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A STUDY ON PERCEPTION TOWARDS RAN INDIA STEELS (P) LTD AMONG THE DEALERS IN TAMILNADU

By

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Of

Department of Management Studies

Kumaraguru College of Technology

Coimbatore

A PROJECT REPORT

Submitted to the

FACULTY OF MANAGEMENT SCIENCES,

In partial fulfillment of the requirements

For the award of the degree

of

MASTER OF BUSINESS ADMINISTRATION

May, 2008

CERTIFICATES

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Department Of Management
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BONAFIDE CERTIFICATE

Certified that this project titled **'A STUDY ON PERCEPTION TOWARDS RAN INDIA STEELS (P) LTD AMONG THE DEALERS IN TAMILNADU'** is the bonafide work of **Mr. MOHAN RAJA. R (Reg no: 71206631030),** who carried out this research under my supervision. Certified further, that to the best of my knowledge the work reported herein does not form part of any other project report or dissertation on the basis of which a degree or award was conferred on an earlier occasion on this or any other candidate.

.....
Project Guide

.....
Director

Evaluated and Viva-voce held on...2/7/2008...

.....
Examiner I

2/7/2008
.....
Examiner II

RAN INDIA STEELS (P) LTD.,

RANINDIA

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To

The Director
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PROJECT COMPLETION CERTIFICATE

This is to certify that Mr. R.MOHANRAJA (Roll No. 06MBA30) a student of KCT Business School, Kumaraguru College of Technology, had undergone a project between 10.01.2008 and 20.03.2008 entitled,

A STUDY ON PERCEPTION TOWARDS RAN INDIA STEELS (P) LTD AMONG THE DEALERS IN TAMILNADU.

During the tenure his performance was good.

Thanks & regards
For **Ran India Steels (P) Ltd**

(R.R.Prasad)
Chief Executive

DECLARATION

DECLARATION

I, hereby declare that this project report entitled as "**A study on perception towards Ran India Steels (P) Ltd among the dealers in Tamilnadu** " done in Ran India Steels (P) Ltd., Tiruchengode has been undertaken for academic purpose submitted to Anna University In partial fulfillment of the requirements for the award of the degree of Master of Business Administration. The project report is the record of original work done by me under the guidance of Dr. B. Subramani during the academic year 2007-2008.

I also here by, that the information given in this report is correct to best of my knowledge and belief.

Place :

Signature of the candidate

Date :

EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

Of all the factors of marketing, distributions is the most important. It is a matter of common knowledge that every business organization depends for its effective functioning more on distribution system than other marketing factors.

The project is the result of the study on perception towards Ran India Steels (P) Ltd among the dealers in Tamilnadu.The main objective of the study is to measure dealers' satisfaction level from different perspectives.

The primary data was collected from the dealers of Ran India Steels (P) Ltd among the dealers in Tamilnadu with a structured interview schedule.

For this study, questionnaire was conducted to find out the level and factors influencing dealers' satisfaction and to spot light the areas that the management need attention.

The study uses Percentage analysis, Weighted average ranking method and CHI-SQUARE test analyzing the data collected.

The building of the study reveals that the dealers of Ran India Steels (P) Ltd., seem to have satisfaction regarding the quality, availability, credit facility, response for complaints and recognizing suggestions.

ACKNOWLEDGEMENT

ACKOWLEDGEMENT

Throughout my life I have always benefited from many wonderful people around me, and the last two months of this project have been no exception. I have many people to be thankful to.

I adore the almighty and extol his glory by paying my contribution of thankfulness for blessing me with all knowledge required to complete this project successfully.

I thank our respected chairman Dr. N. Mahalingam who helped us to undergo this master's degree and acquire a lot of knowledge.

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I express my gratitude to our director, Mr. S. V. Devanathan, for his kind patronage and for his consent to carryout this project.

