An Empirical Examination of Customer Satisfaction in the Steel Industry: Evidence from South Africa

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Abstract: Customer satisfaction is a fast growing concept and pivotal to the performance of any organisation. In recent years, the concept has become the primary issue in all industries including B2B. However, some companies in the B2B have not embraced the concept to gauge their customers’ satisfaction. The purpose of the study was to assess customer satisfaction levels with current services provided by the company selling reinforcing steel to the construction industry. The study has a South African focus and used B2B steel company to assess the concept of customer satisfaction. A survey was carried out in the steel industry to gather information regarding customer satisfaction. A quantitative research approach was used and data were collected by means of a questionnaire that was distributed among the company’s customers. Of the 176 questionnaires distributed, 113 were completed in full while 5 questionnaires were incomplete, giving a response rate of 64%. The questionnaires were completed by executives as representatives of companies surveyed. The company has developed a positive relationship with its customers through various types of service interaction such as on time delivery, technical back up, quality of the product, ability to meet specific requirements, correct invoicing, sales services, good communication and utilitarian value. However, the area of stock availability had a wider gap and it was recommended that the company must always make the plant available for production. There is a positive perception of the company’s service quality and customer satisfaction even though there is scope for improvement as reflected by the existing of gaps within the company’s operations.

Key Words: Customer satisfaction, service quality, South Africa

Introduction

Customer satisfaction is a topic that has received considerable attention by researchers and practitioners for many years (Culiberg & Rojajek 2010; Fornell, Rust & Dekimpe 2010; Mohammad & Alhamadani 2011). Most organisations are preoccupied with the concept as they see this objective as critical for success. In a survey conducted by the Conference Board (2002), customer loyalty and retention were the leading management issues ahead of other critical issues such as reducing costs. However, acquiring and retaining customers in the steel industry has become difficult because of high competition. The market has become saturated with steel manufactured locally and imported from China (Kilian 2017). The market has become highly competitive and to survival in such environment, the ability to provide the best quality to customers has become important among organisations (Coyles & Gokey 2005). As pointed out by (Terblanche 2011), to be successful in a highly competitive market, suppliers explore new forms of differentiation. One such approach in the steel industry is the provision of customer service that appeals to potential customers and which is difficult for competitors to imitate.
As observed by the Kilian (2017), global oversupply of steel compounded by shrinking demand and subsidized steel imports from China are some of the factors that have contributed to the industry’s decline over the past three years. As a result, steel companies are taking major steps to become more efficient and competitive. This has caused some of the companies to focus on facilitating a positive customer satisfaction experience and embraced issues like customer retention and loyalty. All is done to build long-term relationships with customers (Ilieska 2013).

Due to the hyper-competitive environment in the industry, the need for customer satisfaction research is essential to the survival of organisations. The firm that is the subject of this study is steel distribution company focusing on business-to-business services (B2B). The purpose of the study was therefore to assess the satisfaction level of the customer with current services provided by the case company, which is selling reinforcing steel to the construction industry. Reinforcing steel is a product that is used in reinforcing concrete. For many years, the company has not assessed customer satisfaction levels, it considered cost reduction objective as more critical. The specific objectives of the study were to determine the level of customer satisfaction with the company’s products / service and to identify areas of service within the company that falls below the expected level service.

In this study, service relates to all economic activities whose output is not a physical product and construction, it is usually consumed at the time it is produced and provides added value in forms that are essentially intangible concerns of its first purchaser (Yadav & Dabhade 2013). On the other hand, customer satisfaction is a process of customer’s entire experience with an organisation or service contact and the detailed assessment of that experience (Terblanche 2011).

The theoretical base and review of literature

Even though the concepts of customer satisfaction and service quality have been more pronounced in the service industry over many years, the same concepts have now become buzzy words in the industrial environment (B2B). This demonstrates that organisations in B2B also see customer satisfaction and service quality as critical components to business success. As noted by the conference board (2002), romancing customers has become the primary issue in companies in virtually all industries. It is against this context that the concepts have been brought to the steel industry to seek answers of organisational performance. Therefore, in line with the objectives of this study, literature on customer satisfaction and service quality were reviewed. However, considerable debate has been noted in literature where some writers tend to use the terms satisfaction and quality interchangeably while some writers have attempted to be more precise about the meanings and measurement of the two concepts.

