



**Assessing the Impact of Brand Loyalty and Service Quality on Consumer Choices: A Study of Motor Spirit (MS) and High-Speed Diesel (HSD) Purchasing Behavior at IOCL Retail Outlets in Vadodara**

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**Abstract**

Consumer attitudes and the behavioural intentions that they have regarding fuel purchases are forming on the factorial multitudes that are moulding on the economic considerations. Additionally, planning on the environmental difficulties that are widespread and the brand loyalty that is being framed are also shaping on the consumer's intentions. An investigation into the desires to grow and the intentions of the consumers about the fuel possibilities that they have with the IOCL retail outlets is turning out to be an essential position and an endeavour due to the fact that Vadodara is continuing its journey of evolution as an economic hub. One of the reasons for this is that Vadodara is becoming an increasingly important location. The secondary method of data collection is used to get with qualitative analysis to understand the Impact of Brand Loyalty and Service Quality on Consumer Choices MS and HSD at IOCL in Vadodara.

**Keywords: Motor Spirit (MS), High-Speed Diesel (HSD), IOCL Retail Outlets, Vadodara.**

**Introduction**

According to Davis et al. (2019), consumer attitudes and behaviours about petrol purchases are influenced by a number of different factors. These elements include worries regarding the economy, prevalent environmental issues, and brand loyalty with regard to petrol. In light of the fact that Vadodara is continuing to develop into an economic hub, it is becoming increasingly important to conduct an analysis of consumer preferences in order to expand, as well as strategies for fuel options at IOCL retail shops.

The recent trends that have occurred in the global energy market over the past few years is the result of numerous variables coming together. Among these, accelerating the switch to renewable energy sources is the most crucial. The world's reliance on oil has historically had a



big influence on both the dynamics of the geopolitical system and the development of the global economy (Rizvi, et al., 2022). Oil, sometimes known as "black gold," is essential to many different industries and sectors, such as transportation, industry, agriculture, and others, in order to meet their energy demands. The creation of the global oil market is influenced by various elements such as production, consumption, technological advancements, and environmental concerns.

Oil production is one of the most significant global aspects of the present energy crisis. Both before and after the Covid period was in place, a number of important players dominated the oil production industry, including Saudi Arabia and other Middle Eastern states, the United States of America, Russia, and China. Purohit and Jain (2022) claim that because of these countries' geographic location, they were primarily in charge of the production of crude oil worldwide. The Organisation of the Petroleum Exporting Countries, or OPEC, commanded a substantial degree of power over oil output and price.

It is the economy of India that is expanding at the quickest rate in the globe. The rapid growth of the middle class and the increasing need for commercial energy resources as well as personal mobility are the primary factors contributing to this phenomenon. It has been reported by Demirer et al. (2020) that there is a persistent rise in the demand for High-Speed Diesel and Motor Spirit.

The attitude and behaviour intents of the consumer are crucial in placing the customer's purchase decisions and purchasing parity in relation to the HSD and MS. The intents and attitudes of consumers are important concepts in the field of marketing and consumer behaviour. Building enduring relationships with clients is made possible by having a thorough understanding of the thoughts, feelings, and behaviours of your target audience. A psychological term known as "consumer attitude" can be used to describe how consumers feel about anything, any brand, or any service generally or in relation to specific items. Consumer choices, intentions, and conduct are significantly influenced by attitude.

### **Research Aim**

The aim of the research is to access the impact that Brand Loyalty and Service Quality on Consumer Choices can have on the purchases of Motor Spirit and High-Speed Diesel in the city area of Vadodara specifically focusing on the IOCL petrol pumps.



### **Research Objectives**

The research will focus on the following objectives as:

1. To study the impact of consumer brand loyalty on purchase of Motor Spirit and High-Speed Diesel.
2. To study the impact of service quality on consumer choice on purchase of Motor Spirit and High-Speed Diesel.
3. To access the impact on consumer choices on the perspective of purchasing behaviours of MSD and HS from ICOL pumps in Vadodara.

### **Literature Review**

The retail petroleum industry in India continues to be one of the most important pillars of the country's economy. It plays an essential role in connecting companies that generate petroleum with the people who buy it. This regionally varied region is reflected by a wide variety of actors, each of whom makes a contribution to the energy landscape of the nation. It is essential to have a thorough understanding of the complexities of this industry in order to accomplish the goals associated with Indian Oil Company Ltd. (IOCL) retail shops in Vadodara, as well as to investigate the perspectives of customers.

According to Rizvi, et al., (2022), the oil retail industry is responsible for making refined oil-based products, such as motor spirit (MS) and high-speed diesel (HSD), accessible to end users. Due to the fact that they are the driving force behind the nation's modern infrastructure and transportation, these items are indispensable to the nation's day-to-day living and economic development (Rizvi, et al., 2022).