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I am highly obliged to extend my sincere thanks to Mr. R. R. Prasad, CEO of Ran India Steels (P) Ltd., for his effective guidance and valuable support to carryout this project in their premises.

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TABLE OF CONTENTS

TABLE OF CONTENTS

CHAPTER NO	TITLE	PAGE NO
1	INTRODUCTION	
	2.1 BACKGROUND OF THE STUDY	2
	2.2 REVIEW OF LITERATURE	3
	2.3 OBJECTIVES	5
	2.4 SCOPE OF THE STUDY	5
	2.5 RESEARCH METHODOLOGY	5
	2.6 LIMITATIONS	8
	2.7 CHAPTER SCHEME	8
2	COMPANY PROFILE	
	2.1 COMPANY PROFILE	9
	2.2 VISION AND MISSION	9
	2.3 PRODUCT PROPERTIES	10
	2.4 THE PRIDE	12
	2.5 AWARDS	12
	2.6 FEATURES AND ADVANTAGES	13
	2.7 GOALS	13
3	MICRO AND MACRO ANALYSIS	14
4	DATA ANALYSIS AND INTERPRETATION	27
5	FINDINGS, SUGGESTIONS AND CONCLUSION	55
	ANNEXURE	62
	BIBLIOGRAPHY	65

LIST OF TABLES

LIST OF TABLES

Table. no	Particulars	Page no
4.1	**PERCENTAGE ANALYSIS**	
4.1.1	AGE OF THE RESPONDENTS	27
4.1.2	EXPERIENCE OF THE RESPONDENTS	28
4.1.3	PERCEPTION OF QUALITY	29
4.1.4	PERCEPTION OF PRICE	30
4.1.5	PERCEPTION OF MOTIVATION	31
4.1.6	PERCEPTION OF BRAND AWARENESS	32
4.1.7	PERCEPTION OF CONSIDERATION	33
4.1.8	PERCEPTION OF CREDIT FACILITIES	34
4.1.9	PERCEPTION OF RESPONSE FOR COMPLAINTS	35
4.1.10	PERCEPTION OF PROMOTIONAL SERVICES	36
4.1.11	RECOGNISING SUGGESTIONS	37
4.2	**WEIGHTED AVERAGE RANKING**	
4.2.1	PERCEPTIONAL FACTORS	38
4.2.2	PERCEPTION OF SERVICES	39
4.2.3	RANKING AS PER QUALITY	40
4.2.4	RANKING AS PER PRICE	40
4.2.5	RANKING AS PER SALES	41
4.2.6	RANKING OF INFLUEINCING FACTORS	41
4.2.7	RANKING OF ADVERTISING MEDIA	42

Table. no	Particulars	Page no
4.3	**CHI-SQUARE TEST**	
4.3.1	EXPERIENCE AND LEVEL OF SATISFACTION (QUALITY)	43
4.3.2	EXPERIENCE AND LEVEL OF SATISFACTION (PRICE)	45
4.3.3	EXPERIENCE AND LEVEL OF SATISFACTION (CONSIDERATION)	47
4.3.4	EXPERIENCE AND LEVEL OF SATISFACTION (BRAND AWARENESS)	49
4.3.5	EXPERIENCE AND LEVEL OF SATISFACTION (CREDIT FACILITIES)	53
4.3.6	EXPERIENCE AND LEVEL OF SATISFACTION (PROMOTIONAL SERVICES)	55

LIST OF CHARTS

LIST OF CHARTS

Table. no	Particulars	Page no
4.1	**PERCENTAGE ANALYSIS**	
4.1.1	AGE OF THE RESPONDENTS	27
4.1.2	EXPERIENCE OF THE RESPONDENTS	28
4.1.3	PERCEPTION OF QUALITY	29
4.1.4	PERCEPTION OF PRICE	30
4.1.5	PERCEPTION OF MOTIVATION	31
4.1.6	PERCEPTION OF BRAND AWARENESS	32
4.1.7	PERCEPTION OF CONSIDERATION	33
4.1.8	PERCEPTION OF CREDIT FACILITIES	34
4.1.9	PERCEPTION OF RESPONSE FOR COMPLAINTS	35
4.1.10	PERCEPTION OF PROMOTIONAL SERVICES	36
4.1.11	RECOGNISING SUGGESTIONS	37

