

**STUDY OF BUSINESS POTENTIAL THROUGH SERVICE MARKETING AT  
PETROL PUMPS**

**INDIAN OIL CORPORATION LTD. (LUCKNOW)**

**Under the guidance of: - Mr. Sarbojit Gooptu**

**State Retail Sales Manager (Lubes)**

**Indian Oil Corporation Limited.**

**REFERENCE COPY**

**Submitted by:- Akansha Rana**

**Integrated BBA+MBA (Oil & Gas Marketing) (2009-13)**

**SUMMER INTERNSHIP REPORT IN PARTIAL FULFILLMENT OF THE AWARD MASTER OF  
BUSINESS ADMINISTRATION (2009-2013)**



**College of Management and Economic Studies**

**University of Petroleum and Energy Studies,**

**Dehradun, Uttarakhand, India**

**June-July 1203**



**IndianOil**

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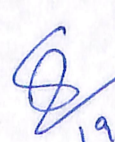
**State Retail Sales Manager (Lubes)**

**Indian Oil Corporation Limited.**

**SUMMER INTERNSHIP REPORT IN PARTIAL FULFILLMENT OF THE AWARD  
MASTER OF BUSINESS ADMINISTRATION (2009-2013)**

**UNIVERSITY OF PETROLEUM AND ENERGY STUDIES  
DEHRADUN**

  
**T.S. GOOPTU**  
**SRSM (L) UPSO - I**  
**INDIAN OIL CORPN. LTD.**

  
**19/Aug/2013**

## Acknowledgement

I would also like to extend my sincere gratitude towards *Mr. Sarbojit Gooptu (State Retail Sales Manager (Lubes))*, for his guidance and continuous support during the complete duration of the project. He consistently encouraged us during the project and provided valuable inputs to proceed with the project.

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Last but not the least I am thankful to each and every customer (passenger vehicle owners) and service station employees who participated in the survey and provided me with their valuable feedback.

  
Akansha Rana

Integrated BBA+MBA (Oil & Gas Marketing)

## **Abstract**

This project has been undertaken taken to assess the financial viability of setting up service facilities at a petrol pump of Indian Oil.

This study is to get the customer feedback on their preference of availing services from a petrol pump if it is provided by professional groups. Indian Oil customers present at the petrol pump are surveyed to see their satisfaction level and also their expectations, of the services offered at a petrol pump. The customer survey also tries to understand the behavior of the customers towards a petrol pump.

The downstream oil companies play a very crucial role in capturing this gap in business opportunity by providing service stations at petrol pumps where at least routine maintenance and minor repairs can be undertaken. These outlets can be also the primary contact points for the customers who will always find the petrol pumps the most suitable and convenient place. For higher requirement of services like major repairs & accident repairs, the vehicles can be taken to the bigger format workshops. Since the petrol ump dealers may not have the required expertise in this business, collaboration can be made with OEMs or OEM dealers for providing these services with mutually agreed terms and conditions

The findings from the study would help the company with insights into areas that need to be improved. Finally, the study will also address the potential of such business at petrol pumps and financial viability of the business.

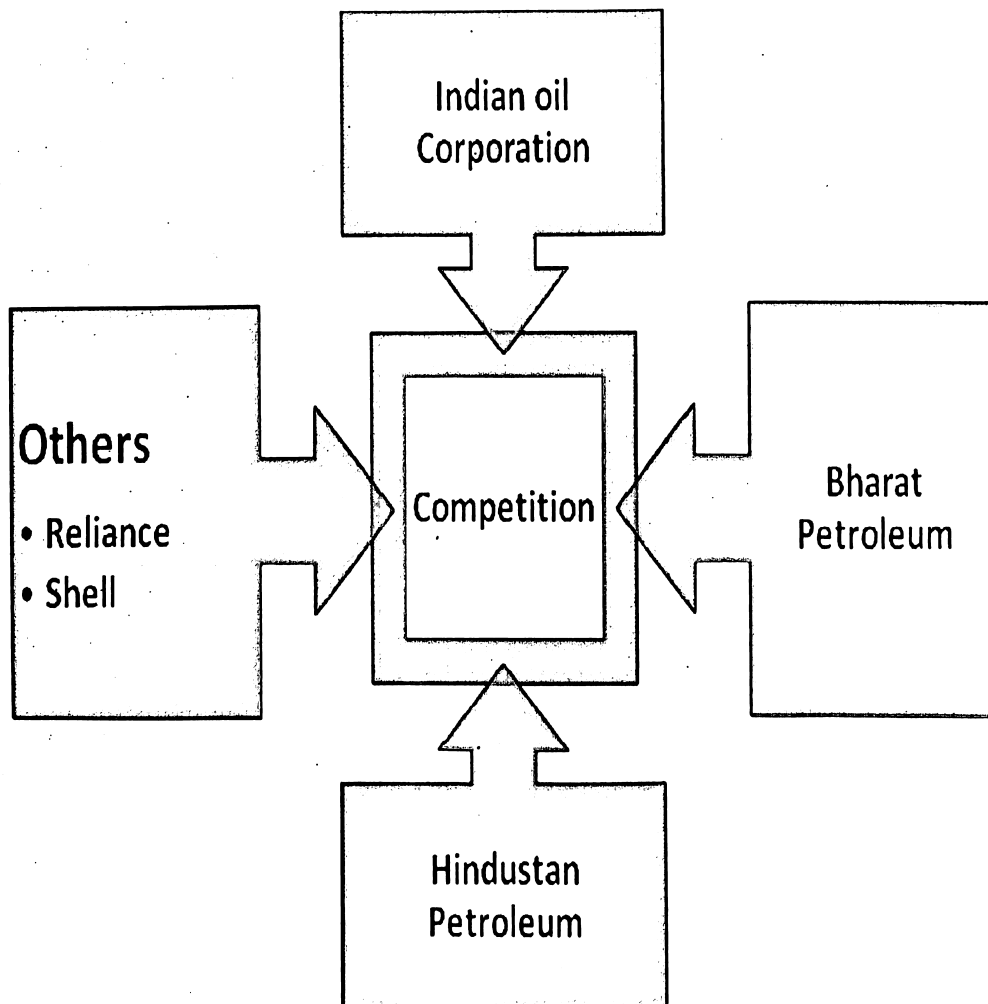
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## Introduction

This study is to get the customer feedback on their preference of availing services from a petrol pump if it is provided by professional groups. Indian Oil customers (passenger vehicle owners) present at the petrol pump are surveyed to see their satisfaction level and also their expectations of the services offered at a petrol pump. The customer survey also tries to understand the behavior of the customers towards a petrol pump. The study has been conducted to get a deep insight of consumer's perceptions and expectations regarding the Indian Oil Corporation Limited and to study the preferences of consumers in case of a fuel station so as to support the pro-active approach of creating an edge over its competitors despite IOCL being the biggest player in this Oil & Petroleum Industry. The service station survey provides an approximate investment cost which might be incurred by the company at the startup of the business.

### Other Oil Marketing Companies: Competitor's profile



## **INDIAN OIL: COMPANY PROFILE**

India's flagship national oil company and downstream petroleum major, Indian oil corporation Ltd.(Indian oil) celebrated its Golden jubilee during 30<sup>th</sup> June 1<sup>st</sup> September 2009.

Established as an oil marketing entity on 30<sup>th</sup> June 1959, Indian oil company Ltd. Was renamed Indian Oil Corporation limited on 1<sup>st</sup> September 1964 following the merger of Indian Refineries Ltd. (established in August 1985) with it. The integrated refinery & marketing entity has since grown into the country's largest commercial enterprise and Indian's No.1 Company in the prestigious Fortune 'Global 500' listing of the world's largest corporate, currently at 82<sup>nd</sup> position. It is also the 18<sup>th</sup> largest petroleum company in the world.

Indian Oil Corporation has registered a profit of Rs.3332 crore for the third quarter of the financial year 2012-13 as compared to a profit of Rs. 2488 crore for the corresponding quarter of the previous financial year; mainly due to release of Government assistance to the tune of Rs.13475 crore partly compensating under recoveries on sale of three sensitive products i.e. Diesel, PDS Kerosene and LPG (Domestic).

The unaudited financial results of the Corporation were taken on record at the meeting of the Board of Directors here today. Indian Oil's turnover for the third quarter of the current financial year rose by 12% to Rs.107686 crore from Rs.96006 crore during the corresponding quarter last year.

Mr. R.S. Butola, Chairman, Indian Oil, said, "Indian Oil's product sales volumes including exports rose by 0.419 Million Tonnes to 19.706 Million Tonnes during the third quarter of FY 2012-13 as compared to the corresponding quarter of the previous financial year. The quarterly refining throughput went up marginally by 0.042 Million Tonnes to 14.208 Million Tonnes as compared to the corresponding quarter of the previous financial year. The throughput of the Corporation's countrywide pipelines network went up by 1.111 Million Tonnes to 19.471 Million Tonnes as compared to the corresponding quarter of the previous year."

Set up a mandate of achieving in self-sufficiency in refining and marketing operations for a nascent nation set on the path of economic growth and prosperity, Indian oil today accounts for nearly half of India's petroleum consumption, providing precious petroleum to millions of people every day through a country wide network of 35,000 sales points. They are backed for supply by 167 bulk storage network and depots, 101 aviation fuel stations and 89 Indane LPG bottling plants. For the year 2008-09, Indian Oil sold 62.6 million tonnes of petroleum products, including 1.7 million tonnes of natural gas.

The Indian Oil group of companies owns and operates 10 of India's 20 refineries with a combined capacity of over 60 MMTPA, accounting for 34% of national refining capacity, after excluding EOU refineries. Project under execution will take the capacity further to 80 MMTPA by the year 2011-12. Besides setting up state of art facilities to raise product quality to global standards, Indian Oil has undertaken chartering of ships of crude oil imports on its own and is expanding its basket of crude and upgrading its refineries to handle a wider of crudes, including high-sulphur types .

Indian Oil and its subsidiaries account for 49% petroleum products market share, 40.4% refining capacity and 69% downstream sector pipelines capacity in India. Being the flagship oil company of India, it reaches its petroleum product through 34000 sales points. It has the largest and widest network of petrol and diesel stations in India, numbering over 17900. It also produces the Indane cooking gas and reaches to millions of households in around 2700 markets through around 5000 Indane distributors.

Indian Oil also has a wholly owned subsidiary Indian Oil Technologies Ltd. which is engaged in commercializing the innovation and technology developed by the R&D wing of the company.

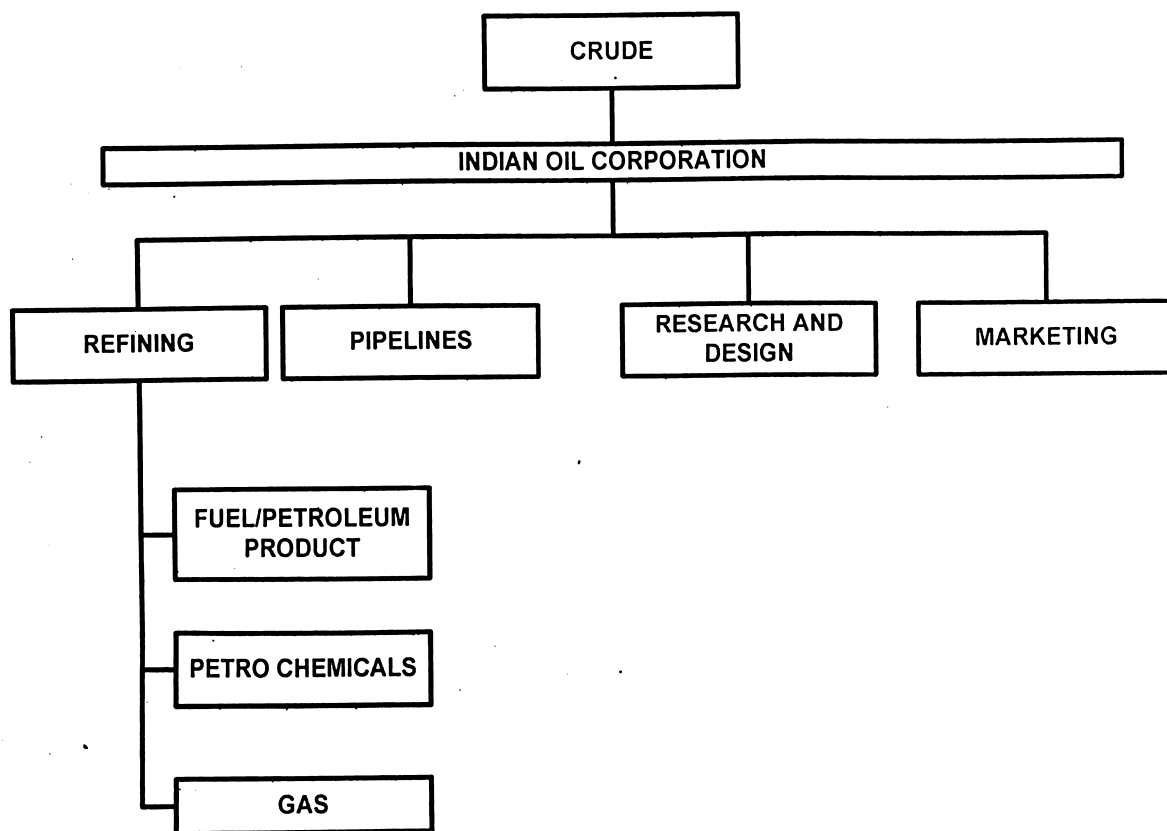
## BUSINESS MODEL

The major businesses of Indian Oil are in the fields of

- Refining
- Pipelines
- Marketing
- Research and Development
- Petrochemicals

Indian Oil is the largest refinery in India. It has a refining capacity of 60.2 million metric tonnes per annum (MMTPA). Although the Core business of Indian Oil is refineries, it is also into many other businesses related to crude oil.





