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UNIVERSITY OF PETROLEUM AND ENERGY STUDIES

DEHRADUN

SUMMER INTERNSHIP REPORT

ON

MARKETING CHALLENGES WITH "XTRAREWARDS" LOYALTY PROGRAM

Consumer Perspective Vis-À-Vis IndianOil's Channel Partners' Perspective



SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENT
OF THE DEGREE OF

MBA (OIL & GAS)

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IndianOil

This Certificate is awarded to


Ms. Divya Agarwal Student of
"University of Petroleum & Energy Studies, Dehradun"
for having successfully completed
a project on *"Marketing Challenges with
'XTRAREWARDS' Loyalty Programme:
Consumer Perspective vis-a-vis
Indian Oil Channel Partners' Perspective"*.

From *28th May 2013* to *26th July 2013*

The Student was professional in approach
and the project report met the management
requirement both in concept and content.

We wish the student all success in
her academic career.

PROJECT GUIDE: Narendra Gangakhedkar
दिनांक DATE : 1st August 2013


Deputy General Manager (RS)
INDIAN OIL CORPORATION LIMITED
(MARKETING DIVISION)

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Divya Agarwal

Dated – 23/07/2013

Declaration

Aug 13, 2013

Mr. Suresh Malodia
Professor,
UPES, Dehradun

Dear Sir,

I am submitting herewith, my summer internship project report entitled "Marketing Challenges With "XTRAREWARDS" Loyalty Program: Consumer Perspective Vis-À-Vis IndianOil's Channel Partners' Perspective" authorized by my external mentor for the project, **Mr. Narendra Gangakhedkar, Manager – XR, Pune DO, IndianOil** for the purpose of assessment.

The main purpose of this report is to describe the XTRAREWARD loyalty program of IndianOil and discuss its performance in Pune DO by way of analysis of responses of customers, retail outlet owners and alliance partners to questionnaires and interviews. Finally, this report sheds light on major challenges with the program in Pune DO and recommendations to improve the situation.

I hereby declare that this report is original and is a result of my hard work and knowledge gained during the course of my summer internship, under the able guidance of my mentors, Mr. Suresh Malodia and Mr. Narendra Gangakhedkar. No copy/replica of this report has been produced.

Respectfully yours,

DIVYA AGARWAL
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Executive Summary

Loyalty programs are a tool for any organization to attract new customers, retain old customers and to keep a track of customer activities so that attractive benefits can be provided to them to make them loyal to the company. It is well known that the cost of attracting a new customer is substantially higher than retaining a new customer.

Indian Oil too has a loyalty program called XTRAREWARDS to retain its existing customers and improve their satisfaction. This document reports the finding of the study conducted in Pune to understand the marketing challenges in the XR program in the city with respect to customers' perspectives, dealers' perspectives and alliance partners' perspective.

It was found that although many customers are satisfied with the program but certain issues are hampering the growth of this program. It was found that machine issues and low perceived benefit from the card are the two major issues in the program as per customers as well as dealers. The alliance partner channel is not developed well in Pune.

After an in-depth study of the operation of the XR program in Pune through our interaction with the customers, the dealers, the alliance partners and the concerned officers and comparing the loyalty program with other successful programs, we have made suggestions to make the XR program more attractive and long lasting.

Table of Contents

Chapter 1. Introduction	10
1.1 About IOCL	10
1.2 Vision of IOCL	11
1.3 Objectives of IOCL	12
1.4 Organizational structure	13
1.5 Various Departments in IndianOil	14
1.6 Marketing Division of Indian Oil	16
1.6.1 Loyalty Programs	16
1.7 About the IOCL Marketing offices	17
1.7.1 Pune Office	17
1.8 XTRAREWARDS Loyalty Card	18
1.8.1 Partners of XR program	19
1.8.2 Earning Points in XR	20
1.8.3 Point Redemption	20
1.8.4 XR Benefits	21
1.8.5 Facts – XR in Pune DO	22
1.8.6 Comparison with Competitors' Loyalty Programs	23
Chapter 2. Literature Review	25
Chapter 3. Objectives & Hypothesis	27
3.1 Objective	27
3.2 Scope	28
3.3 Development of Hypothesis	29
Chapter 4. Research Methodology	31
4.1 Research Design	31
4.1.1 Quantitative Method	31
4.1.2 Qualitative Method	31
4.2 Data Collection Process	32
4.2.1 Design of sampling plan	32
4.2.2 Design of questionnaire	32

4.2.3	Execution of survey.....	33
Chapter 5.	Data Analysis	34
5.1	Existing Customer Perspective.....	34
5.1.1	Percentage of regular customers at IndianOil.....	34
5.1.2	Percentage of respondents who use only XR card	34
5.1.3	Importance of Various Factors while Shopping for Customers (Question 3)....	35
5.1.4	Awareness in respondents about point ratio in XR program	35
5.1.5	Percentage of respondents who have redeemed XR points in past year	36
5.1.6	Preference for exchange of XR points	36
5.1.7	Percentage of respondents satisfied with XR program	36
5.1.8	Percentage of respondents who would recommend XR to their friends.....	37
5.1.9	Percentage of respondents who find IOCL innovative	37
5.1.10	Is XR the reason of loyalty of respondents towards IOCL?.....	37
5.1.11	Respondents' view regarding convenience to redeem gift schemes of XR	38
5.1.12	Do retail partners accept the card and offer discounts gracefully?	38
5.1.13	Awareness about participating ROs in respondents	38
5.1.14	Do respondents find XR operators to be knowledgeable and helpful about XR program?	39
5.1.15	Biggest Issues with the XR scheme according to respondents.....	39
5.1.16	Correlation between Satisfaction from XR and Frequency of Visiting IOCL RO	40
5.1.17	Hypothesis Testing using Z-Test.....	40
5.1.18	Hypothesis Testing using Chi – Square Test	44
5.1.19	Analysis of Result	46
5.2	Prospective Customer Perspective	48
5.2.1	Percentage wise distribution of prospective customer responses	48
5.2.2	Hypothesis Testing using Z-test	49
5.2.3	Analysis of Results.....	49
5.3	Existing Alliance Partner Perspective	51
5.3.1	Analysis of Results.....	52
5.4	Prospective Alliance Partner Perspective	53
5.4.1	Process of forming alliance partnerships.....	53
5.4.2	List of Successful Alliance Partners.....	54

5.4.3	Analysis of Results.....	54
5.5	Dealer Perspective	56
5.5.1	Operator Awareness about XR scheme	56
5.5.2	Operators' views regarding extra incentive for extra effort	57
5.5.3	Dealers' views regarding XTRAREWARD program in general.....	58
5.5.4	Dealers' views regarding extra resources used for running XR scheme	58
5.5.5	Effect of XR program on RO Sales.....	59
5.5.6	Dealers' attitude towards ordering new stock of XR cards	59
5.5.7	Dealers' views regarding XR related targets set by IOCL for ROs.....	60
5.5.8	Best features of XR program as per dealers	60
5.5.9	Biggest problems in XR program as per dealers.....	61
5.5.10	Some Dealers' Suggestions	61
5.5.11	Analysis of Results.....	61
5.6	Major Challenges in the Program	63
5.7	Recommendations	65
Chapter 6.	Conclusions	67
Bibliography	68
Appendices.....		69
Appendix 1:	Existing Customer Questionnaire (English).....	69
Appendix 2:	Existing Customer Questionnaire (Marathi)	71
Appendix 3:	Survey for IOCL Petrol Pump Dealers	74
Appendix 4:	Letter of Acceptance	76
Appendix 5:	Calculation of scores for ranking various factors in deciding retail outlet to shop.....	77
Appendix 6:	A banner designed for promotion of alliance partners of XR program in Satara	78
Appendix 7:	A dedicated booth and staff for XTRAREWARD at Renuka Petrol Pump in Satara.....	79
Appendix 8:	Charge slip obtained after swiping the XR card for earning the points.....	80
Appendix 9:	Charge Slip obtained for instant redemption of XR points for free fuel	81
Appendix 10:	XR promotional banner.....	82

List of Tables

Table 1: Product Point Details	20
Table 2: Instant Redemption	20
Table 3: Gift Redemption.....	21
Table 4: District wise distribution of ROs with XR presence.....	22
Table 5: Pune Market Structure.....	22
Table 6: Card Sale Statistics	23
Table 7: Comparison with Competitor's Loyalty Cards	24
Table 8: Prospective Customer Data	48
Table 9: Prospective Alliance Partner Status.....	53
Table 10: List of successful alliance partners.....	54
Table 11: XR Awareness in Operators.....	56
Table 12: Do operators want incentives?	57

List of Figures

Figure 1: Vision Logo of IndianOil	11
Figure 2: Organizational Structure.....	13
Figure 3: XTRAREWARDS CARD.....	18
Figure 4: Vendors and Service Providers for IndianOil's XR program	19
Figure 5: IndianOil's XR card and competitor's cards	24
Figure 6: Frequency of regular customers at IndianOil	34
Figure 7: Percentage of users using only XR card	34
Figure 8: Importance of Various Factors while Shopping for Customers.....	35
Figure 9: Awareness in customers about point ratio	35
Figure 10: Point Redemption Status	36
Figure 11: Preference for exchange of points	36
Figure 12: Percentage of respondents satisfied with XR program	36
Figure 13: Percentage of respondents who would recommend XR card to their friends.....	37
Figure 14: Percentage of respondents who think IOCL is innovative	37
Figure 15: Is XR reason of respondents' loyalty.....	37
Figure 16: Is it convenient to redeem gift schemes of XR	38
Figure 17: Getting discounts at retail partners.....	38
Figure 18: Awareness about participating ROs.....	38
Figure 19: Operator knowledge and helpfulness	39
Figure 20: Biggest Issues with XR program as per customers	39
Figure 21: Calculation of Chi- Square value	45
Figure 22: Prospective Customer Perspective	48
Figure 23: An XR banner showing national alliance partners but most are no longer XR partners.....	51
Figure 24: Prospective Alliance partner perspective	53
Figure 25: XR Awareness in Operators	56
Figure 26: Do operators want incentive	57
Figure 27: Dealers' view regarding XR program in general	58
Figure 28: Dealers' view regarding extra resources used for XR program	58
Figure 29: Effect of XR program on RO sales	59
Figure 30: Dealers' attitude towards ordering new stock of XR cards	59
Figure 31: Dealers' views regarding XR related targets set by IOCL for ROs.....	60
Figure 32: Best features of XR card as per dealers	60
Figure 33: Biggest problems in XR program as per dealers	61

List of Variables

- 1. H_0 : Null Hypothesis (signifies the Hypothesis we want to prove not right)**
- 2. H_a : Alternative Hypothesis (signifies the hypothesis we want to prove to be right)**
- 3. μ : Mean of the sample (used with first syllable of the variable under study)**
- 4. Z: value of the Z test for the sample under study.**
- 5. Z^* : Value of the Z test for some predefined level of significance (5 % in our study)**
- 6. t: Value of t test performed on variables**
- 7. t^* : Value of t test for some predefined level of significance (5 % in our study)**
- 8. F: value of F test as calculated from ANOVA Test on variables**
- 9. F Crit: Value of F critical.**
- 10. V_s : Variance of the sample under study**

Chapter 1. Introduction

1.1 About IOCL

Indian Oil Corporation Limited, or IndianOil, is an Indian public sector oil and gas corporation. It has headquarters in New Delhi, India. It is one of the five “MahaRatna” status companies of India. The company enjoys being the world's 88th largest companies by sales, according to the Fortune Global 500 list. It is the largest public corporation in India when ranked by revenue. **Mr. R S Butola** is the Chairman of Indian Oil Corporation Limited.

IndianOil began operation in 1959 as Indian Oil Company Ltd. The Indian Oil Corporation was formed in 1964, with the merger of Indian Refineries Ltd.

IndianOil and its subsidiaries account for a 54.7% share in the petroleum products market, 34% share in refining capacity and 67% downstream sector pipelines capacity in India. IndianOil and its group of companies own and operate 10 of India's 22 refineries with a combined refining capacity of 65.7 million metric tons per year. 78.92% (1.9162 billion shares) shares of the company are owned by The President of India.

IndianOil produces wide range of products which covers petrol, diesel, LPG, auto LPG, aviation turbine fuel, lubricants, naphtha, bitumen, paraffin, kerosene, etc. Some of its popular brands are Xtra Premium petrol, Xtra Mile diesel, Servo lubricants, Indane LPG cooking gas, Autogas LPG, IndianOil Aviation. Recently Indian Oil has also started supplying LNG (liquefied natural gas) by cryogenic transportation. This is called "LNG at Doorstep".

IndianOil has the largest and the widest network of fuel stations in India, numbered at 22407. It supplies LPG to 734 lakhs customers via a network of 6000 distributors. IndianOil has a Research and Development Center (R&D) at Faridabad which supports, develops and provides the necessary technology solutions to the operating divisions of the corporation and its customers within the country and abroad.

IOCL has many accolades on its name. IndianOil was conferred the prestigious PetroFed awards for 'Leading Oil and Gas Corporate of the Year' and 'Leading Oil and Gas Marketing Company of the Year' in 2012-13.

1.2 Vision of IOCL

The vision of IOCL with respect to various dimensions is –

1. Ethics – Setting high standards for ethics and values
2. People – Leading with passion to excel
3. Innovation – Pioneering with spirit of creativity and research
4. Environment – Caring for the environment and the community
5. Technology – Harnessing frontier technology
6. Customers – Fostering relationships for a lifetime

The values of IndianOil are four fold –

1. Care
2. Innovation
3. Passion
4. Trust



Figure 1: Vision Logo of IndianOil

1.3 Objectives of IOCL

The objectives of IndianOil's philosophy are -

- 1. To serve the national interests in oil and related sectors in accordance and consistent with Government policies.**
- 2. To ensure maintenance of continuous and smooth supplies of petroleum products by way of crude oil refining, transportation and marketing activities and to provide appropriate assistance to consumers to conserve and use petroleum products efficiently.**
- 3. To enhance the country's self-sufficiency in crude oil refining and build expertise in laying of crude oil and petroleum product pipelines.**
- 4. To further enhance marketing infrastructure and reseller network for providing assured service to customers throughout the country.**
- 5. To create a strong research & development base in refinery processes, product formulations, pipeline transportation and alternative fuels with a view to minimizing/eliminating imports and to have next generation products.**
- 6. To optimize utilization of refining capacity and maximize distillate yield and gross refining margin.**
- 7. To maximize utilization of the existing facilities for improving efficiency and increasing productivity.**
- 8. To minimize fuel consumption and hydrocarbon loss in refineries and stock loss in marketing operations to effect energy conservation.**
- 9. To earn a reasonable rate of return on investment.**
- 10. To avail of all viable opportunities, both national and global, arising out of the Government of India's policy of liberalization and reforms.**
- 11. To achieve higher growth through mergers, acquisitions, integration and diversification by harnessing new business opportunities in oil exploration & production, petrochemicals, natural gas and downstream opportunities overseas.**
- 12. To inculcate strong 'core values' among the employees and continuously update skill sets for full exploitation of the new business opportunities.**
- 13. To develop operational synergies with subsidiaries and joint ventures and continuously engage across the hydrocarbon value chain for the benefit of society at large.**

1.4 Organizational structure

The whole of Indian Oil Corporation (IOC) works under Corporate Office located at New Delhi. It follows hierarchical structure where the decision flows from top to bottom and the data flows from bottom to top. Under the corporate office there are 5 divisions namely- Pipelines, Refineries, R&D, Marketing & Assam oil division. The Marketing division located at Mumbai co-ordinates with the regional offices i.e. North, South, East & West Region office, the other Divisional Offices & SBI for decisions regarding investments. The Regional offices co-ordinates with respective state office that in turn co-ordinates with respective location offices.

