

IMPACT OF CONSUMER SATISFACTION ON ORGANIZATIONAL GROWTH

(A CASE STUDY OF DANGOTE FLOUR MILL, PLC, ILORIN)

BY

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**BEING A RESEARCH PROJECT SUBMITTED TO THE
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CERTIFICATION

This is to certify that this research work has been read and approved as part of meeting the requirement for the award of Higher National Diploma in the Department of Business Administration and Management, Institute of Finance and Management Studies [IFMS], Kwara State Polytechnic, Ilorin, Kwara State.

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DEDICATION

I dedicate this research work (project) to **Almighty Allah**, the most beneficent and the most merciful the lord of the Heaven and Earth, the master of the day of judgment, the source of all wisdom, knowledge and understanding. All glory and honor belong to Him.

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All glory, honor and praises to **Almighty Allah** for His mercy and guidance upon my life for sparing my life till this moment, all thanks given to the most beneficent and the most merciful for seeing me through my academic course, may Almighty Allah continue to show His blessing upon me (Amen).

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CHAPTER ONE

INTRODUCTION

1.1 BACKGROUND TO THE STUDY

The setting up of business organization must target a specific target market that tends to be the target audience/market. Understanding the specific needs of the target market will not only aid in the production of goods and services but also in meeting their needs at a profit. However, the degree at which customers derived satisfaction from the consumption of products reflects the degree of profitability of the company. Organization are increasingly being customers centric are embracing customer-driven initiatives that seek to understand , attract, retain and build intimate long term relationship with profitable customers (Kotler, 2006). The era whereby firms just concentrate on adding to their customer base has become a thing of the past. Customer retention been very vital to all businesses of late. The aim of sustaining growth should not aim at only adding up to its customer base but have a strategy of maintain them. This will provide the avenue for cross-selling of products and services. Any business with Customer satisfaction is an important concern for management due to concentrated competition especially in the service industry (Bodet, 2008). It is therefore necessary for every organization to focus on the degree at which they satisfy their customers. An organization that fails to satisfy its customers will gradually move to an organizational grave. The satisfaction of customers will give way for profitability, resulting from high sales. Customer satisfaction is a necessary foundation for organizations to retain their existing customers (Morgan et al, 1994). It is therefore vital that organizations that create satisfaction do not only create room for the existing customer but also increases customers' base. The focus of organizations on the target market in order to give out the expected and necessary satisfaction made it vital to say that customer satisfaction is a valuable tool that must be given to customers by organizations if organizations must achieve their core business objective which is growth and profitability.

According to Schenider and Chung (1994), for an organization in the manufacturing industry, the most appropriate criterion for an organization growth is customer satisfaction. Customer service is basically the relationship that a company builds with its customers. It involves providing support during the purchasing process and after. A company has to make sure that both service and the purchasing of products have left the customer satisfied and happy. The reason is that a satisfied customer will not only return without looking at alternatives or comparing prices in the case of production companies in Nigeria but will recommend the store or firm to family members and friends. Customer service goes beyond providing products but making your clients feels you really care about them. Organizational growth is the accomplishment of a given task measured against preset known standards of accuracy, completeness, cost and speed.

Frempong (2002) opines that the responsibility of managers in manufacturing companies was to ensure that much attention is given to customers in the area of service so that firms continue to thrive on the market in the face of strong competition. This is because it is more expensive to gain a new customer than to retain an existing one. Thus understanding the needs of your customers and providing them with the best customer service will ensure the sustenance of business so that in the long run the growth of the firm will be affected. Customers are always aiming to get maximum satisfaction not only from the products they buy but also in the way they are treated before and after sale. Winning in today's market place entails the need to build customer relationship and not just building the products; building customer relationship means delivering superior value over competitors to the target customers (Kotler, 2002). Whether an organization provides quality services or not will depend on the customer's feedback on the satisfaction they get from consuming the products,

since higher level of quality products lead to higher level of satisfaction (Kotler & Keller, 2009).

Most companies are adopting quality management programs which aims at improving the quality of their products and marketing processes, because it has been proven that “ quality has a direct impact on product performance, and thus on customer satisfaction” (Kotler, 2002). The reason for this is to satisfy the customers. But the question is , are customers satisfied because of the products or service quality? That is, are the companies providing the actual qualities perceived by the customers.

Again, in the manufacturing company, competition is very high and the products and offerings are more and more comparable. This leads to reduced customer loyalty. Losing an existing high volume of customers means losing lot of revenues. Thus understanding the need of your customers and providing them with the best customer service will ensure the sustainability of the organization growth (Abiw-Abaido, 2011). This study therefore becomes germane in the face of globalised competitive environment in the manufacturing industry to be dynamic in improving customer loyalty in the selling of their products in order to constantly increase profitability and growth.

1.2 STATEMENT OF THE PROBLEM

The problem for this study is propelled by need to empirically measure customer satisfaction in the product delivery of Dangote Flour Mill Ilorin. The state of customer satisfaction with product delivery is not clear as there is scanty documentation on the issue hereby affecting the organization growth. However there have been many complaints from customers about the products delivery of the Dangote Flour Mill in Kwara State. Despite the appreciable growth and expansion recorded by the company in Nigeria, “the quality of product delivery and customer satisfaction is still poor”. Also the economic and social benefit of the company in production economy and market was equally hampered by innovation in the

dynamic business environment which required management research and attention to the sector.

It is probable that the manufacturing industry conduct satisfaction surveys and other marketing research but contact with customer relation department in the sector for any useful information yielded no response. Hence, there is currently no literature material on customer satisfaction as it relates to manufacturing industry in Nigeria. Some of the literature available only focus on financial performance, the growth trend in the industry in Nigeria does not provide empirical support for the claim that customer is satisfied with the products' delivery in Nigeria.

Therefore, the gap created by this information necessitates a further research study that will determine the empirical effect of customer satisfaction on the growth of Dangote Flour Mill Ilorin.

1.3 RESEARCH QUESTIONS

Based on the statement of problem, the following research questions were raised:

- i. To what extent does the customer loyalty improve sales growth in Dangote Flour products?
- ii. To what extent does the product delivery impacted on customer satisfaction in Dangote Flour products?
- iii. Are there any significant effects of price discount on the sale growth in Dangote Flour products?

1.4 OBJECTIVES OF THE STUDY

The broad objective of this study is to examine the impact of customer satisfaction on the growth of Dangote Flour Mill. The specific objectives are to:

- i. examine the impact of customer loyalty on the sale growth in Dangote Flour Mill;

- ii. determine the impact of product delivery system on customer satisfaction in Dangote Flour Mill;
- iii. examine the significant effect of Price discount on the sale growth in Dangote Flour Mill;

1.5 RESEARCH HYPOTHESES

H₀₁: There is no significant impact of customer loyalty on the sale growth of Dangote Flour Mill Ilorin

H₀₂: Product delivery system has no significant impact on customer satisfaction in Dangote Flour Mill Ilorin

H₀₃: There is no significant effect of price discount rate on the sale growth.

1.6 SIGNIFICANCE OF THE STUDY

The significance of this study is that it helps to provide better understanding that customer satisfaction to some extent affects loyalty which in turn may affect retention and organization growth. The literature review fails to evaluate and measure this area and this is what this study attempts to cover by looking at the various factors that constitute customer satisfaction and how they affect the organization growth of network provider.

The findings of the study will be of importance to the government as it will go a long way to assist in setting up specific management policies that will enhance effectiveness in manufacturing sector in Nigeria.

The study is also of significance to scholars and professional managers in understanding that role that product delivery, discount rate and customer loyalty scheme play in protecting customer switch from one industry to another. Finally, this study contributes to the future development of this area of research, particularly in a developing country like Nigeria.

