The Rising Petroleum Products' Pricing and Customer Retention for Oil and Gas Sector in Uganda: A Case of Total Uganda Limited

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Abstract

The ever-increasing prices for fuel products in Uganda are critical to be studied at this time and therefore, this study is set to investigate the relationship between petroleum products pricing and customer retention at Total Uganda Limited (TUL). However, petroleum products pricing is considered by the parameters of international, domestic and pump pricing strategies while Customer retention was measured by parameters of customer-products consumption length, number of customers staying, repeat customer rate and number of customers with intention to stay. It is though hypothesized that the interactions between the independent and dependent variables is influenced by mediating variables of Government Policy and; demand and supply for gas and oil products. Concomitantly this study sought to investigate the relationship between petroleum products pricing and customer retention at Total Uganda Limited. A correlational research design was adopted with quantitative and qualitative data collection methods where questionnaire and interview-guide were used for customers and Service Station employees respectively. The results reveal that international pricing had a positive statistical relationship with customer retention at Total Uganda Limited. This was a variable with a weak effect towards customer retention. Domestic pricing was statistically related to customer retention at TUL and Pump pricing was positively related to customer retention at TUL. Pump pricing had a direct impact on customers' behaviors in terms of quantities of fuel to be purchased. A fact that suggests that the Government of Uganda should implement price subsides for fuel prices to make the prices reduce for the short and long run basis.

Keywords: Petroleum products' pricing, Customer retention, Oil and gas sector

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1. Introduction

In 1986, the Uganda gas and oil sector received International Oil companies that were required to exploit the national oil reserves and in 1991 as a practice from the Ministry of Energy and Mineral Development there was formation of the petroleum exploration and production department that would seek for best practices of management in the sector where customers' needs would also be considered by all players in the sector (Hickey & Izama, 2019).

Since 1986, the Government of Uganda through line Ministries and partners have come up with several reforms and regulatory framework such as the National Oil and Gas Policy for Uganda (2008) that offers a set of guidelines without regulating prices for the petroleum dealing companies and individual traders in a liberalized economy (Byaruhanga & Langer, 2020). However, due to liberalization of the economy reforms that were made since 1987 the gas and oil sector management practices such as customer retention have been changing as more players in the private sector freely engaged in the sale of oil and gas products with freedom and liberty to set own prices based on demand and supply for oils and gas products (Ssekyewa, 2020).

The rising petroleum products' pricing is considered global issues for countries (Vernon, Parry, & Black, 2021). However, some countries through their governments have come up with reforms to reduce the effects of such a situation to their economy and general well-being of their consumers (Valadkhani et al, 2021). The hiking fuel prices in an economy has implications towards quantity and quality of the sector products; consumption rate, satisfaction with products and services from fuel companies; and general economic growth as well as development (Ahmed et al, 2020).

In East Africa, Uganda is the country with the highest fuel prices, the Government of Rwanda, introduced subsidies on petrol and diesel in May 2021 as global oil prices began to rise and moved further to set prices of fuel. In addition, in Tanzania, the government intervenes in price negotiation to stabilize fuel pump prices so that it's affordable to Tanzanians (Odokonyero & Bulime, 2022).

In Uganda, prices for oil and gas sector products including fuel might have economic and social implications to the efforts of customer retention among companies that distribute, store and sell sector products and therefore, this needs to be critically examined (Wamono, Kikabi & Mugisha, 2012). For the case of Uganda, the rising fuel prices has not been administratively handled enough by the Government and key players partly due to the free economy principles and government inability to sustainably control and manage its fuel reserves in the country (Rwengabo, 2018).
Oil and gas products- petrol and diesel fuel in particular, are ever increasing in Uganda despite the reduction of the crude oil barrel prices on the world market, with Uganda still, less strategies are in place to curb the situation (rising prices) that is regarded impactful to growth and development of Uganda's economy through various economic sector (Mutyaba, 2022).

A Resource Based View Theory, which is an economic theory that suggests that firm performance is a function of the types of resources and capabilities controlled by firms (Barney, 2008). A resource is a

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relatively observable, tradable asset that contributes to a firm's market position by improving customer value or lowering cost (or both); and a capability denotes the ability of a firm to accomplish tasks that are linked to higher economic performance by increasing value, decreasing cost, or both (Walker, 2009) Barney (2008) also describes resources as tangible and intangible assets a firm uses to conceive of and implement its strategies; and capabilities as a subset of resources that enable a firm to take advantage of its other resources.