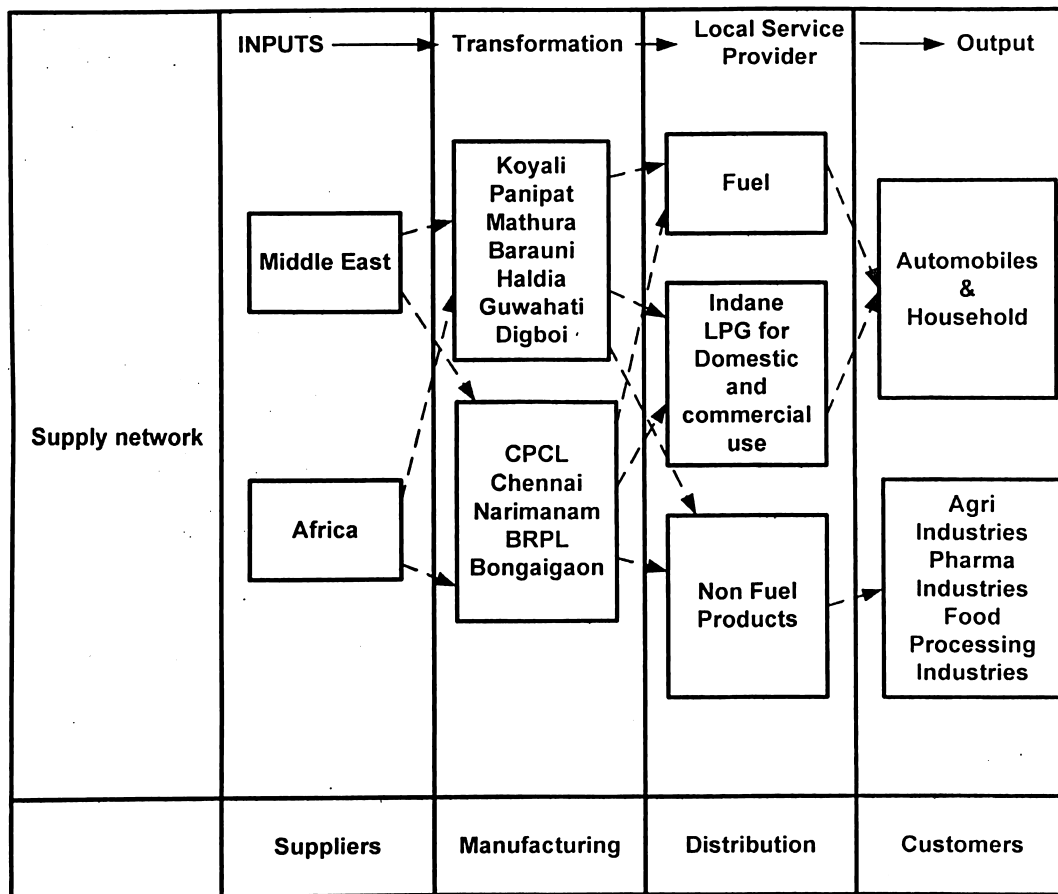
**Figure 1: BUSINESS MODEL OF IOCL**

Indian Oil also caters to its large volume consumer segment by providing them complete Fuel Management Solutions. It has proper storage and dedicated facilities for its customers who have bulk requirements. The tankages of Indian Oil are strategically located across the country and are custom-designed to maintain low-cost supplies that can be rapidly transported through a sophisticated supply-chain management system.

Indian Oil has a strong R&D support which continuously works on the product quality improvement, evaluation of catalysts and additives, health assessment of catalysts, material failure analysis, troubleshooting and in improving overall efficiency of operations. It has also launched initiatives in the field of exploiting alternative sources of energy like hydrogen and Biofuel.

The marketing and distribution network of Indian Oil is very strong with around 34000 marketing touch points and its petrol/diesel stations spread across the country. Its marketing efforts have made its brand recognized not only nationally but also internationally. It has always come with innovative product schemes such as XTRA PREMIUM and XTRACARE.

## SUPPLY CHAIN OF INDIAN OIL



**Figure 2: Supply Chain Network**

## IOCL PRODUCTS IN THE MARKET

- **SERVO**

Indian Oil's SERVO range of lubricants reigns as the undisputed market leader in the Indian lubricants market. Known for its cutting-edge technology and high quality products, SERVO backed by Indian Oil's pioneering R&D, extensive blending and distribution network, sustained brand enhancement and new generation packaging is a one-stop shop for complete lubrication solutions in the automotive, industrial and marine segments. The SERVO range includes over 500 lubricants and 1200 formulations encompassing literally every lubricant requirement.

The SERVO Xpress is a one-stop shop for quick, easy and convenient auto care, providing customers with a refreshing experience. The SERVO Xpress stations have facilities for oil change, tire and battery checkups, A/C service, vacuum cleaning, perfuming, and upholstery cleaning, polishing and lamination installation too.

- **INDANE LPG GAS**

**Indane** is today one of the largest packed-LPG brands in the world. Indian Oil pioneered the launch of LPG in India in the 1970s and transformed the lives of millions of people with the introduction of the clean, efficient and safe cooking fuel. LPG also led to a substantial improvement in the health of women in rural areas by replacing smoky and unhealthy chullhas with **Indane**. It is today a fuel synonymous with safety, reliability and convenience. Indian Oil's Indane LPG gas is used in 40 million homes as cooking fuel and commands over 48% market share in India.

- **INDIAN OIL AVIATION SERVICES**

Indian Oil Aviation Service is a leading aviation fuel solution provider in India and the most-preferred supplier of jet fuel to major international and domestic airlines. Between one sunrise and the next, Indian Oil Aviation Service refuels over 1500 flights – from the bustling metros to the remote airports linking the vast Indian landscape, from the icy heights of Leh (the highest airport in the world at 10,682 ft) to the distant islands of Andaman & Nicobar. Indian Oil Aviation services have a market share of 65% with a network of 101 Aviation Fuel Stations (AFS) meets complete aviation fuel requirement of the Defense services.

- **AUTO LPG**

Auto Gas (LPG) is a clean, high octane, abundant and eco-friendly fuel. It is obtained from natural gas through fractionation and from crude oil through refining. It is a mixture of petroleum gases like propane and butane. The higher energy content in this fuel results in a 10% reduction of CO2 emission as compared to MS.

- **XTRAPREMIUM PETROL**

XTRAPREMIUM Petrol is India's leading branded petrol boosted with new generation multifunctional additives known as friction busters that prevents combustion chamber deposits. XTRAPREMIUM is custom designed to deliver higher mileage, more power, and better pick up, faster acceleration, enhanced engine cleanliness and lower emissions.

- **XTRAPOWER FLEET CARD ( For diesel customers)**

The XTRAPOWER Fleet Card program is a complete smart card-based fleet management solution for fleet operators and Corporate for cashless purchase of fuel & lubes from designated retail outlets of Indian Oil through flexible prepaid and credit facilities .

The fleet card program also offers an exciting rewards program and unique benefits like personal accident insurance cover and vehicle tracking facilities. In just under two years of its launch, Indian Oil's XTRAPOWER Fleet Card has emerged as the largest fleet card in the country with the widest retail outlet coverage.

- **SUPERIOR KEROSENE OIL**

- **"SWAGAT" HIGHWAYS FLAGSHIP RETAIL OITLETS**

There are number of such retail outlets planned across the country out of which many have been commissioned with a complement if fuel and non- fuel. Non-fueling offering through 'Best-in-class' alliance on exclusive basis wherever possible communication, food, rest, healthcare, parking vehicle care etc.

- **XTRA CARE**

The launch of Xtra Care was the culmination of a series of plans in retail design, product and service up gradation, capability training, automation, loyalty program, retail site management techniques all benchmark to global standards. While the industry standard is to take samples on a quarterly basis, Indian Oil has moved several steps ahead by introducing fortnightly random sampling with specific importance given to

Research Octane Number (RON) sampling which is truly the definitive test for quality and quantity. So far over 400 Xtra care retail outlets have been set up, around 1500 Xtra Care retail outlets will be ready soon.

- **XTRAREWARDS LOYALTY PROGRAM (For petrol customers)**

Indian Oil XTRAREWARDS is India's first on-line rewards program that seeks to inculcate the habit of redeeming points. The loyalty program rewards customers paying by cash, credit and debit cards.

Each transaction is confirmed on-line through a charge slip and customers can earn points on fuel/lube purchases at participating Indian Oil Retail Outlets. Additional points can also be earned outside the Indian Oil network, covering prominent FMCG, Food, Automobile, Travel, Entertainment, Apparel and Hospitality sectors.

### **Research design**

The research is exploratory in nature with the following characteristics:

- To provide insights and understandings on an aspect.
- Sample is small
- Research method is flexible
- Followed by conclusive research

### **Objective**

The purpose of the study is to analyze the business potential through service marketing at petrol pumps.

## Scope

The report would be useful to the company to:

- Find the gap between the actual performance of service stations and the performance expected by the customers in the functioning of service stations of passenger vehicles.
- It will help to cope the gap between the company's offerings and what the customer needs.
- Summarize the findings and give recommendations to the company in regards to its business potential through service marketing at their petrol pumps.

## Data collection

- The research involved primary data collection.
- **Primary Data** is collected through survey of passenger vehicle owners (customers) and structure interview with service workshop as per the questionnaires attached above.

Following are the formatted questionnaires which were used in surveying the workshops as well as passenger vehicle owners (customers) :-

### Survey of Workshop

Name of workshop:  
.....

Place: ..... District: ..... State:  
.....

Type of workshop:      1.      OEM Authorized (name the OEM.....)  
(please tick)            2.      Other organized (name of the brand, if any .....)  
                                 3.      Unorganized (local garage)

Name of Owner/ Head Mechanic:  
.....

No of years of operation: .....

Average no of vehicles serviced per day: .....  
(Approx number serviced in month divided by no of days of operation)

No of vehicles that can be serviced at a time/ no of service bays available: .....

What are the approximate areas for different facilities in the workshop. Mention nil is not available.

Service area	Customer lounge	Office area	Stores	Others. Pl specify

What are the equipments/ Tools positioned:

Name of equipments/ tools	Number (qty)	Approx cost per equipment/set
Other equipments that may be necessary for better customer service (feedback from mechanic)		

Other facilities including branding provided at the workshop to be noted. Approximate cost of such facilities to be assessed.

