

A STUDY ON EXTENDED NON FUEL SERVICES OTHER THAN PETROL, DIESEL & LUBRICANTS AT PETROL PUMPS IN AHMEDABAD & SURAT

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Abstract

This research abstract presents a comprehensive overview of the extended non-fuel services available at petrol pumps in the cities of Ahmedabad and Surat. As the demand for conventional fossil fuels diminishes due to increasing environmental concerns and the shift towards alternative energy sources, petrol pumps have recognized the need to diversify their offerings beyond traditional petrol, diesel, and lubricants. This abstract explores the range of additional services provided by petrol pumps in these two major cities of Gujarat, India, and their impact on customer satisfaction, revenue generation, and environmental sustainability. By analyzing data from multiple sources, including consumer surveys and industry reports, this study sheds light on the current trends and future prospects of non-fuel services, enhancing the role of petrol pumps as multi-functional centers catering to the evolving needs of consumers.

Keywords: Non-Fuel Retailing (NFR), Extended Retail Service, Petrol Pump, Business Environment, Indian Oil

INTRODUCTION

Petroleum retailing in India was a stodgy and depressing industry until a few years ago. Vehicles such as cars, buses, and two-wheelers arrived, were fueled, and then left after paying cash. When Shell renovated certain gas pumps as part of the economic reform process, the surroundings began to change. Soon, better signage, the acceptance of credit cards, and carwashes were standard features in petroleum retail locations. Previously, gas stations were just used to sell fuel; however, they are increasingly gradually becoming multi-facility establishments.

Although the Indian petroleum industry has been expanding steadily, margin pressure has grown. Over the past five years, from 2010 to 2015, there has been a consistent growth of 1.2%. Similar to their international competitors, Government-owned oil marketing corporations have continued to extend their retail network all over the country despite losing more than roughly Rs 250 crore each day from selling automotive fuel. In order to increase profitability, the oil companies Indian Oil Corporation (IOC), Bharat Petroleum Corporation (BPCL), and Hindustan Petroleum Corporation (HPCL), as well as Shell Petrol Pump, are intending to grow their non-fuel operations on existing outlets and supply the same on existing outlets.

Importance of Non-Fuel Services: The non-fuel services have the following benefits, which are listed below:

Demand for Alternative Revenue Sources

The necessity for alternative sources of income is one of the biggest problems that the oil marketing firms are currently facing. This new affair in the world of petroleum retailing today is the result of numerous circumstances.

These include:

- Increasing margin pressure.
- A desire to use real estate to boost profits.

- Changing consumer demographics, such as "value-time saving propositions, quality and environment consciousness, prestige seeker, etc."
- The need to distinguish our offerings.

Non-Fuel Services' Emergence as a Major Activity in Retail Outlets

The PSUs' right to guaranteed returns was taken away with the demise of APM, putting more pressure on their margins. It is essential to invest heavily in the services provided at the outlets if you want to compete with the wealthy private players. The non-fuel services would be the differentiating factor as the base product is the same.

One of the key justifications for providing non-fuel services at petro-retail locations is also the evolving Indian consumer. He is seeking for a one-stop shop today that can meet all of his demands, including those for groceries, cash withdrawals from his bank, utility payments, insurance coverage renewals, quick meals, receiving certification for pollution under control, and, of course, fuel for his vehicle. The highway driver, on the other hand, is looking for a spot to freshen up, relax, and service his car while also enjoying a satisfying lunch at the pump's restaurant.

Additional sources of income

Margin pressure will intensify due to the escalating competition. Retailers will therefore need to look for alternative sources of income. To succeed in this fierce competition, merchants need to create a sustainable non-fuel model that integrates with their main gasoline business. They can learn from international experiences in this regard. Strategic insight is important, but outstanding strategy execution is what really counts.

METHODOLOGY

Research Objectives:

- To study the range of non-fuel services other than petrol, diesel & lubricants at petrol pumps
- To study consumer preferences and behavior for non-fuel services other than petrol, diesel & lubricants at petrol pumps

Research Design:

In this article author used Descriptive research method only for the Indian Oil Corporation (IOC) petrol pumps.

