

CUSTOMERS PERCEPTION REGARDING VARIOUS PROMOTIONAL STRATEGIES ADOPTED BY PETROLEUM COMPANIES

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EXECUTIVE SUMMARY

In our country oil was dug at Digboi (Assam) in 1889 for the first time. Since then we have come of ages. Its role for economy is similar to the blood for the human body. Keeping in view these harsh realities it is pertinent to mention that few years back nobody was sure of what he has purchased in barge of fuel. Now major changes have taken place only due to expected tough competition from private players like Reliance and Essar. The study has been conducted to find out the customer's perception towards various promotional strategies adopted by present petroleum companies during last few years and to check the benefits getting to the customers.

Vehicle fuel is one of the most important consumable in today's world. It plays such a role in daily life that its prices react a lot in the whole economy. We have seen a lot of changes in Vehicle Fuel Retailing in the last 5-7 years span. Just 10 years back there were a very meager number of Fuel Retail Outlets were present and that too were concentrated in the urban areas only. In big cities long queues for getting fuel were a common sight at most of the retail outlets. Most of the people were used to spend a lot of time just to get fuel for their vehicle. Questioning for its quality and quantity was the foremost issue. All four companies namely Indian Oil Corporation Ltd.(IOCL), Bharat Petroleum Corporation Ltd.(BPCL), Hindustan Petroleum Corporation Ltd.(HPCL), IBP Co. Ltd.(IBP) are having Retail Outlets spread over every nook and corner of the country. But their major concentration was on the sales figures only. They never worried about their antique looking vending machines, where sometimes the vendor use to lift the front glass case and setting the dial's **ZERO** by using a finger. They never of the impact put on by the dilapidated buildings of Retail Outlets which even don't boasted of the basic and infrastructural facilities like Drinking Water, First Aid, Telephone, Air, Toilets etc.

It was being assumed that whatever will be supplied in barge of fuel the customers are bound to buy it. Even the fuel companies and vehicle manufacturers

admitted it openly. That also made running a fuel retail outlet a business of prestige.

In the last few years we are seeing a lot of changes and renovations in almost each and every fuel retail outlet of all companies. That all is in the wake of entry of private players into fuel retailing sector like Reliance and Essar. Now these all four companies IOCL, IBP, BPCL, and HPCL have opened their retail outlets boasting new standards and basic facilities. They have allotted new retail outlets in thousands with ultra modern vending machines and excellent infrastructure. They have been speaking new marketing mantra like **Pure For Sure, Quality And Quantity, Pure Bhi Poora Bhi.**

Petroleum Companies: their Profile and strategies

Indian Oil Corp. Ltd.:

IOCL is the biggest group having more than 22000 sales outlets. Its few promotional strategies are as following:

- ❖ **Branded Fuels:** Xtra Premium- Hi Octane Petrol
Xtra Mile – Super Diesel
- ❖ It has also introduced various purchase coupon based lottery schemes during the last few years to attract more sales.

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**IBP Co. Ltd.:**

IBP is now part of Indian Oil Corp. Ltd. It has more than 3000 sales outlets.

It has following promotional strategies:

- ❖ To ensure quality and quantity its campaign is named as “**Pure Bhi Poora Bhi**”

Bharat Petroleum Corporation Ltd.:

BPCL has more than 5500 sales outlets. It is quite active in implementing its sales promotional strategies. Few of them are as following:

- ❖ **Enhanced Fuel Proposition (EFP):** The retail outlets which shows the sign of **Pure for Sure**, BPCL guarantees for the quantity & quality.
- ❖ **Branded Fuels: Speed- Petrol with Additives**
- ❖ **Petro Card:** Debit Card for purchase of fuel & other commodities at BPCL Retail Outlets. Its every usage earns Points (Petro Miles) which can be exchanged into gift items.
- ❖ **Smart Fleet Card:** Debit Card for Truck/Fleet operators.

Hindustan Petroleum Corporation Ltd.:

HPCL has more than 6000 sales outlets. Its few promotional strategies are as following:

- ❖ **Branded Fuels: Power –**
Petrol with Energy Boosters
Turbo Jet– Diesel with Energy Boosters
- ❖ **Club HP:** Debit Card for purchase of fuel & other commodities at HPCL Retail Outlets. Its every usage earns Points (Smart Miles) which can be exchanged into gift items.

