

# A Study On Impact, Challenges, Effects And Remedies Of Increase In Petrol Price With Reference To Coimbatore City

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**Abstract-** *Petrol is the most important resource for transportation. The increase in petrol price affected the people hardly. In which most of the middle class families struggles a lot to afford the price. This research purely studies about the impact of petrol price over the people in Coimbatore city. The challenges which were faced by the vehicle owners were discussed and the impact on their vehicle also analysed which result to change the vehicle or to change the mode of transport. The petrol price not only have an impact over the spendings but also resulted in the increase of other goods which mainly depends on transportation To reduce the transport cost and also to avoid loss the petrol price were adjusted by raising the price of the goods transported. Many vehicle owners face a challenge of selling their vehicle or scrap their vehicle because of the poor condition over mileage. They also forced to maintain the vehicle by servicing periodically or according to the usage to maintain better mileage performance. This project also shows how the people take their own remedies to avoid the impact. Since the research was based on Coimbatore city which the city was called as “Manchester of South India” in which most of the distribution to the overall India takes place. This project is made to study the challenges faced by the vehicle owners, impact on the usage of the vehicles and also the remedies taken over by the petroleum consumers and the impact over the prices of related goods.*

## I. INTRODUCTION

Petrol rates in the country have sharply increased after the latest round of fuel price hike by Oil Marketing Companies (OMC). Experts have said the continuous increase in fuel prices will have a widespread impact on citizens and the overall economy. So that this project is made to study how and by which manner the citizens of Coimbatore were affected by the increase in petrol price and also ideas or decisions they have taken against the petrol price. Since the petrol is the main source for lots of people for transportation. So this project will find out how people have been affected and what remedies

they have taken to overcome the impact, so that others may consider the valuable ideas.

In present Coimbatore condition the petrol rates were increasing in the pattern of two days once. Which makes an huge difference over the petroleum consumers. Majority of the people were affected due to the increase in petrol price which obstruct them from their daily doings. Since most of them own a vehicle they can heavily feel the effect. And those whose use public or other means of transport such as buses, cabs, autos, rental vehicles, etc they try to reduce impact on them by increasing the hire/fare rates which results in affecting the users of those transportation.

The rising of petrol price also impact the usage of vehicles. That most of them avoid using their own vehicle and choose other transportation. And some also changes their vehicle to Electronic Vehicle (E-Vehicle). Which also declines the sales of petrol and makes the user affordable. But the E-Vehicles also have lots of disadvantages. The petrol price also determines the prices of goods or commodities or dairy products which was also discussed and analysed in this project. Thus the transport cost goes higher due to the petrol price they afford those cost by increasing the price of the goods transported. Most of them had reduced their speed of driving to an economical speed to reduce the petrol usage as a remedy. Also started to maintain the vehicle in an good condition for better mileage. It also shows that the petrol price also resulted in reduced usage of vehicles over the people in Coimbatore city

## OBJECTIVE OF THE STUDY

- To find out the challenges faced by the vehicle owners
- To examine the impact on vehicle usage
- To know that it effect the prices of other goods
- To bring out the remedies taken over by the petroleum consumers.

## STATEMENT OF THE PROBLEM

The petrol price was sharply increased by OMC. So this project is made to study how the increase in petrol price affected the people from the Coimbatore city. Thus most of the people were highly affected in their day to day life. In which petrol price plays an major role. Petrol has also become a part of the daily needs. Thus most activities are done by transportation which requires petrol. Even some machineries equipped in the factories also requires petrol to function. All the daily needs were full filled by the way of transport. Hence the increase in petrol price affects all these factors.

## II. REVIEW OF LITERATURE

**Mr.Aswin Sivarajan, Mr.Biwin P Mthew & Mr.Anush Gowda (October 2018)**, states that the growing demand and increasing fuel price have always been a issue for the general public. They made a clear study about the crude oil and its prices to analyse and identify the reasons and also to predict the fuel prices

**Dr.Samik Shome, Urmi Khatri, Divya Joshi, Saurabh Mehndiratta (October 2018)**, made an article about the pricing methods of petrol in India. They clearly explain about the daily changes of price of petrol by the Government of India. They have reviewed more than ten research papers for their project.