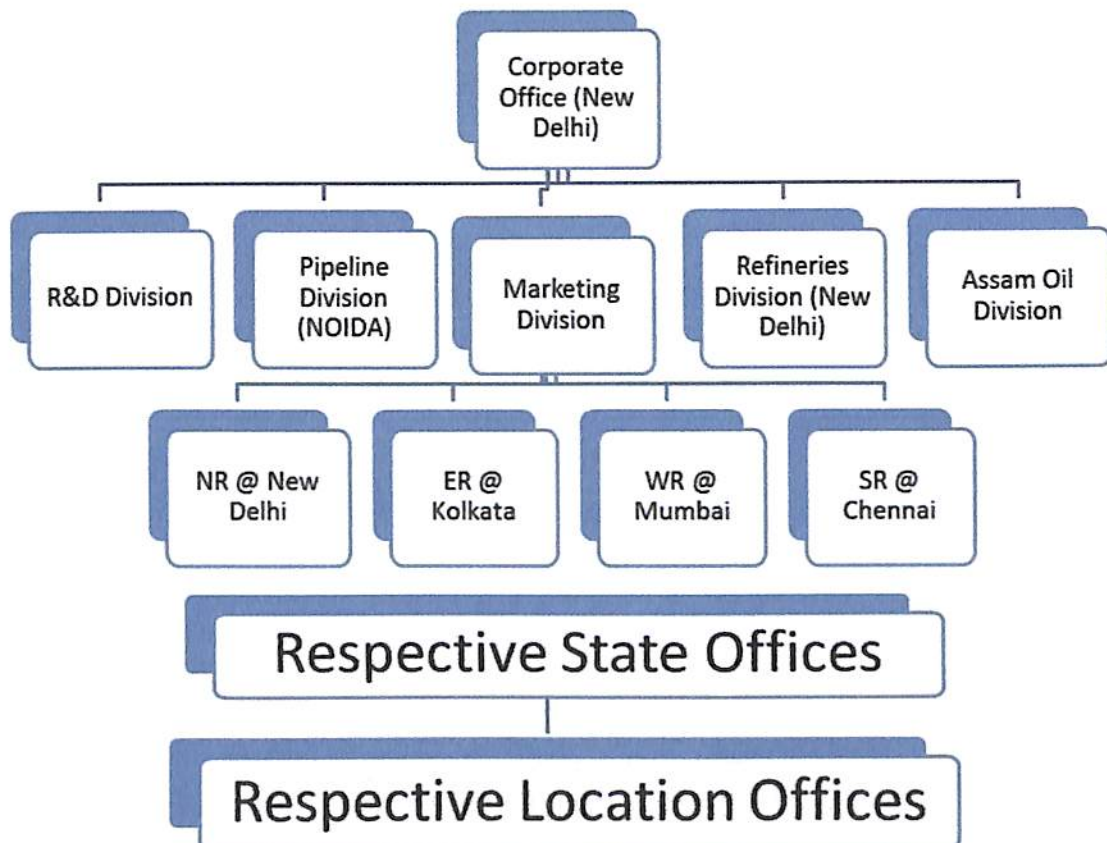


Figure 2: Organizational Structure

1.5 Various Departments in IndianOil

IndianOil has five major divisions –

- 1. Refining** – IndianOil has the largest number of refineries operating in India. The company is adapting to a variety of refining processes along its way. The Corporation has commissioned several grassroots refineries and modern process units. All IndianOil refineries fully comply with the statutory requirements. Several Clean Development Mechanism projects have also been initiated. Innovative strategies and knowledge-sharing are the tools available for converting challenges into opportunities for sustained organizational growth. IndianOil's Refineries team have a deep understanding of the complexities of all the process units of modern refineries and can offer comprehensive services of a highly professional nature on different facets of refining. With strategies and plans for several value-added projects in place, IndianOil refineries will continue to play a leading role in the downstream hydrocarbon sector for meeting the rising energy needs of our country.
- 2. Pipelines** - It is an established fact that pipelines are preferred as a cost effective, energy efficient, safe and environment friendly method of transportation for petroleum products and crude oil and are playing a leading role in meeting the demand for petroleum products in India. Economic growth and expansion of infrastructure in India offer opportunities to better utilize the existing pipeline network in addition to expand by constructing new pipelines. IndianOil, the pioneer in cross-country petroleum product pipeline in the Indian sub-continent constructed and commissioned its first petroleum product pipeline, Guwahati-Siliguri Pipeline in the year 1964. Since then IndianOil has mastered the art and technology of pipeline engineering. Over the last four decades the pipeline network of IndianOil has grown to 11,163 km
- 3. Marketing** - IndianOil provides a wide range of marketing services and consultancy in fuel handling, distribution, and storage and fuel/lube technical services. With a formidable bank of technical and engineering talent, IndianOil is fully equipped to handle small to large-scale infrastructural projects in the petroleum downstream sector anywhere in the country. IndianOil's project teams have independently or jointly as a consortium, have set up depots, terminals, pipelines, aviation fuel stations, filling plants, LPG bottling plants, amongst others. IndianOil's fuel management system to bulk customers offer customized solutions that deliver least cost supplies keeping in mind usage patterns and inventory levels. A wide network of lubricant and fuel testing laboratories are available at major installations which is further backed by sector-wise expertise in the core sectors of power, steel, fertilizer, gas plants, textile mills, etc. Cutting edge systems and processes are designed around one simple belief-to provide valuable customers with an unbeatable edge in their business. IndianOil's supply and distribution network is strategically located across the country linked through a customized supply chain system backed by front offices located in conceivably every single town of consequence.

- 4. Research & Development** - IndianOil's world-class R&D Centre, established in 1972, has state-of-the-art facilities and has delivered pioneering results in lubricants technology, refining process, pipeline transportation, bio-fuels and fuel-efficient appliances. With a vision of evolving into a leader as technology provider through excellence in management of knowledge, technology and innovation, IndianOil has launched IndianOil Technology Ltd. The new subsidiary markets the intellectual properties developed by IndianOil R&D Centre.
- 5. Training** - The IndianOil Institute of Petroleum Management- a Centre of Excellence for nurturing future leadership, situated on the outskirts of New Delhi, conducts advanced management education programs in collaboration with premier business schools and top line professionals. IndianOil operates 18 training centers across the country for up-skilling, re-skilling and multi-skilling of employees in its pursuit of corporate excellence. IndianOil has been serving as a source of technical support and expertise to petroleum companies of various countries across the globe. Some of these countries, which have partnered for excellence, include Sri Lanka, Kuwait, Bahrain, Iraq, Abu Dhabi, Tanzania, Ethiopia, Algeria, Nigeria, Nepal, Bhutan, Maldives, Malaysia and Zambia.

1.6 Marketing Division of Indian Oil

Marketing Division of Indian Oil has 3 sub-divisions as follows –

1. **Retail** – This division is entrusted with responsibility of developing retail outlet chains, installing retail outlets, interacting with domestic customers and developing customer loyalty programs. This division mainly handles sale of MS, HSD and automobile lubricants.
2. **Consumer** – This division mainly looks after sales of MS, HSD, kerosene and industrial lubricants to State Transport Depts., Railways, defense sector, various industries and other bulk users. This division also handles sale of petrochemicals, mainly benzene to industries.
3. **LPG** – IndianOil sells domestic LPG cooking gas and commercial LPG cylinders under the brand name of 'Indane'. This division is also entrusted with commissioning and management of LPG bottling plants. Sale of Auto LPG for vehicle users is another responsibility of this division.

1.6.1 Loyalty Programs

IndianOil's Marketing division has come up with some loyalty programs which are designed exclusively to benefit the large number of its loyal customers who have been patronizing the brand for over five decades.

1. The **XTRAPOWERTM Fleet Card** program is a complete smart card-based fleet management solution for fleet operators and corporates for cashless purchase of fuel & lubricants from designated retail outlets (petrol pumps) of IndianOil through flexible pre-paid and credit facilities. The fleet card also offers an exciting rewards program and unique benefits like personal accident insurance cover and vehicle tracking facilities.
2. **XTRAPOWERTM Easy Fuel Card** facilitates corporates in paperless gifting of fuels and lubricants to their employees, customers and other stakeholders, from select IndianOil ROs numbering over 6000. As India's first smart card-based fuel voucher, it offers amazing convenience and security among the gifting options available today, and comes with the option of multiple recharging, or topping up, and hence ideally suited for reimbursement, repeat incentivization, etc.
3. The **XTRAREWARDS** is India's first online rewards program that seeks to inculcate the habit of redeeming points in non-fleet customers. It is currently active in Mumbai, Delhi, Chennai, Ahmedabad, Bengaluru, Bhubaneswar, Coimbatore, Mysore, Pune, Secunderabad and Kolkata with plans to reach other cities soon. The loyalty program rewards customers paying by cash, credit and debit cards. Each transaction is confirmed online through a charge slip and customers can earn points on fuel/lube purchases at participating IndianOil retail outlets. Apart from redeeming the accumulated points instantly on fuel / SERVO lubricants at participating retail outlets, card-holders can also redeem the points to get exciting gift items from a catalogue. Card-holders also get attractive discounts at IndianOil's local and national alliance partners.

1.7 About the IOCL Marketing offices

IOCL (Marketing Division) has its Head Office at Bandra, Mumbai and four Regional Offices in the Metro cities viz. Delhi, Kolkata, Mumbai and Chennai, 16 State Offices, 42 Divisional Offices and 33 LPG area offices.

The Corporation has gone in for a major restructuring of administration set up in 1998-99 with the creation of 15 State Offices which function under the jurisdiction of the respective Regional Offices for the purpose of decentralizing decision making. IOCL has now 16 State Offices.

States of Andhra Pradesh, Bihar, Gujarat, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Orissa, Rajasthan, Tamil Nadu and West Bengal each have single state office where as State of Uttar Pradesh has two state offices; one in Noida and other in Lucknow respectively. North East states have integrated state office where as States of Punjab, Himachal Pradesh and J&K have one combined state office at Chandigarh.

1.7.1 Pune Office

Indian Oil's Pune Division consists of five districts, namely **Pune, Satara, Osmanabad, Solapur and Ahmednagar**. The head office for these five locations is situated at Bhandarkar Road office of IOCL in Pune. The division is headed by **Mr. Subrat Kar** who is the Chief Divisional Retail Sales Manager.

The Pune division mainly caters to the marketing services of Indian Oil. This division is responsible for installation of new Retail Outlets in the region and management of existing Retail Outlets. It is also gradually making strong presence in non-fuel retailing and loyalty programs.

This division has **401** retail outlets. The major competitors in this region are BPCL and HPCL, both of which have strong presence in the region. The XTRAREWARDS program is launched in all the cities under Pune DO except Ahmednagar.

The Pune office is a small office space situated on 2 floors of a commercial building. I, and my team mate, Thakur Vishal Singh, worked with Mr. Narendra Gangakhedkar who was our mentor for the internship. Mr. Gangakhedkar is Manager for XTRAREWARDS program, which is the object of our research project.

Mr. Gangakhedkar joined IBP in 1990 and became part of IOCL in 2007 when the two companies were merged. I work with him on daily management issues and activities related to XTRAREWARDS program in Pune. This has given me great insights not only into the unique loyalty program but also different ways of management, especially with respect to Human Resources Management and Marketing Management.

1.8 XTRAREWARDS Loyalty Card

As we know that today the world revolves around plastic, even money is in terms of plastic and all major banks are coming up with new schemes regularly in order to market the so-called plastic money. Yet in spite of this new revolution, in India it is a well-known fact that over 90% of the customers pay in cash.

Looking at this large base of population, who purchase by hard cash, IndianOil, in its very inimitable & innovative style has ventured into the plastic world, but with a difference. XTRAREWARDS is a first of its kind online loyalty card scheme launched by Indian Oil, mainly for cash customers, at the same time benefiting debit and credit card users too. The customers get loyalty points on purchase of fuel/lubes at IndianOil designated petrol pumps. Apart from redeeming the accumulated points for fuel or gifts as per the brochure, the customers also enjoy various discounts at IndianOil's local and national alliance partners.

This program is fully online and is probably the second online loyalty program in the world after Nectar in the UK. XTRAREWARDS is thus the only loyalty program in India, which is fully online for non-fleet customers.

This program was first launched in Bangalore on 26th March 2007 and is presently available in Chennai, Mumbai, Mysore, Coimbatore, Ahmedabad, Pune (including Solapur, Kolhapur, Sangli, Satara, Ratnagiri, Goa), Secunderabad, Bhubaneswar, Kolkata and will shortly be taking off in some more cities. This program will be launched in a phased manner across the country.

The XR card is fully owned by IndianOil and has a simple magnetic stripe like any other debit/credit card. One of most salient feature of this card is that the card is activated on the very first swipe thus avoiding long waits of at least 2 to 3 weeks and at the same time the validation of the card is from the very first swipe. But along with that, Customer Application Forms (CAF) available in the kit sold to the customer needs to be filled in and submitted to the dealer. This information provided by the customer must be updated on the XR website. The card is valid for a period of 3 years after which the points on the card can be transferred to his new card.



Figure 3: XTRAREWARDS CARD

1.8.1 Partners of XR program

Indian Oil XTRAREWARDS loyalty program is supported by its partners: **HDFC and Tata** which are vendor of various services for the implementation of this program.

HDFC is the provider of EDC machines/POS Terminals where the XR cards are swiped. The models of HDFC machine currently used are MagIC M5100, MagIC3 W-series. As the prevailing HDFC machines are outdated, Indian Oil is planning to upgrade the HDFC machines for its loyalty program. The machines are loaded with the XR software. This software has customer and merchant modules. XR customers can earn/redeem points, check their XR account balance, and void previous transaction/redemption requests using the customer modules. Merchants can see detailed reports of XR card transactions, check customer's XR account balances, send indent of new XR cards using the merchant module. Each merchant is given a merchant id and password which is required to use the merchant module. Customers are also given a password which they need to input in the machine for functions like redemption and checking XR account balance. This machine is generally kept inside office under supervision to prevent misuse of the XR program. These Point of Sale Terminals (POSTs) can run XTRAREWARDS application apart from that of debit/credit cards. Maintenance of POST, training and loading of XR software and updation of new versions of XR software is done by HDFC Engineers. We found that software issues in these machines are very common.

Tata Indicom is the Internet Service Provider for the program. Tata Indicom's CDMA network is the communication partner in XR program. At most of the ROs, a dedicated Fixed Wireless Phone (FWP) is provided by Tata for XR program usage. In very few cases, both the XR and XTRAPOWER schemes use a single FWP for connectivity. The model of FWP used for XR is LSP-350T. FWPs can transmit only data calls and receive SMS while all incoming voice calls & outgoing SMS/voice calls are barred. Tata Indicom engineers are responsible for On-site maintenance/replacement of FWPs. Dealer has to pay for damaged/lost FWPs. These FWPs are also outdated models as we found during our study. It results in problems while replacing the parts of these phones.



Figure 4: Vendors and Service Providers for IndianOil's XR program

1.8.2 Earning Points in XR

The XTRAREWARDS participant would earn loyalty points on any of the fuels whether branded or otherwise and also on lubes. One point is earned on the purchase of worth Rs.75 for any of the products listed in below table.

Sr. No.	Product Name	Purchase Value	Points
1	Petrol	75	1
2	Petrol + Oil	75	1
3	XTRAPREMIUM	75	1
4	XTRAPREM + Oil	75	1
5	Diesel	75	1
6	XTRAMILE	75	1
7	Auto LPG	75	1
8	CNG	75	1
9	Loose Lubes	75	1
10	Packed Lubes	75	1

Table 1: Product Point Details

(Appendix 8: Charge slip obtained after swiping the XR card for earning the points)

1.8.3 Point Redemption

The points earned on the XTRAREWARDS card can be redeemed instantly for fuel/lubes at the petrol pumps itself or else can be redeemed for the gifts which are delivered at user's registered address after some time.

Below tables show the redemption schemes for both instant and normal redemption.

Sr. No.	Product Name	Quantity	Points
1	Rs.100 Worth of Petrol		334
2	Rs.100 Worth of Petrol + Lube Mix		334
3	Rs.100 Worth of Xtra Premium		334
4	Rs.100 Worth of Xtra Premium + Lube Mix		334
5	Rs.100 Worth of Diesel		334
6	Rs.100 Worth of Xtra Mile		334
7	Rs.100 Worth of CNG		334
8	500 ml Servo 2T Supreme		384
9	40 ml Servo 2T Supreme pouch	1	34
10	60 ml Servo 2T Supreme pouch	1	47
11	1 litre Servo Super Multigrade 20W-40		767
12	500 ml Servo Kool Plus		457
13	Rs.100 Worth of Petrol 2T Mix		334
14	Rs.100 Worth of Auto LPG		334

Table 2: Instant Redemption

(Appendix 9: Charge Slip obtained for instant redemption of XR points for free fuel)

S. No.	Item Name	Reward Points	Category
1	Tote Bag With Trolley	2810	Lifestyle
2	Jaipan Single Dosa Tawa	917	Kitchen
3	Tupper ware Executive Lunch	2496	Kitchen
4	Fun Skool Scrabble	1200	Children
5	Empress Set; Surat Diamond Jewellery; SP-75	2500	Lifestyle
6	Sodexo Gift voucher; Rs.900/-	3263	Lifestyle
7	Pearl+Ruby bracelet; Surat Diamond Jewellery; SB-27	1618	Lifestyle
8	Ecstasy Earrings; Surat Diamond Jewellery; SE-13	748	Lifestyle
9	Sodexo Gift voucher; Rs.500/-	1929	Lifestyle
10	Sodexo Gift voucher; Rs.300/-	1262	Lifestyle
11	Single Line Pearl Necklace; Surat Diamond Jewellery; SN-39	2000	Lifestyle
12	V 12 Max Remote Control Car	1299	Children
13	Fun Skool Scotland Yard	1333	Children
14	Sodexo Gift voucher; Rs.800/-	2929	Lifestyle
15	Children Digest Annual Subscription	784	Children
16	Sodexo Gift voucher; Rs.1500/-	5262	Lifestyle
17	Sodexo Gift voucher; Rs.600/-	2262	Lifestyle
18	Sodexo Gift voucher; Rs.700/-	2596	Lifestyle
19	Sodexo Gift voucher; Rs.400/-	1596	Lifestyle
20	Sodexo Gift voucher; Rs.100/-	596	Lifestyle
21	Sodexo Gift voucher; Rs.200/-	929	Lifestyle
22	Sodexo Gift voucher; Rs.2000/-	6929	Lifestyle
23	Sodexo Gift voucher; Rs.1000/-	3596	Lifestyle
24	Intex tentFor Indoor/outdoor Fun	2962	Children
25	Pearl/Ruby Earings; Surat Diamond Jewellery; SE-73	1333	Lifestyle

Table 3: Gift Redemption

1.8.4 XR Benefits

- It is a pure loyalty card
- A hassle-free, easily procured, ready-to-use card
- Unlike some other petrol loyalty cards in India, no need to preload cash onto the card
- Not related to payment mode
- Only program with an online platform
- Facilitates real-time communication to customer
- Instant fuel redemption possible (unlike BPC/HPC loyalty programs)
- It can be used by family members of XR card holder for fuelling at IndianOil outlets
- Wide range of accessibility benefits to customers -
 - Call Centre No.: 1800 22 8888
 - IVRS: 1800 22 4411
 - Website: www.xtrarewards.com
 - SMS short code messages to: 92 2305 2305

- Customers get attractive offers at XR's local and national alliance partners.
- Alliance partner benefits-
 - Run targeted promotions for alliance partners
 - RO-wise, district-wise, city-wise promotions are possible
 - Point of Sale promotions: Banners, Leaflets, Posters, Pump Tops, Hoardings, logo space, etc.
 - Offers advertised on national website of XTRAREWARDS
 - SMS, email promotions also possible for select partners

(Appendix 10: XR promotional banner)

1.8.5 Facts – XR in Pune DO

- Number of Districts covered – 5
- Total Retail Outlets – 401
- Retail Outlets with XR presence – 67
- District wise data –

District	No. Of ROs with XR presence
Ahmednagar	0
Osmanabad	1
Pune	44
Satara	10
Solapur	12
Total (Pune DO)	67
Goa DO	34
Total	101

Table 4: District wise distribution of ROs with XR presence

- Pune Market Structure – As can be seen from below table, the sale of petrol for 2-wheelers is much higher than national average. This indicates good potential for XTRAREWARD program targeting the 2-wheeler owners in Pune.