Other facilities provided	Approx. cost	How relevant to the workshop operation

Services provided (if required write overleaf or on separate sheet)

Services available	Rate per such service	Approx income per month from these services

Manpower cost

Type	Number	Total cost per month
Mechanic		
Helper		
Others (pl specify)		

Other expenditure incurred by the workshop (please specify):

# QUESTIONNAIRE

A survey is being conducted on the need for organized auto service of passenger

<b>1</b>	<b>Category of your vehicle (by length):</b>	Mini (A1) upto 3.4M	Compact (A2) >3.4M	Midsize (A3) >4.0M to 4.5M	Executive (A4) >4.5M to 4.7M	Premium (A5) >4.7M to 5M	Luxury (A6) above 5M	Van (B1)	MPV/SUV (B2)
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**2** Make of the vehicle:  Model:

**3** Your link with the vehicle:  Owner but chauffeur  Owner & self driven  Driver but not owner

**4** Status of ownership?  1st owner  2nd owner  3rd & more

<b>5</b> Purchase price of the vehicle (Rs/lakhs)?	Upto 3	More than 3 & upto	More than 5 & upto	More than 7 &	More than 10
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**6** Use of the vehicle?  Private  Commercial

<b>7</b> Age of your vehicle (in years)?	upto 2	More than 2 & upto	More than 4 & upto	More than 6 &	More than 8 & upto	More than 10
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<b>8</b> Annual income slab of the owner (Rs in lakhs)?	upto 10	More than 10 & upto	More than 20 & upto 30	More than 30 & upto	beyond 40
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<b>9</b> Category of your place of residence?	Metro city (Tier-	Big city/ town	small town (Tier-	Rural area	Name of State: <input type="text"/>
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<b>10</b> Where did you avail	Authorised	Other branded	Unorganized
For routine maintenance	<input type="text"/>	<input type="text"/>	<input type="text"/>
For minor repair	<input type="text"/>	<input type="text"/>	<input type="text"/>
For major repair	<input type="text"/>	<input type="text"/>	<input type="text"/>
For accidental repair	<input type="text"/>	<input type="text"/>	<input type="text"/>

**11** How frequently did you have to visit workshops for the following

	Nil	Once a year	Twice a year	Thrice a year	more than thrice in a
For routine maintenance	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
For minor repair	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
For major repair	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
For accidental repair	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>



**12 How satisfied are you on services if availed by you ever at these workshops ?**

	Authorised	Other	Unorganized
For routine maintenance			
For minor repair			
For major repair			
For accidental repair			

**13 What was your approx. expenditure (Rs. per year) in the recent times?**

Routine maintenance	Not yet	Upto 1000	1001-3000	3001-5000	5001-7000	7001-10000	Above 10000
Minor repair	Not yet	Upto 1000	1001-3000	3001-5000	5001-7000	7001-10000	Above 10000
Major repair	Not yet	Upto 5000	5001-10000	10001-15000	15001-20000	20001-25000	Above 25000
Accidental repair	Not yet	Upto 10000	10001-20000	20001-30000	30001-40000	40001-50000	Above 50000

**14 How important are the following factors to you?**

	Very High	High	Moderate	Low	Very Low
Cost of service					
Genuinity of spares					
Quality of repair					
Service time					
Timeliness in delivery					
Access to oversee repair					
Equality in treatment					
Attention given for minor					
Transparency in billing					
Efficiency in dealing for					
Professional approach					

**15 How satisfied are you on the above factors with your service providers?**

	Highly satisfied	Satisfied	Neither satisfied nor dissatisfied	Dissatisfied	Highly dissatisfied
Cost of service					
Genuinity of spares					
Quality of repair					
Service time					
Timeliness in delivery					
Access to oversee repair					
Equality in treatment					
Attention given for minor					
Transparency in billing					
Efficiency in dealing for					
Professional approach					

**16 How likely you may visit a multi-brand car service outlet for servicing your**

	Most likely	Likely	Neutral	unlikely	most unlikely
For routine maintenance					

**16 How likely you may visit a multi-brand car service outlet for servicing your vehicle if**

	Most likely	Likely	Neutral	unlikely	most unlikely
For routine maintenance					
For minor repair					
For major repair					
For accidental repair					

**17 How likely you may visit a petrol pump which provides multi-brand car service**

	Most likely	Likely	Neutral	unlikely	most unlikely
For routine maintenance					
For minor repair					
For major repair					
For accidental repair					

**Thank you very much for your kind cooperation.**

## **Methodology**

The project was completed in three phases:

- The first phase involved the questionnaire survey of passenger vehicle owners.
- Second phase involved the questionnaire survey of service workshops.
- Finally the third phase involved analysis of both the questionnaire surveys to estimate:

Likelihood among the different customer/vehicle demographic profiles to avail vehicle care services at a petrol pump and assessment of service revenue potential from the group of customers who have shown their preference to avail services from a petrol pump and the potential of lube sales through such service outlets.

### **Questionnaire development and pre-testing**

The questionnaire was properly designed keeping in mind the requirements of the company and customer mind set so that every customer no matter what his/her qualification is could easily understand it. In this questionnaire special care is taken to ensure that the questions are deigned in such a way that the can draw proper information required from the respondent without taking much of his valuable time. There were both open end and close end questions in the questionnaire. The questions were mostly objective in nature. This arrangement was done to reduce the interview time for the respondent so that he could answer correctly and efficiently.

### **Sampling Technique**

Sampling is done to select a target audience for the purpose of determining the characteristic of the whole population. There are two basic approaches to sampling, i.e. - probability and non-probability. In my research I have used non-probability sampling which involves the selection of units based on factors other than random chances. Cluster sampling, Convenience sampling, quota sampling, judgment sampling and snowball sampling are few examples of non-probability sampling.

than random chances. Cluster sampling, Convenience sampling, quota sampling, judgment sampling and snowball sampling are few examples of non-probability sampling.

### Sample Size

- Customers Surveyed : 400

The customers (owners of passenger vehicles) were surveyed every day on working. The types of vehicle were:

- Mini (A1)
- Compact (A2)
- Midsize (A3)
- Executive (A4)
- Premium (A5)
- Luxury (A6)
- Van (B1)
- MPV/SUV

### Literature Review

- **En.wikipedia.org**

**Service marketing** is a sub field of marketing, which can be split into the two main areas of goods marketing (which includes the marketing of fast moving consumer goods (FMCG) and durables) and the marketing of services. Services marketing typically refers to both business to consumer (B2C) and business to business (B2B) services, and includes marketing of services like telecommunications services, financial services, all types of hospitality services, car rental services, air travel, health care services and professional services.

Services are economic activities offered by one party to another. Often time-based, performances bring about desired results to recipients, objects, or other assets for which purchasers have responsibility. In exchange for money, time, and effort, service customers expect value from access to goods, labor.

professional skills, facilities, networks, and systems; but they do not normally take ownership of any of the physical elements involved.

Due to the increasing homogeneity in product offerings, the attendant services provided are emerging as a key differentiator in the mind of the consumers. In case of two fast food chains serving a similar product, more than the product it is the service quality that distinguishes the two brands from each other. Marketers are able leverage on the service offering to differentiate them from the competition and attract consumers.

Relationships are a key factor when it comes to the marketing of services. Since the product is intangible, a large part of the customers' buying decision will depend on the degree to which he trusts the seller. Hence, the need to listen to the needs of the customer and fulfill them through the appropriate service offering and build a long lasting relationship which would lead to repeat sales and positive word of mouth.

Given a highly competitive scenario where multiple providers are vying for a limited pool of customers, retaining customers is even more important than attracting new ones. Since services are usually generated and consumed at the same time, they actually involve the customer in service delivery process by taking into consideration his requirements and feedback. Thus they offer greater scope for customization according to customer requirements thus offering increased satisfaction leading to higher customer retention.

When the physical product cannot easily be differentiated, the key to competitive success may lie in adding valued services and improving their quality. Rolls-Royce has ensured its aircraft engines are in high demand by continuously monitoring the health of its 3000 engines for 45 airlines through live satellite feeds. Under its "Total Care" program, airlines pay Rolls a fee for every hour an engine in flight, and Rolls assumes the risks and costs of downtime and repairs in return.

The 7 P's of service marketing:  
The first four elements in the services marketing mix are the same as those in the traditional marketing mix. However, given the unique nature of services, the implications of these are slightly different in case of services.

**Product:** In case of services, the 'product' is intangible, heterogeneous and perishable. Moreover, its production and consumption are inseparable. Hence, there is scope for customizing the offering as per customer requirements and the actual customer encounter therefore assumes particular significance. However, too much customization would compromise the standard delivery of the service and adversely affect its quality. Hence particular care has to be taken in designing the service offering.

**Pricing:** Pricing of services is tougher than pricing of goods. While the latter can be priced easily by taking into account the raw material costs, in case of services attendant costs - such as labor and overhead costs - also need to be factored in. Thus a restaurant not only has to charge for the cost of the food served but also has to calculate a price for the ambience provided. The final price for the service is then arrived at by including a markup for an adequate profit margin.

**Place:** Since service delivery is concurrent with its production and cannot be stored or transported, the location of the service product assumes importance. Service providers have to give special thought to where the service would be provided. Thus, a fine dine restaurant is better located in a busy, upscale market as against on the outskirts of a city. Similarly, a holiday resort is better situated in the countryside away from the rush and noise of a city.

**Promotion:** Since a service offering can be easily replicated promotion becomes crucial in differentiating a service offering in the mind of the consumer. Thus, service providers offering identical services such as airlines or banks and insurance companies invest heavily in advertising their services. This is crucial in attracting customers in a segment where the services providers have nearly identical offerings.

The final three elements of the services marketing mix - people, process and physical evidence - are unique to the marketing of services.

**People:** People are a defining factor in a service delivery process, since a service is inseparable from the person providing it. Thus, a restaurant is known as much for its food as for the service provided by its staff. The same is true of banks and department stores. Consequently, customer service training for staff has become a top priority for many organizations today.

**Process:** The process of service delivery is crucial since it ensures that the same standard of service is repeatedly delivered to the customers. Therefore, most companies have a service blueprint which provides the details of the service delivery process, often going down to even defining the service script and the greeting phrases to be used by the service staff.

**Physical Evidence:** Since services are intangible in nature most service providers strive to incorporate certain tangible elements into their offering to enhance customer experience. Thus, there are hair salons that have well designed waiting areas often with magazines and plush sofas for patrons to read and relax while they await their turn. Similarly, restaurants invest heavily in their interior design and decorations to offer a tangible and unique experience to their guests.

- **Forbes.com**

## Why Customer Service Is The New Marketing

Treat your customers as if they were newspaper reporters; this is the new mantra for savvy companies of all sizes.

As consumers, we've become disenchanted with advertising and marketing of all sorts, having been duped, tricked or made to feel foolish on more than one occasion. The last true medium that holds sway is referrals from friends, colleagues, or online reviews from the likes of Yelp, Angie's List or Trip Advisor. According to a survey by the American Marketing Association, 90 percent of consumers trust peer reviews and 70 percent trust online reviews. It's the last, true, medium that many consumers turn to when faced when inundated with choice, and confused by similar-sounding sales pitches.

Perhaps it is because reviews are the last sacred ground that a flurry of outrage spread like wildfire across the Internet when news leaked that Reverb Communications (a PR agency) was paying interns to write positive reviews on iTunes for their clients' Apps. Or when the occasional Amazon.com author gets ousted for disparaging competing books while positively reviewing their own. If you can't trust advertising messages, and you can't trust reviews, what else is left?

Based on my experience growing 99designs into a company that earns 7-figures per month, based largely on word of mouth, here are my three golden rules:

1. **Think long-term reputation vs. short-term profit.** Trying to optimize profit on a sale-by-sale basis is a fool's game, leads to frustrated customers and lost repeat business. When FedEx left an eBags package without a signature at our office building over the weekend which got stolen, a single email to the company resulted in a quick refund to my credit card. Compare that to a recent experience with a National Retailer, where a request for an exchange or refund took two store visits, three people, and more than 90 minutes of waiting while employees scoured the back-room for inventory that turned out to be non-existent. Even Apple lived up to its reputation recently, happily issuing me a partial refund on a laptop order after I failed to claim a discount I was eligible for. It would have been easy to transfer me around different departments, put me on hold, or outright say "no" to retroactively applying the discount. But the first person I spoke to happily made it happen even though they had no idea that we had 90+ employees on Mac-books that we regularly refresh, spending thousands in the process. You never know who the customer is on the other end.

2. **Identify your top customers and make them feel special.** With many companies, the most reverently loyal customers represent a disproportionately huge chunk of revenue. Knowing who those people are — and giving them special attention — is a must-do for every company. I recently had a conversation with the founder of a large Las Vegas based conference that's been running for more than 10 years who used Klout.com to identify his most influential attendees. By offering just a little bit extra (free limo service to and from the airport), a dozen influencers directly contributed to over 100 additional tickets being sold with almost no additional marketing costs.
3. **Make yourself available.** I had my personal cell phone number on sitepoint.com for 10-years (a site visited by more than 2.5 million people every month and ranked Top 1000 in the world), and was happy to answer more than 30 calls on Christmas Day, when a special deal we were running on the website went wonky. These days, we have dedicated support reps for us on three continents, and we've never outsourced to a call center to cut costs.

Tony Hsieh from Zappos says his company loves to talk to customers, and classifies customer service as a marketing investment, rather than an expense that must constantly be slashed and analyzed. Zappos has no metrics that reps have to hit around calls per hour, average time per call, or other silly nonsense that leads frustrated customers.

