CHAPTER VII FINDINGS AND SUGGESTIONS

7.1 Summary of Findings:

The analysis of revenue generated by Central and State Governments in recent years (2012-13 to 2014-15) with that of the revenue generated correspondingly a decade before (2002-03 to 2004-05) shows an increase in revenue to the tune of 188 per cent, 193 per cent and 167 per cent respectively in the three periods of comparison. The quantum of increase between 2002-03 and 2012-13 was Rs.181910 crore. The increase between 2003-04 and 2013-14 was to the tune of Rs.200985 crore and the increase in revenue to the Central and State Governments between 2004-05 and 2014-15 was Rs.201674 crore.

The ratio of revenue to Central and State Governments have changed lest in a from an average of 66: 34 a decade before to and in recent years it was 51: 49 in recent years. The analysis reveals that in recent years, State Governments’ share in the total revenue was increased or in other words Central Government has shared more revenue with the State Governments than a decade before. Hence, increased levy of tax by the Central and State Governments resulted in more contribution of revenue from petroleum sector.

The owners’ view on pricing policies of petrol and diesel and their view on the problems encountered by them in the petrol bunk business are presented in this Chapter.
7.2 Profile of the respondents:

In the Study area a maximum of 60.83 per cent of the petrol bunks are located in Madurai City. A maximum of 51.66 per cent of the owners of Petrol Bunks are dealers of IOCL. It is followed by the dealers of HP which constitute 57.57 per cent of the total. The analysis reveals that the main dealer in the study area is the dealer of IOCL and more number of dealers is at Madurai City.

The important gender among the owners in the present study is male which alone constitute 80 per cent of the total. The male owners in IOCL and HP constitute 79.03 and 78.78 per cent of the total of 62 and 33 owners respectively. Among the owners in BP, male constitute 84 per cent of the total. The analysis reveals that the dominant gender among the owners of petrol bunk is male.

The dominant age group among the owners is 30 to 40 years and 41 to 50 years which constitute 27.50 and 24.17 per cent of the total respectively. Among the Owners in IOCL, the first two age groups are 30 to 40 years and 51 to 60 years which constitute 29.03 and 24.19 per cent of the total respectively. Among the owners in HP, the dominant are 41 to 50 and 30 to 40 years which constitute 42.42 and 21.21 per cent of the total respectively. Among the owners in BP, the two are 30 to 40 and less than 30 years which constitute 32.00 and 20.00 per cent of the total respectively. The analysis reveals the relative importance of 30 to 40 and 41 to 50 years as the age of the owners of petrol bunk in the present study.
The important levels of education among the owners are under-graduation and up to school level since they constitute 30.83 and 20.83 per cent to the total respectively. Among the owners in IOCL, the top two levels of education are under-graduation and up to school level since they constitute 29.03 and 24.19 per cent of the total respectively. Among the owners in HP, this is under graduation since it constitutes 33.33 per cent of the total. Among the owners in BP, the first two levels of education are under-graduation and post-graduation which constitute 32.00 and 24.00 per cent of the total respectively. The analysis reveals the importance of under-graduation, post-graduation and up to school level as the level of education among the owners in the present study.

The dominant marital status among the owners is ‘married’ which alone constitute 83.33 per cent of the total. The married owners in IOCL, HP and BP constitute 85.48, 81.82 and 80.00 per cent of the total of 62, 33 and 25 owners respectively. The unmarried owners constitute only 7.5 per cent to the total whereas others constitute 9.17 per cent to total. The analysis infers that the important marital status among the owners is ‘married’.

The dominant family size among the owners is 4 to 5 and less than 4 which constitute 40.83 and 30.00 per cent of the total. The first two important family sizes among the owners in IOCL are 4 to 5 and less than 4 which constitute 46.77 and 27.42 per cent to its total respectively. Among the owners in HP, the first two family sizes are less than 4 and 4 to 5 members which constitute 39.39 and 30.30 per cent of the total respectively. Among the owners in BP, these two are 4 to 5 and 6 to 7 members which constitute 40.00 and 28.00 per cent to its total respectively. The analysis reveals the
importance of 4 to 5 and less than 4 family members per family among the owners in the present study.

The dominant occupations among the owners are agriculture and businesses since they constitute 30.83 and 27.50 per cent to the total respectively. The important occupational backgrounds among the owners in IOCL are agriculture and business which constitute 33.87 and 27.42 per cent of the total respectively. Among the owners in HP, these two are agriculture and private employment which constitute 24.24 and 21.21 per cent of the total respectively. Among the owners in BP, these two are business and agriculture which constitute 40.00 and 32.00 per cent of the total respectively. The analysis infers the importance of agriculture and business as the occupational background of the owners.

A maximum of 28.33 per cent of the owners have an experience of 15 to 20 years in the field. It is followed by 10 to 15 years which constitute 27.50 per cent to the total. The important years of experience among the owners in IOCL are 10 to 15 and above 20 years since their constitute 29.03 and 25.81 per cent of the total respectively. Among the owners in HP, these two are 15 to 20 and 10 to 15 years which constitute 33.33 and 21.21 per cent of the total respectively. Among the owners in BP, these two are 10 to 15 and 15 to 20 years which constitute 32.00 and 32.00 per cent of the total respectively. The analysis infers the relative importance of 15 to 20 and 10 to 15 years as the years of experience in the present field among the owners.

A maximum of 44.16 per cent of the owners have only one business namely petrol bunk. It is followed by two businesses which constitute 35.83 per cent of the total.
The important numbers of business owned by the owners in IOCL are one and two which constitute 41.94 and 37.09 per cent of the total respectively. Among the owners in HP, these two are also one and two which constitute 51.52 and 36.36 per cent of the total respectively. Among the owners in BP, the are one and two since these constitute 40.00 and 32.00 per cent of the total respectively. It reveals the importance of one or two businesses owned by the owners of petrol bunk.