1.7 SCOPE OF THE STUDY

The study shall be limited to manufacturing industry. However, for the purpose of this study, respondents' opinion while garnering this data were limited to some selected customers and the employees of Dangote Flour Mill in customer relation Department in Ilorin. These customers are expected to provide information regarding their satisfaction on the product delivery service provided by the company while Dangote staff particularly those in the customer care unit were asked of their responsibility in getting acquaintance to resolving customers problems and requests. Therefore the study has become imperative to critically focus attention in examining the impact of customer satisfaction in the economic growth of the company.

1.8 Definition of Terms

Customer Satisfaction: The judgment that a product or service feature provides a pleasurable level of consumption-related fulfillment. It is influenced by the comparison between expected performance and actual performance.

Customer Loyalty: A consumer's commitment to repurchase or continue using a brand or product. It is often influenced by satisfaction, trust, and perceived value.

Product Delivery System: The processes involved in delivering products to customers, including logistics, transportation, and timing, which can significantly impact customer satisfaction.

Organizational Growth: The increase in a company's size, revenue, or market share, often measured against preset standards of performance.

Sales Growth: The increase in sales revenue over a specific period, typically expressed as a percentage.

CHAPTER TWO

LITRATURE REVIEW

2.1 CONCEPTUAL CLARIFICATION

2.1.1 CUSTOMER SATISFACTION

Creating satisfaction and loyalty is a key concern of marketers and marketing managers in now a days and it will remain in the future. It is well accepted that customer satisfaction is both a goal and a marketing tool for customer-centered companies (Kotler, Keller 2012). Customers' satisfaction with their purchase is a significant factor that leads business to success. In recent times, customer satisfaction has gained new attention within the context of the paradigm shift from transactional marketing to relationship marketing (Sheth, Parvatiyar 1994). Organizations can accomplish customer satisfaction by satisfying their customers' needs and wants (LaBarbera, Mazursky 1983). Customer satisfaction as a judgment that a product or service feature, or the product or service itself, provides a pleasurable level of consumption related fulfillment (Oliver 1997).

In general, satisfaction is a person's feelings of pleasure or disappointment that result from comparing a product's perceived performance or outcome to the expectation (Oliver, Richard 2006). If the performance falls short of expectations, the customer is dissatisfied. If the performance matches the expectations the customer is satisfied. If the performance exceeds expectations, the customer is highly satisfied and delighted (Fournier, Mick 1999). In case of mobile commerce, customer satisfaction is customer's post-purchase appraisal and emotional response or reaction to the overall product or service, familiarity in a mobile commerce environment (Lin, Wang 2006). Jones, Sasser (1995) mentioned that achieving customer satisfaction is the main goal for most service firms today. Increasing

customer satisfaction has been shown to directly affect companies' market's share, which leads to improved profits, positive recommendation, and lower marketing expenditures and greatly impact the corporate image and survival (Pizam, Ellis 1999). Better service quality results in enhanced customer satisfaction, which in turn leads to strong customer loyalty. It can be stated that customers, when satisfied with the services they have experienced, are more likely to establish loyalty (Taylor *et al.* 1993), resulting in repeat purchases (Fornell 1992) and favorable word-of-mouth (Halstead, Page 1992).

In today's dynamic business environment from the firm's point of view, it is about building and sustaining a strong relationship with their customers by understanding the ingredients of customer satisfaction. The key to customer loyalty is customer satisfaction which largely depends on the service quality offered by service providing firms. Service quality and customer satisfaction have been identified as key elements of the service-profit chain (Heskett *et al.* 1997). Customer service quality is a significant source of distinctive competence and often considered a key success factor in sustaining competitive advantage in service industries (Palmer 2001).

Nowadays, delivering quality service is an integral part of an ongoing strategy of most business firms and constitutes an essential ingredient for success and survival in the present day's competitive environment (Ulwick, Bettencourt 2008). The issue of customer satisfaction has been viewed by different scholars based on their perceived perspectives. Yi (1991) opined that customer satisfaction is a collective outcome of perception, evaluation and psychological reaction to the consumption experience with a product or service. Lui and Yen, (2010) viewed customer satisfaction as how customers can get more benefits than their cost. In comparison with other traditional performance measures, customer satisfaction is probably less sensitive to seasonal fluctuations, changes in

cost, or changes in accounting principles and practices (Kotler, 2006). Satisfaction of customer is used for indicating future possible revenue (Hauser, Simester and Wernerfelt, 1994).

Customer satisfaction is the necessary foundation for a company to retain existing customers (Guo, Xiao and Tang, 2009). The customers who are unsatisfied with the received service would not be expected to have long run relationships with the company (Lin and Wu, 2011). Roger (1996) was of the opinion that an estimate of the effects of increased customer satisfaction on profitability (assuming hypothesized causality) suggests that attainable increases in satisfaction could drastically improve profitability. To Roger, increase in customer satisfaction will lead to increase in profitability. Customer satisfaction is increasingly seen as an important objective for many businesses, the extent to which it is taken seriously varied (Matthew and Christne (2000). They were of the opinion that there is a significant relationship between customer satisfaction and profitability. That is, the higher the level of customer satisfaction, the higher the degree of profitability for the organization. Eugene and Claes (1997) were of the opinion that many firm that are frustrated in their efforts to improve quality and customer satisfaction are beginning to question the link between customer satisfaction and economic returns. They agreed on the nature and strength of the link. To them, expectation, quality and price affect customer satisfaction, and customer satisfaction in turn affect profitability. Finally, they suggested that the marketing expectation of the quality of a firms output positively affects customer overall satisfaction with the firm, more so, customer satisfaction positively affects profitability of a firm. Yeung, et al(2002) were of the opinion that delivering customer satisfaction is at the heart of modern marketing theory. More so, they believed that there is a growing research evidence of the beneficial effects of customer satisfaction in terms of both behavioral outcomes such as loyalty, and performance outcome such as profits. Organizations are constantly looking for ways of increasing their customers' base through the satisfaction of customers with their products or services. Among various methods to measure a firm

competitiveness and marketing performance, customer satisfaction is the most universally accepted measurement.(Morgan,et al 2005). Many firms attempt to measure customer satisfaction in order to evaluate whether they meet their customers' needs better than their competitors.(Fornel, 1992).

Therefore, conceptual framework for studying customer satisfaction in manufacturing industry is developed using marketing theory concepts. The framework aims to act as a stepping stone for determining how empirical data growth and performance of telecoms industry situations and real customers satisfaction, fits marketing theory. To this end, customer satisfaction is modeled as a gap between two constructs: pre-purchase expectations and purchase perceptions. A parallel marketing concept known as the *purchase decision process* is used to model identifiable inputs to the two constructs, thus creating the ability to model different customer profiles. The purchase decision process is adapted to suit Manufacturing industry and can be described as: customer recognition, total quality programs, evaluation of competitors, customer relation management approach. This four decision approaches contribute to pre-purchase expectations and perceptions of what is actually provided. Products delivery service, product quality and price are modeled as features that manifest consistently during the purchase decision process and therefore in pre-purchase expectations and purchase perceptions affect customer satisfaction.

2.1.2 THE CONCEPT OF CONSUMER LOYALTY

Consumer loyalty is defined as a post-evaluation regarding purchase decisions (Churchill Jr and Surprenant, 1982). Kotler (2000) has defined consumer loyalty as a consumer's feelings of either pleasure or disappointment resulting from a comparison between the perceived performance of a specific product or service and his or her expectations. Consumers usually seek a relationship between their

needs and wants and their perceived evaluation (Parker and Mathews, 2001). Therefore, if the perceived performance is worse than expected, the consumer will be disappointed, and if the perceived performance is better than expected, the consumer will be satisfied. If the performance perceived by the consumer is equal to their expectation, they will be indifferent or in a neutral state (Lin, 2003). A consumer's buying decisions are measured by cultural, social, personal and psychological factors (Lin, 2003). In addition, three significant factors affect consumer satisfaction: consumer need, consumer value and consumer cost. A consumer need is the consumer's desire to buy a product or service to satisfy a need (Parker and Mathews, 2001). Researchers found that consumers are driven by a desire to fulfill their needs and they are influenced by specific expectations (Parker and Mathews, 2001).

