CHAPTER - 8

CONCLUSIONS

Refinery is an energy intensive industry, where electricity, steam, fuel oil & gas are used as the main sources of energy. Basic source of above forms of energy is hydrocarbon (petroleum oil) therefore optimization of energy is basically conservation of hydrocarbon, which in turn contributes in minimizing fuel and loss (OFL) and thereby improves profitability of the company. Most of energy optimization schemes need only systematic study and continuous effort of improvement without or with little cost involvement. Therefore it is recommended to implement energy optimization schemes in petroleum sectors in order to bring improvement in the profitability. Maximizing sells of products can increase profit; of course, the selling price must be higher than the production costs. However maximizing capacity utilization of the plants can maximize volumes of products.

Energy companies will need to build sound investor and analyst relationships and convince capital markets that they have clear strategies to succeed if they wish to avoid lower share prices. Retailing activities will separate from back office service provision as well as from network service provision.
Retail returns on electricity will probably be low, particularly if used as a loss leader by multi-product new entrants looking to maximize the lifetime value of their customers.

The oil and gas sector is fairly well developed in India, and is poised to contribute large share to India’s energy basket over the next 15–20 years. A conservative estimate of 7 per cent growth in the Indian economy is expected to approximately double India’s per capita energy consumption over the next 20 years. Since energy demand and economic growth are almost interlinked, the Indian oil and gas sector, which provides the country with a significant portion of its energy requirements, has been identified as a key metric that will drive future GDP growth.

To cope up with the increasing demand, the government has allowed 100 per cent FDI in the oil and gas sector, enabling some large partnerships such as the US$ 7.2 billion deal between BP and Reliance Industries. In order to further aid the development of the sector, the government introduces legislations such as the NELP to enable companies to bid for exploration rights, and encourage private sector participation. The participation of the private sector is expected to bring in monetary resources and technological capabilities, especially in the field of deep sea exploration while simultaneously reducing the dominance of PSUs in the country’s competitive landscape.
This year’s Union Budget is expected to have a mixed impact on the sector, as the government has increased on crude oil production by approximately 80 percent, thereby reducing its under recoveries. On the other hand, the government has also exempted the basic customs duty on the import of liquefied natural gas for power generation for two years, and made oil and gas pipelines eligible for viability gap funding, consequently aiding the midstream segment and thereby greatly benefiting the sector.

We’ve conducted an in-depth analysis of the Indian Petrol market, specifically retail market –with reference to a government policy and changes made in it over the years; the past and present consumption and production pattern of petrol in India and the quantity of import of petrol and its effect on balance of payment position of India.

The purpose is also to understand the present changes which are taking place in the Indian Petrol Market and the impact of these changes on the marketing strategies of the companies, and to find a way forward by taking Indian Oil Corporations a base. The study aims at a comprehensive examination of Indian Oil Corporation’s marketing strategies and at critically analyzing the fitness of the strategies in the present scenario and also the long-term viability of its strategies.

The study also aims to trace the trends in the petroleum marketing in Indian context, i.e., to understand the changing dynamics of
marketing in the Indian petroleum industry, taking a case of Indian Oil Corporation.

The domain of customer relationship management stretches out into numerous zones of marketing and key choices. Its late conspicuousness is encouraged by the union of a few different paradigms of marketing and by corporate activities that have created around the subject of collaboration and the cooperation of authoritative units and their stakeholders, including customers. CRM alludes to a thoughtfully wide marvel of business action, and if the sensation of collaboration and joint effort with customers turns into the overwhelming paradigm of marketing practice and research, CRM can possibly rise as the overwhelming point of view of marketing. From the corporate execution perspective, CRM ought to not be misjudged to just mean a software result usage venture. Building relationships with customers is a principal business of each venture, and it obliges an all encompassing technique and methodology to make it fruitful.

From a scholastic viewpoint a paramount inquiry is whether CRM on the other hand relationship marketing will turn into a decently regarded, detached, and unique train in marketing. Our conviction is that it unquestionably has the potential, and we wish that it would happen in light of the fact that marketing will profit immensely from it. The lessons gained from past deliberations, both effective and
unsuccessful, of different marketing domains that have attempted to get to be trains give a decent guide of how to create CRM and relationship marketing into a different order. As an intercession system, it would be very alluring for relationship marketing and CRM researchers to sort out their own particular affiliation and their own particular insightful diary.

