



ISSN Print: 2394-7500
ISSN Online: 2394-5869
Impact Factor: 5.2
IJAR 2016; 2(2): 670-673
www.allresearchjournal.com
Received: 04-12-2015
Accepted: 06-01-2016

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A study on consumer behaviour towards retail petrol outlet services in Coimbatore city

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Abstract

The development of convenience store in Petrol Station has seen a dramatic change where all players have now moved towards a standardized image to reflect their seriousness in expanding their retail business apart from distribution of petroleum products. Various services ranging from food store to medicine store, ATM to portal counters are provided to the customers to improve customer experience, customer loyalty and customer satisfaction. The present study is undertaken to identify the consuming behaviour of the consumers in petrol retail outlets, to identify the level of importance given by the consumers to various services in petrol retail outlets, to analyze the services used by the consumers in petrol retail outlets. Convenience sampling method was used to select the sample size of 200 in Coimbatore city. The results show that most of the respondents are using two wheeler, most of the respondents are filling petrol in their vehicles, frequency of filling fuel is once in a week for less than Rs.1,000. The respondents give importance for air pressure checking and are using this service regularly in petrol outlets.

Keywords: consumer behaviour, retail petrol outlet, gas market

Introduction

The Indian Oil and gas market is characterized by the presence of large, diversified companies. They have highly vertically integrated operations throughout oil exploration, production, refinery, transportation and marketing. Leading Oil companies namely Oil and Natural Gas Corporation (ONGC), Indian Oil Corporation Limited (IOCL), Bharat Petroleum Corporation Limited (BPCL), Hindustan Petroleum Corporation Limited (HPCL), Reliance Petroleum, Essar and Shell are typically large, highly vertical integrated companies. They have large scale of their production and distribution networks to reduce costs and enhance profitability. Petrol stations of late have started to provide allied services for facilitating their consumers.

Statement of the Problem

The present age of petroleum sector is dominated by the public sector companies which include Indian Oil Corporation Limited (IOCL), Bharat Petroleum Corporation Limited (BPCL) and Hindustan petroleum Corporation Limited (HPCL). The public sector comprising of three companies is offering varied services to differentiate themselves and gain better competitive position in the market and improve customer loyalty. Various services ranging from food store to medicine store, ATM to portal counters are provided to the customers to improve customer experience, customer loyalty and customer satisfaction. The researcher felt a need to identify the services important by considered the consumer. The researcher in this content wanted to analyze the consumers' behaviour and loyalty towards petrol retail outlets and the importance given to various services used by the consumers in petrol retail outlets.

Objectives of the Study

- To identify the consuming behaviour of the consumers in petrol retail outlets.
- To identify the level of importance given by the consumers to various services in petrol retail outlets
- To analyze the services used by the consumers in petrol retail outlets.

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Research Methodology

The study was conducted during the period August 2015 – November 2015. The sample size selected for the study is 200. Convenience sampling method was used to select the sample. Primary data is the main source used for the study. It has been collected using structured questionnaires from both two wheeler and four wheeler users. Secondary data is collected from journals and websites. Tools used for analysis are:

- Simple Percentage analysis
- Chi square test
- ANOVA

Limitations of the Study

- The study was limited to Coimbatore city.
- The sample was confined to 200 respondents.

Analysis and Interpretation

Table 1: Demographic Profile of the Respondents

Personal Factors	Classification	No. of Respondents	Percent
Age	Less than 30	65	32.5
	31-40	60	30
	41-50	49	24.5
	Above 50	26	13
Gender	Male	121	60.5
	Female	79	39.5
Educational Qualification	No formal education	8	4
	School level education	24	12
	Undergraduate	96	48
	Postgraduate	51	25.5
Occupation	Student	30	15
	Business	62	31
	Professional	28	14
	Employed	60	30
	House wife	18	9
	Others (Retired persons)	2	1
Monthly Family Income	Below Rs.20,000	50	25
	Rs.20,001- Rs.30,000	61	30.5
	Rs.30,001- Rs.40,000	35	17.5
	Rs.40,001- Rs.50,000	23	11.5
	Above Rs. 50,000	31	15.5

The above table shows that 32.5% of the respondents are less than 30 years of age, 60.5% of the respondents are Male, 48% of the respondents have done under graduation, 31% of the respondents are doing business, 30.5% of the respondents' monthly family income is between Rs.20,001- Rs.30, 000.

