

# **St. Mary's University College**

**Business Faculty**

**Department of Marketing Management**

**An Assessment of Customer Satisfaction on  
Ethiopian Steel PLC**

**By**

**Yenenesh Terefe**

**March 2010**

**SMUC**

**ADDIS ABABA**

**AN ASSESSMENT OF CUSTOMER SATISFACTION  
ON ETHIOPIAN STEEL PLC**

**BY**

**YENENESH TEREFE**

**A SENIOR ESSAY SUBMITTED TO THE  
DEPARTMENT OF**

**MARKETING MANAGEMENT**

**BUSINESS FACULTY**

**ST. MARY'S UNIVERSITY COLLEGE**

**IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE  
DEGREE OF BACHELOR OF ARTS DEGREE IN MARKETING  
MANAGEMENT**

**MARCH,2010**

**SMUC**

**ADDISABABA**

# **Acknowledgments**

First of all, I would like to thank God for everything He did for me

I would like to express my gratitude to my advisor Ato Zellalem Tadesse for his patient guidance, encouragement and excellent advice throughout this study, I was very fortunate to be under his supervision, as he embraced every responsibility of a principle supervisor to guide my senior essay.

I also would like to thank the marketing manager and all customers of Ethiopian Steel PLC, the college librarian, my family and my best friends for their support and everlasting love and care.

Thank you all!!

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# **CHAPTER ONE**

## **INTRODUCTION**

### **1.1. Background of the Study**

Today's companies are facing the strongest competition than ever they can with the completion by doing a better job in order to satisfy the customers' needs and wants, and customer centered companies are adapt at building customers, not just building a product (Johansson, 2000:12).

In favor of this, Kotler (1990:7), said customer satisfaction is a personal feeling of pleasure or disappointment resulting from comparing product's perceived performance (outcome) in relation to his or her expectation. From the above definition one can realize that customers' satisfaction is a function of perceived performance and expectations.

Ethiopian Steel plc is one of the most known companies in Ethiopia which manufacture Steel products in high amount. Ethiopian Steel Company was established in 1998 G.C. and it is found in Oromia Region at Akaki town. It is far from Addis Ababa about 25 Km. Currently, it produces different types of steel products such as, Galvanized corrugated sheet, Zinc coated, different color coated etc- in different width, thickness, size and style such as, Ega sheet, crimp sheet, Gutter etc. It distributes its products to local markets. The Ethiopian Steel plc started with 10 million paid-up capitals, but now it developed to 100 million capitals. Its initial employees are about 25, (of which 20 are factory workers where as the rest 5 are staff workers). Now, its employers have increased to 95(70 factory workers and 25 staff workers (Source: Company's profile document).

Customer satisfaction is providing quality service to customers according to their needs and wants and it is vital factor that determines the competitiveness of an organization.

Therefore, the student researcher is highly interested to assess customer satisfaction level of Ethiopian Steel products.



## 1.2. Statement of the Problem

Customer satisfaction is the key operational goal for many organizations. They are investing heavily in improving performance in areas that make strong contribution to customer satisfaction such as quality and customer service (Hill and Alexander, 2003:5)

Similarly, customer satisfaction is a very vital and it is a determining factor for the long-term survival of any business organization. Therefore, in today's competitive business world, it has come out as a decisive factor for the success or failure of business objectives. For this reason, most companies are working day to night to meet their customer's needs and wants to have loyal customer and also to get positive response for their services or performance.

But without satisfying customers' perception in relation to their expectation, survival of the companies in marketing could be a simple dream.

Customer satisfaction is a measure of how your organization's total product performs in relation to a set of customer requirements. Thus, the customer's view of your organization's performance will be a perception. Customer satisfaction is in the customer's mind and may or may not conform to the reality of the situation. (Hill and Alexander, 2003: 2)

However, as the Ethiopian steel plc unpublished sales record shows that the annual sales volume in metric tone has been increasing at decreasing rate (During 2005-2008).

<b>Year of sales</b>	2005	2006	2007	2008
<b>Metric tone</b>	15,092	17,259	18,629	18,900

(Source, company's sales report)

Accordingly, the difference of sales in metric tone of the company from year 2005 – 2006 was 2167, 2006 – 2007 was 1,370, 2007 – Dec. 25, 2008 was 271. This implies that the sales volume of the company has shown increasing pattern at a

declining rate. So, the increasing of sales volume at a decreasing rate pushed the student researcher to assess level of customer satisfaction in the case company.

### **1.3. Research Questions**

The researcher aimed to answer the following research questions:

- What are the major gaps between customer's expectations and perceptions?
- To what degrees are customers satisfied towards the Ethiopian steel plc products?
- What are the basic factors that make customers to be dissatisfied?

### **1.4. Objective of the Study**

#### ***1.4.1. General Objectives***

The main objective of the study is to find out the customers' satisfaction level of the Ethiopian Steel plc. That is to determine how much the customers are satisfied by the existing marketing practice that has been implemented by the company.

#### ***1.4.2. Specifically it deals with:***

- To assess gaps between customers' expectations and perceptions.
- To identify the level of its customers satisfaction.
- To identify the factors that leads to the customer dissatisfaction.

### **1.5. Significance of the Study**

Basically the significance of the study is to know the customers satisfaction level of the Ethiopian Steel plc. The reason is that the customer satisfaction is the most important factor for the company's survival. In addition to this, it also helps for the researcher to fulfill the first degrees and to develop the researchers' knowledge on conducting research. Furthermore, it can serve as a reference for further study.

### **1.6. Scope of the Study**

Ethiopian Steel plc has many types of customers such as retailers, wholesalers, final users and industrial buyers. Because of time and money constraints the researcher was delimited only to the final users of Ethiopian Steel plc customers and the marketing manager of the company as respondents of the study. The area of study of the researcher is also delimited to the identification of customer satisfaction in covering all products of the company. These help the student researcher to accomplish the study successfully.

## **1.7. Research Design and Methodology**

### **1.7.1. Research Method.**

The type of research method used by the researcher was descriptive. The reason for the selection of this method is that the researcher needs to describe factors affecting the satisfaction level of the customer's Ethiopian Steel plc.

### **1.7.2. Population and Sampling Techniques**

#### **1.7.2.1. Population of the Study**

The student researcher has taken in to account final users and marketing manager of the company as unit of study.

#### **1.7.2.2. Sample Frame**

The student researcher contacted two hundred (200) respondents. This sample size is representative and sufficient based on the model set by Malhrota to give generalization towards the entire population.

Malhrotra (2007:339) said that sample size is influenced by the average size of samples in similar studies gives an idea of sample sizes used in different marketing research studies. These sample size have been determined based on experience and can serve as rough guidelines, particularly when non probability sampling techniques are used.

#### **1.7.2.3. Sampling Technique**

To contact respondent/ informants the student researcher used a non-probability sampling approach. This is because the company accounts large number of customers. It is difficult to distribute questionnaire to each customer. The respondents were qualified by using convenience sampling technique. This allowed the researcher to easily access the respondents.

### **1.7.3. Types of Data Collected**

To get appropriate responses from customers, the student researcher used primary and secondary data.

### **1.7.4. Methods of Data Collection**

The student researcher collected the primary data by using two types of data gathering tools. These tools are questionnaire and interviews. The questionnaire was prepared in both open ended and closed ended. Two hundred copies of questionnaire were distributed for and 196 were returned back collected from the customers of Ethiopian Steel which used for analysis. An interview was held with the marketing manager of the company.

### **1.7.5. Data Analysis Method**

The data collected was analyzed both quantitatively and qualitatively. With regard to quantitative, the student researcher used percentages and tables as well as pie chart and bar chart. Moreover, qualitative data obtained through interview and open ended questions were narrated.

## **1.8. Limitation of the Study**

While conducting this research, unwillingness of customers was recognized as a major limitation of the study.

## **1.9. Organization of the Paper**

The study contains four chapters. The first chapter deals with introduction part, such as background of the study, statement of the problem, objective of the study,

significance of the study, scope of the study, research design and methodology, limitation of the study and Organization of the study. The second chapter deals with literature review, whereas the third chapter is concerned with data presentation, analysis and interpretation finally the last chapter deals with summary, conclusions and recommendations.

## **CHAPTER TWO**

### **REVIEW OF RELATED LITERATURE**

Today, in which the world business is becoming more complex, knowing the need of its own customers and to insure customer satisfaction and customer loyalty is a critical issue for a business organization to stay longer in the market. Therefore, measuring customer satisfaction and managing it systematically is found to be important.