Customer loyalty refers to an individual's judgment and a value regarding what is necessary and essential for his or her life (Kenny, 1994). It shows an individual reflection of what is essential or valuable in life (Lin, 2003). The customer cost represents what the customer will pay for either a service or product that matches his or her desire and value (Best, 1997). Consumers are typically concerned with receiving something worth what they paid for, and that is a reflection of satisfaction (Lin, 2003). Those who buy the goods or services provided by companies are customers. In other words, a customer is a stakeholder of an organization who provides payment in exchange for the offer provided to him by the organization with the aim of fulfilling a need and to maximize satisfaction. Sometimes the term customer and consumer are confusing. A customer can be a consumer, but a consumer may not necessarily be a customer. Another author explained this difference. I.e. a customer is the person who does the buying of the products and the consumer is the person who ultimately consumes the product (Solomon, 2009, p. 34.). When a consumer/customer is contented with either the product or services it is termed satisfaction.

Satisfaction can also be a person's feelings of pleasure or disappointment that results from comparing a product's perceived performance or outcome with their expectations (Kotler & Keller, 2009, p. 789). As a matter of fact, satisfaction could be the pleasure derived by someone from the consumption of goods or services offered by another person or group of people; or it can be the state of being happy with a situation.

Customer Loyalty varies from one person to another because it is utility. "One man's meal is another man's poison," an old adage stated describing utility; thus highlighting the fact that it is sometimes very difficult to satisfy everybody or to determine satisfaction among group of individuals. Client happiness, which is a sign of customer satisfaction, is and has always been the most essential thing for any organization. Customer satisfaction is defined by one author as "the consumer's response to the evaluation of the perceived discrepancy between prior expectations and the actual performance of the product or service as perceived after its consumption" (Tse & Wilton, 1988, p. 204) hence considering satisfaction as an overall post-purchase evaluation by the consumer" (Fornell, 1992, p. 11).

2.1.3. FACTORS AFFECTING CUSTOMER SATISFACTION

Products quality has been the subject of considerable interest by both practitioners and researchers in recent years (Henderson 2013). According to the satisfaction model customer satisfaction is influenced by products quality (Uddin, Akhter 2012). When customers get expected service quality, it leads to higher satisfaction (Hutchinson *et al.* 2009). Quality is a multi-dimensional phenomenon (Mosahab *et al.* 2010). Thus, reaching the product quality without distinguishing the important aspects of quality is impossible. In his discussion of product quality, Gronroos (2000) refers to three dimensions of output technical product quality, service performance quality, and an organization's mental.

McKenna (1991) suggests that organizations to achieve satisfied customers should forget about market reviews, advertising, and promotions instead they should emphasize appropriate infrastructure in order to provide appropriate products and delivery services to meet customer's expectations. Therefore, in order to upgrade the perceived product quality, regular assessment of customers' needs, desires, tastes, and interests is recommended through survey (Ranjbarian *et al.* 2012).

Several factors affect customer satisfaction, price is one of them. Price is used as an indicator of product quality, which results in better expectations from the product and determines higher satisfaction. The research shows that price perceptions directly influence satisfaction judgments as well as indirectly through perceptions of price fairness (Herrmann *et al.* 2007). Price reasonability and consumer satisfaction are significantly associated with each other. The customers can switch to another industry who offers fair prices this reveals that the consumers can be held on to for a longer duration by offering them the fair prices so; the customer satisfaction is caused by the fairness of the price (Ali *et al.* 2010). The company brand image is a valuable intangible capital that is hard to imitate and it can help an organization to achieve a sustainable and superior financial performance (Roberts, Dowling 2002). The company image is designed as the total impression that the public has for a company. From the companies' perspective, being reliable, professional and innovative, having social contribution and valuing the customers are the elements that form the company image (Vranakis *et al.* 2012). Martensen *et al.* (2000) indicate that the image is an important element in the customer satisfaction model. The image is expected to have a positive relationship towards the customer expectations, customer satisfaction and loyalty of customers to the company.

Gupta (2002) found the empirical evidence between corporate reputation and competitive advantage for the firms by successfully differentiating it from competitors. Among the components of competitive advantage are willing to purchase, willingness to pay a premium price, customer satisfaction and customer loyalty. Meanwhile, the components of a company's reputation found by Gupta (2002) are corporate ability and corporate social responsibility. This finding supports the popular view in business literature that when customers are faced with parity in price and quality of a product, they would prefer to choose products from the company that contributes to corporate social responsibility when making the consumption related decision. The rapid changes in the technology are the challenge for the companies to satisfy the customers and to get their loyalty through innovative products. The innovation used for strategic orientation toward customer satisfaction, loyalty, and to gain market potential that increases the market share of the company. Innovativeness is described as a process of converting the invention or idea into a product that customer purchase and provides financial benefits to its providers. This idea that has to convert into an innovation into a product or service must have the quality to satisfy some specific needs of the customers and can be implemented at an economic cost to be converted into an innovation. Service innovativeness, or the propensity to introduce service innovations to satisfy customers and improve firm value at acceptable risk, has become a critical organizational capability (Dotzel *et al.* 2013). Signal quality and network coverage have always been essential criteria for selecting MTS providers. During the previous years, where technology had not advanced so much in this area, company networks were limited only to certain locations.

Today the product delivery system has been improved and the company transportation networks have grown to a great extent. Surveys have shown that both

high cost of transport and delivery system affect consumer's satisfaction and the sale growth of the company (Woo, Fock 1999).The strategic importance of managing customers' complaints was examined for the first time by Fornell, Westbrook in 1984. They showed that by encouraging the expression of customer complaints today, a company might be able to decrease future complaints. It is very important for any customer to know where he can address his complaints which will be given the proper consideration (Vranakis *et al.* 2012).Currently mobile service provider's concern for providing value added service for promoting customer satisfaction; includes SMS, MMS, voice call service, SMS alert, information service etc. This study is concern for assessment of customer satisfaction on the basis of several quality factors (see Fig. 1) like; service innovativeness, service reliability, service competitiveness, service consistency, the operator's network/signal coverage, pricing, offering, fulfillment of customer demand, value added service, brand value and operators contribution to society.

2.1.4 DIMENSIONS OF CUSTOMER SATISFACTION

Customer Satisfaction as a Multi-Dimensional: The object of customer satisfaction is varied and can be related to different dimensions of multiple experiences with product/service providers. For example we can refer to satisfaction with on-going business relationship or with price performance, satisfaction with the time or service delivery or the service experience, service context and satisfaction with entire reputation and outlook of an organization. Satisfaction with Attribute-Specific Satisfaction can be related to specific attribute of a product or service. For example with mobile telecommunication, satisfaction can be related to specific attribute of multimedia messaging service, short message sending, voice message sending, mobile TV or mobile internet, call charges per minute, network coverage.

Customer satisfaction as a Process: The process perspective presupposes that “customer satisfaction is a feeling of satisfaction that results from the process of comparing perceived performance and one or more predictive standards, such as expectation or desire” (Khalifa and Liu 2002). The customer is satisfied if the performance of a product/service is equal to his or her expectations and he or she is dissatisfied if the product or service performance is perceived to be below his or her expectations.

2.1.5 APPROACHES TO DETERMINING CUSTOMER SATISFACTION

Customer satisfaction can be determined by three broad approaches; Observational methods, data base methods and subjective methods. Observational methods can be classified into observational studies and experimental studies. Data base methods can include customer complaints and suggestions and reports from field sales representatives etc. Subjective method has been widely used to determine customer satisfaction. This approach involves the use of questionnaire and interviews. In this study, subjective methods would be used. This would involve mainly the use of questionnaire.