Distribution of petrol sales between 4 and 2 wheelers	4 wheelers	2 wheelers
Pune	40%	60%
National	50%	50%
Avg. no. of litres filled per visit	15	3
Avg. no. of fill ups per month	3	6

Table 5: Pune Market Structure

- Card Sale Statistics – About 14000 cards were sold in Pune and Goa DO combined in past year. But out of 14000 live cards, only 59.2% cards are active i.e. they have been used in past three months. Hence, this indicates a potential problem with the program that about 40% of live card holders are not actively using it. As we will see in more detail in Data Analysis section, the problem is mainly because of rampant machine issues in the city.

DO	No. of Live cards – used within past one year (Approx.)	No. of Active XR cards – used within last 3 months (Approx.)	Percentage of Active Cards
Pune + Goa	14000	8300	59.2%

Table 6: Card Sale Statistics

1.8.6 Comparison with Competitors' Loyalty Programs

Company	Indian Oil	Hindustan Petroleum	Bharat Petroleum
Loyalty Program Name	XTRAREWARDS	Payback	Petrocard
Cost	Rs.60	Nil	Rs.250
Requirements	<ol style="list-style-type: none"> 1. No documents required. 2. Customer Application Form needs to be submitted either online or in hard copy 	<ol style="list-style-type: none"> 1. No documents required. 2. Form needs to be submitted either online or in hard copy 	<ol style="list-style-type: none"> 1. Documents required - <ul style="list-style-type: none"> • Driving License • Pan Card • Voter ID card 2. Form needs to be submitted in hard copy
Availability	Available at all the participating ROs of IndianOil.	Available at all alliance partners of Payback e.g. HP ROs and Big Bazaar	Available at select BP ROs where the scheme is running
Point Ratio	Rs.75 = 1 point	Rs.73 (approx.) = 1 point Rs.1000 = 14 points	<ol style="list-style-type: none"> 1. Different point ratio for different products 2. For petrol/diesel – Rs.10 = 1 point
Point Redemption	The customers can redeem point for free fuel or for gifts as per the catalogue	<ol style="list-style-type: none"> 1. The customers cannot redeem point for purchase of free fuel. 2. They can use the points to avail discount while shopping at other partners of Payback. 	The Value of 1 Point is 15 Paise and the company has provided its customers a yearly scheme where the value of total points accumulated by the customer in a year is credited to the Petrocard of that user or can be redeemed for various products at In & Out Stores

Activation	Instant Activation	Instant Activation	<ol style="list-style-type: none"> 1. Activation is not instant. 2. Has to be loaded with money before using
Advantage	<ol style="list-style-type: none"> 1. Wholly owned by the company 2. No need to load the card with money 	<ol style="list-style-type: none"> 1. More customer base as the program has partnership with major consumer brands 	<ol style="list-style-type: none"> 1. Beneficial for fleet drivers as they don't need to carry cash

Table 7: Comparison with Competitor's Loyalty Cards



IndianOil's XR card



BP's Petrocard



HP's Payback card

Figure 5: IndianOil's XR card and competitor's cards

Chapter 2. Literature Review

We studied a few documents and existing researches about loyalty programs to enhance our understanding about the concept.

1. A unified loyalty programme doesn't work in India (Jayaraj, 2013)

This article in Business Standard is an interview of Mr. Bijaei Jayaraj, MD- Loyalty Rewardz. He advocates Customer Relation management for developing customer loyalty. This interview helps us understand that loyalty card is not a tool for generating loyalty only, but it's an effective way of knowing your customer, which can help a company provide better and customized services to its customers, thus increasing customer loyalty further. This interview is very relevant to XR as the program is struggling with technical issues, and Mr. Bijaei says that scaling up technology is very important for running a successful loyalty program. One of the objectives of XR program is to know IndianOil's customers and systems are in place to track each individual's activities but unfortunately they are not used effectively to provide customized services to them.

2. How to build a fool-proof customer loyalty program in India (IndiaOnline, 2013)

The article helps us understand three important features of a successful loyalty program. First is market share. Awareness about our market share helps in successfully targeting its customers. IndianOil is the leader in market share for petroleum products; hence it is better suited as against its competitors to run a successful loyalty program. Secondly, we have to deliver benefits better than competitors so that customers are attracted towards our product rather than competitor's. In this aspect, HP has a major advantage over IndianOil in delivering benefits to the customers because it's Payback card can be used at many popular consumer brands which increases its perceived value. Thirdly, the company can bundle its services with other business entities in such a way that it is difficult for the customer to shift or to avail services of the competitors. We found that the XR program lacks efficient alliance partnerships and there are no barriers to stop customers from crossing over to competitor's products.

3. Customer loyalty programmes - a constant challenge (Balakrishnan & Mahanta, 2003)

Most of the companies believe that implementing a software package is enough for running a loyalty program, but this is not enough. Mr. Balakrishnan says that there has to be a properly designed loyalty program which caters to all the needs of customers and this is the biggest challenge of any loyalty program. Though XR program is designed well but it is not implemented as well.

4. DMAI 2012: Similarity of loyalty programmes can hamper customer retention (Menon, 2012)

There is a need to bring in innovations into direct marketing techniques to drive customer loyalty. Today majority of the customer loyalty programs offer customers points if they do business worth a set amount. Mr. Menon is trying to say that customers have seen too much of such schemes and they are looking for innovation. XR program also uses similar concept. So, is the program lacking innovation? We don't think so as its most innovative feature is that it rewards cash customers as well. Though there is no denying the importance of innovation, but in our opinion Indian loyalty market is not yet so developed that the concept of points should be considered outdated. In another decade when loyalty schemes have penetrated deeply in the Indian market, then may be the concept of points will be outdated and innovation will be required.

Chapter 3. Objectives & Hypothesis

3.1 Objective

The main objective of the project is to understand the major marketing challenges for the XTRAREWARD program in Pune, with a special focus on consumer's and IOCL partners' perspectives.

The objectives of our project can be enumerated as follows –

- 1. To identify the major challenges in promoting XTRAREWARDS program in Pune division**
- 2. To identify customer preferences for loyalty cards and redemption gifts**
- 3. To identify major customer attitudes which make this program unattractive to them**
- 4. To study and analyze the attitudes of the retail outlet owners with respect to this program**
- 5. To understand the alliance partner channel of the program**
- 6. To understand the alliance partners' attitudes towards such loyalty programs and XTRAREWARDS program in particular**
- 7. To understand any internal challenges within IOCL**

3.2 Scope

The scope of the project includes –

- 1. Conducting relevant surveys and interviews.**
- 2. To make new customers and alliance partners and to understand the issues involved in the process.**
- 3. Data collection and analysis.**
- 4. Suggestions and recommendations.**
- 5. Presentation of findings.**
- 6. Interacting with mentor for knowing and understanding all aspects of XR program.**

The scope of this project does not include improving the current scenario of XTRAREWARDS program within the duration of this project, only to study the existing scenario and to provide suggestions and solutions for existing issues which are expected to prove beneficial for the program.

3.3 Development of Hypothesis

Understanding of the complete XTRAREWARDS card process:

1. XTRAREWARDS card is promoted to non-fleet customers by IOCL by use of hoardings and banners at participating IOCL Retail Outlets and through its website.
2. The card is sold to participating IOCL Retail Outlet Dealers at a cost of Rs.35.
3. The scheme is available only at participating Retail Outlets in the city.
4. The customers can purchase the card from participating IOCL Retail Outlets at a cost of Rs.60. The Rs.25 profit of dealers is used by them in promoting the card sales in various ways and planning RO specific sales promotion campaigns.
5. Various dealers enable sale of cards through various methods like
 - Operators tell the customers about the card and its benefits.
 - Setting up separate stall for sale of cards.
 - Separate person hired to market the card.
 - Selling by word of mouth.
6. Customers who purchase the card become loyal to the petrol pump, thus increasing the footfalls in the RO and hence the sale.
7. For any issues in the system, dealers need to contact HDFC customer care or Tata Indicom customer care. IndianOil mediates the resolution process.
8. For any issues with the card, customers need to call up customer care or log in a complaint at the website.
9. Customer can redeem points instantly for fuel/ lubes purchase, the value of which is reimbursed to the RO dealers by IOCL.
10. Customers also get certain discount at alliance partners but currently there are no alliance partners for this program in Pune.
11. Alliance partners gain by this partnership as they get free publicity and advertisement of their products in form of banners and hoardings at IOCL ROs and also through XR website.
12. The usage of XR cards is tracked by IOCL and any objectionable usage is verified by XR Manager by talking to the customer directly. If the card usage is found non-genuine, then the card is blocked.
13. Dealers as well as company comes up with sales promotion campaigns for XR program from time to time to attract new customers and reward loyal customers at the same time. For instance, XR card holders get 100 points in their card on their birthday.

Given our understanding that XTRAREWARDS card comes with so many benefits, it seems obvious that this card should be lucrative for all concerned – dealers, non-fleet customers and alliance partners, and the company itself.

Hence, broadly our hypotheses are –

1. Existing customers of XR card are satisfied with the scheme
2. New customers find the scheme attractive
3. Dealers are satisfied with the scheme
4. New alliance partners find the partnership beneficial.

To prove above hypotheses, measures of central tendency, correlation analysis and hypothesis testing techniques have been used. The major hypotheses are broken down to minor hypotheses to analyze responses of certain questions in the questionnaire. If any deviation from these hypotheses is observed, we tried to identify reasons for that through qualitative analysis. In addition to studying the above hypotheses, we will put forward various findings from our surveys in form of charts and graphs.

Chapter 4. Research Methodology

In this chapter, the research design and strategy will be outlined.

4.1 Research Design

The chosen research design for answering the research question consists of the application of both quantitative and qualitative methods, and hence the study is based on a mixed method strategy. The quantitative method will predominate to meet the explanatory research objective and to answer the research question. The qualitative follow up-process serves to get a better understanding of the attitudes and insights of people concerned with XR program. In addition, the qualitative data builds on the quantitative results to broaden the explanations for these results and thereby help support and explain the quantitative results.

Hence, a *sequential explanatory* design is applied. A sequential explanatory design can be especially useful when unexpected results arise from a quantitative study. In this case, the qualitative data collection that follows can be used to examine the surprising results in more detail. This design is useful for this study, because the data collected through surveys is backed by qualitative analysis and any variations from the expected result are accounted for.

4.1.1 Quantitative Method

The study applies questionnaire survey method to collect quantitative data as it meets the research objectives of testing the established hypotheses. Data from surveys gives a numeric description of the opinions of customers, dealers and alliance partners, which enables statistical analysis.

4.1.2 Qualitative Method

Although the survey is the leading research strategy, the qualitative aspect of the study should not be neglected, as this combined approach serves to provide a more varied knowledge and understanding of issues and challenges in the XTRAREWARD program. Also, the use of qualitative semi-structured interviews as data collection method offers a deeper understanding of customers', dealers' and alliance partners' attitudes towards the XR program. Therefore, informal interviews are part of the research design.

4.2 Data Collection Process

4.2.1 Design of sampling plan

Sampling plans used for various populations in our study are –

1. **Population of existing customers** – To study the satisfaction levels of existing customers with the XTRAREWARDS card, we have used convenience sampling. We visited various participating retail outlets, talked to incoming customers and any customer having XTRAREWARDS card was asked to take up the survey. A sample size of 150 was decided to achieve results that can be analyzed statistically.
2. **Population of prospective customers** - To study the attractiveness of the XTRAREWARDS card with prospective customers, we have used convenience sampling. We visited various participating retail outlets, talked to incoming customers and explained the features of the card to prospective customers. In the process we were able to sell the card to some and for those who did not purchase the card, the reason for not buying were noted. A sample size of 300 was decided to achieve results that can be analyzed statistically.
3. **Population of dealers** – Out of 67 Retail Outlets under Pune DO where the XR scheme is operational, we visited 20 ROs as per location convenience and semi-formal interviews of dealers, managers and operators were taken along with surveys.
4. **Population of existing alliance partners** – Pune has no existing alliance partners.
5. **Population of prospective alliance partners** – We talked to 64 prospective alliance partners around various participating outlets in the city.

4.2.2 Design of questionnaire

The survey for existing customers was prepared by all the teams in the 13 cities sent for this project and the final version was approved by our guide Mr. Suresh Malodia and Mr. Samson Chacko, DGM- Retail Sales, IOCL. All the teams were supposed to use the same survey to ensure consistency at all locations. (Appendix 1: Existing Customer Questionnaire (English))

The questionnaire uses simple yes/no type questions, ranking and rating questions for assessing customer's preference and Likert rating question to identify level of satisfaction among the existing card users. During our study, we found that many people were not comfortable with a survey in English language, hence we got it translated it to the local language, Marathi, which considerably improved our response rate. (Appendix 2: Existing Customer Questionnaire (Marathi))

We designed a simple questionnaire for dealers for use within our team and to understand dealer's attitudes. This questionnaire uses simple sentences of varying degree of agreeableness to capture dealer's opinions.

4.2.3 Execution of survey

The survey and studies were executed in following manner –

- 1. Taking surveys and informal interviews of existing customers by visiting participating ROs over the period of project.**
- 2. Taking interviews of prospective customers by actually selling the cards at participating ROs. Special notes were taken for why a prospective customer does not buy the card.**
- 3. Informal interviews and surveys of dealers by visiting participating ROs and noting down the observations.**
- 4. Meeting any alliance partners that might have existed in the past.**
- 5. Taking informal interviews of prospective alliance partners and making new alliance partners.**
- 6. Working with mentor on daily issues and activities related to XTRAREWARDS program and note down the observations.**

Chapter 5. Data Analysis

5.1 Existing Customer Perspective

Total of 150 existing customers of XTRAREWARD card were surveyed and following were our findings (Appendix 1: Existing Customer Questionnaire (English))–

5.1.1 Percentage of regular customers at IndianOil

91% of card-holders come regularly at IndianOil and 75% come always (Question 1)

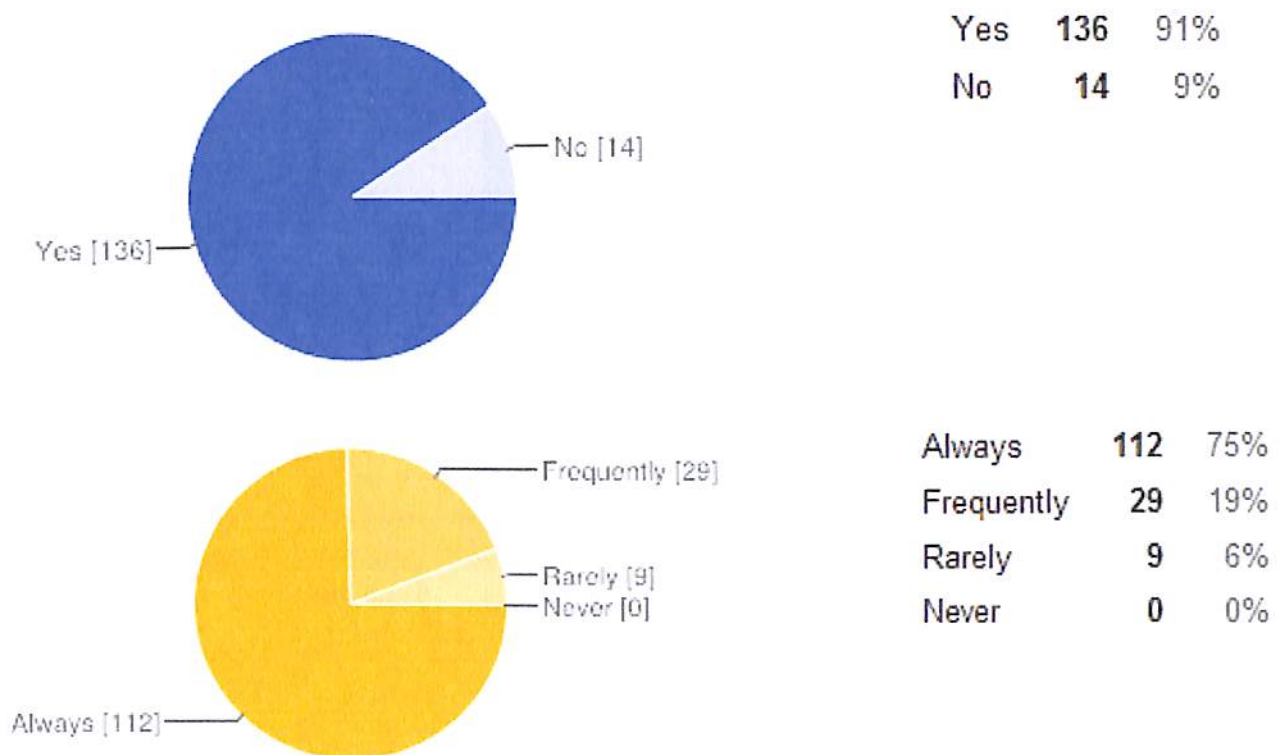


Figure 6: Frequency of regular customers at IndianOil

5.1.2 Percentage of respondents who use only XR card

82% of respondents use only XR card (Question 4). Other cards refer to any other loyalty cards like that of Reliance Megamart, Big Bazaar, More Stores, Westside, etc.