#### **2.1. Customer Satisfaction and Customer Loyalty**

As Harrell & Frazier (1998:39), understanding how to achieve customer satisfaction and loyalty is a focal point for scientists who study consumer behavior. Most business experts believe that customer satisfaction is a critical ingredient in building loyalty.

##### **2.1.1 Customer Satisfaction**

Customer satisfaction is a measurement of customer attitudes about products, services and brands. While it's always been smart to keep customers happy, the term "customer satisfaction" became popularized in the 1980's with the total quality movement. Satisfaction is a personal feeling of pleasure or disappointment resulting from comparing a product's perceived performance out comes in relation to his/her expectation (<http://www.surveyvalue.com/customersat-overview>).

Customer satisfaction refers to which products perceived performance matches with buyer's expectations. This implies that; when the customer's expectation is greater than perceived performances, the customer is dissatisfied; when the customer expectation is matched with the presented performance, then the customer is satisfied; and, when the perceived performance is greater than customer expectation, the customer is highly satisfied (Kotler, 2006: 144).

As Bitner and Zeithaml (2004: 86) judged that, "Everyone knows what satisfaction is, until asked to give definition. Then, it seems nobody knows satisfaction is the customer's fulfillment response." Consumer can make satisfaction judgments with respect to any or all of the aspect or stages of product and service experience.

Customer satisfaction also focuses on fulfillment. We can also say satisfaction is an internal state. We can't say to managers that performance on a particular set of dimension, leads directly to consumer satisfaction. Judgments of satisfaction vary and different customers make different satisfaction judgments about the same level of performance. (Bitner and Zeithaml, 2004:86)

### **2.1.2 Customer Loyalty**

According to Harrell & Frazier (1998:39), customer loyalty refers to how often, when selecting from a product class, a customer purchases a particular brand. Loyalty has two definitions. Loyalty behavior means the act to customers making repeat purchases of their current brand rather than choosing a competitor brand instead. It is the outcome of very high satisfaction. Loyalty behavior is also called customer retention. Loyalty Altitudes are those judgments and feelings about your product (<http://www.surveyvalue.com/customersat-overview>).

Similarity, Hill & Alexander (2003:216) elaborated that once you have established a loyalty profile; you can compare the attitudes of customers at different commitment level. We better spend time improving the root causes of customer satisfaction and that will create loyalty behavior outcomes. A football player can

improve performance and start scoring goals in every game only by training and practicing. (<http://www.surveyvalue.com/customersat-overview>).

Moreover, Harrell & Frazier (1998:40) suggested some importance of customer satisfaction and loyalty.

### **A. Sales to Increase Revenues**

According to Harrel and Frazier, (1998:40) when the amount a customer buys is viewed over life time of relationship; organizations understand why customer retention is so vital. In fact, many organizations develop compensation system that the executive and employee pay to measures of customer satisfaction and loyalty. The impotence of satisfied customers for revenue generation is magnified by their influence on other buyers.

### **B. Less Concern About Price**

As Harrel and Frazier, (1998:40) customer satisfaction has become a key to making sales at appropriate prices. Satisfied customers tend to be less concerned about the purchasing price. In general, they are willing to pay more because they are certain that they will receive valuable benefits from the product.

### **C. Reduction of Organization Costs**

The percentage of loyal, satisfied customers is a very important determinant of an organization's costs and revenue. In addition to generating sales, loyal customers affect the cost structure, the amount of resources required to produce a specific amount of sales. The cost of acquiring a new customer is usually five to seven times more than keeping an existing one. (Harrel and Frazier, 1998:40)

## **2.2. What does Customer Dissatisfaction Mean?**

We can simply define dissatisfaction as and unpleasant level of consumption related to the fulfillment. According to Hill and Alexander (2003:8), there are many cases that make customers to be dissatisfied; among of them the most five root causes are elaborated as follows.

### **A. The Promotion Gap**

As Hill and Alexander, (2003:6) the origin of the problem can often be traced back to the company's marketing communications. In short, it occurs when, what is said about the service differs from standard products actually delivered.

### **B. The Understanding Gap**

This problem occurs when manager of the organization do not have an accurate understanding of customers' need and priorities. If any company doesn't really know what is important to customers, it is extremely unlikely that the organization will do best what matters most to customers, however much emphasis it places on quality and service. (Hill and Alexander, 2003:7)

### **C. The Procedural Gap**

As Hill and Alexander, (2003:7) assuming that the organization does have a full understanding of what matters most to customers, it will still fail to deliver customer satisfaction, if it has not translated customers' expectations in to appropriate operating procedures and systems.

### **D. The Behavioral Gap**

Sometimes organizations have clear procedures which are well matched to customers' needs and priorities. But they do not achieve a consistently high level of customer satisfaction. In short, the service that is delivered is different from the specification for the service. . (Hill and Alexander, 2003:7)

### **E. The Perception Gap**

Moreover, Hill and Alexander, (2003:7) this gap occurs due to the customer' perception of performance of an organization's differ from reality.

## **2.3. What are Customer Expectations?**

According to Harrell and Frazier (1998:40) customer expectation plays an important role in creating satisfaction. Customer expectations are consumers'



beliefs about the performance of a product based on prior experience and communications. When companies fall short of those expectations, customers are dissatisfied. When companies exceed them, consumers are delighted. In both cases, customers are emotionally charged by their experience; the delighted are more likely to be loyal, and the dissatisfied are more inclined to switch.

Customer expectations are based on personal experience, observation of others, company actions, advertising and promotion. Higher and more varied expectations result when competition is intense. But, as a company delights a customer, new expectations are created. Similarly, with each change in product, price, promotion, or distribution, expectations can be affected. A major challenge for companies is to create a marketing strategy which gives buyers higher but realistic expectations companies must continue to do better in light of competitors' efforts and rising consumer expectations (Harrell and Frazier, 1998:40).

#### **2.4. The Advantage of Satisfied Customer**

According to Hill and Alexander (2003:21), the advantages of satisfied customers are: That is the question may people put to us before embarking on a programmed of research to measure and improve their company's ability to do best what matters most to customers. A customer, who is well treated is more likely to bring more business to you by repeat purchase, recommendation, putting a larger share of spends in your hands and so on.

Happy customers are the cheapest and most effective form of advertising you can get. Conversely, disappointed customers will not only take their business away, but will probably tell several others about the experiences too. Successful organizations plan a customer handling strategy that respects the change in relationships as they develop. (Hill and Alexander, 2003:21)

Sales people should be heavily involved before the sale and from time to time afterwards. Service giving people need to be properly trained and motivated to care for customers during their ownership experiences. Also, they better tolerate price

increases, showing little tendency to shop around. Over all, these factors lead to higher margins and overall, these factors lead to higher margins and overall profits (Harrell & Frazier 1998:40).

## **2.5. Some Major Considerations in Improving Customer Satisfaction?**

According to <http://www.surveyvalue.com/customersat-overview>, some of the identified essential elements of satisfaction and loyalty programs are; Linkage to Corporate Vision Goals and Strategies, measurement of customer satisfaction and loyalty, authorization and completion of relevant improvement project, and linkage of metrics to employee rewards and recognition.

## **2.6. Measuring and Rating Customer Satisfaction**

Measuring satisfaction is necessary because it reveals the voice of our customer properly done. Customers must be surveyed to identify what they consider important about your product and product category. This qualitative information then drives design of your satisfaction survey so you can be sure you are tracking things that matter to customers

If we use too much management judgment in questionnaire design, our results may be accurate but still misleading. We need to use the questionnaire for diagnosis rather than confirmation.

Satisfaction rating is provided by testing agencies that compare purchase satisfaction with specified brands or with how well products perform. It is also provided by a way for consumer's to compare brands, enable testing agencies to determine the performance of products and allow companies to monitor how satisfied consumers are with their goods and services. The competitive advantage of satisfaction rating is useful to companies that can learn and adjust most

quickly to market force. One critical source of information is feedback from customers.

Marketers should not only measure their own companies' performance but also should monitor that of competitors. It is quite possible that competitor has improved its quality much more quickly and that consumers recognize this fact

The best consumer satisfaction program in the world is worth very little unless it feeds in the strategic and operational planning of the company. This information is then provided to all employees so that adjustment can be made to improve performance in their respective areas. (<http://www.surveyvalue.com/customersat-overview>).

One of the most important parts of the marketing executive's job is to get the entire organization to focus its decisions on actions that affect how much customers are satisfied. Much of a marketer's time is spent creating strategies that influence satisfaction (Harrell & Frazier, 1998:43).