In relation to this theory and the study, Eisenhardt and Martin (2010) argues that availability of substitute resources tends to depress returns of the holders of a given resource and this justifies the reason why they should be shielded from competitors. By conducting an effective value chain analysis, an organization is able to identify these scarce resources that give it competitive advantage and apply appropriate mechanisms to protect the resources from competitors.

Customer retention for the oil and gas sector is important in any country's economy (Kipchirchir, 2019). Thus, the Government of Uganda introduced economic liberalization where the oil and gas sector is partly controlled by private business people (Kiberu et al, 2022). In addition, through the Ministry of Energy and Mineral Development, Government put in place the National Oil and Gas Policy-2008 with the view that there is a reduction of the impact for oil prices shocks in Uganda as well as unpredictable supply and demand for imported petroleum products in the economy. The policy also sought to support the oil and gas resources utilization to meet the domestic demand for a sustainable economic development (Uganda National Oil and Gas Policy, 2008). However, despite the effort, Uganda is facing high and sky-rocking prices for petroleum products, since January 2022 to date fuel prices for petrol and diesel products have been ranging between Uganda Shs.5000-12000 and for petrol and diesel at shillings 4200-6000. At Total Uganda Limited, some of the company fuel stations have run out of petrol and price increment for fuel products does not go back to the original instead keep on hiking leading to retarded economic progress and high costs for carrying out business in Uganda (Kiberu, Kibira, Kayemba & Nannozi, 2022). There is also an information gap about the effects of rising petroleum products pricing on customer retention at Total Uganda Limited. If the continued poor customers' retention at Total Uganda Limited and knowledge gap are not urgently addressed, these might to lead prolonged escalation of fuel and basic household-products prices, unsustainable oil consumption, poor quality fuel products and petrol station company image to the public, resulting into breakdown and closure of Total Uganda Limited

2. Literature Review

Economies for most countries around the globe are grappling with increasing prices for oil and gas products and in developing economies, this has led to social and economic consequences and implication for people and business in general (Vernon, Parry & Black, 2021). Economic growth and development depend on oil and gas products where fuel acts as the most requires product to advance the development of sectors (Semenova & Al-Dirawi, 2022). In India, the rising prices for fuel has led to economic and social negative implication to the country including rising prices for other household consumables and transport fares (Jain, 2021). In India, still this has resulted into changes in behaviors among customers and household family members (Gabhane & Gabhane, 2021).

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In Kenya, studies have indicated that the rising prices for fuel have changes the prices for food items in the (Shupler et al, 2021). The study by Food and Agricultural Organization (FAO) in Kenya further confirmed that Kenyans were experiencing high prices for food due to high prices for fuel as food supplies reduced due to inability to incur high fuel prices for the transportation of food items. Study findings by Rahim and Yusoff (2021) in Malaysia, showed that there was an increase for public transport consumption due to rising prices and this meant that private means of transport were abandoned for they became costly compared to the public ones. In the same study it was noted that incomes for fuel consumers reduced steadily due to increasing prices of fuel in the country.

Oil and gas products- fuel products are based on international pricing systems and it is used to set an equilibrium for prices between and for the suppliers and competitors in this sector (Mukhin, 2022). In tarnation pricing therefore, sets to a global price for products from the oil and gas sector (Lee, Chou & Huang, 2022). Consumers loyalty for this sector products and services also depends on international pricing strategies adopted by sector players and this also reflects the level at which consumers will react towards the fuel stations brand and fuel products (Ben Ali, Ben Hassine & Mtimet, 2022). In relation to this literature, it is therefore, argued that international pricing will determine the consumer behaviors indirectly through the activities and strategies of oil and sector products players in a given country.

The international pricing sets a precedent for the players of the oil and gas sector to set prices for their products and therefore, it is the basis that partly determines the overall prices changed on these products which consequently affect prices for other goods and services in other sectors (Ganguly & Bhattacharyya, 2019). It is therefore, argued that with international pricing, the provided literature points out that sector players have a duty to reflect on how countries can potentially achieve development through this sector products without limiting the growth of other sectors due to price-hikes incurred on gas, fuel and bio-gas products In countries such as the Middle East there has been a drastic fall for prices of fuel and this has greatly improved the numbers for customers utilizing oil and gas products in this country and partly in some other countries since this is one of the oil producing countries of the world (Lee, Chou & Huang, 2022). In relation to this literature, it can be argued that any slight fall for international prices for this sector product, will lead to a greater change in consumption and reactions; as well as national development in different economies of countries.