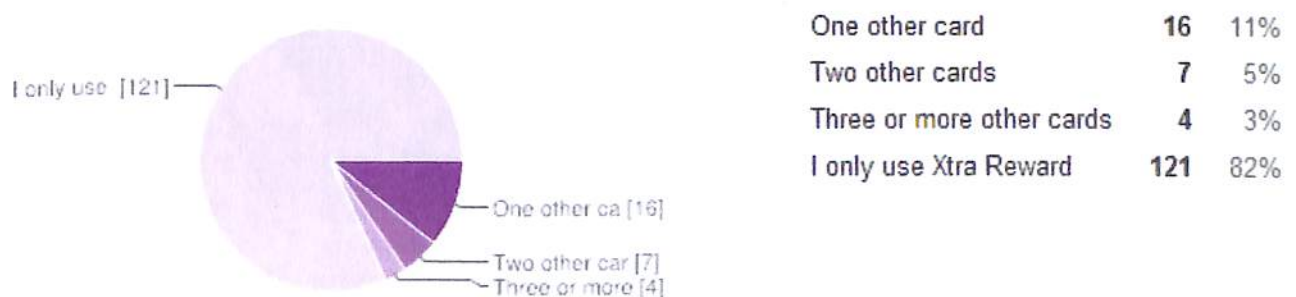


Figure 7: Percentage of users using only XR card

5.1.3 Importance of Various Factors while Shopping for Customers (Question 3)

Most important factor rated was 'Value for money'. The factors 'Discount coupons/vouchers and special promotions' and 'Loyalty Card Schemes' were both ranked at 5th level of importance out of 8 factors. (Appendix 5: Calculation of scores for ranking various factors in deciding retail outlet to shop)

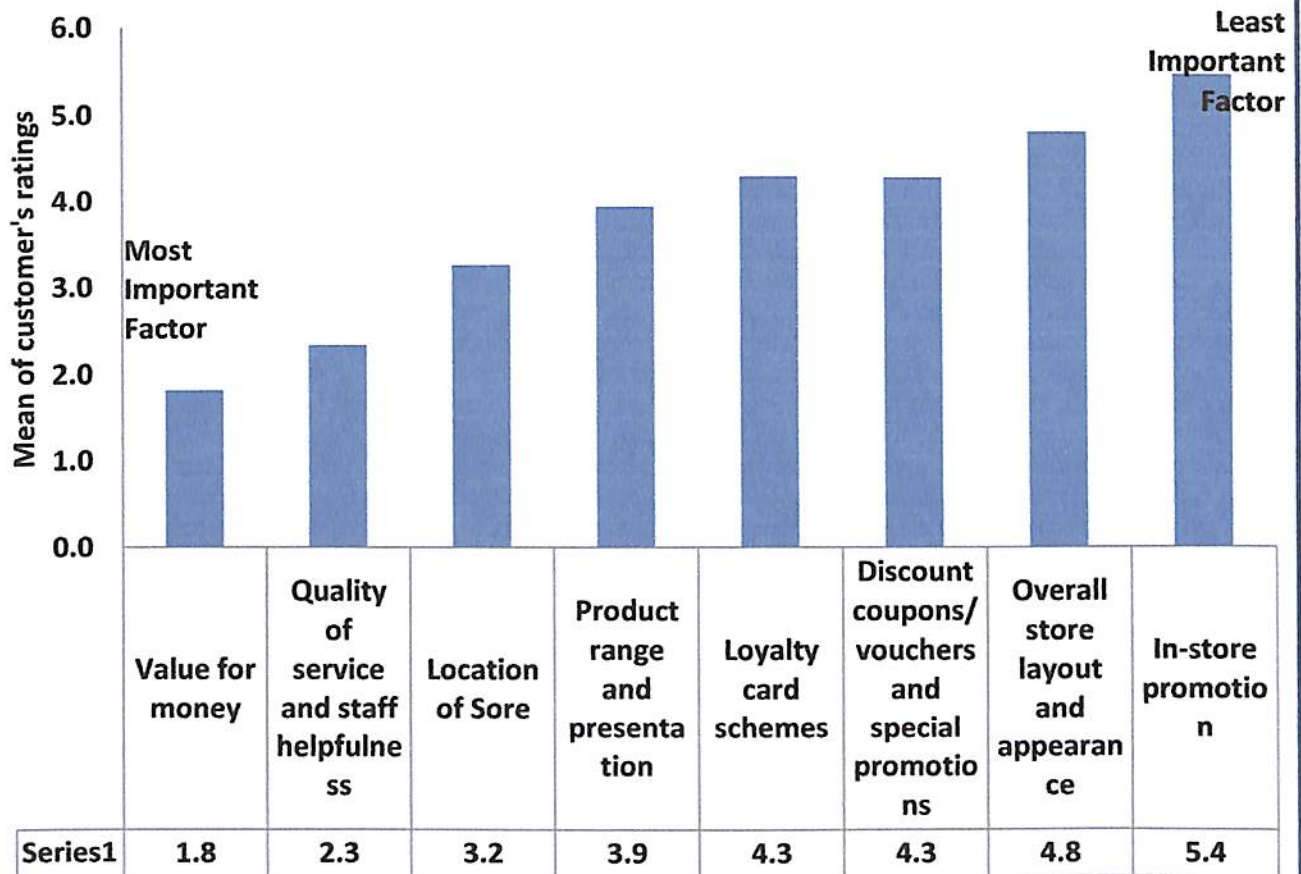


Figure 8: Importance of Various Factors while Shopping for Customers

5.1.4 Awareness in respondents about point ratio in XR program

68% respondents were aware about number of points awarded for purchase of fuel/lubes while 12% checked only final points (Question 5)

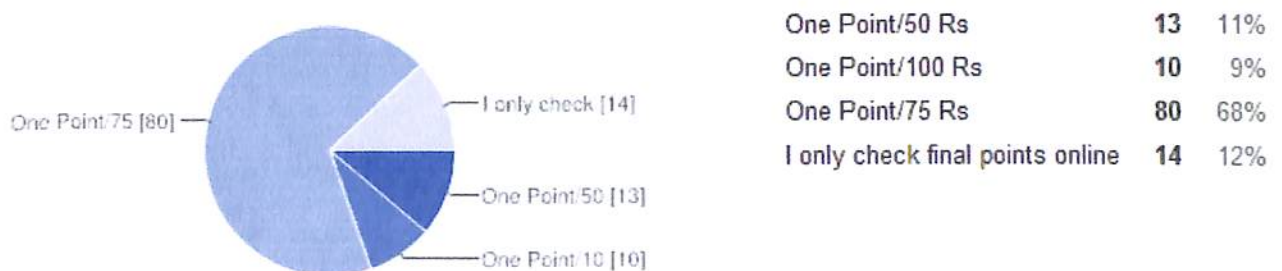


Figure 9: Awareness in customers about point ratio

5.1.5 Percentage of respondents who have redeemed XR points in past year

58% of respondents have not redeemed their XR points for any rewards in past 12 months (Question 7)



Figure 10: Point Redemption Status

5.1.6 Preference for exchange of XR points

80% of respondents prefer free fuel in exchange for XR points (Question 8)

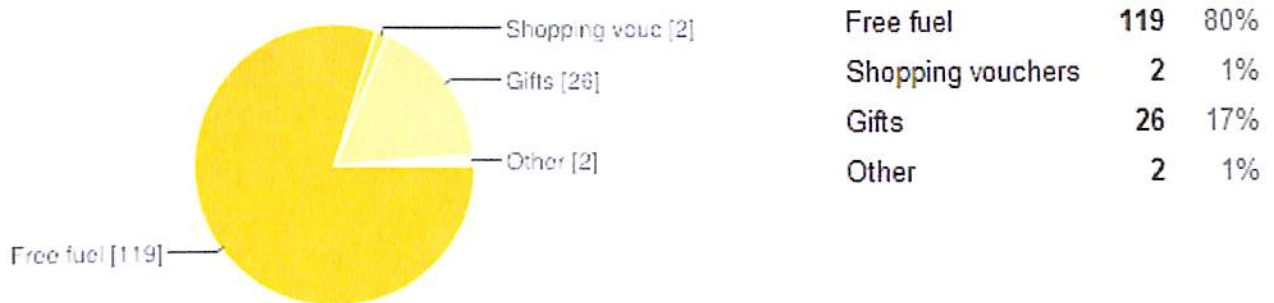


Figure 11: Preference for exchange of points

Other – All three equally preferable

5.1.7 Percentage of respondents satisfied with XR program

82% of respondents agree that they are satisfied with the XR program (Question 9)

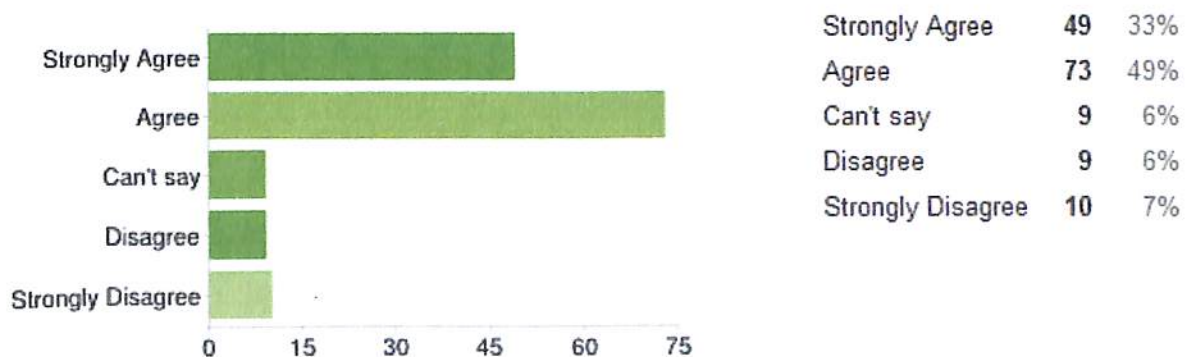


Figure 12: Percentage of respondents satisfied with XR program

5.1.8 Percentage of respondents who would recommend XR to their friends

81% of respondents would recommend XR card to their friends (Question 9)

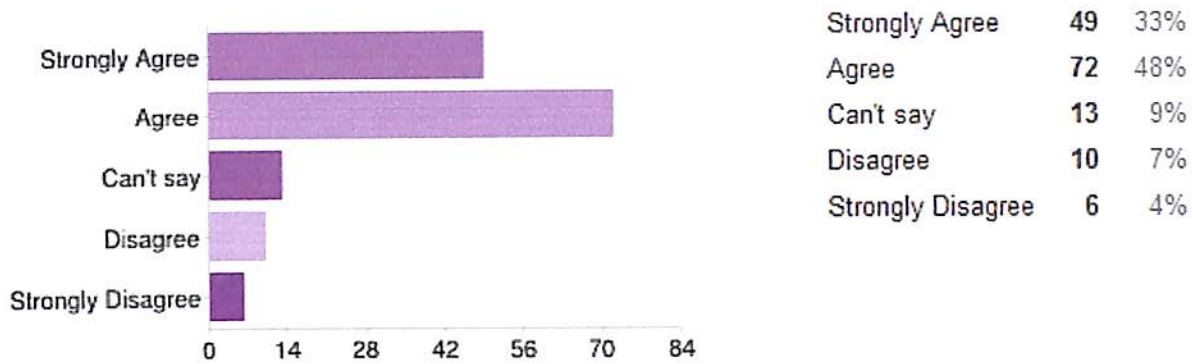


Figure 13: Percentage of respondents who would recommend XR card to their friends

5.1.9 Percentage of respondents who find IOCL innovative

88% of respondents agree that IOCL is innovative (Question 9)

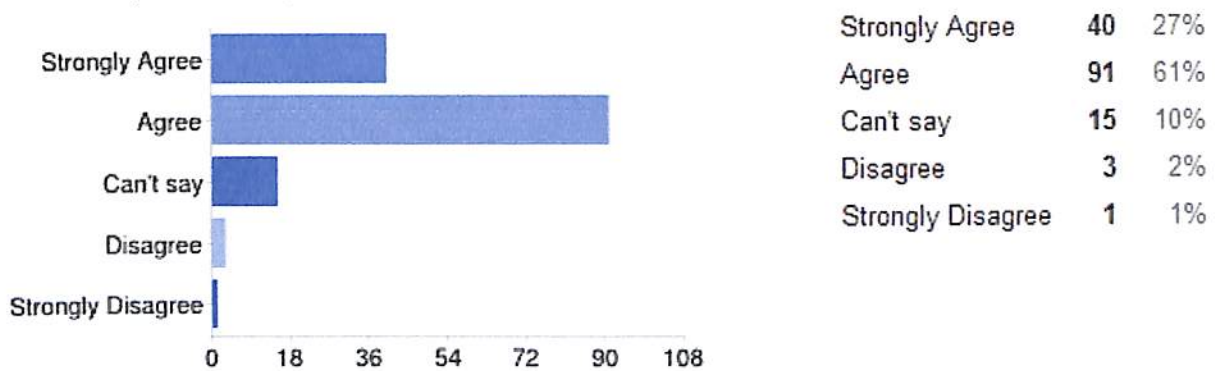


Figure 14: Percentage of respondents who think IOCL is innovative

5.1.10 Is XR the reason of loyalty of respondents towards IOCL?

72% of respondents do NOT agree that XR is the reason of their loyalty with IOCL (Question 9)

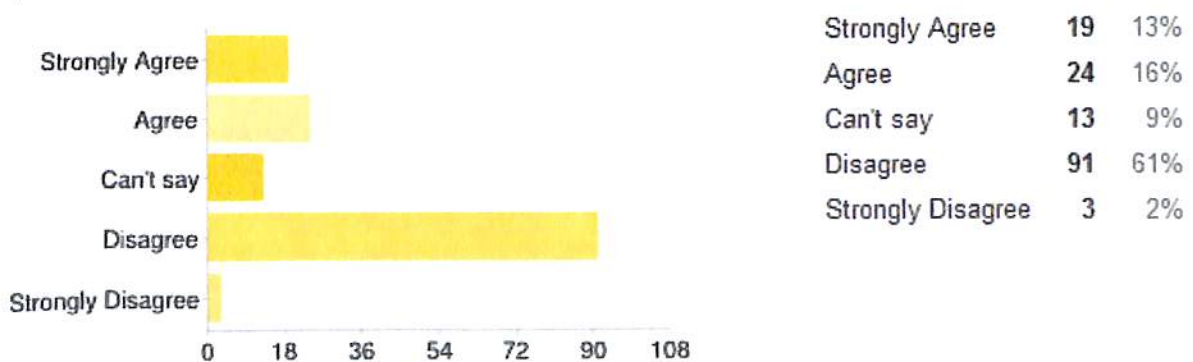


Figure 15: Is XR reason of respondents' loyalty

5.1.11 Respondents' view regarding convenience to redeem gift schemes of XR

55% of respondents agree that it is convenient to redeem the gift schemes of XR (Question 9)

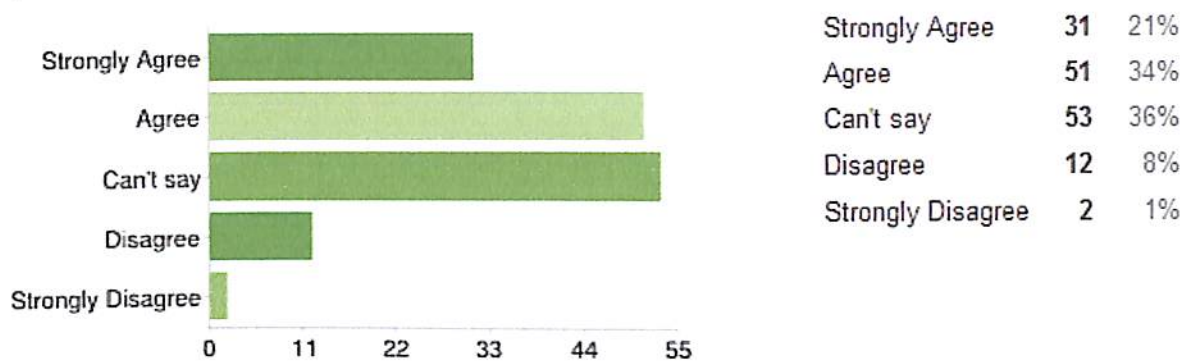


Figure 16: Is it convenient to redeem gift schemes of XR

5.1.12 Do retail partners accept the card and offer discounts gracefully?

76% of respondents do NOT agree that retail partners accept the card and offer discounts gracefully (Question 9). 70% of respondents are unaware about retail partners.