The important monthly incomes among the owners are Rs.1.51 and Rs.2.00 and Rs.1.00 to Rs.1.50 lakhs which constitute 29.17 and 22.50 per cent of the total. Among the owners in IOCL, the first two monthly incomes are Rs.1.51 to Rs.2.00 lakhs and Rs.1 to Rs.1.50 lakhs since these constitutes 30.65 and 25.81 per cent of the total respectively. Among the owners in HP, these two are Rs.1.51 to Rs.2.00 and Rs.2.01 to Rs.2.50 lakhs which constitute 27.27 and 24.24 per cent of the total respectively. Among the owners in BP, these are Rs.1.51 to Rs.2.00 and above Rs.2.50 lakhs which constitute 28.00 and 24.00 per cent of the total respectively. The analysis infers that the dominant monthly income from the petrol bunk among the owners is varying from Rs.1 to Rs.2 lakhs.

The dominant monthly income from other sources among the owners are Rs.75,001 to Rs.1,00,000 and Rs.50,001 to Rs.75,000 which constitute 25.00 and 29.17 per cent of the total respectively. The important monthly income from others sources among the owners in IOCL are Rs.75,001 to Rs.1,00,000 and Rs.50,001 to Rs.75,000 which constitute 24.19 and 22.58 per cent of the total respectively. Among the owners in HP, these two are Rs.50001 to Rs.75000 and less than Rs.25,000 which constitute 24.24 and 21.21 per cent of the total respectively. Among the owners in BP, these two are
Rs.75,001 to Rs.1,00,000 and Rs.50,001 to Rs.75,000 which constitute 32.00 and 28.00 per cent to its total respectively. The analysis infers that the important monthly income drawn from other sources varies from Rs.50,001 to Rs.1,00,000 among the owners.

The dominant earning members per family among the owners are one and two which constitute 49.17 and 43.33 per cent of the total. The important earning members per family among the owners in IOCL are one and two which constitute 61.29 and 33.87 per cent of the total respectively. Among the owners in HP, these two are two and one which constitute 51.51 and 36.36 per cent of the total respectively. Among the owners in BP, these two are two and one which constitute 56.00 and 36.00 per cent of the total respectively. The analysis reveals that the important earning members per family among the owners are one or two in the present study.

The dominant family incomes among the owners are Rs.3.01 to Rs.4.00 and Rs.2.01 to Rs.3.00 lakhs per month which constitute 30.83 and 22.50 per cent of the total. Among the owners in IOCL, the first two family incomes are Rs.3.01 to Rs.4.00 and Rs.2.01 to Rs.3.00 lakhs which constitute 33.87 and 22.58 per cent of the total respectively. Among the owners in HP, these two are Rs.3.01 to Rs.4.00 and Rs.2.01 to Rs.3.00 lakhs which constitute 24.24 and 21.21 per cent of the total respectively. Among the owners, in BP, these two are also the same which constitute 32.00 and 24.00 per cent of the total respectively. The analysis reveals that the important family incomes per month among the owners are varying from Rs.2.01 to Rs. 4.00 lakhs.

The dominant natures of allotment of petrol bunk among the owners are general and reserved for handicapped since these constitute 39.17 and 31.67 per cent of the total
respectively. The important natures of allotment among the owners in IOCL are general and reserved for handicapped since these constitute 41.94 and 30.65 per cent of the total respectively. Among the owners in HP, these two are also the same which constitute 39.39 and 30.30 per cent of the total respectively. Among the owners in BP, these two are reserved for handicapped and general which constitute 36.00 and 32.00 per cent of the total respectively. The analysis reveals the importance of general and reserved for handicapped as the nature of allotment of petrol bunk among the owners.

The dominant nature of ownership of petrol bunk among the owners is sole proprietorship and partnership which constitute 43.33 and 30.00 per cent of the total. Among the owners in IOCL, the first two type of ownership are limited company and sole proprietorship which constitute 37.09 and 35.48 per cent of the total respectively. Among the owners in HP, these two are sole proprietorship and partnership which constitute 42.42 and 36.36 per cent of the total respectively. Among the owners in BP, these two are also the same which constitute 64.00 and 28.00 per cent of the total respectively. The analysis reveals that the most important nature of ownership among the owners is sole proprietorship.

The dominant location of the petrol bunk among the owners is urban and semi-urban which constitute 60.83 and 24.17 per cent of the total. Only 15.00 per cent of petrol bunks are located in rural area. Among the owners in IOCL and HP, the most dominant location of the petrol bunk is urban which constitutes 61.29 and 57.57 per cent of the total respectively. Among the owners in BP, it is urban which constitutes 64.00 per cent of the
total. The analysis infers that the most important location of the petrol bunk among the owners is urban and semi-urban.

The important turnover per day among the owners is above Rs.2.5 lakhs and Rs.2.01 to Rs.2.50 lakhs which constitute 33.33 23.33 per cent of the total. Among the owners in IOCL, the first two turnovers are above Rs.2.5 and Rs.2.01 to Rs.2.5 lakhs which constitute 41.94 and 22.58 per cent of the total respectively. Among the owners in HP, these two are above Rs.2.50 and Rs.1.51 to Rs.2.00 lakhs which constitute 27.24 and 21.21 per cent to it of the s total respectively. Among the owners in BP, these two are Rs.2.01 to Rs.2.5 lakhs and above Rs.2.5 lakhs which constitute 30.00 and 24.00 per cent of the total respectively. The analysis reveals that the dominant business in the petrol bunk varies from Rs.1.51 lakhs to above Rs.2.5 lakhs.

A maximum of 88.33 per cent of the owners do both cash and credit sales at their petrol bunk. Among the owners in IOCL and HP, the owners doing both cash and credit sales constitute 91.93 and 87.88 per cent of the total respectively. Among the owners in BP, it constitutes 80.00 per cent of the total. The analysis infers that maximum numbers of owners are doing both cash and credit sales. Only 7.5 per cent of the owners do cash sales at their petrol bunk.

