING

Most companies regards Advertising's main objectives as that of providing support to personal selling and other promotion. But Advertising is a versatile communications tool and depending upon the situation, companies use it to achieve numerous other long and short term objectives.

Among these objectives are:-

(a) To do the entire selling Job (As in mail order marketing).

(b) To introduce a New product (By Building brand awareness among potential buyers).

(c) To force middlemen to handle the product (Pull strategy).

(d) To Build brand preference (thus making it more difficult for middlemen to sell substitutes).

(e) To Remind users to buy the product (Retentive strategy).

(f) To publicise Rationalizations for buying (i.e a price change, a new model, or an improvement in the product).

(g) To provide Rationalization for buying (i.e "socially acceptable" excuses).

(h) To combat or neutralize competitor's Advertising (competitive Advertising, or perhaps, comparative Advertising).

(i) To Improve the morale of dealers and/or sales people (By showing that the company is doing it's share of promotion).

(j) To Acquaint buyers and prospects with New uses of the product (To extend the product's life cycle).

## 2.6 ADVERTISING POLICIES

Advertising policies are general guidelines that management establishes to provide direction in making advertising decisions. These policies derive from the advertising objectives and assist in formulating advertising strategies. The most basic advertising policy decision, of course, relates to whether the company should advertise at all. If management decides on a "No advertising policies. Then, it would be a different case altogether. Most companies however, have , policies outlining the conditions under which they will or not advertise.

### FACTORS THAT DETERMINE ADVERTISING POLICIES

The laydown policy for advertisement is as follows:

(a) Kind of Advertising Effort.

(b) The intensity of Advertising.

(c) Advertising and the competition.

(d) Advertising and the middlemen.

(e) Advertising and the Audience.

(f) Ethics in advertisement.

## 2.7 WAYS OF CLASSIFYING ADVERTISEMENT

Advertising may be classified in many ways, depending upon the purpose sought. To illustrate some of these ways, classification, can be on the basis of the persons to whom the advertising is directed as for instance, consumers, retailers, wholesalers, or manufacturing concerns or a division may be made between consumer and industrial product advertising, or among media such as newspapers, televisions and so on, or among different business institutions using Advertising, such as manufacturers, wholesalers, or retailers, or on the basis of advertising appeals, such as rational or emotional appeals, or among objectives such as to get consumers to buy a product or to respect the Advertiser's contribution to the National economy. One especially useful classification, However, is that of dividing advertising into direct-action and indirect-action forms. In the first of these forms the buyer is urged to take an immediate steps, to buy or to get further information now, in the second form the objective is to create a favourable attitude toward the product.

## 2.8 DIFFERENT FORMS OF ADVERTISING

Due to its ability to deliver messages cheaply and effectively, Advertising is very widely used in many different ways and this includes.

(a) **Personal:-** Individuals and families buy space in their local Newspaper to sell their car or the furniture they no longer need, to find owners for their properties to announce the birth of their baby, or daughter's engagement.

(b) **Local "Classified" Advertising:-** A high proportion of Advertising space, in regional Newspaper especially, is concerned with Jobs, Cars and Houses. Advertising is the standard method by which companies find staff, car dealers sell cars and estate Agents find buyers for their clients' house.

(c) **Manufacturers' Consumer Advertising:-** This is what most lay people mainly associate with the term "Advertising". It accounts for much of the glossy high spending repetitive Advertising on television and so is the most obvious form of Advertising. It is the way in which large manufacturers communicate directly with their "end users" customers as distinct from the wholesalers, retailers, etc. to whom they sell directly and from whom the "end user" ultimately buy(s). This is the advertising of food, drink, tobacco, clothing, cars, household goods, toiletries and leisure goods.

(d) **Retailer Advertising:-** Since the turn of the century and into the sixties, it was leading manufacturers who dominated the marketing scene with their branded and heavily advertised products. Retailers were glad to stock them. With the disappearance of resale price maintenance and the growth of large retail chains, however, this situation has altered. More and

more retailers are developing their 'own label' brands and are themselves advertising heavily. Customer loyalty is increasingly to retailers rather than manufacturers.

(e) **Trade Advertising:-** As far as communicating with their "end user" consumer customers, manufacturers (including suppliers of services, e.g holiday tour operators) also use advertising to communicate with the wholesalers, retailers, etc. who are their immediate customers. Much of this advertising will be in "Trade Press"- specialist publications addressed to groups such as grocers, chemist, druggist and travelling agents.

(f) **Financial And Savings Advertising:-** Banks, building societies, insurance companies advertise their services, companies also publish their annual reports.

(g) **Charity And Educational Advertising:-** Charities advertise to gather in funds. They inform supporters and educate the public. Most charity advertisement are mainly newspaper and television. For example, Frank Olize in News Line (NTA Programme) often advertise on behalf of most disabled individuals.

(h) **Corporate Advertising:-** Most advertising carried out by companies are not directed towards products promotions, but rather to encourage people to have a clear understanding of what the company stands for - its "Corporate Image". The purpose of this communication has less to do with pushing a company's goods or its shares, than to establish

or preserve an environment in which the company can go about its lawful business.

(i) **Cause Advertising:-** As increasing feature of the present day is the use of advertising to promote causes (sometimes referred to as advocacy advertising). Advertising here is also used to seek support from preventing the destruction of wildlife (e.g Save the Whales), for helping political prisoners (Amnesty International) and for many other campaigns to marshal public support for a particular cause, again for political purpose, in order to win support for their parties.

(j) **Industrial (Business To Business) Advertising:-** The usual advertisement we see always, is concerned with consumer products and services and appears in newspaper and widely read magazine, on radio and television, in the cinema and on posters. However, there is a very important category of advertising that is seen only by much smaller groups of people and appears mainly in much more specialised media. This is industrial advertising (sometimes more accurately referred to as "Business-to-Business" advertising). It includes the advertising goods and services for commerce, industry, government and other institutions (e.g hospitals, schools, hotel and catering chains). The customers are not individuals buying for themselves and their families, but executives or officials taking (probably collective rather than individual) decisions to purchase such items as factory machines, office equipment and vehicles or bulk supplies of stationery, raw materials and components. Since the audience are smaller and more specialised such advertising tends to appear

in specialist publication like "Engineering Today", "Business Equipment News", etc., rather than in National Newspapers or on Televisions.

Apart from these categories or forms of advertising there are government advertising and recruitment advertising.

# CHAPTER THREE

## 3.0 RESEARCH METHODOLOGY

The various methods used in conducting the research for this project includes direct and indirect observations.

**Direct Observations:-** The direct observation which is also referred to as the primary source. Here, the researcher witnesses or experiences event or phenomenon first hand and it could be controlled as in the case of laboratory experiment or uncontrolled as in the case of field experiment.

**Indirect Observations:-** The indirect observation involves the second class information not from the original source such as documentation, journals, questionnaires, derived from notable libraries.

In this project, the research used both interviews and documents. In all the three oil companies, the top and middle management staff were used as a source of useful information. The mode of interview were quite structured i.e formal with standardize set of questions. Among the middle management ten of the staff provided information from Elf Petroleum Nigeria Limited, fifteen from Chevron and twenty five from NNPC. Whereas, in the top management level, five from both Elf Petroleum and Chevron and eight from NNPC. These figures were derived by random sampling.

While in the secondary data, the researchers usually start their investigation by examining secondary data to see whether their problems can be partly or wholly solved without collecting costly primary data. The researcher

will find out or look for advertising journals, magazines, related books on the research topic.

Advertisement publications provide data on the magnitude and trends of past opinions on the research topic etc. It seeks expert opinions from past authorities. Secondary data provide a starting point for research and offer the advantages of lower cost and quick availability. On the other hand, the data needed by the researcher might not exist or the existing data might be outdated, inaccurate, incomplete or unreliable.

The researcher's secondary source of information include the use of text books of proven, quality by ancient and modern advertising writers, advertising manuals, advertising journals.

In collecting this, the following sources were used:

(i) President Kennedy Library, Institute of Administration, ABU, Zaria.
(ii) British Council Library, Kaduna.
(iii) National Library, Kaduna.
(iv) Documents from Elf Petroleum.
(v) Documents from Chevron.
(vi) Documents from NNPC.

# CASE STUDY

## HISTORY OF THE COMPANY

### 3.1 NIGERIAN NATIONAL PETROLEUM CORPORATION (N.N.P.C)

Oil exploration began in Nigeria in 1908 when a German company, the Nigeria Bitumen Corporation started exploration in the Araromi Area of the present Ondo State. The exploration efforts were punctuated by two world wars but eventually yielded results with the discovery of oil in Oloibiri in 1956 by Shell - BP.

In 1937, oil prospecting was resumed in Nigeria, Shell D'Arcy (the fore-runner of the present Shell Petroleum Development Company of Nigeria) was awarded the sole concessionary rights covering the whole territory of Nigeria. Their activities were again interrupted by the second world war, but resumed in 1947. It was not until 1956 therefore, that oil was discovered in commercial quantities at Oloibiri in the Niger Delta after several years of search and an investment of over ₦30million. Shell started oil production and export from its Oloibiri field in 1958. By 1961, other companies such as Mobil, Gulf, Agip, Safrap (now Elf), Tenneco and Amoseas (now Texaco/Chevron) had began exploration activities for oil in the on-shore areas of Nigeria. The exploration rights which had formerly been granted to Shell alone, was now extended to the new comers in tune with the government policy of increasing the pace of exploration in the country.

Production increased from a mere 5,000 barrels per day (b/d) in 1957 to 17,000 b/d by independence in 1960 and leap frogged to 450,000 b/d by 1966. Although, this upward trend was slowed down by civil war, by 1970 daily

production had reached one million barrels. A peak production level of 2.4millions barrels per day was achieved during the second quarter of 1979. However, before 1990, production fell to 1.611 million b/d both on technical grounds and adherence to OPEC quota brought about by the need to control production to support prices in a globally over-supplied market. As at 1996, OPEC quota for Nigeria stands at 1.865 million b/d as set in 1990.

The role of the Government in the oil industry has gradually progressed from regulatory one, to direct involvement in oil exploration and exploitation. Initially, government interest was only limited to the collection of royalties and other prices offered it from the oil companies and making rudimentary laws to regulate the activities of the oil industry. This was partly due to the fact that oil was very insignificant to the economy before the late sixties and the relative lack of trained personnel and expertise. By 1971, a year after the Nigerian civil war, oil had started becoming more important to the economy. To strengthen and establish government control in the industry therefore, the Nigerian National Oil Corporation (N.N.O.C) was established by decree in 1971, as an integrated oil company. The NNOC had responsibility for both upstream and down stream activities in the industry.

The government direct involvement in the marketing of oil did not begin until 1973. That was when the government started having its won equity interest in the operations of the oil companies. The government initially sold back its participation oil to the foreign oil operating companies through a buy-back arrangement. Under this arrangement the government should back 50% of its equity crude oil to other companies at a concessionary price to help cushion the effects of its participation and to enable the companies meet previous long-term

commitments. It sold another 25% of its oil to the companies as option oil. The remaining 25% was sold to third party customers, that is, those buyers with no concession or stake in the country.

As a result of all these developments, Government had acquired a new stature and so decided on active participation in the industry's activities. It was believed that, if government had more say in the running of the oil industry, it could achieve its goals of rapid industrial and commercial development of the country. Government therefore acquired $33^1/_3\%$ equity interest in the Nigerian Agip Oil Company (NAOC) in 1971 and 35% in Elf.

Meanwhile, the Ministry of Petroleum Resources whose functions were mainly regulatory was also running concurrently with the NNOC. It was not until 1st April,1977, that a merger between the NNOC and the Ministry of Petroleum Resources created the Nigerian National Petroleum Corporation (N.N.P.C). NNPC combined the commercial functions of the former NNOC (namely: exploration, production, transportation, processing of oil, refining, marketing of crude oil and its refined products). With the regulatory functions of the former Ministry of Petroleum Resources. These regulatory functions are still vested in an independent arm of the NNPC, the carrying out of research in connection with petroleum or anything derived from it and promoting activities for the purpose of turning to good account the results of such research.

The structure of the NNPC comprises a corporate head office with six functional divisions and eleven subsidiary companies charged with the execution of the corporation's business. The new NNPC group is headed by a Group Managing Director (GMD) and had six group Executive Directors directly responsible for services, Upstream and Gas Development, Refining and Petro-

chemicals., Finance and Accounts, Commercial and Investments and the National Petroleum investment Management Services (NAPIMS).

