

## Consumer Orientation – The Market Challenger Strategy

**Lang Chin Ying  
Chee Cheok Keen**

### ABSTRACT

*This study investigates petrol consumption behavior. Petrol is a technically complex product, but to the consumer, it is an uncomplicated, easy to use, readily available and convenient product. The study reveals that convenience is the primary concern of most consumers in their selection of petrol stations and brands. However, there exist substantial market niches which can be exploited by smaller players in the market. Four clusters of consumers and their profiles are extracted and discussed. The authors go on to discuss the lacuna that exists in the present marketing environment by looking into consumer-oriented strategies that will give a market challenger the all important chance of expanding its market share.*

### ABSTRAK

*Kajian ini memeriksa tingkahlaku penggunaan petrol. Petrol adalah keluaran yang sungguh rumit dari segi teknikal, tetapi bagi seorang pengguna ia adalah suatu keluaran yang tidak rumit, mudah digunakan dan mudah didapati. Kajian ini menunjukkan bahawa kemudahan adalah pertimbangan utama pengguna dalam pemilihan mereka terhadap jenis stesyen petrol dan jenama. Walaupun begitu, terdapat juga keratan pasaran (market niche) yang cukup besar untuk dieksploitasikan oleh pemasar-pemasar kecil dalam pasaran. Empat kumpulan pengguna dan profil mereka telah diperolehi dan dibincangkan. Penulis terus membincangkan kekurangan yang masih wujud dalam alam sekitar pemasaran masa kini dengan memeriksa strategi-strategi yang berorientasikan pengguna yang dapat menolong seseorang pencabar untuk memperbesarkan peratusan pasarannya.*

### INTRODUCTION

Is petrol simply a product for the mass market or is the use of differentiating marketing strategies justified? How do consumers actually make their selection of the various petrol brands? This study was carried out to provide answers to these crucial questions.

Petrol business is big business. It is also a business that has long existed in the country. Therefore petrol is a mature product in its product life cycle and its

incremental sales potential is closely correlated to that of the motor vehicle population. In Peninsular Malaysia, the number of vehicles registered has been growing at a rate of by 18 percent, i.e. from 3.83 million in 1985 to 4.53 million in 1989.

At present, there are seven major oil companies involved in the business with their individual networks of petrol retailers numbering more than a thousand petrol stations distributed throughout the country. Shell leads with the largest number of stations, i.e. more than 600. Esso is a poor second with about 340 stations and Petronas is third with about 250 stations. Just a few years ago, petrol retailers were all for self-service stations. Consumers got to save on their petrol bills by pumping in petrol on their own. However, over time, this did not seem to work. It was too much of a hassle just to save a few sen. Slowly, the self-service stations reverted to attendant-service stations.

In term of their product offerings, petrol retailers have been adding on to their product lines by offering various services including vehicle servicing, minor repairs, automatic car-washing, convenience stores or minimarkets, snacks, stamps, and newspapers, and parking space facilities. In the last two years credit cards and charge cards have become accepted as modes of payment and some companies have chosen to come out with their own petrol cards.

Shell and Esso have been particularly aggressive in their advertising campaigns over the years. Shell has been promoting an image of as superior quality product by emphasizing its stringent tests of quality while Esso has been projecting an image of vitality and speed by using the analogy of the charging tiger.

In its reimagining efforts in 1990, BP launched an advertising campaign emphasizing innovativeness and newness. Simultaneously, all BP petrol retail stations throughout the country underwent substantial renovations giving them a distinctive look. In a blitz (1st July to 12th August 1990) BP chose to offer purchasers of M\$20 worth of petrol or M\$15 worth of diesel a scratch-and-win card. Purchasers stood to win prizes ranging from a packet of tissue paper, a bar of soap, television, microwave oven, to a Proton Saga. This prompted the Petroleum Dealers Association of Malaysia (PDAM) to urge the Ministry of Trade and Industry to intervene so as to prevent a 'free gifts war' which broke out anyway. A can of Pepsi plus a chance to win a double storey link house, 10 television sets, 20 video cassette recorders, a 16-valve engine Feroza, a Yamaha motorcycle were counter offered by Shell which was expected to spend M\$5 million in their promotional blitz from July 10 to August 18, while Caltex proffered a bar of bathing soap with every M\$15 purchase of petrol. Esso came out with M\$150,000 in grand prizes plus a free Coke or Sprite or McDonald beef burger or regular french fries or sundae Cone or McEgg. Petronas threw in a free litre for every M\$20 purchase of petrol or M\$15 purchase of diesel plus a chance to win a condominium, camcorders, mobile phones, etc.

