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Research Project:

The Impact of product quality and customer service on customer loyalty and retention: A Case Study of Radar Metal Industries.



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EXECUTIVE SUMMARY

This research proposed to investigate the impact of product quality and customer service on customer service with particular focus on Radar Metal Industries. The aim of the project was to determine if product quality or customer service or both were vital in the attraction and retention of loyal customers. It sought to establish the current product quality and customer service standards and policies in place with the organisation as well as the promotional strategies that the organisation is employing in business processes.

The factors under study were defined according to various scholars as well as their application and benefits elucidated. Relevant literature was reviewed to expose the opinion of various authors concerning the matter at hand.

A research methodology that outlined how the research was going to be conducted was also carefully crafted. The researcher had prior information after having been previously attached with the company for a year. Secondary data was collected from organisational records. Primary research using an in-depth questionnaire was undertaken to provide both descriptive as well as quantitative information with regards to the subject matter. Data presentation and analysis was conducted using statistical tools, tables and graphs to illustrate data collected in primary research with the secondary research to support it.

Results from the research indicate that product quality is the main reason that customers are loyal and retained by a company. However customers tend to use price as a proxy for quality. Customer service is not really crucial to the attraction and retention of a loyal clientele, however its presence provides a form of differentiation from competitors. This conclusion was drawn from the fact that although the organisation acknowledged the lack of a customer focus in terms of customer service standards and policies it nonetheless enjoys a high degree of loyalty from its customers and retention as evidenced by their purchase patterns as well as the fact that some have stayed with the company for over twenty years. It was also established that currently there are no sound promotional strategies that are employed by the company.

Strategies that were recommended were in line with the research findings emanating from the objectives. This relate to improving customer service delivery, maintenance of the current product quality levels, improving the product variety as well as effective promotional strategies. Some of the strategies recommended include recruitment and selection of the appropriate personnel, staff retention in order to ‘tap into’ the experience and learning curves, introduction of economy products and exhibition at international events such as the ZITF.