Table 2: Type of Vehicle Used

Type of vehicle	Number of respondents	Percentage
Two wheeler	107	53.5
Four wheeler	39	19.5
Both two wheeler and four wheeler	54	27
Total	200	100

Source: Primary data

The above table shows that 53.5% of the respondents use two wheeler.

Table 3: Type of Fuel Used

Type of fuel	Number of respondents	Percentage
Petrol	117	58.5
Diesel	24	12
CNG (Compressed Natural Gas)	12	6
Both Petrol and Diesel	47	23.5
Total	200	100

Source: Primary data

The above table shows that 58.5% of the respondents fill petrol in their vehicles.

Table 4: Frequency of Filling Fuel in Petrol Retail Outlets

Frequency of filling fuel	Number of respondents	Percentage
Everyday	40	20
Once in a week	70	35
Twice in a week	44	22
Whenever required	46	23
Total	200	100

Source: Primary data

The above table shows that 35% of the respondents fill fuel in their vehicle once in a week.

Table 5: Amount Spent On Fuel per Month

Amount	Number of respondents	Percentage
Less than Rs.1,000	86	43
Rs. 1,001-Rs.2,000	48	24
Rs. 2,001-Rs. 3,000	34	17
Rs. 3,000& above	32	16
Total	200	100

Source: Primary data

The above table shows that 43% of the respondents spend less than Rs.1, 000 on fuel per month.

Table 6: Degree of Importance to the Services Provided In Petrol Retail Outlets

Services	No of Respondents	Highly Important	Important	Neutral	Less Important	Highly Not Important	Total
Air pressure check	No.	123	69	8	0	0	200
	%	61.5	34.5	4	0	0	100
Vehicle cleaning	No.	56	89	47	5	3	200
	%	28	44.5	23.5	2.5	1.5	100
Drinking water	No.	68	51	54	21	6	200
	%	34	25.5	27	20.5	3	100
Rest rooms facility	No.	63	46	46	33	12	200
	%	31.5	23	23	16.5	6	100
Space/Area	No.	90	77	20	8	5	200
	%	45	38.5	10	4	2.5	100
Number of pumps	No.	79	78	30	10	3	200
	%	39.5	39	15	5	1.5	100
ATM	No.	78	69	40	12	1	200
	%	39	34.5	20	6	.5	100
Convenience stores	No.	34	43	91	25	7	200
	%	17	21.5	45.5	12.5	3.5	100
Pharmacy	No.	41	52	81	19	7	200
	%	20.5	26	40.5	9.5	3.5	100
Re-charge shops	No.	44	51	55	39	11	200
	%	22	25.5	27.5	19.5	5.5	100
Petro card facility	No.	53	79	40	24	4	200
	%	26.5	39.5	20	12	2	100

Source: Primary data

The above table shows that 61.5% of the respondents give high importance to air pressure checking.

outlets does not vary significantly based on the type of vehicles used by them.

Table 7: Services Used In Petrol Retail Outlets

Services	No.	Always	Sometimes	Never	Total
ATM	No.	112	81	7	200
	%	56	40.5	3.5	100
Drinking water	No.	49	85	66	200
	%	24.5	42.5	33	100
Rest rooms facility	No.	47	57	96	200
	%	23.5	28.5	48	100
Pharmacy	No.	39	108	53	200
	%	19.5	54	26.5	100
Convenience stores	No.	28	112	60	200
	%	14	56	30	100
Lubricants	No.	74	94	32	200
	%	37	47	16	100
Air pressure check	No.	126	61	13	200
	%	63	30.5	6.5	100
Vehicle cleaning	No.	81	94	25	200
	%	40.5	47	12.5	100
Petro card facility	No.	67	87	46	200
	%	33.5	43.5	23	100

Source: Primary data

The above table shows that 63% of the respondents always use air pressure check service in petrol retail outlets.