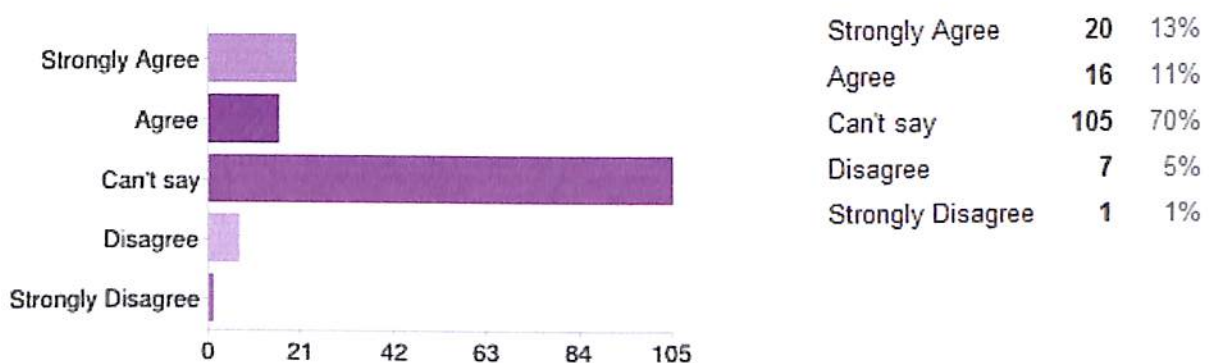


Figure 17: Getting discounts at retail partners

5.1.13 Awareness about participating ROs in respondents

51% of respondents are NOT aware about the participating ROs where the scheme is operational (Question 9)

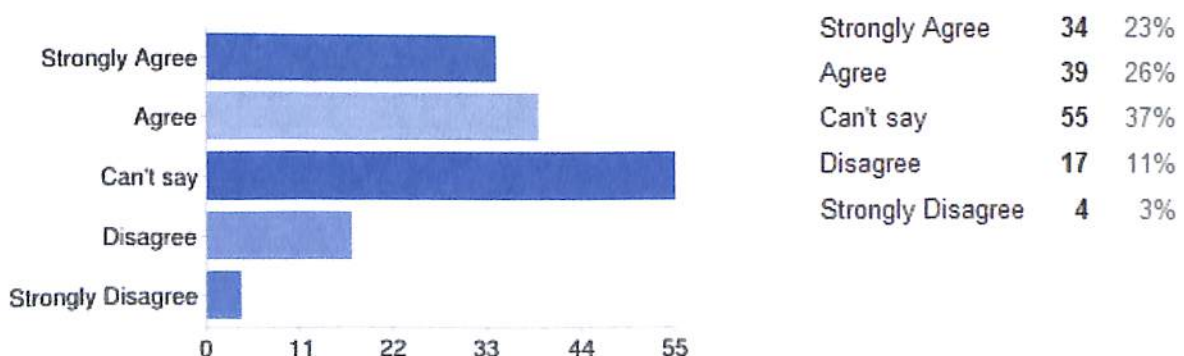


Figure 18: Awareness about participating ROs

5.1.14 Do respondents find XR operators to be knowledgeable and helpful about XR program?

86% of respondents agree that operators at IndianOil petrol pumps are knowledgeable and helpful regarding XR scheme (Question 9)

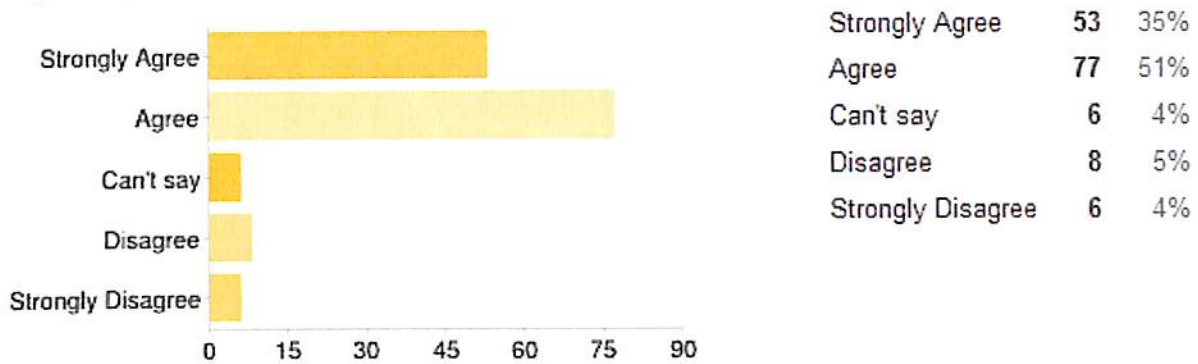


Figure 19: Operator knowledge and helpfulness

5.1.15 Biggest Issues with the XR scheme according to respondents

Biggest Issues with the scheme are 'Machine Not Working' and 'Benefit received from the card is very less' (Question 10)

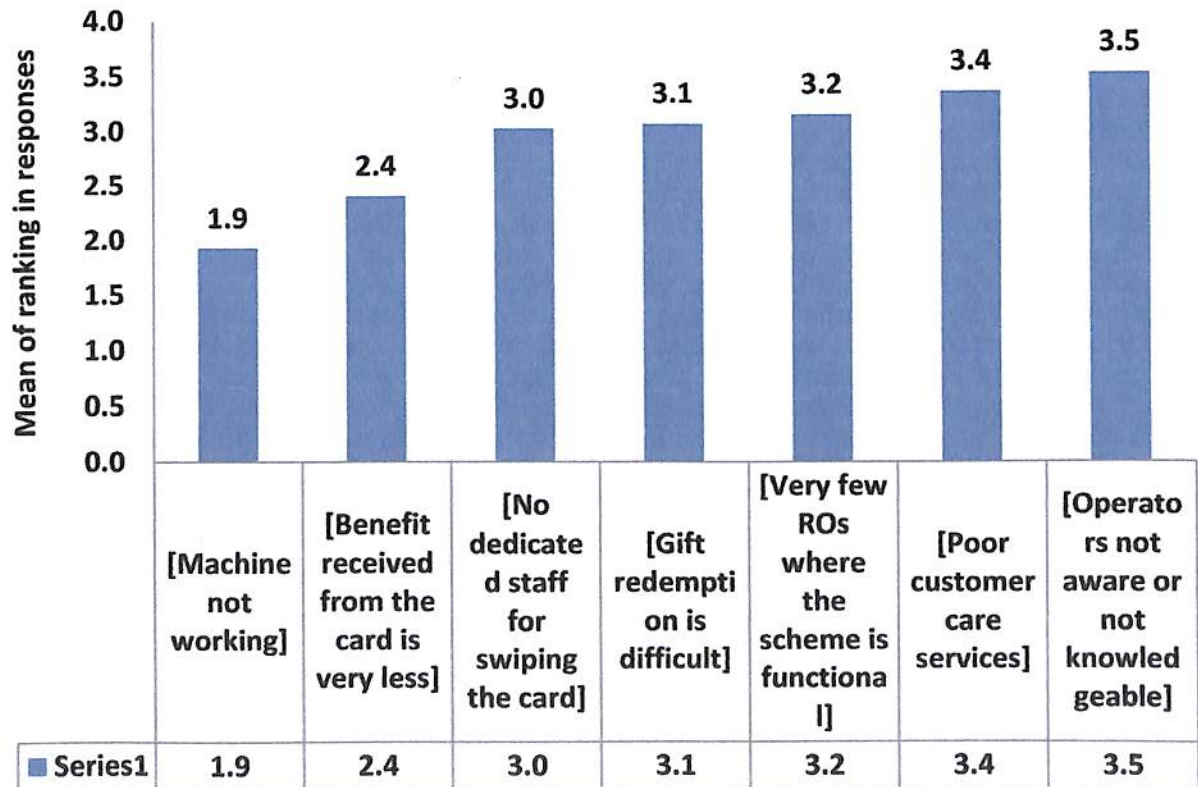


Figure 20: Biggest Issues with XR program as per customers

5.1.16 Correlation between Satisfaction from XR and Frequency of Visiting IOCL RO

We calculated *Spearman's coefficient* between ranking of frequency of visiting IOCL ROs and ranking of satisfaction with XR card and its value was **0.453605938** which indicates a *positive correlation* between the two variables. It indicates that *as the satisfaction with XR reward card increases, frequency of choosing IOCL outlet over competitor's outlet also increases.*

5.1.17 Hypothesis Testing using Z-Test

Population Set – All XTRAREWARDS card holders in Pune DO

Sample Set – 150 XR card holders selected based on convenient sampling, ∴ n = 150

Question Used – Please tick the appropriate box which accurately reflects your level of agreement or disagreement (Question 9)

Scoring Used –

Strongly Agree	= 5
Agree	= 4
Can't Say	= 3
Disagree	= 2
Strongly Disagree	= 1

Procedure – The procedure followed for z-test is as follows -

1. Take hypothetic population mean of 3.5
2. Take null hypothesis that the sample mean is less than hypothesized mean of 3.5.
3. So, $H_0: \mu < 3.5$
4. $H_a: \mu \geq 3.5$
5. Tabulate values and calculate $X_i - \mu$ for all items.
6. Tabulate $(X_i - \mu)^2$ for each item.
7. Find $\Sigma(X_i - \mu)^2$
8. Calculate standard deviation.
9. Calculate Z value for the data entries using Standard deviation.
10. Compare calculated Z value with Z table value for 5% for Single tailed test.
11. Reject Null hypothesis if Z value lies in the rejection region else do not reject null hypothesis.

5.1.17.1. Statement – I am satisfied with the XTRAREWARDS program

$$H_0: \mu < 3.5$$

$$H_a: \mu \geq 3.5$$

Mean score for sample set (\bar{X}) = 3.94666667

$$\sigma_s = 1.109971078$$

$$z = \frac{\bar{X} - 3.5}{\sigma_s / \sqrt{n}} = 4.928531203$$

$$z^* = 1.645$$

Result: Reject null hypothesis

Conclusion: We conclude that people agree that they are satisfied with the XTRAREWARDS program. We reject Null Hypothesis in favor of alternative hypothesis as follows $\mu \geq 3.5$. People's satisfaction level with XR program is significant at 5% level of significance.

5.1.17.2. Statement – I would recommend XTRAREWARDS cards to my friends

$$H_0: \mu < 3.5$$

$$H_a: \mu \geq 3.5$$

Mean score for sample set (\bar{X}) = 3.986666667

$$\sigma_s = 1.023132882$$

$$z = \frac{\bar{X} - 3.5}{\sigma_s / \sqrt{n}} = 5.825660717$$

$$z^* = 1.645$$

Result: Reject null hypothesis

Conclusion: We conclude that people agree that they would recommend XTRAREWARDS card to their friends. We reject Null Hypothesis in favor of alternative hypothesis as follows $\mu \geq 3.5$. People's willingness to recommend XR card to their friends is significant at 5% level of significance.

5.1.17.3. Statement – I think IOCL is very innovative

$$H_0: \mu < 3.5$$

$$H_a: \mu \geq 3.5$$

Mean score for sample set (\bar{X}) = 4.106666667

$$\sigma_s = 0.706125326$$

$$z = \frac{\bar{X} - 3.5}{\sigma_s / \sqrt{n}} = 10.52237983$$

$$z^* = 1.645$$

Result: Reject null hypothesis

Conclusion: We conclude that people agree that IOCL is very innovative. We reject Null Hypothesis in favor of alternative hypothesis as follows $\mu \geq 3.5$. People's acceptance of the fact that IOCL is very innovative is significant at 5% level of significance.

5.1.17.4. Statement – I feel XTRAREWARDS is the reason of my loyalty with IOCL

$$H_0: \mu < 3.5$$

$$H_a: \mu \geq 3.5$$

Mean score for sample set (\bar{X}) = 2.76666667

$$\sigma_s = 1.143506128$$

$$z = \frac{\bar{X} - 3.5}{\sigma_s / \sqrt{n}} = -7.854319424$$

$$z^* = 1.645$$

Result: Do not reject null hypothesis

Conclusion: We conclude that people do not agree that XR is the reason of their loyalty with IndianOil. We do not reject Null Hypothesis in favor of alternative hypothesis and thus follows that $\mu < 3.5$. People's acceptance of the fact that XR is the reason of their loyalty with IndianOil is not significant at 5% level of significance.

5.1.17.5. Statement – It is convenient to redeem the gifts schemes of XTRAREWARDS

$$H_0: \mu < 3.5$$

$$H_a: \mu \geq 3.5$$

Mean score for sample set (\bar{X}) = 3.64666667

$$\sigma_s = 0.942199815$$

$$z = \frac{\bar{X} - 3.5}{\sigma_s / \sqrt{n}} = 1.906487826$$

$$z^* = 1.645$$

Result: Reject null hypothesis

Conclusion: We conclude that people find it convenient to redeem gift schemes of XR program. We reject Null Hypothesis in favor of alternative hypothesis as follows $\mu \geq 3.5$. People's convenience to redeem gifts schemes for XR program is significant at 5% level of significance.

5.1.17.6. Statement – Retail Partners accept the card and offers discounts gracefully.

$$H_0: \mu < 3.5$$

$$H_a: \mu \geq 3.5$$

Mean score for sample set (\bar{X}) = 3.313333333

$$\sigma_s = 0.78694607$$

$$z = \frac{\bar{X} - 3.5}{\sigma_s / \sqrt{n}} = -2.905142443$$

$$z^* = 1.645$$

Result: Do not reject null hypothesis

Conclusion: We conclude that retail partners do not accept the card and offer discounts gracefully. We do not reject Null Hypothesis in favor of alternative hypothesis and thus

follows that $\mu < 3.5$. People's satisfaction with respect to discounts at retail partners is not significant at 5% level of significance.

5.1.17.7. Statement – I am aware of the retail outlets which offer discounts on XTRAREWARD card and use the card to get discounts frequently.

$$H_0: \mu < 3.5$$

$$H_a: \mu \geq 3.5$$

$$\text{Mean score for sample set } (\bar{X}) = 3.546666667$$

$$\sigma_s = 1.046481267$$

$$z = \frac{\bar{X} - 3.5}{\sigma_s / \sqrt{n}} = 0.546161336$$

$$z^* = 1.645$$

Result: Do not reject null hypothesis

Conclusion: We conclude that people are unaware about which ROs have the XR scheme available. We do not reject Null Hypothesis in favor of alternative hypothesis and thus follows that $\mu < 3.5$. People's awareness about participating ROs is not significant at 5% level of significance.

5.1.17.8. Statement – Operators at Petrol Pump are knowledgeable and are helpful about XTRAREWARD card and related schemes.

$$H_0: \mu < 3.5$$

$$H_a: \mu \geq 3.5$$

$$\text{Mean score for sample set } (\bar{X}) = 4.206666667$$

$$\sigma_s = 0.753485562$$

$$z = \frac{\bar{X} - 3.5}{\sigma_s / \sqrt{n}} = 11.4864361$$

$$z^* = 1.645$$

Result: Reject null hypothesis

Conclusion: We conclude that people find operators at IOCL ROs to be knowledgeable and helpful regarding XR program. We reject Null Hypothesis in favor of alternative hypothesis as follows $\mu \geq 3.5$. People's satisfaction with IOCL RO operators with respect to XR program is significant at 5% level of significance.

5.1.18 Hypothesis Testing using Chi – Square Test

Population Set – All XTRAREWARDS card holders in Pune DO

Sample Set – 150 XR card holders selected based on convenient sampling, $\therefore n = 150$

Question Used – Rank the following issues with the card in descending order of their importance for you (Question 10)

Scoring Used – Most Important Issue = 1
Least Important Issue = 7

Procedure – The procedure followed for chi-square test is as follows –

1. This test is performed to verify if the results obtained are significant or they are just outcome of chance.
2. Group the response in 2 groups i.e. Score < 2 and score > 3 so that none of the group has less than 10 responses.
3. Calculate observed frequencies for each of the factor by adding frequency of score of 1 and 2 for group score < 2 and adding frequency of score of 3 to 7 for group score > 3
4. Calculate expected frequencies by using formula –
(Row total for the row of that cell * Column total for the column of that cell)/
(Grand total)
5. Obtain the difference between observed and expected frequencies and find out the squares of such differences i.e., calculate $(O_{ij}-E_{ij})^2$
6. Divide the quantity $(O_{ij}-E_{ij})^2$ obtained as stated above by the corresponding expected frequency to get $(O_{ij}-E_{ij})^2/E_{ij}$ and this should be done for all the cell frequencies or the group frequencies.
7. Find the summation of $(O_{ij}-E_{ij})^2/E_{ij}$ values and the result thus obtained is our chi-square value.
8. Calculate degrees of freedom = (rows-1)*(columns-1)
9. For the calculated degree of freedom, check chi-square table for 5% significance.
10. If the value obtained from calculation is greater than value from table, then reject null hypothesis in favor of alternate hypothesis.

Null Hypothesis – The results obtained for ranking the issues are not significant at 5% level of significance.

Alternate Hypothesis– The results obtained for ranking the issues are significant at 5% level of significance.

Observed Frequencies	Machine not working	Operators not aware or not knowledgeable	Very few ROs where the scheme is functional	No dedicated staff for swiping the card	Poor customer care services	Gift redemption is difficult	Benefit received from the card is very less	Total
Score < 2	45	12	11	16	14	22	40	160
Score > 3	12	18	14	16	21	17	19	117
Total	57	30	25	32	35	39	59	277

Expected Frequencies	[Machine not working]	[Operators not aware or not knowledgeable]	[Very few ROs where the scheme is functional]	[No dedicated staff for swiping the card]	[Poor customer care services]	[Gift redemption is difficult]	[Benefit received from the card is very less]
Score < 2	32.92	17.32	14.44	18.48	20.21	22.52	34.07
Score > 3	24.07	12.67	10.55	13.51	14.78	16.47	24.92

(Oij - Eij) ² /Eij	[Machine not working]	[Operators not aware or not knowledgeable]	[Very few ROs where the scheme is functional]	[No dedicated staff for swiping the card]	[Poor customer care services]	[Gift redemption is difficult]	[Benefit received from the card is very less]	
Score < 2	4.42	1.63	0.81	0.33	1.91	0.01	1.02	10.17
Score > 3	6.05	2.24	1.12	0.45	2.61	0.01	1.40	13.91
								24.08

Figure 21: Calculation of Chi- Square value

Degrees of freedom = $2-1 \times 7-1 = 6$

Calculated chi-square value = 24.0862

Chi-square value from table for dF = 6 and significance level of 5% = 12.592

Result – Reject null Hypothesis

Conclusion – As the calculated value of chi-square is much greater than table value for dF = 6 and 5% level of significance, we reject null hypothesis in favor of alternate hypothesis. It implies that the result obtained have statistical significance and are not because of chance.

