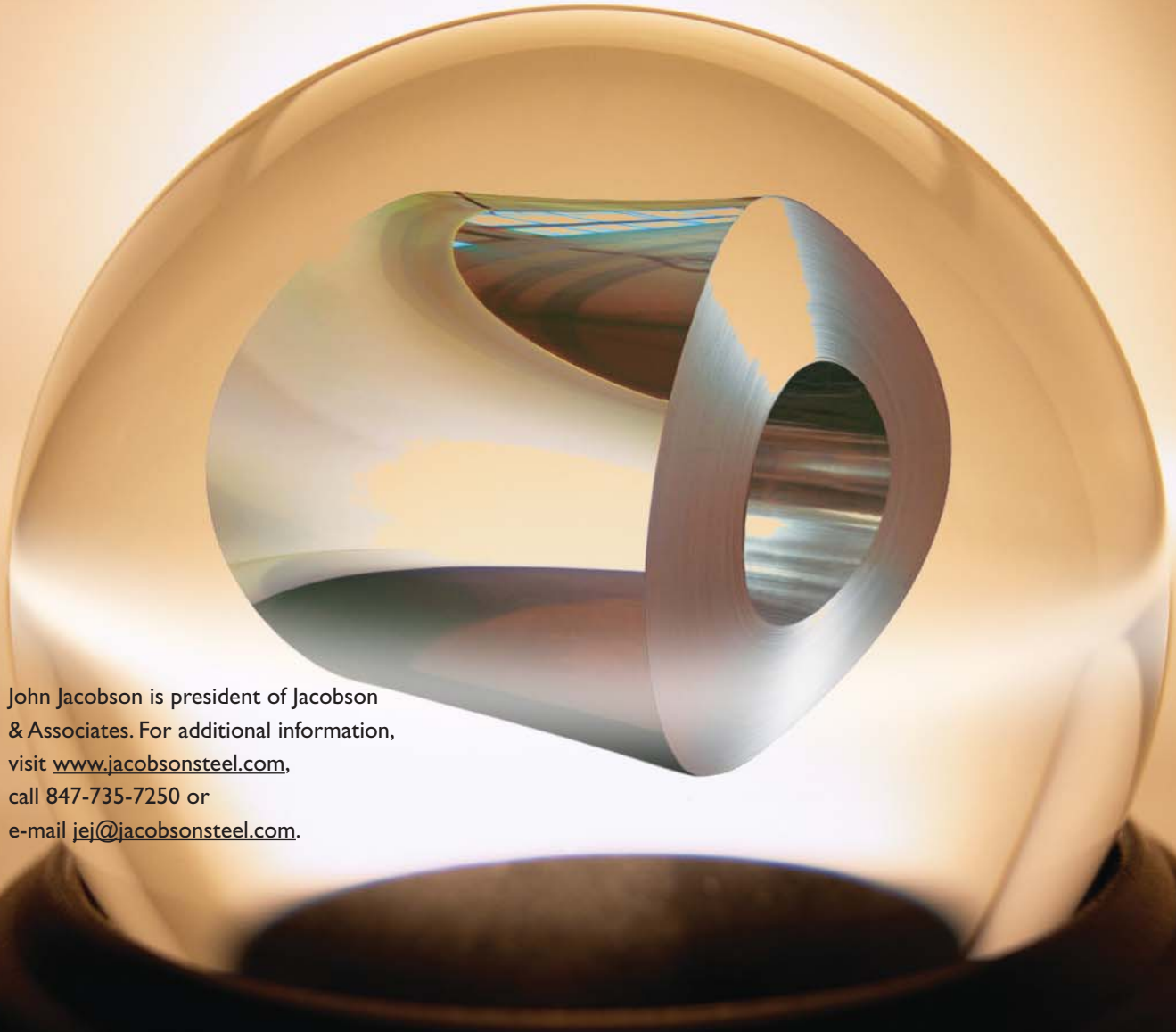


Customer Satisfaction

Foretells Future Success

Which mills get the highest marks from their service center customers? Jacobson & Associates has the data on customer satisfaction.