2.2 THEORETICAL FRAMEWORK

The theory underpinning the study is assimilation-contrast theory. In a highly competitive marketing environment like the telecom industry in Nigeria, an understanding of assimilation and contrast effects is of substantial interest. The theory was introduced by Anderson (1973) in the context of post-exposure product performance based on Sherif and Hovland’s (1961) seminal research which suggest that judgments of objects can be affected by contextual factors (Joan and Brian, 1993). For the purpose of this study, the contextual factors that can affect consumers’ judgments of telecom services include the core product, pricing system, distribution strategy, promotion tools and customer service.

The theory states that if performance is within a customer's latitude (range) of acceptance, even though it may fall short of expectation, the discrepancy will be disregarded, that is, assimilation will operate and the performance will be deemed as acceptable whereas if they fall within the customer's latitude of neutrality, there will be minimal change. On the other hand, if performance falls within the latitude of rejection, contrast will prevail and the difference will be exaggerated and the good or service will be deemed unacceptable (Oxford, 2014).

The theory suggests that satisfaction is a function of the magnitude of the discrepancy between expected and perceived performance. When the expectations and the actual product performance do not match, the consumer will feel some degree of tension. In order to relieve this tension, the consumer will make adjustments either in expectations or in the perception of the product's actual performance. Consumers will tend to assimilate or adjust differences in perceptions about product performance to bring it in line with prior expectations if the discrepancy is relatively small. However, if the discrepancy is relatively high, contrast will occur and consumers will magnify or exaggerate the discrepancy and the product would be rejected as totally un-satisfactory.

The following explanations show that customer satisfaction is dependent upon six important dimensions. Framework of the research indicates those variable can affect customer satisfaction in mobile telecom industry. In other words, customer satisfaction can be influenced by customer service, pricing structure, sales promotion, coverage, signal strength and promotion.

1. **Customer loyalty** Customers don't expect you to be perfect. They do expect you to fix things when they go wrong. The duties of the customer service staff is to clearly communicate with customers, to manage their problems regarding product or service, to transfer the appropriate

information, to analyze the customer need and wants, to inform about new offerings, and to manage the length of the call. Handling customer-complaint effectively leads to customer loyalty. Customer loyalty always a successful indicator in business growth. Customer loyalty is a momentous factor of marketing mix for any product or service. To generate customer loyalty the company should provide high quality customer products.

2. **Price Fairness:** Price is an important variable that defines the company's profit. For having the benefits and usage of any service or product the customer will pay an amount of money which is known as price. Price is also determined by what a buyer is willing to pay, a seller is willing to accept and the competition is allowing to be charged. Price is the key element for customer satisfaction. A good price is the major contributor for satisfaction. Because the monetary cost is the price and in making customer value monetary aspect play a very vital role.
3. **Sales Promotion** has a significant impact on consumer's brand choice, purchase time, and purchase quantity decision. Accordingly sales promotion can be defined as to offer some incentives that can increase consumer demand or to improve the quality of the product. Sales promotion changes and contributions indeed can be identified much easily as compared to traditional advertising and quantified with figures and data. Sales promotion can affect the consumers' buying decision such as brand choice and brand switching. In other words, organizations use sales promotion as a tool that can convince customer to purchase any product or service. The purpose of sales promotion is to increase the sale growth and organizational performance etc.

4. **Coverage:** As Communication is all about to get coverage and to stay connected throughout the world therefore in Nigerian almost four cellular companies are in different urban and rural areas. As in urban areas mobile phone coverage is better than rural areas but still some cellular companies cannot provide mobile coverage in some areas. If particular cellular company fail to provide coverage where customer need then it will lead to lack of satisfaction.
5. **Promotion:** One of the major elements of marketing mix is promotion. Media plays major role to promote a product in various areas. Sometimes company offer discount packages to increase the sale of any particular product. Promotion is defined as to indicate the “right” product to the target market or other distribution channels. It cannot be effective unless it catches the attention of people.

2.3 EMPIRICAL EVIDENCE

A number of studies agree that there is no direct relationship between satisfaction and loyalty (e.g. Kotler, 2003; Hokanson, 1995). Such studies mention that being satisfied does not mean being loyal, and that the two have different determinants. However, other studies found the opposite, claiming that loyalty is a consequence of satisfaction (e.g. Winstanley & Martha, 1997).

Leelakulthanit and Hongcharn (2011) investigated the determinants of customer satisfaction by interviewing 400 mobile phone users in Thailand. Their study found that promotional value, quality of customer service at shops and corporate image play the most important role in determining customer satisfaction.

In the same respect, Alom, Khan, & Uddinl (2010) interviewed 60 university students in Bangladesh who were also mobile users, to identify the determinant factors in selecting mobile service providers. Results of that study revealed two

factors, brand image and perceived call rate, to have the most influence on the consumers' selection decision of a mobile service provider in Bangladesh.

Bugel, Buunk, & Verhoef (2010) examined commitment to companies, in The Netherlands, using the psychological investment model. The study examined the customer-company relationships in five sectors: the banking industry, health insurance, supermarkets, mobile telecom providers, and the automotive industry. The study recruited 300 respondents for each sector. With regard to satisfaction, the outcome of the study suggests that satisfaction plays an important role in determining customer commitment for service providers and there is a positive correlation between improving customer satisfaction and gaining customer loyalty.

Sadia, Tasneem, & Khan (2011) examined customer loyalty in the telecommunication industry in Pakistan, using 146 cell phone users. The study found that customer loyalty is shaped mainly by: trust, service quality, staff loyalty, and switching cost. The results of this study agree, partially, with a study by Boohene and Agyapong (2011) of 460 clients of Vodafone telecom company in Ghana. This study concluded that satisfaction does not necessarily lead to loyalty, while service quality was found to be strongly and positively correlated with loyalty. However, it can be noticed from the findings of this study that customer satisfaction is already built into service quality. Customers perceive service quality positively if they are satisfied with the service provider and with the services offered to them.

The importance of service quality in the choice decision for a mobile phone operator was also emphasized by Rahman, Haque, and Ahmad (2011) who conducted a study of 400 mobile telecom customers from major cities in Malaysia. This study concluded that network quality is one of the important factors in overall service quality. In addition to service quality, the study found that price plays an

important role in the choice criteria for mobile telephone operators in Malaysia. Such a finding is not far from the outcome of a study conducted by Gupta and Sharma (2009) in India. They concluded that in order to retain customers and attract new customers, mobile service providers must provide “service with reasonable quality without any hidden price, the two most important determinants of consumer satisfaction”. The importance of service quality and price in determining customer satisfaction was also reported by Hafeez and Hasnu (2010) who investigated customer satisfaction in Pakistan. The same was found by Balaji (2009) who studied the antecedents and consequences of customer satisfaction with Indian mobile services, surveying 199 postpaid mobile subscribers in a major city in India.

Balaji reported that “perceived quality is an important predictor of customer satisfaction, which ultimately results in trust, price tolerance and customer loyalty”.

The impact of service quality on customer satisfaction was confirmed by a study conducted by Omotayo and Joachim (2011) on 148 subscribers of major telecom companies in Nigeria. They found that service quality has a positive impact on satisfaction and loyalty. Such a positive relationship between service quality and satisfaction is supported by many studies, for example (Sureshchandar, Rajendran, & Anantharaman, 2003; Cronin, Brady, & Hult, 2000; Caruana, Money, & Berthon, 2000; Negi, 2009; Agyapong, 2011).

Eshghi, Kumar, & Gangui (2008) recruited 238 mobile phone users in four major cities of India to identify the impact of service-related factors on customer satisfaction, repurchase intention, and the recommendation of a service to others. They found that “the most significant predictors of customer satisfaction are: competitiveness, relational quality, reliability, reputation, support features, and transmission quality”. Other studies found that satisfaction in telecom industry is

determined by factors like voice call quality, wireless coverage, and the customer complaint process (Kim, Park, & Jeong, 2004).

