Summary
VII. SUMMARY

7.1 INTRODUCTION

In the era of liberalisation and globalisation, markets all over the world are going through a metamorphosis. The present day consumers are regularly exposed to newer life-styles, products and services unprecedented due to the impact of media and communication explosion. Simultaneously, thanks to the continuously increasing disposable incomes, there has been a radical shift in the attitude and aspirations of the consumers. Consequently, super markets, malls, and various retailing outlets have been catering to the ever increasing needs of the modern day consumers. In short, contemporary consumers are being offered umpteen number of choices in each and every product segment which is never seen before.

There is legend that the practice of branding products originated when an ancient ruler decided that goods should bear some sort of symbol so that, if something should go wrong, buyers and the authorities would be in a position to identify the culprit. Forced to identify their brands with themselves, the story goes, producers started taking keen interest in their products and with all sincerity tried to make them better than those of their competitors', thus reversing the negative intent of the King’s order. Whether the story is true or not, it makes the point that branding serves many purposes within our society. It necessarily helps buyers to determine which manufacturer's products are to be avoided and which are to be sought. Branding serves both the buyers as well as the sellers by making the process of exchange a pleasant-experience and need-fulfillment exercise. Branded goods and services possess the ability of ready marketability; thus considerably facilitating task of the seller. It helps the sellers to attract and build loyal customers and to show that the firm stands behind what it offers. Any brand/firm that has earned an association with quality and reputation is able to make new product/service launch somewhat easier. Branded products/services offer a host of need-fulfilment and use satisfaction experiences which buyers are hardly able to resist. Without branding, buyers would not be in a position in recognizing products/services that have proved to be gratifying in the past.
In the free enterprise and market system economy that most of the world is accepting as a way of economic life, branding is an important characteristic of the buying and selling of products, services and even ideas. Learning and brand loyalty are closely linked as most current purchases are based on past buying experience. If the experience with a particular product/service is satisfying and gratifying, consumer response for the same would most likely be in the form of repeat purchase. If the experience is otherwise, the consumer response most likely be in the form of switching the brand.

Brand loyalty, to a significant extent, is the net outcome of the desire of the consumer to minimise the risk involved in purchasing decisions. Such a phenomenon always works to the advantage of established brands which are well-entrenched in the psyche of the consumers as well as in the market. New entrants of the market try hard to break the habitual response of the consumers. As a result, sales promotion measures like free samples, cents off, coupons and introductory offers are undertaken to make a dent on the loyalty base so that consumers are induced to shift their base to competing brands and establish a pattern of loyalty to a new brand. The aim is to follow up a new response with an acceptable reward in order to increase the probability of the response being repeated.

In India, most of the marketers hardly realised the importance of branding until recently. There wasn't any need for them to give it a second thought as the consumers in general, did not have much of a choice in terms of better products in a closed market. Things started changing with the opening up of the economy in the wake of economic liberalisation and opening of the country's gates to global competitors since the early nineties. There are significant demographic changes in the consumer profile. Most markets are growing in size and rower and there is upgradation of Indian markets in terms maturity, taste, quality, and information. In addition, consumer buying processes are changing. Consumers are now move demanding, educated and better informed. They now have higher exposure to quality products and their expectations are increasing. Some of the Indian companies, however, in the meantime have built strong brand equity over the years. Most of them have realised that brands do have values and, should be viewed as assets of the firm. Many leading industrial houses have been able to develop enduring connections with their customers. Tata, Kirloskar, Bajaj, Mahindra, Godrej, to name a few. The very
well known Indian brands, include Asian Paints, Amul, Nirma, Park Avenue, Titan, VIP, Amul, and others. These are the brands that have withstood the tests of the time.

In the recent past, some of the brands launched by Arvind namely, Newport, Ruf & Tuff, jeans have become runaway success. Brands like Titan, VIP, Amul have really worked out their strategies so well to keep the MNCs at bay.

Customer loyalty is one of the most important issues facing business today. In the modern business environment, marketing game-plans are gradually becoming more and more homogenous in nature. With fast technological advancements it also becomes increasingly difficult to sustain product advantages beyond a reasonable period of time. At the same time, modern day consumers are also becoming better informed and more discerning. In such an environment, the successful marketers are those who recognise these changes in the consumers. They listen to and understand their need and take steps to meet their expectations. Today’s marketers therefore frantically search strategies to maintain a set of satisfied customers popularly termed as brand loyal, by repurchasing the product/service whenever the need arises. Brand loyal consumers, as a matter of fact provide the basis for a stable and growing market share of a company, Therefore interest of the product marketers hovers around the ways and means to develop and sustain brand allegiance for their products and services.

Behavioural scientists who favour the theory instrumental conditioning believe that brand loyalty results from an initial product trial that is reinforced through satisfaction, leading to repeat purchase. Cognitive researchers on the other hand, emphasize the role of mental process in building brand loyalty. They believe that consumers engage in extensive problem-solving behaviour involving brand and attribute comparisons, leading to a strong brand preference and repeat purchase behaviour. Involvement theory suggests that frequent exposure to TV commercials that are rich in visual cues and symbolism and short in duration, buttressed by strong in-store displays, creates a type of brand loyalty for low involvement purchases.

Some studies have indicated that there is little difference in demographics among consumers who are brand loyal and those who are not. Others have found that brand-loyal consumers are older, have higher income, and greater perceived risk. Some ethnic groups appears to be fiercely loyal to certain brands that have traditionally catered to their specific market. For example, Hispanics have been loyal
to Goya products for generations making it extremely difficult for other food marketers to gain a toe hold is the Hispanics market place.

7.2 SCENARIO OF PETROLEUM RETAILING IN INDIA

Retail is one of India’s largest industries, accounting for over 10 per cent of the country’s GDP and around eight per cent of the employment. With a contribution of 12 per cent to this industry, the petroleum retail sector is one of the largest segments of the industry. In the context of soaring crude prices in the recent past, there exists a non-level playing field amongst Public Sector and Private Sector Oil Companies in the Indian Petroleum Retail Marketing sector. The Government of India (GOI) has decided to provide subsidies to Public Sector Petroleum Retail companies. As per estimates, GOI provides Rs.5.77 per litre as subsidy for Diesel sold through outlets of PSU oil companies.