The dominant level of present investment on petrol bunk among the owners is above Rs.75 lakhs and Rs.25 to Rs.50 lakhs which constitute 33.33 and 25.83 per cent of the total respectively. Among the owners in IOCL, the first two investments are above Rs.75 lakhs and Rs.50.01 to Rs.75 lakhs since these constitutes 33.87 and 24.19 per cent of the total respectively. Among the owners in HP, these are above Rs.75 lakhs and Rs.25
to Rs.50 lakhs which constitute 39.39 and 24.24 per cent of the total respectively. Among
the owners in BP, these are Rs.25 to Rs.50 and Rs.50.01 to Rs.75 lakhs which constitute
32.00 and 32.00 per cent of the total respectively. The analysis reveals that the level of
present investment on petrol bunk is varying from Rs.25 lakhs to above Rs.75 lakhs.

A maximum of 58.33 per cent of the owners use both own and borrowed sources
for their investment. It is followed by own source which constitute 25.83 per cent of the
total. Among the owners in IOCL, the important sources are both own and borrowed and
own source which constitute 64.52 and 19.75 per cent of the total respectively. Among
the owners in HP, these two are also the same which constitute 51.52 and 33.33 per cent
of the total respectively. Among the owners in BP, these are both sources and own source
since it constitute 52.00 and 32.00 per cent of the total respectively. The analysis reveals
the dominance of both own and borrowed sources for the investment in petrol bunk
among the owners.

The important ROI among the owners are 1.26 to 1.50 and above 1.50 per cent
since these constitute 40.00 and 39.17 per cent of the total respectively. Among the
owners in IOCL, the first two ROI are 1.26 to 1.50 and above 1.50 which constitute 38.71
and 37.09 per cent of the total respectively. Among the owners in HP, these two are also
the same which constitute 51.51 and 39.39 per cent of the total respectively. Among the
owners in BP, these two are above 1.50 and 1.26 to 1.50 which constitute 44.00 and
28.00 per cent of the total respectively. The analysis reveals the relative importance of
ROI from 1.26 per cent and above among the owners.
7.3 Owners’ view on the Pricing Policies of Petrol and Diesel:

The owners view on the pricing policies of petrol and diesel at present especially after deregulation is measured with the help of thirty one variables. The score of the variables has been included for exploratory factor analysis which results in six important factors such as Customers consequences, Owners consequences, Oil company consequences, Government consequences, Economic consequences and Price consequences.

The first two important factors identified by the factor analysis are customers and owners consequences since their Eigen value are 5.8183 and 4.0962 respectively. The per cent of variation explained by these two factors are 18.77 and 13.21 per cent respectively. The next two important factors are oil company consequences and Government consequences since their Eigen value are 3.8806 and 3.6693 respectively. The per cent of variation of above said two factors are 12.52 and 11.84 per cent respectively. The last two factors identified by the factor analysis are economic and price consequences since their Eigen value are 2.8604 and 2.1173 respectively. The per cent of variation of the factors are 9.23 and 6.83 respectively. The six narrated factors explain the thirty one variables to an extent of 72.40 per cent.

7.3.1 Owners’ View on Consumers Consequences (CC) of the Price Policies

The consumer consequence (CC) consists of eight variables such as higher consumers’ price, Frustration of customers, Burden to customers, No full benefit of
deregulation, Loss of customers trust, Reduction of customers satisfaction, frequent enquiry by customers and No long queues in petrol bunk.

The highly viewed variables in CC by the owners in IOCL are ‘frequent enquiry by customers’ and ‘reduction of customers’ satisfaction. Among the owners in HP, the two variables are reduction of customer’s satisfaction and burden to customers. Among the owners in BP, these two variables are burden to customers and no long queues in petrol bunk since their mean scores are 3.6688 and 3.6082 respectively. Regarding the view on variables in CC, the significant difference among the three groups of owners have been noticed in their view on five out of eight variables in CC.

The reliability and validity of variables in CC was examined with the help of confirmatory factor analysis. The overall reliability of variables in CC was been tested with the help of Cronbach alpha. The standardized factor loadings of variables in CC are vary from 0.6882 to 0.9246 which reveals its content validity. The significance of ‘t’ statistics of the standardized factor loadings of variables in CC reveals its convergent validity. It is also supported by the composite reliability and average variance extracted since these are greater than its standard minimum of 0.50 and 50.00 per cent respectively. The included eight variables in CC explain it an extent of 81.72 per cent since its Cronbach alpha is 0.8172.

The level of view on consumers consequences of the pricing policies among the owners have been measured by the mean scores of the variables in it. The important SOCC among the owners are 3.01 to 4.00 and above 4.00 which constitute 42.50 and 25.00 per cent of the total. Among the owners in IOCL, the first two SOCC are 3.01 to
4.00 and above 4.00 which constitute 38.70 and 29.03 per cent of the total respectively. Among the owners in HP, these two are also the same which constitute 51.51 and 21.21 per cent of the total respectively. Among the owners in BP, these two are 3.01 to 4.00 and 2.00 to 3.00 which constitute 40.00 and 28.00 per cent of the total respectively. The owners in IOCL have higher view on the consumer consequences than that of the owners in HP and BP.

7.3.2 Owners’ View on Owners’ Consequences (OC) of the Price Policies

The owner’s consequence (OC) consists of six variables such as Affect profitability, Unfair to overhead, Poor ROI, No windfall profits, Minimum commission and Increase in credit sales. The highly viewed variables in OC by the owners in IOCL are increase in credit sales and affect profitability. Among the owners in HP, these two are no windfall profits and increase in credit sales. Among the owners in BP, these two are ‘minimum commission’ and ‘unfair to overhead.’ Regarding the view on variables in OC, the significant difference among the three groups of owners has been noticed in their view on three out of six variables in OC.

The CFA has accepted only five variables. The included five variables in owner’s consequences explain it to an extent of 73.49 per cent since its Cronbach alpha is 0.7349. The standardized factor loadings of variables in OC are greater than 0.60 which reveals its content validity. The standardized factor loadings of variables in OC are significant at five per cent level which indicates the convergent validity. It is also supported by the
composite reliability and average variance extracted since these are greater than its standard minimum of 0.50 and 50.00 per cent respectively.