Some businesses are even taking it a step further, by turning their most prolific fans into advocates and online sales people. Under Armour and Skullcandy have recruited an online sales force made up of their most loyal and knowledgeable customers and are paying them with cash and gear for answering live chat requests from prospective customers on their websites. After all, who better to make authentic product recommendations and answer detailed product questions, than the customers already using them? No outsourced call center team can match the passion, product knowledge and helpfulness of your most ardent supporters.

- **The Problem of Defining Professional Services Marketing Expertise**

**By Suzanne Lowe |**

**January 16, 2007**

**Marketingprofs.com**

In an early November post on my blog, I posed the question: "Do we marketers have any idea what makes one marketer more expert than the other?" It sparked some healthy debates: What is the



definition of "expertise" in the role of professional services marketing? Do a firm's fee-earning practitioners have appropriate expectations for the marketing function?

The multiple opinions that followed revealed a tremendous fragmentation in the expectations of professional services marketers.

Is marketing's role to "move the sale ahead" and to "stand behind the firm's professionals, whose job it is to create value?" In this model, marketers are expected to help grow the business within the confines of the firm's current service offerings and service delivery parameters. This model also implies that marketers exist to save the practitioners' time, money, and effort, freeing them up to do critical work that they could not do otherwise.

I'd wager that the majority of professional firms, and the majority of marketers themselves, see the role in this light.

Or should marketing's role be to "create value itself" and to "find and match marketplace opportunities with the firm's value propositions?" This model implies that marketers are deeply embedded within the business, have an astute understanding of the firm's current and potential value proposition, and have the skills, judgment, and advisory talent to help the firm carve out new or expanded market opportunities. This conceptualization of the marketing role embraces the notion of innovation, creativity, and instinct.

It appears that these differing expectations, and the evolution of the role of professional services marketer, have begun to fall into two distinct camps, both of which are grounded in expertise: the efficiency specialist, and the analytical specialist/market creator.

### **The Efficiency Specialist**

The Efficiency Specialist's job is to help make selling happen. This type of marketer has expertise in getting potential clients to take specific actions; effectively moving the marketing tactical machine; teaching and motivating practitioners to build the firm's favorable awareness; and spending marketing budgets astutely, no matter what their size.

"Success" manifests itself in exceeding client expectations in the delivery of a marketing program – for example, a surprisingly engaging advertisement, Web site, holiday gift, client event, internal training program, and the like.

Interestingly, this is the very same area that has recently received the most scrutiny and criticism regarding its productivity and return on investment. (It's no accident that our 2006 study was titled "Increasing the Effectiveness of Marketing in Professional Firms.")

### **The Analytical Specialist/Market Creator**

The Analytical Specialist/Market Creator embodies a role far different from the Efficiency Specialist's. This person helps create opportunities that weren't there before.

Consider the examples of Howard Schulz (Starbucks), Walt Disney (Disneyland), and Larry Page and Sergey Brin (Google). They have vividly demonstrated their expertise at anticipating the emerging needs of a particular market segment, preemptively developing a differentiated value proposition that matched those needs. They literally created markets.

The competencies and talent for the Analytical Specialist/Market Creator are significantly different as well. This type of marketer has the ability to grasp the fundamentals of unique value creation within the service sector: architecture, accounting, law, etc. In this case, expertise resides in the deep and critical understanding of the profession, its target buyers, and its services lifecycle.

"Success" manifests itself in achieving breakthrough epiphanies regarding potential new value propositions, anticipating competitor moves, and comprehending deep buyer motivations. The firm can grow or sustain itself from there.

In my writing, I have cited examples of firms that have employed this model: executive search firm Egon Zehnder International, management consultants Marakon Associates and L.E.K. Consulting, engineering firms Malcolm Pirnie and Nitsch Engineering, and accounting/business consultants RSM McGladrey, to name a few.

Not surprisingly, because of the consensus-oriented nature of many professional service firms, truly breakthrough value propositions are few and far between. To date, most have had to rely on sudden market shifts to force them to seek new ways to create value (SOX in the accounting profession, for example). Also not surprisingly, marketers who have successfully occupied this role are often partners or on a partner track, or have grown up from within the profession. Some have left their firms to create their own enterprises. Tom Peters is a good example of this model.

Professional service firm executives will increasingly seek talent in this arena—analytical specialists and market creators who have distinctly different skills than the efficiency specialists. These professional service marketers will have increased business acumen and credentials; experience and skills in employing accepted market research techniques; and more comfort in leading innovation initiatives. By definition, value creators are also likely to have a stronger entrepreneurial streak than efficiency specialists, and are thus more likely to require an equity stake in the firms they join.

### **Professional services marketers must decide which role they want—and build expertise within it**

There is clear evidence that we are in the midst of a pendulum swing regarding these two camps. This evidence appears most often in the comments from experienced marketers who have spent a career perfecting their skills in the Efficiency Specialist role, and who are increasingly being asked to provide proof that they've made a difference in a professional service firm's success. Thanks to Michelle Golden for the following very relevant points, made in her blog comment regarding successes over the last 20 years in accounting and law firm marketing:

- Most firms don't know what to look for (skill wise) when they hire marketing professionals.
- Many [marketers] report to people who have no idea how to utilize or measure their efforts, evaluate their recommendations, and no authority to approve their initiatives.
- [Many firms] hired people with very creative ideas and they proceeded to stifle them by rejecting the most innovative ideas, failing to provide dollars, support persons for the pros to work with...
- Budgets for the marketers to work with (if they are even formalized) are ridiculously low compared to all other industries. This amount includes many items that the marketer tells the firm will have little or no ROMI, such as obligatory sponsorships, sporting tickets used mostly by employees and friends, etc.—usually expenses over which the marketer has little or no control or input.
- Many marketers don't even have access to their firm's financial information, including revenues by sector and historical or projected marketing expenditures.
- Marketers get sucked into non-client activities in the firm such as party-planning, morale building, and recruiting....
- [Most marketers] operate in environments in which feedback of any sort is scarce, written marketing plans and budgets are the exception and not the rule, and getting "time" with decision-makers is not easy.

In these and several other points made in her post, Golden crisply articulates the Efficiency Specialist's biggest frustrations: The marketer's efforts at effectively managing the process are hindered by the

firm's internal clients (the practitioners and firm leaders), thus reducing the marketer's ability to be productive at supporting the firm's business development.

It's tempting for both marketers and revenue-generating practitioners to miss a key point: Expertise and "success" in this arena are about creatively and innovatively becoming more efficient at supporting the sales of the firm's services. Expertise lies in one's increasing ability to judge and employ the most effective process-techniques (technology will play heavily here). It's not about creatively and innovatively identifying new market opportunities.

In fact, both sides often have unrealistic expectations for the other. Everyone seeks more recognition for their future contributions (watch the pendulum swing!), while forgetting that they could improve their current effectiveness if only they'd view their role objectively for the benefits it provides.

### **What's next for the profession of professional services marketing?**

The bottom line: professional service firms' revenue-generating practitioners need to recognize their own role in the success of their marketers. They can do this by...

- More clearly identifying their need for a marketing efficiency specialist or an analytical specialist/market creator
- Appropriately assigning expectations for the role, based on the individual's level of expertise (novices certainly can't be expected to perform like seasoned professionals)
- Building an infrastructure that allows that individual's talents and expertise to flourish
- Celebrating the effectiveness and lessons learned from the initiatives that were undertaken
- Recalibrating their own support of the function they originally intended or hiring for a different role instead

And marketers need to be clearer about their preferred accountabilities and the direction they envision for their own area of expertise. If a marketer is indeed in a role that requires efficiency of process, it may not be necessary to sit on the firm's executive committee or participate in strategy decisions. If a marketer desires to lead the "analysis and market creation" function, be prepared to gain expertise in the foundational aspects of this role.

Just like any industry, the field of professional services marketing occupies a place on a life cycle. We're growing up, and sometimes it can be painful.

# Data Analysis

402 responses

## Summary

### 1. Category of the vehicles (by length)

Mini (up to 3.4 M)	19	5%
Compact (3.4 - 4 M)	163	39%
Midsized (4 - 4.5 M)	75	18%
Executive (4.5 - 4.7 M)	35	8%
Premium (4.7 - 5 M)	34	8%
Luxury (above 5 M)	24	6%
Van	27	7%
MPV/SUV	36	9%

### 2. Make of the vehicle

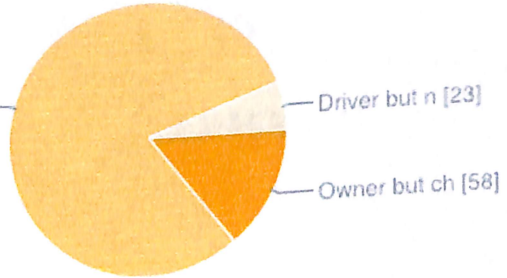
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**Model**

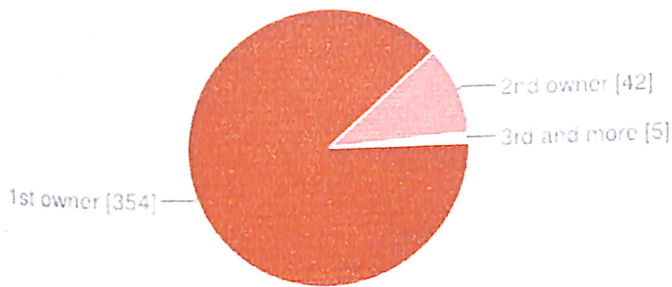
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**3. Link with the vehicle.**



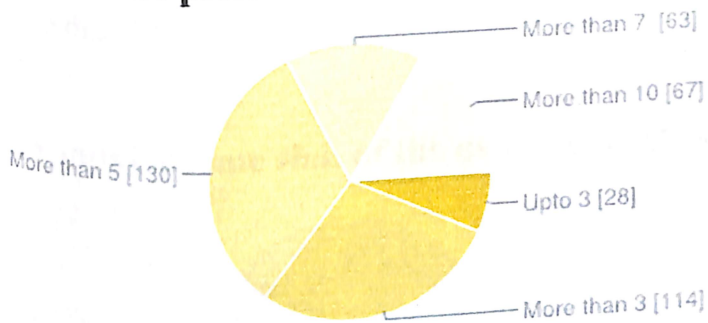
Owner but chauffer driven	58	14%
Owner and self-driven	321	80%
Driver but not owner	23	6%

#### 4. Status of ownership.



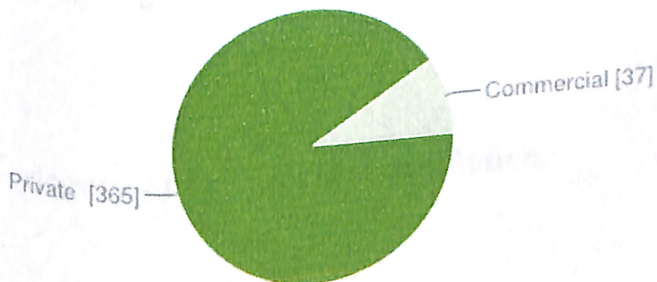
1st owner	<b>354</b>	88%
2nd owner	<b>42</b>	10%
3rd and more	<b>5</b>	1%

#### 5. Purchase price of the vehicle (Rs Lakh).



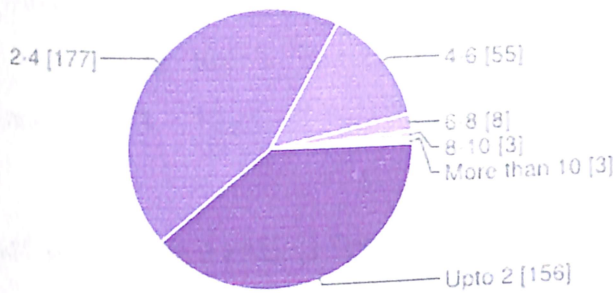
Upto 3	<b>28</b>	7%
More than 3 and upto 5	<b>114</b>	28%
More than 5 and upto 7	<b>130</b>	32%
More than 7 and upto 10	<b>63</b>	16%
More than 10	<b>67</b>	17%

#### 6. Use of the vehicle.



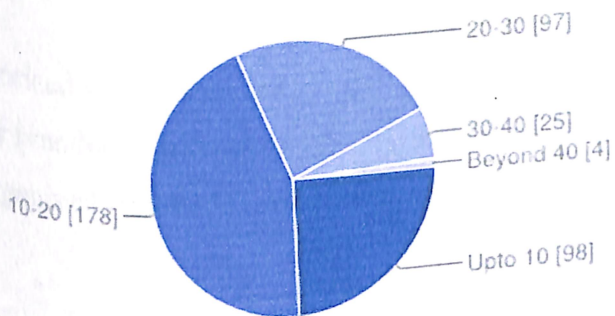
Private	<b>365</b>	91%
Commercial	<b>37</b>	9%

### 7. Age of the vehicle (in years).



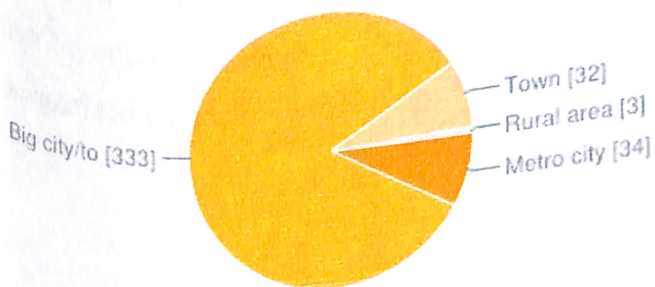
Upto 2	<b>156</b>	39%
2-4	<b>177</b>	44%
4-6	<b>55</b>	14%
6-8	<b>8</b>	2%
8-10	<b>3</b>	1%
More than 10	<b>3</b>	1%

### 8. Annual income slab of the owner (Rs in lakhs).



Up to 10	<b>98</b>	24%
10-20	<b>178</b>	44%
20-30	<b>97</b>	24%
30-40	<b>25</b>	6%
Beyond 40	<b>4</b>	1%

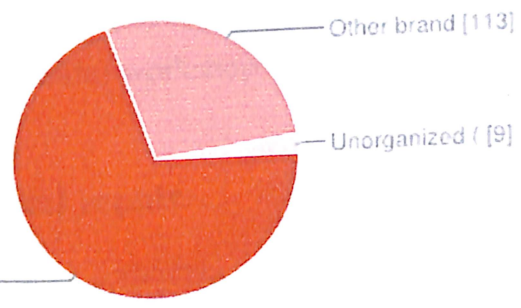
### 9. Category of the place of residence.