Due to the enormous geological expanse and diversified population of India, the country is home to a substantial number of retail sites that are run by several oil showcasing organisations (OMCs). In order to facilitate the exchange of information between buyers and OMCs, these channels play an essential role.

According to the most recent figures that are available, India is home to an astonishing total of nearly 65,000 retail stations that sell petroleum products. The spread of outlets across urban regions, semi-metropolitan districts, and (surprisingly) isolated rural locations has made it possible for a significant majority of the Indian people to have access to fuel supplies.



A significant amount of the retail oil sector is dependent on consumer behaviour, which has an impact on everything from the choice of gasoline to the loyalty to a particular brand.

Rawat, et al., (2021), mentioned that In India's highly competitive market, it is necessary for government-claimed Oil Showcasing Organisations (OMCs) and private firms to have a thorough understanding of the elements that influence customer decisions at the point of sale. Within the context of the retail oil sector, this concise summary takes a look at the fundamental aspects of consumer behaviour. Consumer decisions in the retail oil sector are influenced by a complex web of factors that go beyond the obvious considerations of price and convenience (Rawat, et al., 2021). These elements include cost, convenience, and other aspects. Despite the fact that well-established criteria such as product quality and brand loyalty continue to be significant, there are certain aspects of consumer behaviour that are exclusive to this industry that are occasionally disregarded. The purpose of this study is to investigate a few of the factors that influence the decisions that customers make when they are shopping for petrol.

Moro, et al., (2023), mentioned that the degree of participation that an oil retailer has in the neighbourhood that surrounds them is a distinguishing component that influences the decisions that customers make. According to the findings of the survey, consumers have a tendency to have a more grounded feeling of responsibility towards businesses that take part in community activities, support neighbourhood drives, or contribute to social causes (Moro, et al., 2023). Because of this sense of loyalty to the local community, which promotes messages that go beyond value-based marketing, customers may prefer one retail location over another. This is because of the fact that the local community is more important to them.

The way in which a retail establishment appears can have a startlingly profound impact on the decisions that their customers make. According to what was discovered, a large number of outlets that are both well-planned and aesthetically beautiful would often attract a greater number of customers. Immaculate, well-maintained offices that have eye-catching finishes and signage might unconsciously affect customers' decisions to choose a certain store, regardless of whether or not customers are aware of these elements.

According to Manneh, et al., (2020), a few oil retailers have ventured into the realm of producing one-of-a-kind or themed experiences for their clients at their establishments. The purpose of this study was to investigate the ways in which amazing themed facilities, such as



eco-friendly nurseries or cafes with a retro theme, could attract clients who are looking for a unique and pleasurable approach to replenish their energy levels (Manneh, et al., 2020). Such themed companies frequently leave customers with an impression that stays with them for a long time, which encourages them to return for anything other than something related to fuel.

In recent times, oil retailers have formed partnerships with food and drink foundations in their communities in an effort to improve the overall customer experience. These groups have the potential to have an impact on the decisions that customers make. Shops that offer consumers the convenience of refuelling in addition to the prospect of enjoying a light meal from a well-known neighbourhood restaurant or an espresso from a sophisticated adjacent café are more likely to attract customers.

Despite the fact that ecological consciousness is a well-established component, customers are increasingly drawn to businesses that have a true obligation to engage in natural stewardship (Davis, et al., 2020). This article indicated that retailers might potentially get the support of customers who are environmentally sensitive by actively participating in biological activities. These activities could include tree-planting campaigns or initiatives to reuse materials. In addition to being representative of corporate responsibility, these companies are also resonant with the qualities of their particular clientele.

These programmes, which are adapted to the preferences of specific customers, have a substantial impact on the decisions that are made. Due to the fact that customers have their own unique preferences and inclinations, they are more likely to respond positively to dependable programmes that provide them with tailored incentives (Demirer, et al., 2019). Brand loyalty is increased as a result of these initiatives since they enhance the feeling of being respected and cherished.

As a consequence of this, buyer decisions in the retail oil market are influenced by elements that are outside the usual concerns. From people group dedication to visual appeal, stranger encounters, neighbourhood organisations, ecological stewardship, and customised devotion plans, individual retail outlets can be differentiated from one another by their distinctive characteristics. These characteristics can range from people group dedication to visual appeal. In order to differentiate themselves in a market that is highly competitive, sellers of petrol may



be able to obtain an edge by understanding and minimising the consequences that are readily apparent.