The level of view on the owners consequences have been measured by the mean scores of the variables in OC. The important SOOC among the owners are 3.01 to 4.00 and above 4.00 which constitute 41.67 and 35.83 per cent of the total. The important SOOC among the owners in IOCL are 3.01 to 4.00 and above 4.00 which constitute 37.09 and 29.03 per cent of the total respectively. Among the owners in HP, these two are 3.01 to 4.00 and above 4.00 which constitute 51.52 and 36.36 per cent of the total respectively. Among the owners in BP, these two are above 4.00 and 3.01 to 4.00 which constitute 52.00 and 40.00 per cent of the total respectively. The analysis reveals that the levels of view on owner’s consequences are higher among the owners in BP than that among the owners in IOCL and HP.

7.3.3 Owners’ View Oil Company’s Consequences (OCC) of pricing Policies

The company’s consequence consists of five variables such as Earn more, Fixation of prices, Take independent decision on pricing, No credit sales and Reduction of losses. The highly viewed variables in OCC by the owners in IOCL are ‘earn more’ and ‘no credit sales.’ Among the owners in HP, these two are ‘fixation of prices’ and ‘earn more.’ Among the owners in BP, these two are ‘fixation of prices’ and ‘take independent decision in pricing.’ Regarding the view on variables in OCC, the significant
difference among the three group of owners have been noticed in their view on no credit sales and reduction of losses.

The CFA has accepted only four variables in it. The standardized factor loading of variables in OCC varies from 0.6544 to 0.8917 which reveals the content validity. The significance of ’t’ statistics of the standardized factor loading of variables in OCC reveal its convergent validity. It is also proved by the composite reliability and average variance extracted since these are greater than the minimum standard of 0.50 and 50.00 per cent respectively. The four included variables in OCC explain it to an extent of 78.41 per cent since its Cronbach alpha is 0.7841.

The level of view on the oil companies consequences of the deregulation of petroleum prices have been measured by the mean scores of all four variables in it. The important SOOC among the owners are 3.01 to 4.00 and above 4.00 which constitute 40.00 and 36.67 per cent of the total. Among the owners in IOCL, the first two SOOCC are 3.01 to 4.00 and above 4.00 since these constitute 41.94 and 30.65 of the total respectively. Among the owners in HP, these two are above 4.00 and 3.01 to 4.00 which constitute 42.42 and 30.30 per cent of the total respectively. Among the owners in BP, these two are 3.01 to 4.00 and above 4.00 which constitute 48.00 and 44.00 per cent of the total respectively. The analysis reveals that the levels of view on oil employee’s consequences are higher among the owners in IOCL than that of the owners in BP and HP.
7.3.4 Owner’s view on Government Consequences (GC) of pricing Policies

The Government consequences consist of five variables such as Additional revenue to oil companies, Increase in excise duties, lesser reduction of prices of petrol and diesel, Recovery of oil companies and Free from indebtedness. The highly viewed variables in GC by the owners in IOCL are recovery of oil companies and additional revenue to oil companies. Among the owners in HP, these two are lesser reduction of prices of petrol and diesel and increase in excise duties. Among the owners in BP, these two are lesser reduction of prices of petrol and diesel and free from debt. Regarding the view on variables in GC, the significant difference among the three groups of owners has been noticed in their view on three out of five variables in GC.

The CFA has accepted only four variables in it. The included four variables in GC explain it to an extent of 76.38 per cent since its Cronbach alpha is 0.7638. The standardized factor loading of variables in GC is greater than 0.60 which reveals the content validity. The significance of ‘t’ statistics of the standardized factor loading of variables in GC reveal its convergent validity. It is also supported by the composite reliability and average variance extracted since these are greater than its standard minimum of 0.50 and 50.00 per cent respectively. The owner’s views on GC have been computed by the mean scores of four variables in GC. The analysis reveals that the levels of view on government consequences are higher among the owners in HP than that among the owners in IOCL and BP.
7.3.5 Owners’ view on Economic Consequences (EC) of pricing Policies

It consists of four variables such as Good economic development, Removal of subsidy, Good economic policy and End to fuel scarcity. The highly viewed variables in EC by the owners in IOCL are good economic policy and end to fuel scarcity. Among the owners in HP, the first two variables in EC are end to fuel scarcity and good economic policy. Among the owners in BP, these two variables are good economic policy and end to fuel scarcity. Regarding the view on variables in EC, there is no significant difference among the three groups of owners.

The score of all four variables in EC have been included for confirmatory factor analysis. The standardized factor loading of variables in EC varies from 0.6007 to 0.9044 which reveals the content validity. The significance of ‘t’ statistics of the standardized factor loading of variables in EC reveal its convergent validity. The composite reliability and average variance extracted by this factor also support the convergent validity. The four included variables in EC explain it to an extent of 79.64 per cent since its Cronbach alpha is 0.7964. The levels of owners view on economic consequences have been measured by the mean scores of four variables in it. The analysis reveals that the levels of view on economic consequences among the three groups of owners are more or less same.

7.3.6 Owners’ view on Price Consequences (PC) of pricing Policies

It consists of three variables such as Differentiated price, free market mechanism and Price independence. The highly viewed variables in PC by the owners in IOCL are
free market mechanism and price independence. Among the owners in HP, these two are also the same. Among the owners in BP, the two are differentiated price and free market mechanism. Regarding the view on variables PC, the significant difference among the three groups of owners was noticed in their view on all three variables.

The score of three variables in PC has been included for confirmatory factor analysis. The three included variables in PC explain it to an extent of 74.09 per cent since its Cronbach alpha is 0.7409. The standardized factor loading of variables in PC is greater than 0.60 which reveals the content validity. The significance of ‘t’ statistics of the standardized factor loading of variables in PC reveals its convergent validity. It is also proved by the composite reliability and average variance extracted since these are greater than its standard minimum of 0.50 and 50.00 per cent respectively.

The levels of view on price consequences among the owners have been derived by the mean scores of the variables in it. The analysis infers that the view on price consequences is higher among the owners in IOCL than that among the owners in HP and BP.