**Ms. A. Srija, Ms. Shreya Bajaj (March 2021)**, has inspected the fuel price movement in India by classifying the petroleum and coal products. They provided their research results very clearly and explained it thoroughly by inserting tables and graphs. They mentioned about the uncertainty in the crude oil leads the petrol price to increase or decrease. The researchers were Government employees over the Ministry of Finance department.

**Mr. Nishi Bhandari (2018)**, provides us information that the increased petrol price is the result of higher demand due to higher consumption of petrol and also the fall in rupee value against the dollar. In the future the petrol prices seems to be normal even though the price in the peak because of shortage of natural resource.

**Mr. Vignesh Radhakrishnan (April 07, 2022)**, studied the future rates of prices and its impact in India. The petrol price may rise to Rs.150 within this year and keep on increasing where the petrol price always goes upwards. Most of the will forget about the vehicles because the most of the families were from the background of middle and lower class.

**Mr. Sharif Qamar (13 July 2020)**, concluded that the shared taxis, public transports, and other rental or fare transports will function more as the passengers will increase and the number of own vehicle users will decrease. The transporters will be forced to sell or scrap their old vehicles and to buy the new vehicles to maintain mileage or switch to E-vehicles.

**Dr. Dinesh Gabhane, Mrs. Madhuri Gabhane, (2021)**, stated that the rapid growth in economy, India has been third largest importer of the crude oil in the world surpassing China in middle 2020. They made this project a very in bigger in the way of analysing the rates from 2014 to present.

**Mr. Debijit, (2021)**, mentions that the taxes over the petrol prices also are higher which leads the petrol price to hike. They also studies about the India's overall consumption and supply, productions cuts by some oil exporting nations and so on.

**Chakraborty (2021)**, researched that the sales of gasoline in India is very high which was used by millions of people for public transport and also for their personal transport. This leads to use the resource in large numbers and which also creates the demand leads to increase the petrol price.

## COMPANY PROFILE

Petrol is a most important resource which enables each and every mode of transportation to function smoothly. In India the petroleum price will change on daily basis by the MNC's which is the main reason for the increase in price. The dollar rate was a main cause for this non reduction of petrol price. In India there were several private distributors who sells petrol in several regions, towns, cities, and highways and wherever needed. Many of the sellers were retail sellers in and there was a wholesale seller in which the government and also the other distributors will buy the petroleum. The distributors will establish petrol bunks all over every place's to reach the people and to attain a nominal incomes. Thus petroleum gases play's a vital role in today's modern world.

## III. RESEARCH METHODOLOGY

- Research Area:

The research was made within the boundary of Coimbatore city, Tamilnadu, India and all the information's which are collected and compiled was collected from the people in Coimbatore city.

- Sampling method:

Convenience sampling is the method used to collect data from the respondents. Convenience sampling is the method that is taken out from a source which is conveniently accessible to the researcher.

- Period of study:

This project studies the increase in petrol price from June 2021 – May 2022 in which the petrol price nearly doubled compared to previous price.

- Sample size:

The observation of sample is limited within the Coimbatore city as this project studies about the impact over the people in Coimbatore city. The sample size collected is 120.

- Tools used:

In this project I have used Percentage analysis method by using the MS Excel which helps to clearly classify the collected responses and to identify the respondents preference.

#### IV. ANALYSIS & INTERPRETATION

Percentage analysis for the objective related questions.

Gender		
	No. of Respondants	Percentage
Male	70	58.60 %
Female	50	41.40 %
<b>Total</b>	<b>120</b>	<b>100 %</b>

Source: Primary data.

