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**Consistently strong satisfaction performance in quality, service, delivery and quality create a customer base who will stick with mills through any hiccups.**

# Breeding Loyal Buyers

**S**teel buyers will always be motivated to get their metal at the very best price. They're no different than any other consumer that way.

Yet other factors can contribute to purchasing decisions. And years or even decades of good service, delivery and honest business dealings can create an attachment to a steel producer that goes beyond the best offering.

Each year, Jacobson and Associates surveys more than 2,000 major steel customers in the United States and Canada, including service centers and end users, to measure their satisfaction with their steel mill suppliers. Customer loyalty is among the variables the Jacobson Survey tracks.

Mills may not be able to put a price tag on customer loyalty, but it's undeniably a treasured commodity. Creating a customer that wants to buy from you goes a long way toward business success.

Delta, Ohio-based producer North Star BlueScope has undergone some major changes in recent years, starting with the 2015 decision by Cargill to sell its 50 percent ownership to Australia's BlueScope Steel. And last month, the sheet mill producer introduced a new president, Robin Davies, a veteran of the company's operations in New Zealand.

Managing through those changes is much easier with a loyal customer base, and the hot-rolled band supplier to service centers, processors and pipe and tube makers is blessed

**Chart 1 - Customer Loyalty Podium**

Product	Gold	Silver	Bronze
Carbon Sheet	North Star BlueScope	USS Great Lakes	Stelco
Bars/Structural	Nucor Marion	CMC Alabama	Nucor Auburn
Plate	SSAB Plate	Evrz Portland	Nucor Tuscaloosa
Beams	Nucor Berkeley	Gerdau Virginia	Nucor Yamato
SBQ	Gerdau Special-Jackson	SDI Engineered Bar	Alton Steel

Source: Jacobson & Associates. Data is for the 12 months ending Sept. 30, 2017

*A mill that builds customer loyalty through years of responsiveness, product availability, on-time delivery and honest business dealings is more equipped to weather stiff competition on price or a temporary blip in service quality than peers without that same level of brand support. These are the North American mills that have developed the highest degree of customer loyalty in the Jacobson Survey.*

# The Leaders ...

## and Customer Comments on What Makes Them Different

### Sheet Producer

#### North Star BlueScope

■ North Star BlueScope Steel is our major supplier. They are reliable. Strengths for NS BlueScope are quality, on-time delivery and customer service. The weakness for NS BlueScope is the diversity of products offered.

■ North Star BlueScope is an excellent supplier – they provide a quality product; on-time delivery is excellent; communication is timely; and their website is the best.

■ North Star delivers material on time, has very helpful and attentive inside and outside sales staff, and usually produces high-quality material. On occasion, they will produce a coil that has quality issues, but their quality team is very responsive and the matter is usually handled quickly. The only complaint I have is that sometimes the mill is not super responsive to price negotiation.

■ North Star BlueScope is always reliable – their delivery and quality of the product is always top notch. NSB needs to expand into downstream products such as HRPO.

■ North Star Steel Delta is our major supplier – they are superior with strengths in uniform quality, surface, gauge control, response time and flexibility.

### SBQ Producer

#### SDI Engineered Bar

■ SDI Pittsboro is evolving; they continually evolve to meet your needs.

■ SDI Indiana is well trained and well run.

■ Steel Dynamics has great quality, competitiveness, and on time delivery, and great customer service.

■ SDI Pittsboro is a good quality mill. SDI's price is really good but everyone could be better. I mostly use mill websites for order status.

■ SDI Pittsboro is easy to work with.

### Bar/Structurals

#### CMC South Carolina

■ CMC Cayce, SC has great customer service and e-commerce. Unfortunately, freight drives prices up.

■ CMC Cayce, SC is a progressive supplier; their strengths are inventory availability, responsiveness and proximity. CMC's online status of shipments could be faster.

■ CMC Cayce is easy to deal with; their product quality is good stuff; and their price is very competitive. There have been rail issues recently.

■ CMC South Carolina is eager and very helpful in maintaining inventory, but their pricing needs to be adjusted lower.