7.3.7 Owners’ view on Important Consequences of Pricing Policy of Petrol and Diesel

One way analysis of variance was used to examine the profile of the owners and their view on the important consequences of pricing policies on petrol and diesel. Regarding the view on customers’ consequences, the significantly associating profile variables are age, level of education, occupational background, years of experience,
monthly income, monthly income from other sources and family income. The significantly associating profile variables regarding the view on owner’s consequences are age, occupational background, monthly income from other sources and family income.

The significantly associating profile variables regarding the view on oil companies’ consequences are age, level of education, family size, occupational background, years of experience, monthly income from other sources, earning members per family and family income whereas in the perception on Government consequences, these profile variables are age, level of education, occupational background, years of experience, monthly income from other sources and family income.

Regarding the view on economic consequences, the significantly associating profile variables are level of education, family size, occupational background, years of experience, number of business owned, monthly income, monthly income from other sources, earning members per family and family income whereas regarding the price consequences, these are married status, family size, occupational background, monthly income and family income.

One way analysis of variance was used to examine the profile of the units and the owners’ view on the important consequences of pricing policies on petrol and diesel. The significantly associating profile of the units regarding their owners’ view on customers consequences are nature of allotment, location, turnover and return on investment whereas in the view on owners consequences, these profile variables are nature of allotment, turnover, and amount of investment. Regarding the view on oil companies
consequences the significantly associating profile variables are nature of ownership and turnover whereas in the case of view on government consequences, these are nature of allotment and amount of investment. In the view on economic consequences, these profile variables of nature of ownership and location whereas in the case of price consequences, this profile variable is return on investment.

An attempt has been made to identify the important discriminate consequences among the views of owners in IOCL and HP and the statistical significance has been computed. Significant mean differences are noticed in the case of consumers, oil companies, government and price consequences. Higher mean differences are noticed in the case of consumer and government consequences since their Wilks Lambda are 0.1038 and 0.1338 respectively. The higher discriminate co-efficient are noticed in the case of consumers and oil company’s consequences since their co-efficient are 0.2041 and 0.1997 respectively. It shows the higher influence of above said two important consequences in the discriminate function. The higher relative contribution in TDS is noticed in the case of consumers and oil company’s consequences since its relative contributions are 45.39 and 39.83 per cent respectively. The estimated two group discriminate function correctly classifies the cases to an extent of 74.82 per cent. The analysis reveals that the important discriminate consequences among the owners in IOCL and HP are consumers and oil companies consequences which are highly perceived by the owners in IOCL than that by the owners in HP.

The important discriminate consequences among the views of owners in IOCL and BP and the statistical significance have been computed. Significant mean differences
are identified in the case of consumers, owners and price consequences since their respective ‘t’ statistics are significant at five per cent level. Higher mean differences are noticed in the case of consumer and price consequences since their mean differences are 0.5561 and 0.5293 respectively. The higher discriminate power is noticed in the case of consumers and price consequences since its Wilks Lambda are 0.1017 and 0.1249 respectively.

The higher discriminate co-efficient are noticed in the case of consumers and owners consequences since their co-efficient are 0.1789 and -0.1548 respectively. It shows the higher influence of above said two consequences in the discriminate function. The higher relative contribution in TDS is noticed in the case of consumers and owners consequences since their relative contributions are 47.09 and 27.59 per cent respectively. The estimated two group discriminate function correctly classifies the cases to an extent of 72.83 per cent. The analysis reveals that the important discriminate consequences among the owners in IOCL and BP are consumers and owners consequences. The consumer’s consequences are highly viewed by the owners in IOCL whereas the owner’s consequences are viewed highly by the owners in BP.

The important discriminate consequences among the views of owners in HP and BP and the statistical significance have been computed. Significant mean differences are noticed in the case of owners, oil company and Government consequences since their respective ‘t’ statistics are significant at five per cent level. Higher mean differences are noticed in the case of government and owner’s consequences since their mean differences are 0.4377 and -0.4205 respectively. Higher discriminate power is noticed in the case of
Oil Company and government consequences since their Wilks Lambda are 0.1179 and 0.1341 respectively. Higher discriminate co-efficient are noticed in the case of government and owners consequences since their co-efficient are 0.1881 and 0.1775 respectively. It shows the higher influence of above said two important consequences in the discriminate function. The higher relative contribution in TDS is noticed in the case of government and owners’ consequences since its relative contributions are 44.78 and 40.39 per cent respectively. The estimated two group discriminate function correctly classifies the cases to an extent of 76.89 per cent. The analysis reveals that the important discriminate consequences among the owners in HP and BP are government consequences and owner’s consequences. The government consequences are highly viewed by owners in HP whereas the owner’s consequences are viewed highly by the owners in BP.

7.4 Owner’s view on Problems encountered by the owners in the Petrol Bunk business:

The owners of the petrol bunk face so many problems to run their business because of frequent changes in the price of petrol and diesel and also the expectation of the customers. Even though the problems are too many, the present study is confined to only 33 problems. The factor analysis results are for eight important problems such as Service quality, loss, operating expenses, customers, investment, sales, labour and delivery.
The first three important problems narrated by the factor analysis are service quality, loss, and operating expenses since their Eigen values are 3.8844, 3.0417 and 2.8096 respectively. The per cent of variation explained by these important problems are 11.77, 9.21 and 8.51 per cent respectively. The next three important problems noticed by the factor analysis are customers, investment and sales since their Eigen values are 2.5644, 2.3392 and 2.1173 respectively. The per cent of variation explained by these three important problems are 7.77, 7.09 and 6.42 per cent respectively. The last two important problems identified by the factor analysis are labour and delivery since their Eigen values are 2.0946 and 1.9884 respectively. The per cent of variance explained by these two important problems are 6.35 and 6.02 per cent respectively.