Customer satisfaction

The conceptualization of the customer satisfaction has been a subject of debate for many years (Ilieska 2013; Keisidou et al. 2013; Mohammad & Abraheem 2011; Ojo 2010; Zeithaml, Bitner & Gremler 2013). In his article, ‘Explaining Organizational Behaviour,’ Mohr (1983) provided the foundation for satisfaction studies encompassing constructs such as expectations, performance, disconfirmation and satisfaction. In line with Mohr (1983), Zeithaml et al. (2013) define satisfaction as the customer’s evaluation of a product or service in terms of whether that product or service has met the customer’s needs
and expectations. If the needs and expectations of a customer are not met, this will result in customer dissatisfaction (Ilieska 2013). On the other hand, Tse & Wilton (1988) define satisfaction as the consumer’s response to the evaluation of the perceived discrepancy between prior expectations and the actual performance of the product as perceived after consumption. Zeithaml et al. (2013) further argue that customer satisfaction is a broader concept that is influenced by perceptions of service quality, product quality, price and personal factors such as the customer’s emotional state and uncontrollable situational factors. The views raised so far are in line with customers in B2B environment such as steel industry. A perception of how a customer was treated in a particular encounter such as short delivery of steel will form a perception of that specific transaction and subsequently that customer will have overall perceptions of the company based on all the encounters over a period of time. Caruana (2002) conceptualise customer satisfaction as transaction specific, implying that the concept is based on the customer’s experience on a particular service encounter. Jones & Suh (2000) argue that customer satisfaction is cumulative based on the overall evaluation of service experience with service provider. The views held by Caruana (2002) as well as Jones & Sue (2000) agree with Ojo (2010) who argue that customer satisfaction depends on the product’s perceived performance relative to buyer’s expectations. All this means that if the product’s performance falls short of expectation, the customer is dissatisfied and if performance exceeds expectations, the customer is highly satisfied or delighted. Therefore, the concept of customer satisfaction should be considered as part of overall customer attitudes towards the service provider (William & Naumann 2011).

Service Quality (servqual)
The element of customer perception is based on service quality (Zeithaml et al. 2013). In recent years, service quality has also become very critical in determining customer satisfaction. For instance, customers in the steel industry are taking seriously service quality in terms of how queries are resolved, correct invoicing, prompt delivery of steel and communication. Against this background, the use of servqual in B2B was appropriate as this helped to identify the aspects of service within the steel company that required performance improvement.

The discussion of the concept ‘servqual’ cannot be completed without acknowledging the seminal work of Parasuraman, Zeithaml & Berry (1985). In their study, Parasuraman et al. (1990) argue that customers use five dimensions to judge service quality (tangibles, reliability, responsiveness, assurance and empathy).

- **Tangible** involves the physical appearance of the facilities and facilitating goods, tools and equipment used to provide the product or service.
- **Reliability** involves the ability to perform the promised service dependably and accurately, in the same manner and without error every time.
- **Responsiveness** involves the willingness to help customers promptly and to recover quickly after service failure.
- **Assurance** involves the ability to convey trust and confidence, knowledge and courtesy of employees, competence and effective communication.
- **Empathy** involves the ability to be approachable, that is, provision of caring, individualised attention, understanding the customer’s needs and ease of contact.