The focus on customer satisfaction has become increasingly important as more firms question whether all attempts to improve absolute quality of their products and services generate sufficient additional sales and profits to justify their cost. This growing concern with the economic return on quality has motivated firms to ask which dimensions of product or service quality are most important to customers and which dimensions customers might be willing to sacrifice for lower prices (<http://www.surveyvalue.com/customersat-overview>).

Important measures of customer satisfaction, should examine both (1) customers expectation and performance concerning the various dimensions of product and service and (2) their perception concerning how well the firm is meeting those expectations. Any gaps where customer expectations exceed their recent experiences may indicate fruitful areas for the firm to work on improving customer value and satisfaction (<http://www.surveyvalue.com/customersat-overview>).

## **2.7. Methods of Creating a Personal Relationship with Customers**

According to Harrell & Frazier (1998:44), by its very nature, a relationship is personal. For this reason, (Martin Lovin) mentions some basic ways of creating personal relation not only personal, consumers, business to business of other markets. Among of them are;

### **A. Empathy**

Empathy is the ability to understand the perspective of another person of organization. It means putting yourself in someone else shoes and seeing the world as that person sees it. Some companies use sophisticated marketing research and create a culture within the organization that is sensitive to others. But empathy works best when customers sense and know empathy works best when customers sense and know that they are understated that the organization has accurate knowledge of their circumstance. For example, when you call the telephone company for information and get courteous help, even if you don't spell the name correctly, the company has communicated empathy, when a company guest out of its way to make things work just for you; you experience its empathy (Harrell & Frazier, 1998:44).

### **B. Commitment**

Companies that are committed go out of their way to serve customers go beyond what is promised to make sure the customer is better off because of the relationship made. When things go wrong, they work hard to fix them. Making an effort to stay connected with customers illustrates the company's commitment (Harrell & Frazier, 1998:45).

### **C. Rewarding Loyal Customer's**

Relationship marketing creates connections that make it unnecessary or difficult for customers to switch to competitors. In order for relationship marketing to work, companies must understand their customers so well that competitors have little chance of offering new of unique items that would entice a trial. This means that companies must be willing to provide superior value for their best customers

who generate superior profits for the company should enjoy the benefits of that value creation. As a result they will then become even more loyal and profitable (Harrell & Frazier 1998:45).

## **2.8. Matching Customers Satisfactions with Different Values**

In a competitive market the customer's satisfaction can be matched and related with different value of markets. Among of them:

### **2.8.1 Satisfaction Vs Dissatisfaction**

According to Lindquist and Sirgy (2003:103), the level of satisfaction or dissatisfaction we experience depends upon how well the products performance meets our expectations. That is, what is the perceived difference between expectation and realization? Satisfaction is not easily measured for a number of reasons. The exact same level of performance can be judged either satisfactory or unsatisfactory, depending upon experiencing it and the situation in which he or she is found. The level of satisfaction can also change, for better or worse, over time.

### **2.8.2 Satisfaction Vs Expectation**

As Lindquist and Sirgy (2003:104), to narrow the gap between expectations and product experience, the first is to understand exactly what benefits, whether they are promised by the marketer or not, are expected by consumers.

Expectancy Disconfirmation is what the consumer thought to happen is not confirmed. "Confirmation" indicates a match. If a consumer experiences negative disconfirmation with the performance of a particular attribute, this has a greater impact on the dissatisfaction level than a positive performance of the same attribute we have on the level of satisfaction.

In addition, as Lindquist (2003:106), two aspects of performance are important to the consumer's satisfaction with the consumption experience. First, objective performance is product related and depends on whether the product meets all functional (benefit) expectations. Second, effective performance is consumer

related and depends upon whether the purchase meets the emotional (benefit) expectations (feelings associated with possession and use of product or service) of the buyer.

### **2.8.3 Satisfaction Vs Service Quality**

According to Zeithaml and Bitner (2004:85), practitioners and writers in the popular press tend to use the terms satisfaction and quality interchangeably, but researchers have attempted to be more precise about the meanings and measurement of the two concepts, resulting in considerable debate. Although they have certain things in common, satisfaction is generally viewed as a broader concept, whereas, service quality assessment focuses specifically on dimensions of service. Based on this view, perceived service quality is a component of customer satisfaction.

Satisfaction with service quality depends on a large number of dimensions - both tangible and intangible attributes of the product-service offer. The impact of intangible dimensions on consumer satisfaction is of particular interest at this point. (Zeithaml and Bitner 2004:85)

Many psychological studies even show that non-verbal behavior by the service provider greatly affects service evaluation (Gabbott Mark, 2000). In services, a single employee may affect service efficiency and consequent customer satisfaction with the service (Barnard, 2002). Even customers' own involvement and participation in the service delivery affect customer satisfaction (Kelly, Skinner et al, 1982) (Biplab S. Bose 1998 p.113)

Customers evaluate quality and attributes of material goods and services in different ways (Mathe and Shapiro, 1993). This realization has initiated a discussion on the need for special tools for evaluating more diverse and less tangible services (de Brentani, 1989). Responding to the growing demands for developing specific and reliable ways to measure customer satisfaction in service industries, a number of studies have been conducted that suggested

methodological frameworks for measuring customer satisfaction (Markovic and Horvat, 1999) (Biplab S. Bose 1998 p.114).

Studying how financial sector measures customer satisfaction (John.J.2005 <http://en: Wikipedia.>) showed that even though it is mostly traditional (financial) measures that are being used by the sector, they do not provide a sufficient basis for innovation in services and multidimensional approaches need to be devised.

The two most often used types of measures in service companies are the increase in the number of customers and increase in portfolio dollars. However, the most useful types were direct personal interviews with customers and measure of customer expectations and perceptions. Surprisingly, companies use traditional quantitative measures, but perceive qualitative measures as the most useful. Authors concluded that financial institutions are not satisfied that the traditional accounting-type measures are presenting the full performance picture for new products. (John.J.2005 <http://en: Wikipedia.>)

According to Grönroos (1984:120), the qualities of a service perceived by customers will differ depending on what strategy the company chooses to deliver and promote that service. The service quality model by Grönroos holds that the quality of a service, as it is perceived by the customer, can be divided into technical quality and functional quality dimensions. The former denotes what the customer receives as the output of a service production process and the latter how the technical quality is produced and transferred to the customer during buyer-seller interactions.

Given the growth of services in the last decades, many researchers have recognized the need to develop measures of service quality. One of the most often used measures is the SERVQUAL based on extensive research in generic determinants of perceived service quality (Parasuraman, Berry et al. 1985; Parasuraman, Berry et al. 1988; Zeithaml, Parasuraman et al. 1990; Parasuraman, Berry et al. 1991; Parasuraman, Berry et al. 1993; Parasuraman, Berry et al. 1994).

The model defines customer satisfaction as perceived service quality, which is the gap between expected service and perception of service actually received though it does not include prices in the assessment or for the inclusion of expectations as a variable in measuring service quality (Boulding, Kalra et al. 1993). Perhaps the most often heard criticism pertains to the lack of a clear link between satisfaction and perceived service quality identified by some research (John.J.2005 [http//en: Wikipedia.](http://en:Wikipedia))

According to John.J(2005 [http//en: Wikipedia.](http://en:Wikipedia)) An alternative model (SERVPERF) was later developed for these reasons, based on the findings that service quality does not depend on expectations and can be directly measured by simple performance based measures of service quality (Cronin and Taylor, 1994).

#### **2.8.4 Satisfaction Vs Customer Retention**

In less competitive markets, customers are more easily retained even with poor levels of customer's satisfaction, because there are few substitutes or because switching is costly. Higher levels of customer retention are achievable at relatively lower levels of customer satisfaction where there are limited choices or switching is costly.

However, in highly competitive markets with many choices and low customer switching costs, even relatively high levels of customers' satisfaction may not be achieved. Restaurant and bank customers can switch quickly, if they are not completely satisfied.(Harrel and Frazier, 1998:40)

#### **2.8.5 Satisfaction Vs Profitability**

For many companies, profit can be traced back to customer satisfaction which, in turn, is related to employee satisfaction. It is used to be thought that market share was the best determinant of profitability and this led to many mergers and take over in this hope that economies of scale would reduce cost and increase profit. Naturally this works to a degree but these are many expectations, in which



companies which do not have the largest market share are more profitable than those with a bigger share, because they have discovered that customer loyalty is more profitable than market share (Alexander and Hill, 2003:22).

## **2.9. How Consumers to Judge Satisfaction?**

We can define expectations simply as anticipation or predictions of future events. It is appropriate to outline some of the most common models for understanding the relationship between standards and satisfaction; most researches have employed some variant of the expectancy disconfirmation model of satisfaction. However, as suggested in our discussion, there is increasingly recognition that other kinds of comparative standards, such as fairness, might also affect judgments of satisfaction.(Bisrat Getachew, 2003:26).

