

A Study on customers' perception on modernization of petrol bunks in Coimbatore City

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Abstract

The objective of the study is to get an idea about people's perception on the choice of petrol pumps in Karachi. To accomplish the purpose, it was hypothesized that (1) Location has a significant impact on the choice of Petrol Service Stations (2) Quality has a significant impact on the choice of Petrol Service Stations (3) Rewards has a significant impact on the choice of Petrol Service Stations. A sample of 200 respondents was randomly selected who filled a self reporting questionnaire. One sample t-test was applied on gathered data to assess the observations. It was revealed that neither quality nor location and reward have an influence on the consumer choice over selection of petrol pump.

Keywords: *Petrol Pumps, Petrol Service Stations, petrol bunks, Transportation*

INTRODUCTION

Energy has been considered as a gift of nature and this energy only makes the world go round. Oil producing countries of the world sell energy to various countries and it has become a major item of international trade, where the money flows

towards the exporting countries. Oil has brought wealth to the producing countries and life to the buying countries. It is used as raw material for many other products. In a vast country, where there is a huge need for transportation to transport

commodities from one place to another, there the need for oil arises. Oil, whether it is produced within the country or imported from other countries, it has to be distributed to various regions of the country through the network of retail distribution centres.

In our country at the bottom most level the retail distribution units have been managed by private individuals. They have been governed by the rules and regulations of the Government with regard to their purchases and sales. The owners of petrol stations get reasonable return for the business transacted by them. But most of them have opined that their profit margin is very less. To overcome this problem, many petrol companies have introduced modernized services such as convenience stores, ATM card facilities and so on in their Petro bunks.

Petrol companies have introduced these modernized services to provide a better customer service and to have an edge over other players in the market. Retail selling of the commodities has got its own advantages and disadvantages. Selling the source commodities in the normal business situation yields more income. But selling of petrol or diesel does not make much

profit. As a consequence additional services have been introduced by the petrol bunk owners to earn more profit.

In this context a study has been felt necessary to know about the availability of modernized services in petrol bunks and customers' perception and satisfaction towards the usage of such services.

Statement of the problem

Fuel has been considered as an essential product in our day to day life. In this present scenario there is no need for the petrol companies to provide any modernized service in their petrol bunks. But, to meet with the competition and to satisfy their customers they have focused on providing both fuel and non-fuel services.

As the technology has changed even the petrol companies are at the compulsion to improve their fuel services by introducing efficient dispensing machines, branded fuels, quick oil change centres, loyalty branded fuels, loyalty programmes and so on. And they have also introduced non-fuel modernized services such as convenience stores, ATM centres, fast food outlets, medical shops, ticket booking services, petro card facilities and so on in their Petrol bunks.

By building strategic tie ups with other players in the market such as fast food centres, commercial banks, couriers companies and sweet stalls, the petrol retailers have enhanced their modernized services as the result their non-fuel revenues have also increased.

Objectives of the study

The study has been conducted keeping in mind these objectives.

- To study the level of satisfaction of the respondents on the modern services provided by petrol bunks.
- To identify the problems faced by the respondents while availing the services of petrol bunks.

RESEARCH METHODOLOGY

The study has been based on the primary data collected from 115 respondents those who have availed the modernized services offered by the petrol bunks in Coimbatore District. The data has been collected with the help of a pre-tested questionnaire and statistical tools such as descriptive analysis, chi-square test and average score analysis have been applied to analyse the data.

- Modern services considered for the study
- Convenience stores
- ATM facility
- Petro card
- Fast food outlets
- Medical shops
- Sweet & Savouries
- Ticket booking services
- Banking services
- Letter Box/Courier services
- Telephone or net surfing facilities
- Lodging

Review of Literature

A few of the reviews relating to the study have been recorded here under:

Barada Prasad's (2005)¹, study "Recent trends in petrol bunks with special reference to HPCL petrol bunks" has revealed that as the consumer preference has shifted towards branded products and shopping under a single roof, HPCL has also changed its marketing strategies to satisfy its customers. HPCL is not only providing non-fuel services in urban areas but also in rural areas. The key to the success of HPCL retailers is that it provides customized value-added services like ATM, internet cafes, STD booths, takeaway food counters, retail stores and retail outlets, vehicle management

systems, availability of all quality checking requisites at its retail outlets and awareness programmes for consumers. The study has concluded that the introduction of modern services have improved their customer base and in turn has helped them to increase their profitability.