Notwithstanding its growing and popularity and widespread application, servqual has been
subjected to some conceptual and methodological problems (Handrinos, Folinas & Rotsios, 2015; Tazreen, 2012). For example, Kozerska (2007); Kumar, Kee & Manshor (2009); Negi (2009) all agree that there is little evidence that customers assess service quality in terms of gaps; the model focuses on the process of service delivery and not the outcomes of the service encounter and that the seven-point Likert scale is flawed. Nevertheless, in this study, it is argued that expectations and perceptions of customers are very important to assess the quality of service; hence the model can be used to measure how customer perceives the quality of those services. Tazreen (2012) define service quality as the difference between technical quality (what is delivered) and functional quality (how it is delivered) and as process quality (judged during the service) and output quality (judged after the service). If expectations are greater than performance, then perceived quality is less than satisfactory and hence customer dissatisfaction occurs.

**Gap model of customer satisfaction**

The difference between customer’s perception of service quality and expectation of service quality is represented in form of a Gap (figure 1) (Zeithaml et al. 2013).

![Figure 1: The Customer Gap](source)

**Source:** Adapted from Zeithaml et al. (2013)

This gap exists due to other gaps between the management perceptions of customer expectations, service delivery specifications and service delivery by organisations (Tazreen 2012). The gap is called Gap 5 and is caused by other 4 gaps (figure 2).

![Figure 2: Service quality gaps](source)

**Source:** Adapted and modified from Zeithaml et al. (2013)
The Gap model explains consumer behaviour with respect to quality expectation.

- **Gap 1: Not knowing what customers expect**
  This gap exists between the expected service by the customer and the company perception of consumer expectations. Expected service is the highest level of desired service existing in the minds of the customers. Company perception of consumer expectations’ is nothing but the company understands of what the customers want. This is the gap brought about by either the ignorance or misunderstanding of customer expectations. Due to lack of communication (among other reason), organisations fail to understand customer needs and requirements which may result in low quality service.

- **Gap 2: Inability to set the right type of standards**
  The customer may have service standard expectations that may be either higher or lower than the standards set by the organisation. For example, banks may imagine that customers want the demand drafts to be delivered within five minutes of the order and gear up excessive capacity accordingly. In actual fact, customers may not expect such rapid delivery.

- **Gap 3: Not delivering to service standards**
  This gap resulted due to failure to conform to the set standards of service delivery. It is the most common type of failure brought about by day to day difficulties in the services delivery. For example, this gap is seen during the rush hours at the banks during the peak hours for commuting.

- **Gap 4: Mismatch between promises and performance**
  There is a great temptation to promise the world in order to win over the customers. However, it may be either physically impossible or financially unviable to provide all that was promised. This usually results in customer disappointment. It pays once to over promise and not deliver. Once the customers experience the lack of availability of service in line with the promises, there would be no credence left in the company’s claims. Zeithaml et al. (2013) emphasise that marketing communications should be clearly controlled in order to bridge this gap. Over promise and under delivery are not strategies of a company that wants to prosper over a long period. The marketing people must keep all concerned, including production departments informed about what is being promised to enable them to cope with it.

**Research Design and Sampling Issues**

A quantitative approach was used, which helped to understand the customers’ perception of the suppliers’ service quality. The approach was appropriate because it is descriptive in nature and could be used to gain and understand the perceptions of customers. The research population was limited to the customers that appeared in the company’s database. A probability sampling method was used to ensure that each customer had a known non-zero chance of selection. The sample size was determined using formulae adapted from Donner, Birkett & Buck (1981). Using the formulae the sample size required was 132 customers buying from the company, but since not all would respond to the questionnaire this necessitated adjustments for attrition rates. It was anticipated that 33% of the sampled customers would not respond to the questionnaire, hence an adjustment for these gave a sample size of 176 customers. Of the 176 questionnaires distributed, 113 were completed in full while five questionnaires were incomplete, giving a response rate of 64%. The five incomplete questionnaires were classified as incomplete and not suitable for inclusion in the analysis of this study.
Questionnaires were answered by one executive (as representative) of each sampled customer. A questionnaire was designed on a Likert scale and the variables were identified from the previous studies (Mohammad & Alhamadani 2011; Culiberg & Rojajek 2010; Zeithaml et al. 2013; Iliesska 2013; Ojo 2010; Mohammad & Abraheem 2011). The scale consisted of three choice satisfactions, neutral and dissatisfaction. The last question was an open-ended question which requested other comments about service quality and customer satisfaction at the company.