Other New Entrants:

These four companies are going to face competition from Reliance Petroleum Ltd., Oil and Natural Gas Commission, Essar Oil Ltd. And Numaligarh Refineries Ltd.. Reliance has already started establishing its Fuel Retail Outlets in Punjab State and it has approval to for 5849 Retail Outlets. ONGC, Essar Oil and Numaligarh Refineries have approvals to establish 600, 1700 and 510 Fuel Retail Outlets respectively.

Objectives of the Study:

The research has been taken to check the awareness level and perception of customer regarding various promotional strategies adopted by all these four companies namely IOCL, IBP, BPCL, and HPCL. The following objectives were behind the study:

1. To check customer's awareness regarding various promotional schemes run by these four companies.
2. To find customer's perception regarding various promotional schemes run by these four companies.
3. To find out customer's preferences regarding various branded fuels offered by these companies.

Research Methodology:

The study was carried out with the help of Questionnaires meant for customer's survey and comprehensive interviews. Two hundred customers of these fuel retail outlets were surveyed for this purpose in the Punjab State. The sampling was randomized and convenience based.

Scope of the Stud

The study was undertaken strategically keeping in view the necessity of customer's perception of these companies functioning. The study will help in developing suitable strategies to compete with private companies. The study will open further avenues for research on large scale.

Findings of The Study:

- ❖ 45% of the total persons surveyed don't care for any particular company/outlet for getting fuel. Only 30% agreed that they go to some particular retail outlet and 25% prefer a single company's retail outlets.
- ❖ Almost all customers agreed that there is an aggressive change in marketing by these companies during the last few years. The customers ranked the reasons/ factors behind this change in the following sequence:
 - (i) To meet competition
 - (ii) To retain customers
 - (iii) To serve customers in a better way
 - (iv) To ensure quality and quantity of their products
 - (v) To make the products available to more customers
 - (vi) To increase the profits
- ❖ Customers wanted lot of facilities to be available at a fuel retail outlet. They ranked them in the following sequence:



- (i) Air, Toilets and Drinking Water
- (ii) Telephone
- (iii) First Aid
- (iv) Branded Fuel
- (v) Mechanic, Garage for Vehicle Repair
- (vi) Credit Card /ATM facility
- (vii) Car Washing and Cleaning
- (viii) General Store
- (ix) Food Outlet

- ❖ 86% of the persons said that fuel supplying companies and customers both will get benefit from these aggressive marketing strategies. Only 6% of them maintained that only company will get benefit from it. 8% of them emphasized that only customers will get benefit from it.
- ❖ Only 40% of the customers were aware of availability of branded fuels in the market. They agreed these fuels give better performance. Almost all customers agreed that promotional schemes like Petro Card, HP Card and other moves to ensure quality and quantity were certainly beneficial for the customer.

Conclusion:

The study has explained about the customer's perception toward various promotional strategies adopted by the four petroleum companies for their fuel retail outlets in the last few years. It has been established that inclination of customer is always towards better quality and quantity. They are highly interested in the promotional schemes offered by various companies. They want that every fuel station should be equipped with various basic facilities like water, air first aid and toilets etc besides having modern facilities and gadgets like ATM, General Store, Car garage etc which can save their precious time.

Suggestions:

1. The companies should study the customer's requirements and perception at short intervals to get the real information which can further processed and analysed to formulate strategies.
2. The private company Reliance has just started their Retail Outlets in these areas. Certainly their major strategy will be focused on better quality and quantity. These four companies should also strengthen these areas.

3. These four companies can retain their loyal customers by offering them lucrative rebates on continuation. More customers should be made aware of schemes like memberships of **PETRO CARD** and **HP CARD**. they should be made clear what benefits they will earn by getting fuel through these schemes. As per the study only few customers know and have interest in these schemes.
4. These four companies have already established a very impressive network. They should make it sure that their all fuel retail outlets have more basic as well as advance facilities to please their customers.
5. These companies should implement their **QUALITY** and **QUANTITY** campaigns strictly at all their retail outlets.

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