## THE DEVELOPMENT OF MARKETING THOUGHT

In the early history of marketing thought, market aggregation strategy was widely practised. Firms operated under the production concept which dictated that consumers preferred products that are widely available and priced low. Management of production-orientated organizations concentrated on achieving high production efficiency and wide distribution coverage (Kotler 1988). Mass marketing strategy was deemed appropriate as it achieved economies of scale in production and marketing. With little competition among the producers and limited choices available to the consumers, this strategy worked well for most firms.

With technological advances of the 1950s and the resultant tremendous increase in production capacity, producers were faced with the problem of disposing off their products. The selling concept which emphasized an aggressive selling and promotion effort was seen as a solution. However, as product markets developed, increasing numbers of new entrants resulted in more intense competition among the producers. Some firms began to focus on product quality of their products as the main selling point (Kuehn & Day 1962). Others emphasized development of market segmentation and product differentiation (Smith 1956; Yankelovich 1964; Bass, Tigert & Lonsdale 1968). As a corollary, the understanding of consumer behaviour became important (Day, Shocker & Srivastava 1979; Churchill & Surprenant 1982). This was a great departure from the emphasis on one-product-for-all concept.

The economic recession of the late 1970s and early 1980s led to a greater price sensitivity among consumers and resulted in a reverse trend in marketing strategy (Resnik, Turney & Mason 1979). Aggregation strategy was observed to work well with price-elastic markets since prices could be lowered with economics of scale in production. Convenience products such as sugar and salt and products of low unit cost did well using the market aggregation strategy.

Currently, the focus is on the pursuit of competitive advantage (Porter 1980; Cook 1983; Porter 1985; Chattopadhyay, Nedungadi & Chakravarti 1985; Porter & Millar 1985; Ghemawat 1986; Day & Wensley 1988; Stalk 1988). The ability to establish and to maintain an advantage that will give superior performance over that of competitors is the central theme of contemporary strategic thinking. A strategy of balancing between competitor-centered and customer-centered assessments appears to be the direction for gaining cutting-edge advantages for the future.

The marketing orientation of the petrol companies over the years has been one of marketing aggregation. Pricing is controlled by the government. It has been easy to survive in this oligopoly as long as each player remained satisfied with the informal division of the market share. Sales push at point of sale has been minimal.

## RESEARCH METHOD

This study was carried out to shed light on consumer behaviour in petrol consumption. A consumer survey was carried out in early 1990 in Kuala Lumpur and Petaling Jaya.

### RESEARCH INSTRUMENT

A direct-structured questionnaire was designed for the survey (this survey was carried out by Chee for his MBA dissertation). An exploratory preliminary study was carried out to elicit a list of decision criteria. After additional pretesting and adjustments, the three-part questionnaire in three languages (English, Bahasa Malaysia, and Mandarin) was finalized.

Part I was designed to obtain consumer ratings of perceived importance and perceived difference for various characteristics of petrol stations and brands as listed in Tables 1 and 2. Respondents were required to indicate (a) the importance of each selection criteria along a five-point scale ranging from (1) not important at all to (5) very important, and (b) the extent of perceived difference between various stations and brands along a four-point scale ranges from (1) very similar to (4) very different. The product of the importance rating score and the difference rating score yields the determinant attribute score of a certain respondent for that particular selection criteria.

TABLE 1. Characteristics of petrol stations

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Convenience location
Courteous service attendants
Short waiting time
Clean and well kept station
Station accepts credit/charge cards
Good parking bay arrangement
Well-stocked convenience shop or minimarket
Good car servicing
Good minor repair services
Automatic car wash
Gift vouchers
24 hours service
On-the-spot attendance (e.g. wiping of windshields, checking oil and water levels, etc)

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Part II of the questionnaire focused on consumer habits and patronage behavior, e.g. propensity to switch brands, expenditure per fill-up, etc. Part III delineates social-economic and demographic data of the respondents.