Metro city	34	8%
Big city/town	333	83%
Town	32	8%
Rural area	3	1%

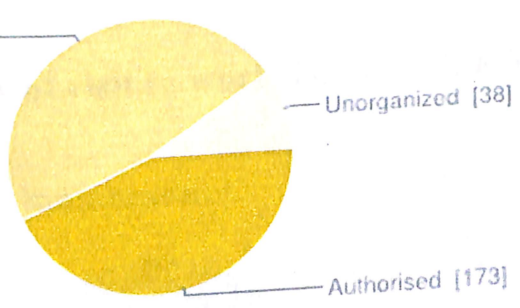
**10. Last servicing availed from.**

**a) For routine maintenance.**



Authorised workshop	280	70%
Other branded workshop	113	28%
Unorganized (roadside) workshop	9	2%

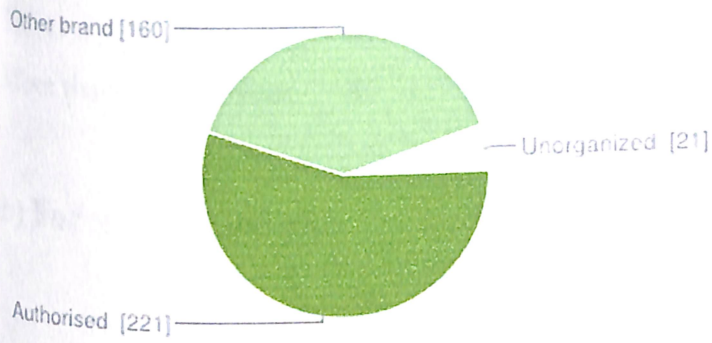
**b) For minor repair.**



Authorized workshop	173	43%
Other branded workshop	191	48%
Unorganized (roadside) workshop	38	9%

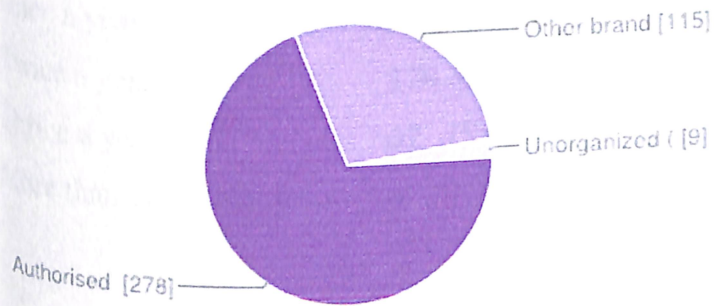


**c) For major repair.**



Authorized workshop	<b>221</b>	55%
Other branded workshop	<b>160</b>	40%
Unorganized (roadside) workshop	<b>21</b>	5%

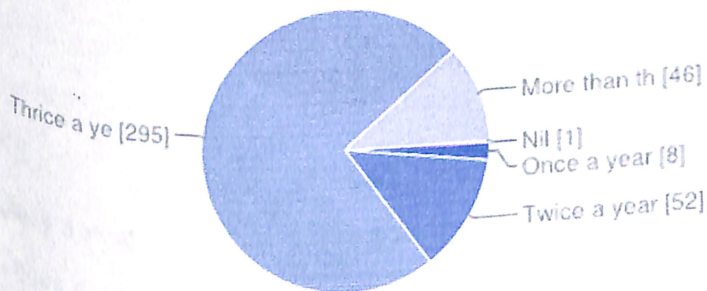
**d) For accidental repair.**



Authorized workshop	<b>278</b>	69%
Other branded workshop	<b>115</b>	29%
Unorganized (roadside) workshop	<b>9</b>	2%

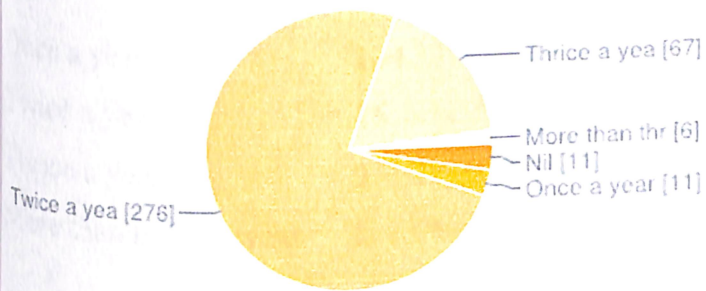
**11. Frequency of visit to workshops for the following services in recent times.**

**a) For routine maintenance.**



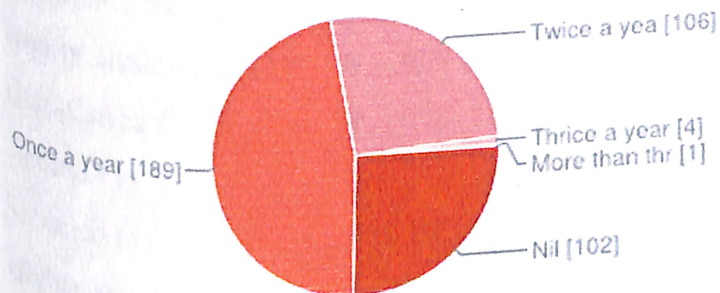
Nil	1	0%
Once a year	8	2%
Twice a year	52	13%
Thrice a year	295	73%
More than thrice a year	46	11%

**b) For minor repairs.**



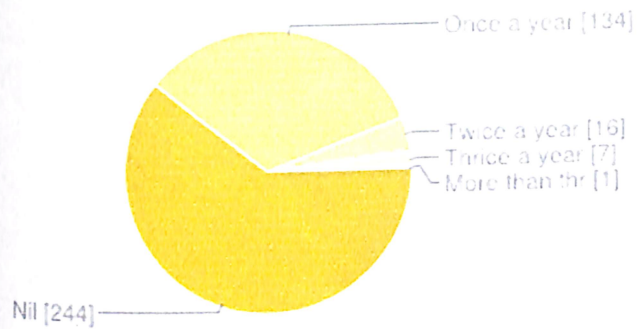
Nil	11	3%
Once a year	11	3%
Twice a year	276	74%
Thrice a year	67	18%
More than thrice in a year	6	2%

**c) For major repairs.**



Nil	102	25%
Once a year	189	47%
Twice a year	106	26%
Thrice a year	4	1%
More than thrice a year	1	0%

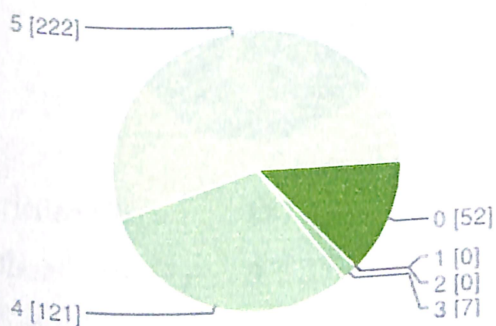
**d) For accidental repairs.**



Nil	<b>244</b>	<b>61%</b>
Once a year	<b>134</b>	<b>33%</b>
Twice a year	<b>16</b>	<b>4%</b>
Thrice a year	<b>7</b>	<b>2%</b>
More than thrice a year	<b>1</b>	<b>0%</b>

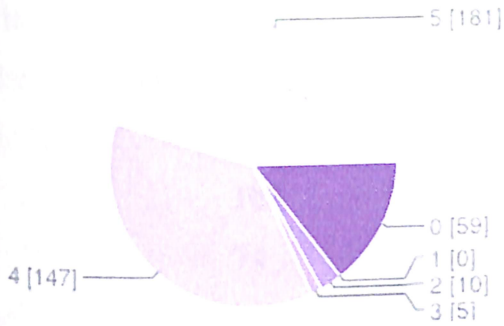
**12. Level of satisfaction.**

**a) For routine maintenance (Authorized workshop).**



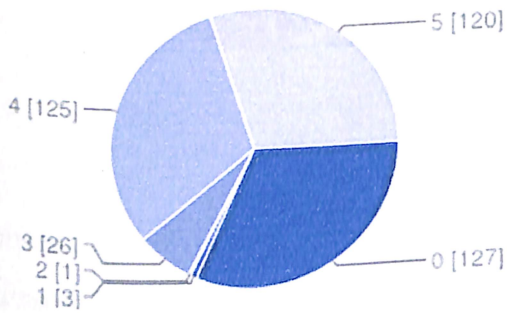
No experience(0)	<b>52</b>	<b>13%</b>
Highly dissatisfied (1)	<b>0</b>	<b>0%</b>
Dissatisfied (2)	<b>0</b>	<b>0%</b>
Neutral (3)	<b>7</b>	<b>2%</b>
Satisfied (4)	<b>121</b>	<b>30%</b>
Highly satisfied (5)	<b>222</b>	<b>55%</b>

**b) For Minor Repair (Authorized Workshop).**



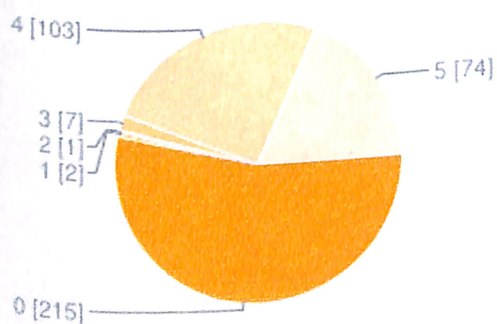
No experience (0)	<b>59</b>	15%
Highly dissatisfied (1)	<b>0</b>	0%
Dissatisfied (2)	<b>10</b>	2%
Neutral (3)	<b>5</b>	1%
Satisfied (4)	<b>147</b>	37%
Highly satisfied (5)	<b>181</b>	45%

**c) For Major Repair (Authorized Workshop).**



No experience (0)	<b>127</b>	32%
Highly dissatisfied (1)	<b>3</b>	1%
Dissatisfied (2)	<b>1</b>	0%
Neutral (3)	<b>26</b>	6%
Satisfied (4)	<b>125</b>	31%
Highly satisfied (5)	<b>120</b>	30%

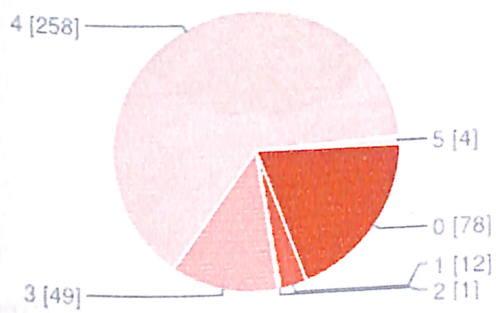
**d) For Accidental Repair (Authorized Workshop)**



215 53%

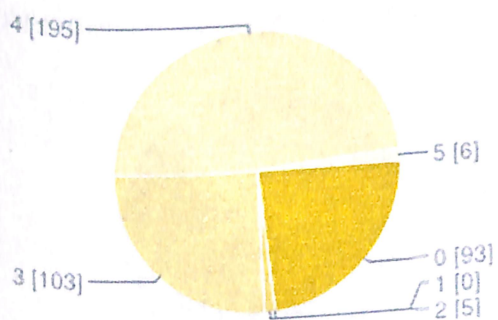
No experience (0)	2	0%
Highly dissatisfied (1)	1	0%
Dissatisfied (2)	7	2%
Neutral (3)	103	26%
Satisfied (4)	74	18%
Highly satisfied (5)		

