CUSTOMERS PERCEPTION OF SERVICE QUALITY OF NNPC RETAIL OUTLETS IN ENUGU URBAN

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ABSTRACT

Service quality is becoming more crucial for oil and gas firms to maintain their market shares. This study identified the perception of customers of petroleum services firm (NNPC) through the relationship of five factors along with the demographic characteristics of customers. A total of 304 retail customers who patronize petroleum filling stations have been taken for the study and convenience sampling method was adopted for collecting a sample. Factor analysis revealed five factors and results of analysis of variance (ANOVA) indicated that while age, gender, occupation have no significant effect on customer perception of service quality income and qualification on the contrary differs significantly. The paper therefore recommends among other things that, the concepts and principles of total quality management (TQM) are recommended for holistic study, in addition to contemporary marketing management issues such as relationship marketing, value analysis and permission marketing, among others. Efforts should also be made by petroleum marketers to understand the relevant factors that affect both clients’ behaviours so as to understand the strategic options to be adopted to cope with such behaviours.

Key words: Retail Services: Customer Satisfaction; Service Quality, Customers Perception

INTRODUCTION

The sensitivity of petroleum resource is clearly reflected in the fact that it has remained or continued to be the goose that lay a golden egg for the Nigerian economy as well as the supreme foreign exchange earner contributing over 80% of government revenues and helps the development of Nigeria’s infrastructures and other industries (Anya 2002; Chukwu 2002; Gary and Karl 2003). However, due largely to the highly technical nature of exploration and production, the sector depends substantially on imported technologies and facilities for most of its operations. In view of the critical importance of the sector to the nation’s economy and its capacity to generate far-reaching multiplier effect, the grooming of highly skilled indigenous manpower to participate keenly in the activities of the sector to redress the foreign dominance becomes imperative (Baker 2006). The rapid development of an indigenous technical workforce has become more compelling than ever before against the background of the expected imminent injection of massive investment in the sector. Already, Nigeria is the leading oil and gas producer in Africa, currently ranked the seventh highest in the world (NNPC 2004; The
Guardian 2006). In addition to the above, Nigeria which is widely referred to as a gas province, has natural gas reserves that triple crude oil reserves, being estimated in excess of 187.5 trillion standard cubit feet (scf) (Africa Oil and Gas 2004). The foregoing underscores the vast investments and potentials of the Nigerian petroleum sector, and therefore calls for commensurate investments in the development of the Nigeria human capital base. The Federal Government has stated that one of its objectives is to achieve 50 per cent local content in the oil and gas sector by 2010. Unfortunately this wasn’t unrealizable due to poor production and distribution roles.

Generally, customers’ perception of NNPC service quality has been generally bad. Service quality has become an important factor among the customers in petroleum retailing. For the success and survival in the oil and gas sector, provision of high service quality is necessary in meeting several requirements such as customer satisfaction and its consequent loyalty, attracting new customers and to increase the market share and profitability. Service quality is consistently viewed in the literature as a unique construct from customer satisfaction. The consumer considers that the service quality stems from a comparison of what he feels about the service and what is the performance of that service offering. In short, in order to evaluate the service quality the discrepancy between consumer’s expectations and perception should be calculated. All the five service quality offering variables will influence the overall service quality. Earlier to this Gronroos (1984) also proposed a conceptual model for service quality and also identified the possible determinants of perceived quality. The service quality has become a principal competitive weapon in the oil and gas industry. Services are intangible and are also not easily duplicated. Quality on the other hand, is differentiable and stems from the expectations of the customers, Hence, it is necessary to identify and prioritize the customers’ expectations for service quality and incorporate these expectations into a service process for improving quality. The key variables in meeting customer expectations begin with identifying the specific characteristics of service quality as perceived by the customer who defines the nature and importance of service quality.