Respondents were grouped by geographic location. Each respondent in the sample was communicated with through a letter, which explained the project and what was required from the respondents. Completed questions were inspected in order to get overall problems and irregularities with the data and to check specific data points that could be a problem when analysing. After data inspection, data was coded into numerical form to categorise responses to each item on the research instrument. A code book was designed to maintain a record of the codes for each variable. For example 1 = satisfied; 2 = neutral, 3 = dissatisfied. Microsoft excel software was used to analyse data. The data was presented intables and descriptive statistics helped to reach conclusions about the collected data.

### Table 1: Characteristics of the respondents

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Frequency (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Status of Respondents</td>
<td></td>
</tr>
<tr>
<td>Chief Executives</td>
<td>23</td>
</tr>
<tr>
<td>Finance Executives</td>
<td>15</td>
</tr>
<tr>
<td>Marketing Executives</td>
<td>42</td>
</tr>
<tr>
<td>Human Executives</td>
<td>8</td>
</tr>
<tr>
<td>Contracts Executives</td>
<td>12</td>
</tr>
<tr>
<td>Location (province)</td>
<td></td>
</tr>
<tr>
<td>Gauteng</td>
<td>29</td>
</tr>
<tr>
<td>Kwa Zulu Natal</td>
<td>13</td>
</tr>
<tr>
<td>Eastern Cape</td>
<td>12</td>
</tr>
<tr>
<td>Western Cape</td>
<td>21</td>
</tr>
<tr>
<td>Other Provinces</td>
<td>25</td>
</tr>
<tr>
<td>Business Registration</td>
<td></td>
</tr>
<tr>
<td>Companies</td>
<td>88</td>
</tr>
<tr>
<td>Partnership</td>
<td>2</td>
</tr>
<tr>
<td>Closed corporations</td>
<td>7</td>
</tr>
<tr>
<td>Franchises</td>
<td>3</td>
</tr>
<tr>
<td>Period trading with the company</td>
<td></td>
</tr>
<tr>
<td>&lt;12 Months</td>
<td>2</td>
</tr>
<tr>
<td>25-60</td>
<td>2</td>
</tr>
<tr>
<td>&gt;60</td>
<td>96</td>
</tr>
<tr>
<td>Industry</td>
<td></td>
</tr>
<tr>
<td>Construction</td>
<td>66</td>
</tr>
<tr>
<td>Merchants</td>
<td>21</td>
</tr>
<tr>
<td>Fabrication</td>
<td>9</td>
</tr>
<tr>
<td>Mining</td>
<td>4</td>
</tr>
</tbody>
</table>

### Results and Discussion

The attributes of the respondents used in this study comprised of the positions of the respondent in the company, location of the respondent, business registration and period trading with the company. This data was collected in order to compile a respondent profile which conformed to the specific parameters of the study. The items were measured using closed multiple choice single response questions. The attributes of the respondents are summarised in Table 1:

- **Status of respondents**
  Marketing Executives (42%) were the most noticeable respondents. This is in line with the behaviour noticed in the steel industry where buying decisions and matters relating to relationship building are closely monitored by Marketing Executives. These executives took this research seriously as the only opportunity to contribute to a potential piece of research that would aid the company in developing and sustaining the relationships forged with its customers.
Location of respondents
The majority of the company’s customers are found in Gauteng (29%). This result is a reflection of the trend currently existing in the South African economy, where the economic activities are concentrated in Gauteng province followed by Cape Town and Durban (Huyssten & Botha 2014). The company customers are located where business activities and skills of labour are most suited to production processes, thereby giving a competitive advantage to these customers.

Assessment of customer satisfaction and service quality
Table 2 provides the perceptions of the 113 respondents who participated in the survey.