TABLE 2. Characteristics of petrol brands

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Good mileage
Smooth engine running
Purity of petrol
More stations
Petrol card feature
Good corporate image
Convincing advertisement

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#### SAMPLING PROCEDURE

The population of interest was defined to be all car users residing in Kuala Lumpur and Petaling Jaya. Listings of dwelling units in Kuala Lumpur and Petaling Jaya were obtained from Dewan Bandaraya Kuala Lumpur and Majlis Perbandaran Petaling Jaya. Commercial industrial and squatter areas were excluded from the sampling frame. The probability proportional to size technique was utilized. A total of six housing estates in Kuala Lumpur and four sections in Petaling Jaya were chosen. The starting points at which the questionnaires were distributed in each housing estate or section were randomly determined from a list of street names extracted from a road map.

Brief personnel interviews were conducted to establish the eligibility of potential respondents. If they were found to be eligible, the appropriate language version of the questionnaire was given out after a brief explanation of the purpose of the survey. Respondents were requested to complete the questionnaire and return them to the interviewers at a date fixed for collection. A total of 500 questionnaires were collected, but 73 were found to be incomplete in their answers for Part I.

#### RESEARCH FINDINGS

##### ANALYSIS OF MEASUREMENT SCALE

Table 3 clearly shows Cronbach coefficient alphas ranging from 0.7833 to 0.8242 confirming the internal reliability of the scales used in rating.

TABLE 3. Measurement scale reliability

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Measurement Scale	Cronbach-Alpha
Importance rating for petrol station characteristics	0.8057
Importance rating for petrol brand characteristics	0.7833
Difference rating for petrol station characteristics	0.7944
Difference rating for petrol brand characteristics	0.8242

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TABLE 4. Characteristics and behavior of respondents

	Frequency	(%)		Frequency	(%)
<i>Sex</i>			<i>Age group</i>		
Male	372	74.4	Below 25	45	9.0
Female	128	25.6	25 to 34	194	38.8
			35 to 44	178	35.6
			45 to 54	67	13.4
			55 and above	16	3.2
<i>Race</i>			<i>Education</i>		
Malay	162	32.4	No formal education	6	1.2
Chinese	272	54.4	Primary	10	2.0
Indian	54	10.8	Secondary	172	34.4
Others	12	2.4	Diploma	136	27.2
			Degree	154	30.4
			Master/PhD	22	4.4
<i>Occupation</i>			<i>Monthly income</i>		
Clerical/sales/ administrative	84	16.8	Below M\$500	11	2.2
Technical/ sub-professional	84	16.8	M\$500 to M\$999	78	15.6
Professional	149	29.8	M\$1000 to M\$1999	167	33.4
Managerial	98	19.6	M\$2000 to M\$2999	90	18.0
Not-working	55	11.0	M\$3000 and above	109	21.8
Others	30	6.0	No Income	45	9.0
<i>Car ownership</i>			<i>Capacity of main car</i>		
Own car	443	88.6	Below 1000 c.c.	24	4.8
Company car	32	6.4	1000 to 1499 c.c.	237	47.4
Both own and company	25	5.0	1500 to 1999 c.c.	173	34.6
			2000 c.c. and above	66	13.2
<i>Regular brand's of petrol</i>			<i>Brand loyalty</i>		
Shell	179*	35.8*	Buy only specific brand	166	66.8
Petronas	100	20.0	Buy any brand	134	33.2
Esso	81	16.2			
BP	68	13.6			
Mobil	35	7.0			
Caltex	24	4.8			
Fina	1	0.2			

(\* include multiple responses)

(continued)

TABLE 4 (continued)