The NNPC subsidiaries are limited liabilities companies some wholly owned by NNPC, foreign and local private investors. Most of the subsidiaries have already taken off. The relationship between the holding office and the subsidiaries is defined by corporate policy, procedures and financial control. The subsidiaries will present their budget proposals and programmes to the holding office for approval. The holding office, in turn will pass on policy instructions to the subsidiaries for execution and will allocate resources for programme implementation.

## THE NNPC SUBSIDIARIES

### 3.1.1 NIGERIAN PETROLEUM DEVELOPMENT COMPANY LIMITED (NPDC)

This is the petroleum producing company of the group. It is wholly-owned by the NNPC. It is involved in exploration and production of crude oil and gas, just like the other oil producing companies in Nigeria, such as Shell, Agip, Mobil, Chevron.

The mission of this company is to profitably operate an optimum size petroleum exploration and production business nationally and internationally, taking full advantage of local expertise in upstream operations.

Its objectives are;

(i) To effectively and profitably produce and market Hydrocarbons both domestically and internationally.

(ii) To continue exploration activities, supportive of its hydrocarbon reserves base and;

(iii) To develop local expertise particularly in production operation.

Some of the first preoccupation of the NDPC include the acquisition and the production of the Abura fields previously owned by Mobil/Tenneco Sunray joint venture and the Oredo Oil and gas field NNDC would be responsible for producing NNPC's discoveries from its exploration drilling operations onshore and offshore.

### 3.1.2 INTEGRATED DATA SERVICES COMPANY LIMITED (IDSL)

This is another company wholly owned by the NNPC. It is also an offshore of the exploration and production division of the former oil and gas sector of the NNPC. Its mission is to profitably provide efficient services in seismic data acquisition, processing and interpretation as well as petroleum/Reservoir engineering data evaluation. It provides computer and other ancillary services in Nigeria and the African sub-region either solely or in partnership using high calibre professionals and modern computer technology.

The objectives of the company are;

(i) To profitably offer geophysical data acquisition services to the oil industry both nationally and within the African sub-region.

(ii) To carryout geological, geophysical and petroleum engineering data processing and interpretation for local and international clients and;

(iii) To offer an ancillary computer and storage/archival services and establish a full scale data bank on a commercial basis.

### 3.1.3 WARRI REFINERY AND PETRO-CHEMICALS COMPANY LIMITED (WRPC)

The mission of this company which is wholly owned by the NNPC is to efficiently and profitably process crude oil into finished petroleum and petrochemical products for domestic consumption and export using the process plant facilities of the already existing NNPC Refinery and petroleum plants at Warri and Ekpan respectively.

Its objectives are:

(i) To optimize the process, plants facilities, develop new products from the existing facilities.

(ii) To maximise the profitability of the company.

The combination of the two NNPC facilities at Warri and Ekpan is a logical development because the Ekpan Petro-chemical plants take their raw-materials or feedstocks from Warri Refinery. This will ensure efficiency and minimal waste of resources, manpower and man-hour that may result if the two were different entities. The combination ensures that, if there is a problem in one, the effects of such a problem on the other can be easily assessed and resolved.

### 3.1.4 KADUNA REFINERY AND PETROCHEMICALS LIMITED (KRPC)

This subsidiary was established to efficiently and profitably process crude oil into refined petroleum products and manufacture Linear Alkyl/Benzene (LAB) and Tins and Drums for domestic consumption and export. This will be done by using the already existing facilities at the NNPC Refinery and the Linear Alkyl/Benzene Plant in Kaduna.

The objectives of this company are:

(i) To optimise the capacities of the existing plants.

(ii) To reduce the plant's operating costs.

(iii) To develop new products from existing facilities for use in downstream industries and;

(iv) To extend refining services to the West African sub-region.

The justification for the establishment of this company is the same as that of the Warri Refinery and Petro-chemicals Company. Like its Warri counterpart, this company is owned 100% by the NNPC.

### 3.1.5 PORT-HARCOURT REFINING COMPANY LIMITED (PHRC)

The Port-Harcourt Refining Company is in business to provide efficient petroleum refining services primarily to NNPC at a minimum cost while spear-heading the development and production of specialised petroleum products.

### 3.1.6 PIPELINES AND PRODUCTS MARKETING COMPANY LIMITED (PPMC)

This subsidiary was set-up to provide excellent customer services by transporting crude oil to the refineries and moving white petroleum products to existing and future markets efficiently and at low cost through a safe and well-maintained network of pipelines and depots. It is also part of the mission of the company to profitably and efficiently market refined petroleum and petrochemicals products in the domestic as well as export markets especially in the ECOWAS sub-region. It will also provide marine services and maintain uninterrupted movement of refined petroleum products from the local refineries.

The PPMC operates by receiving crude oil from the NNPC unit called National Petroleum Investments Management Services (NAPIMS). PPMC then supplies the crude oil to the local oil refineries built and run by NNPC. Sometimes, however, petroleum products are imported to supplement local production on occasions of inability of the local refineries to product enough for the country's needs. Refined petroleum products are then received by the PPMC from the refineries at the posts for transportation through pipelines to depots all over the country from where petroleum products marketers collect by road tankers to retail outlets.

### 3.1.7 NIGERIAN GAS COMPANY LIMITED (NGCL)

The mission of NGC is to efficiently gather, treat, transmit and market Nigerian's Natural Gas and its by-products to major industrial and utility gas distribution companies, Nigeria and neighbouring countries through pipelines and other distribution systems using appropriate technology and at a profit that will yield an optimum return on invested capital.

The above mission statement captures the spirit of the major strategic thrust of this company in the next few years which is to develop and nurture a gas marketing business, and through it, to promote the massive commercialization and utilization of natural gas in the country. The key elements addressed by the mission of this company spotlight the technical scope of its business which is to gather treat and transmit gas and its derivatives and the marketing aspect of its operations which is to sell and promote gas utilization in the domestic market and neighbouring ECOWAS sub-region.

### 3.1.8 ELEME PETRO-CHEMICALS COMPANY LIMITED (EPCL)

It is solely owned by NNPC and is actually an incorporation of the Eleme phase II petrochemicals complex of the NNPC, on which substantial work has started. What NNPC has done is to invite the private sector to participate in the phase II of the corporation's petrochemical development programmes. It is this phase that actually holds the key to our large scale production of petrochemicals to meet our local demand and for export.

The business mission of the EPCL is to profitably manufacture a range of petrochemicals products by processing natural gas and refinery by-products and to market these products locally and abroad. The key Elements of this mission are the profitably manufacture of only intermediate products such as polyethylene (PE) polypropylene (PP), polyving/Chloride (PVC), e.t.c. required by downstream converters to producer and consumer products (such as plastics, detergents and pharmaceuticals). The marketing (locally and abroad) of the products is another key element of the mission of this company. Whereas an immediate objective of the EPCL is the implementation of the first stage of the petro-chemical project which involves the setting up of the plants that will manufacture polypropylene and polyethylene and the subsequent marketing of these products in the local and foreign markets.

### 3.1.9 NIGERIAN ENGINEERING AND TECHNICAL COMPANY (NETCO)

This is a joint venture enterprise but this time, between NNPC and Bechtel, a U.S.A based multi-national Engineering and consulting company which has the reputation of being of the best in this field in the world.

NETCO is expected to provide a solid engineering back-up for NNPC's operations, through this company, NNPC will have an enduring engineering expertise in the group. With the backing of Bechtel, the company will compete with other companies for constructing NNPC's future projects as well as for other engineering jobs anywhere in the world. The backing to be provided by Bechtel should shore-up the needed confidence in the probability of successful execution of engineering jobs to be undertaken by the company.

### 3.1.10 HYSON (NIGERIA) LIMITED IN AFFILIATION WITH CALSON BERMUDA

This is another subsidiary company in joint venture with Vitol. NNPC has 60% equity in the company while Vitol has 40%. Hyson is a service company whose primarily focus is the profitable and orderly penetration of the West African Marker of Nigeria's petroleum products. Hyson is designed principally to ensure a successful operation of Calson in its petroleum products business in the West and Central African Regions, particularly at the Nigerian end. Its other objective is the transfer of international petroleum products marketing know-how to Nigerians.

## 3.2 HISTORY OF ELF PETROLEUM NIGERIAN LIMITED

Elf Petroleum Nigeria Limited is a subsidiary of the Elf Aquitaine group - a world renowned international oil and gas company. It was incorporated in 1962 as SAFRAP to join in the search and development of Nigeria's vast crude oil resources and was granted the first oil prosecuting license (OPL) for four concessions in June of the same year. These concessions were later in 1967, converted to oil mining leases (Omls) 56, 57, 58 and 59 in the Niger Delta. At present, it is the operator of the joint venture in association with the Nigerian National Petroleum Corporation (NNPC).

With outstanding reputation for exploration, production, refining and marketing acquired internationally over the years, Elf began exploration activities in Nigeria in March 1963. By May 1964, it made its first oil discovery and started production in September, 1966 at Obagi (Oml 58) in what is today, Ogba-Ebema-Ndoni Local Government Area. (ONELGA) of Rivers State. In 1973, production commenced in the Upomami, Aghigbo, Okpoko and Obado fields (Oml 57) in the Warri South Local Government Area of Delta State, while the Olo/field also in Rivers State (Oml 58) started production in 1992.

The operations in Oml 58 are carried out essentially on inhabited dry land area, while production in Oml 57 is on scantily inhabited swampy environment. The difference in geographical terrain and the pattern of settlements have somehow influenced the degree of assistance by the company to communities in the two operational areas over the years.

On March 1, 1993, Elf petroleum, recorded a milestone in its Nigeria's operations with the coming on stream of its first off-shore oil field, Afia in Oml 100 situated some 60km off the Nigerian coast. The field is South-East of Bonny

oil terminal and South-West of Qua Iboe oil terminal. This facility was successfully commissioned on May 9, 1993. With this historic development, the company now operates from dry land, through the tidal swampy shallow marine to the more beautiful off-shore environments. Elf is geared towards moving into deeper waters off-shore and to the hilly-Benue through, following the signing of the production sharing contracts.

In upstream and downstream activities, the company's reach has always been for higher standards and excellence. A true giant in the Nigerian oil industry, it is contributing meaningfully to the economic, social and industrial development of the nation.

In Nigeria, Elf Petroleum Limited has conformed with the highest legal, ethical, safety and environmental standards and has remained in the fore-front of the campaign for action towards environmental protection. As an active member of the oil Producers Trade Section (OPTS) of the Lagos Chamber of Commerce and Industry, Nigerian Environmental Society (N.S.E), Clean Nigeria Associates (CNA) and National Industrial Safety Council of Nigeria, the company adheres to local environmental regulations as a minimum standard and to international standards in general. This ensures that, it protects not only its workers, but more importantly residents of its host communities. In all facets of its activities, Elf attaches tremendous importance to safety, environmental protection and its enhancement. Thus, the company is environmentally friendly, the safety slogan is "All Accidents Are Preventable" and it has an internationally acclaimed plan to respond to all accidents. The company is reputed to have one of the lowest accidents records within its operational and administrative sites. Elf Petroleum Nigeria Limited (EPNL) is a key actor on the Nigerian economic plane. As the

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operator of the NNPC/Elf joint venture, the company has continued to increase its tempo of activities in consonance with the target set by the Government through the Ministry of Petroleum Resources - thus, helping to attain respectable increases in the national reserves and production of hydrocarbons in Nigeria. This objective has been realised largely due to increased exploration and appraised programmes as well as development of on-shore and off-shore fields.

EPNL is an active participant in the Liquefied Natural Gas (LNG) project and an effective shareholders of the Nigeria LNG Limited. The NNPC/Elf joint venture, operated by the company, is expected to contribute 23.3% of the Natural Gas supplies to the LNG plant at Finima, Rivers State. Elf 10% share in the Shell operated NNPC/Shell/Elf/Agip joint venture and the signing of the production sharing contracts for prospecting in the deep off-shore and the Benue Trough are other milestones in Elf history.

In its over three decades as a corporate citizen in Nigeria, Elf Petroleum has made significant contributions to Nigeria's socio-economic progress through employment opportunities to many of her nationals. As a dynamic international oil and gas company, Elf Petroleum Nigeria Limited vigorously pursued a policy of being responsive to the aspirations of people in the communities to which they operates.