CHAPTER I

INTRODUCTION

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INTRODUCTION

The domestic steel industry is picking up during the past year and prices' moving up in leaps and bounds. India, for the first time, has emerged as the world's largest producer of sponge iron for the year 2002, accounting for around 12 per cent of the global output.

In 2001, Mexico occupied the numero uno position with India a close second. Mexico has moved down to the third place this year and Iran slipping to the second position, according to global production figures made availability by the US-based Midrex, global consultant and technology supplier for sponger iron production.

Sponge iron is used to make steel by all Indian steel producers and is a substitute for steel melting scrap. Midrex controls around 93 per cent of the world's sponge iron production by its technology.

Sponge Iron Manufacturers' Association (SIMA) that with 6.53 million tones production in 2002, India has become the world's largest producer in this category. It recorded a 16.87 per cent increase in production from 5.59 million tones to 6.53 million tones in 2002. Out of this, 3.416 million tones were produced by the gas-based units while the remaining 3.116 million tones were produced by the coal-based units.

India is followed by Iran with 5.3 million tones production, Mexico with 4.8 million tones and Venezuela with 4.8 million tones of production, according to Midrex.

Together, these four countries account for around 40 per cent of the global sponge iron production.

1.1 BROAD AREA OF THE STUDY

Of all the factors of marketing, distributions is the most important. It is a matter of common knowledge that every business organization depends for its effective functioning more on distribution system than other marketing factors.

Perception is the representation of what is perceived; basic component in the formation of a concept. Perception is a way of conceiving something. Perception is becoming aware of something via the senses.

Perception is based on prior attitudes, beliefs, needs, stimulus factors, and situational determinants, individuals perceive objects, events, or people in the world about them. Perception is the cognitive impression that is formed of "reality" which in turn influences the individual's actions and behavior towards that object.

Monitoring dealers' satisfaction levels is essential for the acquisition and retention of a better distribution network. Tracking the attitudes and opinions of dealers can identify the problem areas and solutions related to management and services, quality and various other factors which help for organizational development. A comprehensive dealer's perception study can be the key force for a motivated and loyal workforce.

The subject related to the project was perception towards
RAN INDIA STEELS (P) LTD among the dealers in Tamilnadu. The term perception among the dealers refers to how the dealers feel about the services and many other factors has clear financial implications for the organizations future success.

1.2 REVIEW OF LITERATURE

Patrik Jonsson, "Achieving high satisfaction in supplier-dealer working relationships", Increased attention has been paid to the question of how to build stable and long-term working relationships between suppliers and dealers. This study proposes a conceptual model including behavioral dimensions of supplier-dealer relationships and presents hypotheses about how to achieve satisfactory inter-organizational relationships. Satisfaction is the consequence of working relationships focused upon in our model. The model is an empirical assessment of the relationship between Swedish lumber dealers and their suppliers. T-test evidence suggests that all proposed critical variables, with the exception of coercive power, are of significant importance for achieving a high rate of perceived relationship satisfaction, regardless of whether the relationship is characterized by a high or a low level of trust and commitment. A good reputation, close relationship and positive relationship benefits are key variables for the achievement of high satisfaction in a "high-trust and commitment relationship". Results also indicate that it is possible to achieve a high satisfaction level even when the supplier-dealer trust and commitment are lacking.