5.1.19 Analysis of Result

- 1. 88% people agree that IOCL is innovative. This is because the corporation brings in customer friendly campaigns. Some of the campaigns that have been done in Pune are –**
 - Diwali Dhamaka
 - Earn free points
 - Free PUC check
 - College campaigns
- 2. Most of the respondents do not agree that XTRAREWARDS is the reason of their loyalty with IndianOil. Upon talking to customers, it was found that most of the people preferred IndianOil because of its product quality and location preference. Many customers were already loyal to IndianOil even before the XR program was launched. Their satisfaction with IndianOil improved when they became part of XR program and benefitted from it. This fact is backed by response to Question 3 where 'Loyalty Card Schemes' was ranked as the fifth important factor in determining a retail outlet for shopping needs by the respondents.**
- 3. Most of the respondents do not agree that retail partners accept the card and offer discounts gracefully. The fact that 70% of the people marked 'Can't say' option for this statement is because there are no existing alliance partners in Pune. Hence, people are unaware of any discount schemes on any alliance partners. The few positive responses were received in the city of 'Satara' where there were a few alliance partners in the past and people have responded keeping that experience in mind.**
- 4. Most of the respondents are not aware of the retail outlets which offer discounts on XTRAREWARDS card. This is because this information is available only on XR website and most of the users do not access the website. In fact, many people have put comments that they believe the program is operational at all the IndianOil ROs but when they find that scheme is not operational at certain ROs, they feel cheated.**
- 5. Machine issues are rampant in Pune. This is clear from card-holders' survey as they ranked it the most important issue out of 7 issues that bothered them. We visited various petrol pumps and found dealers were facing a lot of machine issues. The problem is aggravated because resolution of machine issues takes a lot of time, sometimes as much as 1-2 months as the issues are handled by HDFC or Tata both of which are slow to respond to issues. It will be worth mentioning here that dealers' attitude in getting the issues resolved proactively is missing at times as they are not committed to the XR program and feel that the extra responsibility of the scheme is a burden on them. We will see dealer's perspective in more detail in coming sections.**
- 6. Though 51% respondents agree and 35% strongly agree that operators at IOCL ROs are knowledgeable and helpful regarding XR scheme, some respondents have commented that if there is a long queue at the dispensing unit, then operators**

refuse to swipe the XR card and in case customers have any issues with the card, operators are not able to guide them for getting a resolution. This discrepancy is because of two reasons – first, operators and regular customers usually develop good relationship and are friendly, hence respondents did not mark negatively for operators; secondly, in most cases where operators do not swipe customer's card because of rush at the RO, they swipe it the next time the customer comes in or they take the card from the customer and swipe it later. But, this practice leads to issues like improper usage of card/s by the operators or swiping card for more amount than actual for favored customers. This information is also backed by response to Question 10 where respondents have ranked 'No dedicated staff for swiping the card' as third most important issue out of 7 issues regarding XR program.

7. 'Gift redemption is difficult' is ranked as 4th most important issue, even though many people complained that gifts do not reach them on time sometimes taking as long as 6-7 months. Many times, company or RO dealers themselves advise customer to go for instant fuel redemption rather than gift redemption because of shipping or availability issues in gift redemption. We believe the reason this issue was not ranked higher is that most customers have never tried for gift redemption as they prefer free fuel over gifts in exchange of their XR points. This is evident from response to Question 8 where 80% of the respondents have marked free fuel as their preference for exchange of their XR points.
8. 'Benefit received from the card is very less' has been ranked 2nd most important issue by XR card users. This is because they will obviously want to get more benefit from the scheme but we believe the point ratio for this scheme is comparable to that of other petrol loyalty card schemes in India and has been arrived at after careful deliberation. But still some other schemes like sales promotion campaigns are suggested by respondents to keep the interest of customers generated in the program.
9. 'Poor customer care services' was ranked 6th most important issue by the respondents because most of them have never tried calling up customer care, they just go to the petrol pump where they purchased the card to get their issues resolved and petrol pump manager/supervisor mediates the issue resolution process between the customer and call center. Those customers who did try customer care services though, were not satisfied with the resolution process as it was time consuming.
10. Dedicated staff and booth for XR card swiping bring more convenience to customers and improve customer satisfaction. This was observed in an RO in Satara where dedicated effort to XR program has yielded great results. (Appendix 7: A dedicated booth and staff for XTRAREWARD at Renuka Petrol Pump in Satara)

5.2 Prospective Customer Perspective

We reached out to 302 non users of XTRAREWARD card and explained to them, the features of this program. Some of the users liked the concept and purchased the card while some did not. We noted the reasons for not purchasing the card and categorized them into 7 categories. Following are the results of this activity–

5.2.1 Percentage wise distribution of prospective customer responses

24% of people purchased the card. Rest of the 76% people did not purchase the card for various reasons. So our prospective customer base becomes $302 - 73 = 229$.

Purchased				73
Not purchased	Scheme is not attractive	91	40%	229
	Location inconvenience	15	6%	
	Prospective	78	34%	
	Low vehicle Usage	15	7%	
	Issue of card cost	7	3%	
	Uses another card/s	18	8%	
	Do not prefer IOCL	5	2%	
Total				302

Table 8: Prospective Customer Data

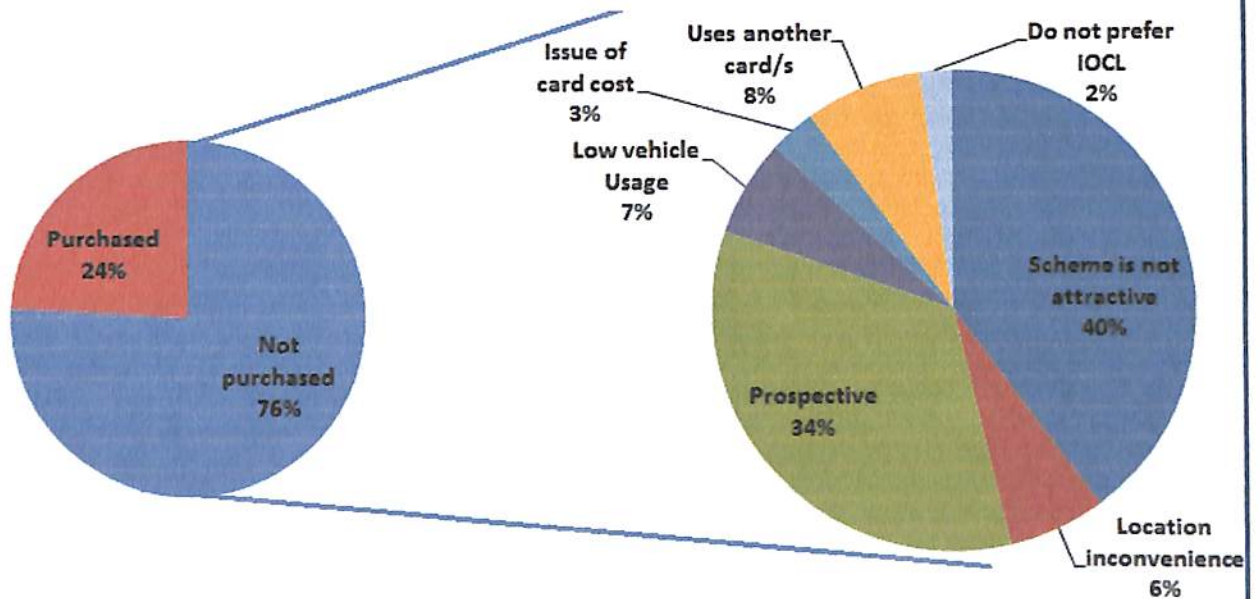


Figure 22: Prospective Customer Perspective

5.2.2 Hypothesis Testing using Z-test

Procedure – The procedure followed for z-test is as follows -

1. Take null hypothesis that 50% people do not find the XR scheme to be attractive.
2. Alternate hypothesis will be that less than 50% of people find XR scheme to be unattractive.
3. Let's say not finding the scheme attractive is success
4. Calculate observed sample proportion of success
5. Calculate standard deviation
6. Calculate Z value for the sample.
7. Compare calculated Z value with Z table value for 1% significance level for Single tailed test.
8. Reject Null hypothesis if Z value lies in the rejection region else do not reject null hypothesis.

$$H_0: p = 0.5$$

$$H_a: p < 0.5$$

$$n = 302$$

Observed sample proportion of success (\hat{p}) = 91/302 = 0.3013

$$z = \frac{\hat{p} - 0.5}{\sqrt{\frac{p \cdot q}{n}}} = \frac{0.3013 - 0.5}{\sqrt{\frac{0.5 \cdot 0.5}{302}}} = -6.906075696$$

$$z^* = -2.32$$

Result: Reject null hypothesis

Conclusion: We conclude that at 1% level of significance, the proportion of people who find XR scheme to be unattractive is less than 50%, which is consistent with our findings.

5.2.3 Analysis of Results

1. Out of the 5 people in the 'Do not prefer IOCL' category, 2 were very unhappy with the quality of products and services at IOCL petrol pumps, 2 did not want to be forced to visit IOCL RO because of the card and 1 was loyal customer of HP. Though the proportion of such a case is very less, but it indicates a potential factor which might be affecting sales of products as well as XR cards for IOCL.
2. 7 people did not buy the card because they wanted the card to be free of cost.
3. 5% people did not buy the card because either there were not many IOCL ROs in the areas where they stayed or they thought it would be difficult to locate an IOCL petrol pump as they had field jobs. Some of such areas where number of IOCL ROs is perceived to be less are – Kondhwa, Hadapsar, Khadakwasla, Pune-Satara Road, Navi Peth. This also indicates a potential issue of IOCL coverage in Pune.
4. Another 5% of respondents did not buy because their vehicle usage was very low.
5. There are 26% of prospective customers in the list of non-buyers who wanted to think and know more about the scheme or discuss with family and friends before

buying the card. Such customers are wary of risk and they ask questions like 'What's the catch?', 'Am I being taken for a ride?' They form a major part of non-buyers. Many of these customers came back at the RO to purchase the card later as told to us by RO dealers. Company can come up with innovative ways to win the trust of such customers. Blogs where existing users share their experiences can be one useful tool.

6. 30% of the respondents did not buy the card because they felt the point redemption value was not sufficient i.e. they get 1 point for Rs.75 of purchase but redemption starts at 334 points against which they get Rs.100 fuel free, which means that they need to spend Rs.25050 before getting Rs.100 free fuel. Such customers can be won over by coming up with additional offers and benefits regularly so that perceived value of the product increases. Also, if alliance partners are made in Pune, it will be an added benefit of the card which will definitely help reducing percentage of customers not finding the scheme attractive.
7. Of the 18 respondents who did not buy the card because they are already using other cards, 4 are using CITIBANK card for IndianOil and 5 are using Payback card for HP. The CITI card for IOCL is an internal competition for XTRAREWARDS card where the target customer is credit card users. The two schemes can be linked in a way that is manageable and beneficial for the customer as well as company.

5.3 Existing Alliance Partner Perspective

There are no existing alliance partners in Pune to offer discounts to XTRAREWARDS card holders. We found which were the alliance partners in the past and went to meet them to get their views. Following was the result –

Local Alliances in the past:

1. **Rajdhani Thali** –The manager in this restaurant was not aware of any such partnership with IndianOil in past or present
2. **Four seasons** – The manager at this restaurant also was not aware of any partnership with IndianOil in past or present
3. **Café Cool**–The manager and owner themselves told us that they had a partnership with IndianOil previously when we went there to meet them as prospective alliance partner. Their view about the partnership was that it did not help increase the footfalls in their café substantially. But they agreed to enter into this partnership again as they hoped for better response this time.
4. **Bamboo House** – The manager in this restaurant was aware of this partnership with IndianOil in the past but currently there is no partnership.

National Alliances:

1. **Dominos**– We visited an outlet of this fast food chain to enquire about any partnership with IndianOil in the past but no one at the outlet (including supervisor) was aware about it.
2. **Thyrocare** - We visited an outlet of this healthcare provider to enquire about any partnership with IndianOil in the past but no one at the outlet was aware about it.
3. **Rajdhani Thali** – It was also a national level alliance.

The banner features a corn cob with popcorn on the left. The main text reads: "Now get used to getting XTRA. Get special offers every time you fill up here." Below the text, there are two rows of logos under the heading "Alliance partners". The top row includes logos for IndianOil, XTRAREWARDS, Domino's, PVR, Subiksha, rediff SHOPPING, VISHAL, YOKO, and Rajdhani. The bottom row includes logos for Domino's, PVR, Subiksha, rediff SHOPPING, VISHAL, YOKO, and Rajdhani. A yellow arrow points from the top row to the bottom row, indicating that the partners in the bottom row are no longer XTRAREWARDS partners.

Figure 23: An XR banner showing national alliance partners but most are no longer XR partners

5.3.1 Analysis of Results

- 1. Most of the outlets of previous partners are not even aware of such partnership in the past, indicating that the partnerships might not have worked well in the past. This is also evident from the views of Café Cool owner that the partnership did not raise their sale substantially.**
- 2. For national level partners, there are no hoardings or advertisements at IOCL ROs in Pune as is promised to them while entering into partnership.**
- 3. The contract between the company and alliance partners is valid for one year, after which there is no follow up from company's side to renew the partnership.**
- 4. As per discussion with our mentor, if a Manager from IndianOil who has worked on making alliance partnership in the city is transferred, then new Manager does not necessarily take up this task as enthusiastically. Alliance partners also lose confidence and feel uncomfortable with new Manager.**
- 5. This situation causes confusion for customers as well because they see the names of these alliance partners on XR website, but actually they are not.**
- 6. The motive of the XR program to provide benefit to its user through alliance partnership channel is not fulfilled.**
- 7. Local alliances are the backbone of this XR program because rather than the big brands, local customers prefer to get offers on local brands. This benefit is not provided by competitors' loyalty cards. Such local partnerships are present in Satara and the response from customers to this initiative there has been very good. The alliance partners present there are –**
 - 1. Balaji Mobile shop**
 - 2. Big Bite Food junction**
 - 3. Intensity Nutrition supplements**
 - 4. Monginis Cake Shop**
 - 5. Rahul Ice cream parlour**
 - 6. Rajpurohit Fast Food Center**
 - 7. Rajat Himsagar Fast Food Centers**
 - 8. Ramesh Shoe Mart**
 - 9. Deshmukh Pathology**
 - 10. Swaroop Photo Studio**
 - 11. Vasudev Tyres**

(Appendix 6: A banner designed for promotion of alliance partners of XR program in Satara)

5.4 Prospective Alliance Partner Perspective

We identified 64 prospective alliance partners from various industry segments across major shopping areas around Pune. Of these, 10 could not be reached because of non-availability of owners/managers. We were able to make new alliance partners from the remaining 54 prospective alliance partners while some declined the proposal. Results are as follows –

Proposal Status	
Successful	22
Unsuccessful	17
No Response	15
Total	54

Table 9: Prospective Alliance Partner Status

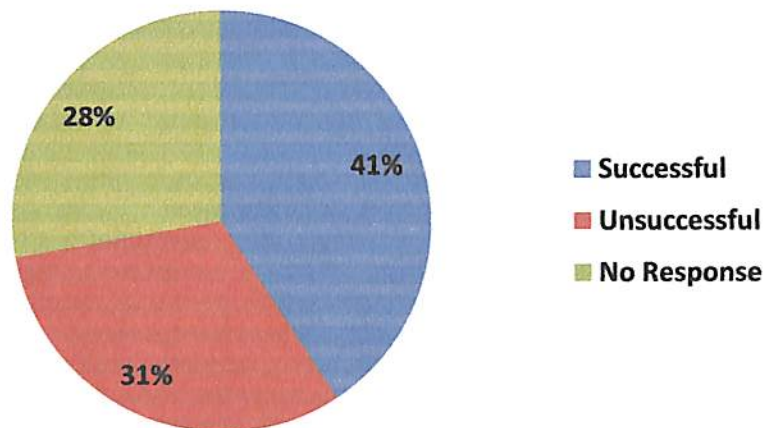


Figure 24: Prospective Alliance partner perspective

5.4.1 Process of forming alliance partnerships

1. Identify prospective alliance partners around Pune and having nearby IOCL RO.
2. Talk to the managers/ owners and explain about the partnership and its benefits.
3. If they agree, they need to fill up a Letter of Acceptance which says that they would like to become an alliance partner with IOCL for XTRAREWARDS program. They also mention the discounts offered in the Letter of Acceptance. (Appendix 4: Letter of Acceptance)
4. Follow up to get LoA from interested parties.
5. The LoA is submitted to XR manager who verifies and approves the partnerships and their offers. Any discrepancy in understanding is resolved.
6. XR manager sends the list of prospective partners to Head Office in Mumbai.
7. Once approved, IndianOil and the prospective partners sign an agreement on Rs.100 stamp paper which states responsibilities and rights of each party. This agreement is valid for one year from the date of commencement.