There is no better predictor of future success than a reliable measure of current customer satisfaction. Satisfied customers will buy again and again, as long as favored suppliers continue to meet all their needs.



John Jacobson is president of Jacobson & Associates. For additional information, visit www.jacobsonsteel.com, call 847-735-7250 or e-mail jej@jacobsonsteel.com.

That's why it is so important for companies to continually measure their customers' perceptions. Only by detecting problems early can they head off declines in satisfaction levels that might otherwise lead to lost business down the road.

Jacobson & Associates conducts a continuous census survey of more than 2,000 major steel customers in the United States and Canada, including service centers and end-users. The Jacobson Survey stands as an objective third-party measure of steel customers' satisfaction with their mill suppliers. Customers use a 10-point scale to indicate their level of satisfaction with supplier quality, delivery, price, service, inside sales, outside sales and overall performance. Jacobson produces separate reports on sheet producers, plate producers, minimill producers, stainless sheet producers, bar producers and beam producers. The accompanying charts are based on survey data for the 12 months ending Sept. 30, 2012.

Satisfaction leaders tend to display common characteristics that make customers want to do business with them, including their dependability, quality, reliability, helpfulness, service orientation and product availability. Companies that can make these traits part of their corporate culture effectively gain an insurance policy against weakening demand; in times of a market decline, it's the favored suppliers who get the orders first. ■

CHART 1

The Leaders

Top Rated Mills in Customer Satisfaction by Product Category

Sheet – North Star BlueScope

Plate – Nucor Tuscaloosa

Bar/Structurals – CMC Steel Texas

Beams – Nucor Berkeley Beams

Stainless Sheet – AK Specialty

SBQ – Nucor Nebraska

Source: Jacobson & Associates

▲ Customers use a 10-point scale to measure their level of satisfaction with supplier quality, price, service and overall performance, where 10 is "very satisfied" and 1 is "very dissatisfied." Data is for the 12 months ending Sept. 30, 2012.

▼ The most improved mills are those with the highest percentage increase in customer satisfaction scores for the 12 months ending Sept. 30, 2012, compared with their scores from the same period in 2011. Companies are listed in order from the highest to lowest percentage improvement

CHART 2

Most Improved Mills

Overall Customer Satisfaction by Product Category

Sheet Producers

- USS Mon Valley
- Nucor Berkeley
- Nucor Decatur
- USS Great Lakes
- Nucor Arkansas
- ArcelorMittal Cleveland
- Thyssen Alabama
- USS Midwest
- USS Gary
- North Star BlueScope
- California Steel
- ArcelorMittal Indiana Harbor
- Essar Algoma
- ArcelorMittal Burns Harbor
- USS Canada

Bar/Structurals Producers

- Gerdau Sayreville
- CMC Steel South Carolina
- Cascade Steel
- Nucor Texas
- Nucor Nebraska
- Nucor Auburn
- Gerdau Jackson
- Gerdau Knoxville
- Nucor Kankakee
- Gerdau Calvert City

Plate Producers

- ArcelorMittal Coatesville
- Evrz Claymont
- Essar Algoma

- ArcelorMittal Burns Harbor
- Nucor Tuscaloosa

SBQ Producers

- Nucor Memphis
- Timken
- Gerdau Ameristeel SBQ
- ArcelorMittal SBQ
- SDI Engineered Bar
- Alton Steel

Stainless Sheet Producers

- AK Specialty Steels
- Allegheny Ludlum

Source: Jacobson & Associates. Data is for the 12 months ending Sept. 30, 2012.