Sources of Data:

Primary Sources:

Methods of data collection (e.g., surveys, observations). Questionnaire construction for consumer feedback and preferences.

Secondary Sources:

Articles on non-fuel retailing in the context of petrol pumps. White papers focusing on non-fuel retailing at petrol pumps. Newspaper articles discussing non-fuel business activities at petrol pumps. Online journals publishing research on non-fuel services and retailing.

LIMITATION

The study does not include other Public & any of the Private players, in this research article included only Non-fuel retailing at petrol pumps at Indian Oil Petrol pumps only. Author has taken sample from petrol pumps at Ahmedabad and Surat only.

Data Analysis and Interpretation

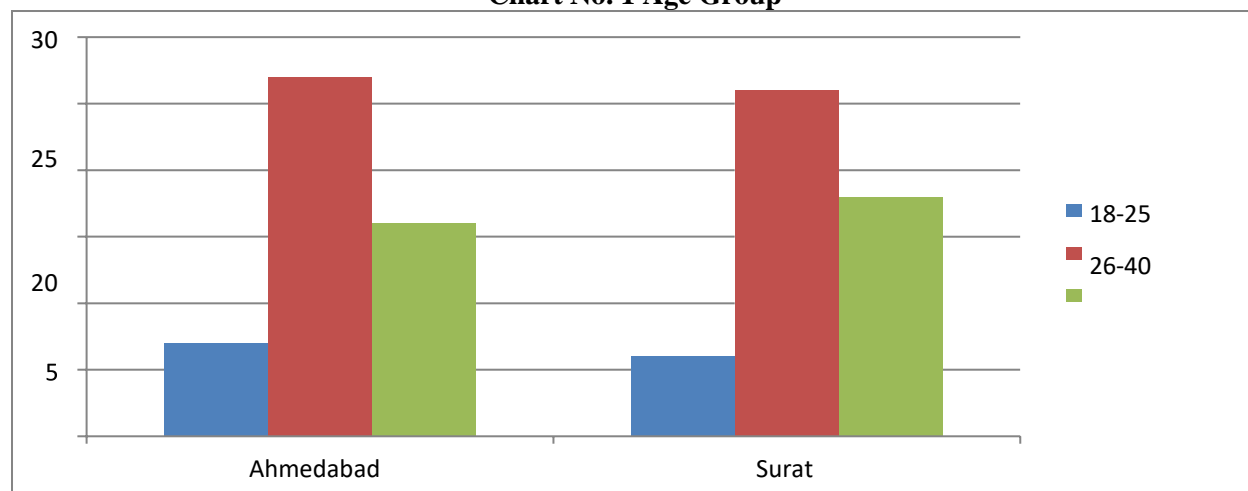
The data analysis was done from the data of filled up questionnaire from the consumers who are using non fuel retailing at petrol pump or fuel station. Data analysis is as under.

1. Consumer’s Age group

Table No. 1 Age Group

Region	18-25		26-40		41 & Above		Total	Percentage
	Frequency	Percentage	Frequency	Percentage	Frequency	Percentage		
Ahmedabad	7	14	27	54	16	32	50	100
Surat	6	12	26	52	18	36	50	100
Total	13	13	53	53	34	34	100	