Wong (2010) conducted an interesting study using a usage and payment records of 1403 Canadian post-paid mobile customers over 3.7-year study period. Wong reported that greater loyalty, thus retention, is observed in customers with optimal rate plans than those with non-optimal ones. This indicates that in order to reduce churn rates (i.e. loss of customers), mobile service providers must seek effective customer retention strategies. According to some studies, the major churn determinant was found to be the dissatisfaction of customers on pricing (Wong, 2009; Kim, Park, & Jeong, 2004; Keavency, 1995).

Fazlzadeh (2011) studied customer retention from a dimension of loyalty. He examined the relations among service quality, corporate image, satisfaction, and loyalty in Iran. He collected data from 417 customers of an Iran mobile service provider. Results revealed that customer satisfaction plays a significant mediating role in relationships from service quality, corporate image, and perceived value to loyalty. Loyal customers tend to remain longer with their service providers.

Siddiqi (2011) argues that individual differences might play a role in consumer satisfaction, loyalty, and retention. To prove his argument, Siddiqi (2011) studied 500 university students who had mobile phones and credit cards. The outcome of this study revealed that gender, age, and income differences affect customers' satisfaction, loyalty, and retention. For example, women are found to be more loyal, more satisfied, and less likely than men to switch mobile phone services. The same results were found for younger students, both mobile phone and credit card users. However, high income students were found to be less satisfied, less loyal, and more prone to switch both mobile phone and credit card services. Ahmad et al (2010) studied customer retention through the quality of Short Message Services

(SMS), using 331 university students using SMS of any cellular company in Pakistan. Their results indicate that service quality has a significant relationship to customer retention. From all the above studies, it can be observed that customer satisfaction has a direct effect on the financial performance of a firm (Ittner & Larcker, 1998; Smith & right, 2004). Such a positive association between customer satisfaction and financial performance is explained by a number of studies to be a result of less customer switching, more loyalty, less price sensitivity, and positive word-of-mouth advertising (Kim, Park, & Jeong, 2004; Homburg & Giering, 2001; Garvin, 1988).

CHAPTER THREE

METHODOLOGY

3.1 INTRODUCTION

This chapter highlights the procedures used in conducting the study. Pertinent issues discussed in this section include the research design, sample size, sample procedure, methods of data collection, procedure for data collection and data analysis.

3.2 RESEARCH DESIGN

This study adopted a descriptive research design to depict the participants in an accurate way due to the qualitative nature and case study.

3.3 POPULATION OF THE STUDY

A population is an aggregate of similar things, that is the total head count of the element involved in the programme affected. Cherisnall (2010) described population as any group of people or objects which are similar in more ways and which forms the subject of the study in a particular survey.

In this research work, the population of this study consists of bread bakers (i.e Bakery), Eatery and also Road side sellers (e.g puff-puff, doughnut, meat pie etc.) within Ilorin metropolis who make use of Dangote flour. From the customer service, manager of Dangote flour mills, Ilorin, it was gathered that there is a total of one thousand and five hundred (1,500) Bakers within Ilorin metropolis that make use of Dangote flour, out of this figure, only eight hundred (800) were using Dangote flour exclusively in baking their bread, because of the high consumption of bread in Ilorin metropolis, while Eatery will follow with (400), also three hundred (300) consumers (i.e the road side sellers) would mix Dangote flour with other brand

in the baking process, in total making it 1500 consumers, this will enable the researcher to arrive at the desired results.

In an ideal situation the whole consumer of the company would be the respondents, not only to have a good representation but also to obtain more accurate information. This is not however possible as it is highly expensive and uneconomical as well as the constraints. Therefore, the researcher relied on some generally acceptable sampling method (stratified sampling) while ensuring at the same time that selected sample will be good representative of the study population.

3.4 SAMPLE SIZE AND SAMPLING TECHNIQUES

In getting a sample study from the top level managers a stratified sampling technique was employed. In stratified sampling, there are three fundamental advantages; stratified sampling method offers a variety of different research methods and processes to be used hence efficiencies in statistical methods (Cooper & Schindler, 2001).

The total population of the study is 1500. However, the formula for estimating the sample size as suggested by (Guilford and Flusher, 1973). He was adopted to arrive at the sample size. The formula is stated as follows:

$$\frac{N}{1+\alpha^2 N}$$

N is the size of the population

α is the alpha (the level of significance)

3.5 SOURCES OF DATA

Primary and Secondary sources were used to source for data for the study. The primary data was obtained through the administration of questionnaire which elicits information on the bio-data of the respondents and data related to the effect of Customer satisfaction on organizational growth. The secondary data was sourced from Dangote Flour Mill branches in Ilorin metropolis. Service of Research Assistants were employed to assess information from the customers in selected location

3.6 Instrument of Data Collection

In the research study, data was collected using the following instruments:

1. **Questionnaires:** Structured questionnaires were administered to selected customers and employees of Dangote Flour Mill. The questionnaires included both closed-ended and open-ended questions to gather quantitative and qualitative data regarding customer satisfaction and perceptions of product delivery.
2. **Interviews:** Face-to-face interviews were conducted with key personnel in the customer relations department to gain deeper insights into their processes and challenges related to customer satisfaction.
3. **Secondary Data Sources:** Relevant documents and records from Dangote Flour Mill, such as sales reports and customer feedback, were analyzed to supplement the primary data.

These instruments were designed to elicit comprehensive information about customer experiences and the effectiveness of the product delivery system, thereby facilitating a robust analysis of the impact of customer satisfaction on organizational growth.

3.7 METHOD OF DATA ANALYSIS

Descriptive statistics such as frequency distribution, percentages, means and standard deviations were calculated and data presented in form of table. Inferential statistics correlation and regression analysis (single regression) was used to draw implications from the data with regard to the regression model. Data was analyzed through the use of SPSS (Statistical Package for Social Science) software version 23.0.

CHAPTER FOUR

DATA ANALYSIS AND INTERPRETATION

4.1 HISTORICAL BACKGROUND OF THE CASE STUDY

Dangote group of companies was established in May, 1981 as a trading business with an initial focus on cement. The group that diversified over time into a conglomerate trading cement, sugar, flour, salt, and fish. By the earlier 1990s, the group had grown into one of the largest trading conglomerate operating in a country in 1999. Following the transition to civilian rule and after inspirational visit to Brazil to study the emerging manufacturing sector. The group made a strategic decision to transit from trading business into a full-fledged manufacturing operation. In a country where import constitutes the vast majority of consumed goods, a clear gap existed for a manufacturing operation that could meet the basic needs of a vast and vast growing population.

The group embark on an ambitious construction program, and a pester factory, in 2000, the group acquired the Benue cement company Plc from Nigeria government and in 2003 commissioned the Obajana cement plant, the largest cement plant in sub-Saharan African.

The group is now one of the largest manufacturing conglomerate in sub-Saharan African and pursuing further backward integration alongside an expansion program in existing and new sector.

4.2 SAMPLE SIZE RETURNED

Table 4.2.1: Sample Size Returned and Unreturned

	Frequenc y	Percent	Valid Percent	Cumulative Percent
Valid Returned	50	100.0	100.0	100.0
Unreturn ed	0	0.0	0.0	100.0
Total	50	100.0	100.0	

Source: SPSS Computation, 2025

Table 4.2.1 shows that out of the 50 copies of questionnaires distributed to some selected consumer of Dangote Flour products Ilorin, all were returned as duly completed and used for further statistical analysis, and by implication the response rate was very good which enhance the accuracy of the results and findings in this study

4.3 DEMOGRAPHIC CHARACTERISTICS

This section presents the socio-demographic information of the respondents presented in frequencies tables and percentages. The study finds it crucial to provide evidence of demographic data since it was deemed necessary to obtain such information on account that the respondents background sometimes are clear indicator of factors that may have economic relation to the nexus between customer satisfaction and organizational growth. The analysis relied on this profile information of the respondents so as to relate the relevance of the socio-economic background of the respondents to the study objectives

Table 4.3.1 GENDER

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid MALE	18	36.0	36.0	36.0
FEMALE	32	64.0	64.0	100.0
Total	50	100.0	100.0	

Source: SPSS Computation, 2025

18 respondents representing 36% were female, 32 respondents representing 64% were male. This means the study get the opinion responses of more females than males in the study which also implies that business women are many than business men in the study location.