CHART 3

Overall Customer Satisfaction

Top Sheet Mills

As Rated by End-User Customers

Nucor Crawfordsville
 The Techs
 Nucor Arkansas
 Nucor Berkeley
 Gallatin
 Steel Dynamics
 California Steel
 Nucor Decatur
 AK Steel
 USS Mon Valley

Top Plate Mills

As Rated by End-User Customers

Nucor Tuscaloosa
 SSAB North American
 Evraz Claymont

Top Specialty Steels Mills

As Rated by End-User Customers

AK Specialty Steels
 North American Stainless

Top Beam Mills

As Rated by End-User Customers

Nucor Berkeley Beams
 Nucor Yamato
 Gerdau Cartersville

Top Bar/Structurals Mills

As Rated by End-User Customers

Nucor Texas
 CMC Steel Texas
 Nucor Auburn
 Gerdau Calvert City
 Gerdau Jackson
 CMC Steel Birmingham
 SDI Roanoke
 Nucor Jackson

Top Sheet Mills

As Rated by Service Center Customers

North Star BlueScope
 Gallatin
 Nucor Decatur
 The Techs
 Nucor Berkeley
 Nucor Arkansas
 USS-POSCO
 Steel Dynamics
 ArcelorMittal Riverdale
 Nucor Crawfordsville

Top Plate Mills

As Rated by Service Center Customers

Nucor Tuscaloosa
 SSAB North American
 Nucor Hertford
 Essar Algoma

Top Specialty Steels Mills

As Rated by Service Center Customers

AK Specialty Steels
 Allegheny Ludlum
 Imports

Top Beam Mills

As Rated by Service Center Customers

Nucor Berkeley Beams
 Nucor Yamato
 Gerdau Midlothian

Top Bar/Structurals Mills

As Rated by Service Center Customers

CMC Steel Texas
 Nucor Kankakee
 CMC Arizona
 Nucor Seattle
 Gerdau Wilton
 SDI Roanoke Bar
 Nucor Utah
 Nucor Texas

Source: Jacobson & Associates. Data is for the 12 months ending Sept. 30, 2012.

All the mills in Chart 3, ranked by product category and customer type, averaged the highest scores for the five measures of customer satisfaction: quality, delivery, price, service and overall performance.

CHART 4

Loyalty Index Ranking

Highest Ranked Mills in Customer Loyalty by Product Category

Sheet Producers

North Star BlueScope
 The Techs
 ArcelorMittal Riverdale
 ArcelorMittal Cleveland
 USS Great Lakes
 Nucor Arkansas
 USS Gary
 Steel Dynamics
 USS Mon Valley
 USS Fairless
 ArcelorMittal Indiana Harbor
 California Steel
 Nucor Decatur
 USS Midwest
 Nucor Crawfordsville
 ArcelorMittal Dofasco

Bar/Structurals Producers

Nucor Kankakee
 Gerdau Cambridge

Gerdau Calvert City
 Gerdau Charlotte
 Gerdau Whitby
 Nucor Jackson
 Gerdau Jackson
 Nucor Seattle
 CMC Steel Texas
 SDI Roanoke Bar
 Nucor Auburn
 Nucor Utah
 Gerdau Knoxville
 Nucor Kingman
 Nucor Texas
 Nucor South Carolina

Plate Producers

Essar Algoma
 SSAB North America
 Imports
 ArcelorMittal Coatesville
 Nucor Hertford

Beam Producers

Gerdau Cartersville
 Nucor Yamato
 Gerdau Midlothian

Stainless Sheet Producers

TK Stainless USA
 Allegheny Ludlum
 AK Specialty Steels

SBQ Producers

Alton Steel
 Nucor Nebraska
 Timken
 Gerdau Midlothian
 Republic Steel

Source: Jacobson & Associates. Data is for the 12 months ending Sept. 30, 2012.

Customer loyalty is one of the most important gauges of future success. In each Jacobson Survey, mill customers are asked to rate the likelihood they will be using each supplier in 12 months. Calculating an index based on a weighted average of the responses, Jacobson & Associates assigns a loyalty rating to each supplier. Companies that develop the most trust and loyalty with their customers stand to fare best in the future, especially in a declining market.