Chart No. 1 Age Group



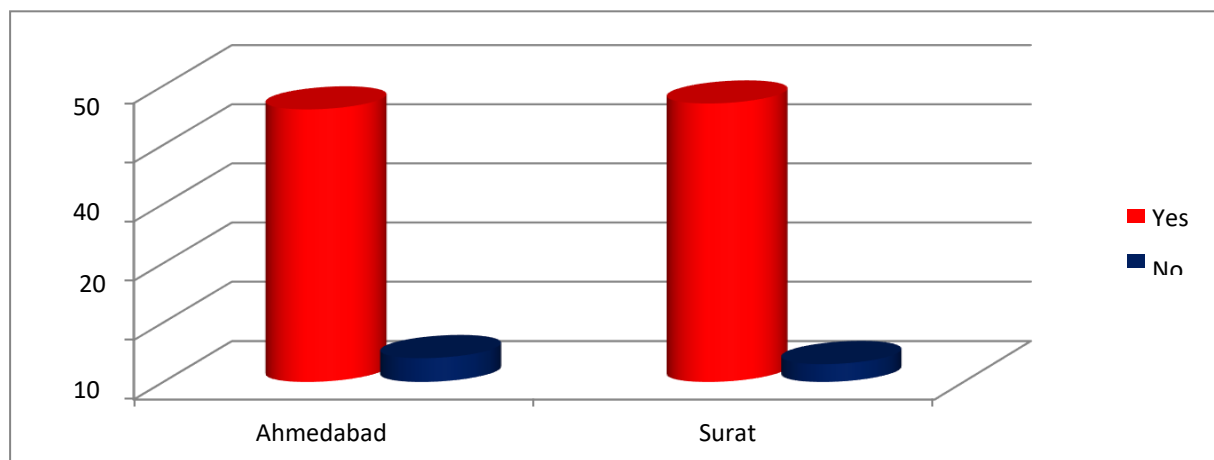
Above table and chart examined that maximum 53 (53%) customers are between 26-40 agegroup and minimum 13 (13%) consumers are 18-25 age group of Indian Oil petrol pumps.

2. Do you think the products & services other than fuels and lubricants should be made available in Indian oil?

Table No. 2- Product & Service

Region	Yes		No		Total	Percentage
	Frequency	Percentage	Frequency	Percentage		
Ahmedabad	46	92	4	8	50	100
Surat	47	94	3	6	50	100
Total	93	93	7	7	100	

Chart No. 2- Product & Service



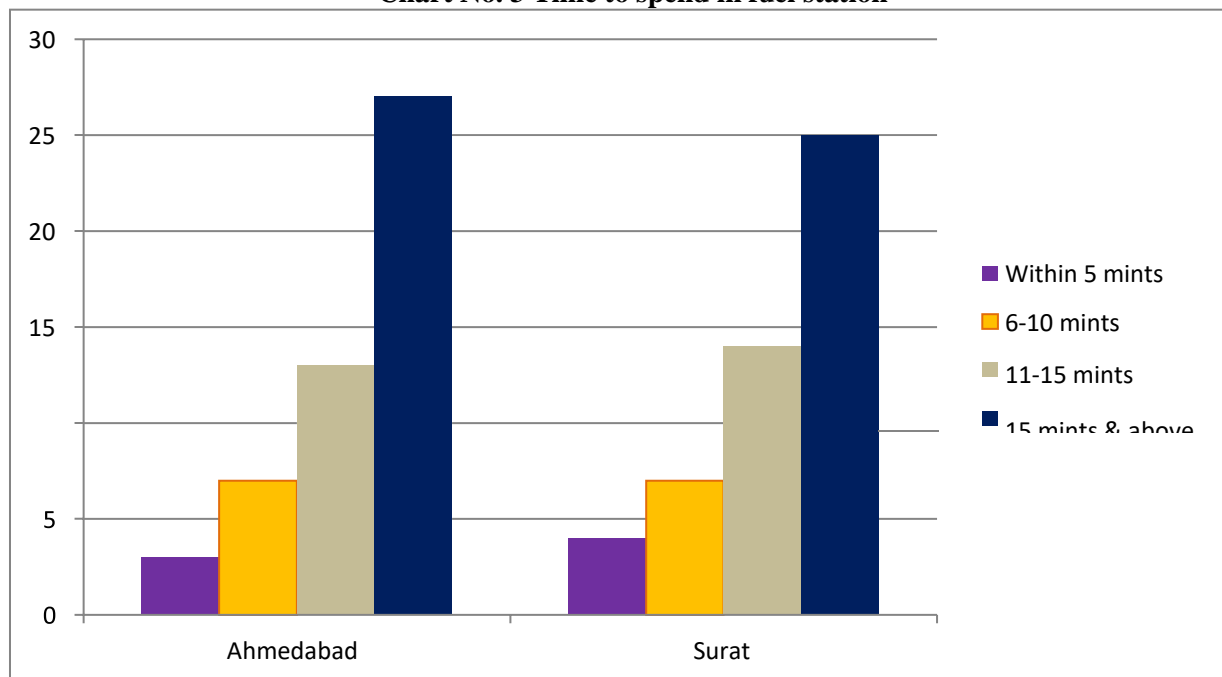
Above table No 2 and Chart No 2 shows that 93% customers are think that the products & services other than fuels and lubricants should be made available in Indian Oil petrol pumps.