7.4.1 Owners’ view on Provision Service Quality (PSQ) Problem

The owners’ view on provision of service quality consists of five problems such as Provision of reliable service, Provision of enriched services, Provision of value added services, Provision of empathized services and Provision of tangibles. The highly viewed variables in PSQ by the owners in IOCL are provision of value added services and emphasized services. Among the owners in HP, these two are provision of tangibles and empathized services since their mean scores are 3.5441 and 3.4917 respectively. Among the owners in BP, the two top are provision of enriched services and tangibles. Regarding the view on variables in PSQ, the significant difference among the three groups of owners was noticed in the case of all five variables in PSQ.
The score of the variables in PSQ have been included for confirmatory factor analysis in order to examine the reliability and validity of variables in it. The included five variables in PSQ explain it to an extent of 80.84 per cent since their Cronbach alpha is 0.8084. The standardized factor loading of variables in PSQ vary from 0.6911 to 0.9086 which reveal their content validity. The significance of ‘t’ statistics of the standardized factor loading of variables in PSQ reveal its convergent validity. It is also supported by the composite reliability and average variance extracted since these are greater than its standard minimum of 0.50 and 50.00 per cent respectively. The levels of view on the provision of service quality among the owners are measured by the mean scores of the variables in PSQ. The analysis reveals that the level of view on ‘provision of service quality’ problem is higher among the owners in IOCL than that among the owners in HP and BP.

7.4.2 Owners’ view on ‘Loss’ Problem

It consists of four variables such as Continuous fall in price, loss due to the strikes of transport, loss due to evaporation of petrol and lesser communication on sales turnover. The highly viewed variables on loss by the owners in IOCL are ‘continuous fall in price’ and ‘loss due to the strikes of transport’. Among the owners in HP, these two variables are also the same with the mean scores of 3.9088 and 3.9122 respectively. Among the owners in BP, these two variables are ‘Loss due to the strikes of transport’ and ‘lesser commission on sales turnover’. Regarding the view on variables in ‘loss’, the significant difference among the three group of owners have been noticed in their view on three out of four variables on loss.
The score of the four variables in loss was included for confirmatory factor analysis for to examine the reliability and validity. The standardized factor loading of variables in loss varies from 0.6548 to 0.8349 which reveals its content validity. The significance of ‘t’ statistics of the standardized factor loading of variables in loss reveal its convergent validity. It is reflected by the composite reliability and average variance extracted since these are greater than its standard minimum of 0.50 and 50.00 per cent respectively. The included four variables on loss explain it to an extent of 74.82 per cent since their Cronbach alpha is 0.7482. The owner’s views on loss have been derived by the mean scores of the variables in loss. The analysis infers that the level of view on loss is higher among the owners in HP than that among the owners in IOCL and BP.

7.4.3 Owners’ view on Operating Expenses (OE)

The operating expense is examined with the help of mean scores of the four variables such as higher maintenance and delivery costs, higher transport cost, Higher administrative cost and Higher cost of labour. The highly viewed variables in OE by the owners in IOCL are ‘higher cost of labour’ and ‘maintenance and delivery costs’. Among the owners in HP, the highly viewed two are higher maintenance and delivery costs and administrative costs. Among the owners in BP, the two highly viewed are higher transport costs and higher cost on labour. There is no significant difference among the three groups of owners regarding their view on all four variables in operating expenses since their respective ‘F’ statistics are not significant at five per cent level.
In the CFA the four included variables in OE explain it to an extent of 75.92 per cent since its Cronbach alpha is 0.7592. The standardized factor loading of variables in OE are greater than 0.60 which reveals its content validity. The significance of \( t \)’ statistics of the standardized factor loading of variables in OE reveal its convergent validity. It is also supported by the composite reliability and average variance extracted since these are greater than its standard minimum of 0.50 and 50.00 per cent respectively. The analysis reveals that the level of view on operating expenses is higher among the owners in IOCL and HP than that among the owners in BP.

7.4.4 Owners’ view on Customers (CS) related Problem

The owners’ views on the customers were examined with the help of mean scores of four variables such as dissatisfied customers, Variety of customers, Change in customers’ expectation and Customers’ behavior. The highly viewed variables in CS by the owners in IOCL are ‘variety of customers’ and ‘customers’ behavior.’ Among the owners in HP, the top two are dissatisfied customers and change in customer’s expectation. Among the owners in BP, the highly viewed two are variety of customers and customer’s behavior. Regarding the view on variables in CS, the significant difference among the three groups of owners has been noticed in their view on all four variables in it since their respective ‘F’ statistics are significant at five per cent level.

The CFA included four variables in customers which explain it to an extent of 77.09 per cent since its Cronbach alpha is 0.7709. The standardized factor loading of variables in customers is greater than 0.60 which reveals the content validity. The
significance of ‘t’ statistics of the standardized factor loading of variables in customers reveal its convergent validity. It is also proved by the composite reliability and average variance extracted since these are greater than its standard minimum of 0.50 and 50.00 per cent respectively. The level of view on customers related problems are derived by the mean scores of the all four variables in it. The analysis reveals that the level of view on customer’s related problems is higher among the owners in HP than that among the owners in IOCL and BP.

7.4.5 Owners’ view on Investment (IN) Problem:

Owners’ view on investment problem consists of four variables such as immediate payment for purchase, Compulsory investment facilities at banks, higher need for working capital and Need for updating. The highly viewed variable in IN by the owners in IOCL are ‘immediate payment for purchase’ and ‘need for updating.’ Among the owners in HP, the highly viewed two are need for updating and higher need for working capital. Among the owners in BP, the highly viewed two are immediate payment for purchase and compulsory investment on facilities at bank. Regarding the view on variables in IN, the significant difference among the three group of owners have been noticed in their view on all four variables in IN.

The score of all four variables in investment was included for confirmatory factor analysis in order to examine the reliability and validity of variables in IN. The standardized factor loading of variables in IN varies from 0.6489 to 0.8773 which reveals the content validity. The significance of ‘t’ statistics of the standardized factor loading of
variables in IN reveals its convergent validity. It is also proved by the composite reliability and average variance extracted since these are greater than its standard minimum of 0.50 and 50.00 per cent respectively. The four included variables in investment explain it to an extent of 78.13 per cent since its Cronbach alpha is 0.7813. The owners’ view on the investment related problem is measured by the mean scores of the variables in it. The analysis infers that the level of view on investment related problems are higher among the owners in BP than that among the owners in HP and IOCL.

