



Customer dissatisfaction data points to areas where mills can most improve.

# The Flipside of Customer

**S**ervice centers and other steel buyers generally give mills high marks on the Big Four of customer satisfaction: quality, service, price and on-time delivery. Looking at customer dissatisfaction levels reveals where producers have the most opportunity to improve their performance.

Jacobson & Associates conducts a continuous census survey of more than 2,000 major steel customers in the United States and Canada, including service centers and end-users. The Jacobson Survey stands as an objective third-party measure of steel customers' satisfaction with their mill suppliers. Customers use a 10-point scale to indicate their level of satisfaction with supplier quality, delivery, price, service,

inside sales, outside sales, e-commerce and overall performance. Jacobson produces separate reports on producers of steel sheet, plate, bar and beam, as well as stainless sheet and SBQ. The accompanying charts are based on survey data for the 12 months ending Sept. 30, 2015.

Chart 1 summarizes the latest Jacobson Survey data and quantifies buyer dissatisfaction. In this case, dissatisfaction is defined as customer ratings below 8 on a 10-point scale. The chart shows that mills do a good job of providing a high-quality product. On average, only 15 percent of respondents rated their suppliers at 7 or below indicating they are less than satisfied with the quality of the steel they receive. Looking at the data by product category, it appears makers of beams,

*Beam producers appear to have the fewest dissatisfied customers, while makers of stainless sheet have the most, as a percentage of customers who rated them just 1-7 on the 10-point scale. On average, customers of all types were most dissatisfied with on-time delivery.*

Chart 1 - Mill Customer Dissatisfaction						
Percentage Rated Below 8 on a 10-Point Scale						
Segment	Overall Satisfaction	Quality	Service	Price	On-time Delivery	Avg.
Carbon Sheet	28%	18%	29%	35%	37%	29%
Plate	34%	21%	32%	35%	47%	34%
Bar/Structurals	18%	7%	18%	24%	22%	18%
Beams	17%	4%	17%	25%	24%	17%
Stainless Sheet	40%	21%	35%	44%	51%	38%
SBQ	37%	18%	34%	50%	45%	37%
Avg.	29%	15%	28%	36%	38%	--

(Source: Jacobson & Associates. Data is for the 12 months ending Sept. 30, 2015.)

# The Leaders ...

## and Customer Comments on What Makes Them Different

### Sheet Producer

#### Nucor Gallatin

- Nucor Gallatin has a great staff. They still have a small-town feeling.
- Nucor Gallatin is a customer service dream. They are limited in what they can make, but what they make is great.
- Nucor Gallatin is easy to work with and very flexible.

### Plate Producer

#### Nucor Hertford

- Nucor Hertford is reliable and consistent. They have shorter lead times and a generally better on-time delivery history.
- Nucor Hertford has superb outside and inside sales.
- Nucor Hertford has a great ability to answer quotes quickly and competitively.

# Satisfaction

bars and structural products have done the best job in the past year of maintaining a high quality standard in the eyes of their customers, while producers of stainless sheet and carbon plate are rated lowest in terms of quality.

The service centers and steel end-users who responded to the Jacobson Survey were most critical of the mills' on-time delivery performance. On average, 38 percent were dissatisfied with the timeliness of deliveries. Fully half of the buyers of stainless sheet rate their suppliers below satisfactory levels.

Almost as unsatisfactory as mill on-time delivery is steel pricing, according to buyers. More than one in three respondents to The Jacobson Survey are dissatisfied with current pricing levels. Steel product prices have plunged by 30-40 percent in the past year, devaluing service center inventories and squeezing their margins.

Steel is a global commodity and its price is impacted by many variables. Individual mills have limited pricing power and generally must charge the market rate. While they cannot completely control what their product costs, the most successful mills provide timely service and delivery and keep customer dissatisfaction to a minimum. ■

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### Bar/Structurals Producer

#### CMC Steel Texas

- CMC Texas is easy to do business with. I use CMC's website all the time. It has everything.
- CMC Texas has extensive inventory. They are great to deal with for ASAP material.
- CMC Texas is a workhorse. They have vast knowledge of the market.

### Beam Producer

#### Nucor Berkeley Beams

- Nucor Berkeley has awesome customer service with inside salespeople that are very knowledgeable and quick.
- Nucor Berkeley is a superior supplier with a strong commitment to customer service and e-commerce.
- Nucor Berkeley is accommodating and will go the extra mile to make critical deliveries happen.

### Stainless Sheet Producer

#### ATI Flatrolled Products

- ATI is a loyal and honest supplier.
- ATI is more open to partnership, and their e-commerce is the best.
- ATI is a great supplier with good personnel responsive to opportunities, technical support and claims resolution.