3. How much time are you ready to spend in this fuel station for activities other than fueling if they are made?

Table No. 3 Time to spend in fuel station

Region	Within 5 mints		6-10 mints		11-15 mints		15 mints & above		Total	Percentage
	Frequency	Percentage	Frequency	Percentage	Frequency	Percentage	Frequency	Percentage		
Ahmedabad	3	6.00	7	14.00	13	26.00	27	54	50	100
Surat	4	8.00	7	14.00	14	28.00	25	50	50	100
Total	7	7.00	14	14.00	27	27.00	52	52.00	100	

Chart No. 3 Time to spend in fuel station



Above table and chart revealed that maximum 52 (52%) customers are ready to spend 15 mints and above time at fuel station and very least 7 (7%) customers are not ready to spend time more than 15 mints at fuel station.

4. What other things/services do you expect from the Indian oil?

Table No. 4 Services expect from fuel Station

Region	ATM		Departmental Store		Restaurant		Garage		Car Washing		Medicine Shop		Car accessories		News stands		Coffee shop		Cyber Café		Total
	f	%	f	%	f	%	f	%	f	%	f	%	f	%	f	%	f	%			
Ahmedabad	17	34	9	18	6	12	4	8	3	6	3	6	1	2	3	6	1	2			50
Surat	12	24	8	16	7	14	4	8	4	8	4	8	2	4	3	6	2	4			50
Total	29	29	17	17	13	13	8	8	7	7	7	7	3	3	6	6	3	3			100