Soumava Bandyopadhyay, "Dealer Satisfaction Through Relationship Marketing Across Cultures", The relationship of supplier-dealer relationalism with dealer satisfaction is examined with the help of a structural equation model in the two diverse cultures of the United States and India. Intrachannel relationalism between suppliers and dealers is measured in six dimensions: solidarity, mutuality, flexibility, role integrity, duration, and trust. The same measures of the various aspects of relationalism and dealer satisfaction are applied in the electric lamp and lighting equipment channels in the two countries with satisfactory reliability and validity. In both countries, relationalism as a whole is found to have a significant positive impact on dealer satisfaction. Individually, different dimensions have significant impacts on dealer satisfaction in the two countries. In the United States, trust and mutuality are individually significant, whereas in India, flexibility is the significant dimension affecting satisfaction. Managerial implications of the results and future research directions are discussed.

B. Gassenheimer, "Supplier involvement and dealer satisfaction: implications for enhancing channel relationships", Suppliers use a variety of strategies to gain a preferred position within their dealers' supply network. Dealers allocate purchases among several suppliers in order to maximize benefits from their suppliers' competitive maneuvers and to avoid being dominated. Uses an extension of transaction cost analysis and contract law to provide empirical insight into supplier-dealer relationships within dealers' supply networks. Also suggests simple but powerful mechanisms for suppliers to enhance relationship strength.

Syed Saad Andaleeb, "An experimental investigation of satisfaction and commitment in marketing channels; the role of trust and dependence", This paper examines the independent and interactive effects of trust and dependence on satisfaction and commitment in a contrived dyadic exchange relationship. Trust and dependence were manipulated in a 2 × 2 factorial experiment. Data were obtained from a sample of 72 business executives. The findings indicate main effects of trust and dependence on satisfaction. For commitment, an interaction effect was found. Managerial implications of building trust in dependence relations are discussed.

Jakki J. Mohr, " Communication flows in distribution channels: Impact on assessments of communication quality and satisfaction", The researchers develop and test a model of the relationships between: (1) norms of information sharing and communication flows of frequency, bidirectionality, and formality; (2) these communication flows and dealers' assessments of the quality of communication and satisfaction with communication; and (3) formality of communication flows and dealers' distortion and withholding of information. Based on data collected with a survey mailed to a national sample of computer dealers, our findings offer insight on channels communication to both researchers and practitioners. By examining the impact of communication flows on summary judgments of communication, managers can focus their efforts on vital communication flows which stimulate positive assessments of communication, and which stymie less beneficial/detrimental communication behaviors (such as distortion and withholding of information).

1.3 OBJECTIVES

1. To know the satisfaction level of the dealers towards RAN INDIA STEELS
2. To analyze the factors that influences the customers to buy RAN INDIA STEELS from the dealer.
3. To analyze the present position of RAN INDIA STEELS in the market with that of other well known brands.
4. To offer suggestions to the organization based on findings of the study.

1.4 SCOPE OF THE STUDY

The scope of the study is limited to exploring the perceptions of Dealers of RAN INDIA STEELS (P) LTD. The findings are limited to the Dealers of RAN INDIA STEELS (P) LTD., only.

1.5 RESEARCH METHODOLOGY

One of the basic desires of Man is to know the things around him. He wants to understand the things around him. No wonder does a man wish to acquire knowledge by inquiry. Many questions are darted to him like all the 'W' questions. Now that he needs all the answers. He asks many questions and finds answers to it. This prompts him to find solution to problems and urges him to do something better than the best.

Definition of Research

Research is a careful inquiry or examination to discover new information to expand and verify existing knowledge. The purpose of research is gaining knowledge, which will be used for solving problems or for satisfying one's need for knowledge. In order to achieve the goals of the researcher, evidence has to be collected; the evidence may be pragmatic or printed or even both done. The main questions ensuring the gathering of printed field study evidence are interview, questionnaire and observation, master's thesis and doctoral dissertations

1.5.1 Type of study

The study assumes the nature of descriptive research. The descriptive research describes the characteristics of a group in a given situation which offers ideas for future research and helps to make certain simple decisions. The study describes the profile of Dealers, their satisfaction level and their perception about various factors offered by the company.