Table 2: Customer’s category satisfaction with the company’s performance

<table>
<thead>
<tr>
<th>Study area</th>
<th>Satisfied %</th>
<th>Neutral %</th>
<th>Dissatisfied %</th>
</tr>
</thead>
<tbody>
<tr>
<td>On-time delivery</td>
<td>79</td>
<td>10</td>
<td>11</td>
</tr>
<tr>
<td>Delivery Accuracy</td>
<td>87</td>
<td>2</td>
<td>11</td>
</tr>
<tr>
<td>Technical back-up</td>
<td>80</td>
<td>8</td>
<td>12</td>
</tr>
<tr>
<td>Quality of product</td>
<td>77</td>
<td>13</td>
<td>10</td>
</tr>
<tr>
<td>Stock availability</td>
<td>55</td>
<td>10</td>
<td>35</td>
</tr>
<tr>
<td>Meet requirements</td>
<td>81</td>
<td>10</td>
<td>9</td>
</tr>
<tr>
<td>Invoicing accuracy</td>
<td>88</td>
<td>3</td>
<td>9</td>
</tr>
<tr>
<td>Sales service</td>
<td>84</td>
<td>4</td>
<td>12</td>
</tr>
<tr>
<td>Communication</td>
<td>82</td>
<td>6</td>
<td>12</td>
</tr>
<tr>
<td>Query handling</td>
<td>87</td>
<td>5</td>
<td>8</td>
</tr>
<tr>
<td>Customer functions</td>
<td>84</td>
<td>10</td>
<td>6</td>
</tr>
<tr>
<td>Utilitarian Value</td>
<td>70</td>
<td>17</td>
<td>13</td>
</tr>
<tr>
<td>Future purchases</td>
<td>88</td>
<td>8</td>
<td>4</td>
</tr>
<tr>
<td>Quality of Relationship</td>
<td>80</td>
<td>12</td>
<td>8</td>
</tr>
</tbody>
</table>

On time delivery
The respondents were asked their perception about the delivery times of the company and 79% were satisfied with delivery times as set by the company. However, 11% argued that the company was not reliable indicating late deliveries of steel to their factories. While the result may show carefully managed and executed deliveries of steel, there is a gap of 21% of customers who were not satisfied with the company’s delivery times. This result confirms gap 3 of servqual model, which is a result of failure by the company to conform to the set standards of service.

Delivery accuracy
Respondents were satisfied with the delivery accuracy and excellent condition of steel (87%). This result is a reflection that the shipping practices at the company are carefully executed and the company supplies what customers expect in terms of quantity, quality and specification of reinforcing steel ordered. Even though there is a gap of 13%, the result reflects clear communication between the company contact personnel and customer. Further, the company understands the service quality attributes of deliveries as perceived by the customers’ thereby reducing gap 1. In line with Strydom (2005), there must be mutual consent between supplier and customer on the amount of inventory that must be delivered. Heizer & Render (2013) also confirm that getting the right stock into the production line is the most important issue for the credibility of the company (supplier).

Technical back up and sales services
The result on technical back up and sales services of 80% satisfied is a reflection that the company provides technical information to its customers that help them resolve technical problems. This result is against gap 1 which involves with ‘not knowing what customers expect’. The company has demonstrated its understanding of the
importance of providing technical information as required by customers and its responsiveness has been confirmed by 80% of the respondents. However, the gap of 20% still needs to be reduced and this can be achieved through more interaction directly with customers and asking customers about their expectations. Customer visits are also an important component of relationship building that can be explored by the company. These visits provide a valuable tool for identifying unmet customer needs, and learning about the role a product assumes within a customer’s operations. Wicks & Roethlein (2009) argue that when customers make a purchase they buy more than just a product, they have expectations regarding the degree of after sales support, the product or service that comes with it. This is consistent with the assurance quality dimension which involves the ability to convey trust and confidence to customer about the product. The customer judges the company by its willingness to stand by its products (technical back up) and to provide satisfaction to even the most difficult customer. The survey has shown that after sales support played a significant contribution to service quality thereby making customers more loyal to the company.