Table 4.3.2 AGE

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 20-25	16	32.0	32.0	32.0
25-35	29	58.0	58.0	90.0
35-45	4	8.0	8.0	98.0
45 AND ABOVE	1	2.0	2.0	100.0
Total	50	100.0	100.0	

Source: SPSS Computation, 2025

16 respondents representing 32% indicate by specifying their age between 20-25 years, 29 respondents representing 58% indicate their age between 25-35 years, 4 respondents specifying between 35-45 representing 8%, while 1 respondents representing 2% indicate their age above 45 years. This directly implies majority of respondents are matured adults above 25 years and were able to provide objective

responses in the study especially on issue pertaining to the customer satisfaction in the sampled industry

MARITAL_STATUS

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid SINGLE	17	34.0	34.0	34.0
MARRIED	26	52.0	52.0	86.0
WIDOW	7	14.0	14.0	100.0
Total	50	100.0	100.0	

Source: SPSS Computation, 2025

17 respondents representing 34% indicate by specifying they are married while 26 respondents representing 52% indicate they are singled. 7 respondents indicate they are widow. This directly implies majorities (52%) of respondents are a married person who's their children and immediate family depend on them for responsibilities and up keeping of the house.

EDUCATIONAL_QUALIFICATION

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid SSCE	2	4.0	4.0	4.0
OND/NCE	12	24.0	24.0	28.0
HND/BSC	36	72.0	72.0	100.0
Total	50	100.0	100.0	

Source: SPSS Computation, 2025

2 respondents representing 4% were SSCE holders, 12 respondents representing 24% indicate they are Diploma holders, 36 respondents specifying representing 72% were degree holders.. This means that the literacy cut across the selected company and they were well enlightened about the study objectives.

4.4 PRESENTATION AND ANALYSIS ACCORDING TO KEY QUESTIONS

Q1. The organization positively respond to customer choice and preference.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid STRONGLY DISAGREED	2	4.0	4.0	4.0
DISAGREED	3	6.0	6.0	10.0
UNDECIDED	2	4.0	4.0	14.0
AGREED	8	16.0	16.0	30.0
STRONGLY AGREED	35	70.0	70.0	100.0
Total	50	100.0	100.0	

Source: SPSS Computation, 2025

5 respondents representing 10% disagree that the organization positively respond to customer choice and preference 2 respondents representing 4% were neither agree nor disagree and 43 respondents representing 86% agreed. This means that the majority of respondents support the claim that the selected company positively respond to customer choice and preference.

Q2. Problems tackling in customer care unit are quickly resolved to improve better performance

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid STRONGLY DISAGREED	2	4.0	4.0	4.0
DISAGREED	3	6.0	6.0	10.0
UNDECIDED	1	2.0	2.0	12.0
AGREED	7	14.0	14.0	26.0
STRONGLY AGREED	37	74.0	74.0	100.0
Total	50	100.0	100.0	

Source: SPSS Computation, 2025

5 respondents representing 10% disagree that the Problems tackling in customer care unit are quickly resolved to improve better performance, 1 respondents representing 2% were neither agree nor disagree and 44 respondents representing 88% agree. This means that the majority of respondents support the claim that that Problems tackling in customer care unit are quickly resolved to improve better performance.

Q3. Customer loyalty scheme of the organization is undertake by people in customer relation department to oversee the sale growth

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid STRONGLY DISAGREED	3	6.0	6.0	6.0
DISAGREED	1	2.0	2.0	8.0
UNDECIDED	2	4.0	4.0	12.0
AGREED	23	46.0	46.0	58.0
STRONGLY AGREED	21	42.0	42.0	100.0
Total	50	100.0	100.0	

Source: SPSS Computation, 2025

4 respondents representing 8% disagree that the Customer loyalty scheme of the organization is undertaken by workers in customer relation department to oversee the sale growth, 2 respondents representing 4% were neither agree nor disagree and 44 respondents representing 88% agree. This means that the majority of respondents support the claim that that Customer loyalty scheme of the organization is undertake by workers in customer relation department to oversee the sale growth

Q4. I have never switch to other industry due to substandard products

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid STRONGLY DISAGREED	2	4.0	4.0	4.0
DISAGREED	1	2.0	2.0	6.0
UNDECIDED	3	6.0	6.0	12.0
AGREED	24	48.0	48.0	60.0
STRONGLY AGREED	20	40.0	40.0	100.0
Total	50	100.0	100.0	

Source: SPSS Computation, 2025

3 respondents representing 6% disagreed they have never switch to other industry due to substandard products. Also 3 respondents representing 6% were neither agree nor disagree and 44 respondents representing 88% agreed. This means that the majority of respondents support the claim they never switch to other industry due to substandard products. This means the customer are very loyal simply because the workers in the customer relation department are ready to listening to their complaints as indicated in the excerpt in Q2 & Q3 above.

Q5. The industry were quick in restoring hope in products delivery problems

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid STRONGLY DISAGREED	2	4.0	4.0	4.0
DISAGRRED	3	6.0	6.0	10.0
UNDECIDED	3	6.0	6.0	16.0
AGRRED	8	16.0	16.0	32.0
STRONGLY AGREED	34	68.0	68.0	100.0
Total	50	100.0	100.0	

Source: SPSS Computation, 2025

5 respondents representing 10% disagreed that the industry were quick in restoring hope in delivery problems. Also 3 respondents representing 6% were neither agree nor disagree and 42 respondents representing 84% agreed. This means that the majority of respondents support the claim that the industry was quick in restoring hope in products delivery problems. This means the product delivery system in Dangote Flour products is worthy of emulation by other existing company in the study area.

Q6. The industry on occasion gives discounts and other attractive packages to attract loyal customers to the organization

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid STRONGLY DISAGREED	1	2.0	2.0	2.0
DISAGREED	3	6.0	6.0	8.0
UNDECIDED	2	4.0	4.0	12.0
AGREED	10	20.0	20.0	32.0
STRONGLY AGREED	34	68.0	68.0	100.0
Total	50	100.0	100.0	

Source: SPSS Computation, 2025

4 respondents representing 8% disagreed that the industry on occasion gives discounts and other attractive packages to attract loyal customers. Also 2 respondents representing 4% were neither agree nor disagree and 44 respondents representing 88% agreed. This means that the majority of respondents support the claim that the industry on occasion gives discounts and other attractive packages to attract loyal customers. This means customer loyalty is better improved through bonus and attractive packages at a discount rate.

Q7. The organization provides many outlets depot to increase demand and sale growth

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid STRONGLY DISAGREED	2	4.0	4.0	4.0
DISAGRRED	3	6.0	6.0	10.0
UNDECIDED	5	10.0	10.0	20.0
AGREED	18	36.0	36.0	56.0
STRONGLY AGRRED	22	44.0	44.0	100.0
Total	50	100.0	100.0	

Source: SPSS Computation, 2025

5 respondents representing 10% disagreed that the organization provides many outlets depot to increase demand and sale growth. Also 5 respondents representing 10% were neither agree nor disagree and 40 respondents representing 80% agreed. This means that the majority of respondents support the organization provides many outlets depot to increase demand and sale growth. This means that the selected company experienced growth through business expansion.

Q8. Survey were undertaken to review customer satisfaction and to explore area of improvements in service delivery

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid STRONGLY DISAGREED	1	2.0	2.0	2.0
DISAGREED	3	6.0	6.0	8.0
UNDECIDED	1	2.0	2.0	10.0
AGREED	21	42.0	42.0	52.0
STRONGLY AGREED	24	48.0	48.0	100.0
Total	50	100.0	100.0	

Source: SPSS Computation, 2025

5 respondents representing 10% disagreed that the Survey were undertaken to review customer satisfaction and to explore area of improvements in service delivery. Also 1 respondent representing 2% were neither agree nor disagree and 45 respondents representing 90% agreed. This means that the majority of respondents support the organization survey being undertaken to review customer satisfaction and explore area of improvements in service delivery. This improves organizational growth and performance.