1.5.2 Sampling method

The data is collected from the Sample of the entire population. The Sampling technique used is convenience sampling. 50 samples are selected from the entire population of 147 respondents according to the convenience of the researcher.

1.5.3 Method of data collection

Survey method

Survey research is one of the important areas of measurement in social research. The broad area of survey research encompass any measurement procedures that involve asking questions of respondents surveys are roughly divided into two broad areas; Questionnaire and interviews.

Interview

Interviews are one of the chief means of collecting data in social science researches. Interview may be defined as a systematic conversation initiated for a specific purpose and focused on certain planned content areas. It is not a two way conversation between an interviewer and the interviewee.

The interviewer asks him to respond to the questions relating to the opinions, experiences, attitudes, belief, future intentions or knowledge. The decision is taken with the help of a structural schedule or a guide that is framed. It may be used as a main method or a supplementary one. In a pragmatic study the interview plays a major role.

Questionnaire

The questionnaire was prepared using the Likert Scaling Technique. This technique was used, as it is highly reliable and can be adapted to the measurement of various kinds of attitudes. There were five parameters of rating,

a) Highly satisfied
b) Satisfied
c) Neutral
d) Dissatisfied
e) Highly dissatisfied

The question is wise analysis is given and the suggestions are made thereafter so RAN INDIA STEELS (P) LTD., can leverage on its Dealer strength and capture the true essence of success

1.5.4 Tools for analysis

SPSS is used for analyzing the data collected. The study uses Percentage analysis, Weighted average ranking method and CHI-SQUARE.

Percentage analysis is used to describe the profile of the employees, factors relating to job satisfaction and the satisfaction level.

Ranking method is used to describe the preference of factors relating to job satisfaction

CHI-SQUARE is used to describe the relationship between profile factors and the factors relating to job satisfaction

1.6 LIMITATIONS

- Time being a limited factor; the investigator could not go deep and collect data from entire population.

- Due to managerial constraint, accessibility to internal document was not allowed.

- Due to time restriction, the study was conducted at Erode, Namakkal, Salem, Trichy, and Madurai Districts only.

1.7 CHAPTER SCHEME

The study is reported in five chapters. The first chapter discusses the background to study, objectives, scope, limitations and methodology of the study.

The second chapter deals with organization profile that includes history, management, organization structure and various functional areas.

The third chapter discusses about the macro-micro analysis which deals with the prevailing economic scenario with the industry.

The fourth chapter deals with data analysis and interpretation.

The fifth chapter deals with the results and discussions and considered recommendations.

CHAPTER II

COMPANY PROFILE

CHAPTER II

COMPANY PROFILE OF RAN INDIA STEELS (P) LTD

2.1 Company Profile

RAN INDIA STEELS (P) LTD made a zealous entry as a manufacturer of cold twisted deformed (CTD) bar with TOR Quality standard in the year 1995 it was incorporated by the Managing Director Mr. R. Radha and the Executive Director Mr. R. Nagarajan.

Mr. R. Radha who is looking after the Finance Management and marketing is having 25 years experience in automobile, Rigs operations and Steel operation and trade. Mr. R. Nagarajan, who is a Mechanical Engineer, has two decades of experience in the field of steels manufacturing.

The annual installed capacity of the company is 37700 MTs. A billet manufacturing plant is started in the year 2004 with an annual installed capacity of 43800 MT.

2.2 Vision & Mission

Vision

The company ventures into the new millennium in a highly competitive environment with global demand and supply chain. The organization with its knowledge based on professional management.

And dedicated work force wants to be establishing itself as the supplier of choice by serving customer with unmatched service and quality.

Mission

RAN INDIA STEELS formed with the vision of satisfying customer by providing good quality product at competitive price. That is not enriching organization but also benefit people associated with economic objectives still remain unchanged through four decades. The company strives to achieve the pinnacles of excellence in its field and is a single stop shop serving the whole need of its customer.

