



## A Study On Consumer Awareness And Satisfaction Towards LPG In Hirekerur Taluk (Karnataka)

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### ABSTRACT

*The present study on consumer satisfaction has been describing that to ascertain and analyze the problems affecting the consumers in general and the consumers of Liquefied Petroleum Gas (L.P.G.) supplied by the major distributing agencies operating under the control and regulation of the Central Government. There are the problems of seller's market orientation, under developed consumer service processes, inadequate infrastructure and lack of desire to be service minded. These have led to poor consumer service provided by the Indian companies. The present study aims at analyzing these and other problems of consumers in general and consumers of LPG in the study area and make useful suggestions for improvement. The authors conclude that there is ... No large Indian company that really is in existence on consumer satisfaction as its key to success.*

**Keywords : LPG, Problems of LPG users, Consumer Awareness and Consumer Satisfaction.**

### Introduction

Liquefied Petroleum Gas (LPG) is a propane/Butane mixture liquefied under normal ambient temperature and moderate pressures. It can be compressed at a ratio of 1:250, which enables it to be marketed in portable containers in liquid form. And it's safe fuel and ignitions only within the specified LPG- Air ratio of 2 percent to 9 percent.

Consumer satisfaction is the basic tenet of modern concept of marketing. It is the basic philosophy of management, which forces the organization to align its actions with the market mandates. The leading professionals of today have been exercising their decision making process with the ultimate goals of satisfying the consumers. They have reorganized the necessity for taking their product to the market and giving the consumer what he wants. Thus, marketing management is consumer oriented.

### Need for the Study

The present study on consumer satisfaction has been chosen with a view to ascertain and analyze the problems affecting the consumers in general and the consumers of Liquefied Petroleum Gas (L.P.G.) supplied by the major distributing agencies operating under the control and regulation of the Central Government. The present study aims at analyzing these and other problems of consumers in general and consumers of LPG in the study area and make useful suggestions for improvement.

### Objectives of the Study:

1. Evaluation of Hirekerur taluk consumer's awareness and satisfaction about the supply of LPG.
2. Assessing the responses of users of LPG about the quality of services rendered by the company agents.

3. Analyzing all other issues germane to the problem of research.

### Methodology

The research study is based on empirical survey of LPG used in Hirekerur taluk. A total number of 200 LPG users in the Hirekerur taluk were selected for personal interviews to obtain their responses on the various aspects of LPG supplies and services. The primary data from the LPG users has been collected through a well-tested and comprehensive questionnaire schedule. The secondary data is collected through the company agents, offices and company web site. The information through personal discussions with the agency personal has also been collected.

### Limitations of the study

The study however, has the major limitation of confirming the research work to only one LPG Company since a comparative picture of the performance of other companies in relation to consumer satisfaction is not provided.

### Review of Literature

Gandhi J.C. (1999) : Gandhi observes that consumer satisfaction is the basic tenet of the modern concept of marketing. The author suggests that the former involves development of indicators of consumer satisfaction. However, the author is aware of the problem that the identification of consumer needs when related to the satisfaction part poses problem in terms of the time lag between the knowledge of needs and product delivery because of the volatile nature of consumer behavior particularly in respect of non- basic needs.

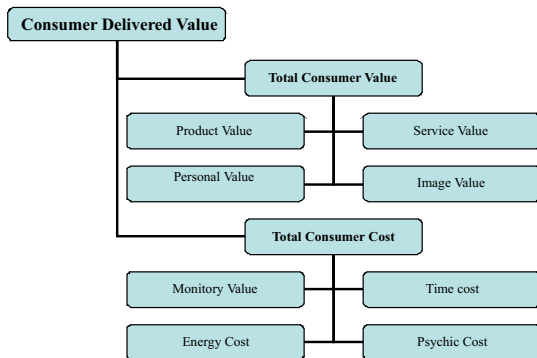
Philip Kotler (1997): Kotler says consumer delivered value is the difference between total consumer value and total consumer cost. Total consumer value is the bundle of benefits consumers expect from a given market or service or product. Total consumer cost is the bundle of costs consumers expect to incur in evaluating, obtaining and using the product or service. Kotler has discussed the consumer satisfaction in detail in his work relating to:

1. How can companies both attract and retain consumers?
2. How can companies improve consumer profitability? And
3. How can companies practice total quality marketing?