Chi-Square Analysis

Null Hypothesis (H₀): Consumers perception towards importance of various services offered at the petrol retail

Table 8: Importance Given To Services at Petrol Retail Outlets and Type of Vehicles Used By the Consumers

Facilities/Services	Chi-Square value	DF	Table Value	Remark
Air pressure check	3.469	4	9.488	Accepted
Vehicle cleaning	11.927	8	15.507	Accepted
Drinking water	15.103	8	15.507	Accepted
Rest rooms facility	7.136	8	15.507	Accepted
Space / Area	15.462	8	15.507	Accepted
Number of pumps	4.461	8	15.507	Accepted
ATM	6.405	8	15.507	Accepted
Convenience stores	6.373	8	15.507	Accepted
Pharmacy	4.021	8	15.507	Accepted
Re-charge shops	10.167	8	15.507	Accepted
Petro card facility	10.237	8	15.507	Accepted

Source: Computed value

Level of Significance: 5 per cent

The calculated value is less than the table value in case of all services, therefore, consumers' perception towards importance of various services offered at the petrol retail outlets does not vary significantly based on type of vehicle used by them.

Anova Test

Null Hypothesis (H₀): There exist no association between frequency of visit to the petrol retail outlets and service utilization by the consumers.

Table 9: Association between Frequency of Visit to the Petrol Retail Outlets and Service Utilization by the Consumers

Service utilization	Source	Sum of Square	DF	Mean square	F	Sig
ATM	Between Groups	3.627	2	1.813	5.930	.003
	Within Groups	60.248	197	.306		
	Total	63.875	199	-		
Drinking water	Between Groups	1.509	2	.755	1.327	.268
	Within Groups	112.046	197	.569		
	Total	113.555	199	-		
Rest rooms facility	Between Groups	2.257	2	1.129	1.727	.180
	Within Groups	128.738	197	.653		
	Total	130.995	199	-		
Pharmacy	Between Groups	2.723	2	1.362	3.038	.050
	Within Groups	88.297	197	.448		
	Total	91.020	199	-		
Convenience stores	Between Groups	4.834	2	2.417	5.156	.007
	Within Groups	92.346	197	.469		
	Total	97.180	199	-		
Lubricants (like distilled water, engine oil etc.)	Between Groups	.936	2	.468	1.125	.327
	Within Groups	81.944	197	.416		
	Total	82.880	199	-		
Air pressure check	Between Groups	.320	2	.160	.422	.657
	Within Groups	74.835	197	.380		
	Total	75.155	199	-		
Vehicle cleaning	Between Groups	.058	2	.029	.063	.939
	Within Groups	90.262	197	.458		
	Total	90.320	199	-		
Petro card facility	Between Groups	.427	2	.213	.381	.684
	Within Groups	110.368	197	.560		
	Total	110.795	199	-		

Source: Computed value

Level of Significance: 5 per cent

The above table shows that p value is less than significant value (0.05) in case of ATM (.003), Pharmacy (.050), Convenience stores (.007). Therefore there is association between frequency of visit to the petrol retail outlets and service utilization by the consumers. Hence the hypothesis is rejected.

The p value is greater than significant value in case of Drinking water (.268), Rest rooms facility (.180), Lubricants (.327), Air pressure check (.657), Vehicle cleaning (.939), and Petro card facility (.684). Therefore there is no association between frequency of visit to the petrol retail outlets and service utilization by the consumers. Hence the hypothesis is accepted.

Suggestions

- Effort shall be made to appoint separate attendees for air pressure checks at all fuel stations and vehicle cleaning is desired at all petrol bunks.
- Since many respondents have expressed dissatisfaction of shortage of employees, the outlets are hence forth suggested to employ additional employees to avoid the problems of delayed service.
- The complaint system shall be introduced and brought to the attention of the outlet owner so as to identify the consumers problems immediately.

Conclusion

The concept of on fuel revenue has been an innovative revenue generation step taken by petroleum retailing companies operating. Other facilities, such as air pressure checking, vehicle cleaning, and convenience store is also the prime need of consumers. Companies should be able to manage their service strategies better to keep up their

customers alive during price hikes which are turning into a major problem these days.

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