Q9. The organization instruct the quality control department to take cognizance of customers choice and preferences

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid STRONGLY DISAGREED	3	6.0	6.0	6.0
DISAGREED	2	4.0	4.0	10.0
UNDECIDED	2	4.0	4.0	14.0
AGREED	22	44.0	44.0	58.0
STRONGLY AGREED	21	42.0	42.0	100.0
Total	50	100.0	100.0	

Source: SPSS Computation, 2025

5 respondents representing 10% disagreed that the organization instructs the quality control department to take cognizance of customers choice and preferences. Also 2 respondent representing 4% were neither agree nor disagree and 43 respondents representing 86% agreed. This means that the majority of respondents support the organization decision to instruct those in quality control department to take cognizance of customers' choice and preferences. This increases sale growth and customer satisfaction.

Q10. Customers feel free to relate with the organization

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY DISAGREED	2	4.0	4.0	4.0
	DISAGREED	2	4.0	4.0	8.0
	UNDECIDED	2	4.0	4.0	12.0
	AGREED	19	38.0	38.0	50.0
	STRONGLY AGREED	25	50.0	50.0	100.0
	Total	50	100.0	100.0	

Source: SPSS Computation, 2025

4 respondents representing 8% disagreed that the Customers feel free to relate with the organization. Also 2 respondent representing 4% were neither agree nor disagree and 44 respondents representing 88% agreed. This means that the majority of respondents support the claim that Customers feel free to relate with the workers in the selected company. This promotes customer satisfaction.

Q11. The industry produce the quality products expected by the customers

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY DISAGREED	2	4.0	4.0	4.0
	DISAGREED	3	6.0	6.0	10.0
	UNDECIDED	2	4.0	4.0	14.0
	AGREED	16	32.0	32.0	46.0
	STRONGLY AGREED	27	54.0	54.0	100.0
	Total	50	100.0	100.0	

Source: SPSS Computation, 2025

5 respondents representing 10% claim that industry produce the quality products expected by the customers, 2 respondents representing 4% were neither agree nor disagree and 43 respondents representing 86% disagree. This means that the majorities (86%) of respondents support the claim that industry produces the quality products expected by the customers

4.5 HYPOTHESES TESTING

H₀₁: There is no significant impact of customer loyalty on the sale growth of Dangote Flour products in Ilorin metropolis

Table 4.5.1: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.663 ^a	.440	.435	.57610

a. Predictors: (Constant), Customer loyalty

To assess the extent of impact of customer loyalty on sales growth simple linear regression analysis was carried out. The model summary in table above indicates the value of the correlation coefficient $R = .663$ and the adjusted R -square = .435 which is just so close to R -square = .440 depict the fact if the model were derived from the population rather than a sample it would account for approximately 0.5% less variance in the outcome. Thus, the aggregated effects of customer loyalty on sale growth is explained by the value of the R square, which indicates that 44% increase in sale growth is accounted specifically by the customer loyalty of the selected industry and not more than 56% explained by other factors not included in this model. These factors include industrial policies etc.

Table 4.5.2: ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	24.360	1	24.360	37.768	.000 ^b
	Residual	30.978	48	.645		
	Total	55.338	49			

a. Dependent Variable: Sales Growth

b. Predictors: (Constant), Customer Loyalty

ANOVAs table above test whether the model is significantly better at predicting the outcome than using the mean as a 'best guess'. Specifically, the F -ratio (37.768) represents the ratio of the improvement in prediction that the results from fitting the model (labeled 'Regression' in the table), relative to the inaccuracy that still exists in the model (labeled 'Residual' in the table). And by dividing the regression sum of square value by the Total sum of square in the table, indicating a significant relationship by returning the value of $R^2 = 0.440$, and the fact that the final model is

significantly improve our ability to predict the outcome variable. However, the significant value of P (0.000) is smaller than (0.05) which means that the independent variable (Customer Loyalty) is positively related with the dependent variable (Sales Growth). Hence, it is posited that there is significant relationship between customer loyalty and Sales Growth at 5% level of significant.

Table 4.5.3: Regression Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	-.381	.150		-2.495	.000
Customer Loyalty	.702	.162	.663	4.333	.001

a. Dependent Variable: Sales Growth

Based on the R square explained above, the independent variables explain 44% of the variance of depended variable “Sales Growth”. Using non- standardized weight of regression, simple regression of equation can be presented as below:

$$\hat{Y} = -0.381 + 0.702x_1 + \varepsilon_i$$

\hat{Y} = dependent variable “Sales Growth”

x_1 = independent variable “Customer Loyalty=0.702”

ε_i = stochastic error.

From the formula presented above, the Sales Growth is equal to the sum of non-standardized beta coefficients with the average of using the appropriate method and non-standardized weight constant. From the regression analysis results, the customer loyalty is statistically meaningful for the model. It has regression coefficient ($\beta=0.702$) positive which means with the raise of the independent

variable (Customer loyalty) will have even raise of the dependent variable in “Sales Growth”. According to the results the statistical test for beta coefficient control the same result is taken ($t_1 = 17.825$ and $p = 0.001$), this coefficient show that customer loyalty have a huge contribution for the model in order to improve sales growth at 5% level of significant. However if the selected industry zeroing the customer loyalty scheme, it is likely for the sales growth to decrease by 38.1% and this might affect the organization growth as shown by the intercept ($c = -0.381$) of the regression line in the table

H₀₂: Product delivery system has no significant impact on customer satisfaction in Dangote Flour products in Ilorin metropolis

Table 4.5.4: Model Summary

Mode	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.962 ^a	.925	.924	.24858

a. Predictors: (Constant), Product Delivery System

To assess the level of relationship between Product Delivery System (PDS) and customer satisfaction (Affective Products’ Performance), simple regression analysis was carried out. The result of the regression model in the table shows the value of the regression coefficient $R = .962$, $R\text{-square} = .925$ and $\text{adjusted } R\text{-square} = .924$. From this result, the extent of relationship between access to products delivery system and customer satisfaction is clarified by the value of the $R\text{-square}$. The $R\text{-square}$ value denotes 92.5% of customer satisfaction is accounted definitely by the accessibility to products delivery system in the process and not more than 7.5% explained by others not included in this model. This means that product delivery system improves the customer satisfaction in the selected industry.

Table 4.5.5: ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	167.144	1	167.144	590.614	.000 ^b
Residual	13.594	48	.283		
Total	180.739	49			

a. Dependent Variable: Customer's satisfaction

b. Predictors: (Constant), Product Delivery System

The analysis of variance table (Anova table above) shows regression sum of square value of (167.144) which is higher than the residual sum of square value of (13.594). This implies that the model accounted for most of the variations in the dependent variable. More so, the F calculated value of (590.614) is greater than the tabulated value of (3.84) indicating a significant relationship. In addition, the significant value of P (0.000) is smaller than (0.05) which means that the independent variable (PDS) is positively related with the dependent variable (Customer satisfaction). Hence, it is posited that there is significant relationship between Product Delivery System (PDS) and customer satisfaction at 5% level.

Table 4.5.6: Regression Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	-.350	.096		-3.646	.000
PDS	.995	.101	.962	9.852	.000

a. Dependent Variable: customer satisfaction

The beta value of the constant is -0.350 whereas; the beta value for the predictor variable (PDS) is 0.995. The t-value of 9.852 and the p-value of .000 indicates the model is significant at $p < 0.05$. Therefore, the beta coefficient (Beta= 0.962) implies customer satisfaction will increase by 96.2% if product delivery system (PDS) by one. Also if peradventure customer experience poor delivery system (i.e PDS= 0), customer satisfaction will be badly affected and this will further reduce customer satisfaction by 35% and this might constitute a threat to the organizational growth of the company as shown by the constant value (-0.350) in the table.