**Consumer delivered value**

Consumer delivered value "is the difference between total consumer value and total consumers cost. Total consumer value is the bundle of benefits consumer expect from a given product or service. Total consumer cost is the bundle of costs consumers expect to incur in evaluating, obtaining and using the product or service." The determinants of consumer delivered value are indicated in the Chart no.1

Chart No 1: Consumer Delivered Value



Hindustan Petroleum Corporation Limited (HPCL):

HPCL, a fortune 500 company, is one of the major integrated oil refining and marketing companies in India. It is a mega Public Sector Undertaking (PSU). It is the second longest integrated oil company in India with Navaratna Status. HPCL commenced marketing of LPG under the brand name "HP GAS" in 1979 with takeover of these concessionaires and merger with HPCL with a customer holding of 7.8 lakhs. It has accounts for about 20 percent of the market share and about 10 percent of the nations refining capacity.



HP Gas today (As of April 2011) has over 33 million domestic LPG consumers catered through a network of over 2630 distributors. And it conforms to IS 4576-1999 specifications.

In Hirekerur taluk Hindustan Petroleum Gas Company has 9964 Domestic consumers and single

cylinders allotted customers are 5630 and more than one cylinder allotted customers are 4334 as on 20-09-2011. In the Hirekerur taluk one HP distributor called Basaveshwara Agencies is situated. The table no.1 reveals that the single cylinder allotted consumers and more than one cylinder allotted consumers in the Hirekerur taluk.

Table No.1 LPG users in Hirekerur taluk

Sl. No.	Place	Single Cylinders	More than one Cylinders	Total
1	Hirekerur	1719	1453	3172
2	Rattihali	1407	938	2345
3	Masur	1140	760	1900
4	Chikkerur	720	480	1200
5	Haunsbhavi	213	143	356
6	Kod	120	80	200
7	Others	311	480	791
	<b>Total</b>	<b>5630</b>	<b>4334</b>	<b>9964</b>

Source: Basaveshwara Agencies HP distributor Hirekerur.

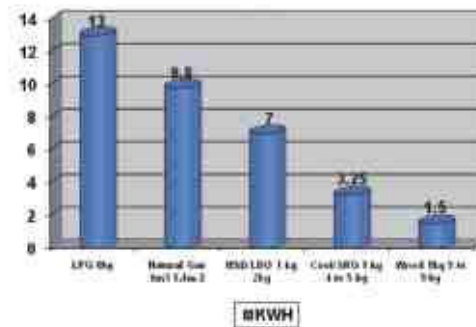
Table No. 2 observed that highest 85 percent of Heat transfer efficiency output from LPG, followed by Electricity, Light Diesel Oil. The lowest Heat transfer efficiency output is Coal with 17.5 percent.

Table No.2 Comparison with other fuels

Fuel	KCal/Kg (At room temperature)	Heat transfer efficiency (percent)
LPG	11900	85
SKO	11100	50
Light Diesel Oil (LDO)	10700	60
Furnace Oil (FO)	10280	55
Natural Gas (CNG)	Pass	65
Coal	None	15
Firewood	4400	17.5
Electricity	860/KW	65

Source: www.hindustanpetroleum.com

Graph No. 1 Comparison with other fuels per KWH.



**Profile of Hirekerur taluk**

Haveri district is newly formed district during the year 1997 98, from the existing Dharwad district. The taluk has 125 villages, 37 Gram Panchayats, one Town Municipality.

Table No. 3: Demographic Features of Hirekerur taluk

Particulars	Haveri District	Hirekerur Taluk	Comparison with District
Area (sq kms)	4848	806	16.68%
Population	14,39,116	212458	14.76%
Male	740,469	108829	14.69%
Female	698,647	103629	14.83%
Rural	1140096	196586	17.24%
Urban	299022	15874	5.30%
Density Person/sq. km	296	263	88.85%
Literacy ratio	68.09%	74.08%	108.79%
Male	77.94%	83.67%	107.35%
Female	57.06%	63.09%	110.56%
No. of villages	691	125	18.08%
No. of towns	8	1	12.5%
Forest Land	47454	8876	18.70%
Number of Farmers	194080	37499	19.32%

Source: NABARD's Potential Linked Credit plan Haveri, 2010-2011. p.5.

The table no.3 reveals that the rural population is more than urban population in Hirekerur taluk. The rural population is 1,96,586 whereas the urban population is 15,874 of the total population.

**Analysis of LPG supply and Consumer satisfaction in Hirekerur taluk:**

The present study on consumer satisfaction has covered a total number of 200 consumer respondents using Liquefied Petroleum Gas (LPG) for domestic and other purposes in the city. The study has covered one of the leading LPG supplying public sector companies viz. Hindustan Petroleum Corporation Limited.