Among the service industry, the oil sector is perhaps the largest one that caters for the needs of people belonging to all sections of society. Moreover, perceived service quality tends to play a
significant role in high involvement (high interaction between customers and service providers) industry like filling stations (Angur et al., 1999). Also, these energy stations traditionally have long term business relationships with customers. In addition, the oil and gas sector is large enough to capture and represent almost all the critical features of customer-perceived service quality and the critical dimensions of TQS that the management may have to encounter in order to manage a service organization effectively. This study reviews the central perceptions of service quality of NNPC retailing among the customers.

The restructuring policy of SAP of 1980s brought deregulations in the oil and gas sector and encouraged many new oil and gas marketing companies to enter into the oil and gas industry. This resulted in oil and gas companies seeking for clients and designing services that would meet clients’ needs and wants. Consequently, the Nigerian oil and gas companies incorporated the usage of various market mix elements to improve their market outreach/coverage, new product ratio, price positioning, competitive orientation, etc to survive and growth. In spite these, the perception of consumers towards most of these firms were negative. The poor condition of some oil and gas marketing companies in Nigeria is a function of some interrelated problems. According to (Sheng 1999; Day and Reibstein 1997; Kim and Mauborgne 1998; Johne 1999; Kandampully and Duddy 1999), the causes of the oil and gas marketing companies failure or poor performance, are due to microeconomic or macroeconomic factors (performance industry environmental factors indices coupled with the management of marketing content and product marketing).

Also, most of the retailing firms who were direct representatives of NNPC have entered into cartel while others practices illegal operation which is not guided by law. Consumers’ biological characteristics and traits also go a long way in shaping their perception about the NNPC and its retail outlets. It is in the light of the above problems, that this paper seeks to assess the behavioral characteristics of customers and as well measure whether there is a relationships between these behavioral traits and service perception of customers towards NNPC retailing activities.

REVIEW OF LITERATURE

The Oil and Gas Industry in Nigeria and the Management/Marketing Strategies
Marketing strategies and tactics are concerned with taking decisions on a number of variables to influence mutually-satisfying exchange transactions and relationships. Typically, marketers have
a number of tools they can use, these include mega marketing (Kotler 1996) and the so-called 4Ps of marketing (McCarthy 1995), among others. Marketing seems easy to describe, but extremely difficult to practice (Kotler and Connor 1997). Organizational managers in many firms have applied the so-called marketing concept, which may be simple or complex. The marketing concept and variants like the total quality management concept for example, are essentially concerned with satisfying clients’ needs and wants beneficially. Developing and implementing efficient and effective marketing strategies which incorporate relevant dimensions of the marketing concept involve the organic tasks of selecting a target market(customers/clients) in which to operate and developing an efficient and effective marketing ingredient combination. Marketing thought, with its practice, has been moving speedily into the service industry (Kotler and Connor 1997). Literature, partly, centres on the discussion of whether physical product marketing is similar to, or different from, the marketing of service and concludes that the differences between physical product and service might be a matter of emphasis rather than of nature or kind (Creveling 1995). Marketing is one of the salient and important organic functions which help to service organizations to meet their business challenges and achieve set goals and objectives (Kotler and Connor 1997). The word “service” is used to describe an organization or industry that “does something” for someone, and does not “make something” for someone (Silvestro and Johnston 1990). “Service” may be described as intangible its outcome being perceived as an activity rather than as a tangible offering. The question of the distinction between services and tangible products is based on the proportion of service components that a particular offering contains (Johns 1990).

A service may therefore be seen as an activity or benefit which can be offered to an organization or individual by another organization or individual and which is essentially intangible. It is a separately identifiable but intangible offer which produces want-satisfaction to the client, and which may or may not be necessarily tied to the sale of a physical product or another service (Osuagwu 1999). Services include a wide range of activities and form some of the growing sectors of the economies of developed and developing countries. Services include professional services (legal, accounting, medical, management consulting, etc), general services (insurance, postal, telephone, transportation, internet, tourism, etc), maintenance and repair services, and services from marketing researchers and product manufacturers, among others. Oil and gas service is not a tangible thing like food, clothing and car. The main factor that affects a person’s
demand for oil and gas service is that person’s attitude towards risks. The peculiarities of oil and
gas services may create marketing programmes that are different from those found in the
marketing of tangible products. The peculiarities may, also, require unique marketing approaches
and strategies. However, marketing concepts, principles and strategies are of relevance in the
marketing of oil and gas services. Sound and robust marketing strategies are important to the
survival and growth of any business, including oil and gas business, considering the increasingly
subtle, unstable and seemingly hostile business environments in which contemporary business
organizations operate (McDonald 2004 and Creveling 2005). Therefore, in order to formulate
and implement efficient and effective marketing strategies, business organizations should have a
thorough and continuous understanding of the relevant environment that impacts on their
marketing strategies.

