



A Study on Customer Loyalty towards Xtrapower Fleet Card Programme

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ABSTRACT:

Consumption of the fuel is quite differ from person to person. This project is used to study about the use of xtrapower fleet card. This research specializes in studying the preferences, opinions, reviews, and experiences of the people who use xtrapower card. The study has a sample space of 120 and mainly focuses on drivers and indian oil customers who are more likely to better understand the benefits of xtrapower fleet card..

Keywords: consumption, xtrapower fleet card, indian oil.

1. INTRODUCTION:

The XTRAPOWERS Fleet Card programme is a complete smart card-based fleet management solution for fleet operators and corporates for cashless purchase of fuel & lubricants from designated retail outlets (petrol pumps) of Indian Oil through flexible pre-paid and credit facilities. The fleet card also offers an exciting rewards programme and unique benefits like personal accident insurance cover and vehicle tracking facilities. In just under two years of its launch, it has emerged as the largest fleet card in the country with the widest retail outlet coverage. Any business entity owning or operating a vehicle fleet can become a member of the XTRAPOWERS fleet card programme at a nominal annual charge.

Each fleet owner is issued a Fleet Control Card and vehicle-specific Fleet Cards for every vehicle enrolled under the programme. For enhanced security, the fleet card transactions are authorised through a unique Personal Identification Number (PIN). Moreover, the card can help track each vehicle's movement across remote corners of the country, leading to an improvement in vehicle utilisation and route compliance. XTRAPOWERS is also backed by Indian Oil's vast infrastructure network and web-based support services. With the XTRAPOWERS Fleet Card program, you can be assured that your money is in safe hands. The card's secured chip and pin authentication is designed to make your purchases safe and secure eliminating the chances for card cloning.

We can ensure that your money is in safe hands. The ISO 27001 compliant data centre, the global gold standard in information security, makes sure your data is always safe. Along with this, regular cyber security audits ensure compliance and having proper security measures in place, so that you never need to worry. As a member of the XTRAPOWERS Fleet Card Program, you get insurance coverage for the truck crew at the time of the accident of up to Rs.5lac. Furthermore, the truck crew can also claim insurance benefits in a permanent or partial disability. Additionally, a one-time education grant is also provided to the children of the aggrieved party.

A. Statement of Problem

- The customers were not ready to enrol in the XTRAPOWERS FLEET program because of the banking transaction mode. As the customer has to show the transaction in their income tax.
- Awareness of XTRAREWARD is not much in the market. The dealers are not being monitored properly.

B. Objectives of the Study

- To study IOCL loyalty program in Coimbatore and nearby region.
- To study the benefits provided by IOCL to the local customers.
- To obtain customer opinions and suggestions at IOC retail outlets and give recommendation to IOC to improve the implementation of XTRAPOWERS loyalty program.
- Promotion of loyalty program of IOCL which are XTRAPOWERS CARD.

- To study the loyalty between the local customers and the company.

C. Research Methodology

There are various tools which are used in analysing data. The following tools are used for representing and analysing data.

TOOLS USED IN THE STUDY

- Percentage Analysis
- Chi square Test

SAMPLING SIZE:

- 120 Respondents.

DATA COLLECTION METHOD

TYPES OF DATA AND DATA COLLECTION:

Data that I have received for making the project is a combination of both primary and secondary data.

PRIMARY DATA

The data collected through questionnaire based survey from the retailers and customers of Coimbatore. The name of the retail outlets of Indian oil from where these data are collected,

- LUCKY STAR (Coimbatore)
- FREEDOM FILLING STATION (Coimbatore)
- SURESH AGENCIES (Coimbatore)
- RAVICHANDRA (Coimbatore)
- SRI NIVI AGENCY (Coimbatore)
- OXYGEN FUEL (Coimbatore)
- NKA WAHAB & CO (Coimbatore)

SECONDARY DATA

- Company's annual reports
- Company's journal and magazines
- Company's website
- Company's leaflets

2. Review of Literature

Margereta et al., (2019) "Sustainable supply chain management strategy influence on SCM functions in the oil and gas distribution Industry" This article examined strategies like supplier selection, product stewardship, logistics management, functions like planning, execution, coordination, and collaboration in the oil and gas distribution Industry. A study on seventy-nine companies from Romania with the Republic of Moldova was performed by multiple regression analysis. In terms of sustainability requirements the supplier selection strategy is influencing more on planning, these requirements may be internal or external, still they exist and has to be incorporated in oil and gas distribution companies' long and medium terms strategies and policies. The impact of digitalization, innovation-based strategies have adapted in sustainable SCM for open new research directions.

