

Study of Customer Satisfaction after Implementation of Direct Benefit Transfer (BDT) of Subsidy to Consumer by Indian LPG (Home) Gas Companies

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Abstract—This study is conducted with the aim to know the satisfaction level of the LPG domestic customers towards the DBTL (Pahal) scheme launched by the Government for the customer who opted for subsidy. The structured questionnaire used to collect the data and data was analysis by using statistical method to find the satisfaction level of the LPG domestic customer. Also we have to study the affect of DBT on revenue part for exchequer.

Index Terms— DBT, Liquefied Petroleum Gas, UIDAI, PAHAL

I. INTRODUCTION

Consumer satisfaction refers to the extent to which Consumers are happy with the products and services provided by a business. Consumer satisfaction levels can be measured using survey techniques and questionnaires. In case, the performance falls short of expectations the consumer is dissatisfied. Conversely, if the performance matches the expectations, the Consumer is satisfied. However, if the performance exceeds expectations, the consumer is highly satisfied or delighted. The purpose of the study was to analyze the need and satisfaction level of Consumers or users towards the DBTL scheme. The Study reflected a new phase of subsidy scheme introduced by government. To be precise the whole study is related with examining the process of linking Andhar (UIDAI) with bank account and LPG center to provide subsidy via bank to create savings for the users. The research access and analyze the factors of satisfaction, primarily empirical research is conducted to come up with effect of factors on the satisfaction level of Consumers of LPG and DBTL scheme.

Status of Indian LPG gas

There are four public sectors oil marketing companies in India, they are Indian Oil Corporation Limited, Hindustan Petroleum Corporation Limited, Bharat Petroleum Corporation Limited and IBP. They distribute the cylinders to the customers through several distributors in different region. Bharat gas has brought some innovative offerings to the customer for customer satisfaction, they are like easy access to consumers including online access, responsively home delivery, LPG supply through pipe line to the mega residential complex, and through

rural marketing vehicle they can supply the LPG to the rural areas and the remote areas. Presently in India the LPG market is government dominated and there is quite low competition. There are more domestic uses than non-domestic use. The ratio between the domestic and non-domestic user is 9 : 1. Demand of LPG is growing at the rate of 6% per annum.

In today's LPG market, complains registration is done through computerized process by the customers and the customers are becoming more sensitive to LPG gas problems. Customers also have the right to select their suppliers of LPG as well as good service quality. The Government through a wide network of distribution makes deliver more than 30,00,000 cylinders daily. It is a matter of concern that the huge amount of subsidy is being provided to consumers imposing a huge burden on the Government. LPG being an essential commodity, its supply and distribution has been regulated by various regulations to control the trade and illegal diversion.

Illegal usage of domestic LPG cylinders at restaurants and roadside eateries

Inefficiency by the Gas companies and hand in gloves by its dealer employee's attitude had encouraged the illegal usage of domestic LPG cylinders by roadside eateries. These eateries used to use domestic LPG which were meant for their legal users. It had led to black marketing and increase in waiting time for genuine consumers.

The Telegraph" one of leading newspaper of Calcutta conducted survey on rampant of cylinders, India reported several illegal issues related with LPG usage in Guwahati. In that area civil supplies department are closing their eyes against the illegal commercial use of domestic LPG. 45 cases were registered regarding this issue. Several restaurants and stalls are making illegal use of domestic LPG. 14kg cylinders of Rs 405 are sold at Rs 930 and provide more number of cylinders than allotted. Many people keep illegal blue books. „Telegraph" found many such issues related with illegal use of LPG in Assam.

Because of above issues, the genuine consumers had to wait for long time to get LPG gas cylinders and also government used to occur loss due to subsidy which was suppose to be given and used by domestic consumer were utilized by black marketing middle men and illegal users.

However, the prevention of such activities has at best been minimal, primarily due to the large scale of the LPG supply chain. The DBTL scheme launched on 1st June 2013. As

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many customers faced problems in linking their Aadhar card, the Government launched the modified version of scheme keeping in mind the issues faced earlier. The new DBTL scheme was launched on 15th November 2014. For the remaining districts, the scheme has started on the first day of New Year, 1st January 2015. Not only the government made some significant changes in the scheme, they renamed it to "Pratyaksh Hanstantarit Labh or PAHAL". Under this scheme more than 15 crore consumers spread across 676 districts of the country are covered. The only way to prevent this diversion is to move LPG in the supply chain at one market price so that the incentive for diversion is eliminated. This is the backdrop of the Direct Benefits Transfer for LPG (DBTL) Consumers scheme.

Process to Join Pahal (DBTL) scheme a)

Aadhar holders

1. Update aadhar to LPG distributor
2. Link your aadhar to bank account

Non aadhar holders

Update your bank a/c to LPG connection.