The growth of oil and gas marketing companies and business in Nigeria has been phenomenal,
with the attendant competition and other factors. It seems that this growth in the number of
product marketing companies in Nigeria has not been matched with an equal growth in the
awareness of oil and gas services to clients and other interested publics. In order to be efficient
and effective, Nigerian oil and gas marketing companies have to devise good marketing
strategies that will enable them to reach out to a wider spectrum of the society for patronage. The
interaction of these marketing strategies and the relevant environmental factors determines the
performance of product marketing companies in Nigeria. On the other hand, oil products in the
Nigerian business environment include PMS, gasoline, kerosene, diesel, lubricant, among others.
On the other hand the the environmental factors include men, money, materials, management,
machines, facilities location, market, technology, legal provisions, economic factors,
organizational culture, political factors, structure of the oil and gas industry, oil and gas clients’
behaviour, among others. These factors are internal and external. The marketing strategies of
Nigerian oil and gas marketing companies are expected to be adaptable to these environmental
factors in order to achieve set performance goals. The oil and gas industry seems to have
witnessed some form of corporate performance over the years which can be attributed to their
district level of market share (Okwor 1992; Falegan 1991 ; Daniel 1998 ; Olawoyin, 1995 ;
Ogunrinde 1990).
**Concept of Service Quality**

As mentioned before that Service quality has been widely used to evaluate the performance of oil and gas services (Cowling and Newman, 1995). Moreover service quality can be defined as the difference between customers’ expectations for service performance prior to the service encounter and their perceptions of the service received (Asubonteng et al., 1996). Gefan (2002) also defined service quality as the subjective comparison that customers make between the quality of the service that they want to receive and what they actually get. The energy firms understand that customers will be loyal if they receive greater value than from competitors (Dawes and Swailes, 1999) and on the other hand, the firms can earn high profits if they are able to position themselves better than their competitors within a specific market (Davies et al., 1995). Therefore, they need focus on service quality as a core competitive strategy (Chaoprasert and Elsey, 2004). Moreover, customers evaluate oil and gas firms’ performance mainly on the basis of their personal contact and interaction (Grönroos, 1990).

Many scholars agree that service quality can be decomposed into two major dimensions (Grönroos, 1983; Lehtinen and Lehtinen, 1982). The first is referred to by Zeithaml et al., (1985) as “outcome quality” and second by Grönroos (1984) as “technical quality”. However, the first dimension is concerned with what the service delivers and on the other hand, the second dimension is concerned with how the service is delivered: the process that the customer went through to get to the outcome of the service. However, service quality can be also defined as “a judgment about a service’s overall excellence or superiority” (Schneider & White, 2004, p. 51).

The central issues involved in meaning service quality have been well documented (Cronin and Taylor, 1992; Parasuraman, Berry, and Zeithaml, 1991b; Babakus and Boller, 1992; Carman, 1990). Of interest here are two aspects of service quality measurement; (1) the number of dimensions that constitute service quality and (2) the operationalization of the measurement. Previous researchers have been looking at the linear relationship between service quality and satisfaction judgments. In recent studies on satisfaction judgments, it has been suggested that the
relationship should be in a non-linear form (Ding, 2004). According to Taylor (1997), there is
evidence that suggests that evaluation of satisfaction should involve a curvilinear or higher order
form as well as an interaction effect (Taylor and Baker, 1994). This has been confirmed by Oliva
et al. (1992) who stated that the satisfaction function should not be in the linear form. A study by
Edris (1997) on quality for business customers among Kuwaitis found that local ownership is
one of the determinants for selection.