Udit Vyas and Dr.Preeta Vyas (2008)², their study on “A study on customers’ opinion on modern petrol bunks” has stated that it is likely that petroleum retailers in the future will be compelled to adopt a consumer-centric organisation model with a distinct value proposition. Key to success will be to adopt international models to suit the local environment rather than blindly following it. Retailers who can understand and satisfy their target consumers’ latent needs will have a sustainable competitive advantage. Thus in the recent days large number of petrol bunks have introduced modern services to attract more customers

ANALYSIS AND FINDINGS

Descriptive Analysis

- Descriptive analysis has been applied to find out the distribution of respondents falling under each category. The results of descriptive

analysis have been presented here under.

- 66% of the respondents have been under the age group of 21 to 40 years, were male (65%), graduates (46%). 62% of them have been married, being employed in private sector (33%) with a monthly income of Rs.10,000 to Rs.20,000 (38%), having a family size of 4 members and consisting of 2 children in their family (45%). 69% of the respondents dwell in urban area.
- 53% of the respondents own two wheeler and use their vehicles for both personal /social use and business/official use. Their normal usage of vehicle is between 100 to 300 Kms per month (40%).
- 85% of the respondents have been regular customers of a particular petrol bunk for a period of 1-3 years (40%). 84% of the respondents have opined that their petrol bunks have offered the modernized services and out of the 11 modern services considered for the study 60% of the respondents have frequently visited the petrol bunks for availing ATM facility.

- 47% of the respondents have been highly satisfied with the modern services rendered by petrol bunks and 58% of the respondents face adulteration of petrol as their major problem while availing the services of petrol bunk.

Chi-square test

Chi-square test has been applied between the personal factors of the respondents and the factors relating to the respondents' level of satisfaction towards the modern services rendered by petrol bunks and the problems faced by them while availing the services of petrol bunks.

Hypothesis

There is no significant relationship between the demographic variables of the respondents and their level of satisfaction on the modern services rendered by petrol bunks.

The demographic variables such as gender, educational qualification and occupational status have significantly influenced the level of satisfaction of the respondents on the modern services rendered by the petrol bunks and the personal factors such as age and marital status have no significant influence on the level of satisfaction of the respondents on the modern services rendered by the petrol bunks.

Table No. 1 Demographic variables Vs. Respondents' level of satisfaction

S.No.	Demographic variables	Chi-square Value	Table Value	Significant/ Not significant	Accepted/ Rejected
1	Age group	9.52	12.59	Not Significant	Accepted
2	Gender	9.03	5.99	Significant*	Rejected
3	Educational qualification	64.08	15.51	Significant*	Rejected
4	Occupational status	69.53	18.31	Significant*	Rejected
5	Marital status	4.32	5.99	Not Significant	Accepted

Hypothesis

There is no significant relationship between the demographic variables of the respondents and their level of satisfaction on the modern services rendered by petrol bunks.

The demographic variables such as gender, occupational status and marital status have no significant influence on the problems faced by the respondents while availing the services of petrol bunks and the personal factors such as age and educational qualification of the respondents have significant influence on the problems faced by them while availing the services of petrol bunks.

Average Score Analysis

Based on the consolidated opinion of the respondents through scaling technique, average score has been calculated to determine the level of satisfaction of different category of the respondents through Average Score Analysis. The results are presented below.

- Female respondents who have been married, coming under the age group of 41 to 60 years, working in private sector and having completed their graduation have very high satisfaction on the modern services rendered by petrol bunks.

Table No. 2
Demographic variables Vs. Problems faced

S.No.	Demographic variables	Chi-square Value	Table Value	Significant/ Not significant	Accepted/ Rejected
1	Age group	43.26	7.82	Significant*	Rejected
2	Gender	1.98	3.84	Not Significant	Accepted
3	Educational qualification	9.79	9.49	Significant*	Rejected
4	Occupational status	6.97	11.07	Not Significant	Accepted
5	Marital status	0.098	3.84	Not Significant	Accepted

- Recommendations
- All petrol stations can extend their services for all 24 hours in all the areas.
- Automatic petrol filler services can be offered in all petrol stations.
- Petrol bunks can provide some gift articles and bonus schemes for regular customers.
- Suggestion box can be maintained in all petrol bunks for further improvement.

CONCLUSION

As the customers are increasing their needs and expectations are also changing. There is an urgent need to revolutionize the rules of the game. Emerging competitive forces have pushed the retailers to review their ways of doing business. There is a strong fight for the market share on one hand and squeezing of margins and profitability on the other. Hence, in order to improve their profitability petro retailers need to enhance their revenues by exploring alternate revenue lines, if the petrol companies are able to provide these modern services in a

better way, the success will not be a difficult task for them.

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