In addition, literature from Fattouh, Poudineh and West (2019) reveals that international pricing for oil and gas products is a driver for consumers' reduction for the consumption level of this sector products. In their study, Fattouh, Poudineh and West (2019) found that consumer behaviors towards products-fuel was linked to how they had been priced. However, information provided in this study lacked empirical evidence that would be utilized to generalize its findings. For the case of this study there was involvement of empirical evidence to underpin the findings.

For the case of Uganda, international fuel pricing has been a driver for pump pricing at service stations in the country and this has also determined the reactions of customers for such products and services from the different services station in Uganda (Odokonyero & Bulime, 2022). It is therefore, argued the different pricing strategies for fuel products at the international level has been key in determining prices in Uganda for similar products and this has had implication for the prices of other consumer goods in

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the
country.

Domestic Pricing and Customer Retention

In business and management, domestic pricing for goods and services focuses on level of current prices for a given product or services within a given economy. It is normally used by governments to assess the fall and rise of prices for commodities in the economy in a general perspective, it helps to determine inflation levels as well as deflation in the economy (Kirikkaleli, Gokmenoglu & Hesami, 2020). Within the spheres of oil and gas sector, domestic pricing for the products of this sector acts as an additional extract cost for players of the sector to stay in business as they charge a fee/price based on costs they incur to let brands on the market (Ghoddusi, Moghaddam & Wirl, 2022). This mode of pricing is also regarded as a general country-based price for goods and services that has a perspective of the widely acceptable price by consumers of a given country for purposes of domestic consumption (Carson, 2022).

In Brazil, domestic pricing for fuel was engraved in a policy and this was key in the sharping of economy though it dependent on the macroeconomics of the country (Grangeia, Santos & Lazaro, 2022). It was also noted that macroeconomics in Brazil such as international parity and foreign exchanges was key in determining domestic pricing for fuel products. In relation to this study, it is therefore, argued that increased domestic pricing for fuel should reflect on the micro and macroeconomics of the country. For example; the consumption levels, demand and supply for oil and gas products in the economy.

Pump Pricing and Customer Retention

Pump pricing can be described as a price for fuel as sold to the consumers or public in an economy (Binder, 2018). It is the pump pricing that the final consumers will pay towards the utilization of any products from oil and therefore, the perceptions towards the price determine the degree to which customers were retained for the fuel station in a particular area of operation (Purohit, & Jain, 2020). The implementation of pump pricing in a free and liberal economy cannot be uniform as every player determines own prices to leap profits for the fuel products (Olujobi, 2021). Research findings from a study by Olujobi (2021) in Nigeria showed that. In Nigeria, fuel pump pricing noted that pump pricing for petroleum products had no definite a regular supply of fuel and other petroleum products amidst the ever-accumulative pump prices (Oziri & Achinike, 2021). Within Nigeria still, the Minister of Petroleum Resources presented that there was a need for new approved pump price to save the country from being drained in terms of oil and gas products and also to support economic growth and development yet the country would make a monthly earning of at least N156 billion (Oziri & Achinike, 2021).

Indeed, literature by Ahimie (2020) showed that in any country, pump pricing is set in a constant manner but ever irregularities to changes which greatly affect the final consumers of oil and gas products in countries. It from this literature perspective can one can argue in a sense of retention of customers that highly exploited consumers in terms of high prices were hard to retain and this might lead to low sales

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of the petroleum products at any fuel station in the country. Therefore, it is vital to examine how best pump prices can be set without affecting customers and sales in a negative manner within a country.

In relation to customers retention for gas and oil products most especially petrol and diesel, the application of pump pricing strategy is considered unpredictable and at all times changes as based on demand and supply. In some instances, some places of the country might be experiencing scarcity of fuel–petroleum products and this further sky-rockets prices which makes it hard to retain customers for a given fuel pump station (Oziri & Achinike, 2021). So, based on this literature, the application of pump pricing can be twisted to cause some scarcity as a matter of increasing prices and therefore, customers were the end losers in such a situation. The retention of such customers is highly affected by increasing prices, demand and low supplies in the economy.