<i>Length of time in using the present regular brands of petrol</i>			<i>Petrol station loyalty</i>		
Less than 2 months	0	0.0	Stick to one station if possible	306	61.2
2 to 4 months	1	0.2	Stick to 2 to 3 stations	111	22.2
5 to 6 months	6	1.2	Visit stations at random	82	16.4
7 to 8 months	6	1.2	Missing response	1	0.2
9 to 10 months	6	1.2			
11 to 12 months	9	1.8			
More than a year	306	61.2			
No regular brand	166	33.2			
<i>Distance of regular station/s from home</i>			<i>Frequency of encountering near-empty petrol tank crisis</i>		
Less than a mile	238	47.6	More than 4 times a month	61	12.2
1 to 2 miles	150	30.0	2 to 4 times a month	109	21.8
3 to 5 miles	41	8.2	Once a month	161	32.2
More than 5 miles	17	3.4	Never or very rarely	169	33.8
Any of the above stations are visited at random	54	10.8			
<i>Reaction to offering of gift vouchers by stations</i>			<i>Time for purchasing petrol</i>		
Will frequent that station	31	6.2	On the way to work	65	13.0
Depending on the value of the gift	127	25.4	Returning from work	68	13.6
Not attracted by free gift	214	42.8	During weekends	54	10.8
Not aware of any	128	25.6	No fixed pattern, depending on need for petrol	298	59.8
			Others	15	3.0
<i>Level of petrol that signals for refilling</i>			<i>Number of trips to petrol station each month</i>		
Almost empty	208	41.6	1 to 2 times	71	14.2
One-quarter left	247	49.4	3 to 4 times	166	33.2
Half left	37	7.4	More than 4 times	263	52.6
More than half left	8	1.6			
<i>Amount of purchase for each trip</i>			<i>Amount spent on petrol each month</i>		
Less than MS10	12	2.4	Less than MS100	63	12.6
MS10 to MS19	84	16.8	MS100 to MS199	186	37.2
MS20 to MS29	173	34.6	MS200 to MS299	144	28.8
MS30 to MS39	174	34.8	MS300 to MS399	75	15.0
MS40 and above	57	11.4	MS400 and above	32	6.4

#### PROFILE OF RESPONDENTS

The profile of these respondents is detailed in Table 4 which is self-explanatory. In brief, the data indicated that more than half the respondents were male, aged between 25 and 44, of Chinese origin, had at least secondary education, earned monthly income of between one to two thousand, and possessed their own cars with 1000 to 1999 c.c.

#### CONSUMPTION AND PATRONAGE BEHAVIOR

Table 3 present the analysis of the behavioral data which indicated the following main points:

1. Shell was top-ranked: 35.8 percent of the respondents adopted it as their regular brand; it was followed (far behind) by Petronas with 20 percent and Esso with 16.2 percent.
2. There was high brand loyalty; approximately two-thirds of the respondents purchased petrol of specific brand's for over a year.
3. There was high petrol-station loyalty as well; approximately two out of three respondents frequented the same station most of the time.
4. Roughly seven out of ten respondents chose their regular petrol stations that were situated near to their homes, a distance of less than two miles.
5. One-third of the respondents rarely encountered empty petrol tanks, one-third did face that problem once a month, and the remaining third had more frequent encounters.
6. Approximately one-quarter of the respondents indicated the possibility of frequenting a particular stations for gifts of interest to them while another one-quarter were unaware of any free gift promotions.
7. More than half of the respondents did not have defined timing of visiting petrol stations.
8. Approximately half of the respondents went for refilling when their tanks were three-quarters empty.
9. More than 50% of the respondents made more than 4 trips to the petrol stations each month.
10. Two-thirds of the respondents purchased M\$20 to M\$40 worth of petrol per visit, and their petrol bills amounted from M\$100 to M\$300 per month.

#### RESULTS OF FACTOR ANALYSIS AND CLUSTER ANALYSIS

The determinant attribute scores of each attributed of each respondent were elicited and subjected to 3 tests to confirm appropriateness of data for factor analysis viz:

1. *Anti-image correlation matrix* The correlation matrix conformed to Kaiser's (1963) method of assessing appropriateness as all non-diagonal entries were all approaching zero while those along the diagonal had values greater than 0.7.



2. *Barlett's test of sphericity* The value of 3176.8 (significant at the level of 0.0000) further confirmed the appropriateness of using factor analysis (Barlett 1950, 1951).

3. *Kaiser-Meyer-Olkin measure of sampling adequacy* The measure of 0.85155 fell into the "meritorious" category as defined by Kaiser and Rice (1974).

