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CUSTOMERS' ATTITUDE TOWARDS PETROL PUMPS IN KANYAKUMARI DISTRICT: A CASE STUDY

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ABSTRACT
Retail of Petrol is one of the largest segmentsof retail trade in India. The Oil Marketing Companies (OMCs) are present in every nook and corner of the country through its retailers of Indian Oil Corporation, Bharat Petroleum Corporation and Hindustan Petroleum Corporation. Government permitted private and foreign companies to undertake retail marketing of petrol, diesel and Automatic Transmission Fluid (ATF) in the country. So, there is severe competition to sell the petroleum products. In order to satisfy the customers and to increase the revenue of the oil companies, Indiarecognizes the potential in converting the petrol pumps into a retail chain. They feel that the non-fuel revenue from retailing activity is a blessing. This paper focuses on the level of expectation and perception of respondents towards petrol retail outlets in Kanyakumari District.It also offers suitable suggestions for the improvement of the retail outlets.

KEYWORDS :*Retail outlets, Non-fuel revenue, Customer satisfaction.*

INTRODUCTION :
India is one of the fastest growing economies in the world. More than two third of its demand of petrol is met through import. The country was the world's fourth-largest consumer and importer of crude oil in 2013, according to the US Energy Information Administration (EIA). According to this agency India's petroleum product demand reached almost 3.7 million barrels per day, while the country only produced at about 1 million barrels per day.1Oil accounts for 31 per cent of the India's total import bill. According to statistical review of world energy 2011, India consumes 3.9 per cent of the total world oil. India has almost 40,000 petrol stations out of which approximately 20,000 outlets are owned by IOCL, this number is more than the number of petrol outlets in Canada or UK.
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Eighty three percent of the petrol retail market is controlled by public sector oil marketing companies that is Indian Oil Corporation (IOCL), Bharat Petroleum Corporation (BPCL) and Hindustan Petroleum Corporation Ltd.(HPCL)2.Oil has lost a thirdof its value since June 2015 because of high U.S. production, record crude pumping in the Middle East and concern about falling demand in Asian economies.3It is a good sign for improving the economy of our nation but, still the oil retail companies are suffering with severe losses. So they found out smart and effective way to retain their present as well as futuristic customers. Oil companies in India have started to convert the petrol pumps into a retail chain. They feel that the non-fuel revenue from retailing activity will be added as an advantage.Globally international oil majors are waking up to the potential of pushing non-oil revenue through convenience stores at petrol pumps.This trend started to emulate the oil companies in India.In fact, all the oil companies are put up with large multi-function pumps on the high ways, called jubilee retail outlets. These stations are combinations of a hotel, restaurant, fuel station, C-Store and even amusement facilities. All the oil companies have planned for running Automated Teller Machines (ATMs) and internet kiosks, at the petrol pumps, offering motorists the facility for drawing cash out of their bank accounts and for checking their mail and browsing the net. The stores remain open round the clock. They stock a variety of goods, from soft drinks to fast foods and include a variety of impulse purchase products. The product on sale exceeds 15,000 items.4 At present the marketing of petroleum products in India is being done by four major public sector oil companies, namely Indian Oil Corporation Limited, IOC, Hindustan Petroleum Corporation Limited, HPCL, Bharat Petroleum Corporation Limited, BPCL and IBP Corporation Limited5.The vast expanse of the country and a population of 940 million are served through an elaborate network of retail distribution by these companies with the help of 16573 retail outlets, 6280 kerosene agencies, and 5165 LPG distributorships spread in every nook and corner of the country6. In addition to these the private sector companies like Reliance Industries Ltd, Shell India, Essar oil and ONGC have also opened petrol retail outlets in India. An ambitious programme for modernisation of retail outlets to bring them at par with international standards has been taken up by the oil industry.

STATEMENT OF THE PROBLEM

On March 8, 2002 the government permitted private and foreign companies to undertake retail marketing of petrol, diesel and Automatic Transmission Fluid (ATF) in the country. The only stipulation is that companies intending to undertake retail marketing would have to invest at least Rs. 20 billion in oil exploration or production, refining, pipelines or terminals.7 The new entrants were allowed to establish their own distribution networks for marketing, but without encroaching of the public sector retail networks. So there is intense competition in this sector. The existing players have suddenly started to give importance to customers' needs and wants. Customer relationship has thus emerged as a virtue to them. On the other hand the private petrol retail outlets have to sell their petroleum products at discounted prices. The government provides subsidies to public sector oil companies and not for private sector. So, even the biggest companies cannot sell their products at discounted rates because it is not possible to sell at losses in long term. All the petrol pumps established by reliance with huge investment of Rs.5000 crores were closed in March 2008.8At this juncture number of questions arises in the mind of researchers like what do the customers expect from petrol retail outlets? Are the customers satisfied with the services provided at retail outlets? etc. To find right answers to these questions the research is undertaken.

OBJECTIVES

The general objective of the study is to understand the attitude of customers towards petrol retail outlets in Kanyakumari district.