The adoption of pump pricing strategy by players in oil and gas sector implies that it will affect stock for fuel and the exchange financial returns to the company (Mohanty & Nandha, 2011). Indeed, it is also asserted that the pump pricing for fuel products in linked to the exchange rates of the country and therefore, in terms of money poor customers purchasing fuel products might be limited by the nature of the present exchange rate over the national currency (Kamugisha & Assoua, 2020). A study carried out in Uganda by Kamugisha and Assoua (2020) revealed that a slight high increase in the pump price for fuel was due to an increase in the exchange. For example; it was found that 18.0 percent increase for the exchange rate would lead to a 14.0 percent change (high price) for pump prices of petroleum products and latter a 15.0 percent increase for prices of household commodities within the same time frame. So, based on the findings of this study, it is clearly indicated that retention of customers for petrol stations whose pump price increased was hard to achieve since the cost of living for the local consumers seemed increasing amidst the increasing pump prices for fuel products.

The Resource-Based View (RBV) theory

The Resource-Based View (RBV) theory emphasizes that a firm's unique internal resources are key to sustaining competitive advantage, especially under challenging market conditions such as rising petroleum prices. In Uganda's oil and gas sector, where price increases in petroleum products impact customer retention, companies like Total Uganda Limited can leverage their valuable, rare, inimitable, and non-substitutable (VRIN) resources to maintain customer loyalty. RBV suggests that resources like a strong brand reputation, high service quality, and effective customer retention programs provide a competitive edge by creating value that is difficult for competitors to replicate (Barney et al., 2021).

For Total Uganda, an established brand reputation in the Ugandan market serves as a valuable and rare resource, helping to retain customers despite fuel price fluctuations (Grant, 2021). Furthermore, RBV posits that a company's ability to innovate with unique customer retention programs such as loyalty schemes or personalized services adds to its competitive advantage, especially if these programs are tailored to meet local needs and are difficult for competitors to copy (Kozlenkova et al., 2022). Additionally, efficient supply chain management, another valuable resource, enables Total Uganda to control costs and ensure consistent product availability, thereby reducing the price sensitivity of customers and further enhancing retention in a volatile market (Makhija, 2021). By leveraging these

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VRIN resources, Total Uganda can differentiate itself in the market, offering customers not only reliable products but also added value that justifies higher prices. In line with RBV, this approach positions Total Uganda to sustain customer loyalty and competitiveness amidst rising petroleum product prices in the Ugandan oil and gas sector (Barney & Hesterly, 2021).

Conceptual frame work and development of hypothesis

On the basis of existing literature and the Resource-Based View (RBV) theory, adopted the conceptual framework from Kasande (2009) as seen in figure 1 below. This provides that petroleum products pricing is the independent variable that was measured by international, domestic and pump pricing strategies. However, the dependent variable Customer retention was measured by parameters of customer-products consumption length, number of customers staying, repeat customer rate and number of customers with intention to stay. However, the interactions between the independent and dependent variables are influenced by mediating variables of Government Policy and; demand and supply for gas and oil products.

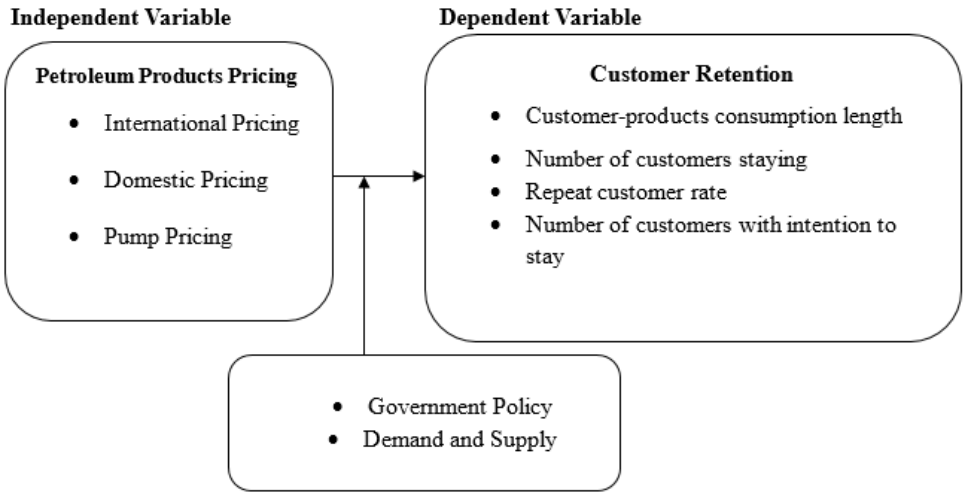

Figure 1: Independent and Dependent Variables.