The private sector oil companies have been kept out of the ambit of the Government sponsored survival package. Partially, to part compensate the losses thus incurred due to absence of a level playing field, Reliance Industries Ltd. (RIL) increased the price of Diesel by Rs.2.5 per litre over the rates offered by PSU, who enjoy subsidy benefits. This increase, after accounting for a higher dealer commission and state and central levies is equivalent to less than a quarter of the subsidy provided to PSU’s by GOI. Even with this differential in price, RIL is incurring substantial losses in retail marketing. Further, this in turn has affected the operations and consequent revenues of RIL dealers.

Over the past three years, RIL has set up a nation wide extensive Petroleum Retail Outlet network throughout India with over 1250 retail outlets. Out of these, RIL owns and operates more than 400 outlets. RIL’s value proposition of assured quality and quantity (Q&Q) backed with top-of-the-line service at its outlets found instant acceptance with consumers nationwide. In a short span of less than 3 years, RIL garnered around 15% of the diesel (HSD) market in India.

As envisaged above, retail is one of India’s largest industries, accounting for over 10 per cent of the country’s GDP and around eight per cent of the employment. With a contribution of 12 per cent to this industry, the petroleum retail sector is one of the largest segments of the industry. The petroleum retailing industry in India faces
significant challenges in the deregulated environment with low product differentiation; lack of customer loyalty, coupled with intense competition, a downward pressure is exerted on margins forcing players to adopt new and innovative strategies. India has deregulated the pricing mechanism for retail petroleum in 2002, enabling new players to enter the market. The entry of new players like Reliance will increase the number of stations from existing 19,000 to over 30,000 in the next 4-5 years.

This will also reduce the average throughput per station, and total fuel volumes per player. With a market determined pricing mechanism, prices will have to be lowered, thus reducing margins from fuel products. With limited growth in the number of vehicles, the retail fuel volumes will remain stagnant, thus offering little scope for further improving the overall revenues and margins. In such scenario, the petroleum retailers will need to develop differentiated value propositions, to improve revenues and their bottom lines, by adopting a customer focused approach and building strong brand equity. To drive revenues and margins, the retailers will have to attract new customers or increase share in their existing customer's wallet. The latter can be achieved by offering non-fuel products and services. Non-fuel products, which offer higher margins compared to petroleum products, enable companies to sustain themselves, especially during times when oil prices are high. However, keep in mind that petroleum retailing is a retailing of product and service, with differentiation possible in either or both areas.

The petro-retail sector can be termed as one of the most organized sectors of the retail industry. Now, it is not all about offering fuel only at the petrol stations. The new look petrol pumps apart from dispensing fuels now offer the best of retail chains providing a value added service to busy consumers. This trend is in circulation in the international markets and the big petrol station convenience stores earn more than 30 to 40 per cent of their profits from the non-fuel activities. The range of value-added services is all beneath one roof. The new-look petrol pumps are now the more advanced multi-purpose dispenser petrol-pumps. The petrol pumps are computerized, thus reducing waiting time, which not only ensures accuracy, but also saves a lot of time for customers and avoids misconception and arguments. However, things were not the same in the past as they are today. To study more about the petro-retailing in
India, we can divide it into two phases: Pre-APM and Post-APM (Liberalization in the petro-retailing sector).

The development of petrol-retail sector in India has witnessed three distinct phases, viz., (a) Period of dominance of multinational companies, (b) Advent of public sector, its growth in co-existence with these transactional companies and (c) Marketing by the wholly government-owned companies and the fulfillment of socio-economic objectives. At the time of independence, the marketing and retailing of petroleum products was in the hands of private companies like Caltex, Esso, Shell, etc. Later the government gradually exercised control through Public Sector Companies. The second phase started with actions taken in pursuance of the Industrial Policy Resolution, 1956 to promote growth of the vital petroleum sector under the state control. Eventually, Indian Oil Corporation (IOC) was formed in 1959, IBP was acquired in 1970, and HPC came into existence in 1974 and BPC in 1976. In the third phase, the experience gained by the government during the second phase and the socio-economic factors encouraged it to go ahead for acquiring the assets of all the multinational companies operating in the country. In 1981, the entire oil industry was truly in the government fold.

A new era of planned development in consonance with national priorities under the overall direction of the government thus began in the oil sector. From the state of cutthroat competition in marketing and distribution, the PSUs had to quickly adapt to the changed scenario. The assets of oil companies in terms of infrastructure facilities were now the national assets. The important area of concern was their optimum utilization.

Up to 1939, there were no controls whatsoever on the pricing of petroleum products. Between 1939 and 1948, the oil companies themselves maintained pool accounts for major products without any intervention by the government. In 1948, an attempt was made to regulate prices through Valued Stock Account procedure. Under this procedure, realization of oil companies was restricted to the import parity price of finished goods, plus excise duties/ local taxes/ dealer margins and agreed marketing margins of each of the refineries. Any excess realization was surrendered to the Government. In 1976, the Oil Pricing Committee (OPC) recommended the discontinuance of the import parity principle on the ground that about 90 per cent of the total demand of POL products was met by indigenous production and no major
shortfall was anticipated. The OPC therefore suggested that the domestic cost of production should be the determining factor for pricing of petroleum products. The present day APM was evolved on the recommendation of the OPC and came into existence from December 1977. One of the important drawbacks of the import parity pricing was that the indigenous cost of production was totally overlooked while determining producer prices. This issue was addressed through Retention Pricing Mechanism, by which refiners were allowed to "retain" out of the sale proceeds. The same mechanism was extended to marketing and distribution companies as well. The Government of India also fixed the pricing of finished products and the returns of oil companies were de-linked from the price at which the goods were finally sold. With the administration of pricing of products by the government, the retention mechanism also known as the Administered Pricing Mechanism or APM.