### **2.9.1. Other Comparative Standards for Judging Satisfaction**

#### **A. Desire**

Individual's goals and desires might serve as a standard against which to judge satisfaction. In a desires model of satisfaction, satisfaction is a function of the consumer's assessment of the degree to which a product meets or exceeds his or her desire, the outcome being called desire congruency. Desires are the level of products attributes and benefits that consumer believes will lead to or are connected with higher level value. Some advertisement emphasize a connection between product use and deeply held consumer desires, but delivering on these desires is hard (Kotler,P. and Armstrong, G. 2006:196).

#### **B. Fairness**

Moreover Kotler,P. and Armstrong, G. (2006:196)preparations of fairness affect consumer's satisfaction. The consumer in the opening vignette reports that fair price contribute to her retail loyalty, for example when consumers feel they have been exposed to un fair or deception pricing practices, they have been exposed to unfair of deception pricing practicum they may seek reparation, consumers may also seek to punish marketers for unfair treatment.

### **C. Price**

According to Lindquist (2002:62), price is for most consumers and in many buying situation, the most significant influence is alternatives evaluation. Knowing this, marketers count on price in promotions and at retail to attract consumers across a wide range of goods and services. Consumers do not always look for the lowest price or even the best price /quality ration. Other certain can be equally of more important than price for certain types of purchases and in certain buying situation.

### **D. Brand Reputation**

As Lindquist (2002:62), the reputation of a brand as a second major influence is an alternative evaluation. Brand name is frequently perceived by consumers to be and indicators of product or service quality, a high quality position is important in establishing brand power, also called "Brand equity", because this leads to greater brand market share and profitability in the long run.

## **2.10. Customer Satisfaction Survey and Important Analyses and Reports**

### **2.10.1 Customer Satisfaction Surveys**

Customer satisfaction surveys are a questionnaire based information collection tool to determine the level of satisfaction with various product or service features. Developing a good questionnaire is the key to collecting good quality information. Questions must be short and concise, well formulated, easy to interpret and answer, and facilitate unbiased responses. (<http://www.surveyvalue.com/customersat-overview>).

Many methods are being used for gathering survey information. Telephone surveys are generally used to collect data from a large group of customers and to target segment markets. They are more effective in obtaining data than mail or e-mail questionnaires and can potentially provide a higher depth of data (Biplab S.bose, 1998:1145)

Online surveys like, mail surveys are economical, do not permit follow-up questions and do not offer the depth of a telephone survey (Etzel, M. and others, 2001: 65). Return cards allow getting customer response and certain possibility for measuring customer satisfaction. They proved to be especially useful if they are used in after-sale interaction with consumers, *e.g.* repair or service activity or warranty registration (Etzel, M. and others, 2001: 65)

As Etzel, M. and others, (2001: 65), customer intercepts and exit surveys are especially useful in probing customer in their shopping environment. These surveys aim to intercept consumers in retail places and deliver a short structured questionnaire on their satisfaction with the delivered service, preferences, or behavior. Consumer intercepts are relatively cheap but the samples may not be randomly chosen leading to stratified sampling and reducing the representativeness of the results.

### **2.10.2. Important Analyses and Reports in the Survey**

Sample surveys must indicate the degree of sampling error, and which comparisons are statistically different from one another. Usually this requires involvement of a market research company. Some of the typical customer satisfaction reports are; importance of various products attributes, satisfaction, overall and various product attributes, quadrant chart: importance v. satisfaction for various product attributes, trend chart: performance of satisfaction over a period of time, and benchmark comparisons: shows your company and key competitors (<http://www.surveyvalue.com/customersat-overview>).

### **2.11. Attracting Customers**

According to Kotler (2003:72), today, customers are becoming to please. They are smarter, more price conscious, more demanding, less forgiving, and there are approached by many more competitors with equal or better efforts. The challenge, according to Jeffrey Gitomer, is not to produce satisfied customer, several

competitors can do this. The challenge is to produce delighted and loyal customers.

Companies seeking to expand their profit and sales have to spend considerable time and resources searching for new customer to find a list of suspects. The next task is to identify which suspects are really good prospects, by interviewing them, checking on their financial standing, and so on, and then it is time of send out the sales people.

### **2.11.1. Importance of customer retention**

Moreover, Kotler (2003:73), unfortunately, most marketing theories and practices centre on the art of attracting new customers rather than on retaining and cultivation existing ones. The emphasis traditionally has been on making sales rather than building relationships, on reselling and selling rather than caring for the customer afterward. A company would be wise to measure customer satisfaction regularly because the key to customer relation is customer satisfaction.

A highly satisfied customer stays loyal longer buys more as the company introduces new products and upgrades existing, talks favorably about the company and its products pays less attention, offers product or service ideas to the company, and costs less to serve than new customers because transactions are routine (Kotler, 2003:73).

Some companies think they are getting a sense of customer satisfaction by tallying customer complaints, but 96 percent of dissatisfied customers don't complain; many just stop buying. The best thing a company can do is to market it easy for the customer to complain (Kotler 2003:73)

### **2.12. Determinants of Customer Satisfaction**

According to Zelthmal and Bitner (2004:98), customer satisfaction is influenced by specific product or service features and by perceptions of quality as suggested.

Satisfaction is also influenced by customers' emotional responses, their attributions and their perceptions of equity.

### **2.12.1. Production and Service Feature**

Customer satisfaction with a product or service is influenced significantly by the customer's evaluation (Zelthmal and Bitner , 2004:98)

### **2.12.2. Customer Emotion**

Customer's emotions can also affect their perceptions of satisfaction with products and services. These emotions can be stable, pre-existing emotions (Zelthmal and Bitner, 2004:98)

### **2.12.3. Attributions for Service Success or Failure**

Attributions that perceived causes of events influence perception of satisfaction as well when they have been surprised by an out come, consumers tend to look for the reasons, and their assessments of the reasons can influence their satisfaction ( Zelthmal and Bitner ,2004:98).

### **2.12.4. Perception of Equality or Fairness**

Accord to Zelthmal and Bitner (2004:98), Customer satisfaction is also influenced by perception of equity and fairness. You can ask questions some questions yourself to check this, such as, 'Have I been treated fairly when compared with other customer?', "Did other customers get better treatment, better prices, or better quality service?", and "Did I pay a fair price of the service?"

### **2.12.5 Other Consumer Family Members and Co Workers**

In addition to product and service features and one's own individual feelings and beliefs, consumer satisfaction is often influenced by other people (Zelthmal and Bitner, 2004:98).

### **2.13 Customer Satisfaction Management**

According to Monga and Nand (2003:515), marketers undertake research works and surveys and intimate the production department about the result, so that exact preferences can be known and all the stages of manufacturing the product through in keeping with the expectations of the customers. While practicing customer satisfaction management, the marketers are required to tap the market in the light of some variables such as, gaining an idea about the strength of the customers, gaining an idea about the competition in the market, understanding the SWOT analysis of the market, and knowing the customer profile

It is necessary to match the organization own resources with the above levels of satisfaction among customers internally and globally and various other elements like customer psychology, buying pattern, short comings, etc. On the basis of which the organization can categories markets and set priorities, it is difficult or rather impossible to satisfy all the segments of the market at a time (Monga and Nand, 2003: 518).

#### **2.13.1. Ways to Set Satisfaction Improvement Priorities in the Management**

Some insight into priority setting can be gained by examining the relationship between satisfaction and loyalty. One way of setting priorities is "fixing problems". Another way of setting priorities is "differentiation" of the product by creating competitive advantages. This involves giving customers some good reasons for being loyal. (Monga and Nand, 2003:519)

#### **2.13.2. What else is important in a Customer Satisfaction Management Program?**

The benefit of customer satisfaction programs comes only from resulting actions that improve your product, service or brand and result in greater sales, profits and market share. It is crucial that your program provides clear, accurate, current, relevant and complete customer information. When customer information meets these criteria managers will be more willing to rely on it.

Becoming customer driven means making your customer information at least as credible and useful as your financial information. Managers will use the information that best helps them solve important business challenges. When financial information is the only reliable information, the company has a hard time becoming customer driven. (Monga and Nand, 2003:520)

## **CHAPTER THREE**

### **DATA PRESENTATION, ANALYSIS AND INTERPRETATION**

This chapter deals with the presentation, analysis and interpretation of the data gathered from the Ethiopian Steel private Limited company (E.S plc) customers and the marketing manager.

The data were obtained through questionnaires and interviews. The questionnaires were distributed to Ethiopian steel Plc customers while an interview was held with marketing manager.