3. Methodology

A correlational research design was adopted and this allowed use of quantitative data to examine to investigate the relationship between rising petroleum products pricing and customer retention at Total Uganda Limited. A sample of 108 respondent was used and out of which 2 key respondents (Total Uganda Limited administrative staff) were included in the study. Total Uganda customers were included in the study because they are directly affected by the prices for the products and services at Total Uganda limited. Two sampling strategies was used. These included; simple random sampling and purposive sampling.

Simple random sampling technique was used for the employees at the Total Uganda Limited to provide information about the study variable and objectives. Purposive sampling technique was used for the key informants (Total Uganda Limited Administrative employees) who are said to be knowledgeable about the study variables. Two data collection methods were used in this study and these was face-to-face

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interview, and survey method. After the validity test, a pre-testing exercise was conducted among 20 customers at Total-Bukesa Service Station. Filled survey-questionnaires was entered in the Statistical Package for Social Scientists (SPSS) to obtain the reliability coefficient for items of each variable of the study as indicated in the conceptual framework. Results were also expected to be equal or above 0.7 and conclusion was made depending on the coefficient output obtained

4. Findings and Analysis

Table 2: Background Information of the Respondents

n = 108			
Study Variable	**Categories**	**Frequency**	**Percent**
Gender of the Respondents	Male	61	56.5
	Female	47	34.5
Age of Respondents	18-25 years	7	6.5
	26-31 years	42	38.9
	32-39 years	47	43.5
	40 years and above	12	11.1
Highest Academic Qualification	No Formal Education	3	2.8
	Primary	7	6.5
	Secondary	55	50.9
	Certificate	22	20.4
	University	21	19.4
Duration of fueling from this service station	< Months	15	13.9
	1-5 years	59	54.6
	6-10 years	15	13.9
	11 years and above	19	17.6
Automotive Category	Private Car/Motor vehicle	28	25.9
	Boda-Boda/Motorcycle	42	38.9
	Taxi Vehicle	21	19.4
	Cargo Truck	17	15.7
Purpose/function of the vehicle or motor cycle	Commercial	90	83.3
	Non-commercial	18	16.7
Average amount of Fuel purchased before increments	1-5 Ltrs	65	60.2
	6-10 Litrs	27	25.0
	11-15 Litrs	6	5.6
	Full Tank	10	9.3
Average Amount of Fuel purchases thereafter the Increase for fuel	< 1 ltr	33	30.6
	1-5 Litrs	65	60.2
	6-10 Litrs	4	3.7
	11-15 Litrs	4	3.7
	Full Tank	2	1.9

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Type of Fuel Purchased	Petrol	66	61.1
	Diesel	42	38.9
Total Service Station	Nabweru	53	49.1
	Nansana	55	50.9

Table 2 above indicates that 61(56.5%) of the respondents were male and 47(34.5%) females. This implies that this study had a genders balance for it contains findings from male and female customers of Total service stations of Nansana and Nabweru. In terms of age, 47(43.5%) of the respondents were aged 32-39 years, 42(38.9%) with 26-31 years, 12(11.1%) had 40 years and above and 18-25 years respondents contributed 7(6.5%) for this study. In relation to education, 55 (50.9%) of the respondents had secondary level education, 22(20.4%) with a certificate, 21(19.4%) with university level of education, 7(6.5%) had primary level and 3(2.8%) with no formal education. The findings of education imply that respondents were able to read and write and so could best provide the required information on regard to rising prices for fuel in the country. It was found that 59(54.6%) indicated 1-5 years, 19(17.6%) had fuelling for 11 years and above, 15 (13.9%) had 6-10 years.

Table 3: Distribution of Responses Regarding Customer Retention

Variable Items	**SD**	**D**	**N**	**A**	**SA**	**Mean Score**	**Std D**
I feel I can continue for a lengthy period fueling at this Total Service station	4(3.7%)	5(4.6%)	4(3.7%)	65(60.2%)	30(27.8%)	4.03	0.91
I am to be purchasing products/items for a long period of time at this service station	4(3.7%)	2(1.9%)	9(8.3%)	36(33.3%)	57(52.8%)	4.29	0.96
I have an intention to stay fueling at this Total Service Station	6(5.6%)	2(1.9%)	6(5.6%)	79(73.1%)	17(15.7%)	3.95	0.78
I feel management of this Total Service Station meets my personal goals	3(2.8%)	3(2.8%)	2(1.9%)	80(74.1%)	20(18.5%)	4.02	0.75
My personal objectives to fuel at this service station match with the company goals	4(3.7%)	2(1.9%)	2(1.9%)	55(50.9%)	45(41.7%)	4.25	0.88
I feel supported by employees at this	7(6.5%)	5(4.6%)	6(5.6%)	24(22.2%)	66(61.1%)	4.26	1.17