## **Research Methodology**

### **Research Data Collection**

The research data has been collected from the secondary sources of the study which includes the data collection from the already published researches, articles, and journals. Secondary sources are opted due to the time constraints for the research and for completing the research work with reliability and validity. Data collection is the core of the research work, on the basis of which the entire research outcomes can be delivered with validity, relevance and reliability.

### **Research Data Analysis**

The qualitative data analysis of the study has been undertaken to deliver the valuable outcomes of the study with better insights. The qualitative analysis is helpful in creating valuable outcomes for the research. For a better understanding at the time the research is conducted and the results are released, the researcher additionally gave the qualitative perspective of the data (Flick, 2015).

### **Research Limitations**

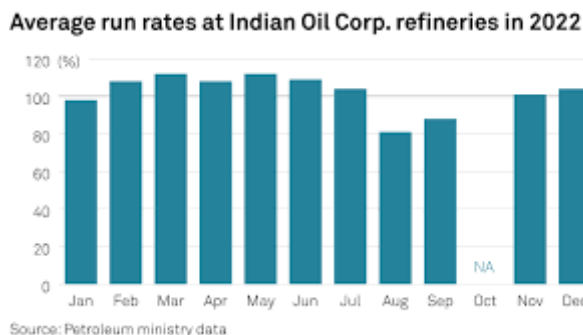
The study is done in the limited area of Vadodara which does not makes the research to be validated in all the areas. The study is done with the limited secondary sources and not considering the primary data collection due to the time constraint.

### **Research Ethics**

When performing the study, the researcher considered all accepted ethical guidelines. The way the research is phrased ensures that no individual's or group's sentiments are harmed. There is no specific population that the research focuses on. Since the information was gathered from companies and previous studies, the researcher has maintained confidentiality. These moral principles have guided the researcher's decisions throughout the study. There are no damaging activities or social ethics that violate human rights, according to the research. Every ethical compliance is adhered to precisely, according to Zangirolami-Raimundo et al. (2018), beginning with the choice of the research's theme and continuing through its conclusion.



## Analysis



**Figure: Average run rate at IOCL refineries in 2022**

**Source: (Dutta and Mohanty, 2023)**

In India, the demand for oil products reached 219.2 million metric tonnes, which is equivalent to 4.7 million barrels per day, as indicated by the Petroleum Planning and Analysis Cell of the Oil Ministry. This is an increase of 8.4% year over year. Between the months of January and December, there was a 10.2% increase in fuel demand, and 13.8 percent increase in diesel demand (Dutta and Mohanty, 2023).

Refineries in India are anticipating a significant resurgence in demand and are making preparations accordingly. The following statement was made by an individual who is well-versed in the Indian oil market: "There is a compelling argument for maintaining run rates high."

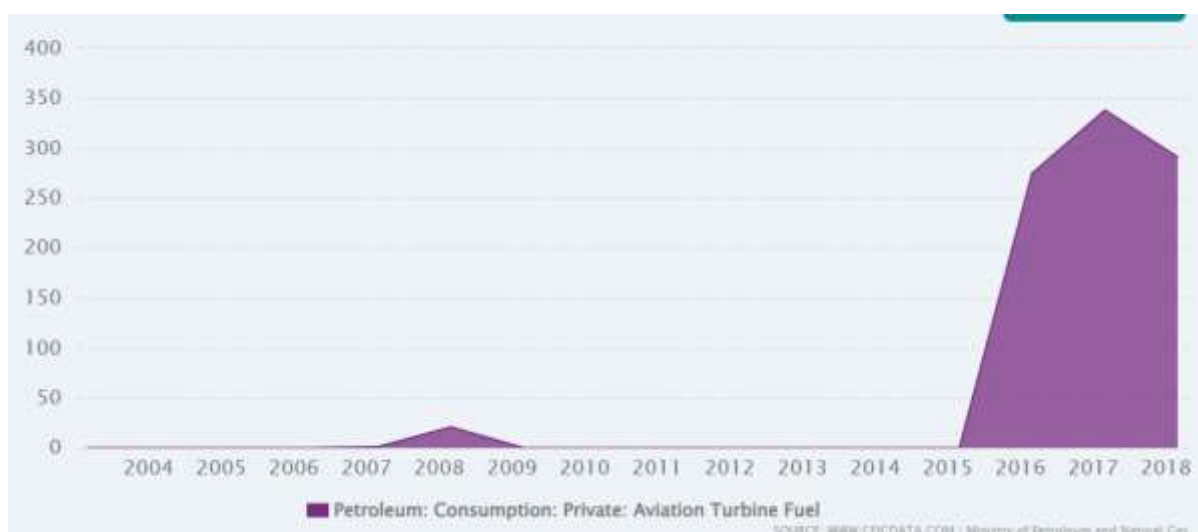
According to S&P Global Commodity Insights, India's refinery runs averaged 5.16 million barrels per day in 2022 (Dutta and Mohanty, 2023). However, the company forecasts that the level of output would climb to 5.3 million barrels per day in 2023 as a result of increasing capacity and the presence of good margins.