Renganathan (2018) "Dealers' attitude and perception towards supply chain characteristics of Bharath petroleum Corporation Limited" This article measured the supply chain performance factors like product quality, supplier dealer relationship, information sharing between the supplier and dealer, time, and cost. The use of information technology in information sharing by BPCL is excellent. Planned Delivery Program (PDP), Bharath Petroleum Retail Outlet Maintenance Application (BROMA) helps dealers to easily communicate with BPCL regarding the order placements and registering complaints.

Abualrejalet et al., (2017) "Supply Chain Management Capabilities Practices in Industrial organization in the Republic of Yemen" In this article, the author suggested that to perform manufacturing tasks inside and strength collaboration among supplier and customers, the supply chain management play a major role. To enhance their performances and create values through the way of making optimal customer satisfaction the supply chain management helps to improve the overall performance of a business significantly. The author studied the inbound transportation, material warehousing, inventory

control, production support to examine the level of SCM by practicing the range (1 – 2.49) indicate weak degrees, (2.5 – 3.49) indicate moderate degrees, (3.5 and more) indicate the high degrees. More practices of SCM, create a departmental assign to manage SCM-related elements, terminate the obstacle hinder in practice, enhancing the cooperation among supply chain members, motivating suppliers and customers are the findings of the author.

3. Profile of the Study

Indian Oil Corporation Ltd. (Indian Oil) was formed in 1964 through the merger of Indian Oil Company Ltd. (Estd. 1959) and Indian Refineries Ltd. (Estd.1958).It is currently India's largest company by sales with a turnover of Rs. 1,50,677crores(US \$ 34.44 billion)and profits of Rs. 4,891crores(US \$ 1.12 billion)for fiscal 2004.Indian Oil is also the highest ranked Indian company in the Fortune 'Global 500' listing, at 170th position. It is also the 18th largest petroleum company in the world and the # 1 petroleum trading company among the National Oil Companies in the Asia Pacific region.

The Indian Oil Group of companies owns and operates 10 of India's 18 refineries with a combined refining capacity of 54.20 million tonnes per annum (1 million barrels per day).Indian Oil and its subsidiaries account for 56% petroleum products market share among public sector oil companies, 42% national refining capacity and 69% downstream pipeline throughput capacity. For the year 2004-05, Indian Oil sold 50.13 million tonnes of petroleum products, including 1.96 million tonnes through exports. To maintain its competitive edge and leadership status, Indian Oil is investing Rs. 24,400crores(US\$ 5.6 billion) during the X Plan period (2002-07) in integration and diversification projects, besides refining and pipeline capacity augmentation, product quality up gradation and retail expansion.

COMPANY PROFILE

Indian Oil is the country's largest commercial enterprise, with a sales turnover of INR 3,99,601crores(US\$ 61 billion) and profit after tax of INR 10,399crores (US\$ 1,589 million) for the financial year 2015-16. Indian Oil is ranked 161" among the world's largest corporate and first among Indian enterprises in the prestigious Fortune 'Global 500' listing for the year 2016.

With a 33,000-strong work-force currently, Indian Oil is meeting India's energy demands for over five decades. With a corporate vision to be 'The Energy of India' and to become 'A globally admired company,' Indian Oil's business interests extend across the entire hydrocarbon value-chain -from refining, pipeline transportation and marketing of petroleum products besides exploration & production of crude oil & gas, marketing of natural gas and petrochemicals, alternative energy and globalisation of downstream operations.

VISION

A major, diversified, transnational, integrated energy company, with national leadership and a strong environmental conscience, playing a national role in oil security & public distribution.

MISSION

- To achieve international standards of excellence in all aspects of energy and diversified business with focus on customer delight through value of products and services, and cost reduction.
- To maximise creation of wealth, value and satisfaction for the stakeholders.
- To attain leadership in developing, adopting and assimilating state-of-the-art technology for competitive advantage.
- To provide technology and services through sustained Research and Development.

VALUES

Care • Innovation • Passion • Trust

4. Data Analysis and Interpretation

CHI-SQUARE TEST

Chi-square test is the non-parametric test of signification differences between the observed distribution of data among the observed distribution of data among categories and the expected distribution based on the null hypothesis. The test (pronounced as chi-square test) is one of the simplest and most widely used non-parametric test in statistical work. The symbol is the Greek letter Chi. The test was first used by Karl person in the 1900.

CHI SQUARE VALUE (χ^2) = (Observed value – Expected value)²/Expected value.

Calculated Value of χ^2 = **0.195**

Degree of freedom = (Row - 1)*(Column - 1)

= (4-1)*(3-1)

Degree of Freedom= 6

Significance Level = 0.05

Table value = 12.592

Hypothesis:

H0 There is no significant relationship between

H1 There is a significant relationship between

INTERPRETATION:

In the above comparative analysis, the calculated value (**0.195**) is less than the table value 12.592 at 0.05 level of significance. Hence Null hypothesis is accepted.