The distributed questionnaire contains both open ended and closed ended questions. As a result, 196 of 200 were collected which represents 98% of distributed questionnaire and the rest 4 which represents 2% were not returned to the student researcher because of different difficulties.

#### **3.1 General Characteristics of the Respondents**

The below table 3.1 presents some demographic characteristics of the sample respondents which consists of sex distribution, age distribution, educational level, and occupations.



**Table 1 General Characteristics of Respondents**

S.N	Item	Respondents	
		Number (#)	Percentage (%)
1	Sex		
	Male	137	70
	Female	59	30
2	<b>Total</b>	<b>196</b>	<b>100</b>
	Age		
	20-29	43	21.93
	30-39	65	33.16
	40-49	65	33.16
	50-59	23	11.73
	>60	-	-
	<b>Total</b>	<b>196</b>	<b>100</b>
3.	Education		
	< 10 <sup>th</sup> grade	12	6.25
	10 <sup>th</sup> &12 <sup>th</sup> complete	12	6.25
	Diploma	74	37.5
	1 <sup>st</sup> degree	74	37.5
	2 <sup>nd</sup> degree	24	12.5
	Others	-	-
	<b>Total</b>	<b>196</b>	<b>100</b>
4.	Occupation		
	Office Manager	29	14.79
	Merchant	59	30.10
	Field exports	20	10.20
	Others	88	44.89
	<b>Total</b>	<b>196</b>	<b>100</b>

As presented in the above table of item-1 concerning gender composition of the respondents, male respondents dominates over female respondents. That is out of the total respondents the males population accounts 137(70%) while females accounts for 59(30%).

With regard to age distribution as it is shown in item-2 of the same table, the respondent's age exist between the ranges of 20-59. From this range 20-29 age group accounts 43(21.92%) the age distribution of respondents which falls between 30-39 and 40-49 equally share 65(33.16%) respectively. This implies that 66% of the respondent's age distribution falls between 30-49 age ranges. The rest 23 (11.73%) falls between 50-59 age groups.

With regard to educational background of the respondents, as presented in table I item-3 those with less than grade 10 and between grade 10 and 12 share equally about 12(6.25%). And also those with diploma and 1<sup>st</sup> degree account 74(37.5) respectively. The rest 24 (12.5) are 2<sup>nd</sup> degree holders. This shows that the customers of the company's are educated people.

As the above table I, in item-4 signify occupations of customers about 29 (14.79%) of respondents were office managers. About 59(30.10%) were merchants. This implies more than a quarter of respondents were merchants. And also about 20(10.20%) were field experts while 88 (44.89%) were consisting of different types of occupations. With different levels such as general contractors, wood and metal workers, purchasers etc.

### **3.2 Analysis of the Major Findings**

Under these sections the major information gathered from customers and employees of Ethiopian Steel Plc were analyzed in order to present the customers satisfaction level with the company. Under this topic the question to be analyzed were questions regarding about customer loyalty, customer satisfaction, service delivery the comparison of company with its rival, and customer complaint handling.

### 3.2.1 Analysis of Customer Loyalty

**Table 2 Questions Concerned about Loyalty of Customers of Ethiopian Steel Plc**

S.No	Item	Respondents	
		Number (#)	Percentage (%)
1	<b>Are you a loyal customer of Ethiopian Steel Plc?</b>		
	Yes	186	94.89
	No	10	5.10
	<b>Total</b>	<b>196</b>	<b>100</b>
2	<b>How long have you stayed as a loyal customer?</b>		
	Less than a year	30	16.13
	2 up to 4 years	87	46.78
	5 up to 7 years	50	26.88
	8 years and above	19	10.20
	<b>Total</b>	<b>186</b>	<b>100</b>
3	<b>For what types of products are you loyal?</b>		
	Zinc coated sheet	9	4.84
	Zinc coated and color coated sheet	9	4.84
	Color coated sheet	19	10.21
	Galvanized sheet	77	41.39
	Galvanized and color coated sheet	19	10.21

	All products	53	28.49
	<b>Total</b>	<b>196</b>	<b>100</b>

As it is revealed in item -2 of table 2 respondents were asked they are loyal customer or not. Thus, out of the total respondents, 186 (94.89%) replied that as they were loyal customer while only 10 (5.1%) were not based on this finding; the Ethiopian steel PLC holds a large number of loyal customers.

On Item- 2 of the same table, customers were asked about their loyalty's life span with the company. Based on this question, out of 186 loyal customers, 87 (16.124%) respondents stayed with the company for less than one year, 50 (47.77%) for 2-4 years, 50 (26.88%) for 5-7 years while the rest 19 (10.22%) stayed for more than eight years. This implies that out of the sum total of loyal customers (respondents), those who stayed with the Ethiopian steel PLC for 2-7 years accounts about 74% of the total respondents.

On the other hand, as item – 3 of the same table signifies that among loyal customers of the company, about 77 (41.39%) respondents were loyal to Galvanized sheet product. Those respondents who were loyal to Galvanized and color coated sheet, and color coated sheet products share equally about 19(10.22%) respectively. Similarly, those respondents who were loyal to zinc coated sheet, and zinc coated and color coated sheet product equally share about 8 (4.3%) of the total while 55 (29.56%) of respondents were loyal to all types of the company's products.

Moreover, from this table, it is possible to deduce that the Ethiopian steel PLC has large number of loyal customers whose loyalties life span extended from 2-7 years, which accounts about 74% out of these loyal customers. Most of them are loyal to Galvanized sheet products while some customers are loyal to all products of the company.

In addition, most of the respondents replied that they were loyal customers because of the Ethiopian steel Plc's color coated sheet is better than others, availability of different sheet products, product quality and fast service delivery.

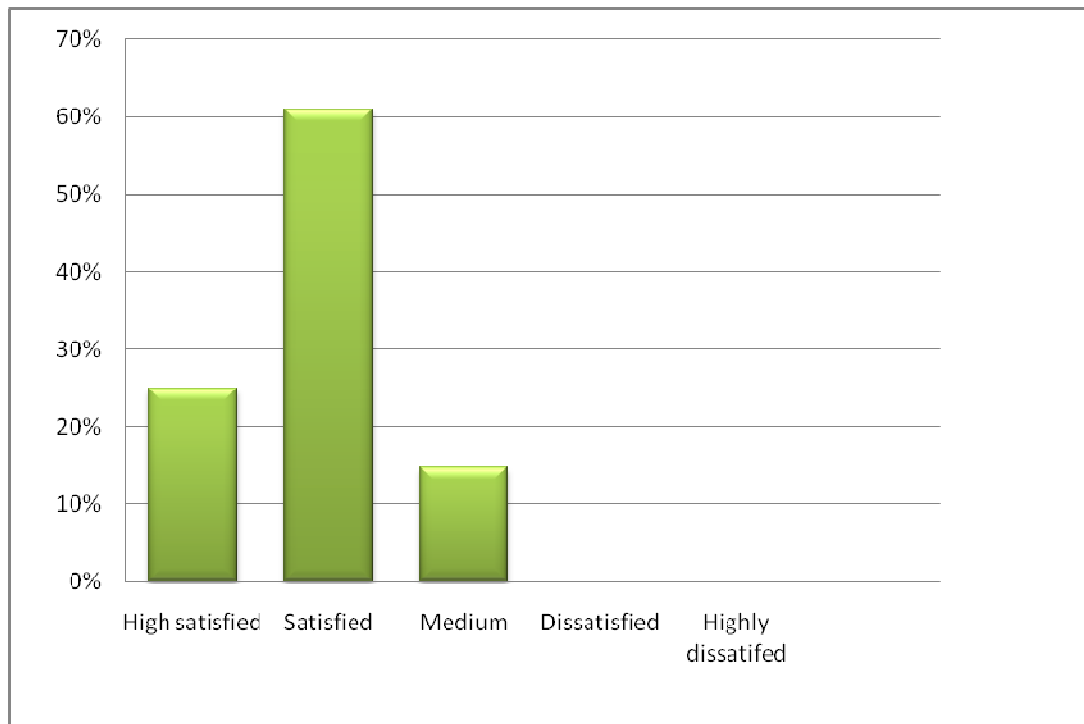
### 3.2.2 Customers' Satisfaction on Delivered Service

**Table 3 the factors in forces to come to the company**

<b>Question</b>	<b>Response</b>	<b>Number (#)</b>	<b>Percentage (%)</b>
What makes you to come to the company?	Service Quality	29	14.79
	Product & service quality	10	5.10
	Product quality	60	30.60
	Product quality & price	29	14.79
	Price	29	14.79
	Price & service quality	39	19.89
	<b>Total</b>		<b>196</b>