Interpretation:

From the questionnaire which have been circulated, out of 120 total responses 70 of them were male and remaining 50 were female with 58.60% and 41.40% respectively.

Age category		
	No. of Respondants	Percentage
18 - 23	112	93.10 %
24 - 27	8	6.90 %
<b>Total</b>	<b>120</b>	<b>100 %</b>

Source: Primary data.

Interpretation:

From the above table 112 respondents belongs to the age category of 18 – 23 and 8 were of 24 – 27.

Occupation		
	No. of Respondants	Percentage
Private sector	25	20.70 %
Student	95	79.30 %
<b>Total</b>	<b>120</b>	<b>100 %</b>

Source: Primary data.

Interpretation:

The table above shows that the 25 of the respondents were private sector employees and 95 of the other respondents were students.

Monthly income		
	No. of Respondants	Percentage
Spending from parents income	50	41.40 %
Less than 20,000	37	31 %
20,000 – 30,000	13	27.60 %
<b>Total</b>	<b>120</b>	<b>100 %</b>

Source: Primary data.

Interpretation:

In the above mentioned table majority of them were spending from their parents income (41.40 %) and other 31 % of them earns less than Rs.20,000 and other income were ranged to Rs.20,000- Rs.30,000.

Type of vehicle using		
	No. of Respondants	Percentage
Bike	79	65.50 %
Car	25	20.70 %
Bus	16	13.80 %
<b>Total</b>	<b>120</b>	<b>100 %</b>

Source: Primary data.

Interpretation:

This analysis shows that out of 120 total respondents, 79 of the respondents use bike and 25 of them uses car and 16 of them travel in bus.

Kilometers travelling in vehicle a day		
	No. of Respondants	Percentage
Less than 10	25	20.70 %
10+ km's	37	31 %
30+ km's	41	34.50 %
50+ km's	17	13.80 %
<b>Total</b>	<b>120</b>	<b>100 %</b>

Source: Primary data.

Interpretation:

The above analysis table shows that 34.50 % of respondents travel 30+ km's a day ,13.80 % of the respondents travel 50+ km's, 31% of respondents travel 10+ km's and other 20.70 % of respondents travel less than 10 km's a day.

Litres of petrol your vehicle consume (a day)		
	No. of Respondants	Percentage
Less than 5ltrs	87	72.40 %
6 – 15ltrs	25	20.70 %
16 – 25ltrs	8	6.90 %
<b>Total</b>	<b>120</b>	<b>100 %</b>

Source: Primary data.

Interpretation:

In the above mentioned table 87 of the respondents said that their vehicle consumes less than 5 litres in a day, 25 respondents said that their vehicle consumes 6 – 15 litres and 8 respondents said that their vehicle will consume 16 – 25 litres of petrol in a day.

Level of impact		
	No. of Respondants	Percentage
Extremely	70	58.60 %
Moderate	50	41.40 %
<b>Total</b>	<b>120</b>	<b>100 %</b>

Source: Primary data.

Interpretation:

From the table mentioned above 70 of the respondent (i.e.) 58.60 % of the respondents were extremely affected due to increase in petrol price and remaining 50 (i.e.) 41.40 % of the respondents were affected moderately.

Remedies to avoid impact		
	No. of Respondants	Percentage
Servicing to good condition	21	17.20 %
Maintain average speed	70	58.60 %
Changing to EV	29	24.10 %
<b>Total</b>	<b>120</b>	<b>100 %</b>

Source: Primary data.

Interpretation:

This analysis table shows that 21 respondents said that servicing their vehicle to better condition will reduce the impact, majority of 70 respondents said that maintaining in average speed will be a effective remedy and 29 of the respondents said that they will be changing to E – Vehicle to avoid the impact completely.

Average loss in money (monthly)		
	No. of Respondants	Percentage
Less than 5,000	83	69 %
5,001 – 10,000	33	27.60 %
10,001 – 15,000	4	3.40 %
<b>Total</b>	<b>120</b>	<b>100 %</b>

Source: Primary data.