7.4.6 Owners’ view on ‘Sales’ Related Problem

In consists of four variables such as leading sales of speed petrol, 24 hours sales, Credit sales to business customers and Sale on Government price. The highly perceived variables in sales by the owners in IOCL are sales on government price and credit sales to business customers. Among the owners in HP, the highly viewed two are also the same but with the mean scores of 3.5088 and 3.3089 respectively. Among the owners in BP, the first two variables are sales on government price and 24 hours sales. There is no significant difference among the three groups of owners regarding their view on variables in sales.

The CFA included four variables on sales explain it to an extent of 72.08 per cent since its Cronbach alpha is 0.7208. The standardized factor loadings of variables in sales are greater than 0.60 which reveals the content validity. The significance of ‘t’ statistics of the standardized factor loadings of variables in sales reveal its convergent validity. It is
also proved by the composite reliability and average variance extracted since these are greater than its standard minimum of 0.50 and 50.00 per cent respectively. The levels of view on the sales among the owners were derived by the mean scores of the variables in it. The analysis reveals that the level of view on sales problem varies from moderate to high.

7.4.7 Owners’ View on ‘Labour’ (LA) Problem

It consists of four variables such as Non - availability of labour, Labour management, Labour management, Labour problems and higher labour cost. The highly viewed variables in labour problem by the owners in IOCL are higher labour cost and labour management. Among the owners in HP, the highly viewed two variables are labour problem and labour management. Among the owners in BP, the highly viewed two are higher labour cost and labour management. Regarding the view on variables in ‘labour’, the significant difference among the three groups of owners were noticed in the case of all four variables in it.

The CFA results in standardized factor loadings of variables in it, its statistical significance, composite reliability and average variance extracted. The four included variables in labour explain it to an extent of 75.49 per cent since its Cronbach alpha is 0.7549. The standardized factor loadings of variables in labour vary from 0.6842 to 0.8508 which reveal the content validity. The significance of ‘t’ statistics of the standardized factor loadings of variables in labour reveal its convergent validity. It is also supported by the composite reliability and average variance extracted since these are
greater than its standard minimum of 0.50 and 50.00 per cent respectively. The levels of view on labour problem among the owners have been measured by the mean scores of the variables in it. The analysis infers that the level of view on labour problems is higher among the owners in IOCL than that among the owners in HP and BP.

7.4.8 Owners’ View on ‘Delivery’ Problem

It consists of four variables such as Delayed delivery of petrol, No free flow of supply, Poor in logistics management and Theft in delivery process. The highly viewed variables in delivery by the owners in IOCL are no free flow of supply and poor logistics management. Among the owners in HP, the top two are poor logistic management and delayed delivery of petrol. Among the owners in BP, the highly viewed are poor logistics management and delayed delivery of petrol. There is no significant difference among the three groups of owners regarding their view on variables in delivery.

The confirmatory factor analysis has been administered for this purpose. The included four variables in delivery explain it to an extent of 78.82 per cent since its Cronbach alpha is 0.7882. The standardized factor loading of variables in delivery are greater than 0.60 which reveals the content validity. The significance of ‘t’ statistics of the standardized factor loading of variables in delivery reveal its convergent validity. It is also proved by the composite reliability and average variance extracted since these are greater than its minimum threshold of 0.50 and 50.00 per cent respectively. The level of view on delivery problems among the owners have been measured by the mean scores of
the variables in it. The analysis reveals that the level of view on delivery problem is more or less same among the three groups of owners.

7.4.9 Owners’ View on Important Problems in business of Petrol Bunk

The owners’ views on important problems have been examined by their view on all eight important problems such as Service quality, Loss, Operating expenses, Customers, Investment, Sales, Labour and Delivery. The highly viewed important problems by the owners in IOCL are operating expenses and labour problems. Among the owners in HP, the top two problems are customers and operating expenses. Among the owners in BP, the highly viewed two are investment and operating expenses. Regarding the view on variables in important problems, the significant differences among the three groups of owners have been noticed in their view on four out of eight important problems.

7.4.10 Association between the Profile of Owners and their view on Important Problems

One-way analysis of variance was used to examine the association between the profile of owners and their view on important problems. All the eight profile variables of owners and their view on the first four important problems were included for the analysis. Regarding the view on service quality problem, the significantly associating, profile variables are age, level of education, family size, occupational background, years of experience, number of business owned, monthly income, monthly income from other sources and family income since their respective ‘F’ statistics are significant at five per
cent level. The significantly associating profile variables regarding the view on ‘loss’ are age, level of education, occupational background, years of experience, monthly income and earning members per family.

Regarding the view on operating expenses, the significantly associating profile variables are level of education, occupational background, and years of experience, monthly income and monthly income from other sources. The significantly associating profile variables regarding the view on ‘customers’ are: age, occupational background, monthly income and monthly income from other sources. The significantly associating profile variables regarding the view on customers' view are age, occupational background, monthly income and monthly income from other sources.

The associations between the profile of the owners and their view on last four important problems were examined with the help of one way analysis of variance. The significantly associating profile variables regarding the view on investment related problems are age, occupational background, years of experience, number of business owned, monthly income from other sources and family income. The significantly associating profile variables regarding the view on sales are age, occupational background, years of experience, monthly income from other sources and family income.

Regarding the view on labour problem, the significantly associating profile variables are age, occupational background, years of experience and family income whereas in the case of view on delivery problems, these profile variables are Gender, Occupational background, years of experience and family income.
7.4.11 Association between Profile of the Units and their Owner’s view on Important Problems

The present study has made an attempt to examine the association between profile of the units and their owners’ view on important problems with the help of one way analysis of variance. The included profiles of the units are nature of allotment, nature of ownership, location, and turnover, amount of investment and return on investment. Regarding the view on service quality, the significantly associating profile of the units are nature of allotment, nature of ownership, location and turnover whereas in the case of view on loss, these are nature of ownership, turnover, amount of investment and return on investment. The significantly associating profile of the units regarding their owners view on operating expenses are nature of allotment, amount of investment and return on investment whereas in the case of view on customers, these are location, amount of investment and return on investment.