Covering the span of thirty years activity, Elf Petroleum Nigeria Limited has produced 100 million tonnes of oil. Notwithstanding the ageing of fields, the company has maintained the production capacity of around 100,000 barrels of oil per day.

## 3.3 HISTORY OF CHEVRON NIGERIA LIMITED

Chevron Nigeria Limited began operations in Nigeria shortly after the country became a Sovereign Nation in 1960. In December1st,1961 Chevron registered its company as Gulf Oil Nigeria Company Limited and obtained its first prospecting licence. Chevron Nigeria Limited present position as a major player in Nigeria Oil industry was established in 1962 when it discovered the Okan field, the country's first successful off-shore oil field. Many other successes have followed since this initial discovery, and today, the company's production has risen to 450,000 barrels per day from 33 producing fields both east and west of the Niger Delta.

On the 6th of December, 1963 the first off-shore well dug at Escravos, near Warri in Delta State. On 5th March, 1965, Okan oil field comes on production and after exactly one month, 5th April, 1965, the 1st shipment of the company's and Nigeria off-shore crude to the world oil market.

Apart from the Okan Oil field, March 1968, another oil field, the Delta Oil field comes on production and 1st June, 1968, lead to the success story of Chevron Nigeria Limited first phase of the Escravos Tank Farm, which consists of six storage tanks with a total storage capacity of 1,200,000 barrel of crude which was commissioned. Between August 1968 and February 1969, Delta, Meren and Meji oil fields come on production. The construction of the second phase of the tank farm, comprising storage tanks with a total capacity of 1,600,000 barrels begins in 1970 and between February 1969 - October 1972, Parabe Malu, Isan and Abiteye oil fields comes on production. 1st April 1973, the Federal Government through the Nigerian National Oil Corporation (NNOC) acquires 35 percent participatory interest in the company's operations and the

Federal Government's participatory interest increased to 60% on the 1st of July, 1979.

June 15 1984 produced the formation of Chevron as a result of the merger of Gulf Oil Corporation and Chevron Corporation and on August 1st 1984, the signing of joint participation agreement between the Nigerian National Petroleum Corporation and the company, formalising government's acquisition of interest in the company's leases. On 17th Jan 1986, the signing of first memorandum of understanding (MOU). The commissioning of the Lekki Conservation Centre, built and donated by Chevron to the Nigerian Conservation Foundation (NCF) 18th May, 1990 and on June 13th 1991 Escravos upgraded and named operations headquarters also, the company began exploration activities in the Benue trough in Northern Nigeria where it acquires six blocks under a production sharing contract. These six blocks along with Chevron's 30% interest in three other non-operated blocks, making Chevron the largest lease-holder in this area in 1991, June 20th and also on the 24th of July, 1991 the name was changed to Chevron Nigeria Limited. On the 25th of July 1991, the signing of joint Operating Agreement (JOA) and revised memorandum of understanding (MOU). On the 15th of October,1992, Okan oil field, Chevron's and Nigeria's first successful off-shore oil field, yields its five hundred millionth barrel of crude oil. One year after, precisely on the 15th of October, 1993, the formal commissioning of the Lekki Headquarters Complex took place and between October and November 1993, the Opuekeba, Idama and Inda oil fields comes on production, Chevron and Elf sign farm in agreement for the exploration of prospecting areas located in the deep off-shore and the Benue Trough.

On the 24th of March 1996, the Ground-breaking ceremony for the Escravos Gas Project and 11th March 1996, Benin River, the company's 29th oil field, comes on production. On the 5th of March 1997, the Ewan field comes on production. The phase I of the Escravos Gas Project came on stream in May 1997. This environmentally friendly project captures 170 mmscfd of associated gas from NNPC/Chevron operations and places the gas into commercial use. And on the 30th of September, 1997, first export of LPG from the Escravos Gas Project begins, also Nigeria's first ever export of the commodity. The project generates foreign revenue for Nigeria through the export of liquid petroleum gas and offers employment in a new technology. On the 5th of November 1997, the formal commissioning of the Escravos Gas projects occurs.

Chevron's vision is to be the petroleum company of choice in Nigeria, not only through the successful development of the country's oil and gas resources and payment of taxes and royalties, but through their commitment to protecting people and the environment Chevron relationship with Nigeria.

In Nigeria, as elsewhere, exploring oil and gas usually begins with the acquisition of Seismic Data. Profiles of the earth's subsurface are generated from the acquired Seismic work stations using sophisticated software. The profiles, or "Seismic Lines that are generated help locate important sub-surface geologic features such as faults and stratigraphic traps that could hold oil and gas deposits through the use of three-dimensional (3D) Seismic Technology, which was introduced to Nigeria in the 1980's, Numerous additional deposits of oil and gas have been found in and around Chevron's existing fields. 3D Seismic application and also helped to locate giant new oil accumulations such as Gbokoda and Dibi.

In the application of various non-seismic exploration tools such as Geochemistry and Biostratigraphy, data resolution has improved significantly with the correspondent advances has helped increase the explorationist's visualization of the unique characteristics of sub-surface rock layers and enhanced the quality of geologic interpretation.

# CHAPTER FOUR

## 4.0 ANALYSIS AND INTERPRETATION OF DATA

This chapter is meant to analyze data and information obtained in the process of conducting this research project. Documents and interviews were used in different oil companies, from the middle to top management staff members of the organisation.

## 4.1 SOME OF NNPC'S PRODUCTS, THEIR USES AND THEIR MODE OF ADVERTISEMENT

### 4.1.1 PPMC PRODUCTS

| PRODUCTS | USES | MODE OF ADVERTISEMENT |
|---|---|---|
| (A) WHITE PRODUCTS | | |
| (a) PMS (Premium Motor Spirit) | Petrol use in for vehicles | Television and Media based on quality and Services. |
| (b) Kerosene (DPK) | Domestic and Aviation Purpose | Television. It is a function of the safety aspect. |
| (c) AGO (Automative Gas Oil) | Diesel oil for lorries. | Television and Dailies. |
| (d) LPG (Liquefied Petroleum Gas) | Domestic Purpose. | Television and Dailies. This is based on the ease of using gas for cooking and the neatness of the environment. |

**BLACK PRODUCTS**

These products can not be visibly advertised due to its nature except the finished products of the products, they include:-

**Base Oil:** Base Oil are of different grades ranging from 100N, 150N, 250N, 500N and BS (Bright Stock) on mixing the various grades of base oil in different proportions plus an active ingredient which is patent of the company according to the trade mark produce engine oil, thus, base oil is used for engine oil making.

**Bitumen:** There are various grades and this includes 60/70, 80/100 grades are the main Bitumen, which is used in producing Asphalt or black substance used in tarring the road surface.

The MCO, MCl and S125, are generally called emulsion, they are used in preparing the road before tarring.

**Paraffin wax:** This is used in anode production.

**LPFO (Low Poor Fuel Oil):** This is also used in the Textile, Bottling and Brewery Industry.

**HPFO (High Poor Fuel Oil):** This is used by Oceanic Liners.

## 4.1.2 KADUNA REFINING AND PETROCHEMICAL COMPANY (KRPC) PRODUCTS

| PRODUCTS | USES | MODE OF ADVERTISEMENT |
|---|---|---|
| (1) Linear Alkyl Benzene (LAB) (30,000MTPY). | (a) Active material for Biodegradable synthetic detergents. | They cannot be visibly advertised except their finished products which can be advertised through TV, Radio and Dailies. |
| | (b) Liquefied detergents. | " " |
| (2) Heavy Alkylate (2,700MTPY). | (a) Lub Oil Additives.<br>(b) Thermal Fluids.<br>(c) Transformer Oil. | |
| | (d) Greases etc. | " " |
| (3) Deparafinated Kero-solvent (38,000 MTPY) | (a) Insecticides.<br>(b) Paints and Varnishes.<br>(c) Degreasers.<br>(d) Polishes for Shoes, Floors and Furniture. | |
| | (e) Metal Cleaners. | " " |
| (4) Benzene (BZ) (15,000 MTPY) | (a) LAB manufacture.<br>(b) Aromatic Solvent.<br>(c) Aviation Gasoline. | |

## 4.1.3 WARRI REFINING AND PETROCHEMICAL COMPANY (WRPC) PRODUCTS

| PRODUCTS | USES | MODE OF ADVERTISEMENT |
|---|---|---|
| (1) Polypropylene (PP) (35,000 MTPY). | (a) Woven sacks for packaging.<br>(b) Erates for bottles.<br>(c) Ropes, Yarns, Textile & Fishing Nets.<br>(d) Automotive Components (Battery Casing, Fascia Pane, Horses etc.).<br>(f) Floor Carpets & Tiles.<br>(g) Chair back covers.<br>(h) Hypodermic Syringes.<br>(i) Jerrycans, caps, plates.<br>(j) Food, drug packaging containers.<br>(k) Prayer/Beach mat.<br>(l) Geotextiles (used for road stabilization and erosion control etc. | They can not be visibly advertised except their finished products which can be advertised through the media, TV, Radio and Dailies. |
| (2) Carbon black(CB) (18,000 MTPY) | (a) Tyres and Tubes.<br>(b) Horses.<br>(c) Fan and Conveyor Belts.<br>(d) Gaskets.<br>(e) Footwear.<br>(f) Shoe Polish.<br>(h) Electrodes.<br>(I) Painting Ink. | " " |

## 4.1.4 ELEME PETROCHEMICAL COMPANY LIMITED (EPCL) PRODUCTS

| PRODUCTS | USES | MODE OF ADVERTISEMENT |
|---|---|---|
| (1) Ethylene | For the production of Polyethylene, Ethylene Oxide Vcm. | They can not be visibly advertised except their finished products which can be advertised through the media, TV, Radio and Dailies. |
| (2) Polyethylene (LLDPE) | (a) **Film Packing:** Processed food packaging, bread wrap, Textile products, Linear films, heavy duty bags shopping, Refuse and milk bags. | " " |
| | (b) **Injection Moulding:** Squeezable bottles for cosmetics, pharmaceutical and toiletry products. | " " |
| | (c) **Agricultural And Construction Film:** Green housing for multiple season cropping, outdoor covering for agricultural crops etc. | " " |
| (3) Polyethylene (HDPE). | (a) **Blow Moulding:** Jerrycans, Industrial Cans, Household Chemical, Cosmetics And Pharmaceutical Bottles, Oil And Lubricating Liquid Containers Etc. | |
| | (b) **Injection Moulding:** Beverage Cases And House Wares, Toys and Simple Appliances etc. | |
| (4) Ethylene Oxide/Ethylene Glycol (EO/EG). | Polyester Fibers for Textile, Printing and Dyeing Brake Fluids, Additive for Water - Cooled Engines, Insecticides and Herbicides etc. | " " |

| PRODUCTS | USES | MODE OF ADVERTISEMENT |
|---|---|---|
| (5) Polyesterchips (PET). | Thread, Carpet, Drapery, Fabric Reel Tape, Film Tyre Cord, Fishing Net, Beverage Bottles. | " " |
| (6) Pra - Xylene. | For the Production of Terephthalic Acid which is used in the production of Polyester. | " " |
| (7) Polypropylene. | Same As Earlier Listed In WRPC (Polypropylene). | " " |
| (8) Polyvinyl Chloride (PVC) | Thermoplastics: Water and Sewer Pipes, Building Material, Windows and Door Frames, Pipe Fittings, Toile Seats and Covers, Floor Tiles, Synthetic Leather for Upholstery and Automotive Interiors, Records, Bottles and Beverage Cup Liners, Wire and Cable Insulation, High clarity Films for Food Preservation and Refrigerator, Green-house Films, Rigid Sheers and Calendering etc. | " " |
| (9) Caustic Soda. | Soap and Detergents, Soda Ash (mainly Glass Bottles, Textiles, and Enamel ware Manufacture, Pulp and Paper, Crude Oil Recovery etc. | " " |
| (10) Vinyl/Chloride Monomer. | Used in the Production of PVC. | " " |
| (11) Diocty/Phthalate. | Used as a PVC Plasticizer. | " " |
| (12) Chlorine. | Used for the Manufacture of VCM Production, Pulp and Paper, Water Treatment, Derivatives for Pesticides and Insecticides, Bleaches and Industrial Solvents. | " " |

Apart from these various products and their modes of advertisements, the Nigerian National Petroleum Corporation (N.N.P.C) has also decided to embark on social responsibility services that they use as a means of advertising to the public concerning their existence and what they do to communities or how they affect the communities in positive ways, and some of these project includes; Health Care Services, Education, Scholarship, Provision of Potable Water, Development of Rural Roads Network, Electrification, Agricultural Development, Sports, Activities, Charitable Donations and so on. A break down analysis of some of the communities, NNPC assisted with their various projects are listed below.