Interpretation:

The analysis table above shows that majority of 83 respondents said that their average loss of money in a month is less than Rs. 5,000 and 33 respondents mentioned Rs. 5,001 – Rs. 10,000 and 4 were said that their average loss is between Rs. 10,001 – Rs. 15,000.

It affects prices of other goods		
	No. of Respondants	Percentage
Agree	108	89.60 %
May be may be not	12	10.40 %
<b>Total</b>	<b>120</b>	<b>100 %</b>

Source: Primary data.

Interpretation:

From this analysis table we can identify that 108 of the respondents nearly 89.60 % of the agreed that the increase in petrol price will affect the prices of goods to and other 12 i.e. 10.40 % of them were confused that it may affect or may not affect.

Handling present situation		
	No. of Respondants	Percentage
Spending more from savings	84	69.80 %
Revenue expenditure	25	20.70 %
Using credit cards	11	9.50 %
<b>Total</b>	<b>120</b>	<b>100 %</b>

Source: Primary data.

Interpretation:

The above mentioned analysis table shows that 69.80 % of the respondents were forced to spend more from their saving to afford the petrol price, 20.70 % said that it was their revenue expenditure and 9.50 % of the uses their credit cards to consume petrol in the current situation.

Which will be your alternative transport to travel economically		
	No. of Respondants	Percentage
Bus	91	75.90 %
Cabs	17	13.80 %
Own vehicle instead	12	10.30 %
<b>Total</b>	<b>120</b>	<b>100 %</b>

Source: Primary data.

Interpretation:

From this analysis table we can state that the petroleum consumers had taken other modes of transport of remedies i.e. 75.90 % of the people will choose buses, 13.80 % of them use cabs and 10.30 % of them will remain using their own vehicle to travel economically.

## V. FINDINGS

- 37.60 % of the respondents said that the petrol price forced them to sell or exchange their vehicle.
- 62.40 % of them said that they use their own vehicle by maintaining it to better condition.
- 42.50 % of them stopped using their vehicle to travel to the nearest stop and started walking.
- 37.60 % of them use cycles (non-petrol) to travel to nearest shops.
- 19.9 % of the respondents use their vehicle (petrol) to reach the nearest or local shops.
- 58.60 % of the respondents stated that they need to spend more than their budget to consume petrol.
- 27.40 % of the respondents said that they spend more but not affected due to the increase in petrol price.
- 14 % of the respondents said that they can't understand their expenses over the petrol price because of travelling a small distances.

## VI. SUGGESTION

- The petrol price is high and it is till rising so maintain the vehicles speed in an average to avoid the loss of petrol and to gain more mileage.
- Make sure that your vehicles performance is at its best, service it in regular intervals to avoid more consumption of petrol.
- If your destination is convenient and you are comfortable with public transportation, then choose it which will reduce much.
- Avoid using petrol consuming vehicles for reaching nearest shops and go by walk or by non petrol vehicle (E-vehicle, Cycle).
- Consume petrol in liters rather than in rounded off amount so that the mileage of the vehicle can be calculated and can avoid over spendings.

## VII. CONCLUSION

This research concludes that the increase in petrol price in Coimbatore city has affected majority of the people. Also more of them were forced to sell or scrap their existing vehicles due to poor mileage and to buy a new mileage economic vehicle. And also most of the people started to

reduce the usage of their petrol engine vehicle. If they need to travel a long distance respondents preferred to travel in public transports which will be more economic and cost efficient. This research also found that the increase in petrol price lead to the increase in price of other goods too. Most of them agreed that the goods were transported from one place to another and to avoid the huge loss the transport cost were included which results in the goods price to be increased. The respondents were motivated to buy electronic vehicles to avoid the impact of petrol price and also the started to keep on servicing their vehicles regularly for better mileage performance. Thus the increase in petrol price has a great impact around the people in Coimbatore city.

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