



Munich Personal RePEc Archive

The Perception of People Regarding Selection of Petrol Pump in Karachi

Alvi, Mohsin and Ikram, Midra and Mirza, Mohammad
Haris and Khan, M. Mubashir Q.

University of Karachi, Institute of Clinical Psychology, Federal Urdu
University of Arts, Science and Technology, Government of Sindh
Law and Business Administration

29 January 2016

Online at <https://mpra.ub.uni-muenchen.de/71897/>

MPRA Paper No. 71897, posted 13 Jun 2016 09:07 UTC

The Perception of People Regarding Selection of Petrol Pump in Karachi

Mohsin Hassan Alvi¹

mohsinhassanalvi@hotmail.com
Karachi, Pakistan

Midra Ikram¹

midraikram@hotmail.com
Karachi, Pakistan

Mohammad Haris Mirza²

m.harismirza@gmail.com
Karachi, Pakistan

M. Mubashir Q. Khan³

mubashirrazakhan@gmail.com
Karachi, Pakistan

Abstract

The objective of the study is to get an idea about people's perception on the choice of petrol pumps in Karachi. To accomplish the purpose, it was hypothesized that (1) Location has a significant impact on the choice of Petrol Service Stations (2) Quality has a significant impact on the choice of Petrol Service Stations (3) Rewards has a significant impact on the choice of Petrol Service Stations. A sample of 200 respondents was randomly selected who filled a self reporting questionnaire. One sample t-test was applied on gathered data to assess the observations. It was revealed that neither quality nor location and reward have an influence on the consumer choice over selection of petrol pump.

Keywords: *Consumer Choice, fuel refilling station, Karachi, One Sample T-test*

1. *University of Karachi*

2. *Federal Urdu University of Arts, Science and Technology*

3. *Government of Sindh Law and Business Administration*

1. Introduction

People always have different choices and perception, when it comes to shop their necessities. These perception and images are made by their previous experiences and marketing strategies of the brands by consuming more efforts to improve quality and offering rewards to consumers. At the time of purchase, the consumers have many factors in mind which motivate them to buy certain products. These factors help consumers to develop a perception regarding product and decision making to purchase them (Nelson, 1970). Amongst various factors, it has been identified that the location and service provided to the customer play an important role in evaluating the quality of product and maintain satisfaction amongst consumers (Wall and Berry, 2007). Distance and location shapes the behavior of people to make wise decisions related to approaching particular places to buy their required product (Wall and Berry, 2007). Too much crowded areas can cause barrier in approaching to the desired places like fuel refilling station and people can avoid using such locations to avoid wastage of time and fatigue. The geographical area or location can be chosen by keeping in the mind the convenience of customers. Consumers usually prefer to visit nearby places, so the fuel refilling station in commercial area and nearby markets and offices are usually more convenient to reach, especially in rush hours (Franklin, 2011). It's natural that customers do not like to wait to refuel and get service at the fuel refilling station by standing in a long waiting queue. The location of the business franchise is a strong predictor of business success and progress. The location factor can impact on customers' access to the service and developing the perception about a particular service to avail from a comfortable place. The visible sites such as main roads are most easy to approach rather than going to the narrow streets or stuck in the traffic (Franklin, 2011). It was also seen that fuel refilling station are being modified and their surroundings are designed elegantly so that more customers can pay attention to the location and get attract to it. Flashlight systems, flags and neon lights are being utilized in decoration to call more people. The billboards and sign boards are also used to market the location and its features to gain more flow of customers than other pumps (Leeming, 1974).

The services and relationship with consumers has a positive impact on customers' loyalty. The interaction with the customers and effective dealing enhances the chances to develop healthy seller customer relationship (Vesel and Zabkar, 2010). To provide best service to the customers, it is mandatory to understand that what do they need? In the presence of so many choices,

customers turn to the place where they will find quick service, friendly environment and accurate money dealing (Grönroos, 2001). Consumers develop perception by examining the quality of product. Customers' satisfaction can be achieved by providing them the desired quality products (Kenyon and Sen, 2012). The quality of services at fuel refilling station also matters, such as if the service provider fill less fuel and charge more amount, it creates a sense of mistrust amongst customers. If the service provider does not deal customers efficiently and make them feel ignored, there would be a high chance of turnover rate. It was assessed previously that customer participation to assess quality of product and services can promote healthy relationship with them and they feel themselves liberal to share ideas about the services (Dabholkar, 2014). The quality of product ties the customers to buy product from the same place constantly. It found that if the customer feels dissatisfied with the product or service, he is prone to discontinue buying the same product or service again and it may cause to switch the service provider.

It was also observe that people get motivated and excited by rewards and discounts, if the reward has a significant value to them. It was observed that to avail rewards, consumers sometimes increase the monetary cost to purchase basic things. This attitude of customers helps the marketers to promote their brands and create a positive perception amongst its customers (Kivetz and Simonson, 2002). To get free service on purchasing certain amount of product can convince the buyer to choose the product. Fuel refilling station offer limited free oil or service to vehicle to their customers few times. They also allowed them to use credit cards instead of cash, which makes the customer feel easy and comfortable. Another attempt was made in order to reveal the relationship between customer choice and the turnover ratio of packet size (Alvi, 2015).

The present study can provide a great chance to the owners of petrol filling stations to work on to their services to attain maximum benefit from customers. Currently, this area has been ignored in literature, which is leading to a lack of knowledge about growth and development of the business of fuel refilling station. A serious attention towards the issues and customers' needs regarding fuel refilling stations' services can provide a high level of achievement in gaining customers' confidence and perception building. Therefore, to study the important factors which are the cornerstones for developing customers' trust and perception, which are neglected in Karachi, following hypothesis are being made:

H1: Location has a significant impact on the choice of Petrol Service Stations.