8. The alliance partners starts giving discounts as per offers to customers having an XR card.
9. IndianOil promotes the partnership through banners and hoardings at its ROs. (Appendix 6: A banner designed for promotion of alliance partners of XR program in Satara)

5.4.2 List of Successful Alliance Partners

S. No.	Name	Type of establishment
1	Rahul Paints	Paint sale and application
2	Gift n Décor	Gift gallery
3	Happy Monks Pvt Ltd (Shaolin & Sholay)	Restaurant
4	iCreative Printz	Digital Printing and Designing services
5	Bhayal Sweets	Sweet Shop
6	Swaroopaa Beauty Care and Blackberry Spa	Beauty Parlour
7	Mydentist	Dental Clinic
8	Hotel Lxia	Hotel
9	Corolla	Beauty Parlour
10	Super Shirt and Trousers	Garment shop
11	Shakti Sports	Sports Gear
12	Shoooz	Shoes shop
13	Security Zone	Electronic Se
14	Chatkazz	Food joint
15	Rudra	Garment shop
16	Rini's Boutique	Boutique
17	GSD Furnishing	Furnishing
18	Paras Jewellers	Jeweller
19	Route 96	Garment shop
20	Sajawat Mobile Junction	Phone shop
21	Café Cool	Café
22	Krishna Ply and Hardware	Hardware store

Table 10: List of successful alliance partners

5.4.3 Analysis of Results

1. As can be seen from the above list, we were able to make alliance partners from a variety of industries, from paint stores, beauty parlors, restaurants, small food joints, big furnishing showrooms to electronic security equipment shop. This indicates that the offer for partnership is lucrative for all types of businesses as they get free publicity and advertisement of their shops across all the participating IOCL ROs in Pune.

- 2. 31% of identified prospective partners did not find the proposal useful because either they had no profit margins to offer discounts or it was against their company policy to offer discounts or they did not need advertising. Very few of them declined because they did not trust the proposal.**
- 3. 28% are marked under 'No Response' category as they gave a favorable response initially but did not submit Letter of Acceptance on time.**
- 4. We observed that 'IndianOil' as a brand earns respect from most of the alliance partners. The very name of the company opens many doors of opportunities for forging new alliances.**

5.5 Dealer Perspective

This section throws light on the attitudes and perspective of RO owners, managers and operators who fill fuel into customer's vehicles. RO dealers were asked to respond to a questionnaire and the responses to that questionnaire are analyzed in this section. (Appendix 3: Survey for IOCL Petrol Pump Dealers) Operators are the ultimate face of the company to the customers; hence if they are dissatisfied, the dissatisfaction will pass on to our customers. So, understanding operator's perception of this scheme is very important for our analysis.

5.5.1 Operator Awareness about XR scheme

We contacted 90 operators and talked to them about their knowledge of XR program. Marking partial knowledge as 'Not Aware', we have come up with these results –

XR Awareness (No)	
Yes	54
No	36

Table 11: XR Awareness in Operators

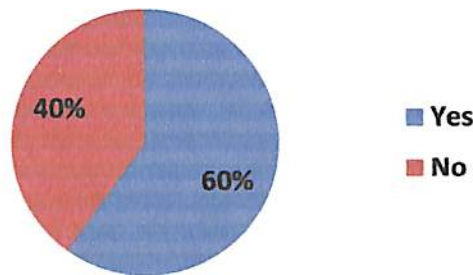


Figure 25: XR Awareness in Operators

5.5.2 Operators' views regarding extra incentive for extra effort

Operators are often asked to sell the XR card to incoming customers and they are the ones who take the cards to swipe when a customer requests. This increases the amount of effort they have to put in at their work. When we asked the operators if they need more incentive for the extra effort involved in XR related activities, following were the results –

Want incentive	
Yes	50
No	40

Table 12: Do operators want incentives?

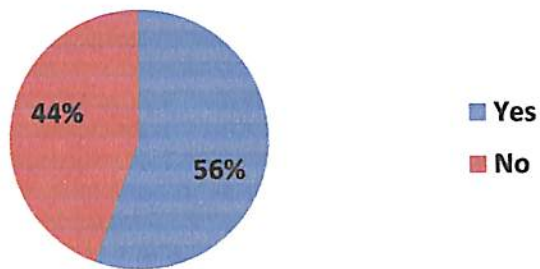


Figure 26: Do operators want incentive

5.5.3 Dealers' views regarding XTRAREWARD program in general

We met with 20 dealers of the participating ROs around Pune and asked them to select one of the 4 statements reflecting their views about the scheme. The responses varied widely with some stating the scheme to be excellent while some others wanted it to be scrapped. The results of the survey are -

- The scheme is excellent
- The scheme is ok but some improvement is needed
- The scheme needs major changes in order to be successful
- The scheme should be scrapped

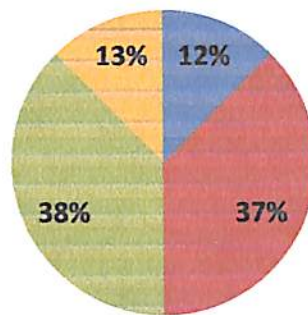


Figure 27: Dealers' view regarding XR program in general

5.5.4 Dealers' views regarding extra resources used for running XR scheme

We asked dealers if they mind putting extra resources in the scheme and 50% responded that they do not mind it as it is beneficial for them. Responses obtained were as follows –

- We do not mind putting extra resources as it is beneficial to us
- We do not put dedicated resources for this scheme but are carrying somehow with existing resources
- This scheme is putting a burden on our resources

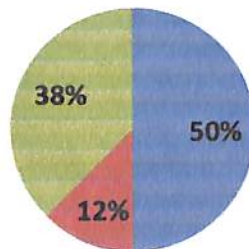


Figure 28: Dealers' view regarding extra resources used for XR program

5.5.5 Effect of XR program on RO Sales

About 6% of ROs are losing customers to nearby competitors' petrol pumps because of dissatisfaction in customers regarding XR program.



Figure 29: Effect of XR program on RO sales

5.5.6 Dealers' attitude towards ordering new stock of XR cards

We asked the question 'When do you order fresh stock of cards?' to RO dealers and we found that 25% of the dealers are not proactive when it comes to ordering new stock of XR cards. The response received was as follows -

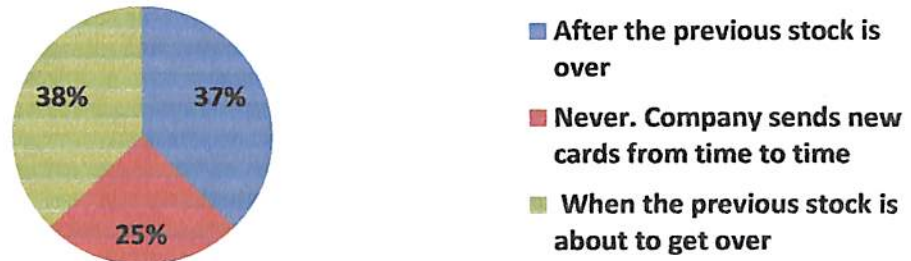


Figure 30: Dealers' attitude towards ordering new stock of XR cards

5.5.7 Dealers' views regarding XR related targets set by IOCL for ROs

50% of the RO dealers believe that targets set by IOCL for XR card sale and transactions are not justified and should be removed or relaxed.

Do you think targets for card sale and transactions set by IOCL are justified?

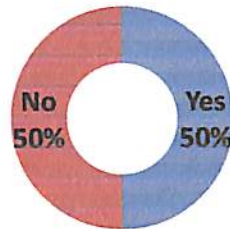


Figure 31: Dealers' views regarding XR related targets set by IOCL for ROs

5.5.8 Best features of XR program as per dealers

This was an open ended question where the dealer had to tell us one best feature of the XR program. 25% of the dealers could not identify even a single worthy feature in the program.

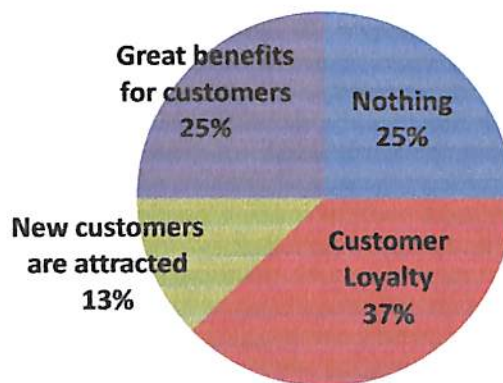


Figure 32: Best features of XR card as per dealers

5.5.9 Biggest problems in XR program as per dealers

Similar to results obtained from customer surveys, machine problems with HDFC and Tata and low redemption value were rated biggest issues with the program.

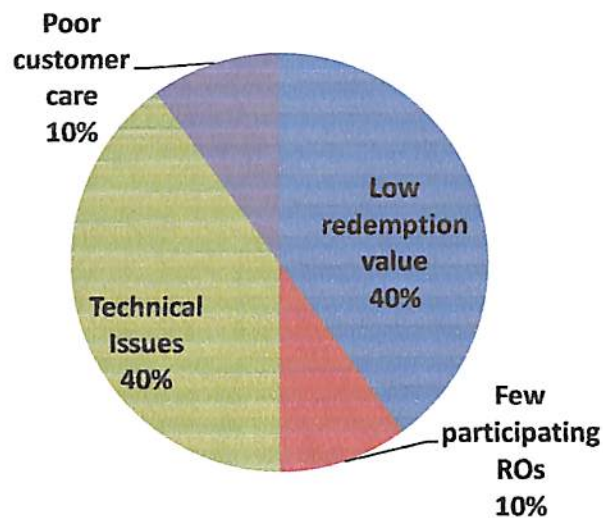


Figure 33: Biggest problems in XR program as per dealers

5.5.10 Some Dealers' Suggestions

1. Sales promotion campaigns like lucky draws should be conducted regularly so that customers buy the card and interest is generated in the scheme.
2. More advertisement through banners and hoardings.
3. IOCL should send trained marketers to promote card sale.
4. There should be regular feedback session with dealers and managers in order to understand and resolve their issues.
5. Recognition should be given to best performers.
6. More involvement of RO dealers in such schemes and their input should be taken and valued. Rather than enforcing the scheme on RO dealers, they should be taken into confidence and their commitment should be earned.
7. Scheme should be operational at most of the ROs.
8. EDC machines and telephone lines should always work properly.
9. Increase loyalty points for oil as it would really help to boost up oil sale as 2 wheeler customers are increasing for oil change with machine.

5.5.11 Analysis of Results

1. The finding that about 40% of the operators are not aware or partially aware about this program is very discouraging. Many of the operators said that they have joined recently, hence they are not aware. This indicates that RO dealers take little interest in orienting new joinees towards company's processes, policies and live programs. It

should be ROs responsibility to impart knowledge about company's initiatives to new joinees.

2. We also found that about 56% of the operators surveyed would like to get extra incentives for the extra effort they have to put in for XR program. At some of the ROs, dealers give an incentive on per card sold basis, which motivates operators to sell more cards. This might also be the reason of operator unawareness. They might not be interested in understanding the program as there is nothing in it for them.
3. But surprisingly, we found that some operators who had knowledge about XR program, and put in extra efforts into it but did not want any incentives in return. Most of these had worked for many years at their ROs, hence they were loyal to the dealer. Such operators should be rewarded by the RO dealers to improve their performance and retain their loyalty. These operators should be asked to share their knowledge with their fellow operators.
4. In a petrol pump at Satara, we observed that a dedicated person was in charge of swiping all the cards, sale of XR cards and customer's issue resolution regarding XR program. She had complete knowledge about XR program and was trained by the RO owner himself to effectively market the XR card. She had been able to make about 800 XR customers in past 5 months. RO owner took classes for every operator in his RO to help them perform better at their jobs. The result was a very high level of customer loyalty and satisfaction among its customers. The owner was committed to the XR program and thus the program was working so well even in an upcountry location. (Appendix 7: A dedicated booth and staff for XTRAREWARD at Renuka Petrol Pump in Satara)
5. Some of the other RO owners are not so proactive. At some of the ROs, we could never meet the RO owner. The whole RO operations were left to be handled by managers/ supervisors. It shows a lack of enterprising attitude where they are content to meet daily sales target and do not strive for more. But as a few of the owners suggested that there should be recognition for good work, it indicates a lack of motivation in the RO owners to perform better.
6. 38% of RO dealers feel that XR program needs major changes in order to become successful. They are bogged down by constant technical issues in the program. They believe a complete overhaul of the system wherein all systems work smoothly is required to make the program successful.
7. 50% of the dealers have not put in any extra resources for this program, while 12% find the program to be putting a burden on their resources. Many RO owners want IOCL to send extra people to sell XR cards.
8. RO dealers were found to be more aggressive when the divisional office was proactive. Dealers in Pune are happy with the immediate response to their issues and support received from the XR Manager here.

5.6 Major Challenges in the Program

- 1. There are a lot of technical issues with the EDC machines from HDFC kept for swiping the XR card and resolution time from HDFC is also very high. There is also a lack of proactiveness from the dealers' side to get the machine issues resolved quickly. Many of the participating ROs have stopped the scheme on their ROs because of constant technical issues.**
- 2. Connectivity issues from Tata Indicom are also prevalent. The models of Tata phone used are outdated and resolving any issues related to them takes a lot of time as the parts are not easily available in the market and they are costly as well.**
- 3. Customer care services provided by company's call center partner is not adequate. One of the major problems might be that of language, as told to us by few customers. The only language options for XR customer care services are Hindi and English, while many local people in Pune are not comfortable in either. A need of regional call center services, hence, is felt.**
- 4. Scheme promotion and marketing is low in Pune. Many of the participating ROs do not even have any hoardings or banners about XR scheme put up. Promotional campaigns can do wonders to this loyalty program as we observed in Satara, how even RO level sales promotion activities can boost up card sales and improve customer loyalty.**
- 5. Converting XR card buyers to active users is an issue. Only about 60% of XR card holders are active users of the card i.e. they have used their cards in past 3 months. This percentage could have been higher had there been lesser hardware problems and more promotions of the program.**
- 6. Inadequate coverage of XR program across Pune ROs is one of the major concerns for customers. Many times, ROs mislead customers into believing that the card is usable in all the Indian Oil petrol pumps across India. This leads to incorrect expectations from the program and customer is dissatisfied.**
- 7. Many operators are not aware about XR program, hence they misguide the customers.**
- 8. Many petrol pump owners felt the need of extra manpower for selling the cards at their petrol pumps. They want IOCL to send trained marketing professionals to help boost up the sale of XR cards at their ROs.**
- 9. The perceived value of this program is low. Many customers as well as RO dealers believe that benefit received from the card is very low i.e. they get Rs.100 fuel free after purchasing Rs.25000 worth of fuel. Although it is suggested that the point ratio should not be changed because it is at par with other similar loyalty programs and has been derived after careful deliberation. But, the perceived value can be improved by some other benefits like sales promotion activities, lucky draws, free service coupons and alliance partnerships around the city.**
- 10. There are no alliance partners for providing discount present in Pune. Even outlets of national level alliances are not aware of the alliance partnership. This not only hits**

the motive of providing extra benefits to loyal customers through discounts at these partners, the perceived value of the program by the customers and RO dealers also drops considerably.

11. Major competitors for IOCL in the loyalty program scene are HP and BP, both of which have strong presence in Pune. The key differentiator for customer satisfaction and loyalty in such a competitive scenario will be –

- a. Excellent Customer Service
- b. Extensive network of ROs where loyalty program is launched
- c. Long term and meaningful partnerships with major consumer brands to give extra benefit to the customers.

12. Manpower working for XR program is very less in the company. The company has one Manager for XR in each Divisional Office. Pune Division consists of 5 districts. In addition to that, XR activities for Pune Division and Goa Division are both managed by one manager. Moreover, the XR Manager is not dedicated for XR activities. He has other responsibilities as well. In some of the divisions, a single Manager looks after both the XR and XTRAPOWER programs. XR activities include everything from registering a new customer online, resolving customer issues, verification of card usage, identifying ROs which are not transacting XR cards or which are not selling XR cards, getting technical issues at the ROs resolved and encouraging more sales and card transactions at participating ROs to identifying and making new alliance partnerships for the program. Clearly, this is a lot of responsibility on one person and that too for a wide geographical area.

5.7 Recommendations

After studying all the aspects of XR program, some of the recommendations from our side to improve the program are –

- 1. IndianOil should develop in-house connectivity solution without any middle parties like HDFC and TATA which will greatly help in checking the prevalent technical issues in the program.**
- 2. More focus should be put on building strong partnerships with other major consumer brands across India. This will help improve the perceived value received from the card tremendously.**
- 3. Follow up should be done with alliance partners after the agreement is over.**
- 4. The XR program should cover all the IndianOil ROs in the city where the program is launched, because absence of the scheme at certain ROs increase distrust in customers.**
- 5. Apart from one Manager for XR in each Divisional Office, one more employee should be deployed under him/her who should be dedicated for XR related activities only. This would improve performance and provide room for innovation and creativity.**
- 6. Promotional activities should be done to increase awareness about the program. All IndianOil ROs should have banners or hoardings about the program. Online promotions through facebook pages, ads on commonly used online shopping websites like flipkart, zabong, myntra, etc. can be used. Company can also get into partnership with such websites to provide attractive offers to its customers.**
- 7. Company can launch a blogging site where existing and prospective customers share their experiences to increase awareness about the program. Some experts can also blog on this site to guide the users about issues like vehicle maintenance, etc. which will increase the attractiveness of the blog.**
- 8. For married people, company can record anniversary dates as well and provide attractive bonuses on anniversaries.**
- 9. Gift redemption should be made smooth. A stock of gifts should be kept at each divisional office ready for shipping to the customer.**
- 10. Regional customer care centers should be set up. Many customers of this program are not very technically sound, hence sending SMS or lodging a complaint on website is not possible for them. They have to rely on calling customer care which should be able to provide support in regional language as well.**
- 11. Even the card kit is in complete English. It should have all the things explained in Hindi as well as one regional language so that customers can understand the program better.**
- 12. There should be conferences of IOCL XR representatives and RO dealers to generate interest about the program in them. Those dealers who are committed to the program and have benefitted by it should share their experience with other RO owners. Best performers should be recognized and rewarded.**

- 13. Company can make it mandatory for RO dealers to keep a dedicated person for XR related activities and this person should have complete knowledge about the program.**
- 14. Free points can be given to those registering online as it would promote the scheme as well as reduce the back end's task of registering all users online. If the card is not registered within 60 days of first swipe, then the card is deactivated. Encouraging customers do register themselves online would reduce number of such cases.**
- 15. The XR card expires in 3 years from the date of registration. Expiry alerts through SMS and email should be sent to customers whose cards are going to expire in coming 3 months. There should also be an online module where users can check expiry status of their XR cards.**

Chapter 6. Conclusions

XTRAREWARD card is an innovative loyalty program from IndianOil. Unlike competitors' cards, it caters to cash customers as well as card customers. Hence, it has reach up to the lower strata of consumers. An auto rickshaw driver will not prefer HP's Payback card as he is not likely to shop at the big partners of the program. He will not prefer BP's Petrocard as well because he will not have large amounts of money to be loaded in his card. But IndianOil's card will be attractive to him because he can get benefits for cash payments of as low as Rs.50. Also, IndianOil tries to make local level alliances apart from national alliances, where he will be happy to get a discount.