## Chart 3 - Most Improved Mills

### Overall Customer Satisfaction by Product Category

#### Sheet Producers

1. ArcelorMittal Riverdale
2. Nucor Gallatin
3. Nucor Arkansas
4. ArcelorMittal Cleveland
5. USS Mon Valley
6. USS Granite City
7. AM/NS Calvert
8. Nucor Crawfordsville
9. SDI Columbus
10. California Steel

#### Bar/Structurals Producers

1. Gerdau Jackson
2. Gerdau Whitby
3. Gerdau Cambridge
4. Gerdau Calvert City
5. Gerdau Wilton
6. Gerdau Charlotte
7. Nucor Marion
8. CMC Texas
9. Nucor Nebraska
10. Cascade Steel

#### Plate Producers

1. EVRAZ Portland
2. Nucor Hertford
3. ArcelorMittal Coatesville

#### Beam Producers

- Gerdau  
Nucor Berkeley  
SDI Structurals

#### Stainless Sheet Producers

- ATI Flatrolled Products

*The most improved mills are those with the highest percentage increase in overall customer satisfaction scores for the 12 months ending Sept. 30, 2015, compared with their scores for the same period the prior year. Companies are listed in order from the highest to the lowest in percentage improvement.*

*(Source: Jacobson & Associates)*

## Chart 5 - Loyalty Index Ranking

### Highest Ranked Mills in Customer Loyalty by Product Category

#### Sheet Producers

- North Star BlueScope  
The Techs  
ArcelorMittal Cleveland  
CSI  
ArcelorMittal Dofasco  
NLMK PA  
ArcelorMittal Riverdale  
USS Great Lakes  
Nucor Arkansas  
Nucor Berkeley  
ArcelorMittal Burns Harbor  
Nucor Gallatin  
USS-POSCO Industries  
Nucor Decatur

#### Bar/Structurals Producers

- Nucor Birmingham  
Evraz Pueblo Rebar  
Nucor Nebraska  
SDI Roanoke Bar  
CMC Arizona  
Nucor Seattle  
AltaSteel  
Nucor Kankakee  
CMC Alabama  
Nucor Jackson  
Nucor South Carolina  
CMC Texas

#### Plate Producers

- Nucor Hertford  
Nucor Tuscaloosa  
SSAB Plate  
ArcelorMittal Coatesville

#### Beam Producers

- Nucor Yamato  
Nucor Berkeley  
SDI Structurals

#### Stainless Sheet Producers

- ATI Flatrolled Producers  
North American Stainless  
AK Specialty Steels

*Customer loyalty is one of the most important gauges of future success. In each Jacobson Survey, mill customers are asked to rate the likelihood they will be using each supplier 12 months in the future. Companies that develop the most trust and loyalty with their customers stand to fare best in the years ahead.*

*Source: Jacobson & Associates. Data is for the 12 months ending Sept. 30, 2015.*

## Chart 4 - Overall Customer Satisfaction

### By Product Category, End-Users and Service Centers

#### Top Sheet Mills

##### As Rated by End-User Customers

NLMK PA  
Nucor Decatur  
Nucor Crawfordsville  
SDI Butler  
CSI  
USS-POSCO Industries  
ArcelorMittal Cleveland  
Nucor Arkansas  
The Techs  
Nucor Berkeleyl

#### Top Sheet Mills

##### As Rated by Service-Center Customers

Nucor Gallatin  
North Star BlueScope  
The Techs  
Nucor Crawfordsville  
Nucor Arkansas  
USS Mon Valley  
ArcelorMittal Dofasco  
Nucor Decatur  
CSI  
SDI Butl

#### Top Plate Mills

##### As Rated by End-User Customers

Nucor Hertford  
EVRAZ Portland  
SSAB Plate  
Nucor Tuscaloosa

#### Top Plate Mills

##### As Rated by Service-Center Customers

Nucor Hertford  
SSAB Plate  
Nucor Tuscaloosa  
EVRAZ Portland

#### Top Specialty Steels Mills

##### As Rated by End-User Customers

ATI Flatrolled Products  
AK Specialty Steels

#### Top Specialty Steels Mills

##### As Rated by Service-Center Customers

ATI Flatrolled Products  
North American Stainless

#### Top Beam Mills

##### As Rated by End-User Customers

Nucor Berkeley  
Nucor Yamato  
SDI Structurals

#### Top Beam Mills

##### As Rated by Service-Center Customers

Nucor Berkeley  
Nucor Yamato  
SDI Structurals

#### Top Bar/Structurals Mills

##### As Rated by End-User Customers

Nucor Texas  
CMC Texas  
Nucor South Carolina  
CMC Arizona  
Nucor Utah  
CMC South Carolina  
Nucor Jackson  
SDI Roanoke  
Nucor Marion

#### Top Bar/Structurals Mills

##### As Rated by Service-Center Customers

CMC Texas  
SDI Roanoke  
CMC South Carolina  
Nucor Utah  
CMC Alabama  
Nucor Auburn  
Nucor Jackson  
Nucor Seattle  
Nucor South Carolina

Source: Jacobson & Associates. Data is for the 12 months ending Sept. 30, 2015