The determinant attribute scores were factor analyzed using the principal component solution and varimax rotation analysis. The procedure yielded 5 distinct factors with eigenvalues greater than unity (Table 5). These were named, in the same order, according to their proportion of explained variance as follows:

1. Factor 1: Petrol quality and accessibility dimension
2. Factor 2: Location convenience and service quality dimension
3. Factor 3: Time convenience and other attractions dimension
4. Factor 4: Quality of maintenance services dimension
5. Factor 5: Payment convenience dimension

The names were given based on the interpretation of the selection criteria having loadings of 0.48 or greater. Only one out of 20 selection criteria, i.e. a well-stocked convenience shops, failed to be loaded on any factor. As the establishment of such convenience shops is a relatively new phenomenon in the local petrol industry here, its impact on consumer choice was most probably minimal at this stage. Another criteria, good-car-servicing was, however, loaded on both factor 3 and 4.

Cluster analysis technique was performed on the factor scores generated by factor analysis to group the respondents into different selection orientations. A non-hierarchical iterative partitioning method was utilized because of its efficiency in handling large number of cases. The analysis produced a meaningful 4-cluster solution (Table 6) viz:

1. Cluster 1 - Convenience-oriented segment  
(55.5% of respondents)
2. Cluster 2 - Quality-and-accessibility-oriented segment  
(10.1% of respondents)
3. Cluster 3 - Attraction-oriented segment  
(17.1% of respondents)
4. Cluster 4 - Maintenance-oriented segment  
(17.3% of respondents)

Chi-square test of differences between these 4 clusters on the basis of 8 demographic and socioeconomic variables yielded 4 significant discriminators between the clusters at the 0.05 level of significance namely, sex, race, educational level, and engine capacity (Table 7). The clusters could not be distinguished on the basis of age groups, occupation, income group or car ownership. Table 8 portrays different profiles of consumers for the various clusters.

TABLE 5. Petrol station and brand attributes factor matrix

Attributes	Factor Loading					Communality
	Factor 1	Factor 2	Factor 3	Factor 4	Factor 5	
Smooth engine running	0.85817	0.16899	0.07739	0.11097	0.02694	0.47816
Purity of petrol	0.83020	0.16494	0.07539	0.08640	0.03473	0.63060
Good mileage	0.80088	0.12466	0.15449	0.03947	0.07256	0.65362
More stations	0.61756	0.15931	0.04900	0.18929	0.10856	0.59365
Short waiting time	0.12337	0.79075	0.08640	0.07010	0.02712	0.71469
Courteous service attendants	0.19055	0.73735	0.21479	0.07010	0.02712	0.48268
Convenient location	0.15034	0.66249	-0.03919	0.00265	0.12234	0.53247
Clean and well kept station	0.15179	0.65611	0.10332	0.35942	-0.01643	0.72900
Good parking bay arrangement	0.06672	0.48074	0.38062	0.23322	0.21875	0.69056
24 hour service	0.17474	0.15209	0.61982	0.09335	-0.04268	0.46496
On-the-spot attendance	0.21730	0.32973	0.60554	0.00367	-0.05736	0.57036
Gift vouchers	0.08858	-0.11753	0.58242	0.18472	0.41877	0.44837
Automatic carwash	-0.09609	-0.00861	0.57733	0.07721	0.34116	0.52593
Good minor repair services	0.03760	0.14609	0.44429	0.68429	-0.04636	0.68764
Good corporate image	0.40431	0.13459	-0.04727	0.67399	0.25400	0.78405
Good car servicing	0.05929	0.19389	0.49961	0.65913	-0.06184	0.73080
Convincing advertisement	0.37277	0.07805	-0.09405	0.58676	0.35670	0.45666
Station accepts credit/charge cards	0.01193	0.23376	0.14665	-0.02924	0.79846	0.70259
Petrol card features	0.28924	-0.01366	0.06021	0.22774	0.73424	0.62542
Eigenvalue	5.91760	2.16354	1.78890	1.25254	1.05809	
Percent of explained variance	29.6	10.8	8.9	6.3	5.3	