- Quality of product

From the summary of results, respondents were satisfied with the quality of product which they felt to be consistent with their preferences. However, while the overall quality performance is satisfactory, it was observed that some respondents 23% were not satisfied with the company’s product quality. The result is a reflection that the company complies with quality standards such as ISO – 9000. Further, the result shows that gap 4 has been reduced, that is, the company has met the performance as promised. Respondents confirmed that they get test certificates of the reinforcing steel supplied which is in line with the quality standard. By providing certificates to customers is a seal of approval which is consistent with the assurance service dimension. There are three dimensions of service quality that have contributed to positive customer satisfaction (reliability, conformance and durability). The result is consistent with Japanese firms which continue to set the pace in the application of sophisticated quality control procedures in manufacturing (Heizer & Render 2013).

- Stock availability

Stock availability at the company seems to be problematic as 35% of customers expressed their dissatisfaction. Gap 3 involves, ‘not delivering service standards’ and the result is consistent with this gap. The gap is wide, indicating that the company does not have proper systems to ensure stock availability. Even when systems and procedures exist to provide stock, the result is a reflection that customers are not treated correctly. This result is not consistent with reliability service dimension which involves the ability to perform the promised service dependably and accurately. The company should have standards for how quickly a customer is informed about product availability. In line with JIT, suppliers must have adequate stock and absolute knowledge of customer requirements.

- Ability to meet specific requirements

The respondents were satisfied with the company’s ability to meet specific requirements. These included the company’s ability to meet the production of non-standard lengths and non-standard steel products. This is in line with responsiveness service dimension which involves the willingness by the company to help customers promptly and to recover quickly after service failure. Customers have different needs at different times and it is, therefore, essential to treat customers with great care. Tom Peters (1985)
argue that the business that knows its relative strengths and weaknesses in satisfying the needs and wants of its customers relative to its competitors is in a very good position to exploit this knowledge to its advantage.

- **Invoicing**

On invoicing, 78% of respondents were satisfied that when they receive company invoices, they compare prices with those on their order or quotation; they verify calculations, check discounts, compare quantities received with those ordered and that details on the invoices are in full agreement with the terms and conditions of the original order. This exercise is done by the purchasing function which undertook the negotiations on prices and discounts. Respondents confirmed that there are no errors and delays in the processing of invoices. Normally, customers do not wish to be hounded unnecessarily or to suffer the consequences of accounting errors. The sales invoice is one of the most useful documents in business that needs close attention. However, there is a 22% of gap 3 that needs to be reduced.

- **Communication**

From the findings, 82% of respondents agreed that there is a well-integrated communication and workflow network between their companies. Many forms of communication ranging from the internet, web sites, emails, verbal communication, telephone, and faxes are used when communicating with customers. This result is consistent with empathy service quality dimension which is the ability to be approachable, given the result; it is easy to contact the company. The result agrees with Zeithaml et al. (2013) who argue that communication with existing and potential customers is vital to business marketing success and that it is the rapport, the empathy, the dialogue, the relationship and the communication the marketer establishes with the prospect that makes the difference.

- **Query handling**

The result (87%) on query handling show that customers are satisfied with the way the company handles queries. The result is in line with Blem (2005) who argues that customers want complaints to be heard positively and with understanding, to be reported by a simple and friendly procedure, to be investigated thoroughly, to be resolved with the utmost speed and to be met with fair and appropriate action. Customers complain because the product they have bought does not meet their expectations. They complain because they are inconvenienced and because they are not treated properly. The ideal outcome for a customer complaining is to have the choice of an immediate replacement or refund in line with assurance service quality. A dissatisfied customer should always be a cause for concern because many unhappy customers do not complain. Instead, they tell family and friends of their dissatisfaction and many switch to other products. Nicolaides (2003) argues that companies should respect the customer and listen very carefully to what the customer is complaining about. The expectations of the customer must be uncovered, what is it precisely that the customer wanted? The company must repeat specifically what the customer expected and outline how the problem can be solved.