Over the course of the summer wet season, there was an increase in the demand for transport fuels, which resulted in an increase in IOC's domestic sales to 23.2 million mt in the third quarter of 2022, which is a 10.5% increase from the previous year (Dutta and Mohanty, 2023).

However, as a consequence of India's export levies on diesel, petrol, and jet fuel, the country's sales of oil products overseas dropped by 31.3% year over year to 1.1 million metric tonnes during the third quarter of the current fiscal year (2022–2023).

In spite of the fact that pipeline throughput climbed by 14.4% year over year to reach 72.1 million mt, the International Oil Company (IOC) recorded a 7.7% year over year increase in total refined throughput, which reached 53.2 million mt for the period of April to December (Dutta and Mohanty, 2023).

When compared to the previous fiscal year, domestic sales climbed by 15.3% year over year to 67.7 million mt from April to December. On the other hand, international sales declined by 15.9% to 3.7 million mt in the first nine months of the fiscal year.



**Figure: Petrol Consumption of India**

**Source: (Ministry of Petroleum and Natural Gas, 2018)**

To be successful in this one-of-a-kind environment, fuel merchants should implement processes that are driven by the needs of their customers. Not only do the ideas involve long-distance networks, but they also involve speedy actions. In order to achieve success, it is necessary to place a significant amount of importance on the quality of the product, to place value on strategies that are in line with responsiveness, to cultivate brand loyalty, to enhance accommodations, and to embrace compatibility (Ministry of Petroleum and Natural Gas, 2018). There are also crucial stages that include the exploitation of unusual variables for separation, the adoption of innovative innovations, and the adaption to adjustments in strategy.

There are vital components that are a part of this trip. Some of these components include the exploration of alternative powers, the management of complex varieties, the allocation of resources to staff training, and the promotion of simplicity (Ministry of Petroleum and Natural





Gas, 2018). Additionally, the fostering of research partnership and the monitoring of monetary discrepancies are both crucial to the progression of the project. Both of these things would be considered essential.

### **Conclusion and Recommendations**

The conclusion is to get with the behaviour and attitude of customers is the compass that guides industry partners in the one-of-a-kind sector that is the retail industry for petrol in India. A varied picture of buyer decisions inside this region has been revealed as a result of the intensive exploitation that was aimed. Based on the findings of the analysis, there are five main powerhouses that cow customers into making explicit judgements. These powerhouses include product quality, estimate response, brand loyalty, accommodation, and natural thinking.

With the emergence of non-debatable perspectives regarding item quality and reliability, it is imperative that stringent quality control procedures be implemented and that industry rules be adhered to without fail. The dynamic evaluation processes that are required to keep up with the seriousness of the situation are driven by the global oil prices and the actions taken by the government. Purchasers continue to place a significant amount of importance on their brand loyalty and trust, regardless of whether they are interacting with government-owned Oil Marketing Companies (OMCs) or more contemporary confidential players. The decisions that customers make are further characterised by things like openness, accommodation, and an increasing awareness of environmental issues.

In addition, the investigation discovered a number of intriguing and sometimes overlooked aspects that have an effect on customers. These aspects include a dedication to the local community, a visual feel, themed experiences, neighbourhood organisations, and individualised security programmes. The evident effects of these influences put retail shops in a position of disadvantage, thereby cultivating client affiliations and preferences. Having said that, this excursion also included a writing hole that creates an opportunity for additional research. Research avenues in digitalization, strategy adjustments, elective energies, financial variables, diverse varieties, and representative dedication offer hopeful information that can be used to determine the route that the company will go.

### ***Recommendations:***



1. Government-owned OMCs should make use of their established reliability in order to construct and maintain brand loyalty. A significant amount of resources should be invested by confidential players in the development of distinct and robust brand characters. One of the most important things that every store should do is increase their communication and transparency with customers. Develop comprehensive programmes that encourage constancy and provide specific rewards and advantages to participants. When compared to conditional cooperation, the focus should be on establishing long-term connections.
2. Another is to improve accessibility and accommodations by streamlining the layout and operations of retail shops in order to increase customer comfort. Ensuring that working hours are extended and investing resources in customer-focused services such as clean restrooms and general stores that are well-stocked are both important. Explore the various opportunities that are available for creative accommodations, such as drive-through powering, advanced request ahead options, and curb side assistance support. It is important to expand the organisation of charging stations for electric vehicles in order to meet the evolving requirements of customers.

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