**e) For Routine Maintenance (Other Branded Workshop).**



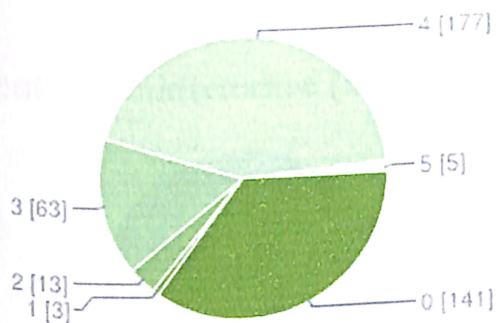
No experience (0)	78	19%
Highly dissatisfied (1)	12	3%
Dissatisfied (2)	1	0%
Neutral (3)	49	12%
Satisfied (4)	258	64%
Highly satisfied (5)	4	1%

**f) For Minor Repair (Other Branded Workshop)**



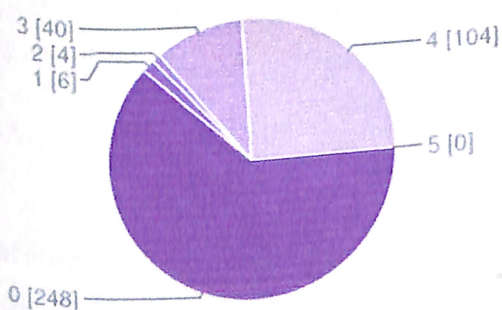
No experience (0)	93	23%
Highly dissatisfied (1)	0	0%
Dissatisfied (2)	5	1%
Neutral (3)	103	26%
Satisfied (4)	195	49%
Highly satisfied (5)	6	1%

**g) For major repair (other branded workshop)**



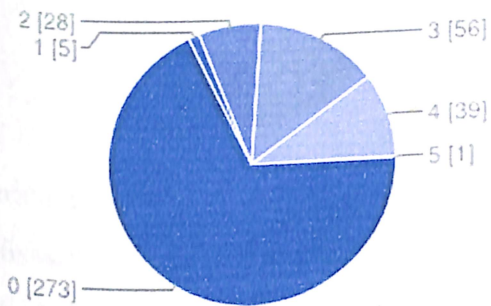
No experience (0)	141	35%
Highly dissatisfied (1)	3	1%
Dissatisfied (2)	13	3%
Neutral (3)	63	16%
Satisfied (4)	177	44%
Highly satisfied (5)	5	1%

**h) For accidental repair (other branded workshop)**



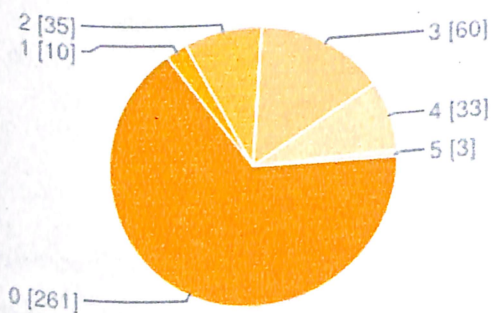
No experience (0)		<b>248</b>	62%
Highly dissatisfied (1)	6		1%
Dissatisfied (2)	4		1%
Neutral (3)	40		10%
Satisfied (4)	104		26%
Highly satisfied (5)	0		0%

**i) For routine maintenance (Unorganized workshop)**



No experience (0)		<b>273</b>	68%
Highly dissatisfied (1)	5		1%
Dissatisfied (2)	28		7%
Neutral (3)	56		14%
Satisfied (4)	39		10%
Highly satisfied (5)	1		0%

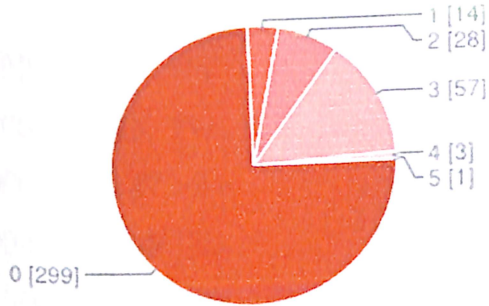
**j) For minor repair (unorganized workshop)**



No experience (0)		<b>261</b>	65%
Highly dissatisfied (1)	10		2%
Dissatisfied (2)	35		9%

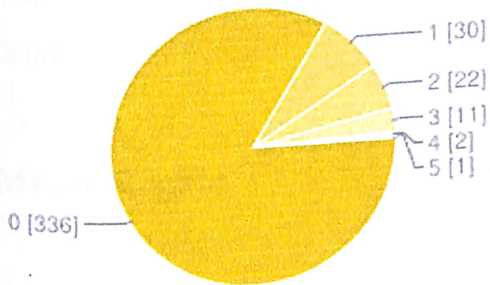
Neutral (3)	60	15%
Satisfied (4)	33	8%
Highly satisfied (5)	3	1%

**k) For major repair (unorganized workshop)**



No experience (0)	299	74%
Highly dissatisfied (1)	14	3%
Dissatisfied (2)	28	7%
Neutral (3)	57	14%
Satisfied (4)	3	1%
Highly satisfied (5)	1	0%

**l) For accidental repair (unorganized workshop)**



No experience (0)	336	84%
Highly dissatisfied (1)	30	7%
Dissatisfied (2)	22	5%
Neutral (3)	11	3%
Satisfied (4)	2	0%
Highly satisfied (5)	1	0%



### 13. Approx. expenditure (in Rs. per year) in recent times.

#### a) For routine maintenance.

Not yet	0	0%
up to 1000	0	0%
1000-3000	35	9%
3000-5000	137	34%
5000-7000	148	37%
7000-10000	58	14%
above 10000	24	6%

#### b) For Minor Repair.

Not yet	9	2%
Up to 1000	19	5%
1000-3000	114	28%
3000-5000	141	35%
5000-7000	87	22%
7000-10000	29	7%
above 10000	3	1%

#### c) For Major Repair.

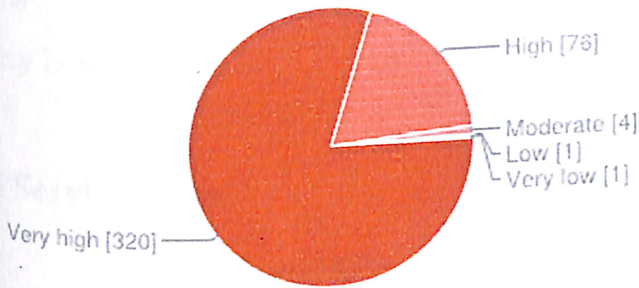
Not yet	95	24%
Up to 5000	93	23%
5000-10000	148	37%
10000-15000	44	11%
15000-20000	21	5%
20000-25000	1	0%
above 25000	0	0%

**d) For Accidental Repair.**

Not yet	<b>218</b>	54%
Up to 10000	<b>99</b>	25%
10000-20000	<b>43</b>	11%
20000-30000	<b>34</b>	8%
30000-40000	<b>7</b>	2%
40000-50000	<b>1</b>	0%
above 50000	<b>0</b>	0%

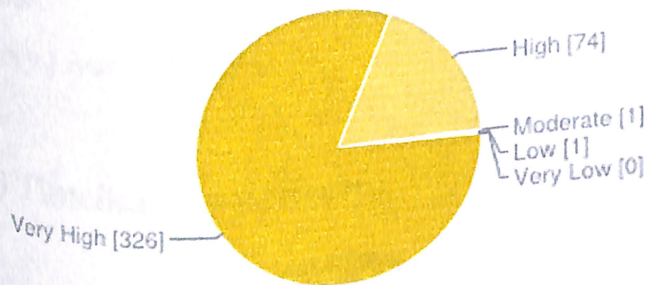
**14. Factors influencing the decision making process of the customer.**

**a) Cost.**



Very high	<b>320</b>	80%
High	<b>76</b>	19%
Moderate	<b>4</b>	1%
Low	<b>1</b>	0%
Very low	<b>1</b>	0%

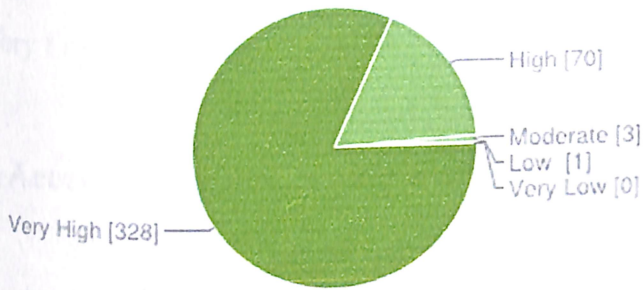
**b) Genuinity of spares.**



Very High	<b>326</b>	81%
High	<b>74</b>	18%
Moderate	<b>1</b>	0%
Low	<b>1</b>	0%

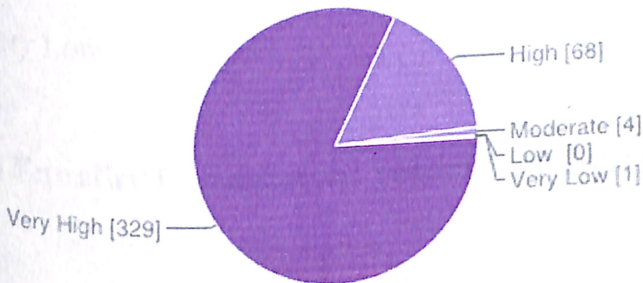
Very Low 0 0%

### c) Quality of repair.



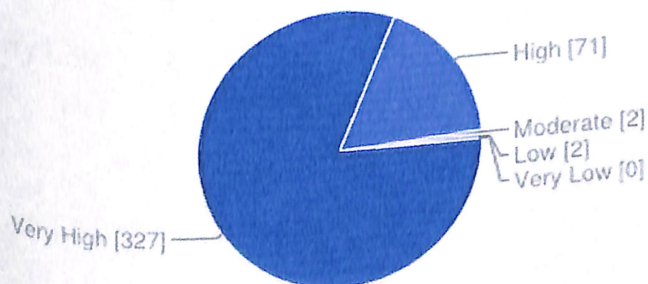
Very High	328	82%
High	70	17%
Moderate	3	1%
Low	1	0%
Very Low	0	0%

### d) Service Time.



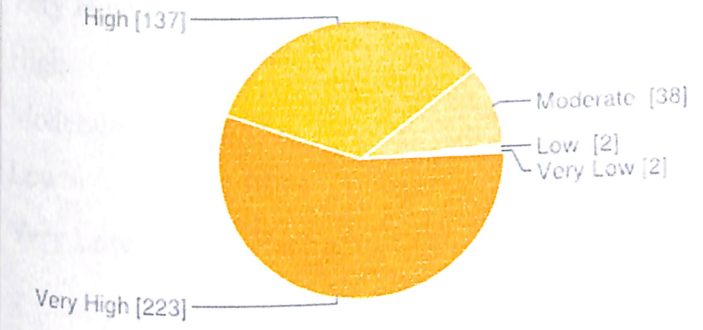
Very High	329	82%
High	68	17%
Moderate	4	1%
Low	0	0%
Very Low	1	0%

### e) Timeliness in delivery.



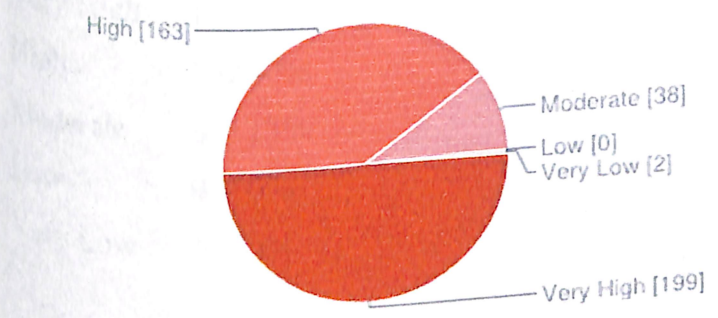
Very High	327	81%
High	71	18%
Moderate	2	0%
Low	2	0%
Very Low	0	0%

**f) Access to oversee repair works at the workshop.**



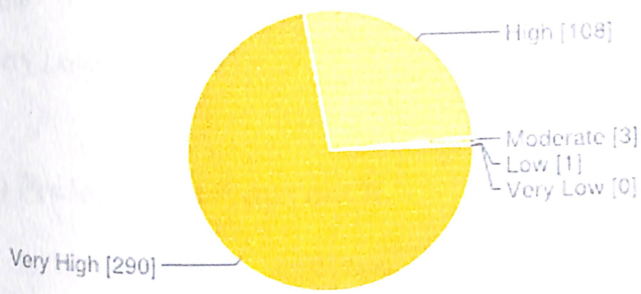
Very High	223	55%
High	137	34%
Moderate	38	9%
Low	2	0%
Very Low	2	0%