## 4.2 MODE OF ADVERTISEMENT IN ELF PETROLEUM

Elf Petroleum Nigeria Limited has, over the years, religiously maintained a policy of consciously reaching out to cultivate and sustain good and harmonious relationship with the government and the people of oil producing states, with particular emphasis on the host communities, as such they let the world know about these community products.

There are various ways by which they let these done. Advertisement on Television mainly on Sunday News Line by Frank Olize, Press released and other forms.

By advertising, the company takes part in the exhibitions of specialised socialites like NMGS (Nig-Mining and Geo-Science Society), SPE (Society of Petroleum Engineers), NAPE (Nigerian Association of Petroleum Explorationist just to mention a few.

Mainly these community development programme projects they perform on their host communities, advertise the present of the company for them. To ensure that her contributions are tangible, durable and economically beneficial to the majority of people, emphasis is placed on the crucial areas of education, infrastructural facilities such as water supply, construction of roads, network and jetties, market development, agriculture, revenue generating opportunities as well as environmental protection.

One remarkable feature of the company's community assistance programme is that projects are never imposed on the communities, rather, they are proposed by the host communities, thoroughly discussed with the company at the forum of the consultative committees and mutually agreed upon based on developmental needs before implementation.

### 4.2.1 EDUCATION

Since 1973, special attention has been paid to the education of indigenes of Elf Producing Communities based on the strong belief that education is a catalyst for other forms of development. This conviction has led the company to initiate scholarship awards at post primary and post secondary levels of education and the provision of relevant infrastructure such as class blocks, school furniture, staff quarters, science laboratory, computer equipment and text books to enhance the quality of education in these communities.

(a) **Scholarship:-** Elf operates special scholarship schemes designed exclusively for sons and daughters of its host communities, in 1991, Elf awarded scholarships to 250 post primary and post secondary institutions in Rivers and Delta States. It also spent over ₦100,000 on post primary and post secondary scholarships for the communities. In 1994/95, a total

of 250 post primary and 55 post secondary awards were given to communities in Oml 58 (Rivers State) while those in Oml 57 (Delta State) had 55 post primary and 12 post secondary awards. The distribution of awards among the various communities is as shown below.

| SUMMARY OF AWARDS IN OML 57 1994/95 | | | |
|---|---|---|---|
| **COMMUNITY** | **POST PRIMARY** | **POST SECONDARY** | **TOTAL** |
| AJA - OSOLO | 11 | 3 | 14 |
| IFIE-KPORO | 3 | 1 | 4 |
| MEREJI | 1 | - | 1 |
| OBODO | 26 | 5 | 31 |
| OMADINO | 11 | 1 | 12 |
| OLU | 3 | 2 | 5 |
| **TOTAL** | **55** | **12** | **67** |

| SUMMARY OF AWARDS IN OML 58 1994/95 | | | |
|---|---|---|---|
| **COMMUNITY** | **POST PRIMARY** | **POST SECONDARY** | **TOTAL** |
| AKABUKA | 30 | 5 | 35 |
| AMAH | 14 | 4 | 18 |
| ELELE/ALIMINI | 13 | 3 | 16 |
| EREMA | 18 | 5 | 23 |
| IDU-OGBA | 14 | 3 | 17 |
| OBAGI | 47 | 9 | 50 |
| OBITE | 17 | 3 | 20 |
| OBIYEBE | 5 | 1 | 6 |
| OBOBURU | 28 | 6 | 34 |
| OGBOGU | 42 | 8 | 50 |
| RUMUEKPE | 4 | 2 | 6 |
| UBARAMA | 8 | 2 | 10 |
| **NON-PRODUCING** EGI COMMUNITIES | 10 | 4 | 14 |
| **TOTAL** | **250** | **55** | **305** |

| ELF EDUCATION | | | |
|---|---|---|---|
| **COMMUNITY** | **PROJECT** | **DATES** | **VALUES** |
| All communities in area of operation | Post secondary scholarships and post primary scholarship 1990 | | 100,000 |
| All communities of area of operation | Renewal of 181 post primary scholarships and 20 post secondary | 1991 | |
| All communities of area of operation | post primary scholarships (56) and 20 post secondary scholarships. | 1991 | |
| Akabuka | 12 classroom block in Akabuka secondary school | 1990 | |
| Warri | 3 classroom block in Nana College | 1991 | |
| Aja Osolo | Construction of 6 classroom block in Aja Osolo school | 1991 | |
| Obodo | Construction of 8 classroom block at Obodo Secondary School | 1991 | |
| Akabuka | Grading of road to Akabuka Secondary School | 1991 | |
| **INFRASTRUCTURE** | | | |
| Erema | Construction of 1.7Km all season road | 1990 | |
| Ogbogu | Construction of 1.9Kilometer road | 1990 | |
| Obobuni | Rehabilitation of the 6.6 Km Akabka-Obobuni Ubeta road | 1990 | |
| Obobuni | Construction of 1.55 Km road | 1990 | |
| Idu Obosiukwu | Rehabilitation of a 2.7 Km road | 1990 | |
| Ama | Construction of 1.4Km all season road | 1990 | |
| Warri | Donation towards Olu of warri project | 1991 | |
| Communities in Area of operation | *Various donations* | | |
| Six communities in area of operation | Construction, operation and maintenance of water projects in six communities | 1991 | |
| Idu Osobile | Repair of 1.2 Km road and construction of new 0.7 Km road. | 1991 | |
| Obiyebe | Repair of 3.1 Km road and construction of new 0.4 Km road. | 1991 | |
| Obite | Renovation of a 1.4 Km road. | 1991 | |
| Akabuka-Oboburu | Repair of the Akabuka to Oboburu road. | 1991 | |
| Ogbogu and Oboburu | Construction of concrete drains for these two communities. | 1991 | |
| **AGRICULTURE** | | | |
| Communities of operation | Studies undertaken on location of demonstration farms. | 1991(in progress) | |

In addition to these community awards, the company has from the 1994/95 academic session, commenced a special post-secondary scholarship programme for indigenes of four Local Government Areas of Rivers State. These are Ogba-Egbema-Ndoni Local Government Area, (ONELGA) Ikwerre local government area (KELGA), Emohia local government area (EMOLGA) and Ahoada local government area (ALGA). The aim is to further extend the benefits of scholarship to other neighbouring communities. The scholarship scheme which is competitive, is open to all undergraduate students from the four local government areas pursuing courses in the following fields: Medicine, Engineering (mechanical, chemical, electrical/electronics), Natural Sciences (biology, chemistry, physics, geology and mathematics), Management Sciences (accountancy and banking/finance), Economics, Computer Sciences and Law.

Elf Scholarship Programmes are anchored on the belief that as people get educated, a foundation for far-reaching and long lasting development is laid. The awards which cost the company about two million naira annually constitute a major contribution by Elf towards helping Nigeria's quest for improved manpower.

(b) **Class Room Blocks**:- In clear demonstration of sustained commitments to Educational Advancement in the producing communities, Elf also creates better learning environment through the provision of educational infrastructure such as class room blocks, from 1990 to date, several class rooms have been built for communities in Oml 58 operational area and those in Oml 57 by the NNPC/ELF joint venture. These include a three classroom blocks for Nana College - Warri, eight classrooms building for Obodo Community and a six classroom building for Aja-

Osolo community, all in the Warri-South local government area of Delta State. In Oml 58, the twelve classroom blocks for Government Secondary School, Akabuka was completed at a cost of ₦4m (Four Million Naira). These two school projects were commissioned in September 1994 by the Rivers State Commissioner of Education, Dr. Asita O. Asita. Another six classroom blocks have been completed at Eleke Alimini in the Emohua Local Government Area. This is beside the twelve classroom block which was under construction at Oboburu in the Ogba-Egbema-Ndoni Local Government Area of Rivers State as at 1994. Similarly, the company in 1995 completed a modern administrative block at the community secondary school, Obagi. This block which is estimated to cost three million naira at commissioning will improve office accommodation for the staff.

### 4.2.2 WATER SUPPLY

One of the basic problems facing the rural communities in Nigeria is the lack of good potable water, showing keen understanding of this urgent need of the people, the company in 1985 spent over ₦2m (Two Million Naira) to provide 3 units of pipeborne water located at Akabuka, Obagi and Erema to serve six producing communities in its Oml 58 operational area. These are namely; Obburu, Idu, Obagi, Ogbogu, Akbuka and Ereme in the Obga-Egbema-Ndoni Local Government Area of Rivers State. This scheme which was initially handed over to the Rivers State Utilities Board is now operated and maintained by Elf at an annual cost of over ₦3.5million. It currently supplies uninterrupted fresh drinking water distributed to the door-steps of inhabitants of these communities.

The company has also completed a borehole/hand pump project for Elele community in the Ikwerre Local Government Area of Rivers State. The proposed Obite and Amah water schemes are to start soon. Both projects are estimated at a total of ₦16million at commissioning. This pragmatic pipeborne water programme which commenced since 1985 is perhaps the most monumental evidence of how Elf cares for its neighbours.

### 4.2.3 ROAD DEVELOPMENT

Elf Petroleum Nigeria Limited has religiously committed itself to the provision of accessories which facilitate transportation communications and commercialisation, especially among its host communities. Under this programme, the company has made enormous investments in the construction and rehabilitation of community roads linking major settlements and villages. It also maintains a network of access roads linking well locations and these lave essentially become community roads.

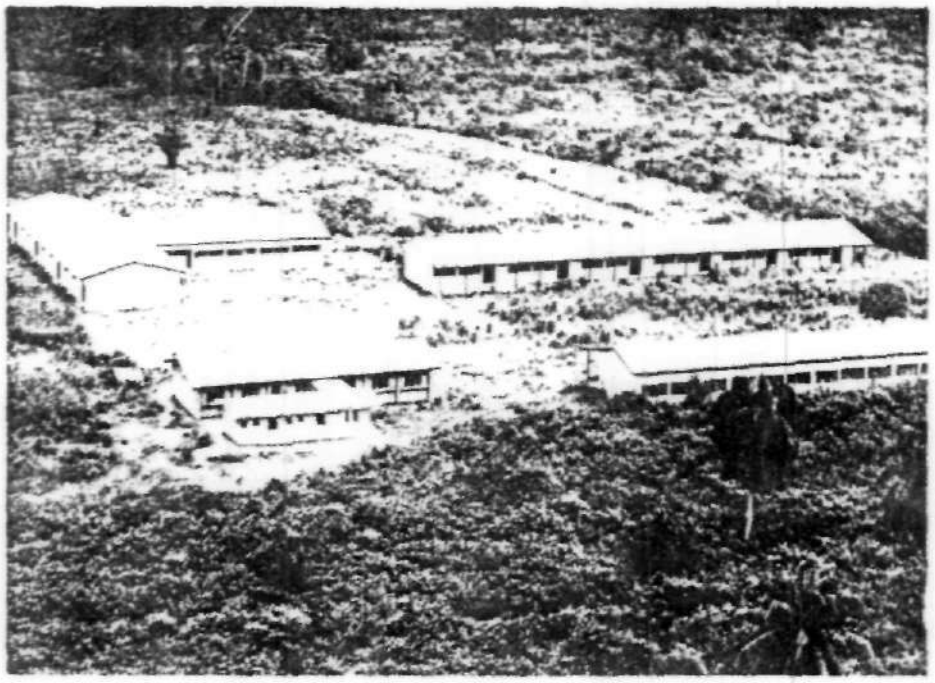
In 1992, more than twenty million naira was spent by the company for the completion of the following roads in the Oml 58 producing communities in Rivers state. The 1.4km community road for Obite, 34km community road at Obiyebe, concrete drainage at Ogbogu and the 4.56km road resurfacing for Akabuka/Oboburu communities. Other completed projects include the concrete drainage at Oboburu, the 1.2km community road, Idu-osobile, 0.4km school road, Akabuka and the 9km road rehabilitation at Oboburu/Ubeta. Again, in 1993, the Elekahia/Nkpogu road junction modification in Trans Amadi Area of Port-Harcourt was completed and commissioned at a cost of over ₦2million. This has considerably eased traffic congestion in the area.