According to table III the major factor that makes the E.S.PlC customer to come to the company are: product quality which accounts about 60 (30.60%) of the total respondents, price of product and service quality also in forces about 39 (19.89%) of customer respondents, service quality, product quality and price, and price the company's product equally shares about 29 (14.79%) of respondents respectively. The rest 10 (5.1%) of respondents were customers those come in seek of product and service quality

**Figure I**  
**Level of Customer Satisfaction to Wards the Company's' Service Rendering**



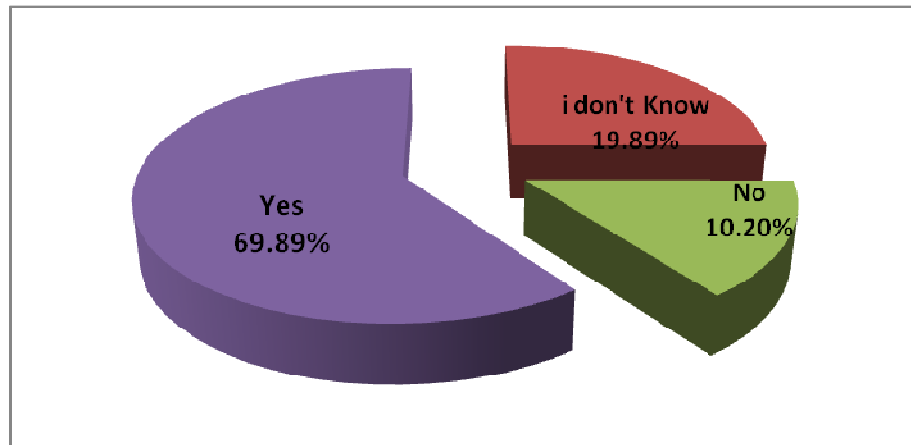
As it is shown in above figure 1, about 118 (60.20%) of respondents were satisfied with the service delivery of E.S.plc and also 49 (25%) of respondents are highly satisfied. This implies that about 85% of company's customers are satisfied. This helps the company to have large loyal customers in order to sustain and profitable life. The rest 29(14.79%) respondents were existed on medium level satisfaction.

**Table 4 about whether customer gets what they need or not.**

<b>Question</b>	<b>Response</b>	<b>Number (#)</b>	<b>Percentage (%)</b>
When you purchase the product of E.S.plc would get what you need with your color choice?	Yes	147	75
	Relatively	49	25
	No	-	-
	<b>Total</b>	<b>196</b>	<b>100</b>

According to table 4, about 147 (75%) of respondents get what they need with their color choice when they were purchasing the product of E.S.plc. This shows that the company is striving to fulfill its customers need with their choice. About 49(25%) of respondents relatively get their need as their color choice.

**Figure II. Continuity of Customers with the Company Based on the Service they get**



According to pie chart I about 137(69.89%) of respondents were planned to continue as a customer of Ethiopian Steel Plc company while 20 (10.20%) of respondents were decided not to continue with. About 39 (19.89%) of respondents were in different whether they will continue or not.

The respondents those decided to continue were mentioned the reasons of their continuity as:

- Product quality with fair price
- Strength of product
- Availability different types of sheet product
- Good service delivery
- Production of profitable product for merchants

The reasons of discontinued customers are:

- Market inflation

Similarly, the marketing manager was asked whether the company has planned to fill satisfaction gap. He replied that, even though the customer's satisfaction level exists at normal level, the company is planned to optimize the satisfaction rate of customers to more than 90%. He added that the company exists on the preparation stage to make a research on customer satisfaction.

### **3.2.3 Analysis of Services delivery of company**

**Table 5: Company's Promises to Delivery Vs Customers' Expectation**



<b>Question</b>	<b>Response</b>	<b>Number (#)</b>	<b>Percentage (%)</b>
When you evaluate the service delivery of the company. How is the promised service delivery of the company?	Very high	10	5.1
	high	98	50
	medium	88	44.89
	low	-	-
	Very low	-	-
	<b>Total</b>	<b>196</b>	<b>100</b>

As table 5 signifies out of the total respondents. Half of them responded that the promised service delivery of the company was high while 88 (44.89%) of the respondents said medium and only 10 (5.1%) of respondents said that the Ethiopian steel plc's provides very high service delivery. From this, one can deliver that the company is keep its promise for its customer. This helps the company to tie its customers and to increase its sales which leads to increase profitability. In line with, the marketing manager was asked whether the company delivers what it promised or not. He replied that it is their objective to deliver what they promised and increase their customer's satisfaction.

**Table 6: The Company's Employee's Commitment to Provide Service**

<b>Question</b>	<b>Response</b>	<b>Number (#)</b>	<b>Percent (%)</b>
How you can evaluate the commitment of employee to provide service?	Very high	78	39.79
	high	78	39.79
	medium	40	20.41
	low	-	-
	Very low	-	-
	<b>Total</b>	<b>196</b>	<b>100</b>

According to table 6 for 78 (39.79%) respondents rate the commitment of the E.S.plc employees to provide (serve) the company's customers as very high likewise for 78 (39.79%) respondents as high. This implies that the E.S.plc Company serves its customers with committed employees. There are only 40(20.41%) of respondents who said medium committed employee to serve customers.

In addition to what the company's is providing now for its customers, the marketing manager gives his ideas representing the company; as a company is proposing to optimize the service delivery to more than 95%.

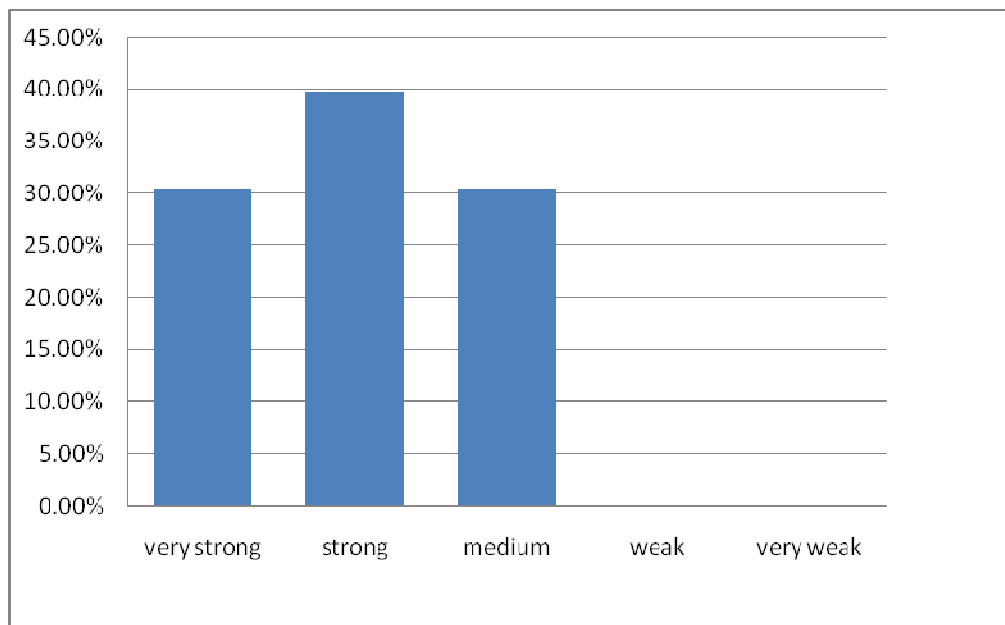
### **3.2.4 Ethiopian steel plc's service delivery Vs its rivals service delivery**

**Table 7: Comparison of the Ethiopian Steel Plc with its local competitors.**

<b>Question</b>	<b>Response</b>	<b>Number (#)</b>	<b>Percentage (%)</b>
When you compare the service delivery of E.S.plc with its local compititors how you can evaluate?	Very high	29	14.79
	high	118	60.20
	medium	49	25
	low	-	-
	Very low	-	-
	<b>Total</b>		<b>196</b>

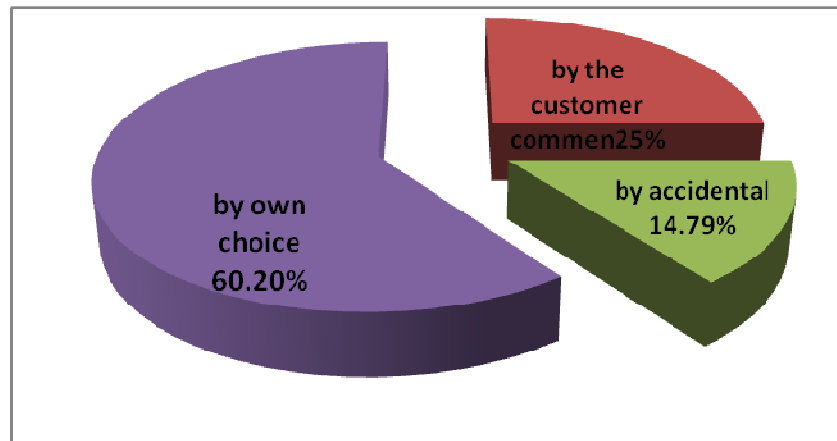
As revealed in table 7 for 118 (60.20%) respondents, when they compare E.S.plc with other company, service delivery of E.S.plc is exists on high level and for 29 (14.79%) respondents the company provides very high (fastsest) service related to other rival company. Those respondents who said the company's service is medium account about 49 (25%). In general one can conclude that service rendering of the Ethiopian Steel plc company is better than its local competitors those manufacturers steel products.