Customer Relationship Management is an exceptionally wide and broad field. This subject can't be managed in sufficient detail in a report of this size. It is the methodology of building long haul, trusting, win-win relationships with customers, distributors, dealers also suppliers. Nonetheless, we have constrained the extent of this report to Customer Relationship Management (CRM), and focused on the methodology of creating, keeping up, improving and commercializing customer relationships. The idea of CRM is gradually yet clearly developing in India, where on one hand numerous companies have taken a few activities and attained a ton of accomplishment around there, while others are awakening its difficulties, because of the developing business sector situation.

Customer Relationship Management is currently offering approach to 'Experiential marketing', where the experience stems right from the buy stage, to utilizing the item, to dumping the utilized item. Consequently, it is not only the unmistakable and immaterial profits, anyhow likewise the general experience which impact the buy choice.
Today, a brand's obligation is 'need satisfaction' as well as 'experience satisfaction'.

Defense' on delicate POL items. On the other hand, from the perspective of the fiscal deficit, the impact of a tax lessening without expanding the subsidy and the impact of expanding the subsidy without touching the tax rates would be the same for any given administered cost of these items. Also, contentions for diminishing the petro-subsidy bill brought about by the Central government or diminishing the sales tax rate on petro-items implies essentially shifting of fiscal deficit from the central to the state exchequers. I might want to contend that regardless of the fact that the fiscal deficit as an extent to GDP increments somewhat to keep up residential cost steadiness of POL items, we ought to permit that increment so as to minimize misfortunes. The fiscal deficit does not so much cause expansion or 'gathering out' of private speculation by raising the investment rates, in any case.

However, the policy of oil value deregulation even with climbing global cost of oil, would most likely have direct negative impacts on development, swelling and 'macroeconomic steadiness'. The extent that the inquiry of financing the additional deficit is concerned, the RBI (Reserve Bank of India) can buy new oil bonds and repurchase a percentage of the old oil securities in the auxiliary business and indirectly monetize it.
The macroeconomic effect of monetization would be precisely the same as a decrease in the Cash Reserve Ratio (CRR), which is continuously brought down under the current financial policy administration. In the event that monetization is as contended (by monetarists) inflationary, then that is genuine additionally for the increment in remote trade saves due to inflow of remote capital. For a developing economy, higher development rate guarantees higher tax revenue and also makes bigger fiscal space for more subsidies as an extent to GDP, making it supportable.

The analysis of the primary data reveals that the customers see a significant difference among the three public sector oil companies on the relationship factors. The mean scores for each company is listed below:

<table>
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<th>Company</th>
<th>N</th>
<th>REL</th>
<th>APP</th>
<th>REG</th>
<th>Trust</th>
<th>VAS</th>
<th>Average</th>
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<td>3.8168</td>
<td>3.7730</td>
<td>3.7770</td>
<td>3.7990</td>
</tr>
<tr>
<td>3</td>
<td>122.0000</td>
<td>4.0909</td>
<td>4.0545</td>
<td>4.0833</td>
<td>3.9909</td>
<td>4.0455</td>
<td>4.0530</td>
</tr>
</tbody>
</table>

Table 8.1 Mean Scores of the Three Companies of CRM factors

While the customers see a significant difference among the three companies on all the impacting factors arrived as a result of the factor analysis. It implies that in the NCR region, the customer feels that the company 1 is considered better regulation. It means that whenever
new products filling to the newer generation of fuels comes out in the market, customers will first try to explore the same with company 1.

Also company responds to the customer request more promptly compared to the other 2 companies. The effort made by the company on reliability, appearance, trust, regulation and VAS have been recognized well by the customers. Company 1 needs to focus more on the appearance dimension as the outlets are perceived to the lacking this dimension by the customer visiting company 1. There is a need for the company 2 to work on all the five dimension compared to company 1 and 3. The reasons for visiting the outlets would be based on the ranking parameters which 76% of the customers have voted in favor of the the convenient travel plan. However, given the choice on their route, the customers would switch their preference in favor of another company. Company 3 is marginally lower on all the factor mean scores compared to company 1, and a small effort by the company shall push ahead of company 1 in the NCR region.

While the mean scores for overall company are different, however, looking at the mean scores of the individual retail outlet, it is observed that on all the five dimension, there is a difference among the outlets. Some of the outlets of company 1 are lacking compared to company 3 and also company 2 is ahead of the other companies on individual dimension. The conclusion therefore has to be seen on individual
parameters for each company, and company’s can drawn inference about the needs of the customers.