2.3 Product Properties

2.3.1 Chemical Composition

	TOR 40	TOR 50
Carbon	0.25	0.30
Sulphur	0.06	0.55
Phosphorous	0.06	0.055
Sulphur & Phosphorous	0.11	0.105

2.3.2 Standard Sizes and Useful Data

Std dia	Nominal Weight	Minimum wt. for individual samples	Range wt. for batch		Range of number of places (11m long) per Ton		Area of section for design
mm	Kg/m	Kg/m	Kg/m	Kg/m			Sq.m
6	0.222	0.204	0.206	0.238	382	441	0.28
8	0.395	0.363	0.367	0.423	215	248	0.50
10	0.617	0.567	0.574	0.660	138	158	0.78
12	0.888	0.835	0.843	0.932	98	108	1.13
16	1.579	1.483	1.500	1.658	55	61	2.01
18	1.998	1.918	1.938	2.058	44	47	2.54
20	2.467	2.368	2.393	2.541	36	38	3.14
22	2.985	2.865	2.890	3.074	30	31	3.80
25	3.855	3.699	3.739	3.971	23	24	4.91
28	4.836	4.641	4.691	4.981	18	19	6.16
32	6.316	6.060	6.127	6.506	14	15	8.04

2.3.3 Mechanical Properties

	TOR – 40	TOR – 50
Yield or 0.2% proof strength	4230 Kg/cms, (415 N/mm2)	5100kg/cm2, (500N/mm2)
Ultimate Tensile strength	Minimum 10% above measured proof strength however not less than 4950 Kg/cm2 (485N/mm2)	Minimum 10% above measured proof strength
Elongation (Gauge Length 5d)	14.5% min	12% min
Bend Test	Satisfied bend test around a mandrel (thro'180) of 3d for dia upto and including 25mm and 4d for over 25mm dia	
Rebend Test	Satisfies rebend test around a mandrel of 5d for dia upto and including 10mm and 7d for over 10mm dia through 45 degrees bend and 22.5 degrees reverse bend.	

2.3.4 Quality

With the dedication to product quality, the company has carved a niche for itself in the industry.

Spectrometer

The spectrometer, latest German technology equipment checks the composition of 26 elements of steel and assures the quality. This is the only company in South India to have this modern equipment so as to produce the quality bars.

Ultimate Tensile Machine

The tensile of the bars are randomly tested in the UTM for higher ISI standard and TOR quality.

2.4 The Pride

100% quality assurance
More bounding strength in concrete
More grains deformation (latest technology)
TRFI & ISI certificate

2.5 Awards

The Gem of India Award was given to Rtn. R. Radha, The Managing Director by the Honorable Central Minister for Labor Welfare, Mr. Ashok Pradhan. The Rajiv Gandhi Award was given to Rtn. Er. R. Nagarajan, Executive Director by the Honorable Central Minister for Labor Welfare.

In India over 16 million tons of Torsteel Grade TOR 40 with a minimum guaranteed 0.2% proof stress (characteristic strength) Fe of415N/Sq.mm has so far been used. The yield strength of the conventional MS being 250 N/Sq.mm over 26 million tons would have otherwise been consumed if Torsteel was not made available. The monetary savings alone is thus over Rs.11,000/- crores being cost of 10 million tons of steel saved at current price; this is apart from other benefits derived by the change over. Further research and development during the past few years led to the introduction of superior grade of Tor Steel viz TOR-50 (Fe=500). This grade also gained wide national and international acceptance in the RC construction industry in view of its added economy and other advantages over TOR-40 and mild steel.

2.6 Features and Advantages

1. Better fatigue strength
2. Built in high creep resistance through adequate cold working
3. 100% weld ability
4. Satisfactory bend ability
5. Lesser crack-width due to high bond
6. 20% higher factor of safety due to hyper-resistance to plastic flow.
7. Suitable for use as main reinforcement in tension, compression and also as shear reinforcement, distribution steel, ties, stirrups etc.
8. Significant saving on cost.
9. RAN INDIA STEELS are manufactured with 100% billet raw material of IS 2830 grade.