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service station with my motor vehicle							
I have a stronger bondage with TSS employees at this station	4(3.7%)	3(2.8%)	5(4.6%)	72(66.)	24(22.2%)	4.00	0.84
I can recommend friends to fuel or purchase this service station fuel and other products	2(1.9%)	1(0.9%)	4(3.7%)	47(43.5%)	54(50.0%)	4.38	0.77
Average Score						**4.14**	**0.88**

The same percentage had less than a month. Findings showed that respondents had differences in terms of experience with the two service stations of Total. In terms of categorization of vehicles or motor vehicles, most of the respondents were motor cycles commonly known as "Boda-boda" 42(38.9%) followed by 28(25.9%) private cars and motor vehicles, 21(19.4%) were Taxi vehicles and 17(15.7%) belonged to cargo trucks. It is therefore, noted that this information provided involves drivers of different motor vehicles with different fuel consumption capacity and thus requiring different amounts of cash to be paid for fuel whenever they are on the road. it was found that majority of the respondents 90(83.3%) had commercial vehicles and fueled them to make money for a living. It was however, noted that 18(16.7%) of the respondents had non-commercial motors vehicles. This implies that fuel consumption was done at these stations mainly to generate income for the drivers or road users. When asked about the average amount of fuel purchased before price increments and findings revealed that 65(60.2%) of them could purchase 1-5 liters of fuel, 27(25.0%) could buy 6-10 liters, 11-15 liters could be purchase by 6(5.6%) and only 10(9.3%). This information implies that before fuel prices were increased most of the drivers were able to purchase fuel with ease and in different considerable quantities.

In relation to meeting personal objectives of customers and those of Total Uganda Limited or Nansana and Nabweru Service stations, findings indicated that 55(50.9%) and 45(41.7%) of the respondents agreed and strongly agreed to the variable. It was further pointed out that 4(3.7%) and 2(1.9%) of the respondents strongly disagreed and disagreed respectively as 2(1.9%) of the respondents were undecided. The mean and standard deviation scores were 4.25 and 0.88 respectively which features agreement of most respondents with this study variable item. 66(61.1%) and 24(22.2%) of the respondents strongly agreed and agreed respectively they felt supported by staff and management of the two-service station belonging and under or under the management of Total Uganda limited. In respect to customer-bond, it was found that 72(66.7) and 24(22.2%) of the respondents agreed and strongly agreed that they could relate well with service station employees.

The overall mean and standard deviations were 4.14 and 0.88 respectively denotes that respondent mostly agreed with the items that measured the dependent variable-customer retention. This might be linked to the efforts my management of Nabweru and Nansana Service stations to standout for the

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existing competition. At the time of the interviews; one of the participants noted that;
"…. Today Total Uganda limited in general is selling fuel products-petrol and diesel at a higher price and this has been reflected by the changing and increasing pump price….it has been existence over the months now and hopes for reducing are minimal given other factors in the economy of Uganda as well as external factors that interplay…".
It was further noted that customer retention was negatively affected by increasing fuel prices since it was stated by another respondent who noted that;
"…. It is true with the increasing prices for fuel our customers have gone "to other stations since they prefer low prices compared to us…so, our efforts of retaining a good number of them have been affected with reducing numbers of customers…we need not to refute this…".
It was further noted for the efforts to provide quality fuel with intentions of customer retention. Total Uganda Limited and her service stations through Uganda introduced better fuel which makes customer automotive' engines clear and in good condition. The participant stated;
"…We as Total Uganda limited, in August 2016, we launched Total Excellieum petrol and diesel fuels onto the market, a new line of specific fuels that maintain engine clean line…" (Interview with Participant).
It is therefore, noted that customer retention was affected by a set of issue but most importantly set as a result of the ever-increasing fuel prices in Uganda.