Comparison of Indicators among Respondents of three Companies on various dimension clearly indicates, that the customers are able to differentiate the companies based on the factors of relationship. It was observed that the customers do not see significant difference in sales of the outlets and measures the company’s performance based on the value they get from the company, rather than looking at the sales, which each outlets is doing.

Marketing has dependably been considered as a device for markets with blemished rivalry, where numerous sellers battle for consumers, they have separated items and heaps of advertising and sales promotion different costs may likewise predominate in these business sectors (Plamer, 2004). Selling of petrol in India was anything other than not about marketing.

Since, none of the attributes of Indian Petroleum Business of that time concurs with the qualities of markets with defective rivalry. For instance – amid that time, the petrol selling companies require not battle for consumers and they (petrol selling companies) advertised precisely the same item to the consumers (trademark of an item) and that too at the same cost. In other words, the history of marketing of petrol in India was characterized and described by great government
control what's more protectionism. The marketing capacity, as well as all parts of petroleum business, (investigation, refining, dispersion or selling) were strictly managed and ensured. At the same time, as of late a huge paradigm shift is taking put in the way petrol is constantly showcased (Anurag, 2007).

The study additionally means to follow the patterns in the petroleum conveyance in Indian setting, i.e., to comprehend the changing motion of marketing and dispersion in the Indian petroleum industry, taking an instance of value and request nexus. The above study is simply a depiction of the sizzle that the petrol disseminating industry is experiencing, it is this critical change in the situation of petrol dissemination in India, which has pulled in a considerable measure of consideration of the policy producers in India. It's unverifiable that what the future sees yet one thing is beyond any doubt that marketing and dissemination of petrol is tranquil a testing errand for policy producers, Omcs and government.

Reinartz, Krafft,Hoyer ( 2004) Studied the Customer Relationship Management Process: Its Measurement and Impact on Performance and identified the goals of their study to: (1) to conceptualize and operationalize the process of CRM implementation, (2) to determine whether the implementation of CRM processes is positively linked to performance, and (3) to identify some key moderators of the relationship. They formalized CRM process in terms of three primary
dimensions: relationship initiation, maintenance, and termination so that results of CRM processes can be compared across companies and research studies. This index can also be employed as a guide for further research. On the other hand, their conceptualization highlights the importance of separating the three dimensions of CRM processes, because performance may vary at each stage. Mere examination of CRM processes at a general level does not capture the detailed nature of relationship management. A key goal of further research could be to examine factors that influence performance at each stage in more detail.

Keeping the above discussion in mind the framework developed by us in the current research was based on the five dimension, The CRM processes of the Public Sector oil companies were clearly flowing a common goal of Reliability, Appearance, Regulation, Trust and Value added services. The similarity therefore in our research and as proposed by earlier work on performance are collaborating. It was also observed that the performance of the company were varying at every state of these CRM process and on a overall scale doe not guide a general rule of relationship management. In order to have some linkage with the performance of the retail outlet and in turn with the company, it is necessary to build the relationships on these variables.

The earlier studies indicated that if a proper organizational structure and incentives are not in place, it may be difficult for CRM processes
to produce the desired effects. Thus, it is not enough for a company simply to implement CRM processes. It must organize itself and install a reward structure to support these processes. This also suggests that organization variables need to play a key role in further research efforts that attempt to understand the performance impact of CRM. The performance indicators also suggest that the two variables reliability and trust only contribute 17% to the performance and therefore, organizational efforts must be placed in order to identify and then understand the impact of other variables.

In this study we have outlined how companies can distinguish whether they can consolidate sponsorship with CRM. This study has highlighted the potential for CRM projects to be utilized to power sponsorship exercises better. Subsequently, there requirements to be extra research to inspect a various scope of issues. Any examination of the adequacy of CRM projects additionally needs to look into a scope of potential directing components including: the impression of truthfulness, association with reason and item, saw affect on the reason. Accordingly any trial would need to be sufficiently perplexing to look at or at any rate control for these elements.

The examination study demonstrates that CRM decidedly affect on understanding consumers furthermore focusing on, customer satisfaction and customer maintenance. Top to bottom meetings with vehicles companies have uncovered that in practice database
marketing encourages, customer understanding and focusing on, which is the base of CRM; Internet could bring upgraded customer satisfaction to CRM however coordinated intelligent marketing gave that customer private data is decently overseen, and henceforth certain level of customer maintenance.