The specific objectives are

- To discover the conveniencewhich are expected by the respondents from the petrol retail outlets.
- To find out the customers' perception from the retail outlets of the locality andto offer suggestions for improvement.

METHODOLOGY

This study comprises of both primary and secondary data. The market survey was carried out in Kanyakumari District with the help of a pre-tested interview schedule. 125 sample respondents were interviewed who are the customers of retail outlets in Kanyakumari district using convenience sampling method. The collected data was analysed with the help of Likert's five point scaling technique and chi square.The secondary data were collected from books, magazines, journals, unpublished thesis and websites.

DATA AND DISCUSSION

EXPECTATIONS OF PEOPLE WHO DRIVE MOTOR CARS (SEGMENT I)

This segment is made up of people who drive motor cars. This segment was studied for their expectation of product and services at petrol retail outlets in terms of the identified five factors. The data was analysed, and the five factors have been ranked in ascending order of customers' expectations. Table 1summarises the result.

Table 1

EXPECTATIONS OF PEOPLE WHO DRIVE MOTOR CARS

Customers expectations	HE	E	N	NN	HNN	Total Score	Mean Score	Rank
A. Reliability 1. Good quality	11	7	0	0	0	83	4.61	3
2. Correct quantity	13	5	0	0	0	85	4.72	2
B. Supporting facilities 1.Air Pressure Check	3	8	7	0	0	68	3.78	4
2.Minor maintenance	1	3	13	1	0	58	3.22	14
C. Ambience 1. Good approach by the Workers.	18	0	0	0	0	90	5	1
2. Maintain cleanliness	3	3	12	0	0	63	3.50	8.5
3. Spacious and look good	5	3	10	0	0	67	3.72	5
D. Value for time - Fast processing	3	3	12	0	0	63	3.50	8.5
E. Added Facilities 1.Availability of convenience goods.	2	8	6	2	0	64	3.56	7
2. ATM Machine	2	3	13	0	0	61	3.39	11
3. Fast food	4	6	6	1	1	65	3.61	6
4. Recreation	3	4	8	2	1	60	3.33	12
5. Internet surfing	1	3	14	0	0	59	3.28	13
6. Washing facilities	1	7	9	1	0	62	3.44	10

Source: Primary survey

(HE- Highly Essential, E- Essential, N- Neutral, NN- Not Necessary, HNN- Highly Not Necessary)

As far as motor car drivers are concerned their expectation is high for "Good Approach".

Generally the motor car owners expectcourtesy from the employees of retail outlets. Their second preference is for correct quantity. They have medium expectations with regard to cleanliness, fast processing and washing facilities. However, their expectations are low regarding ATM facilities, recreation and internet surfing as they have no time and mostly they have laptops and tabs with them.

EXPECTATIONS OF PEOPLE WHO DRIVE TWO WHEELERS (SEGMENT II)

This segment is made up of people who drive two-wheelers. Now a day almost every person has two wheeler and they visit petrol pump regularly. This segment was studied for their expectation of products and services identified and the five factors have been ranked in the order of customers' expectations. Table 2summarises the results.

Table 2
EXPECTATIONS OF PEOPLE WHO DRIVE TWO WHEELERS

Customers' expectations	***HE***	***E***	***N***	***NN***	***H NN***	***Total Score***	***Mean Score***	***Rank***
A. Reliability 1. Good quality	13	26	5	1	0	186	4.13	1
2. Correct quantity	11	26	7	1	0	182	4.04	2
B. Supporting facilities 1. Air Pressure Check	11	13	17	4	0	166	3.69	5
2. Minor maintenance	8	7	18	10	2	144	3.20	9
C. Ambience 1. Good approach by the Workers.	13	20	10	2	0	179	3.98	3
2.Maintain cleanliness	8	19	10	5	3	159	3.53	7
3. Spacious and look good	11	15	13	4	2	164	3.64	6
D. Value for time - Fast processing	10	22	8	3	2	170	3.78	4
E. Added Facilities 1. Availability convenience goods.	9	5	22	8	1	148	3.29	8
2. ATM Machine	12	3	13	11	6	139	3.09	10
3. Fast food	6	7	11	17	4	129	2.87	12
4.Recreation facilities	2	8	14	14	7	119	2.64	13
5. Internet surfing	7	9	10	13	6	133	2.96	11
6. Washing facilities	2	13	2	20	8	116	2.58	14

Source: Primary survey

It was observed that the people who drive two wheelers prefer those retail outlets to supply good quality of petrol. Their expectation is high for good quality as the inferior quality will affect the engine of the vehicles. Their second preference is for correct quantity. They have medium level of expectations for spacious and well-dressed workers in the outlets, clean environment and availability of convenience goods in the outlet. They have low level of expectations for minor maintenance, ATM machines, internet surfing, fast food facilities recreation facilities and washing facilities as it is available everywhere.

EXPECTATION OF PEOPLE WHO DRIVE COMMERCIAL VEHICLES (SEGMENT III)

This segment is made up of bus drivers, truck drivers, taxi drivers and other highly commercial vehicle drivers. The segment is studied separately for their expectation of product and services at petrol retail outlets in terms of the same five factors identified.Table 3summarises the result.