H2: Quality has a significant impact on the choice of Petrol Service Stations.

H3: Rewards has a significant impact on the choice of Petrol Service Stations.

2. Methodology

A survey based cross sectional study was examined by conducting interviews of participants in order to gather data about their perception regarding selection of fuel refilling station and explore the factors which help developing their perceptions. The data was gathered through various sampling units located in Karachi. Total 200 participants were selected randomly to obtain data. The age range of participants falls between 20 to 35 years because of ease to access in gathering their perceptions. An equal probability sampling method was applied to approach the sample. Data was gathered with the help of a structured questionnaire with 9 items, which was measuring the dependent and independent variables through self reporting by respondents. While demonstrating the purpose of the research, it was kept in mind that respondents can easily understand the language of questionnaire. It was shared with the respondents that their responds will be kept confidential and the information will only be utilized for the research purpose with complete confidentiality of their personal information. The controlling factors; location, quality and rewards were assessed on statistical significance with the help of comparison of sample mean with population means. One sample t test was implied on the obtained data to find the statistical information and results of the study.

3. Results

Table 3.1: T-test Estimates

	N	Mean	Standard Deviation	Mean Difference	Sig. (2-tailed)	T-Stats
Location	200	2.415	1.22486	2.415	0	27.883
Quality	200	2.43	1.27405	2.43	0	26.973
Rewards	200	2.955	1.40458	2.955	0	29.753

Test Value: 4

The results are showing that the mean value of rewards (2.95) is greater than the mean value of location (2.41) and quality (2.43). It shows that rewards play more significant role in developing people's perception than location and quality, when they choose the fuel refilling station to get services for their transportation systems. The mean values of all three hypotheses are less than 4, which reveal that all three hypotheses are rejected because of low mean values. The mean difference for hypothesis 1 (2.41), hypothesis 2 (2.43) and hypothesis 3 (2.95) indicate that

hypotheses 1 and 2 are approved. The formula for mean difference is (mean difference= sample mean-population mean).

4. Discussion

The results of the study showed that all three variables; location, quality of product and services, and rewards do not play a significant role in making a perception about fuel refilling station amongst customers in Karachi. There could be many factors which can support the results of present study. The age range of the sample is quite restricted which does not allow the researcher to study an overall perception of middle and old age people. According to the first hypothesis, location does not matter for the customers when they choose to avail services from fuel refilling station, may be due to long queues and crowd at petrol filling station in Karachi. The increased number of vehicles and lack of availability of CNG and petrol insists the customers to reach at any station where they can easily get the desired services; even the station is located in a narrow lane or at distance from their places. In such crisis period, lavish and decorated stations do not attract their attention.

The second hypothesis proved that quality of the product and services do not put any difference in customers' perception when they go to choose a fuel refilling station. At the time of need to get refueled the vehicle, people usually do not think about the quality and they avail even a poor service to get refueled the vehicles.

According to the results, rewards do not help in developing interest and perception among fuel refilling station customers. The rewards offered by the service provider at fuel refilling station do not have value for customers. They get the rewards, such as discounts, credit card facility, free services etc, but it has no impact on their choice about fuel refilling station.

5. Conclusion

A self reported survey was administered to assess people's perception regarding their choice of fuel refilling station in Karachi. To get the information about their perception, it was hypothesized that (1) Location has a significant impact on the choice of Petrol Service Stations (2) Quality has a significant impact on the choice of Petrol Service Stations (3) Rewards has a significant impact on the choice of Petrol Service Stations. After gathering data from a sample of 200 respondents by self reporting questionnaire, one sample t test was applied on data. The

results suggested that all three variables; location, quality and rewards do not have significant impact on people's perception when they choose petrol pumps to get services in Karachi.

Reference

- [1] Alvi, Mohsin (2015). The impact of packet size on inventory turnover of FMCG products in Pakistan: wholesaler & retailer perspective. *International Journal of Empirical Finance*, 4(3), 165-169
- [2] Dabholkar, P. (2014). How to Improve Perceived Service Quality by Increasing Customer Participation. *Proceedings Of The 1990 Academy Of Marketing Science (AMS) Annual Conference*, 483-487
- [3] Franklin B., J. (2011). *Customer buying behavior at selected petroleum shops in Cape Town* (Master of Technology: Business Administration, Marketing Management). Cape Peninsula University of Technology
- [4] Gronroos, C. (2001). The perceived service quality concept – a mistake?. *Managing Service Quality*, 11(3), 150-152
- [5] Kenyon, G., & Sen, K. (2012). A model for assessing consumer perceptions of quality. *Int J Qual & Service Sciences*, 4(2), 175-188
- [6] Kivetz, R., & Simonson, I. (2002). Earning the Right to Indulge: Effort as a Determinant of Customer Preferences Toward Frequency Program Rewards. *Journal Of Marketing Research*, 39(2), 155-170
- [7] Leeming, D. (1974). The automobile repair industry. *Education + Training*, 16(2/3), 38-39
- [8] Nelson, P. (1970). Information and Consumer Behavior. *Journal of Political Economy*, 78(2), 311–329

[9] Vesel, P., & Zabkar, V. (2010). Relationship quality evaluation in retailers' relationships with consumers. *European Journal Of Marketing*, 44(9/10), 1334-1365

[10] Wall, E., & Berry, L. (2007). The Combined Effects of the Physical Environment and Employee Behavior on Customer Perception of Restaurant Service Quality. *Cornell Hotel And Restaurant Administration Quarterly*, 48(1), 59-69