**g) Equality in treatment regardless class of vehicle.**



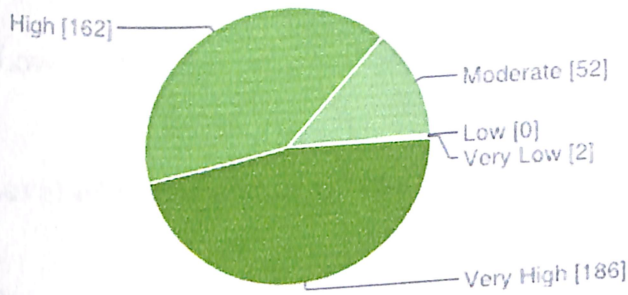
Very High	199	50%
High	163	41%
Moderate	38	9%
Low	0	0%
Very Low	2	0%

**h) Attention given for minor works.**



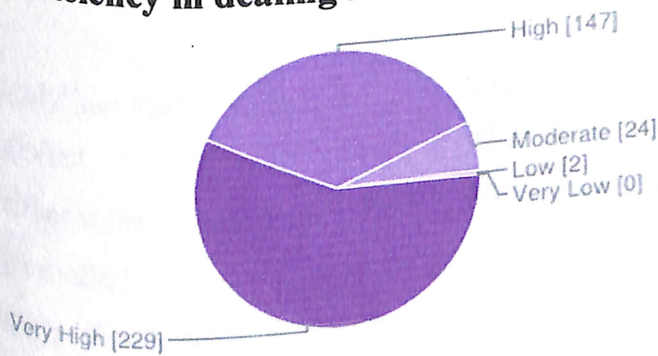
Very High	<b>290</b>	72%
High	<b>108</b>	27%
Moderate	<b>3</b>	1%
Low	<b>1</b>	0%
Very Low	<b>0</b>	0%

**i) Transparency in billing.**



Very High	<b>186</b>	46%
High	<b>162</b>	40%
Moderate	<b>52</b>	13%
Low	<b>0</b>	0%
Very Low	<b>2</b>	0%

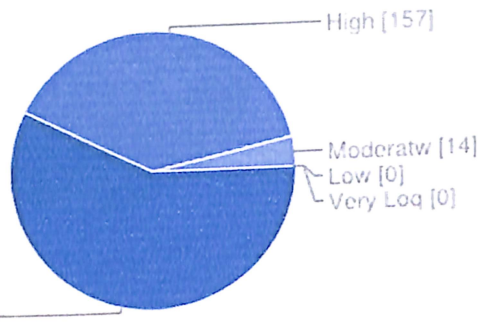
**j) Efficiency in dealing for insurance claim in case of accidental repair.**



Very High	<b>229</b>	57%
High	<b>147</b>	37%

Moderate	24	6%
Low	2	0%
Very Low	0	0%

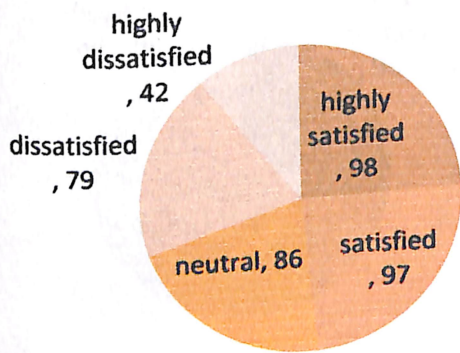
**k) Professional Approach.**



Very High	231	57%
High	157	39%
Moderate	14	3%
Low	0	0%
Very Low	0	0%

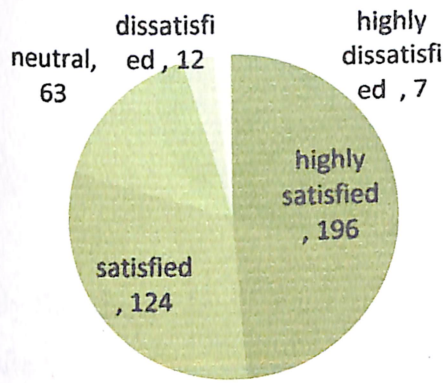
**15. Level of satisfaction of the customer with the service provider.**

**a) Cost.**



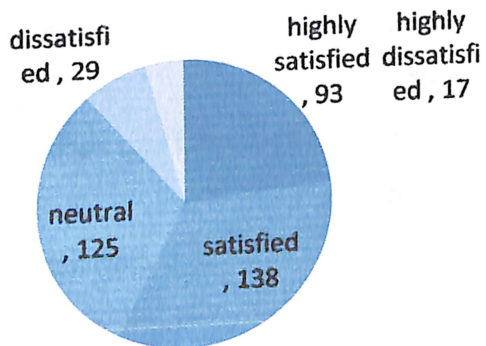
Highly Satisfied	98	25%
Satisfied	97	24%
Neither satisfied nor dissatisfied	86	21%
Dissatisfied	79	20%
Highly Dissatisfied	42	0%

## b) Genuinity of Spares.



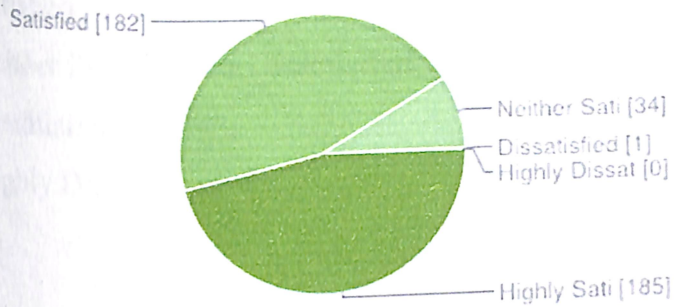
Highly Satisfied	196	49%
Satisfied	124	31%
Neither Satisfied nor Dissatisfied	63	16%
Dissatisfied	12	3%
Highly Dissatisfied	7	1%

## c) Quality of repair.



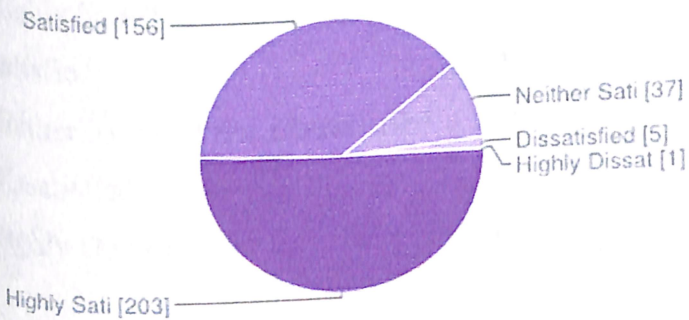
Highly Satisfied	93	24%
Satisfied	138	35%
Neither Satisfied nor Dissatisfied	125	31%
Dissatisfied	29	7%
Highly Dissatisfied	17	4%

**d) Service Time.**



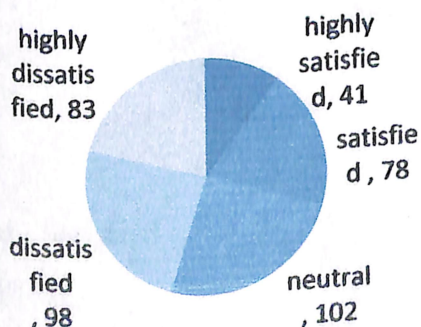
Highly Satisfied	<b>185</b>	46%
Satisfied	<b>182</b>	45%
Neither Satisfied nor Dissatisfied	<b>34</b>	8%
Dissatisfied	<b>1</b>	0%
Highly Dissatisfied	<b>0</b>	0%

**e) Timeliness in Delivery.**



Highly Satisfied	<b>203</b>	50%
Satisfied	<b>156</b>	39%
Neither Satisfied nor Dissatisfied	<b>37</b>	9%
Dissatisfied	<b>5</b>	1%
Highly Dissatisfied	<b>1</b>	0%

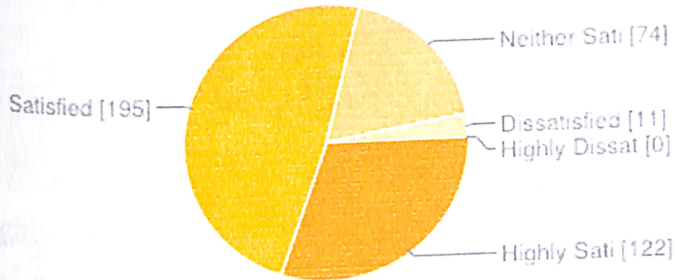
**f) Access to oversee repair works at the workshop.**





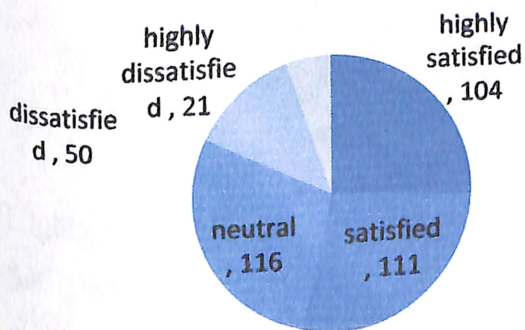
Highly Satisfied	41	10%
Satisfied	78	19%
Neither Satisfied nor Dissatisfied	102	26%
Dissatisfied	98	24%
Highly Dissatisfied	83	21%

**g) Equality in treatment regardless class of vehicle.**



Highly Satisfied	122	30%
Satisfied	195	49%
Neither Satisfied nor Dissatisfied	74	18%
Dissatisfied	11	3%
Highly Dissatisfied	0	0%

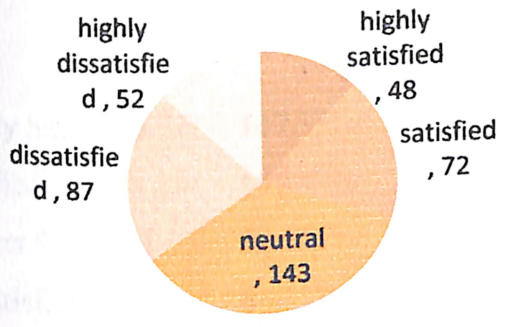
**h) Attention given for minor works.**



Highly Satisfied	104	26%
Satisfied	111	28%

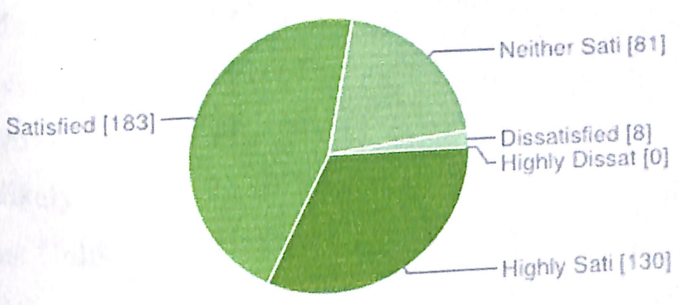
Neither Satisfied nor Dissatisfied	116	29%
Dissatisfied	50	12%
Highly Dissatisfied	21	05%

**i) Transparency in billing.**



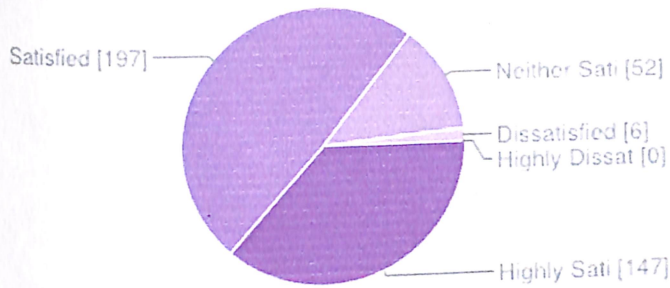
Highly Satisfied	48	12%
Satisfied	72	18%
Neither Satisfied nor Dissatisfied	143	35%
Dissatisfied	87	22%
Highly Dissatisfied	52	13%

**j) Efficiency in dealing for insurance claim in case of accident repair.**



Highly Satisfied	130	32%
Satisfied	183	46%
Neither Satisfied nor Dissatisfied	81	20%
Dissatisfied	8	2%
Highly Dissatisfied	0	0%