Two concrete foot bridges at Okoroboile in the Andoni/Opobo Local Government Area of Rivers State where one of the company's communication facilities is located, were completed in February and commissioned in September 1994 at a value of ₦18million. Furthermore, the 2.3km new community road at Amah was constructed at a cost of more than ₦3million and commissioned on October 8, 1994. In Oml 57 producing communities of Delta State, the 2.7km earth road with culverts at Omadino was completed at a cost of about ₦1.0 million. Similarly, a modern handing jetty constructed for Aja-Osolo community at a cost of about ₦6.0 million was completed in January and commissioned on February 17, 1995. With the completion and commissioning of these roads and jetty projects, it is expected that the communication problems which confronted these communities in the past would be reduced significantly.

## 4.3 COMPLETED ELF COMMUNITY ROADS AND ACCESSORIES

### 4.3.1 RIVERS STATE

| PROJECT | COMMUNITY | DATE AWARDED | REMARKS |
|---|---|---|---|
| 1.4km Community Road | Obite | February 1992 | Completed |
| 3.1km Community Road | Obiyebe | February 1992 | " |
| Concrete Gutter | Oboburu | " " | " |
| 1.2km Community Road | Idu-Osobile | " " | " |
| 0.4km School Road | Akabuka | " " | " |
| Concrete Gutter (405m) | Ogbogu | November 1992 | " |
| 4.56km Road Resurfacing | Akabuka/Oboburu | February 1992 | " |
| Maint. of Community Road | Ereme | November 1992 | " |
| 2.3km Community Road | Amah | December 1992 | " |
| 9km Road Rehabilitation | Oboburu/Ubeta | December 1992 | " |
| Waja Creek/Nkpogu Round About | Elekahia | February 1993 | " |
| 2 Concrete Foot Bridges | Okoroboile | October 1993 | " |



*Aerial view of Community Secondary School, Obagi, built by the NNPC/elf Joint Venture.*



*Administrative block under construction by elf, at Community Secondary School, Obagi.*



*Aerial view of Obagi community.*

474780



*Aerial view of Ereina community. Showing the Civic Centre built by elf petroleum nigeria ltd.*

Kashim Ibrahim Library
Ahmadu Bello University,
Zaria, Nigeria.



***1985***

*From now on, inhabitants of these communities have abundant and safe drinking water distributed to the proximity of their houses.*




*A comprehensive water scheme provided and maintained by elf petroleum since 1985, currently supplies potable water to six communities - Obagi, Akabuka Oboburu, Idu, Ogbogu and Erema in the Ogba-Egbema Ndoni Local Government Area of Rivers State.*

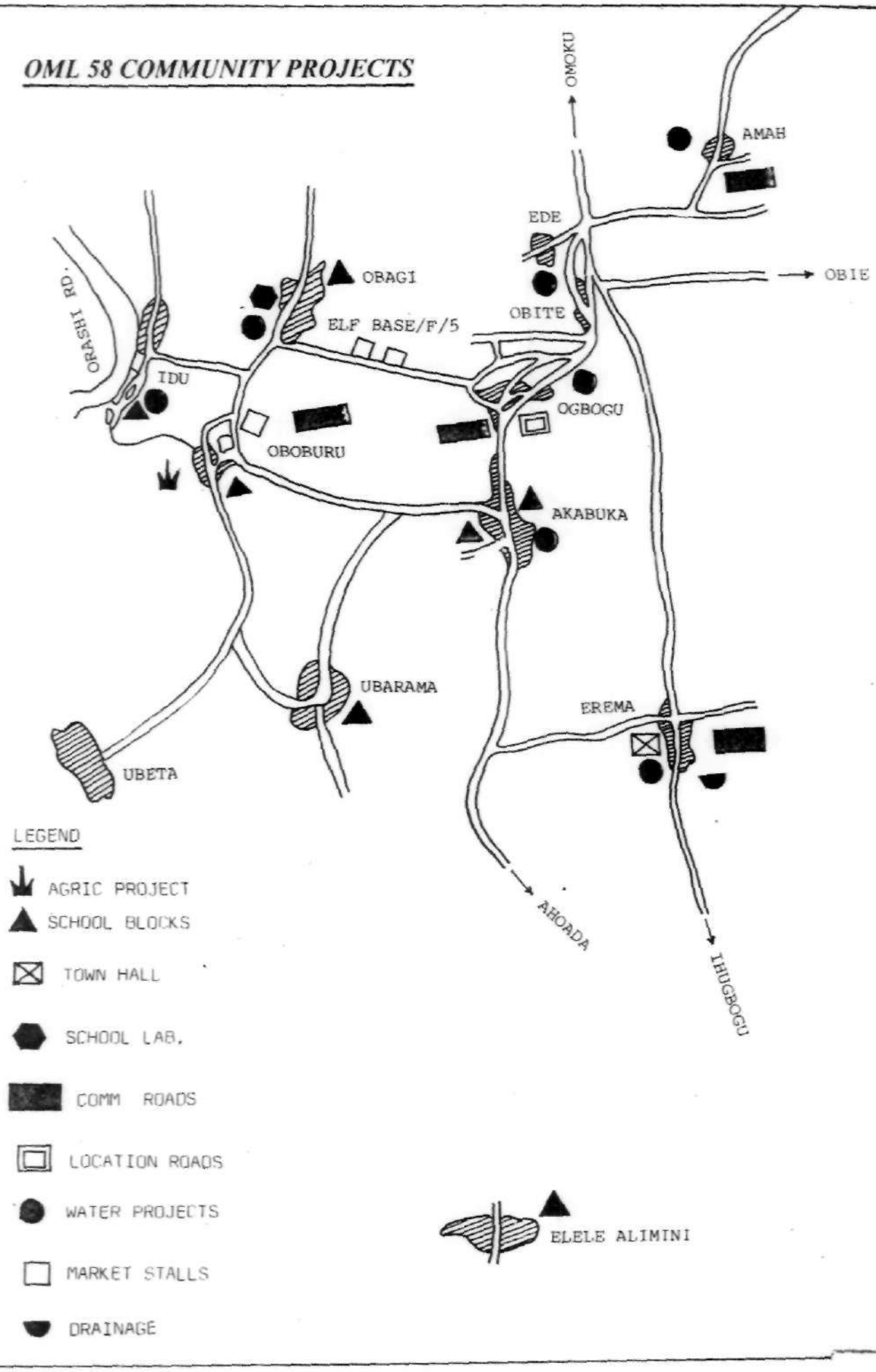


*Okoroboile footbridge built in 1994 by elf petroleum to enhance road communication in the community. Before then, the only means was this wooden bypass on the left.*



*Earth road at Omadino, Delta State, constructed in NPC/elf Joint Venture.*

## *OML 58 COMMUNITY PROJECTS*



### 4.3.2 DELTA STATE

| PROJECT | COMMUNITY | DATE AWARDED | REMARKS |
|---|---|---|---|
| 2.7km Road/Culverts | Omadino | April 1993 | Completed |
| Modern Landing Jetty | Aja-Osolo | June 1994 | " |

Apart from these projects Elf Petroleum also embarks in projects such as community halls projects, market projects, agricultural projects, youth and sports developments and many other projects too numerous to mention.

### 4.3.3 SUMMARY OF ELF COMMUNITY RELATIONS PROJECTS 1994

| S/NO | PROJECTS | COMMUNITY | OML | REMARKS |
|---|---|---|---|---|
| 1. | Earth Road (2.7km) | Omadino | 57 | Completed |
| 2. | 6 Classroom block | Ogunu-Warri | 57 | In-Progress |
| 3. | Jetty | Aja-Osolo | 57 | Commissioned |
| 4. | Generator Set (Trans Install) | Obodo | 57 | " |
| 5. | Agricultural Project. | Oboburu | 58 | In-Progress |
| 6. | Water Units(maintenance) | 6 Communities | 58 | Continues |
| 7. | Market | Ogbogu | 58 | Completed |
| 8. | Concrete Drains/Slabs | Erema | 58 | In-Progress |
| 9. | Market. | Oboburu | 58 | Completed |
| 10. | 6 Classroom Blocks | Elele-Alimini | 58 | Completed |
| 11. | 6 Classroom Blocks | Akabuka | 58 | Commissioned |
| 12. | Concrete/Earth Drains. | Owube | 58 | Completed |
| 13. | Concrete Walkways. | Okoroboile | 58 | Commissioned |
| 14. | Erosion Control. | Ama | 58 | Completed |
| 15. | Study of Obagi Oil Field Communities. | | 58 | In-Progress. |
| 16. | School Furniture. | 7 Communities | 58 & 57 | Delivered |
| 17. | Concrete Drains. | Obagi | 58 | Completed |
| 18. | Scholarship Awards. | 4 Local Govts. | 58 | Awarded. |
| 19. | 930 KVA Generator/Building | UST Nkpolu Port-Harcourt | 58 | Commissioned |
| 20. | 6 Classroom Block. | Ubarama | 58 | In-Progress |
| 21. | 12 Classroom Blocks. | Oboburu | 58 | in-Progress |
| 22. | Science Laboratory | Obagi | 58 | In-Progress. |

### 4.3.4 FACTOR THAT DETERMINE THE NATURE OF ADVERTISING IN THE OIL INDUSTRY

The problem confronting advertising in the oil industry are many and varied.

(a) Most of the products cannot be easily advertised. E.g Alkaline Benzene.

(b) It is the final products of petroleum products that can be advertised, thus, the petroleum products has lost its advertising value. E.g Wax which is used in producing candles cannot be advertised directly but the candle which is the final products can be advertised.

(c) Advertisements are mainly targeted to services rendered to the host communities.

(d) Most times the host communities are not aware of the advertisement, since the advertisement are mainly on television and dailies and not on radios.

(e) The major problem lies in the fact that the mode of advertisement in the oil industry does not follow the normal partners owing to the points mentioned above.

## 4.4 MODE OF ADVERTISEMENT IN CHEVRON

Community involvement is a key element of Chevron corporations worldwide business practices. Chevron has forged long-lasting partnerships with government and host communities around the world by constantly seeking a proper balance between achieving economic objectives and addressing other important issues that might impact the company's neighbours. Thus, this now exposes or advertises the company(Chevron) into the entire world by the assistance of the projects they offer to the host communities, e.g. France'98. These projects include; Educational Programmes, Health Care Services, Infrastructural Support, and Hope for the Underprivileged.

### 4.4.1 EDUCATION

Chevron Nigeria Limited support for local educational programmes started shortly after the inception of company operations in the early 1960's it began with the establishment of an Aid-to-Education Programme to train Nigerians in various trades and professions. The primary objective is to help ensure, especially in our area of operations an enlightened citizenry who will thus be better equipped for gainful employment in the company and elsewhere. The Aid-to-Education scheme was replaced by a community scholarship programme exclusively for our areas of operation and covering secondary and tertiary education. In order to ensure a broader coverage, another scholarship programme has been put in place in recent years. The NNPC/Chevron Community Scholarship programmes was established for the exclusive benefit to eligible candidates who reside in the joint ventures areas of operation, and it is designed for secondary and tertiary education. The second programme called the NNPC/Chevron National University Scheme, is a merit programme for Nigerian

students in tertiary institutions from any parts of the country, which cater for 1,500 beneficiaries annually.

In addition to the scholarship scheme, Chevron under takes programmes such as building of classroom blocks, science laboratories, libraries and other educational infrastructure. It also provides items for schools through out Nigeria. The company has also provided the Lekki Conservation Centre, a centre of excellence in environmental research and education. The centre, which was donated to the Nigerian Conservation Foundation (NCF) incorporates a 78 hectare wild life reserve - the only one of its kind in Lagos area.

### 4.4.2 HEALTH CARE

Chevron Nigeria Limited leads its financial support to health education programs for its host communities the objective is primarily to improve the human resources in these areas to help the people to better cater for themselves.

One of the measures taken by the company in meeting this objective was the commissioning, in 1992 of a cottage hospital for Chevron's nearest neighbours in the Escravos operations area, known as the ogborodo community cottage hospital, this 18 - beds hospital offers a wide range of services including child delivery and community health enlightenment with emphasis on the type of diseases and illness prevalent in this swampy, rain forest terrain. It is the modern health-care facility in the area with the nearest one being the government hospital in Warri, about 60 kilometres away. The company also continues to support a de-warming programme targeted at school children in the company's areas of operation. A total of about 50,000 of these children have so far benefited from the campaign. The company has also been in the fore-front in the campaign to eradicate a number of deadly diseases through its own initiative and sometimes

in collaboration with the Federal Ministry of Health or a number of non-governmental organisations.