**Figure III. The Relationship between the Companies with its Customers.**



As it is shown in figure III, the respondents those have strong relationship with the company account about 78 (39.79%) while those have very strong and medium relationship share equally about 59 (30.1%) respectively. In general, one can conclude that the Ethiopian steel Plc has better in relation with its customers. Thus, if it optimizes this relationship to further, the company may hold a large market share for a long time.

**Figure IV. How to become the Customer of Ethiopian Steel plc.**



According to the pie chart about 118 (60.20%) of respondents become customer of Ethiopian steel plc by their own choice and about 49 (25%) of respondents responded that they became a customer of the company by other customers of the company while 29 (14.79%) respondents by accidental.

**Table 8. Benefits that Companies Provide for its Customer**

Question	Response	Number (#)	Percentage (%)
When you purchase the company's product at large quantity, For how many time you get	Always	10	5.1
	Sometimes	127	64.79
	Only once	-	-
	No benefits	59	30.1

additional incentives?	<b>Total</b>	<b>196</b>	<b>100</b>
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According to above 8 table only about 10 (5.1%) of respondents responded that as they always gets additional benefits from the company when they purchase large amount (quantity) of the company's product. About 127(64.79%) of respondents sometimes get additional benefits from the company while 59 (30.1%) respondents have not get any additional benefits.

Similarly, for the question, "what is your company is proposing to maximize customer's satisfaction?" the marketing manager replied that as the company is ready to provide for customers those purchase large amount products. The prepared benefits are bonus and holiday discount.

**Table 9: Customers Complains**

<b>S.no</b>	<b>Question</b>	<b>Response</b>	<b>Number (#)</b>	<b>Percentage (%)</b>
1	Did you complain on your dissatisfaction?	Yes	70	35.71
		No	87	44.39
		I don't know	39	19.89
		<b>Total</b>	<b>196</b>	<b>100</b>
2	To whom you present	M.manager	39	55.71

	your complain?	Sales manger	31	44.28
		Sellers	-	-
		suggestion Box	-	-
		<b>Total</b>	<b>70</b>	<b>100</b>
3	How do you rate the commitment of the company's on customers complaint handling	Very high	21	30
		high	49	70
		medium	-	-
		low	-	-
		Very low	-	-
		<b>Total</b>	<b>70</b>	<b>100</b>

As it is shown on question item -1 in table XIII only 70 (35.71%) of respondents complained on their dissatisfaction. The rest 87 (44.39%) and 39 (19.89) did not complain and indifferent respectively.

As indicated on question item-2 of the same table, out 70 respondents those who complain on their dissatisfaction 39 (55.71%) presented their complaints to marketing manager of the company and 31(44.28%) respondents' present complaints to sales manager.

On the other hand, as it is shown, on question item -3 of the same table, 21 (30%) of respondents rate that the Ethiopian steel plc's customers complain handling as very high while 49 (70%) rated as high level. This implies that customers complain handling exists at high level. Like wise, the marketing manager of Ethiopian Steel plc was asked about the company's complains of customers on service delivery and how they manage it. He replied that in fact there were no significant complains presented. For presented complaints the company is providing sufficient response and handles it well. For example many customers complain on the delay of service delivery. Thus, by now, the company

plans to deliver service at time of request, and proposed to open outlet agents in different towns.

### 3.2.5 Company's product price

**Table 10: Questions Concerning about Price of the Company's Product**

S.no	Question	Response	Number (#)	Percentage (%)
1	When you compare the benefits you get with the cost you paid the selling price of the company's product is?	Highly expensive	20	10.2
		Expensive	69	32.2
		Medium	88	44.89
		Cheap	19	9.70
		Highly cheap	-	-
		<b>Total</b>	<b>196</b>	<b>100</b>
2	When you compare the selling price of E.S.plc with its local competitors company, the selling price of the company is?	Highly expensive	-	-
		Expensive	137	69.89
		Medium	49	25
		Cheap	10	5.1
		Highly cheap	-	-
		<b>Total</b>	<b>196</b>	<b>100</b>

As signified in the above table, about 88 (44.89%) of respondents responded that in comparing their benefits from the products they purchase, the paid cost is medium while for 69 (35.2%) of respondents expensive. And those who said that highly expensive and cheap share equally 20 (10.2%) and 19 (9.70%) respectively. As question no -2 of the same table shows, when respondents compare the selling price of E.S.Plc with other company, for about 137 (69.89%) respondents the selling price of E.S.Plc was expensive, for 49 (25%) of respondents the selling price of E.S.plc is medium while for 10 (5.1%) respondents was cheap.

### 3.2.6 Analysis of Ethiopian Steel plc products' quality

Table 11: Questions are concerned with the E.S.plc product when you are planning (thinking) to purchase the E.S.Plc's products how you can compare your satisfaction with products' quality?

Question	Reliability		Durability		Design		Standardized Thickness	
	Number (#)	percentage(%)	Number (#)	percentage (%)	Number(#)	percentage (%)	Number (#)	Percentage(%)
Highly satisfied	49	25	49	25	59	30.1	69	35.2
Satisfied	118	60.2	98	50	118	60.2	88	44.89
Medium	29	14.79	10	5.11	19	9.7	39	19.89
Dissatisfied	-	-	39	19.89	-	-	-	-
Highly dissatisfied	-	-	-	-	-	-	-	-
<b>Total</b>	<b>196</b>	<b>100</b>	<b>196</b>	<b>100</b>	<b>196</b>	<b>100</b>	<b>196</b>	<b>100</b>

According to the above table 11 respondents those who responded as they were satisfied on the E.S.plc products' reliability, durability, design and standardized thickness respectively accounts about 118(60.2%), 98(50%), 118(60.2%), and 88 (44.89%),

In other ways, those respondents who were highly satisfied on the company's products; reliability, strength, durability, design and standardized thickness account about 49(25%), 49(25%), 59(30.1%), and 69(35.2%) respectively, while respondents whose satisfaction is medium account about 29(14.79%), 10(5.1%), 19(9.70%), 39(19.89%), respectively for the company's product composition mentioned above.

On the other hand there were only 39 (19.89%), of respondents who were not satisfied on products' durability.



In general, one can conclude that from this table more than half of the company's customers are satisfied with all composition of production.

**Table 12: What Comes to your Mind when you see 'Lion picture' the Trade Mark of E.S.Plc?**

<b>Response</b>	<b>Number (#)</b>	<b>Percentages (%)</b>
High quality	29	14.79
High quality and strength	39	19.89
Low price	49	25
Design and strength	69	35.2
Other	10	5.1
<b>Total</b>	<b>196</b>	<b>100</b>

As table 12 signify, about 69 (35.2%) of respondents said that as strength and design of E.S.plc products comes to their mind when they see lion picture trade mark, about 49 (25%) feel low price, 39 (19.89%) feel high quality and strength and 29 (14.79%) feel about high quality.

### **3.2.7 Additional Customers Suggestions**

There are problems of the E.S.plc not include in above questions. Thus customers (respondents) were comments on different issues problems of the company as follows:-

- The company has no transport facilities in distribution of production.
- There is no on credit sales
- There is some delay of service delivery
- The company did not produce other related products such as nails
- There are no sales agents in the city and towns which can reduce the customer's transportation coasts, time and others.
- The company did not facilitate in check payment of sales.

The customers (respondents) also gave their opinions which they think that the solutions of the above raised ideas were better for the company that:-

- Facilitates product shipping way to customers
- Learns on credit sales by using mortgage
- Imports other types of metal products from foreign
- Has sales agents in towns and city
- Uses all types of sales payments such as check.