Table 4: Pearson Product Moment Correlations International Pricing and Customer Retention

International Pricing		International Pricing	Customer Retention
	Pearson Correlation	1	0.008**
Customer Retention	Sign(2-tailed)		.049
	N	108	108
	Pearson Correlation		
		.049	0.008
	Sign(2-tailed)		
	N	108	.049

** Correlation is significant at the 0.05 level (2-tailed).

Table 4 indicated that there was a positive significant relationship between international pricing and customer retention at Total Uganda Limited [r = 0.049, p-value 0.008<0.05]. It is therefore, stated that the alternative hypothesis that there is a positive significant relationship between international pricing and customers retention is accepted and retained. This finding denotes that increasing international prices for fuel is linked to customer retention by management of a fuel service station.
At the time of the interviews, it was noted that indeed, international prices affect customer retention but to a small degree since customer retention would take a micro level and this is where customers are mostly focused upon in relation to sales and purchase for fuel products.

"…. International prices have an indirect connection or relationship with customer retention for the fuel

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station though at the micro level-the customer level; this might not come out directly. This type of pricing is mostly related to fuel dealers who buy large quantities of fuel for sell to the consumers/users…". It was further noted from the respondents that international pricing also links to the Governments mostly and then government uses it to levy taxes to fuel companies. The price of the fuel on the global market is the reflection of the international price for fuel. This was stated by another respondent who said;

"…. International fuel prices are most seen in terms of price per a barrel and in Uganda customers might not be directly affected by such pricing so their retention is most not determined by this type of fuel pricing…." though it has some small degree of effect to our customers.".

The findings as stated above might be attributed to the fact that international fuel pricing determined the prices for crude oil on the global market and so dealers in oil and gas products including fuel attach prices in relation to the prevailing world market which affects fuel prices even in developing countries such as Uganda.

Table 5: Pearson Product Moment Correlations Domestic Pricing and Customer Retention

Domestic Pricing		Domestic Pricing	Customer Retention
	Pearson Correlation	1	0.006**
Customer Retention	Sign(2-tailed)		.071
	N	108	108
	Pearson Correlation		
		.071	0.006
	Sign(2-tailed)		
	N	108	.071

** Correlation is significant at the 0.05 level (2-tailed).

Table 6 above presents that there was a positive significant relationship between domestic pricing and customer retention [r = 0.71, p-value 0.0006<0.05]. It is therefore, stated that the alternative hypothesis that There is a positive significant "There is a positive significant relationship between domestic pricing and customer retention at Total Uganda Limited" is accepted and retained. This symbolizes that domestic pricing links to the activities and practices of customer retention at TUL. It is also noted that the existence of domestic prices makes fuel prices a little costly or cheap to make affordable to the customers and then the fuel services companies might capitalize on such a status quo to come up with interventions that makes the numbers of customers increase and kept loyal to the same fuel service station.

Information from one of the key informants expressed that domestic pricing makes fuel has a relationship with customer retention since it has a degree of effect to consumer behavior. He noted that Uganda is part of the East African Community (EAC) and therefore, the prices for fuel have to be related to each country's selling prices in relation to responses that users of fuel make in accordance. The participant stated that with customer retention and domestic prices for fuel, Uganda is a country with the higher prices for petrol and diesel and this affects retention of customers especially at the boarder

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points such as Kenya where prices are low. He noted;
"…Domestic prices for fuel affect customer retention in a way that this company can lose customers especially those that are based on the boarders of Uganda. …. he neighboring countries have low fuel prices compared to ours in Uganda so this attracts customers to purchase fuel from such countries…".

This is information thus point out that domestic prices are for mostly purposes of procurement for fuel by the dealers and the costs that are incurred in relation to taxes that might not directly affect customers. The retention of customers therefore, require that such companies such as Total Uganda have to incur less costs not to price highly their fuel products for customers to get fuel at a lower price.

Table 6: Pearson Product Moment Correlations Pump Pricing and Customer Retention

Pump Pricing		Pump Pricing	Customer Retention
	Pearson Correlation	1	0.003**
Customer Retention	Sign(2-tailed)		.055
	N	108	108
	Pearson Correlation		
		.055	0.003
	Sign(2-tailed)		
	N	108	.055

** Correlation is significant at the 0.05 level (2-tailed).

Table 7 above indicated that there a statistically significant relationship between pump pricing and customer retention [r = 0.055, p-value 0.0003< 0.05]. This points out that the alternative hypothesis set that "There is a positive significant relationship between pump pricing and customer retention at Total Uganda Limited was accepted and retained. This informs that pump pricing links with customer retention for fuel services companies. This is at Total Uganda Limited-Nabweru and Nansana Service Stations.
From the interview; it was noted that pump pricing is the most currently displayed price at the Total Services stations across Uganda. It was mentioned that current in and around Kampala including Nansana and Nabweru Service Stations stands at shs. 6900 per liter for petrol excellium and 6900/= but such prices are ever changing so they are not constant. One of the respondents noted that;

"…The prices for our diesel and petrol fuel are changing each day and so this makes customer annoyed and might decide to opt for cheap fuel sold by our business competitors…so this pricing strategy goes directly to our fuel purchasers-the motorists".