Table No. 4: LPG Consumers perceptions about Satisfaction matrix

S No.	Particulars	Matrix (%)
1	Satisfaction over size and weight	95
2	Instance of Agents on purchase of cooking appliances	62
3	Deducting home delivery charges	03
4	Installation of safety whistle to rubber tubes	08
5	Periodical servicing of gas stove	35
6	Satisfaction over the quality stove	95
7	Fuel efficiency and cost-effectiveness of LPG as fuel	94
8	Attending to meetings conducted by the distributors	04
9	Membership of LPG consumers association	05
10	Attending to consumer awareness camps organized by companies	14

Source: Primary Survey

Table no. 5: LPG Consumers response matrix

S. No	Particulars	Always	Mostly	Some times	Never
1	Timely supply of refills	53	32	10	05
2	Home delivery of refills by the distributors	72	18	10	--
3	Difficulty of booking refill over telephone	08	10	12	70
4	Courtesy of distributors/ staff over telephone with customers	55	27	15	03
5	Courtesy of distributors / staff at the show room	50	34	16	--
6	Courtesy of deliveryman or mechanic	39	45	16	--
7	Sales and safety caps	98	02	--	--
8	Prompt redressal of complaints by distributors (15 respondents)	06	04	04	01
9	Waiting period for getting first connection of LPG	1 month	2 months	6 months	More than 6 months
		32	18	15	35
10	Ideal booking period between two refills	8 days	15 days	20 days	30 days
		14	42	42	02
<b>Mean(Average):</b>		<b>31.7143</b>	<b>18.5</b>	<b>14.28571</b>	<b>23.35714</b>
<b>S.D:</b>		<b>30.3554</b>	<b>14.8570</b>	<b>10.17862</b>	<b>32.07829</b>
<b>Variance (Standard deviation):</b>		<b>921.4506</b>	<b>220.7308</b>	<b>103.6044</b>	<b>1029.0165</b>

Source: Primary Survey

**Analysis and Findings of the study:**

Based on the table no. 4 and table no. 5 and interpretation of the necessary data provided by the respondent users of the Liquefied Petroleum Gas in Hirekerur taluk through the questionnaire, the following major findings are noted.

- Majority of LPG users of 35 percentages had wait for more than six months for their first connection followed by 15 percentages of users who had to wait for six months, 18 percentages for two months and 32 percentages for one month.
- Majority of 47 percentages of LPG users chose the company for easy availability. Prompt service was also a reason for 40 percentages of consumers for choosing company.
- Insisting to purchase cooking appliance by the agents was asserted by 62 percentage of user's.
- An equal number of 42 percentages of LPG users of HPCL felt that ideal booking period between two refills is 15 days and 20 days respectively

- Timely supply of refills of LPG has been affirmed by majority of customers.
- Majority of customers of LPG faced no difficulty with the distributors in booking refills over telephone.
- There are 98 percentages satisfaction among the customers of LPG about the seal and safety caps of cylinder.
- Distributors of LPG in the Hirekerur taluk respond timely to the complaints from the customers as asserted by majority of respondents.
- A large number of LPG customers are not aware of the Consumer Service Cells of the companies and services of such cells.
- The distributors according to majority of 62 to 65 percent of LPG uses did not periodical servicing of gas store.
- LPG as an efficient and cost effective fuel is accepted by a large majority of customers covered by the study.
- Majority of 95 to 98 percent of the consumers of LPG covered by the study had not become members of the consumers associations.
- Consumers Awareness Camps organized by the LPG companies or distributors were attended hardly 10 to 14 percent of the customers of LPG in Hirekerur covered by them study.
- There has been a very high level of consumer satisfaction about the LPG supply service and safety aspects as affirmed by a very large majority of customer respondents.
- Suggestions for improvement of LPG supply related to (1) courteous services of distributors/staff/ deliveryman/ mechanic etc. (2) checking of gas, cylinder, rubber tube, inspection of safety procedures, promotion of safety awareness (3) Provision of metered gas pipeline in the Hirekerur city etc.

**Suggestions**

The following suggestions may be admitted and administered by the major LPG supplying companies and their distributors for the maximization of the Consumer Satisfaction.

- Insistence to buy cooking appliance from them on the part of distributors should be avoided by strict company stipulations.
- Timely supply of replies through affirmed majority of respondents is still a constraint experienced by some customers.
- Courteous behavior of deliveryman or mechanic or the distributor /staff should be insisted upon by the LPG Company.
- The distributors and the LPG Company should adhere to safety of LPG users through strict insistence on change of rubber tube and use of cleaning of tubes.
- Periodical Servicing of gas store should be conducted to ensure safety and economy in the use of LPG.
- 24 hours booking facility for LPG refills are provided to the consumers by installing computerized telephones.
- Awareness about safety and fuel saving should be created among the LPG users through the mass media like advertisements in Televisions, in the newspapers and magazines etc.,
- All the LPG companies should restrict the maximum number of customers for each distributor. After the maximum number of customer oil company should allot another distributorship for that place.
- Concerned oil companies should provide separate service/repairs centers for LPG consumers.

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