TABLE 6. Cluster means of four-cluster solution

Cluster	Attribute dimensions*				
	A	B	C	D	E
1	-0.1544	-0.3772	-0.1460	-0.2771	-0.0483
2	1.7857	0.5061	0.0451	-0.4485	-0.8376
3	-0.4276	1.1552	0.1862	-0.2983	-0.9792
4	-0.1214	-0.2257	0.2578	1.4263	-0.3245

\* A, B, C, D, E represent the following selection dimensions:

A - Petrol quality and accessibility dimension

B - Location convenience and service quality dimension

C - Time convenience and other attractions dimensions

D - Quality maintenance service dimension

E - Payment convenience dimension

TABLE 7. Summary of consumer cluster differences on demographic and socioeconomic variables

Demographic and socioeconomic variables	Degree of freedom	Chi-square	Significance level
Sex	3	7.950	0.047
Age group	12	32.315	0.421
Race	9	22.960	0.006
Educational level	9	17.872	0.037
Occupation	15	24.473	0.058
Monthly income	12	14.310	0.281
Car ownership	3	4.486	0.214
Capacity of main car	9	21.532	0.011

## CONCLUSIONS AND IMPLICATIONS

The four-cluster solution reveals the emphasis of four different groups of consumers. The first cluster, the biggest, places great values on location convenience and service quality. Thus, conveniently located retail outlets and attentive, courteous service appeal most to consumers of this cluster. A Chinese male with secondary school or higher levels of education is the typical consumer of this group. It is worth noting that amongst the various cluster, this cluster has the greatest percentage of respondents with car capacity of 2000 c.c. and above.

The second cluster, the smallest of the four, emphasizes petrol quality. This cluster has the highest percentage of female respondents in comparison to other

TABLE 8. Demographic and socioeconomic data of consumer clusters

Data	Cluster				Overall
	1	2	3	4	
<i>Sex</i>					
Male	76.8%	65.1%	86.3%	71.6%	74.4%
Female	23.2%	34.9%	13.7%	28.4%	25.6%
<i>Race</i>					
Malay	27.4%	27.9%	45.2%	43.2%	32.4%
Chinese	62.0%	55.8%	39.7%	43.2%	54.4%
Indian	8.4%	9.3%	12.3%	13.6%	10.8%
Others	2.2%	7.0%	2.8%	0.0%	2.4%
<i>Educational level</i>					
No formal/Primary	3.8%	0.0%	1.3%	4.1%	3.2%
Secondary	35.0%	34.9%	19.2%	47.3%	34.4%
Diploma	26.2%	27.9%	38.4%	24.3%	27.2%
Degree and above	35.0%	37.2%	41.1%	24.3%	35.2%
<i>Car capacity</i>					
Below 1000 cc	3.0%	9.3%	8.2%	6.8%	4.8%
1000 - 1499 cc	47.3%	55.8%	43.8%	41.9%	47.4%
1500 - 1999 cc	31.6%	32.6%	31.5%	45.9%	34.6%
2000 cc and above	18.1%	2.3%	16.5%	5.4%	13.2%

clusters. Chinese made up slightly more than half of the respondents. Consumers of this cluster have secondary school or higher levels of education.

Cluster 3 is very similar to cluster 1 with its emphasis on location convenience, but for this cluster the type of payment instruments is important. This group tends to prefer paying for their purchases with cards. This cluster has the smallest percentage of females compared with the other clusters. The typical consumer is a Malay male with tertiary education.

Cluster 4 gives priority to the quality of maintenance services. This cluster has an equal percentage of Malay and Chinese respondents, and it has the highest percentage of Indian respondents of 13.6% compared with the other clusters. A typical consumer of this cluster is male either of Malay or Chinese emphasize on the various maintenance services will appeal most to this group of consumers.

The study was carried out prior to the "sales-promotion war". In such an oligopoly setting, the major petrol companies unavoidably had to be competitor-centered to maintain equilibrium positions acceptable to all. However, this does not mean that a follower in the short run, any effort to increase market share e.g. by sales

promotion strategy is bound to invite adverse reactions from competitors as evidenced in the gifts-war.