But the program has its share of troubles. Prevalent machine problems, insufficient coverage of the program, lack of awareness in operators, disinterest of dealers and no existing alliance partners are all pulling down the program from being successful.

To turn around this situation, a major revamping of the program is needed and the loose ends have to be tightened. A dedicated effort from company's side is needed to streamline the systems and remove dependence on third parties like HDFC, Tata and Atos. It will be beneficial for the program if it can be tied up with another card or program which runs in other establishments and major consumer brands.

This study can be used to understand the issues and opportunities in XR loyalty card scheme in Pune. IndianOil can use it to understand needs of its customers better and thus it can provide a foundation for favorable changes in the program.

The study was conducted only across 20 ROs around Pune because of time constraint. If someone wishes to work further on this project, the study can be conducted across all ROs in Pune to improve the reliability of results. It might bring out further insights into this program.

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Appendices

Appendix 1: Existing Customer Questionnaire (English)

“XTRAREWARDS” - User Survey

[As part of my MBA thesis I am doing some research on the Xtra-Reward Card. I would appreciate it if you could take a few moments of your time to carry out this survey. All results will be kept confidential.]

Questionnaire

1. Do you come regularly at Indian Oil Petrol Pump? Yes No
1 a. *If yes how often you use it*
Always Frequently Rarely Never

Comments:

2. Do you own a xtra-reward loyalty card?
Yes No
3. On a scale of 1 to 8 (1 = very important and 8 = not important at all) How do you rank the importance of each of the following factors when deciding a retail outlet for your shopping needs

Value for money	<input type="text"/>
Location of store	<input type="text"/>
Quality of service and staff helpfulness	<input type="text"/>
Loyalty card schemes	<input type="text"/>
Product range and presentation	<input type="text"/>
Overall store layout and appearance	<input type="text"/>
In-store promotion	<input type="text"/>
Discount coupons/ vouchers and special promotions	<input type="text"/>

4. Apart from IOCL Xtra Rewards card do you use any other loyalty card of other retail outlets viz. Reliance Mart etc.?
One other card Two other cards
Three or more other cards I only use Xtra Reward
5. Do you know how many xtra-reward points you gain on every purchase of petrol or diesel?,
One Point/ 50 Rs One Point/ 100 Rs
One Point/ 75 Rs I only check final points online
6. Does the collection of points influence you to buy more or to buy specific/alternative promotional products which offer bonus points?
Yes No
7. Have you redeemed any rewards from the Xtra-Reward card scheme within the last 12 months?
Yes No
8. What rewards would you like in exchange for your purchase of fuel?
a. Free fuel c. Shopping vouchers
b. Gifts d. Other
- Comments –

9. Please tick the appropriate box which accurately reflects your level of agreement or disagreement

Statement	Strongly Agree	Agree	Can't say	Disagree	Strongly disagree
I am satisfied with the Xtra-rewards program	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I would recommend Xtra-Rewards cards to my friends	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I think IOCL is very innovative	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I usually shops around to get the best deals	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I expect reward to be a part of my normal shopping routine	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I feel Xtra-rewards is the reason of my loyalty with IOCL	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
It is convenient to redeem the gifts schemes of Xtra-Rewards	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Retail Partners accept the card and offers discounts gracefully.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I am aware of the retail outlets which offer discounts on Xtra-reward card and use the card to get discounts frequently.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Operators at Petrol Pump are knowledgeable and are helpful about xtra-reward card and related schemes.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

10. Rank the following issues with the card in descending order of their importance for you

- a. Machine not working
- b. Operators not aware or not knowledgeable
- c. Very few ROs where the scheme is functional
- d. No dedicated staff for swiping the card
- e. Poor customer care services
- f. Gift redemption is difficult
- g. Benefit received from the card is very less

11. What could IOCL do to make you more loyal and xtra-rewards more attractive

-

Name _____ Age _____ Profession _____

Appendix 2: Existing Customer Questionnaire (Marathi)

इंडियन ऑईल एक्स्ट्रा रिवॉर्ड कार्ड सर्वे

१. आपण इंडियन ऑईल येथे नियमित येता का? होय नाही
- a) होय असल्यास आपण इथे कितीदा येता?
- i) नेहमीच ii) कधी कधी iii) क्वचित iv) कधी नाही
२. आपल्या जवळ एक्स्ट्रा रिवॉर्ड कार्ड आहे का? होय नाही
३. आपण खरेदी करताना १ ते ८ च्या (१= अति महत्वपूर्ण ८ = काहीच महत्वाचे नाही) या प्रमाणावर, खालील गोष्टींचे मुल्यांकन कसे कराल?
- | | |
|--|----------------------|
| i) पैशाचे मूल्य | <input type="text"/> |
| ii) स्टोर ची जागा / स्थान | <input type="text"/> |
| iii) वस्तुंची गुणवत्ता आणि कर्मचाऱ्यांचे सहयोग | <input type="text"/> |
| iv) लॉयल्टी कार्ड योजना | <input type="text"/> |
| v) उत्पादन श्रेणी आणि सादरीकरण | <input type="text"/> |
| vi) एकूण स्टोअर लेआऊट (स्टोर परिसर) आणि देखावा | <input type="text"/> |
| vii) वस्तुंचे प्रदर्शन | <input type="text"/> |
| viii) सवलत कुपन / व्हाउचर्स आणि विशेष जाहिराती | <input type="text"/> |
४. इंडियन ऑईल एक्स्ट्रा रिवॉर्ड कार्ड व्यतिरिक्त, आपल्या जवळ दुसरे लॉयल्टी कार्ड आहे का? उदा. रिलायन्स मार्ट कार्ड?
- | | |
|--|---|
| एक कार्ड <input type="checkbox"/> | दोन कार्ड <input type="checkbox"/> |
| तीन व इतर जास्त कार्ड <input type="checkbox"/> | मी फक्त एक्स्ट्रा रिवॉर्ड कार्ड वापरतो <input type="checkbox"/> |
५. आपल्या प्रत्येक पेट्रोल / डिझेल खरेदीवर एक्स्ट्रा रिवॉर्ड कार्ड वर किती पॉईंट्स मिळतात याची माहिती आपल्याला आहे का?
- | | |
|--|--|
| i) एक पॉईंट / ५० रु <input type="checkbox"/> | ii) एक पॉईंट / १०० रु. <input type="checkbox"/> |
| iii) एक पॉईंट / ७५ रु <input type="checkbox"/> | iv) मी फक्त ऑनलाईन फायनल पॉईंट तपासतो <input type="checkbox"/> |
६. पॉईंट्स जमा करण्यासाठी आपण विशेष खरेदी किंवा काही विशेष वस्तू / प्रॉडक्ट जे आपल्याला बोनस पॉईंट देतील खरेदी करता का?
- | | |
|---------------------------------|-----------------------------------|
| i) होय <input type="checkbox"/> | ii) नाही <input type="checkbox"/> |
|---------------------------------|-----------------------------------|
७. गेल्या एका वर्षात आपल्याला एक्स्ट्रा रिवॉर्ड कार्ड या योजने तर्फे कुठला मोबदला किंवा सुट मिळाली आहे क?

i) होय ii) नाही

८. इंधन खरेदी करताना आपल्याला खालीलपैकी कुठले बक्षीस आवडेल ?

- i) मोफत इंधन iii) खरेदी व्हाउचर्स
ii) उपहार भेट iv) इतर
कमेंट .

९. खालील विधाने निवडून आपली सहमती / असहमती व्यक्त करा

	पूर्णपणे सहमत	सहमत	काही विधान नाही	असहमत	पूर्णपणे असहमत
i) मी एक्स्ट्रा रिवॉर्ड योजनेपासून संतुष्ट आहे.					
ii) मी माझ्या मित्रांना एक्स्ट्रा रिवॉर्ड कार्डची शिफारस करेल					
iii) माझ्या मते इंडियन ऑईल खूप नाविन्यपूर्ण आहे.					
iv) मी सहसा खरेदी उत्तम फायदेसाठी करतो					
v) एक्स्ट्रा रिवॉर्ड कार्ड माझ्या दैनंदिनी खरेदीसाठी पण असेल तर मला आवडेल					
vi) एक्स्ट्रा रिवॉर्ड कार्ड इंडियन ऑईल सोबत माझ्या निष्ठेचे कारण आहे					
vii) एक्स्ट्रा रिवॉर्ड कार्ड तफें बक्षीस किंवा सुट मिळविणे सोपा आहे.					
viii) रिटेल पार्टनर एक्स्ट्रा रिवॉर्ड कार्ड स्वीकार करतात आणि आकर्षक सवलती देतात.					
ix) ज्या रिटेल आउटलेट मध्ये कस्ट्रा रिवॉर्ड कार्ड वर सवलती मिळतात, ते मला माहित आहे आणि मी तिथे नेहमीच कार्ड वापरून योजनेचा फायदा घेतो.					
x) पेट्रोल पंप चे कर्मचारी एक्स्ट्रा रिवॉर्ड कार्ड योजनेची पूर्ण माहिती देवून त्याचे पूर्णपणे मदत करतात.					

१०. आपल्या महत्वानुसार खालील मुद्द्यांचे उतरत्या क्रमाने मुल्यांकन करा

- a) मशिन काम करत नाही
b) ऑपरेटर जागृक किंवा हुशार नाही
c) खूप कमी ROs वर ही योजना कार्यरत आहे.
d) कार्ड वापरण्यासाठी मदत करणारे कर्मचारी नाहीत
e) अयोग्य कस्टमर केअर सेवा
f) मोबदला / सवलती मिळविणे कठीण आहे.

g) कार्ड तर्फे मिळणारे फायदे खूप कमी आहेत.

११. एक्स्ट्रा रिवॉर्ड कार्ड या योजनेला अधिक आकर्षक करण्यासाठी, इंडियन ऑईल नी काय करायला पाहिजे, आपले मत व्यक्त करा.

नाव _____ वय : _____ व्यवसाय: _____

Appendix 3: Survey for IOCL Petrol Pump Dealers

1. You are –
 - a. Owner
 - b. Manager
 - c. Other _____

2. Customer inflow daily

3. When did XTRAREWARDS program become operational at your pump?

4. How do you advertise the card?
 - a. Operators tell the customers
 - b. Hoardings and banners
 - c. Both a and b
 - d. Stalls are set up specially for selling the card

- Comments _____

5. Your views regarding XTRAREWARDS loyalty card scheme –
 - a. The scheme is excellent
 - b. The scheme is ok but some improvement is needed
 - c. The scheme needs major changes in order to be successful
 - d. The scheme should be scrapped

6. Regarding extra resources (time, labour, machine, money, etc) used for XTRAREWARDS scheme –
 - a. We do not mind putting extra resources as it is beneficial to us
 - b. We do not put dedicated resources for this scheme but are carrying somehow with existing resources
 - c. This scheme is putting a burden on our resources

7. Effects of XTRAREWARDS scheme at your RO–
 - a. Substantial increase in sale because of loyal customers
 - b. No substantial change in sales
 - c. Decrease in sales because of dissatisfied customers

8. Are you satisfied with the support received from Indian Oil for your issues?
 - a. Extremely satisfied
 - b. Satisfied
 - c. Ok
 - d. Dissatisfied
 - e. Extremely Dissatisfied

Comments –

9. When do you order fresh stock of cards?
- a. When the previous stock is about to get over
 - b. After the previous stock is over
 - c. Never. Company sends new cards from time to time
10. Do you think targets for card sale and transactions set by IOCL are justified?
- a. Yes
 - b. No

Comments - _____

11. Best thing about XTRAREWARDS program

12. Biggest problems in the XTRAREWARDS program

a. _____

b. _____

13. Your suggestions

a. _____

b. _____

c. _____

Name of RO: _____

Location: _____

Appendix 4: Letter of Acceptance

Date : _____

To,
Indian Oil Corporation Ltd.,
Pune

Subject: Request for alliance partnership with Indian Oil's Xtrareward programme.

Dear Sir,

This has reference to your visit to our showroom/shop/establishment regarding the subject. We have understood the XTRAREWARDS program and are interested in becoming an alliance partner of Indian Oil Corporation Limited under the XTRAREWARDS program.

Our details are as under -

Name of establishment: _____

Address: _____

Contact Person: _____

Contact Tel. No. : _____

Email Id: _____

Discounts offered:

1. _____

2. _____

3. _____

4. _____

Kindly inform further procedure in the matter.

Date : _____

Place : _____

Thanking You,


Yours Sincerely


Appendix 5: Calculation of scores for ranking various factors in deciding retail outlet to shop

Ratings -->	1	2	3	4	5	6	7	8	TOTAL	Score
Value for money	89	32	13	10	0	1	1	0	146	1.67808219
Quality of service and staff helpfulness	58	37	20	7	5	3	4	3	137	2.29927007
Location of Sore	23	39	27	18	12	8	4	6	137	3.19708029
Product range and presentation	20	18	30	21	17	8	10	12	136	3.88970588
Discount coupons/vouchers and special promotions	27	26	10	9	12	13	13	25	135	4.25185185
Loyalty card schemes	20	21	14	15	17	23	11	14	135	4.26666667
Overall store layout and appearance	18	10	12	12	31	10	20	21	134	4.81343284
In-store promotion	11	16	9	9	7	21	29	33	135	5.43703704

Appendix 6: A banner designed for promotion of alliance partners of XR program in Satara

Now












Get rewards on cash purchases too!

Only with **XTRAREWARDS™** card

DISCOUNTS OFFERED BY ALLIANCE PARTNERS FOR **XTRAREWARDS™** CARD HOLDERS

X T R A R E W A R D S . X T R A V A L U E

Sr no	Name of firm	Type of business	% of disc
1	 balaji Mobile	MOBILE SHOP	Discount of Rs.250/- on purchase of new Mobile phone worth Rs.3000/- & more : Attractive discounts on Mobile accessories.
2	 Bi⁹te	FOOD JUNCTION	5% discount on purchase of Rs.100/- & above.
3	 INTENSITY SPORTS & NUTRITIONS	Nutrition Supplements	20% Discount on all nutritional suppliments.
4	 MONGINIS CAKE SHOP	BAKERY	5% discount on purchase of Rs.100/- & above.
5	 Rahul Ice cream Parlour	Ice Cream Parlour	10% discount on purchase of Rs.300/- & above.
6	 Namkin	FAST FOOD CENTRE	5% discount on all Sweets, dry fruits and all Namkin purchases.
7	 RAJAT HIMSAHAR SATARA	FAST FOOD CENTRE	5% discount on 5 Scoops; 10% On 10 Scoops and 12% on more than 10 Scoops of Baskin Robbins Ice cream
8	 Ramesh Shoe Mart	SHOE SHOP	5% discount on all available brands of footwear.
9	 DESHMUKH PATHOLOGY	PATHOLOGY LAB	20% Discount on all routine pathological investigations.
10	 SWAPOOP Photo Studio	PHOTO STUDIO	10% discount on bill of Rs.70/- & above.
11	 वासुदेव टायर्स	WHEEL ALIGNMENT	1.To offer 10% discount at their cost on Wheel Balancing and Wheel Alignment to IndianOil XTRAREWARDS Customers 2. 2% discount on purchase of new tyres.

For more information

Call (022) 2844 9733 or our 24 x 7 IVRS Helpline on (022) 2880 9030 or SMS XTRA to 92 2305 2305

Appendix 7: A dedicated booth and staff for XTRAREWARD at Renuka Petrol Pump in Satara

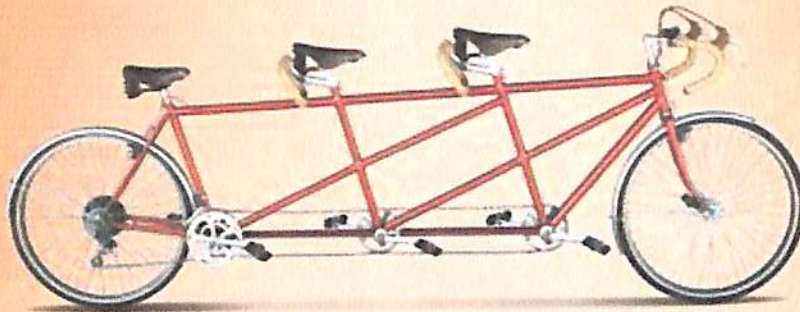


Appendix 8: Charge slip obtained after swiping the XR card for earning the points



Appendix 10: XR promotional banner

Get XTRA



✓ Get unique discounts and offers from our partners

✓ Redeem points instantly for free fuel and lubricants

✓ Get exciting gifts from our gift catalogue

*Buy fuel from IndianOil pumps and swipe your **XTRAREWARDS™** Loyalty Card to get great returns!!!



IndianOil

XTRAREWARDS™
XTRA REWARDS. XTRA VALUE

Toll-free helpline: 1800-22-8888 (from BSNL/MTNL) | IVRS: 1800-22-4111

www.xtrarewards.com | email: xtrarewards@indianoil.co.in

*Conditions apply

Available at select IndianOil fuel stations