On the other hand, a study by Athanassopoulus (1997) showed that there is no global difference
between private and the government-owned energy firm. There are many other researchers who
concluded that service quality is the antecedent to satisfaction (Ahmad and Kamal, 2002; Cronin
and Taylor, 1992; Yavas et al., 1997). Hence in this research, the question of which one is the
antecedent will be studied. Using service quality as the antecedent to satisfaction is more logical
and that why it has been taken into consideration. This is because satisfaction is an important
goal to be achieved by energy marketers and if these firms want to increase satisfaction, they can
do it through service quality (Goodes et al., 1996).

**Measuring Service Quality:**

Perceived service quality can be defined as a global judgment or attitude related to the
superiority of a service (Parasuraman et al., 1988). The term perception pertains to the
consumers’ beliefs concerning the received or experienced service (Brown and Swartz, 1989;
Parasuraman et al., 1988). Woodruff (1997) pointed out that there were two perspectives about
customer value: the view of the customer that represented the value or perceived value received
from the firms by the customer, and the value of the customer to the firms. Treacy and
Wiersema’s (1993) statement “industry leaders changed what customers valued . . . then boosted
the level of value that customers expected” clearly indicated that they believed customer value to
be the value that was gained by the customer by using the products and services of the
organization.
The perceived quality of the service is therefore assessed by means of an analysis of the “gaps” between the perceptions of actual service provided and the service expectations of the consumer. Boyd et al. (1994) conducted a survey of households in the UK to evaluate the relative importance attached to the selection criteria used to choose a firm. Respondents perceived the reputation of the institution as the most important valuation criterion. An understanding of customer expectations was a prerequisite for delivering superior service. Customers compared perceptions with expectations when judging the service of an organization (Parasuraman et al., 1991). Parasuraman et al. (1990) developed a methodology called SERVQUAL that measured the difference between customers’ perceptions of a service and their expectations of the service. Yang and Jun (2002) examined perceptions of service quality by sampling both internet purchasers and non-purchasers. They found six service quality dimensions were perceived by internet purchasers: reliability, access, ease of use, personalization, security, and credibility. However, seven dimensions were present for the non-users. Unique to non-Purchasers were the dimensions of responsiveness and availability, while the credibility dimension did not come up.

A study conducted by Cronin and Taylor (1992) has found that their perception-only erasure of service quality (SERVPERF) outperformed the traditional SERVQUAL because the former scale has provided a more construct-valid explication to service quality due to their content validity and the evidence of their discriminate validity. Also, Wall and Payne (1973) note that when people are asked to indicate the “desired level” (expectations) of a service and the “existing level” (perceptions) of the service, there is a psychological constraint that people always tend to rate the former higher than the latter (E>P). Babakus and Boller (1992) have found that service quality, as measured in the SERVQUAL scale, relies more significantly on the perception score than on the expectation score. Apart from this, respondents appear to be bored, and sometimes confused by the administration of E and P version of SERVQUAL (Bouman and van der Wiele, 1992. Undoubtedly, boredom and confusion will adversely affect data quality.

**METHODOLOGY**

Present study is an empirical research to study the demographic influences on customer perception towards retail petroleum services offered by NNPC. The survey questionnaires were distributed to 350 respondents in Enugu city, 304 usable questionnaires were collected, resulting
in an 86.9 percent response rate. The Study was conducted in Enugu during the period of Feb – April 2021. Convenient sampling method was adopted for collecting a sample. The data was analyzed using SPSS. In order to test the customer perceptions towards retail petroleum services of NNPC within the framework of the value disciplines, a questionnaire with two sections was designed. Section A captured demographic information for the purpose of describing the sample. Section B was designed to measure customer perceptions of the value being delivered by their retailing energy firms. The 16 statements were measured on a Five point Likert scale where 5 indicated strongly agree and 1 strongly disagrees.