■ I love the new website feature that CMC put in where you can track the truck if it doesn't show up when scheduled.

### Plate Producer

#### Nucor Hertford

■ Nucor Hertford is very quick to respond to customer needs.

■ Nucor Hertford is the leader, but they are not as quick to respond on price.

■ Nucor Plate Hertford is responsive. This past year Nucor has turned the corner on improved quality and their delivery performance has become Number 1 in the industry.

■ Nucor Hertford is a strong mill that supports customers. Strengths are that they are a good mill, low-cost producer, responsive and responsible in the market. Weakness for Nucor Hertford is that they are too lean in some areas.

■ Nucor Hertford is our major supplier – they are a domestic provider for stock and projects.

### Beam Producer

#### Nucor Yamato

■ Nucor Yamato is in charge; they are King Nucor. Nucor Yamato has a very user-friendly web site.

■ Nucor Yamato is efficient; they are usually on par with the market on price competitiveness and their inside sales does a pretty good job.

■ They are the most dependable, they are a good partner and easy to do business with. Nucor Yamato has an excellent rolling schedule.

■ Nucor Yamato has very good quality and is dependable. They are not always a good partner, but I believe that they are working hard to fix that issue.

■ Nucor Yamato's strengths are their inside sales and outside sales team, product line and rolling schedule.

■ Nucor Yamato has very good quality at a fair price and they have a very good inside sales contact. They have no weaknesses.

in that regard. The company earned the highest marks for Customer Satisfaction among sheet producers in the most recent Jacobson survey.

Rounding out the top performing sheet producers in customer loyalty are U.S. Steel Great Lakes, Stelco, Arcelor-Mittal Dofasco, Big River Steel, USS-POSCO Industries, ArcelorMittal Burns Harbor, California Steel Industries, NLMK Pa., Nucor Decatur, Nucor Crawfordsville, SDI Columbus and SDI Butler.

The inclusion of Big River Steel is noteworthy, given the company's recent entry into the steel production marketplace.

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The Arkansas-based producer didn't deliver its first coil until December 2016, less than 12 months ago.

Minimill giant Nucor has earned significant loyalty in the bar/structural market, with the Charlotte-based company occupying seven of the 13 ranked spots in the survey. Nucor's Marion, Ohio, facility topped the list, with Auburn (third), Texas (fourth), Seattle (fifth), South

Carolina (sixth), Jackson (eighth) and Birmingham (12th) also earning high loyalty marks.

The rest of the list included CMC Alabama, the runner-up in the category, Bayou Steel (seventh), Gerdau Whitby (ninth), SDI Roanoke Bar (10th), CMC South Carolina (11th) and CMC Texas (13th).

Among plate producers, SSAB Plate topped the list,

followed by Evraz Portland, Nucor Tuscaloosa and ArcelorMittal Burns Harbor Plate.

Nucor Berkeley earned the highest loyalty marks among beam mills, followed by Gerdau Virginia and Nucor Yamato. Among North America's SBQ producers, Gerdau's Special – Jackson facility topped the list, followed by SDI Engineered Bar, Alton Steel and Gerdau Special – Monroe. ■

## Most Improved Suppliers

### Most Improved Suppliers in Overall Customer Satisfaction by Product Category

#### Sheet Producers

1. USS-POSCO Industries
2. ArcelorMittal Burns Harbor
3. Stelco
4. ArcelorMittal Dofasco
5. Algoma
6. ArcelorMittal Indiana Harbor
7. AK Steel
8. USS Great Lakes
9. North Star BlueScope
10. AM/NS Calvert

#### Bar/Structurals Producers

1. Nucor Jackson
2. Bayou Steel Group
3. Nucor Birmingham
4. Nucor Nebraska
5. Nucor Kankakee
6. Nucor Marion
7. Nucor Seattle
8. Nucor Auburn
9. Nucor Texas
10. Gerdau Jackson