### 4.4.3 INFRASTRUCTURAL SUPPORT

The infrastructure support programme aims at making the environment less harsh for the people by providing canals, roads, bridges, jetties and other concrete items that facilitate communication and commerce. The company also provides potable water for several communities by linking them with the fresh water facilities on its platforms, the Escravos Terminal and other production installations, or by drilling water wells. These facilities includes, potable water at Badore Secondary School, a modern post office built and equipped for the Izombe community in Imo State, the Idsama Jetty built by Chevron, Jetty for Omadino community, Jetty for Ode-Itsekiri, the Idama community canal dredged by Chevron.

### 4.4.4 HOPE FOR THE UNDER-PRIVILEGED

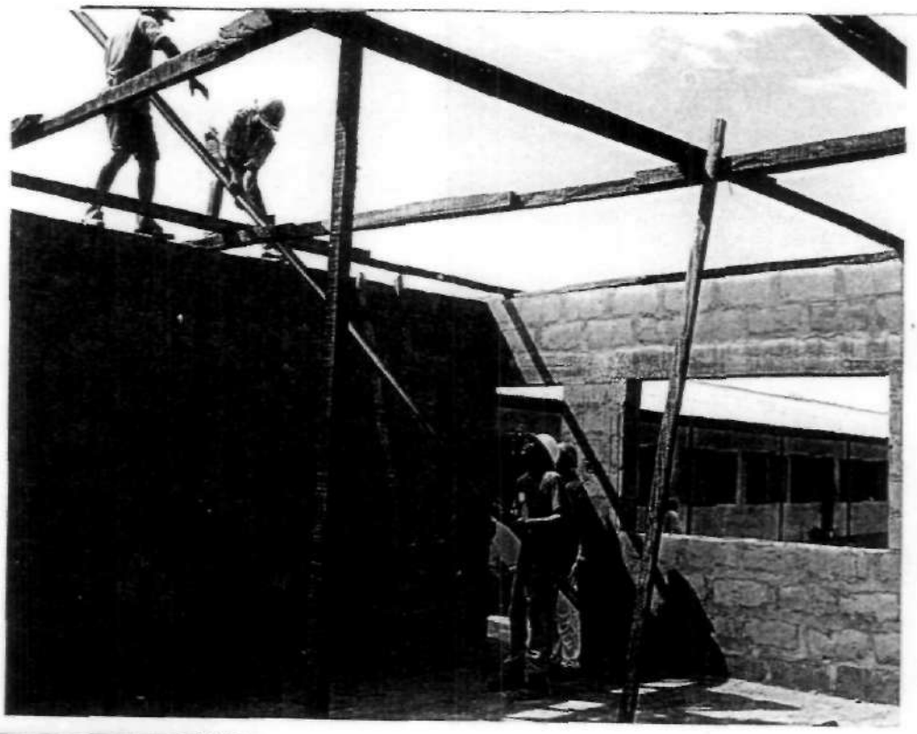
Another demonstration of the company's tradition of care expressed through its approach to the underprivileged of the society. Under its charitable assistance programme, Chevron regularly provides succour for the physically disadvantaged, orphans, the aged and similarly handicapped people through the donation of food, clothes, housing facilities and other needed items. This assistance is channelled through voluntary agency institutions and foster homes in different parts of the country.

# CHEVRON

| S/No | COMMUNITIES | PROJECTS DESCRIPTION EDUCATION | YEAR | VALUE | REMARKS |
|---|---|---|---|---|---|
| 1. | All communities in Area of Operation. | Community Scholarship 248 Awards. | 1987 | 223,000 | |
| 2. | 12 Communities in Bendel State. | Community Scholarship 375 Awards. | 1988 | 337,500 | |
| 3. | Bendel State. | Nat. University Scholarship 63 Awards. | 1988 | 94,500 | |
| 4. | Rivers State. | Community Scholarship Awards. | 1989 | 180,000 | |
| 5. | Rivers State Univ. of Science & Tech. | Endowment Fund. | 1990 | 50,000 | |
| 6. | Lekki, Lagos State. | Classroom Construction. | 1990 | 50,000 | |
| 7. | Don Domingos College, Warri. | Block of 3 Classrooms. | 1991 | 216,000 | |
| 8. | Community Scholarship. | 210 Awards to 12 Communities. | 1990 | 249,000 | |
| 9. | Lekki. | Building of Classrooms. | 1991 | 1,600.00 | |
| 10. | Erejuwa Grammar School Ode-Itsekiri | School's Science and Home Laboratory. | 1991 | 900,000 | |
| 11. | Edah Primary School, Gbonedo. | Classroom Renovation. | 1991 | 1,200,000 | |
| 12. | Delta State University. | Building Facility for Take off | 1991 | 3,000,000 | |
| 13. | Nana College, Warri. | Library Renovation. | 1991 | 250,000 | |
| 14. | 13 Communities in Operational Area and Other Parts of Nigeria. | Scholarship. | 1991 | 2,500,000 | |
| 15. | Itsekiri Community. | Publication of Book on Itsekiri Traditional Floklore. | 1991 | 500,000 | |
| 16. | Ugborodo and Escravos. | Hospital Project. | 1991 | 3,300,000 | |
| 17. | Abonnema. | Hospital Equipment. | 1991 | 50,000 | |
| 18. | Tsekelewu Community. | Health Project. | 1991 | 250,000 | |
| 19. | Warri Town. | Hospital Ward Construction. | 1991 | 1,400,000 | |
| 20. | Oghareki Ogidigben, Amadino Idama. | Provision of Drugs and for Dispensaries. | 1991 | 200,000 | |
| | | **INFRASTRUCTURE/UTILITIES** | | | |
| 21. | Omadino Community | Jetty & Canding Stage. | 1987 | 178,000 | |

| | | | | | |
|---|---|---|---|---|---|
| 22. | Irawo Community Ibadan. | Construction & Furnishing of A Conference Hall. | 1989 | 80,000 | |
| 23. | Ugboegungun Community | Extension of Potable Water from Escravos Terminal to Ugboegungun. | 1990 | 150,000 | |
| 24. | Yonwuren College Warri. | Provision of Electricity. | 1991 | 300,000 | |
| 25. | Benikruku Idama. | Canal Dredging. | 1991 | 3,800,000 | |
| 26. | Kula. | Road Construction. | 1991 | 5,000,000 | |
| 27. | Road Safety Commission. | Purchase of Equipment. | 1991 | 200,000 | |
| 28. | Road users, Federation Road Safety Commission. | Provision of Road Signs. | 1991 | 382,000 | |
| 29. | Anoye and Molume | Provision of Borehole. | 1991 | 2,400,000 | |
| | | **AGRICULTURE** | | | |
| 30. | Izombe Community School. | Poultry & Piggery for Animal Science | 1990 | 1.5million | |
| 31. | Ugborodo | Pilot Farm. | 1991 | 200,000 | |
| 32. | Ugborodo | Agric Development Scheme. | 1991 | 500,000 | |
| 33. | Ugborodo | Piggery | 1991 | 200,000 | |
| | | **OTHERS** | | | |
| 34. | Ugborodo | Relocation of Community. | 1991 | 1,300,000 | |
| 35. | 15 Communities in Areas of Operation | Cash Donation. | 1991 | 360,000 | |
| 36. | Communities in Area of Operation. | Construction to Festivals and Other Local Events. | 1991 | 100,000 | |
| 37. | Koko Community. | Place Renovation. | 1991 | 50,000 | |
| 38. | Warri. | Building of Wall for Olu's Place. | 1991 | 2,220,000 | |
| 39. | Ikota, Lekki. | Construction to Community Development. | 1991 | 500,000 | |

# *Education*



*On-going construction work on a block of classrooms being built by NNPC/Chevron for the Ekpan Secondary School, Ekpan*

*Hussey College, Warri Science Block*





*Conservation Education at the Lekki Conservation Centre, Lagos - Epe Expressway*

*Pupils of the Ojomba Primary School, Koko in front of their block of classrooms - courtesy of NNPC/Chevron*

# *NNPC/Chevron Scholarship Programmes*

NATIONAL UNIVERSITY SCHOLARSHIP SCHEME: BENEFICIARIES AS AT JANUARY 1996

| COURSE | DURATION | YR OF AWARD 1990/91 | YR OF AWARD 1991/92 | YR OF AWARD 1992/93 | YR OF AWARD 1994/95 | TOTAL AS AT DEC. 1995 | 1995 GRADUADS | TOTAL FOR 19[illegible]6 |
|---|---|---|---|---|---|---|---|---|
| Petroleum Eng. | 4 | 8 | 5 | 5 | 7 | 25 | 8 | 17 |
| Chemical Eng. | 4 | 6 | 5 | 11 | 16 | 38 | 6 | 32 |
| Mechanical Eng. | 4 | 7 | 7 | 15 | 7 | 36 | 7 | 29 |
| Electrical Eng. | 4 | 12 | 9 | 11 | 14 | 46 | 12 | 34 |
| Civil Eng./Surveying | 4 | 7 | 8 | 11 | 6 | 32 | 7 | 25 |
| Electronics | 4 | - | 4 | 3 | 8 | 15 | - | 15 |
| Geology/Geophysics | 4 | 7 | 10 | 5 | 2 | 24 | 7 | 17 |
| Accountancy | 4 | 3 | 5 | 3 | 6 | 17 | 3 | 14 |
| Computer Science | 4 | 5 | 8 | 8 | 4 | 25 | 5 | 20 |
| Law | 4 | 3 | 8 | 8 | 1 | 20 | 3 | 17 |
| Medicine | 5/6 | 5 | 17 | 15 | 29 | 66 | - | 66 |
| Business Admin. | 4 | - | 4 | 5 | 5 | 14 | - | 14 |
| TOTAL | | 63 | 90 | 100 | 105 | 358 | 58 | 300 |

COMMUNITY SCHOLARSHIP SCHEME:
STATUS OF AWARDS AS AT JANUARY, 1996

| S/NO | COMMUNITIES | 1993/94 AWARDS | NEW AWARDS FOR 1994/95 | TOTAL 1996 |
|---|---|---|---|---|
| 1 | Ugborodo | 286 | 100 | 386 |
| 2 | Benikurkru | 36 | 20 | 56 |
| 3 | Tsekelewu | 18 | 10 | 28 |
| 4 | Opuama | 18 | 10 | 28 |
| 5 | Omadino | 64 | 30 | 94 |
| 6 | Deghele | 23 | 20 | 43 |
| 7 | Bateren | 36 | 20 | 56 |
| 8 | Ilaje | 53 | 57 | 110 |
| 9 | Oghara | 6 | 6 | 12 |
| 10 | Kula | 18 | 18 | 36 |
| 11 | Izombe | 10 | 12 | 22 |
| 12 | Yorla South | 6 | 6 | 12 |
| 13 | Idama | 18 | 18 | 36 |
| 14 | Ke | 4 | 4 | 8 |
| 15 | Tebu | 10 | 10 | 20 |
| 16 | Abe-Ugborodo | 5 | 10 | 15 |
| 17 | Koko | - | 10 | 10 |
| 18 | Ekpan | 5 | 10 | 15 |
| 19 | Obaghoro | - | 10 | 10 |
| 20 | Ebrohimi | - | 10 | 10 |
| 21 | Kokodiagbene | - | 5 | 5 |
| 22 | Kolokolo | - | 5 | 5 |
| 23 | Oghoye | - | 5 | 5 |
| 24 | Okpe | - | 5 | 5 |
| 25 | Orere/Yanagho | - | 5 | 5 |
| 26 | Sagharatie | - | 5 | 5 |
| 27 | Tisun | - | 5 | 5 |
| 28 | Ubeji | - | 5 | 5 |
| 29 | Udo | - | 5 | 5 |
| 30 | Ugbege | - | 5 | 5 |
| 31 | Ureju | - | 5 | 5 |
| 32 | Utonlila | - | 5 | 5 |