H₀₃: There is no significant effect of price discount rate on the sale growth

Table 4.5.7: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.919 ^a	.845	.844	.67711

a. Predictors: (Constant), Price Discount

To assess the extent of impact of price discount on sale growth Simple linear regression analysis was carried out. The result of the regression model shown in table above indicates the value of the correlation coefficient $R = .919$ and the adjusted R- square = .844 give us some idea of how well our model generalizes and ideally we would like its value to be the same, or close to the value of R-square. In the above summary, the difference for the final model is a fair bit ($0.845 - 0.844 = 0.001$ or 0.1%). This shrinkage means that if the model were derived from the population rather than a sample it would account for approximately 0.1% less variance in the outcome. Thus, the aggregated effect of price discount rate on sales growth is explained by the value of the R-square, which indicates that 84.5% increase in sales

growth is accounted specifically by change in price discount and not more than 15.5% explained by others not included in this model..

Table 4.5.8: ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	160.901	1	160.901	261.203	.000 ^b
	Residual	29.580	48	.616		
	Total	190.481	49			

a. Dependent Variable: Sales growth

b. Predictors: (Constant), Price Discount

The analysis of variance (ANOVAs table above) tests whether the model is significantly better at predicting the outcome than using the mean as a 'best guess'. Specifically, the F-ratio (261.203) represents the ratio of the improvement in prediction that the results from fitting the model (labeled 'Regression' in the table), relative to the inaccuracy that still exists in the model (labeled 'Residual' in the table). And by dividing the regression sum of square value by the Total sum of square in the table, indicating a significant relationship by returning the value of $R^2=0.845$, and the fact that the final model is significantly improve our ability to predict the outcome variable. However, the significant value of P (0.000) is smaller than (0.05) which means that the independent variable (price discount) is positively related with the dependent variable (Sales Growth). Hence, it is posited that there is significant relationship between price discount and Sales Growth at 5% level of significant.

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	.210	.122		1.718	.087
Price Discount	.952	.028	.919	33.636	.000

a. Dependent Variable: Sales Growth

The beta coefficient of the model in table above indicates the beta value of the constant is 0.210 whereas; the beta value for the predictor variable (pricing policy) is 0.952. The t-value of 33.636 and the p-value of .000 indicates the model is significant at $p < 0.05$. Therefore, the beta coefficient (Beta= 0.952) implies the level of sales growth is increase by 95.2% as the price discount rate increase by 1%. With the value of constant (0.210) in the regression coefficients above, it is predicted that the removing the price discount from the model has no significant effect on sales growth because other strategies are devise for sale growth in the selected company. Therefore it is concluded that there is a significant impact of pricing policy on the customer satisfaction of the selected manufacturing industry.

4.6 DISCUSSION OF FINDINGS

Female respondents represent a simple majority 32(64%) compare to female 18 (36%). The results indicate that female responses are the majority in this study area. 29(58%) of the respondents were the majority that the instrument was administered to are in the age bracket of 25-35 years and about 26 (52%) of them are single. A comprehensive analysis of the result also shows that the majority of the respondents 50 (72%) were graduate working in the study area, with approximately 2(4%) were SSCE holders.

This study is aimed at examining the impact of customer satisfaction on the organization growth of Dangote Flour products in Ilorin metropolis. Specifically, the first hypothesis investigated the influence of customer care service on customer satisfaction. Regression analysis was used to examine the impact of independent variable (customer loyalty) on dependent variable (sales growth). As a rule of thumb, the Pearson correlation helps in establishing issues of multicollinearity. The result of the relationship between the customer loyalty and sales growth were found to be significant 0.663* and the $R^2=0.440$ implies that 44% increase in sales growth is explained by a 1% increase in customer loyalty of the industry. The p-value = $0.000 < 0.005$ signifies the rejection of null hypothesis in hypothesis 1 with the finding in the regression coefficient specifying the value of $t > 1.645$ which significant at 5% level. The finding in hypothesis 1, give credence to the works of (Yi; 1990 & Cyne; 1989).

The finding in hypothesis 2 implies that product delivery system has significant impact on customer satisfaction. The simple regression analysis was also conducted to test the impact of quality of network on customer satisfaction. The results posited that 96.2% (R- square =0.962) of the variance of customer satisfaction have been significantly explained by the increase in the product delivery system by 1%. Hence the predictor (Products Performance) significantly contributes to customer satisfaction which consequently results into customer retention. Therefore, the result of hypothesis 2 supported the view of (Erikson and Vaghult, 2000) that customer satisfaction is a central determinant of customer satisfaction. The finding further reveals the need for the industry to strive hard in an effort to improve in product delivery system in order to redeem good image for customer satisfaction. The result proved support for the alternative hypothesis that management of Dangote typically assigns task relative to product delivery system (PDS) in the

selected areas. This is really necessary due to the competitive nature of the market and to assist them overcome many challenges and improve their performance in the industry.

From the result in hypothesis 3, it was found that there exists a significant impact of price discount on customer satisfaction. The finding is in agreement with the works of (Gale & Fornell, 1992) who found that higher customer satisfaction have direct impact on price. The finding in hypothesis 3 indicates higher customer satisfaction translates into increase in organizational growth and the ability to reduce charges at higher price.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 SUMMARY OF FINDINGS

According to the findings in hypothesis 1 of this study, the result of the regression analysis proved support for the alternative hypothesis by indicating that customer loyalty has a huge contribution for the model in order to improve sales growth at 5% level of significant. However it is predicted from the result that if the selected industry zeroing the customer loyalty, it is likely for the sales growth to decrease by 38.1% and this might affect the organization growth and performance as shown by the intercept (constant= -0.381) of the regression line.

The finding in hypothesis 2 implies that product delivery system has significant impact on customer satisfaction. Therefore the null hypothesis is rejected and the alternative accepted and therefore drawn the fact that the variance of customer satisfaction by 96.2% have been significantly explained by the increase in the product delivery system by 1. Hence the predictor (Product Performance) significantly contributes to customer satisfaction which consequently results into customer retention.

The finding in hypothesis 3 indicates higher price discount translates into higher market growth and the ability to reduce exorbitant price. The finding gives support to the alternative hypothesis that there is significant impact of customer satisfaction on the sale growth of the industry.

5.2 CONCLUSION

The implication of this study for managers is that industry should not just rely on profit margins as a good indicator of organizational growth. Rather, they should develop strategies that better capture customers' perceptions of their products performance, bonuses and offerings and these strategies can complement

the internal perceptions of business growth. Findings conclude that customer satisfaction strategy helps to increase sales growth, and that product performance improve customer satisfaction at all standard. This helps the company internal process and identifies opportunities for improvement through feedback from customers report and survey. The study concludes that customer satisfaction by lowering the exorbitant price charged on products take the most priority in satisfying customers in the area. Product delivery system which includes effective delivery and transport network, timely arrival of appealing products, are relatively the best in the manufacturing industry. The ability of people getting connected to the customer relation department of the company helps in further improvement in product performance, and sales growth of Dangote Flour Mill Ilorin. Building trust in customers and occasional price discount strengthening sales growth and help to promote sustainable competitive advantage in manufacturing industry.

5.3 RECOMMENDATIONS

In the light of the above findings, the following recommendations are made.

1. Manufacturing industry should avail them of best customer feedback that increases customer's loyalty with a view to knowing how their companies are performing relative to their promises and customers expectation. They would also know from customers how they could do better.
2. Secondly, transportation network that can facilitate improvement in products delivery system should be provided to increase sales growth
3. It is a known fact that companies are concerned about their growth and by implication their customer satisfaction. Since they cannot use price to maneuver growth easily, they need to build trust in customer and effect a price discount on purchases to increase sales growth and performance

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