Thus, there is no significant relationship between the occupation and monthly consumption of fuel.

5. Findings, Suggestion and Conclusion

A. Findings through Percentage Analysis

1. Majority of 67% are Male respondents.
2. Majority of 57% respondents are from the age 21-25.
3. Majority of 45% respondents are others.
4. Majority of 39% respondents monthly income is 15001-30000.
5. Majority of 83% of the respondent's family members are 3-5.
6. Majority of 61% of the respondents are unmarried.
7. Majority of 39% of the respondents are from Urban.
8. Majority of 83% of the respondent's family type is nuclear.
9. Majority of 70% of the respondents are registered under the xtrapower fleet card program.
10. Majority of 63% of the respondent's using petrol as primary fuel.
11. Majority of 53% of the respondent's monthly consume fuel less than 50000.
12. Majority of 56% of the respondent's use a commercial type of vehicle.
13. Majority of 96% of the respondents are fueling Indian oil.
14. Majority of 58% of the respondents were taking fuel on credit basis.
15. Majority of 53% of the respondent's have more than two vehicles.
16. Majority of 56% of the respondents are not working in a firm as drivers.
17. Majority of 63% of the respondent's using the xtrapower fleet card.
18. Majority of 39% of the respondent's using cash for the payment of fuel in outlets.
19. Majority of 35% of the respondent's came to know about the fleet card by IOCL outlets
20. Majority of 45% of the respondents are partly satisfied with the service of fleet cards.
21. Majority of 60% of the respondents are using the fleet card regularly.
22. Majority of 53% of the respondent's need more attractive offers.
23. Majority of 40% of the respondents redeem the points regularly.
24. Majority of 84% of the respondents are get benefited under the xtrapower program insurance.

CHI SQUARE ANALYSIS

No significant relationship between the occupation and source of information for the respondents.

B. SUGGESTIONS

1. Most of the people are not aware regarding the Xtra power scheme, IOC should try to create awareness regarding the program by means of more aggressive advertising.
2. The customers facing any kind of difficulties must be assisted promptly and their problem must be considered with due care.
3. Xtra power fleet card banners should be put at proper locations with easy visibility.
4. Information centres especially in remote areas must be set up so that people have access to this program and they can have detailed information about its benefits.
5. The facilities should be made available to more retail outlets.
6. The card swiping machine must be carefully maintained and provide quick service for any technical difficulties. The old machines must be replaced by the new one without any delay.
7. Most of the pump attendants are not so educated hence a training program for them to provide the use of swiping machine and its various technical aspects.
8. Regular visit to pump should be made and pump owner and attendants are encouraged to provide the service for their own benefit and benefit to the customers. If possible some rewards should be given to the pump with highest sale in month by card transaction.
9. Pamphlets must be available at pump so that customers get a brief idea about the program.
10. All the pamphlets and booklets are in English, hence most of the customer not able to understand. It should be in regional language (Tamil) which is easy to understanding.
11. There must be a fixed person for collecting forms and application for the card.
12. The website for Xtra power needs regular update with more user friendly access and details of new as well as upcoming offers.
13. The poor network service at retail outlet need to improve urgently.
14. Target new vehicle/fleet owner by tie up with the vehicles companies and give XTRAPOWER FLEET CARD with every new vehicle/truck.
15. If a card is not used for a specified period then a message should be given as a reminder and if possible to contact the person as there may be some other reason.
16. Xtra reward program should be started at all other locations as early as possible.
17. Facility for vehicle tracking and to know the detail of existing balance by customer should also made available through sms service.
18. Need for more credit partner to provide wide credit service to the customers.
19. Special benefits must be provided to customers with larger transaction and it is better to divide the customers in groups as per their total transaction.
20. Need for Local alliance .

C. Conclusion

"... Customer loyalty comes in three phases. The first derives from location. The next phase is meeting the needs of your customer profile. The third phase down is retailer's loyalty programmers. Most consumers are multi-loyal ... "

The key to a successful business is a steady customer base. After all, successful businesses typically see 80 percent of their business come from 20 percent of their customers.(PARETO ANALYSIS).

Xtra power is a step of IOC towards building loyalty among the existing customers. Loyalty programs work only when the customer is emotionally attached to the brand.

The best way to keep customers loyal is to provide a good product or service that provides good value for money. Branding alone will not make customers loyal, but back up a good product and customer service with branding and loyalty will develop quicker.

Offers and loyalty schemes can increase loyalty, but they are no substitute for (and will not work without) a good product, good customer service, and friendly customer relationships.

We Need to enroll the right customers. We can recognize the highest value customers to recognize and reward their value to our organization, we can cultivate high potential customers who currently split their purchases between us and our competitors or reach out to those most at risk of churning. Knowing which customer groups are most important to us allows crafting recognition and rewarding strategy that piques their interest.

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