Total count for all Communities in 1996 - 1067



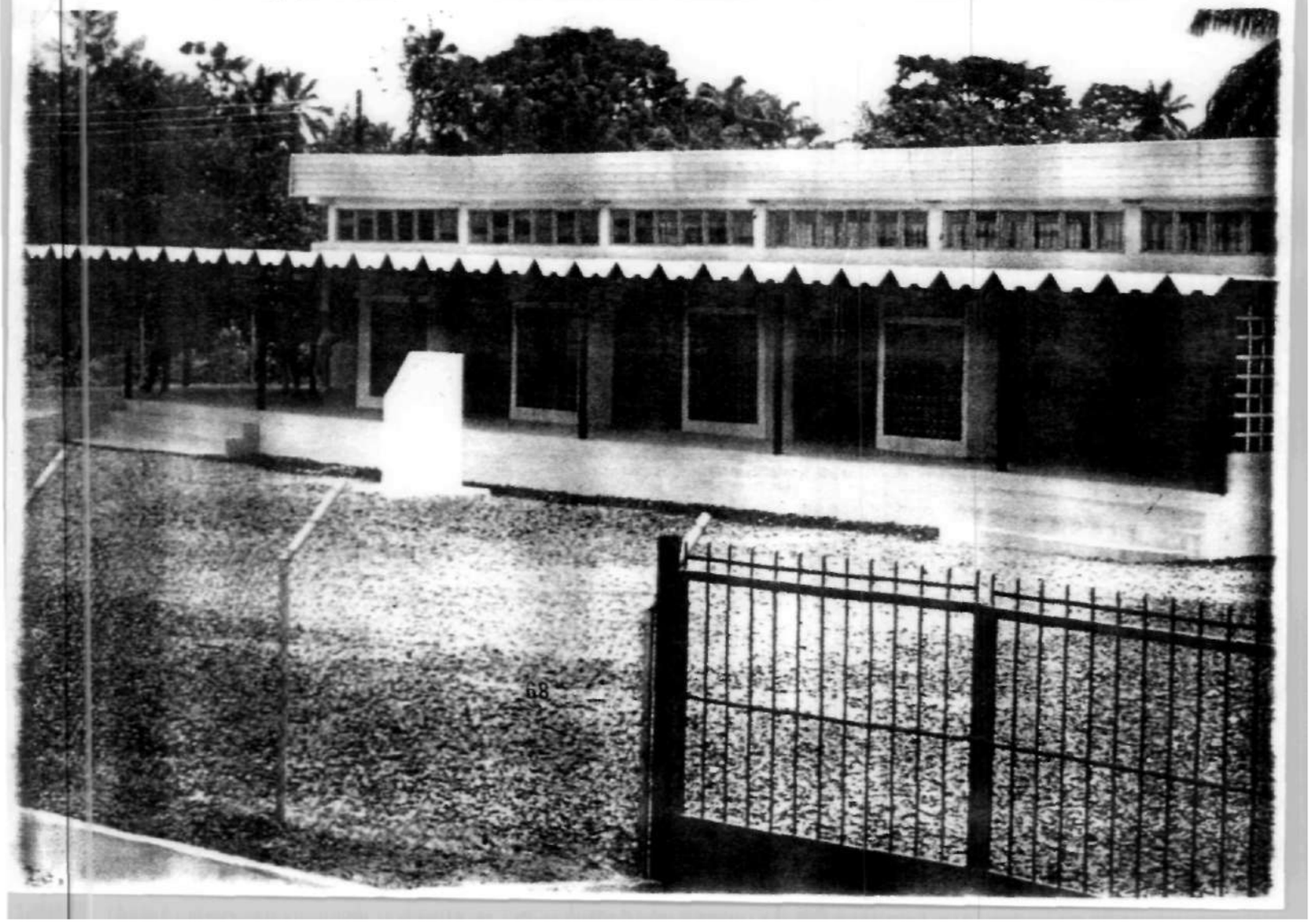
*Presentation of scholarship bursaries to beneficiaries of the NNPC/Chevron awards*

# *Infrastructure Support*

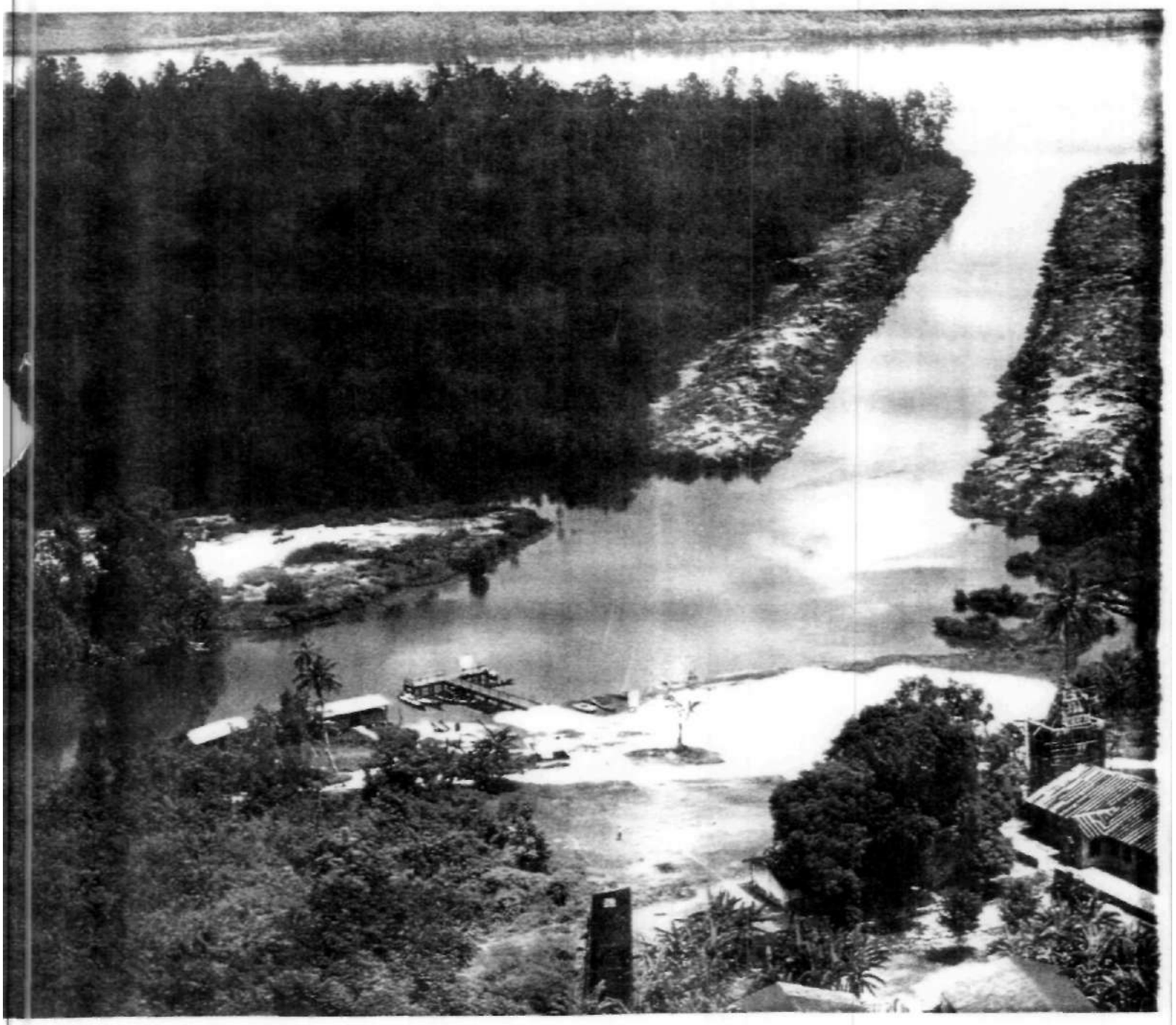


*Potable water facility at Badore Secondary school - one of the several provided by Chevron for the Communities of Lekki Peninsula, Lagos*

*A modern post office built and equipped for the Izombe community of Imo State*



# *Infrastructure Support*



*The Idama community canal dredged by Chevron to enhance transportation and commerce in the community*

*(Top right)*
*Jetty for Omadino community*

*(Right)*
*Jetty for Ode-Itsekiri*



*(Bottom right)*
*Commissioning of the potable water facility for the Bateren Community*

*Potable water facility provided by Chevron for the Ugboegungun community*

*The Nana-Ajamogha Road: this important road, still under construction, links two very busy parts of this bustling and fast growing city*

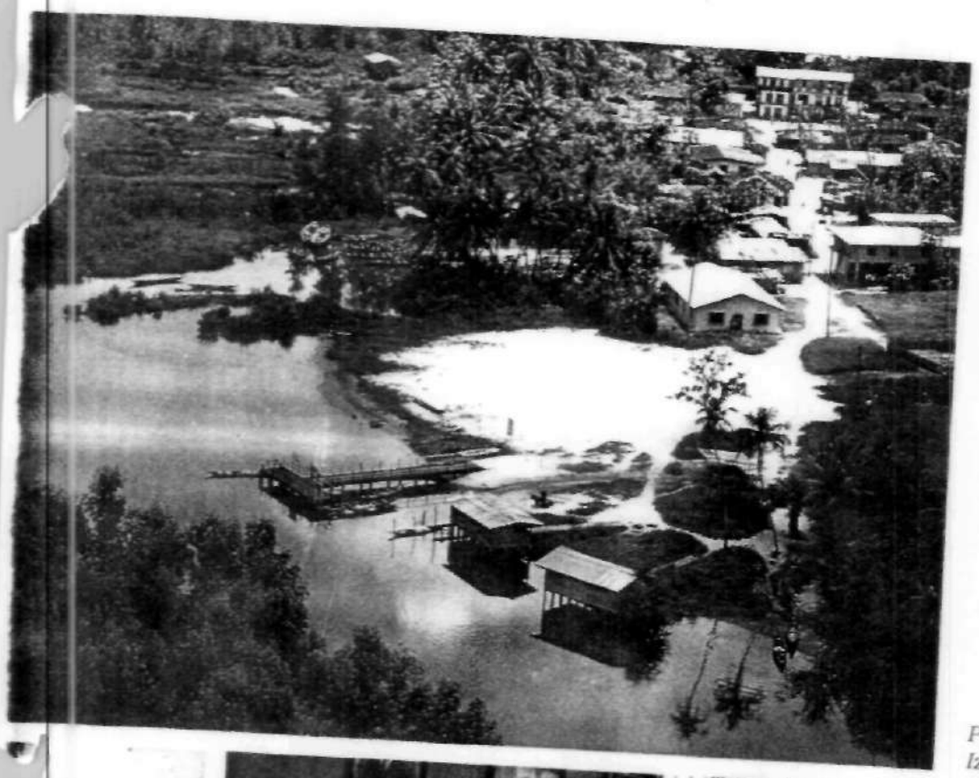




*Aerial photograph of the present (Ugborodo) village, showing the extent of wave erosion and underlining the need for a new settlement*

*The proposed new location for the community already cleared and sand-filled for construction work. At the other side of the Escravos River is Chevron's Escravos Tank Farm and Terminal*



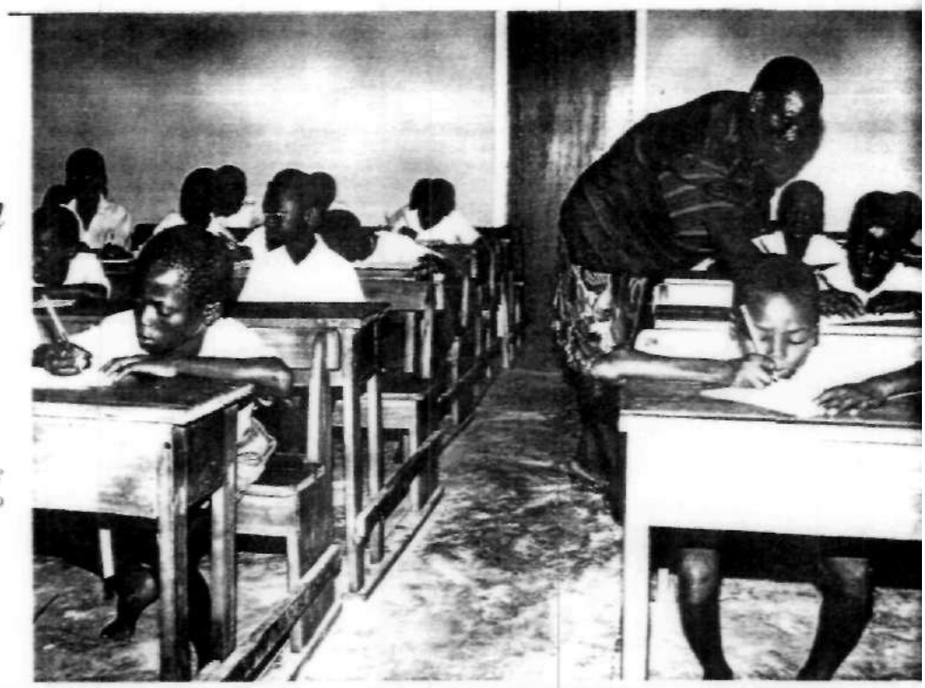


*The Idama jetty, built by Chevron to facilitate transportation in this riverine community of Rivers State*