Table3
EXPECTATIONS OF PEOPLE WHO DRIVE COMMERCIAL VEHICLES

Customers' expectations	HE	E	N	NN	H NN	Total Score	Mean Score	Rank
A. Reliability 1. Good quality	18	38	6	0	0	260	4.19	2
2. Correct quantity	17	38	6	1	0	257	4.15	3
B. Supporting facilities 1.Air Pressure Check	12	12	34	4	0	218	3.52	7
2. Minor maintenance	3	4	45	9	1	185	2.98	14
C. Ambience 1.Good approach by the Workers.	40	21	1	0	0	287	4.63	1
2. Maintain cleanliness	2	24	31	5	0	209	3.37	12
3. Spacious and look good	9	20	25	8	0	216	3.48	8
D. Value for time - Fast processing	10	26	22	4	0	228	3.68	5
E. Added Facilities 1. Availability convenience goods.	10	22	17	13	0	215	3.47	9
2. ATM Machine	10	22	18	9	3	213	3.44	10
3. Fast food	8	30	18	5	1	225	3.63	6
4. Recreation	12	20	15	11	4	211	3.40	11
5.Internet surfing	17	24	18	3	0	241	3.89	4
6. Washing facilities	7	21	13	18	3	197	3.18	13

Source:Primary survey

As concerned with commercial vehicle drives, their expectations is high on good approach by the workers as they are travelling for long distances. Secondly they expect the retail outlets which supply good quality. The respondents have medium expectations with regard to fast food facility, air pressure check facility, spacious and good look, availability of convenience goods, ATM machines, recreation facilitiesand cleanliness in outlets. Their expectation regarding washing facilities and minor maintenance are low compared to other facilities.

HYPOTHESIS

Ho: There is no significant relationship between age, sex education, occupation, income, type of vehicle owned, frequency of visit, and travel per day, monthly purchase andthe level of perception of respondents towards petrol retail outlets in Kanyakumari district.

ANALYSIS AND INTERPRETATION

An attempt is made to find out whether demographic profile has significant influence over the level of perception of respondents towards petrolretail outlets. Hypothesis was framed and tested using Chi-Square analysis.Theresults are given in table 4

Table 4
CONSOLIDATION OF CHI-SQUARE ANALYSIS

Factors	Calculated value	Table value	Level of significance	Degree of freedom	Remarks
Age	4.41	5.99	5%	2	Not significant
Sex	5.98	5.99	5%	2	Not Significant
Education	3.87	5.99	5%	2	Not significant
Occupation	26.96	9.49	5%	4	Significant
Income	2.44	5.99	5%	2	Not significant
Type of vehicle owned	24.89	5.99	5%	2	Significant
Frequency of visit	3.32	5.99	5%	2	Not significant
Travel per day	5.47	5.99	5%	2	Not significant
Monthly purchase	3.397	5.99	5%	2	Not significant

Source:Computed Data

As per the analysis it is clear that the factors occupation and type of vehicle owned have influence over perception of customers and the other factors like age, sex, education, income, frequency of visit, travel per day and monthly purchase have no influence over the level of perception of the respondents towards the petrol retail outlets in Kanyakumari district. As far as occupation is concerned the drivers have medium level of satisfaction compared to others. The people who own motor cars and taxies have moderate level of satisfaction. Hence it is proved that there exist gap between the expectation and perception of customers in the services obtained from retail outlet.

FINDINGS

The major findings of the research are

- Motor car drivers expect good approach by the workers of petrol retail outlets and their expectation is very low for minor maintenance
- The respondents who drive two wheelers expect good quality and their expectation is very low for vehicle washing facilities in petrol retail outlets.
- The commercial vehicle drivers expect good approach from the workers and their expectation is low for minor maintenance
- There exist gap between the expectation and perception of customers in the services obtained from retail outlets.

RECOMMENDATIONS

The following are the suggestions given by the researcher

- Government can inspect the quality and quantity often to avoid the mal practices in petrol retail outlets. Ethanol test should be encouraged at any time in petrol outlets. Lubricating oil should not be contaminated.

- The sales persons must be provided with rewards and bonus in order to encourage them.
- More number of staff can be appointed to improve fast processing which is one of the expectations of the customers.
- Air pressure checking facility and air filling should be available in petrol pumps in order to satisfy the customers
- The premises should be clean, spacious and attractive. Good and clean toilet is a must in the retail outlet.
- Customer Relationship Management should be followed in petrol pumps so as to retain the existing customers and toattract potential customers.

CONCLUSION

Customers have five level of expectation from petrol retail outlets. Customer satisfaction should be the ultimate goal of the petrol retail outlet. So, all their expectations must be met in the petrol retail outlets. Further they expect to provide added facilities like availability of convenience goods, ATM machines, fast food facilities, recreation, internet surfing and washing facilities which are vague at petrol pump stations in Kanyakumari district. Kanyakumari district is a tourist centre which attracts tourist from different parts of the world. So in order to meet the expectation of customers from all over the world the service providers must provide all the facilities. Otherwise the investment would go waste.

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