Chart No. 4 Services expect from fuel Station

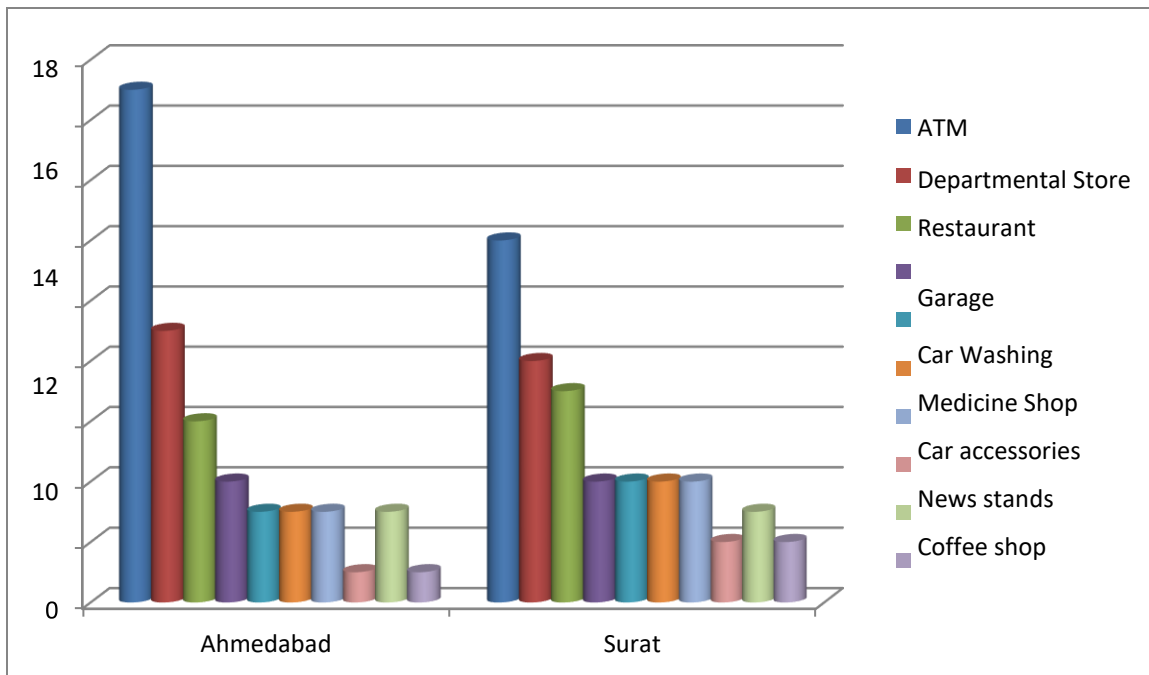


Table and chart indicates that maximum 29 (29%) customers are preferred ATM services, 17 (17%) customers are preferred Departmental stores, 13 (13%) customers are preferred Restaurant, 8 (8%) customers are preferred Garage, 7 (7%) customers are preferred car washing and Car accessories, medicine shop, 6 (6%) customers are preferred coffee shop, and 3 (3%) customers are preferred Cyber café and newsstands.

FINDINGS

There are some findings are obtained from the data analysis and interpretation

1. Age group 26-40 found that they are using non fuel services at fuel stations very high for their routine work.
2. For the product and services the maximum customers are agree to take other than fuels and lubricants in fuel station.
3. For the non-fuel services, maximum customers are ready to spend 15 mints and above time at the fuel station.
4. The analysis of the non-fuel services reflected that all the services are expecting all the type of customers at the fuel station.

SUGGESTIONS

As Indian Market is quality interpreted as ‘no adulteration’, quality interpreted as getting the right amount of fuel, i.e. integrity and price is a very important factor.

From the primary research author have found that all most every consumer in terms of group like Age most of them preferred ATM. Apart from plastic cash, hard cash is also needed for daily basis so keeping an ATM would be the best option for all the petrol pumps to generate more profit through non fuel. Most of

the consumers of IOCL prefers departmental store to fulfill their daily needs. Medicine Shop preferred by the age group between 40 and above, and most important that maximum consumers of IOCL would like to take the non-fuel services at petrol pumps it means if oil companies will keep non-fuel services in their outlets, consumer will take those services, so in this way we can conclude that consumers preferred non-fuel services at petrol pumps if oil companies will have those services in their outlet it is obvious that they will be able to generate extra revenue.

CONCLUSION

The market and competitive pressures are changing in the IOCL, the author concludes. It is reasonable to assume that a company's ability to compete within an economy will mostly depend on how well it reflects itself through marketing and other initiatives like non-fuel commerce. It has been noted that customers frequently visit the location, use the ATM, take use of the restaurants and convenience stores, and then leave without purchasing any fuel. To ensure the success of NFR, company representatives must stay in constant contact with their current dealers or grant franchises to entice them to take advantage of other services offered at the gasoline station. At the same time, it's critical to strike a balance between providing non-fuel services and selling fuel.

This research aimed to explore the non-fuel services offered at petrol pumps and understand consumer preferences and behavior towards these services. The findings revealed that modern petrol pumps have diversified their offerings, providing services beyond traditional fuels. Common non-fuel services include convenience stores, car wash and cleaning facilities, minor vehicle repair, ATMs, restrooms, and electric vehicle charging stations.

Consumer preferences revolved around convenience, price sensitivity, service quality, and brand trust. Customers appreciated the one-stop shopping experience offered by petrol pumps but remained price-conscious and sought competitive rates. Positive service experiences led to increased customer loyalty and referrals, while established brands gained more trust from consumers.

Moreover, the research identified a growing interest in electric vehicle charging services, indicating the rising popularity of electric vehicles. To succeed in this evolving market, petrol pumps should focus on convenience, competitive pricing, service quality, and building brand trust to attract and retain customers. Embracing new trends, such as providing EV charging facilities, can position petrol pumps for continued relevance in the automotive industry.

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