The APM, although effective for two decades, started exhibiting cracks when subjected to the joint pressures of spiraling demand and global prices; oil pool deficit rose to alarming levels, cross subsidization resulted in distortion in the consumer prices, adulteration and misuse of subsidies were rampant, there was no incentive to improve efficiency with assured returns. In such situation, the GOI initiated a phases era of reforms in the oil industry by forming different committees like the Sundarajan Committee in 1995, the R-group and the Nirmal Singh Committee. Based on the recommendations of these committees, GOI decided on a comprehensive package to undertake phased dismantling of APM. In a Gazette Notification dated November 1997, the government decided to dismantle the APM in the hydrocarbon sector with effect from the April 1st, 2002.

Keeping its promise of decontrolling pricing and control over marketing structures, the GOI opened up retail marketing of automotive transportation fuels (petrol, diesel) to private and foreign companies with cent per cent Foreign Direct Investment (FDI) allowed. This marked the end of an era in which only state owned HPCL, BPCL, IOC and IBP were allowed to undertake retail marketing in automotive fuels. Based on the recommendations of the Naresh Narad Committee on regulation of marketing of controlled products, players who satisfy the entry criterion (i.e. investment of at least Rs.20 billion in oil exploration and production, refining, pipelines or terminals) were allowed to set up retail network for marketing petrol and diesel with immediate effect. Also, new players can set up a number of outlets as
long as they commit to set up about 11 per cent of total number of outlets in remote and low service areas.

After studying the developments in petro-retailing sector, the challenges that may occur in the near future are (a) Emergence of new competitors, (b) No real market determined pricing, (c) Dismantling of Administered Pricing Mechanism, (d) Cutthroat competitive environment, (e) Increasing expectations of the customers, (f) Need to provide alternate sources for revenue, and (g) Retail site headache.

Similarly we could see that in future there may be shift from retail outlet branding to corporate branding, the retailer may start offering a range of premium brands of fuels along with providing non-fuel services and make loyalty programmes as integral part of petro-retailing. Further, it could also be possible to improve customer loyalty by providing a host of customer facilities at the outlets, price still being administered.

Summing up, it could be concluded that, opportunities are still waiting to get unfold in petro-retail sector. With the expected growth in number of vehicles from 1.1 million in 2004 to 1.7 million in 2010, the sector is going to be the next battleground after IT and Telecom industry. However, to emerge as winner, the whole lot of concentration is to be driven towards the customer, but of course, keeping profitability in minds.

### 7.3 METHODOLOGY

In the modern marketing environment consumers are becoming more and more demanding since the market is glutted with endless products and countless brands and offering them rich choices. In pursuit of achieving the best possible value for their money, modern day consumers are gradually becoming quite choosy about products/services on the basis of their intrinsic value. Gone are the days of the marketers with the placid assumption that a market once won is theirs. In view of the same, marketers of today frantically search strategies to maintain a set of consumers who are loyal to the products/services that they are offering for sale. The purchase behaviour of the consumers for such products is of special interest to the marketer since these items are purchased repeatedly and it is this purchase that results in generating volumes and profits.
A number of research studies are, indicative to the fact that consumers in general are found to be quite loyal to the brands of frequently purchased items. Brand loyal consumers as a matter of fact, provide the basis for a stable and growing market share of a company. Hence, the interest of marketers hovers around the ways and means to develop and sustain brand allegiance for their products and services. However, retaining customers in a highly competitive and volatile market place is indeed a difficult proposition.

The consumer generally becomes loyal to a brand, which is closest to his/her thoughts and beliefs. They are bound to change over time (especially from generation to generation) and the brand which is flexible enough to adopt their changes with an add-on to its personality lives the longest.

Against such a backdrop, the scope of the study extends over a wide canvas entailing a comprehensive examination of the brand and store loyalty behavioural pattern of the consumers in Karnataka and Maharashtra states. It will encompass an analysis of the brand allegiance level and pattern, and all important aspects of consumer behaviour.

The focal point of the study is to explore the level and pattern of brand and store allegiance of consumers, more specifically of the consumers of petrol in the Indian marketing environment. In other words, the study is an attempt to explore whether there exists the phenomenon of brand and store loyalty in sufficient measure for a product like petrol which consumers in India purchase regularly. The broad objectives of the present study can further be split in to the following detailed objectives.

7.3.1 Objectives of the Study

1. To measure the level and pattern of consumer store loyalty.

2. To identify the various attributes that can explain or determine loyalty status of consumers.
3. To identify the loyalists and switchers among the sample respondents and examine their store loyalty status on the basis of demographic and socio-economic characteristics.

4. To identify the characteristics of the respondents that reveal the consumer satisfaction, retention and expectations.

7.3.2 Nature of Information

The present study basically is depended on the questionnaire survey method to collect primary data which is an essential ingredient for this kind of endeavour. The study required information on education, age, occupation and income of the respondents included in the sample along with the other relevant information in connection with their petrol buying and consumption behaviour.

7.3.3 The data

Keeping in view the problem and the scope of the study, random and purposive sampling method of choosing petroleum buyers was adopted to select the respondent consumers in four important cities of Karnataka and Maharashtra states to represent an overall picture of the said population. Though the universe of the study comprised consumers of petroleum in the study area, limitation of time and resources accounted for the geographic concentration of the sample to four important cities, namely, Bangalore, Hubli-Dharwad, Belgaum and Pune for the simple reason of convenience. The questionnaire designed specifically for the present study was administered amongst the samples in the four cities to encompass a broad spectrum of petrol consumers in the study area. However, the retrieval of the questionnaire, after they were answered left us with a full-fledged response of 1000 from the cities of Bangalore (400), Hubli-Dharwad (250), Belgaum (150) and Pune (200) taken together. The final sample, however has been chosen keeping in view the representativeness of the classified categories on the basis of age, occupation, income and education since buying behaviour of different age, occupation, income and educational background groups is bound to vary from one another.

A specially designed questionnaire was framed for the purpose of administration to the respondent consumes to elicit information regarding their choice
and purchase of petrol. At the initial phase, a pre-tested questionnaire designed on the basis of hypothesis and objective of the study was administered in a limited sphere. The questions, to which a large number of non-responses and vague responses were received, were reformulated and some new aspects added. Thus with a few deletions and additions, the final questionnaire was developed which was tested again with a trial sample. Finally, a well structured questionnaire was developed and administered randomly selected respondents in the selected cities.