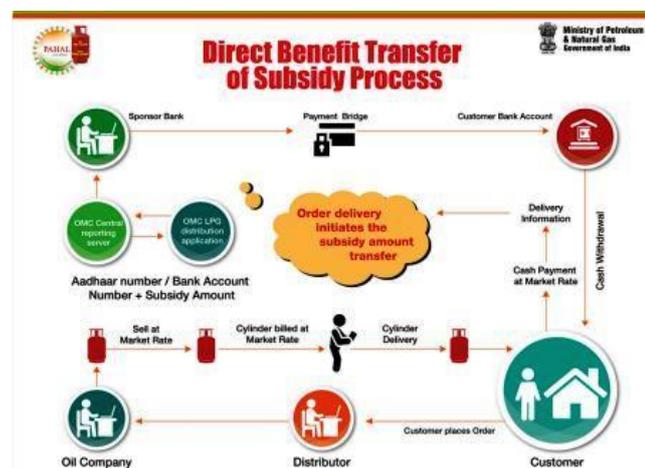


Fig. 1 : Process of Direct Benefit Transfer

Objective of PAHAL (DBTL) Scheme is to provide benefit to LPG Consumers by giving subsidy in cash directly in their bank account automatically. This will also help improving availability of new LPG connections. The government will also be equally benefited after implementation of DBTL in domestic LPG, by generating additional revenue due to check on illegal uses and black marketing.

II. RESEARCH METHODOLOGY

To realize and get accurate results for objective of this study we interviewed and questioned Consumers in Navi Mumbai area using structured questionnaire. Convenience sampling technique was used for sampling. Sample size was 50. Secondary data was gathered from websites, journals, unpublished sources, etc.

The research is based on the LPG domestic consumer about satisfaction level from the different services linked with Pahal (DBTL) scheme.

III. DATA ANALYSIS AND INTERPRETATIONS

A. FREQUENCY ANALYSIS:

Table 1. Frequency Analysis on LPG and DBTL details

S.no	Particulars	Frequency	Percentage
1.	Timely information about scheme by the company		
	Yes	50	100
	No	0	0
2.	Regular consumer of LPG		
	Yes	48	96
	No	2	4
3.	Which Connection		
	HP	13	26
	Bharat	29	58
	Indane	8	16
4.	Period of usage		
	Less than 1 year	6	12
	1-3 years	11	22
	More than 3 years	33	66
5.	Can you accept DBTL scheme		
	Yes	48	96
	No	2	4
6.	Ready to accept LPG without Subsidy		
	Yes	23	46
	No	27	54
7.	Satisfy from the services provided by the distributor about scheme		
	Yes	46	92
	No	4	8
8.	Satisfy from the first subsidy transfer and subsequent subsidy transfer		
	Yes	49	98
	No	1	2
9.	Satisfied with delivery of the gas cylinder		
	Yes	48	96
	No	2	4

From the table 1, it is inferred that all the respondents are having LPG connection and most of them are regular consumers of LPG (96%). Most of the respondents are from Bharat Gas (58%) and almost every second respondents are using since more than 3 years. Majority of them are accepting DBTL scheme (96%) but half of them are also ready to accept LPG without subsidy.

B. MEAN AND STANDARD DEVIATION

Table 2. Mean and Standard - Factors of Consumer satisfaction

	Particulars	N	Mean	Std. Deviation
1.	Satisfaction towards price	50	3.74	.600
2.	Rate the DBTL scheme	50	3.94	.652
3.	Procedure to link Andhra and LPG	50	2.88	.824
4.	Support/guidance/response by gas distributor	50	3.10	.953
5.	Support/guidance/response by bank	50	3.00	.926
6.	Timetaken at the gas distribution	50	3.20	.926
7.	Timetaken at the bank	50	3.10	.953
8.	DBTL scheme	50	3.38	.780
9.	Promptness of subsidy credit in bank	50	3.20	.833
10.	Promptness of subsidy- after purchase	50	3.40	.857
11.	Price of LPG without subsidy	50	3.22	.840
12.	Awareness about LPG	50	3.34	.872

(Source: Primary Data)

IV. INFERENCE:

Consumers are more satisfied with respect to the price, delivery and DBTL scheme with a mean above 3.50. While the procedures, support and guidance from bank and distribution agency, time taken over there, price without subsidy are having average opinion with mean ranging from 3.00-3.25.

V. FINDINGS, DISCUSSION AND SUGGESTIONS:

- The awareness about the Pahal (DBTL) is very high as the 98% customers timely get the information about the scheme.
- The satisfaction level of consumer after implementation of DBTL is around 96% as no or minimum black marketing or illegal purchase is taking place.
- The overall satisfaction of the LPG Domestic customers about the Pahal (DBTL) Scheme is also very high.
- Government has also been beneficiary Rs 15,192 cr in 2014-15, Rs 20,951 cr in 2015-16 and nearly Rs 14,000 Cr in 2016-17 till December 31, 2016 through DBT. Also as per rough estimate till March 2018 total saving is around Rs. 88,000 Cr.

VI. CONCLUSION:

The findings of the study depict that the customers has shown satisfaction on implementation of DBTL scheme and welcomed it. Customers have also shown satisfaction on delivery of Gas cylinder on time. Government has also been

beneficiary by this scheme as they are able to save approx Rs. 88000 Cr in subsidy by stopping black marketing through this scheme. This study emphasizes that the gas companies needs to improve in proper and transparent communication on pricing.

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