#### SBQ Producers

1. Gerdau Special - Monroe
2. Gerdau Special - Jackson
3. Republic Steel

#### Beam Producers

1. Gerdau Midlothian
2. Nucor Yamato
3. Gerdau Virginia

*The most improved mills are those with the highest percentage increase in overall customer satisfaction scores for the 12 months ending Sept. 30, 2017. Companies are listed in order from highest to lowest in percentage improvement.*

## Loyalty Index Ranking

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

#### Sheet Producers

1. North Star BlueScope
2. USS Great Lakes
3. Stelco
4. ArcelorMittal Dofasco
5. Big River Steel
6. USS-POSCO Industries
7. ArcelorMittal Burns Harbor
8. CSI
9. NLMK PA
10. Nucor Decatur
11. Nucor Crawfordsville
12. SDI Columbus
13. SDI Butler

#### Bar/Structurals Producers

1. Nucor Marion
2. CMC Alabama
3. Nucor Auburn
4. Nucor Texas
5. Nucor Seattle
6. Nucor South Carolina
7. Bayou Steel Group
8. Nucor Jackson
9. Gerdau Whitby
10. SDI Roanoke Bar
11. CMC South Carolina
12. Nucor Birmingham
13. CMC Texas

#### Plate Producers

1. SSAB Plate
2. Evraz Portland
3. Nucor Tuscaloosa
4. ArcelorMittal Burns Harbor Plate

#### Beam Producers

1. Nucor Berkeley
2. Gerdau Virginia
3. Nucor Yamato

#### SBQ Producers

1. Gerdau Special - Jackson
2. SDI Engineered Bar
3. Alton Steel
4. Gerdau Special - Monroe

*Companies rated the best in customer loyalty are listed in order from the highest ranked in each product category.*

*Source: Jacobson & Associates. Data is for the 12 months ending Sept. 30, 2017.*

## Overall Customer Satisfaction

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

#### Top Sheet Producers

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

1. North Star BlueScope
2. Nucor Decatur
3. USS-POSCO Industries
4. Nucor Arkansas
5. AK Steel
6. SDI Butler
7. ArcelorMittal Dofasco
8. SDI Columbus
9. ArcelorMittal Cleveland
10. ArcelorMittal Burns Harbor

#### Top Sheet Producers

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

1. North Star BlueScope
2. The Techs
3. Nucor Decatur
4. Nucor Gallatin
5. Nucor Crawfordsville
6. ArcelorMittal Dofasco
7. SDI Butler
8. Nucor Berkeley
9. Nucor Arkansas
10. Big River Steel

#### Top Plate Producers

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

1. SSAB Plate
2. Nucor Hertford
3. Nucor Tuscaloosa
4. Evraz Portland

#### Top Plate Producers

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

1. ArcelorMittal Burns Harbor
2. ArcelorMittal Coatesville
3. Essar Algoma Plate
4. Evraz Portland

#### Top Beam Mills

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

1. Nucor Berkeley
2. Nucor Yamato
3. SDI Structurals

#### Top Beam Mills

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

1. Nucor Berkeley
2. Nucor Yamato
3. SDI Structurals

#### Top Bar/Structurals Mills

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

1. CMC Alabama
2. SDI Roanoke Bar
3. Nucor South Carolina
4. Nucor Marion
5. Nucor Texas
6. Nucor Jackson
7. CMC South Carolina
8. CMC Texas
9. Nucor Auburn

#### Top Bar/Structurals Mills

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

1. Nucor Jackson
2. CMC South Carolina
3. CMC Texas
4. Nucor Auburn
5. SDI Roanoke Bar
6. CMC Alabama
7. Nucor Birmingham
8. Nucor South Carolina
9. Nucor Texas

#### SBQ Producers

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

1. Gerdau Special – Fort Smith
2. Nucor Nebraska
3. SDI Engineered Bar
4. Alton Steel

#### SBQ Producers

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

1. SDI Engineered Bar
2. Nucor Nebraska
3. Alton Steel
4. Gerdau SBQ

Customer satisfaction rankings are divided into the votes from end-use customers and service centers. Customers typically rank on four primary factors: quality, service, price and on-time delivery.

Source: Jacobson & Associates. Data is for the 12 months ending Sept. 30, 2017