7.3.4 Data analysis

The information so collected from the sample respondents, have been classified and presented in tabular form for the purpose of analysis and interpretation. The analysis of the data has been undertaken with the help of various statistical tools and techniques ranging from simple descriptive statistics and bivariate and non-parametric tests.

To study the extent of brand and store loyalty and the factors influencing loyalty, tabular analysis as well as Chi-square analysis has been used. Chi-square tests have been employed to study the relation between identified independent variables and brand and store loyalty of the respondents. For an in-depth empirical analysis, Garret's Ranking Technique has been undertaken. Chi-square analysis provides a deep insight into the brand loyalty switching behaviour through the examination of interrelationships over a large number of variables considered in the study. On the other hand, Garret's Ranking Technique is used to rank what the customers expect from the petrol bunks on priority basis.

7.4 Respondents' Profile and Their Petrol Buying Behaviour

7.4.1 Respondents' profile

(a) Age

On the basis of age, respondents are divided into five categories i.e., Less than 21 years, 22-30 years, 31-40 years, 41-60 years and the veterans class of above 60 years. In the sample, a majority i.e. 340 out of 1000 respondents (34.00%) represent the age group of 31-40 years, followed by 41-60 age group (29.10%) and 22-30 years
age group (23.20%). Similar trend was observed in the cases of Hubli-Dharwad and Belgaum respondents, where as in the cases of Bangalore and Pune respondents, highest proportion of respondents belonged to 31-40 years category, followed by 22-30 years and 41-60 years categories.

(b) Income

On the basis of income, respondents are divided into five categories, viz., respondents with less than Rs. 60000 income per year, Rs.60000-120000 income per year, Rs.120000-240000 income per year, Rs.240000-500000 income per year and the respondents with annual income of above Rs.500000. This classification is necessary as consumption habits, tastes, and buying patterns of buyers of different income groups differ significantly from one another. In case of frequently purchased products, the level of income holds an outstanding significance in segmenting the market.

It was observed that, most of the respondents (33.20%) belonged to the income group of Rs.240000-500000, followed by Rs.120000-240000 income group and Rs.60000-120000 income group. Similar observations could be found with respect to the Bangalore, Pune and Hubli-Dharwad respondents, whereas the proportion of respondents in Belgaum was highest in Rs.60000-120000 income group, followed by Rs.120000-240000 income group and Rs.240000-500000 income group.

(c) Education

The results reveal that 35.20 per cent of respondents included in the survey are Graduates, followed by Non-graduates including diploma holders (23.00%) and Post graduates (17.70%). Similar trend was observed in the cases of respondents from Bangalore and Hubli-Dharwad, whereas, in the case of Belgaum respondents, highest proportion of respondents were found to be Post-graduates (28.67%), followed by Graduates (22.67%) and Non-graduates (18.67%). Further it could also be observed that more number of “Other professionals” were concentrated in Bangalore and Hubli-Dharwad.

(d) Occupation

It was observed that, 32.80 per cent of respondents included in the survey are government employees, followed by those employed in private enterprises and
professionals. Similar trend was observed in the cases of respondents from Bangalore and Hubli-Dharwad, whereas, in the cases of Belgaum and Pune respondents, highest proportion of respondents were found to be private employees, followed by Government employees.

(e) Age and Income

The results revealed that, majority of the respondents were falling in the income group of Rs. 2,40,000 to Rs. 5,00,000 per annum (33.20%), followed by income group Rs. 1,20,000 to Rs. 2,40,000 per annum (24.90%) and Rs. 60,000 to Rs. 1,20,000 per annum (21%). Both the extreme income group respondents were comparatively less. The respondents with less than Rs. 60,000 annual income were just 10.20 per cent while the respondents with annual income more than Rs. 5 lakhs were 10.70 per cent. That means the sampling design was more accurate and upholds the hypothesis that majority of petrol bunk users are middle income group. In the case of large income groups (> Rs. 5 lakh), the owners of the vehicle usually do not come to the petrol bunk for filling. This study covers the petrol bunk users who come for filling petrol just for their own use only, the public utility vehicles like taxis, autos and company vehicles had been excluded from the analysis.

On perusal of the results, it could be observed that, the people under medium age and medium income (21 to 40 years and 1.20 lakh to 5 lakhs, respectively) were found to be the maximum uses of petrol for their vehicles. This means that the earning member group who necessarily have to use the vehicles for their business or office use. There are the groups using petrol for productive purposes. Hence, the uses of petrol for non-productive purposes were less in number. Therefore, any policy reforms to be drought in petrol sector should keep these things in mind, because these groups contribute much in the productivity of the country.

(f) Age and Occupation

It could be seen that around 32.80 per cent of the users were government employees, private enterprise employees constituted 26.10 per cent and other professionals were to the extent of 13.90 per cent.
Among the petrol bunk users self employed were to the extent of 9 per cent, students were 10.20 per cent. While unemployed were to the extent of 8 per cent. The study revealed that nearly 59 per cent of the bunk users were employees, indicating their necessity to use vehicles to go to their respective offices. Other professionals and self employed were also using petrol bunks to fill their vehicles the extent of 23 per cent. Thus, in total in indicated that the employed used the petrol bunks to fill to the extent of 82 per cent. Still it was alarming to note that students and unemployed which represent non-earning group also visit the petrol bunk to a sizeable extent (18%).

(g) Age and ownership of vehicles

Among the respondents, 51.40 per cent of the respondents were two wheeler owners. The respondents having only four wheeler were to the extent of 26.5 per cent while remaining 22.10 per cent of the respondents owned both two as well as four wheelers. Three wheelers and autos were understandably excluded from analysis as they were not owned for self purpose. Among two wheeler owners majority (36.19%) were of the age group 31-40 years, while the respondents with age group 21-30 years owned to the extent of 26.07 per cent and 41-60 years age group were of the order 25.29 per cent. In four wheeler owner category, 21-30 years and 31-40 year age group owned four wheelers in the proportion of 30.94 per cent and 30.19 per cent respectively. The respondents of age group 41-60 years were 24.91 per cent. The respondents owing both two as well as four wheelers were maximum among age group 41-60 years (42.99%) followed by 31-40 years (33.48 percent) and above 60 years (14.93%). The analysis of the table indicated that the majority of the owners of the vehicle were of the ages between 31 to 60 years. But it could be seen that four wheeler owners were maximum of the age group 21-30 years. Expansion of IT sector in recent years and more of the people of this age group were better paid, they offered to maintain four wheelers.