RESULTS AND DISCUSSION:

The demographic characteristics of the respondents are summarized in Table 1. Of the 304 respondents 65.1 per cent of them were male, 53.6 per cent were between 18 and 30 years old, and 47 per cent had a bachelor’s degree. The majority had a monthly salary between 41, 000 and 60, 000. 48 percent of the customers are private employees and 30.9 percent of the customers are working in government in Enugu.

Hypothesis Testing: The Factor Analysis

A principal components factor analysis with varimax rotation was performed on the 16 items that assessed the perceived service quality of the retail petroleum. Out of 16 items four items removed due to low scoring. The statistical test result (KMO =0.693, Bartlett’s Test of Sphericity 997.570, Significance 0.000) indicated that the factor analysis method was appropriate. Thus, the 12 items were reduced to five factors with eigenvalues greater than 1.0, which were retained for subsequent analysis. The resultant factor structure explained 67.514 of the item variance. The five factors and the loadings are listed in Table 2. The overall reliability of this construct was satisfactory (Cronbach’s coefficient alpha = 0.746), while the reliability coefficients for five factors ranged from 0.498 to 0.722 indicating a fair to good internal consistency among the items of each dimensions.
Factor 1, which was labeled as ‘Services’, was composed of four items (Coefficient alpha = 0.722) and accounted for 25.432 percent of the variance. This factor was dominated by items such as technological services, good internet facility.

Factor 2 comprised of three items that related to the ‘Reliability’ of the services (Coefficient alpha = 0.623) and accounted for an additional 14.051 percent of the variance. Queries and complaints, low interest rates on loans are the items occupy highest loadings.

Factor 3 was labelled as ‘Tangibles’ that included three items (Coefficient alpha = 0.498). It accounted for the additional 10.558 percent of the total variance. The three items were convenient operating hours, modern looking equipments, and fast in solving problems. These were all influences customers when entering in to petroleum stations. These characteristics helped to establish the image of the firms and influences customer expectations.

Factor 4 was ‘Time Duration’ that contain only one item is time taken by the energy firm for addressing issues. It accounted for the additional 9.535 percent of the variance.

Factor 5 was interpreted as a ‘Growth’ and contains one item of growth of my oil and gas firms are better than others and it accounted for the 7.939 of the variance.

Table: 1 Result of Factor Analysis
Factor Label | Item | Factor Loadings | % of variance |
--- | --- | --- | --- |
1 Services (α = .722) | Energy firm is providing high technological services | 0.864 | 25.432 |
| | My energy firm has convenient locations | 0.752 |
2 Reliability (α = .623) | My queries and complaints are handled immediately | 0.735 | 14.051 |
| | The firm takes care of confidentiality and privacy of its customers | 0.663 |
3 Tangibles (α = .498) | My oil and gas firm has convenient operating hours | 0.773 | 10.558 |
| | The firm has modern looking equipment | 0.700 |
| | The firm is relatively fast in solving problems | 0.516 |
4 Time Duration | Time taken for addressing issue is comparatively less | 0.847 | 9.535 |
5 Growth | Growth of the firm is better than others | 0.867 | 7.939 |

**General Tendency of Customers’ Perception**

After analyzing the differences in mean values in customer perception on service quality, comparing the ranking of the mean value is also important, as it provides an understanding how the customer prioritizes the items. Among the five factors, Services had the highest mean score (15.42) that was followed by Tangibles (11.94), Reliability (11.42), Time duration (4.24) and growth (4.20). The mean score of services was 15.42 which indicated that most respondents appreciated the services of the retail petroleum services in the sense that the firm provided high technological services, good facility, convenient locations and wide range of services. Growth of the firm scored the lowest score of 4.20.