This study provides basic behavioral data. In order to compete successfully, one needs to be truly consumer oriented. In order to market a product successfully, the first rule of thumb at least is to make the product readily accessible to the target market. This is the strength of the industry leader. Thus for a market challenger, the one important step is to achieve distribution parity with that of the leader. New petrol retail outlets at strategic points in new and old residential areas must be investigated for further geographical expansion. Multiple competitive advantages need to be secured and maintained over time. The finding that consumers were generally brand loyal and station loyal should not be taken to mean that petrol sellers are already consumer-oriented. If one were to ponder over the possible reason for such loyalty, it is very likely to be quite simply the habitual behavior of consumers over time. Whatever the original reason for their selection, these consumers have not re-evaluated their choices - until the promotion-war. As there was actually no such motivation to be loyal, their behavior can be changed instantly by some external factor such as gifts.

How then can a market challenger expand his market share in such a situation? Let us take a look of the daily operation of a petrol station. Customers drive in to get a refill, pay for the purchase and drive off after the transaction. If they need to pump in air for their tires, they restart their engines, drive to the uncovered pressure meter situated at the far end of the station, get down from their cars, uncap the tires, pump in the required amount of air themselves, recap, restart their cars then drive away. If it is raining, this will have to be postponed to another day. Is there room for improvement?

To be consumer-oriented is no easy task: it requires full commitment from top-management to the petrol-pump attendants, a commitment that must pass the test of time. Adoption of such a concept mandates changes in priority, strategies and policies of the organization. Moreover, such a commitment must be accompanied by a compulsion to improve and to keep on improving to reach a goal that must appear at present to be too far-fetched or absurd. For example, for a petrol station to retain customers for a whole life time may seem ridiculous indeed but it can be used effectively to ensure consistency in future plans. This goal can be made the inviolable philosophy for all employees and will necessitate also greater involvement of the petrol producers in the day-to-day operation of the retail outlets to ensure maintenance of high and uniform quality of service in order to generate consumer satisfaction. In the long run this will boost the quality image of their particular brands.

Job descriptions especially those for station attendants would have to be revised. Since they are occupying a key boundary function (that is, contact with customers) a great change in their role is called for, from that of non-identity and non-significance to that of revenue maintenance and generator. With this new role, employee training programs will have to be conducted to upgrade their social and

communication skills. A smile and a 'good morning' may do well for a start, but they should get to know their customers better. Sartorial and tonsorial improvement must be effected.

Recruitment policy will have to be reviewed to up-date hiring criteria. In order to motivate employees to change their behavior, appropriate compensation and incentives policies should be formulated to reward employees based on their performance in achieving organizational goals. A systematic survey of consumers satisfaction and to reward employees according to satisfaction scores.

In this rather impersonal industry, there are other means of improving the service. The cleaning of wind screens, a typical point-of-sales service could be upgraded. Currently, this service is provided according to the whims and fancies of the pump attendants. Sometimes, this service is available only on request. A pail of (dirty) water and a simple cleaning device are used and the job is generally not well done. To improve this service, perhaps a device much like that of the automatic car wash though not as complicated could be designed with time, motion and space economy to standardize and systematize the cleaning process.

Other areas of consumer convenience should be explored. For example, the sellers could provide convenience in ensuring sufficient tire pressure by systematically including such a service at the point-of-sales. Air pumps should be redesigned so that they could be placed strategically at the place of petrol refilling to facilitate simultaneous pumping of air into all four tires. Perhaps, redesigning the tiny tire caps may help speed up uncapping and recapping. These services should be completed within the time of refilling.

These improvements would substantially differentiate the service quality of an improved firm in contrast to that of their competitors. However, the firm pioneering such strategies must realize that such innovations may be imitated and adopted by competitors depending on their willingness and capability to response. A further step needed to gain additional differentiated advantage is maintaining consumer loyalty. Loyalty is not free. To augment consumer loyalty incentives must be offered from time to time to only loyal customers to show them that they are valued and appreciated. To facilitate such action plans, the keeping of customer purchase records become important, which can be achieved easily with computers. With an inter-linked computerized system throughout the retail network, customers loyalty to petrol brand can be ensured as purchases from any station of the same brand will be rewarded too. Over time, as the data base increases the pioneer firm will have an information edge over its competitors.

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