## **CHAPTER FOUR**

### **Summary, Conclusions and Recommendations**

The basic objective of the study, focused on assessment of customer satisfaction on products and service delivery of Ethiopian Steel Plc. To do so, research questions were raised, related literatures were reviewed, and important data were collected through questionnaires and interview. The gathered data were presented, analyzed and interpreted through descriptive method.

Thus, the summary, conclusion and recommendations were drawn up based on the analysis and findings.

#### **4.1. Summary of the Major Findings**

The major findings of the study are listed as follows:

- Out of the total respondents of the study, about 70% were male while 30% were female.
- Most respondents' age categories range between 30-49
- With regard to educational level, majority of the respondents were well educated. And about 75% hold diploma and above.
- Among the total respondents, about 45% were engaged in different occupation, and 30% were merchants.
- The loyal customer respondent's account about 95% and out of these loyal customers, about 47% stayed with the company for about 2 to 4 years.
- About 41% of the loyal customers were loyal to galvanized sheet product.
- For about 75% respondents; Ethiopian Steel plc supplies for its customers what they need with their color choice.
- Based on service they got, about 69.89% of respondents decided to continue with company.
- Large number of customers came to the company in search of the company's product quality.

- More than 85% of respondents were satisfied with the companies' service rendering.
- For about 55.1% of respondents the company delivers its services as promised.
- In comparison, the Ethiopian Steel Plc. with other company, for about 74% respondents, the company provides or renders above high level service quality.
- About 70% of respondents have very strong relationship with the company.
- About 60.20% respondents customers became the company's customer by their own choice.
- Based on their purchasing capacity, sometimes the Ethiopian Steel Plc provides additional benefits.
- There were only 35.71% respondents those who were complaining on their dissatisfaction.
- Among the dissatisfying, about 56% customers present to marketing manager and 44% to sales manager.
- Complaint management of the company exist greater than high level.
- For more than 90% respondent customer's the benefits they earn in comparison to the cost they paid, was medium and above.
- For above 70% respondents selling price the company was expensive.
- Above 50% of respondents were satisfied with reliability, durability, design and standard thickness of Ethiopian Steel Plcs' products.
- Among the total respondents for about 35% customers design and strength of the Ethiopian Steel Plc come to their mind when they see the trade mark of the company.
- In addition to these, the respondents gave their comment on transport facilities, selling method, and production related goods and so on.

## **4.2. Conclusions**

Based on the findings discussed in chapter three, the following conclusions are drawn.

As it is revealed in the research findings, Ethiopian Steel PLC owns a large number of loyal customers. These loyal customers stayed with the company by repeatedly purchasing its products for about 2-7 years and above. Out of these loyal customers, most of them are loyal to Galvanized sheet product. This positive situation may help the company to become a known steel factory.

According to the findings, Majority of the customers of Ethiopian Steel PLC are satisfied with the service delivery of the company. As it is indicated, the root cause of the customers' satisfaction are company's product quality, service quality and selling price of the company take a large place.

As the study indicates for about 75% of customers of the Ethiopian Steel PLC, their choices were respected when they request the company with what they need to purchase. For this reason, a large number of customers are decided to continue as customers of the company.

At large, the Ethiopian Steel PLC delivers at a high level what it promised to its customers. This leads the company maintain its customers in hand.

As it is revealed in the findings, the Ethiopian Steel PLC irregularly provides additional benefits for its customers when they purchase large quantity of products. At this point, the company must consider itself how to facilitate additional benefits for its customers in order to maintain them.

Ethiopian Steel PLC, for contemporary complains raised from its customers, has a high commitment to handle (manage) complaints as they are presented and ready to correct its faults as much as possible.

In comparison with other similar companies, Ethiopian Steel PLC selling price has in average above medium price. This may help it to open a way for a customer to switch from other company to come to the Ethiopian Steel PLC.

In general, the Ethiopian Steel PLC is currently striving to satisfy its customers. For this reason, it is, in average, reliable, provides design and standardized products to a satisfactory level.

### **4.3. Recommendations**

According to the major findings that have been discussed so far, the following points are recommended:

- Even though the company is by now, striving to maintain its large number of customers, it is better for the company to scale up the loyalty of its customers.
- The company keeps the choices of customers to some extent. In order to have large number of customers which help to have large sale and profit, the company should further make available different products which can satisfy the customer choices.
- In order to maintain the strong relationship with its customers, the company should facilitate regularly additional benefits such as bonus, holiday discounts, etc. for the customers who purchase a large.
- Since the company has no shipping services (facilities) for its customers, it is better if it facilitates shipping services in order to maintain the existing customers and call new customers in.
- It is also better for the company if it opens outlet agent offices (shops) for customers in the city and different towns.
- In order to scale up its customers' satisfaction, the company should produce related products with sheets such as nails.

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# Appendices









- a. Always
- b. By other customer comment
- c. By accidental
- 3. During your relation when you purchase in huge amount for how many times you have got other benefits?
  - a. Always
  - b. Some times
  - c. Only once
  - d. No benefits

**Part VI. Questions about customer's Complaint handling**

- 1. Did you complain on your dissatisfaction?
  - a. Yes
  - b. No
  - c. I don't Now
- 2. On your dissatisfaction, to whom did you complain?
  - a. To the "General Manager"
  - b. To the sales manager
  - c. To sellers
  - d. To suggestion box
- 3. How do you rate the commitment of company in customer's complaint handling?
  - a. Very high
  - b. High
  - c. Medium
  - d. Low
  - e. Very low

**Part VII. Company's product price**

- 1. When you compare the benefits you get with the cost you paid the selling price of the company's product is?
  - a. Highly expensive
  - b. Expensive
  - c. Medium
  - d. Cheap
  - e. Highly cheap
- 2. When you compare the selling price of E.S. plc with its rival company, the selling price of the company is?
  - a. Highly expensive
  - b. Expensive
  - c. Medium
  - d. Cheap
  - e. Highly cheap

**Part V analysis of Ethiopian Steel Plc products quality**

- 1. When you are planning to purchase the E.S plc's products how you can compare your satisfaction with products quality
  - A. Reliability
    - a. Highly expensive
    - b. Expensive
    - c. Medium
    - d. Cheap
    - e. Highly cheap

B. Durability

- |                     |                 |           |
|---------------------|-----------------|-----------|
| a. Highly expensive | b. Expensive    | c. Medium |
| d. Cheap            | e. Highly cheap |           |

C. Design

- |                     |                 |           |
|---------------------|-----------------|-----------|
| a. Highly expensive | b. Expensive    | c. Medium |
| d. Cheap            | e. Highly cheap |           |

D. Standardized thickness

- |                     |                 |           |
|---------------------|-----------------|-----------|
| a. Highly expensive | b. Expensive    | c. Medium |
| d. Cheap            | e. Highly cheap |           |

E. What comes to your mind when you see 'Lion picture' the trade mark of E.S. Plc?

- |                 |                |              |
|-----------------|----------------|--------------|
| a. High quality | b. Strength    | c. Low price |
| d. Design       | e. Other _____ |              |





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1.2 ..... " .. " ..... ..?

.....  .....2-4 .....

.....5-7 .....  .....7 .....

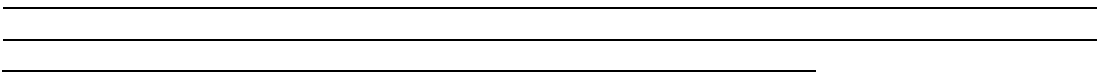
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3.1 ..... ..?

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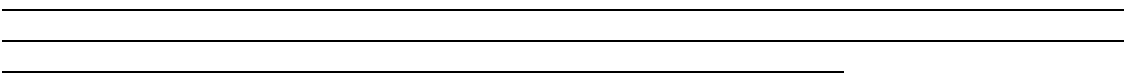
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3.4 ..... ..

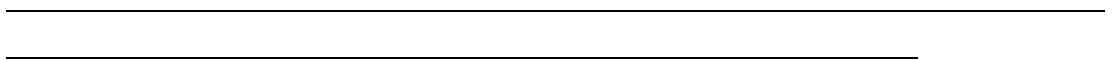
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3.5 ..... ..?

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3.6 ..... "3.5" ..... " .. " ..











## **DELARATION**

I undersigned declare that this senior essay is my original work prepared under the guidance of Ato Zellalem Tadese all source of materials used for the manuscript have been duly acknowledged.

Name: - \_\_\_\_\_

Signature \_\_\_\_\_

Place of submission: - **St. Mary's University College**  
**Department of Marketing**  
**Management**

Date of submission:-

This paper has been submitted for examination with my approval as the university college advisor.

Name \_\_\_\_\_

Signature \_\_\_\_\_

Date \_\_\_\_\_