7.4.2 Petrol buying behaviour of respondents

(a) Age of the respondents and frequency of visit to petrol bunk

Agewise analysis of filling behaviour indicates that, majority of the respondents visiting petrol bunks once in a week, once in a fortnight and once in a
month belonged to age group 31-40 and 41-60 years. This clearly indicates that this is the earning class which usually do not find time to visit bunks. Moreover, since they are the income earners they do not mind to put extra quantity of petrol at the time when they visit the bunk to avoid the frequent visits. But, the lower age respondents visit the petrol bunks more frequently, as higher proportion of respondents of lower age (below 30 years) visit the petrol bunks daily (68%) or once in 2-4 days (48%). Majority of this age groups are non-income earners or less income earners. Whenever they get money they visit the petrol bunk to fill petrol. Usually many of them are daily wage earners who spend on petrol on daily basis to reach their work space.

(b) Age of the respondents and their daily traveling distance

The pattern of distance traveled by the respondents across their group at the aggregate level pointed out that, majority of the respondents (48%) traveled on their vehicle to a distance of 11-50 kms per day. Some of them (22.50%) traveled a distance of 51-100 kms, while 6.20 per cents traveled even 101-150 kms. Around 4.50 per cent of the respondents traveled more than 150 kms a day. Those who traveled less than 10 kms were to the extent of 18-80 per cent. Since the study was conducted in four cities of south India, some of the office goers in Bangalore and Pune had to travel greater distance to reach their work place due to vast span of the city. In Hubli-Dharwad the maximum distance was around 11-50 kms as people from any one of these twin cities had to travel to the other if that had either residence and work place spread in there two cities. In Belgaum the distance traveled would be very less as it was a very compact city.

(c) Age of the respondents and quantity of petrol filled

It could be seen from the analysis that, 43 per cent of the respondents fill 1-5 litres of fuel during each visit, while 31 per cent of the respondents went for tank full filling. Respondents filling fuel between 6 and 15 litres in each visit were to the extent of around 22 per cent. Only 4 and 0.5 per cent of the respondents fill fuel to their vehicles between 16-30 litres and > 30 litres in each visit respectively. The respondents who filled fuel less than 5 litres were mainly two wheeler owners. Due to their income bottlenecks they were found filling in little quantities in each visit. Similarly the respondents who went for tank filling were the four wheeler owners who used the vehicle for self purpose. Usually, four wheeler owners are the people with higher income and convenience mongers. They feel disgraced to go to petrol bunk
often for filling fuel in small quantities. Therefore they filled the fuel in greater quantities went tank full filling. On the other hand, two wheeler owners, particularly those doing petty business, who did not have any regular income, filled fuel as and when they got income. Therefore frequency of such people was very high.

(d) Annual income of the respondents and frequency of their visit to petrol bunks

In order to know the relationship between income of the respondents and frequency of visit to petrol bunk at overall level, the relationship was analysed and tabulated. It is found that maximum of the respondents visit once in a month (24.90%) or once in a fortnight (23.30%) or when the felt necessary (21.80%) on an overall level. The visitors of petrol bunk daily or once in 2-4 days or once a week were of the order 8.20 per cent, 11.20 per cent and 10.60 per cent respectively. It is interred from the table that as the income increased, the frequency of people visiting petrol bunk for filling also reduced. But people above sixty years did not exhibit any definite pattern of visit to petrol bunks.

(e) Annual income of the respondents and daily distance traveled

The results of distance traveled by the respondents across their income group at the overall level revealed that, there is positive correlation between the travel distance and income of the respondents. Among the higher distance travelers on daily basis (more than 100 kms/ day) the respondents of higher income groups were in higher proportion, while lower income group respondents were in large proportions among the lesser distance travelers.

(f) Annual income of the respondents and the quantity of petrol filled during each visit by them

Fuel filling behaviour of the respondents during their each visit across the income groups at overall level suggests that, there existed no definite correlation between the income level and the quantity of fuel filled during each visit. Some of the higher income respondents also were found filling less quantities (1-5 litres) during their each visit. That means income level has very less influence on the fuel filling behaviour of the respondents at overall level.
(g) **Respondents' occupation and frequency of their visits to petrol bunks**

The frequency of visit to petrol bunk in relation to the occupation is analysed and found that, different personnel having different occupation show that major percentage of them filled once in a month (24.90%) followed by once in a fortnight (23.30%). It reveals that the government employees have a regular monthly salary and are assured of income and stability hence they fill once in a month after their salary of the beginning of the month. Those people / respondents who served in private enterprise also filled regularly on a fortnightly basis as the expenses on fuel are reimbursed on accent of their monthly travel. Nearly 50 per cent of the respondents filled petrol daily; 21 per cent of the respondents filled whenever they felt need and in emergency times. This shows that other than government employed the behaviour regarding occupation and filling of petrol shows that the filling of petrol is very erratic signifying uncertainties in income levels of the respondents.

(h) **Respondents' occupation and the quantity of petrol filled by them during each visit**

Highest percentage of respondents mostly filled 1-5 litres of fuel (43.20%) during each visit, followed by 30.70 per cent filling fuel tank full. The people mostly in the Government sector were major people and those in tank full customers. The people employed in private firms too filled their full relatively 6-15 litres to 16-30 litres occasionally. The other category of employed persons and student exhibited a wide diversity in the quantity of fuel filled during each visit.

(i) **Respondents' education and their frequency of visits to petrol bunks**

The relationship between education level of the respondents and their frequency of visit to petrol bunk at over all level is being analysed and found that, maximum of daily visitors to petrol bunk were students and undergraduates. They usually will have less money with them as they are the dependent population on others income. It is obvious that they are the fillers of petrol in small quantities. Among visitors of bunks once in 2-4 days majority were graduates, under graduates and other student categories. Once in a week visitors were maximum from post graduate and Diploma category. Once in fortnight and once in a month visitors to petrol bunk were maximum from graduate category. Some of the graduates,
undergraduates and other professionals also fill petrol as and when necessary. Hence, this analysis clearly reveals that education has no set relationship with frequency of filling of fuel by the respondents except students and undergraduates who due to their financial crunch had to fill fuel on daily basis.