The associations between the profile of the units and the owners’ view on last four important problems were examined with the help of one way analysis of variance. Regarding the view on investment, the significantly associating profile of the units are nature of allotment, turnover, and amount of investment whereas in the case of sales, these profile variables are nature of allotment, location, turnover and return on investment. The significantly associating profile variables regarding the owners’ view on labour are nature of ownership, location, turnover and return on investment whereas in
their view on delivery, these profile variables are nature of ownership, amount of investment and return on investment.

**7.4.12 Discriminate Important Problems among the Owners in IOCL and HP**

In the two group discriminate analysis regarding the important problems among the owners in IOCL and HP, the significant mean differences are noticed in the case of service quality, loss, customers and labour. Higher mean differences are identified in the case of customers and service quality. Higher discriminate power is noticed in the case of customers and service qualities since their respective Wilks Lambda are 0.1024 and 0.1096 respectively.

Higher discriminate co-efficient is noticed in the case of service quality and labour since their co-efficient are 0.1971 and 0.1891 respectively. It shows the higher influence of above said two important problems in the discriminate function. The higher relative contribution of important problems in total discriminate score is noticed in the case of service quality and labour since their relative contributions are 36.35 and 33.46 per cent respectively. The estimated two group discriminate function correctly classifies the cases to an extent of 71.83 per cent. The analysis reveals that the important discriminate problem among the owners in IOCL and HP are service quality and customers related problems which are highly viewed by the owners in IOCL than that by the owners in HP.
7.4.13 Discriminate Important Problems among the Owners in IOCL and BP

Significant mean differences are noticed in the case of service quality, loss, investment and labour. Higher mean differences are noticed in the case of labour and investment problem. Higher discriminate power is noticed in the case of labour and investment, since their Wilks Lambda are 0.1042 and 0.1173 respectively.

Higher discriminate co-efficient is noticed in the case of investment and labour since their discriminate co-efficient are -0.1842 and 0.1917 respectively. It shows the higher influence of above said important problems in the discriminate function. The higher relative contribution of important problems in total discriminate score is noticed in the case of labour and investment since their relative contributions are 37.42 and 35.39 per cent respectively. The estimated two group discriminate function correctly classifies the cases to an extent of 78.04 per cent. The analysis reveals that the important discriminate problems among the owners in IOCL and BP are labour and investment. The investment problem is higher viewed by the owner in HP whereas the labour problem is viewed highly by the owners in IOCL.

7.4.14 Discriminate Problems among the Owners in HP and BP

Significant mean differences are noticed in the case of loss, customers and investment since their respective ‘t’ statistics are significant at five per cent level. Higher mean differences are noticed in the case of customers and losses since their mean differences are 0.4612 and 0.4378 respectively. Higher discriminate power is noticed in
the case of loss and investments since its Wilks Lambda are 0.1079 and 0.1271 respectively. Higher discriminate co-efficient is noticed in the case of investment and customers since their co-efficient are -0.1871 and 0.1496 respectively. It shows the higher influence of above said two important problems in the discriminate function. The higher relative contribution of important problems in total discriminate score is noticed in the case of investment and customers since their relative contributions are 37.73 and 34.85 per cent respectively. The estimated two group discriminate function correctly classifies the cases to an extent of 72.91 per cent. The analysis reveals that the important discriminate problem among the owners in HP and BP is investment and problem among the owners in HP and BP are investment and customers. The customer has been highly perceived by the owners in HP whereas the investment has been perceived by the owners in BP.

7.5 Conclusion:

India, like few other developing nations such as China, has since 2010 taken significant steps towards reforming its policy on fuel pricing to be rational and efficient by way of deregulating petrol and diesel prices. However due to the freedom to the States in the country to fix indirect tax on their own and which are not uniform among States, there is widespread disparity in the prices of petrol and diesel among States.

At a time when the prices are increased by OMCs and there is a spurt in the international crude oil prices, the proportionate benefits are not passed on immediately when there is a slash in crude oil prices. The Governments augment revenue by taxing
this petroleum sector heavily. Any reason whatsoever for not reducing the price will not be acceptable if the tenor of deregulation is to convey the real meaning.

Hence it is concluded that the price of petrol and diesel should be uniform throughout India. The Governments should pass on the benefits of price reduction to the consumers instead of finding it as an avenue to raise funds like a goose laying golden eggs.

7.6 Suggestions:

It is suggested to reduce the price of petrol and diesel in India to the maximum extent after providing for a reasonable return to all upstream and downstream companies. Reasonable profit should reach even to the last level of the chain, namely petrol bunks by providing reasonable commission on sales and through other means. This may create a fear of loss of revenue to the exchequers. But, a different way of thinking will help to alleviate this fear. If prices of petrol and diesel are reduced to half of the present rate (since tax exceeds cost), this will encourage people to purchase two wheelers and four wheelers. The reduction in operating cost will encourages them to increase their standard of living.

The finance industry will flourish through its readiness to provide funds to prospective investors in two and four wheelers. The Government may compensate the reduction in revenue from petroleum sector through the income from the finance industry and automobile industry. If people purchase more vehicles, the necessity to improve the infrastructure like roads and the like, provides employment to many people in the
industry and the income and standard of living of people connected to this field may come up.

The reduction in the prices of petrol and diesel will have a positive effect in the prices of essential commodities due to the reduction in the transportation cost. This will help the Government to provide essential commodities to the public at cheap rates which will curtail inflation. If inflation can be curtailed, the economy will be stable and grow further and further.

Hence checking cartelization of prices by OMCs and reduction of taxes to a large extent will go a long way in turning the economy with full vigor to compete with developed economies. If this dream materializes, India will become a developed nation very soon.