*Postal transactions at the Izombe Post Office*

# *Education*



*Class in session at the Ojomba Primary School, Koko*



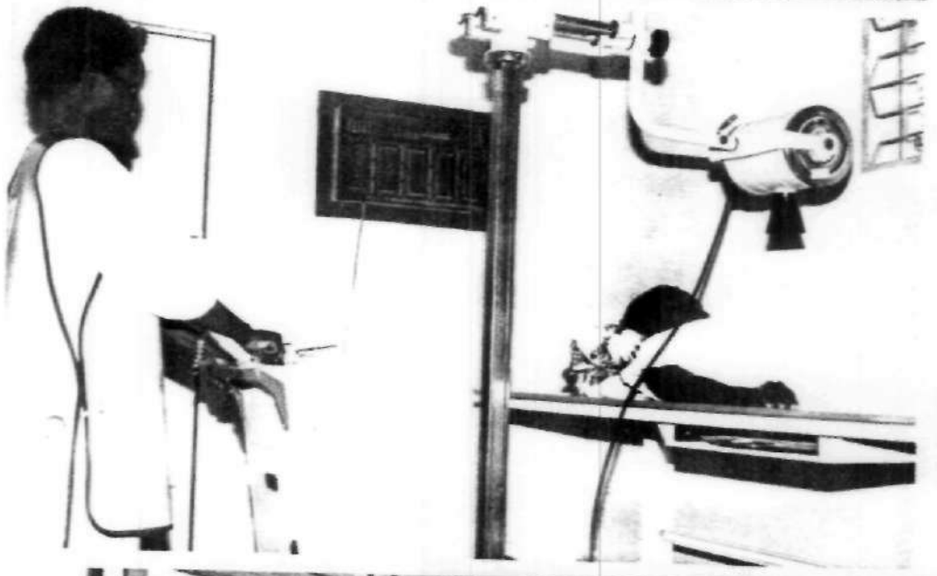
*The library provided by Chevron for Nana College, Warri*



# Health Care




*Ambulance for the Braithwaite Memorial Hospital. Port Harcourt*



*X-ray machine provided by Chevron at the Braithwaite Memorial Hospital. Port Harcourt*

*In the Warri Male Surgical Ward*



*The Ugborodo Community Cottage Hospital - Nurse taking the blood pressure of an elderly member of the community*



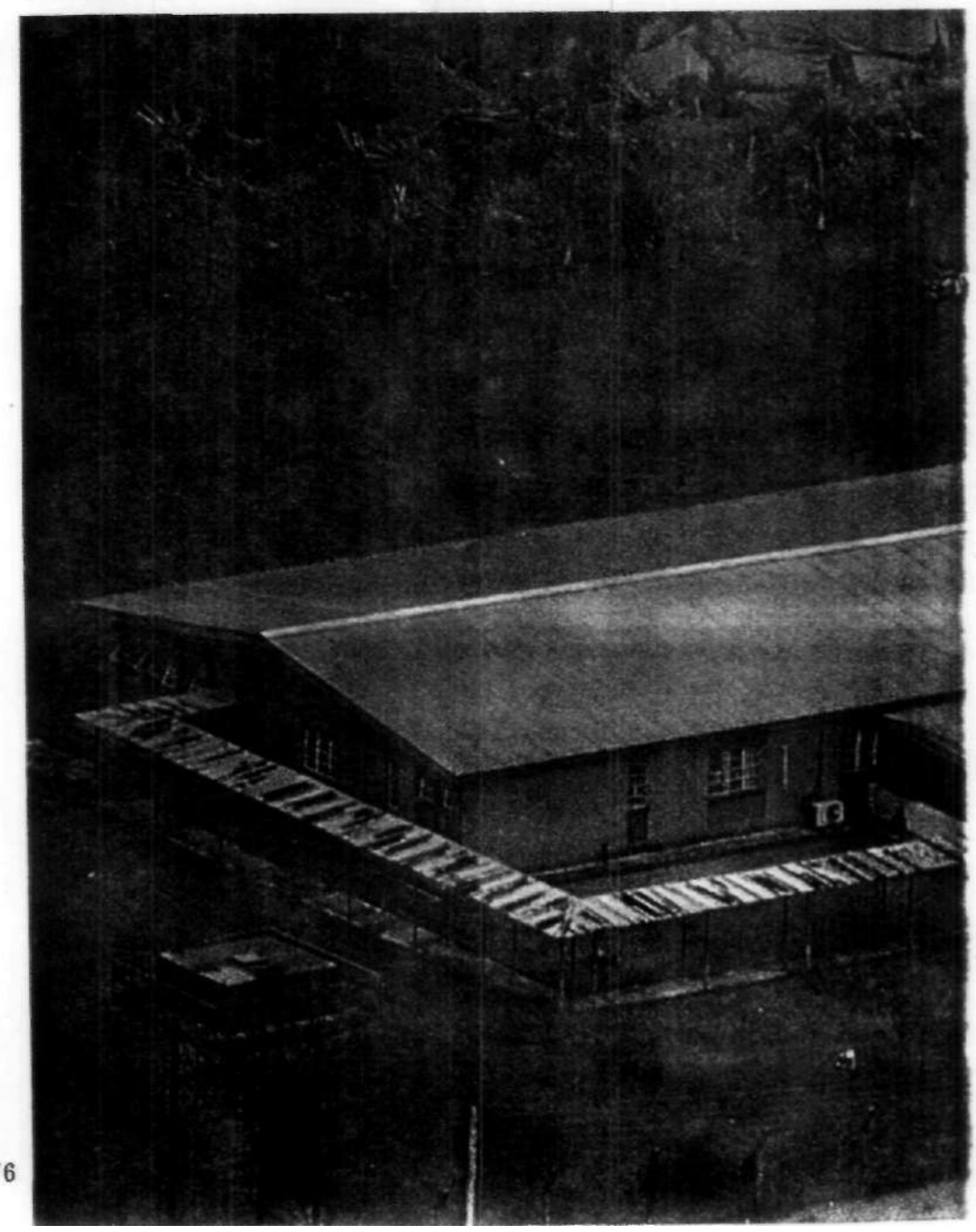
*Community Health Education at the Ugborodo Community Cottage Hospital*



# Health Care




*Warri Male Surgical Ward - Medical staff in front of the building*



*Aerial view of the Ugborodo Community Cottage Hospital*

# CHAPTER FIVE

## 5.0 SUMMARY

Today's widespread markets make advertisement an important part of business. Since, the World War II, advertising and related expenditure has risen faster than Gross National Product and most other economic indicators. It was due to this fact that, president Franklin D. Roosevelt said "If I were to start my life over again, I am inclined to think I would go into the advertising business in preference to almost any other".

Advertising with it's wide scope occurs in all aspects or phase of life, but the mode, the nature and the intentions of advertising differs to certain extent. The oil industry advertise some of the products that are quite visible, whereas some sophisticated products of such products cannot be advertised but the end products e.g. candles can be advertised either on television, radio or dailies.

Again, apart from advertising products, the oil industry (mainly the Explorationist) takes pain and time to advertise the welfare and social services such as electrification, constructions of good roads and jetties, installations of pumps, building of classrooms blocks, laboratories, health care services, providing of scholarship to the students) to the host communities and so on.

It has also be found that these oil companies pay huge sum of money to render these advertisement, just for the public to be aware that they are not just neglecting their host communities that they are operating from, but rather they assist, thus, although, naturally, after spending much money you expect a huge turn around of what you have invested on advertisement either in large volume of sales or finances, but in the case of the oil companies, it is partially true, since



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most of their benefits they actually wanted is to have a good and cordial relationship with their host communities, since, it is said, that a happy environment is an healthy environment, thus, by providing for the needs of the host communities, there will be peace and the oil companies will operate at a high rate which will lead to the maximization of profit.

## 5.1 CONCLUSION

The objective of making advertising more truthful is hardly one to which any individual should be opposed. In the pursuit of this objective, however, an occasional runner may find his stride broken momentarily if he chances to ask himself, what is the measure of truth? This question has bothered many of our philosophers, both ancient and modern and some at least have concluded that man has no basis of judging what truth is. If, indeed we have a general problem of defining truth, the limited problem of how to introduce truth in advertising will be a difficult one. Perhaps, the average man can found some satisfaction in Francis Bacon's words "A mixture of a lie doth ever add pleasure. Doth man doubt, that, if there were taken out of men's minds vain opinions, flattering hopes, false valuations, imaginations as one would, and the like, but it would leave the minds of a number of men, poor shrunken things, full of melancholy and indisposition, and unpleasant to themselves."

With all this view points, in a nutshell, the best and worst things have been said about advertising as a whole and in relations to the oil industry, which can be summarized as follows:

Advertising in the oil industry is meant for both the products and the host communities. It is not all products that can be advertised in the oil industry, but such final and end products can be advertised. Advertising has helped to create

a higher cultural standard, standard of living, and greater choice of information and entertainment fare through new media than there could possibly exist so inexpensively for so many people without its support. Doing business without advertising is like winking at a girl in the dark. You know what your doing but no one else does. Advertising should aim at establishing a long run market and not at creation of a temporary demand. Advertising is an effective promotional tool whether the product is emotionally or rationally bought. Advertising should aim at immediate results in the case of emotionally bought products and more deliberate buying in the case of rationally bought products.

Advertising contributes to sales when consumer interest depends largely on qualities that can not be judged by him at the time of sale. Advertising is effective when used to point up significant variations in products within the same general class. Advertising should be directed to the wholesalers, retailers and consumers simultaneously so that a proper balance between "push" and "pull" is achieved. To aid in the orientation of an advertising program, one should look at what competitors are doing but not with the idea of paralleling their effort. Where the qualities of a product are likely to arouse either the skepticism or the prejudices of a consumer, demonstration and/or sampling is necessary. Advertising media must be judged by their effectiveness in reaching the consumers in relation to the cost of so doing. The amount spent on advertising of a product depends on the gross margin and frequency of purchase, but the exact size of the appropriation will vary with the newness and nature of the product.

## 5.2 RECOMMENDATIONS

The primary function of advertising is to influence buyer's behaviour, we can measure the consequences of advertising in such terms as buyer's awareness, attitudes, and purchases. Deciding on how much to spend on advertising requires an understanding of both the attributes of the company's product and the attributes of advertising as a means of communication.

The solutions to the various problems of advertising as a whole and in particular to the oil industry can be classified into three arms.

(i) Those that can be effected by the host communities.

(ii) Those that can be effected by the Federal Government.

(iii) Those that can be effected by the oil industry.

It is therefore recommended that:

(1) The oil industry should be able to provide the necessary facilities of advertising such as radio, TV so as to enable the rural people know what they are doing for them. And one may ask how can this be done by providing good roads network, and electricity so as to enable the rural people easy access to the cities to get most of this advertising media for themselves or to visit the cities from time to time so that they will be well informed. This is because most advertisement is directed to the elite.

(2) The oil industry should not just select certain class of people who seem to represents the communities, some of the dignitaries from the oil companies should periodically visit the communities, get interpreters to know what the people want and bring document programmes of how they have been assisting the communities and the next agenda that they want to embark on for the communities rather than selecting a class of people and give them money to

execute the jobs for the communities, it has been found out that these class of selected people, do not do any meaningful jobs to the communities they rather use the money for selfish purposes.

(3) The host communities should also educate themselves by attending adult education so as to enable them read some of the advertisement on dailies or the advertisement on televisions and radio. This will make them to appreciate more what the oil industry has been doing for their communities rather than bringing in a third party to misinterpret for them.

(4) The Federal Government of Nigeria should be able to come into this crucial matter, rather than setting confusion to create communal clashes all the time. They should also ask the oil industry to really give maximum attention to their host communities. Although, the aim of business is to maximise profit, but if one is working in an unhealthy environment the aim will surely be useless. Apart from that, the federal government should set up a committee to look into this matter periodically. They should also use agencies to see that proper advertisement is done that will reach the rural areas about what the oil industry is doing for them.

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