**Customer Service Quality Perception**

According to Webster (1989), there is a need to examine the demographic characteristics of customers when evaluating service quality in retail petroleum services. Therefore, the demographic data were adopted to examine their association with various dimensions. In this study some of the demographic characteristic yielded significant differences at 0.05 levels in the perceptions of the service quality. ANOVA and t test results are shown in Table 3.
First, significant differences for the income of the respondents were found in four factors: Services (p=0.019), reliability (p=0.002), Tangibles (p=0.000), and time duration (p=0.012). ‘Services’ considered to be good by irrespective of all income groups especially in the income level of 41,000 – 60,000 it shows the highest mean value of 15.98 and the next factor rely by the customers is ‘Tangibles’ and the highest mean score is 12.80 in this all the income group people are accepting the same but in the income group of 61, 000- 80,000 says that they are more satisfied with ‘Reliability’ than ‘Tangibles’. Next highest means score 11.91 obtained by ‘Reliability’ especially in the income level of 21,000 – 40,000 and the least mean score is accompanied by ‘Time duration’.

The qualifications of respondents are classified in to three categories such as graduate, post graduate and others. ANOVA test has been applied to find out whether any difference can be found by respondents having different qualifications. Significant difference for education was found in three factors: Reliability (p = 0.021), Tangibles (p = 0.000), and Time Duration (p = 0.024). Among these factor most of the customers are highly satisfied with ‘Tangibles’ and it has a highest mean score of 12.79. Next factor satisfied by the customers was ‘Reliability’ with the highest mean value of 12.18 and the least mean score obtained by ‘Time duration’. While comparing to graduate and post graduate, especially others category are expressed that they are more satisfied with ‘Tangibles’ and ‘Reliability’. Last significant difference can be found in marital status in the factor of ‘Reliability’ and in the age group significant difference can be found only in the factor of “Time Duration”.
| Age          | N   | Service | Reliability | Tangible | Time | Growth |
|--------------|-----|---------|-------------|----------|------|--------|
| 18-30        | 163 | 15.29   | 11.26       | 11.88    | 4.21 | 4.21   |
| 31-40        | 96  | 15.44   | 11.60       | 11.96    | 4.22 | 4.21   |
| 41-50        | 26  | 15.85   | 11.65       | 11.88    | 4.35 | 4.23   |
| 51-60        | 9   | 15.67   | 11.33       | 12.33    | 4.11 | 4.11   |
| above60      | 10  | 16.20   | 11.70       | 12.70    | 4.60 | 4.00   |

| p value      | 198 | 0.702   | 0.573       | 0.417    | 0.0073** | 0.574  |

| Gender       |     |         |             |          |       |        |
|--------------|-----|---------|-------------|----------|------|--------|
| Male         |     |         |             |          |      |        |

| Female       | 106 |         |             |          |      |        |

| p value      | 73  | 0.170   | 0.757       | 0.668    | 0.778 | 0.218  |

| Income       |     |         |             |          |      |        |
|--------------|-----|---------|-------------|----------|------|--------|
| <=20,000     | 101 | 14.58   | 10.68       | 11.64    | 4.27 | 4.22   |
| 21,000-40,000| 31  | 15.38   | 11.91       | 12.13    | 4.28 | 4.28   |
| 41,000-60,000| 20  | 15.98   | 11.67       | 12.12    | 4.17 | 4.18   |
| 61,000-80,000| 10  | 15.68   | 11.35       | 11.19    | 4.06 | 4.13   |
| 81,000-1,00,000| 143 | 15.55   | 11.30       | 12.80    | 4.45 | 4.20   |
| >1,00,000    | 128 | 15.30   | 11.20       | 11.70    | 4.50 | 4.10   |

| p value      | 33  | 0.019*  | 0.002**     | 0.000**  | 0.012* | 0.562  |

| Educational qualification |     |         |             |          |      |        |
|---------------------------|-----|---------|-------------|----------|------|--------|
| Graduate                  | 15.61| 12.18 | 12.79       | 4.18     | 4.18 |        |
| post graduate             | 0.784 | 0.021* | 0.000**     | 0.024*   | 0.940|        |