(j) Respondents' education and quantity of petrol filled by them during each visit to petrol bunk

Analysis of quantity of fuel filled during each visit by different educational level respondents at overall level revealed that, Graduates filled 1-5 Its maximally during their each visit followed by post graduates and other diploma holders. 6-15 Its fillers in each their visit were maximum from undergraduate category followed by graduate category. Among the 16-30 litres fillers on each of their visit, other professionals were maximum followed by under graduates, while among the tank full fillers graduates were maximum. It could be inferred from the table that education has no definite relationship with quantity of fuel filling behaviour of the respondents at overall level.

(k) Type of the vehicle owned and frequency of visit to petrol bunks

Frequency of visit to petrol bunks by owners of different types of vehicles at overall level is analysed and it could be seen that, among the daily visitors of petrol bunk two wheelers were to the extent of 80.49 per cent. Among once in 2-4 days visitors and once in a week visitors also two wheelers dominated with 91.96 per cent and 84.91 per cent, respectively. Among the once in a fortnight visitors, two wheelers were to an extent of 43.35 per cent, followed by four wheelers (39.48). Maximum of the once in a month visitors were four wheelers (61.45%) and both two and four wheeler owners to the extent of 38.55 per cent. However, the visitors to petrol bunk "when felt necessary" category again two wheeler owners dominated with 70.64 per cent. No definite relationship could be established between type of vehicle and frequency of visits to petrol bunk. However, smaller the vehicle more was the frequency of visit to petrol bunks in general. The capacity of petrol tank is usually higher in the case of larger vehicle and they used to fill more quantity during a single visit. Hence, there was no necessity for them visit petrol bunks often.
Type of the vehicle owned and daily distance traveled

The distance traveled by owners of different type of vehicle on daily basis at overall level revealed that, among less than 10 kms travelers in a day, the two wheeler owners were the maximum who constituted 86.17 per cent of the total type of vehicles in that category. Even among travelers of 11-50 kms and 51-100 kms per day, the two wheelers were the maximum with 48.54 and 45.33 percents respectively. The travelers of 101-150 kms and more than 150 kms per day were mostly either four wheelers (40.32% and 35.50%) or both the type of vehicles (32.26% and 64.44%). But even in both the type of vehicles the travelers of larger distances were mostly the four wheeler owners.

Type of the vehicle owned and quantity of petrol filled during each visit to petrol bunk

The fuel filling behaviour of different type of vehicle owning respondents reflected that, maximum of 1-5 litres fillers in their each visit were two wheelers (75.69%). In 6-15 litres fillers in each visit category 39.35 per cent were four wheelers, 35.19 per cent were two wheelers and 25.86 per cent were both the type of vehicle owners. The fillers of 16-30 litres in their each visit category was constituted to the extent of 62.50 per cent by four wheelers and remaining 37.50 per cent were constituted by both the type of vehicle owners. As much as sixty per cent of the respondents of above 30 litres filling category were of owning both types of vehicles, while 40 per cent owned only four wheelers. Among tank full filling vehicles, 39.41 per cent were both the type of vehicles, 36.16 per cent were two wheelers and 24.43 per cent were four wheelers.

7.5 PERSONAL AND PRODUCT RELATED FACTORS AND CUSTOMER LOYALTY

7.5.1 Brand and store loyalists and switchers

Users of a particular brand of petrol for more than a year are categorised as brand loyalists and less than a year are termed as brand switchers for the purpose of
analysis. Similarly the respondents visiting a particular petrol bunk for more than a year are categorised as store loyalists and less than a year are termed as store switchers.

Amongst the total sample of 1000 respondents from whom the data is collected, as high as 891 respondents (89.10%) were observed to be loyal to their respective brands, whereas, 75.80 per cent of the respondents were found to be store loyalists. As less as 10.90 per cent and 24.20 per cent of the respondents were found to be brand switchers and store switchers, respectively.

When respondents of different cities was considered, Pune and Hubli-Dharwad respondents were found to be more brand as well as store loyal respondents as compared to the respondents of other two cities.

7.5.2 Brand and store switching behaviour of the respondents

The brand switching frequency of the respondents revealed that, among the 109 switchers, 31 respondents (28.44%) opined to have been changing their brand 'very frequently', whereas 25 respondents (22.94%) opined to have been changing the same 'frequently' and 53 respondents (48.62%) were observed to change the brand 'occasionally'.

The proportion of respondents who change their brands very frequently was very high (54.35%) in the case of Bangalore respondents, whereas, the proportion of respondents changing their brands occasionally was high (81.82%) in the case of Hubli-Dharwad respondents.

Similarly, the store switching frequency of the respondents is presented in Table 5.3. As it could be seen from the table, among the 242 store switchers, 86 respondents (35.54%) opined to have been changing the store (petrol bunks) 'very frequently', whereas 53 respondents (21.90%) opined to have been changing the same 'frequently' and 103 respondents (42.56%) were observed to change the petrol bunks 'occasionally'. The proportion of respondents who change their stores or petrol bunks very frequently was very high (52.67%) in the case of Bangalore respondents, whereas, the proportion of respondents changing their brands occasionally was high
(67.65%) in the case of Hubli-Dharwad respondents, followed by the respondents of Belgaum (62.22%).