- **Customer functions / events**

The respondents were satisfied with customer functions organised by the company including company golf tournaments, year-end parties, customer lunches, plant tours and visiting holiday resorts. As observed by Blem (2005), the result is in line with B & B Hardware, a wholesale hardware business that took large chunks of the market from some stock exchange quoted competitors in South Africa. At B&B Hardware, all staff is closely involved with customers, the team takes on all customers at action cricket,
rugby and golf events. The success of B & B has been attributed to the treatment customers receive including great respect, caring and consideration in the form of functions and events.

- **Utilitarian value**
Utilitarian value refers to a situation when a customer judges the end result of a consumption activity as successful (Terblanche 2011). On this variable, respondents (70%) confirmed that they are getting the required value by purchasing steel from the company. However, of concern were 30% of respondents who argued that they are not getting same value from the company. Customers want the greatest value in the purchase, in use and disposal. No customer purchases a product without being concerned about the value received. Customers are more careful about their purchases and the money they spend. They are tired of receiving poor service and demand value for their money, especially when they use discretionary income. Customers want good service and are willing to pay for it as long as they seem to be offered utilitarian value.

- **Likelihood of future business**
The analysis shows that the likelihood of respondents purchasing the company products in the future is good / very good. The response was more pronounced from customers who have been doing business with the company for more than 60 months. Only 12% of respondents could not confirm their likelihood of doing business with the company in the future. The result is an indication that the company has a high degree of customer satisfaction and retention. However, gaps 1, 3 and 4 were more visible from the responses and require company attention to be narrowed.

- **Overall quality of relationship**
The overall quality of relationship with the company was rated, indicating 80% of respondents having a very good and excellent quality of relationship with the company. This demonstrates the company has developed a positive relationship with its customers through various types of interaction such as on time delivery, delivery accuracy, and technical back up, quality of the product, ability to meet specific requirements, correct invoicing, sales services, good communication, and invitation to customer functions. Judging from the result, the company has good customer service philosophy and it is consistent with the quality service dimensions of reliability, tangibility, responsiveness, assurance and empathy and these have contributed to a positive service quality and overall customer satisfaction at the company.

**Practical Implications**
Based on the results of this study, the following implications are provided. The implications could be considered for future implementation at the company level.

- **Delivery accuracy, on time delivery and stock availability**
The question of stock availability has seriously affected the perception of the company and the company needs to make steel available through regular production planning and process controls. The importation of steel is a management discretion based on the status of the company and the prevailing market situation.

- **Technical back up and quality of product**
Even though the respondents argued that the company should maintain the level of technical back up and quality of the product, management should continuously monitor quality policies to ensure conformance to international standards such as ISO 9000.

- **Sales services**
Sales personnel must conduct regular customer visits in order for the company to eliminate the 16% gap that currently exists.
• **Customer functions**
The company must maintain its customer functions programs such as cricket, rugby, and golf tournaments. However, it must assess the quality of all customer functions to ensure all customers are accommodated.

• **Utilitarian value**
The issue of restructuring prices and discounts is a management decision because of the pricing policy pursued. However, the company should charge a price that is comparable to South African market and add a premium for differentiation components.

### Limitation of the Study
The study focused on steel company in B2B, and the findings should therefore be interpreted with caution as they are relevant only to the surveyed company. The service quality dimensions used in the study could not fit in other industries hence different results from this study could be produced.

### Recommendation for further research
There is a need to continually monitor and incorporate changing customer expectations and perceptions in the service delivery systems of the company. Customer needs may remain the same, but the relative importance or priority of needs may change in line with new developments in the environment. There is a need to conduct further research on relationship marketing bearing in mind that effective relationship marketing involves a wide range of sub markets including relationships with employees, distribution channels, suppliers, investors/owners and competitors.

### Conclusion
The results indicate a positive perception of the company’s service quality and customer satisfaction. However, there is scope for improvement and excelling in the levels of satisfaction as reflected by the existence of gaps 1, 3 and 4 within the company operations. The respondents argued that stock availability and utilitarian dimensions require improvement if the company is to realize optimal service quality and customer satisfaction.

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