| Occupation               |     |         |             |          |      |        |
|--------------------------|-----|---------|-------------|----------|------|--------|
| Student                  | 146 | 15.60   | 11.55       | 11.86    | 4.27 | 4.22   |
| Pvt.employees            | 94  | 15.31   | 11.54       | 12.03    | 4.18 | 4.22   |
| Govt.employees           | 21  | 15.62   | 11.33       | 12.43    | 4.43 | 4.05   |
| Businessmen              | 74  | 0.502   | 0.056       | 0.286    | 0.089 | 0.354 |

| p value      | 230 | 15.34   | 11.04       | 11.84    | 4.23 | 4.20   |

| Marital Status    |     |         |             |          |      |        |
|-------------------|-----|---------|-------------|----------|------|--------|
| Single             | 15.45| 11.54 | 11.98       | 4.24     | 4.20 |        |
| Married            | 0.737 | 0.042* | 0.460       | 0.881    | 0.977|        |

Notes: **Significant at p < 0.01, * Significant at p < 0.05

In this study customer demographic characteristics entered as control variables which also influenced customers’ perception on retail banking. Analysis of Variance (ANOVA) has been used to investigate relationship between customer perceptions towards oil and gas services and customer demographic characteristic. Customer demographic characteristics had been
divided in to six factors including age, gender, education level, occupation, monthly income and marital status. According to the results with 95% confidence, gender and occupation does not have significant impact on the customer perception towards services offered by the firm. Hence, it can be concluded that all respondents irrespective of gender and occupation customers perceive the various factors in the same manner. Also with 95% confidence in income, growth factor (Sig = 0.562), under education the dimension for services (Sig = 0.784) and growth (Sig = 0.940), while analyzing the age group except “Time Duration” and remaining all the factor does not show the significant relationship with overall perception towards oil services.

CONCLUSION AND RECOMMENDATIONS

Service quality has been considered to be most important factor by the consumers. This study analyzed the practicality of measuring the retail service quality perceptions and its influence on demographic factors. Findings from this study provide an initial understanding on the direction of the customer’s perception about the service quality in retail petroleum of NNPC major distributors. This provides proper guidelines to the service providers to improve their service offerings. The results of this study indicated customer perception can be influenced the effects of service quality and performance. Customer perception can be considered as the key contrast to NNPC for the overall performance.

While the study found that four factors in income (Services, reliability, Tangibles, and Time duration), three factor in Qualification (Reliability, Tangibles, Time duration), one factor in marital status (reliability) and one factor in age group (Time duration) which indicated that there is a significant relationship between demographic characteristics and customer perception towards services offered by NNPC. ‘Services’ considered being good by irrespective of all income groups especially in the income level of 41,000 – 60,000. All the customers are highly satisfied on the services provided by the firms.

While discussing about qualification, most of the customers were found good and comfortable in operating hours, fast in solving problems. Important results reveal from the study that
irrespective of gender and occupation, customers perceive the various factors in the same manner. For better service quality, the service providers have to improve the weaknesses in order to attract new customers.

The concepts and principles of total quality management (TQM) are recommended for holistic study, in addition to contemporary marketing management issues such as relationship marketing, value analysis, business process re-engineering, mega marketing, re-marketing, co-marketing, benchmarking, and permission marketing, among others. Efforts should be made by organizational marketers to understand the relevant factors that affect both clients’ behaviours, and the strategic options to be adopted to cope with such behaviours.

Firms that are not operating in a dynamic business environment need not adopt a strategic marketing practice as this may cause the firm to look inconsistent in the eyes of its customers and eventually reduce effective performance. The need for the identification of options and resources and of capabilities of deployment constitutes an impetus to effective strategic marketing implementation, since the practice derives from capabilities in assembling and maintaining an appropriate resource portfolio and coupling the resource portfolio with the identification and recognition of options. In a constantly changing business environment, oil and gas firms can adopt a strategic marketing practice because it is able to enhance their business performance. There is need for configuration, reconfiguration and deployment of resources to arrest negative changes in the business environment. There is a need to generate real options by devising and configuring resource-based capabilities.

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