7.5.3 Personal characters of the respondents and their loyalty

(a) Age of the respondents and Brand and store loyalty

As can be evinced from the analysis that, out of 49 respondents in the age group of below 21 years, only 15 (30.61%) are brand loyalists and the rest 34 (69.39%) are brand switchers. Similarly, in the same age group category, only 9 (18.37%) respondents were store loyalists. In the second category of age group i.e., between 22 and 30 years, there are 232 respondents out of which 200 (86.21%) are brand loyal and 160 (68.97%) are store loyal. In the third age group i.e., between 31 and 40 years, there are 340 respondents out of which 315 (92.65%) are brand loyal and 281 (82.65%) are store loyal. In the fourth age group i.e., 41-60 years of age, there are 291 respondents out of which 278 (95.53%) are brand loyal and 245 (84.19%) are store loyal. In the category of veteran class of respondents with age of more than 60 years, there are 88 respondents amongst which 83 (94.32%) are brand loyalists and 63 (71.59%) are store loyalists. This clearly depicts the presence of brand and store loyalty across all the age groups of the sample to a significant extent. Further, a closer analysis reveals that as the age increases, the brand as well as store loyalties increase.

The results of the Chi-square tests to measure the effectiveness of relationship between age of the respondents and brand and store loyalties indicated that, the table value of chi-square for 4 degree of freedom (d.f.) at 5 per cent level of significance is 9.49 and the calculated value of chi-square values are much above the table value. In other words, the table value of the chi-square is less than the calculated values. Thus, the results of chi-square reveals that the null hypothesis, that is, age group of the respondent and loyalty/switching buyers are independent to each other, is rejected. At the same time, the alternative hypothesis that the age of the sample has got a significant bearing on brand and store loyalty is accepted.

(b) Annual income of the respondents and Brand and store loyalty

As it could be seen from the analysis that, out of 102 respondents having annual income of less than Rs.60000, 56 respondents (54.90%) are brand loyal and
49 respondents (48.04%) are store loyal switchers. The second category consists of the respondents having an annual income of Rs. 60000 to Rs. 120000. In this category, there are total 210 respondents out of which 182 (86.67%) are brand loyalists and 143 (68.10%) are store loyalists. The third income category consists of the respondents having an annual income of Rs. 120000 to Rs. 240000. In this category, there are total 249 respondents out of which 224 (89.96%) are brand loyalists and 198 (79.52%) are store loyalists. The fourth income classification consists of the respondents having an annual income of Rs. 240000 to Rs. 500000. In this category, there are total 332 respondents out of which 326 (98.19%) are brand loyalists and 289 (87.05%) are store loyalists.

The results of the Chi-square tests to measure the effectiveness of relationship between annual income of the respondents and brand and store loyalties revealed that, at 4 degree of freedom (d.f) and 5 per cent level of significance, the calculated values of the chi-square are much higher than the table value (9.49), except in the case of store loyalty in Belgaum wherein the calculated Chi-square value is found to be 4.76 against the table value of 9.49. Hence, the null hypothesis that “Respondents’ annual income and brand loyalty are independent of each other” is rejected and the alternate hypothesis stands accepted. Thus, it is inferred that the relationship between annual income of the respondents and their brand and store loyalties correlate with one another.

(c) Education of the respondents and their loyalty

The respondents are divided into five groups on the basis of education i.e., students, under-graduates, graduates, professionals and post-graduates. The sample comprise the highest number of respondents in the graduate category (352), out which 327 (92.90%) are found to be brand loyalists and 301 (85.51%) are store loyalists and other proportions are found to be switchers. The second highest group belongs to respondents with under-graduation level of qualification. In this group, there are 230 respondents out of which 202 (87.83%) are brand loyalists and 163 (70.87%) respondents are store loyalists and the rest of them (12.17% and 29.13%, respectively) are brand and stores switchers. This is followed by the respondents with postgraduate level of educational qualification. Out of 177 respondents in this group, 173 (97.74%) are brand loyalists and 149 (84.18%) are store loyalists. As can be seen, amongst the five education categories, brand loyalty is observed to be highest with
post graduates followed by professionals and graduates, in that order, whereas, the situation in different in the case of store loyalty. It was observed that store loyalty is observed to be highest with graduates followed by post-graduates ans under graduates, respectively.

The results of the Chi-square test to examine the relationship between educational qualification of the respondents and their loyalty towards the brand and store indicated that, the calculated Chi-square values are more than the table value. Hence, the null hypothesis that “Educational qualification and the loyalty of customers are independent to each other” is rejected and at the same time, the alternate hypothesis hold good.

(d) Occupation of the respondents and their brand and store loyalty

To find out the significance of brand and store loyalty according to occupation status of the respondents, Chi-square test is undertaken and the results of the same tests indicated that, the calculated values of Chi-square were much higher than the table value, except in the case of Belgaum. Hence the null hypothesis that occupation status and the loyalty of the respondents have no significant relationship and are independent to each other, holds good in the case of Belgaum respondents and the respective alternate hypothesis holds good in other cases.

7.6 FACILITIES OFFERED, CUSTOMERS AND THEIR LEVEL OF SATISFACTION

Customer satisfaction has its roots in the global quality revolution. Formalizing customer satisfaction as a component in national quality competitions, such as the "Malcolm Baldrige National Quality Award", has further validated the customer satisfaction research agenda. Indeed, customer satisfaction enjoys a high-profile role among the Baldrige Award criteria; customer focus and satisfaction count for more than 25 per cent of the total points in the evaluation system.

Ultimately, it is the fundamental assumption that drives most customer satisfaction programmes. The relationship between service and product quality and overall customer satisfaction has been repeatedly demonstrated through various studies. This chapter establishes the importance of customer satisfaction in business operations and describes systematic evidence that suggests companies with higher customer satisfaction ratings tend to be more successful.
7.6.1 Factors determining visit of the respondent to a particular petrol bunk

It could be seen from the results that, the quality and quantity of the petrol is served at the petrol bunk is a major factor determining the visiting behaviour of respondents in all the places under study. Pune and Belgaum city respondents were the highest number of which recorded in the analysis. The other factors like nearness to residence, Bunk location and Bunk services recorded relatively lower responses from most of the respondents in all the places under study. The percentages on the factors determining the visit of respondents to a particular petrol filling station ranged between 35 and 69.

7.6.2 Factors giving satisfaction to the respondents during their visit to the petrol bunk

The detailed analysis of the level of satisfaction derived from the petrol bunk by the respondents in the study area has been conducted with respect to location, customer services, pump attendants, dealers' attitude and other facilities provided in the petrol bunks.