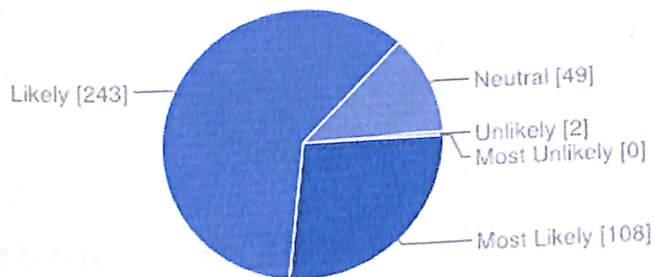
**k) Professional Approach.**



Highly Satisfied	147	37%
Satisfied	197	49%
Neither Satisfied	52	13%
Dissatisfied	6	1%
Highly Dissatisfied	0	0%

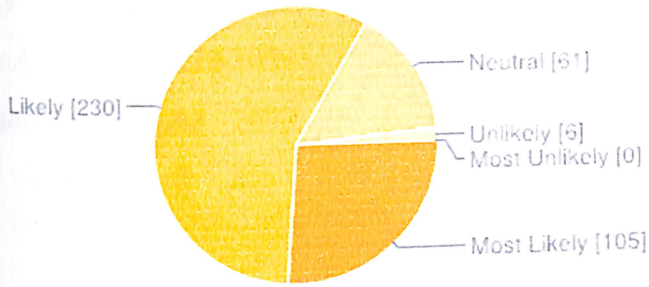
**16. Likelihood of a customer to visit a multi-brand car service outlet for servicing their vehicle if the outlet is managed by renowned professional groups (like auto-OEMs, authorized OEM dealers, reputed multi brand operators) with expertise in auto service.**

**a) For routine maintenance.**



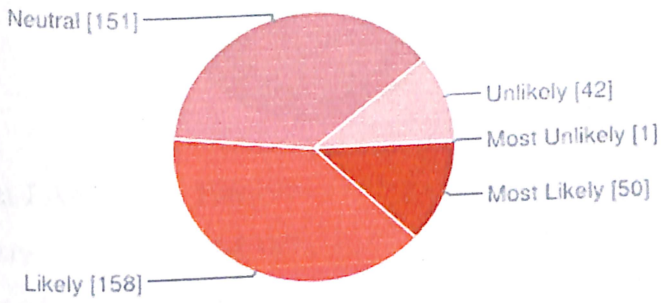
Most Likely	108	27%
Likely	243	60%
Neutral	49	12%
Unlikely	2	0%
Most Unlikely	0	0%

**b) For minor repair.**



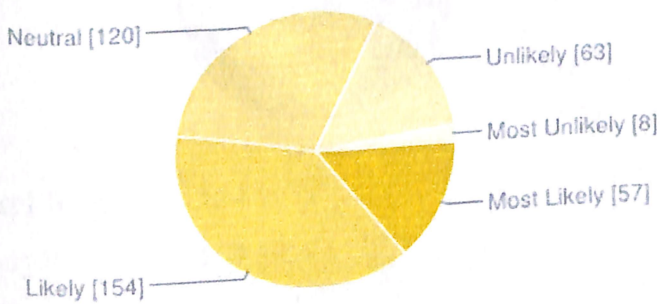
Most Likely	<b>105</b>	26%
Likely	<b>230</b>	57%
Neutral	<b>61</b>	15%
Unlikely	<b>6</b>	1%
Most Unlikely	<b>0</b>	0%

**c) For major repair.**



Most Likely	<b>50</b>	12%
Likely	<b>158</b>	39%
Neutral	<b>151</b>	38%
Unlikely	<b>42</b>	10%
Most Unlikely	<b>1</b>	0%

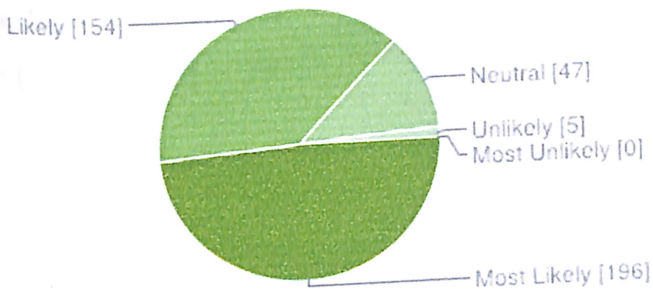
**d) For accidental repair.**



most Likely	57	14%
Likely	154	38%
Neutral	120	30%
Unlikely	63	16%
Most Unlikely	8	2%

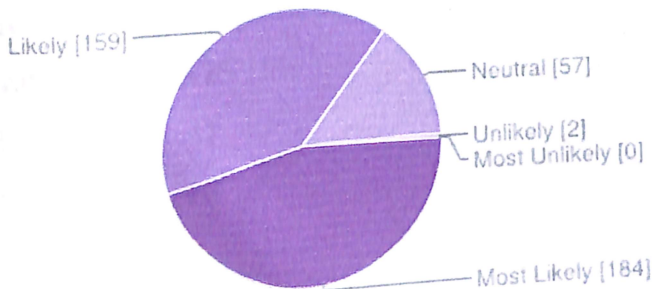
17. **likeliness of a customer visit a petrol pump which provides multi-brand car service facilities managed by renowned auto service providers( like auto-OEMs, authorized OEM dealers, reputed multi brand operators) for the following services.**

**a) For routine maintenance.**



Most Likely	196	49%
Likely	154	38%
Neutral	47	12%
Unlikely	5	1%
Most Unlikely	0	0%

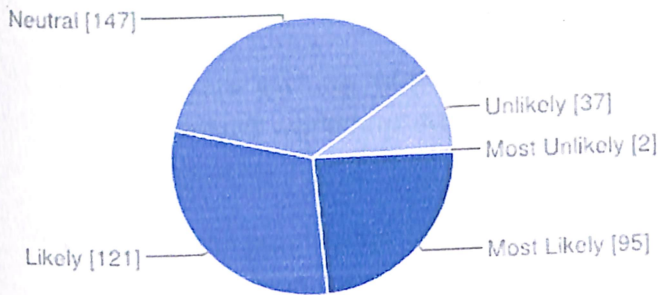
**b) For minor repair.**



Most Likely	184	46%
Likely	159	40%
Neutral	57	14%

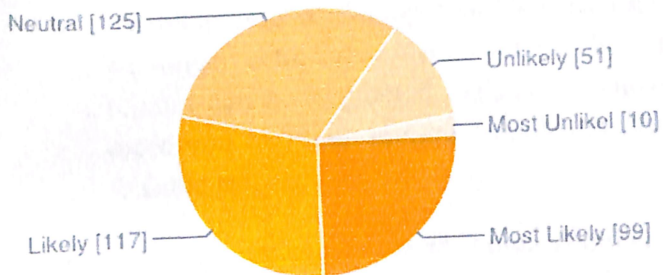
Unlikely	2	0%
Most Unlikely	0	0%

**c) For major repair.**



Most Likely	95	24%
Likely	121	30%
Neutral	147	37%
Unlikely	37	9%
Most Unlikely	2	0%

**d) For accidental repair.**



Most Likely	99	25%
Likely	117	29%
Neutral	125	31%
Unlikely	51	13%
Most Unlikely	10	2%

## Research Findings

### From customer feedback:

Based on the customer (passenger vehicle owners) feedback and interview with the service workshops as per the questionnaires designed, various findings were inferred:

- Majority of the vehicles were compact (A2) with 39% share in and around Lucknow.
- Customers owning older vehicles were more likely to get it serviced in a multi branded or unorganized workshop. According to analysis vehicles which have exceeded their free service period i.e. approximately 2 years (62%) were most likely to opt for vehicle care at petrol pumps.
- Lower the purchase price of the vehicle, more likely is the customer to get it serviced at unorganized or another branded vehicle care workshops which makes the vehicles up to Rs. 5 lacs (35%) more keen towards service station set up at petrol pumps whereas the following categories- luxury, premium or executive (22%) were less likely to avail vehicle care at petrol pumps.
- The 2<sup>nd</sup> and 3<sup>rd</sup> ownership (11%) is more positive at the idea of vehicle care at petrol pumps rather than the 1<sup>st</sup> owners.
- It was also observed that the vehicle owners from metro city (8%) in Lucknow-UP were less inclined towards service maintenance at petrol pumps while the remaining 92% from big city, town and rural area were comparatively more likely towards service maintenance at petrol pumps. This might be due to lower income slab in comparison to much higher and more expensive vehicle owners.
- Customers who had their previous routine maintenance and minor repair services done from other branded and unorganized workshops generally could be the potential customers for vehicle care workshop set up at their petrol pumps by IOCL.
- Vehicle care workshop providing routine maintenance and minor repair services to 4 or 2 wheeler passenger vehicles is most viable to be set up at petrol pumps. Providence of major and accidental repairs can be neglected because a) customers trust authorized service stations for these services more and b) these services require heavy equipment and larger service area which would not be feasible near any petrol pump.
- The segment of customers which is either dissatisfied or neither satisfied nor dissatisfied by routine maintenance and minor repair services provided by authorized workshops(5%), other branded workshops (42%) and unorganized workshops (48%) [12-a, b, e, f, i, k of data analysis] are the target customer of the proposed service station set up at petrol pumps.
- Customers opting for routine maintenance and minor repairs at unorganized workshops (60%) [12-I & j of data analysis] are the potential customers for workshop at petrol pumps.
- Various services provided by Indian Oil at its service stations could have an edge over authorized and other branded workshops from where the customers are either highly dissatisfied or dissatisfied or neutral like: a) access to oversee repair works at the workshops (neutral to highly dissatisfied- 71%) , b) attention given to minor works (neutral to highly dissatisfied- 46%), c) transparency in billing (neutral to highly dissatisfied- 70%) and cost (neutral to highly dissatisfied- 51%). [15- f, h, i & a of data analysis]

- It is estimated by the feedback of customer survey that 87% of the customers are likely and most likely to visit a multi brand service outlet for routine maintenance and 83% are likely and most likely for minor repairs which is the most potential target segment for multi brand vehicle care at petrol pumps. [16- a & b]
- It is inferred from the feedback of passenger vehicle owners that 87% of customers are likely and most likely to visit a petrol pump service station for routine maintenance and 86% are likely and most likely to visit it for minor repairs. [17- a& b].

### **B) From service stations:**

- There was no provision to oversee repairs in authorized workshops.
- Services like pick and drop or shuttle service are generally provided for free by authorized or multi brand workshops.
- The service station owners were not comfortable in answering questions related to profit gained or cost incurred.
- Average lube and greases oils sold/changed per day was around 45 lts for four wheeler workshops when no of vehicles serviced was 10-15 per day.



## Recommendations

Based on the passenger vehicle owners' feedbacks, data analysis of the responses and research findings, there are a few recommendations upon the business potential of a multi brand service station at petrol pumps:

- The service station should be targeting the providence of only routine maintenance and minor repair services to its customers due to paucity of space near any existing petrol pumps and also likelihood of customers for authorized service stations for major repair and accidental repairs over multi brand.
- It would be profitable for the companies since majority of customers are very keen to receive routine maintenance and minor repairs at petrol pumps and the frequency of availing these services by customers is very high. Also, these services don't require very heavy and expensive equipment and huge investment as compared to the case for providing major and accidental repairs.
- The employees could be paid at a fixed monthly rate which will increase the profit margin with an increase in number of customers coming for services per day.
- Customer base could be increased by extensive service marketing about which literature review has been attached above.
- The proposed multi brand service station at petrol pump should provide services to both two as well as four wheeler vehicle owners so as to compete against both the category of authorized and other branded service stations.
- There are various services which could be provided to the passenger vehicle owners (customers) like:  
a) free pick and drop service. b) Washing. c) Coating. d) Shuttle service. e) Loaner car if possible. f) Service appointment. g) Running repair. h) Breakdown attend
- The workshop would require certain equipment and the company would incur cost as an initial investment to the business. ( Few basic equipment are mentioned below based on the response of service station questionnaires):

Air Pipe  
Gun Pipe  
Motor bike ramp  
Trolley  
AC recycler  
Denting machine  
Nut runner  
Tyre remover  
Battery tester  
Car plug tester

- Finally, I would recommend Indian Oil to start vehicle care workshops for routine and minor repairs at their petrol pumps which would not only be profitable to the business of service stations but also increase its customer base to petro-retail outlets.

## Limitations

The project had some limitations:

- Customers coming at the petrol pump were generally in a hurry and it was difficult to keep them waiting for answering the questionnaire.
- In checking their satisfaction level the customers often gave biased responses. It can be attributed to various factors. The psyche of the customers and his mood at that time could influence his responses. Also many a times customers did not give honest responses thinking that it might involve some action against the dealer.
- Due to paucity of time, sample size was kept at 400 which is small considering the type of project assigned.

## Bibliography

(en.wikipedia.org)

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(Lowe, January 16 2007)

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