Managerial ramifications could be drawn from this study. Firstly, to see consumers, which is a standout amongst the most critical parts of CRM, companies may apply machine database to get customer inclination data all the more proficiently, and consequently to target all the more precisely. What ought to be noted is that how to let customers control their data and how endeavor can shield it from outsiders need to be taken into cautious record with a specific end goal to ensure buyer security to manufacture their trust. What's more, companies can make coordinated relationship with consumers by using the data gathered, i.e., to give custom-made offerings to consumers as per their inclination also needs. In this manner customer satisfaction could be upgraded, which will bring about positive verbal and certain level of customer maintenance. Be that as it may, companies need to remember that CRM does not prompt customer loyalty constantly, different variables interfacing with loyalty, for example, purchaser purchasing conduct, need to be taken into record at the point when shaping CRM technique.
Speculations connected to CRM have been established in satisfaction/dissatisfaction hypotheses what's more speculations for customer whining conduct that has been proposed by customary advertisers. This study additionally examined models for customer satisfaction and whining conduct that analyze variables influencing customer relationship management. This study concentrates on the how to boost customer satisfaction for effective CRM on the grounds that it gives hints in respect to what managerial progressions may have prompted distinctive and more attractive practices, raising the issue of customer loyalty nearsightedness. This nearsightedness originates from accepting that purchaser conduct might be made and managed in and by itself without watchful respect to its underlying premise on the customer satisfaction side, restoring the long-standing marketing difficulty of demeanor and behavioral measures, and the amount mentality impact or anticipate conduct. This study additionally inspected studies that tended to the significance of customer dissensions that additionally go past the customer satisfaction idea and significantly all the more profoundly into the underlying speculations and models that endeavor to clarify why individuals might possibly be fulfilled. This study recommended the approaches to boost customer satisfaction, for example, enhancing customer loyalty and determining customer grumblings.

This study gives suggestions to both scholastics and practitioners. Future study will be required to explore mode of online customer
satisfaction that are proposed by Fournier and Mick (1999), including satisfaction-as-happiness, satisfaction-as-joy, what's more dissatisfaction-as-astonishment. Future exploration investigating buyer satisfaction of unadulterated play vs. multi-channel is likewise prone to be productive. Different issues that build the level of relationship between or inside online customers and businesses will likewise be a future exploration. Endeavors toward the successful determination of customer issues serve as the premise for long haul item and effective CRM.

The results of this research have several important implications for managers. The research provides a systematic outline of the different CRM activities that occur at retail outlets of oil companies and the various components of the relationships can be used by the managers to enhance the customer interactions. Thus, a company could use the approach to identify key activities that must be implemented to be successful, and an evaluation of the activities can provide a means for comparing their level of implementation with that of competitors.

One of the key issues in front of the organizations is to create value for their customer through the marketing process. Ambler (2000); Blattberg, Getz, and Thomas (2001); Keller and Lehmann (2001); Rust, Zeithaml, and Lemon (2000). Though the core purpose of the Enhancement of the services by the Company is to deliver value to the customers, yet, various market-oriented programs should do
everything in their power to enhance brand equity of the company and must take it to a level of customer equity. The introduction of various brands such as Club-HP, Servo-Premium, Speed etc which are brand equity of the company, needs to be taken to the level of customer equity. The company’ offering on these brand basket is to translate the benefits at the customer level and customers must see the value offering on these brands in order to complete the process of their relationship with the companies..

CRM will be more technique driven, and therefore have the capacity to focus on what customer anticipates from the relationship. CRM technology will return to the part of a supporting instrument. The 'last take' for the CEOS will be that CRM is and might be a vehicle for social change and incorporation in the association. In short, a genuine CRM empowers a relationship perspective of the world that goes past customers, incorporates multi-parts and encourages corporate renaissance.

This study is exploratory in nature. The explanation behind this is the relative oddity of the item of the study (CRM activities) and the relative absence of key hypothesis portraying such activities. Consequently, there still are a lot of undiscovered exploration opportunities. With developing premium and huge ventures being made in CRM systems, a few exact opportunities will rise.
It is hard to measurably test the proposed CRM model in a genuine/false arrangement. The present model is in its available structure a calculated model. In any case, diverse parts of it would loan themselves well to quantitative tests. This is particularly important when it goes to the distinctive supporting conditions said in the model.

The main future opportunities for the sector include assessing the feasibility of using non conventional fuels such as coal bed methane, hydrogen and bio diesel. The sector must also lay greater focus on developing midstream infrastructure, with specific attention on city gas distribution networks, and the construction of

Strategic storage facilities as a safeguard against short term disruptions in fuel supply.