For the location variable, it was reported that 33 per cent of the respondents said that the location was ideal for the respondents, followed by 27.80 per cent, who opined satisfactory. Hardly 8.30 per cent of the respondents had little influence of location of petrol bunk. The opinion of most of the respondents was that it was highly satisfactory from view point of petrol bunks, 31.30 per cent of them opined satisfactory followed by average customer services in the study area. The pump attendants' behaviour is also one factor which influences individuals' satisfaction. Nearly 60 per cent of the respondents were quite satisfied with the responses about dealer's attitude in the petrol bunk. The allied facilities provided by the petrol bunks did not make much influence on the satisfaction derived as opined by the respondents.

7.6.3 Level of satisfaction derived by the respondents and their store loyalty

The present study also made an attempt to document and analyse the opinion of the respondents in relation to their level of satisfaction with their favorite store, in which the respondents are categorized into loyalists and switchers. Here, the main intention of the study was to analyse the significance of the relationship existing between store loyalty and level of satisfaction derived by the respondents.
The analysis of level of satisfaction derived from the petrol bunks by the respondents in the study area revealed that, most of the respondents i.e., 758 (75.80%) out of 1000 are found to be loyal to the store where they visit often for filling fuel to their vehicles. It could be seen that even among the store switchers, only 33 out of 242 respondents were not satisfied with the services provided by the petrol bunks and of the remaining store switchers, 158 respondents opined that the services provided by the petrol bunks is satisfactory, but expressed the satisfaction is at different degrees.

Chi-square test is used to find out the extent of relationship between store loyalty behaviour of the respondents and level of satisfaction with the present petrol bunk. Results of the Chi-square test show that, the calculated value is significantly higher than the table value. Thus, the null hypothesis that level of satisfaction with the present petrol bunk and store loyalty behaviour are independent to each other, is rejected. Conversely, the alternate hypothesis that there exists significant relation between the level of satisfaction of the respondents with the present petrol bunk and their level of store loyalty, is accepted. Stated otherwise, satisfaction with the present petrol bunk contributes significantly towards development of store loyalty.

7.7 CUSTOMERS' EXPECTATIONS FROM THE PETROL BUNKS

The respondents were asked to give ranks to different variables identified. They were asked to give first rank to the variable which they felt the most satisfactory and so on and at the end, the last rank, ultimately, would be the factor that gave the respondents the least satisfaction. Accordingly, the respondents assigned 1 to 17 ranks to all the listed variables. In the next stage, the ranks so assigned by the respondents were further categorized into (i) “Highly satisfactory”, if the rank assigned by the respondent was 1 to 3; (ii) “Satisfactory”, if the rank assigned by the respondent was 4 to 6; (iii) “Average”, if the rank assigned by the respondent was 7 to 9; (iv) “Less satisfactory”, if the rank assigned by the respondent was 10 to 12; and (v) “Not satisfactory”, if the rank assigned by the respondent was more than 12. The results obtained from this analysis are presented in Table 7.1. Similarly with respect to the customers' expectations, the same 17 variables have been assigned the ranks from 1 to 17 by the respondents. With respect to customers' expectations, the expectations were further classified into (i) “Highly expected”, if the rank assigned by the respondent was 1 to 4; (ii) “Expected”, if the rank assigned by the respondent was 5 to 8; (iii)
"Minimal expectations", if the rank assigned by the respondent was 9 to 12; and (iv) "Not bothered much", if the rank assigned by the respondent was more than 12.

7.7.1 Services provided in petrol bunks and customer satisfaction

The analysis of satisfaction derived by the respondents during filling petrol in the bunks in revealed that, majority of the attributes were at average satisfaction level. The attributes like facility to check quality and availability of drinking / radiator water was found to be at satisfactory level, as 33.70 per cent and 30.20 per cent of the respondents opined to this attribute respectively. None of the attributes were found highly satisfactory or not satisfactory as very low proportion of the respondents opined in that manner. The attributes like briefing about offering of other products was found less satisfactory by the respondents. Among the 1000 respondents interviewed in the four different cities, there was wide geographical disparity right from Bangalore to Pune. Some of the attributes which were satisfactory to the respondents of one city might be not satisfactory for the respondents of other cities. Hence, the satisfaction was at the average level when analysed from overall angles.

7.7.2 Customers' expectations from petrol bunks with respect to services

The analysis as to what the customers expect from the fuel filling stations was done again for the 17 selected attributes at the overall level and were distributed on four point scale, size, highly expected, expected, minimal expectations and not bothered much. These 17 attributes were ranked by each of the respondents based on their level of expectations

The attributes ranking 1-4 were considered as highly expected, 5-8 ranks were considered as expected, 9-12 ranks were considered to be minimal expectations and 13-17 ranks were treated as not bothered much.

The attributes like appropriate pleasant greeting, courteous customer services, '0' on meter indication before starting to fill fuel, post delivery meter confirmation, prompt handling of card/cash, verbal communication of returning correct change were found to be the highly expected attributes as more than 50 per cent of the respondents opined by them to be highly expected.
Prompt approach of the pump attendant, other product offering briefing, availability of man power at air tower, proper handling of fuel tank cap, and promptness in taking quantity of petrol to be filled were the other major attributes which were also highly expected by the respondents. Regarding availability of complaint book/suggestion book, clean premises and toilets and availability of drinking/radiation water the respondents did not bother much.

7.7.3 Garret’s Ranking Technique – Empirical study

Garret’s ranking Technique was employed to know the preferences of customers’ expectations from the petrol bunks. The services provided by the petrol bunk to its customers have been considered based on mean scores of preferential order as considered important by the consumer-respondents. Preferential orders were obtained based on Garrett’s ranking test.

Preferences of the services and facilities provided at the petrol bunks while filling fuel to the vehicles, as opined by the respondents were studied. From the analysis, it could be seen that, most of the respondents opined that, “Prompt handling of card / cash” was preferred, followed by “Appropriate pleasant greeting”, “Courteous customer services”, “‘0’ on meter indication before starting to fill fuel” and “Post delivery meter confirmation”, “Verbal communication of returning correct change” and “Prompt approach of the pump attendant”. Hence, it would be very appropriate to infer that, the customers expect these services and facilities in order of preference.