It was also noted that the relationship for this mode of pricing and customer retention is reflected by the reducing amount of fuel purchased. Before the hike we had more motorists purchasing up to full-tank capacity but for now the numbers reduced. The participant asserted;
"…. The boda-boda cyclists/customers for example; would purchase full tanks but now such a number reduced and at times the pump-attendants spend a day here at Nabweru without have a full tank capacity customer as the case was before the hike…" (Interview with participant V).

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With such information, it is noted that the affordability of pump prices for some customers is low and so our retention of such customers is impossible. It is therefore, argued that based on the qualitative information the efforts to retain customers at Total Uganda Limited-Nansana and Nabweru services station would be highly hampered by pump prices. The distance moved by motorists also reduced to reduced quantities of fuel purchased at the stations. This makes the effort to retain customers with the best quality fuel futile amidst the increasing pricing of household items for the case of the motorists and the general public in Uganda.

Multiple Regression Analysis for the study variables

Table 7: Multiple Regression Analysis for Pump, Domestic, International Pricing and Customer Retention

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.728[a]	.052	.044	. 28208	.052	6.642	1	121	.003
2	.665[b]	.004	.004	.28911	.059	0.510	1	121	.002
3	.498[c]	.052	.001	.28832	.059	1.182	1	121	.008

a. Predictors: (Constant), Pump Pricing

b. Predictors: (Constant), Pump, Domestic Pricing

c. Predictors: (Constant), Pump, Domestic and International Pricing

The multiples regression results show that pump pricing was related to customer retention [Beta = 0.728, p-value = 0.05, sig = 0.003]. This implies that there was a positive high effect between pump pricing and customer retention. This implies that increased observation of pump by customers would lead to more customer retention. So, a unit change in pump pricing leads to 72.8% change in customer retention at Total Uganda Limited- Nabweru and Nansana Service Station. Results reveal that of the three variables, values are the single standalone predictor of customer retention among customers. Results for domestic pricing affects customer retention [Beta = 0.665, p-value = 0.05, sig = 0.002]. The results imply that there is positive low significant effect between domestic pricing and customer retention. Therefore, increased adoption of pump pricing by management of Total Uganda Limited for customers affects positively their customer retention. So, a unit change in domestic price leads to 66.5% change for customer retention at the service stations for this study.

It was also revealed that international pricing and customer retention are statistically related [Beta = 0.498, p-value = 0.05, sig = 0.008]. This implies that there is a positive moderate effect between international pricing and customer retention. Therefore, a unit change for international pricing leads to

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a 49.8% change in customer retention at Total Uganda limited. This is because Uganda is a free economy with no price regulations so any international prices change for fuel are likely to cause no or a small change in prices here in Uganda. Indeed, customer retention would not be a factor for consideration with such changes. It is however, noted that with this method of analysis, therefore, international pricing has an effect on customer retention through retention of customers. Secondly, good implementation of international pricing by the Total service stations can lead to increased retention of customers among staff at different fuel and lubricants service stations. It is therefore, stated that from the results it can be argued that for rising fuel prices the use of the different pricing strategies is a tool to achieving high customer retention reduces the level of stress due to high prices for fuel and other products that customers would purchase from Total services stations-Nabweru and Nansana.

5. Conclusion

International pricing had a positive statistical relationship with customer retention at Total Uganda Limited. This was a variable with a weak effect towards customer retention. This is because Uganda is a free economy where even Government has no efforts made to regulate the increasing fuel prices in the country. Secondly, domestic pricing was statistically related to customer retention at TUL. This variable was the second predictor for customer retention since domestic prices determine fuel costs that are incurred by the dealers in the oil and gas sector.

Lastly, pump pricing was positively related to customer retention at TUL. This was because the variable has a direct impact on customers' behaviors in terms of quantities of fuel to be purchased and customers to oil and gas sector are too rational for, they will look out for the low prices for fuel and this makes customer retention by sector players to change prices at all times to meet the competition. This variable was also the best predictor of customer retention.

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