2.7 Goals

The RAN INDIA STEELS, which is a trait blazer in the twisted steel bar business in Tamilnadu and one of the growing organization in India, now takes efforts to meet the Global demand by way of exporting. To meet the demand for more power, RANA INDIA STEELS is planning to establish its own power plant in the near future.

"We can be confident and build any number of stories with the twisted bars. The weight of the building is being equally shared only on the twisted bars".

-Olivera Salazar - Architect, Portugal.

"The twisted bars are 40% stronger than the ordinary bars"

-Chin Peng - Structural Analyst, Malaysia.

RAN INDIA STEELS progresses towards German, Morocco, Mauritius and South Africa.

CHAPTER III

MACRO AND MICRO ANALYSIS

CHAPTER III

MACRO AND MICRO ANALYSIS

Steel Industry - A Global Perspective

1. During 2006, the world crude steel production reached a level of 1244 Million Tonnes.

2. It shows a growth of 9.0% over 2005 crude steel production level at 1142 Million Tonnes.

3. China retained it's no. 1.position by producing around 422 Million tonnes, followed by Japan with production of 116 Million Tonnes and USA with production at around 98 Million Tonnes.

4. India with production of 44 Million Tonnes ranked 7th amongst world steel producing countries.

5. China accounted for 34% of world crude steel production where as contributions from rest of the world were at EU 16%, NAFTA 10.5%, CIS 9.6%, JAPAN 9.3% and other ASIA 10.5%.

6. If we look at crude steel equivalent consumption figures during the year 2006 it will be seen that China accounted for 31%, EU 17% ,NAFTA 14.5%, CIS 4.7%, JAPAN 6.7% and other ASIA 14% towards crude steel consumption for the world.

7. Apparent finished steel consumption during the year 2006 was around 1113 Million Tonnes as against 1026 Million tonnes during 2005.

8. During the year 2005 , total world trade was around 364 million tones.

9. During the year 2005 ,USA ranked no.1 as net importer country at 20.8 million tones followed by Thailand at 10.8 million tones and Iran at 6.9 million tones.

10. During the year 2005, Japan leads the world steel trade as a net exporter at 26.8 million tones followed closely by CIS and Russia at 26.3 Million tones.

11. During 2007, crude steel production till Sept'07(Jan-Sept'07) has been around 980 million tones representing an increase of around 7.7% over same period last year (910 million tones).

Investing in Steel: The New Andrew Carnegie

Today's global steel industry has its own version of Andrew Carnegie. He's Lakshmi Mittal, a quietly spoken, London-based tycoon originally from India. The Mittal dynasty made its first investment in steel only in the 1970s, when its founder, Mohan Lal Mittal, bought a tiny steel firm in Indonesia. Since 2000, Lakshmi Mittal -- as chairman and main owner of the Netherlands-based Mittal Steel -- acquired Ohio-based International Steel Group, itself a recent agglomeration of famous names such as Bethlehem Steel and LTV. These and other acquisitions made his company into the world's biggest steelmaker. They also helped land him the #3 spot on the Forbes Billionaire List in 2005, right behind Bill Gates and Warren Buffett.

Another turning point came in 2006, when Mittal launched a takeover bid for the Luxembourg-based Arcelor -- the #2 steelmaker in the industry. Arcelor itself was formed only in 2001 through the combination of the top steelmakers in France, Spain and Luxembourg. Although Mittal's original offer for Arcelor was rebuffed, Arcelor's board finally agreed to sell the company to Mittal Steel for cash and stock valued at €25.6 billion ($32.2 billion). The merger created by far the world's largest steelmaker in terms of market value, revenue and output. Today, the combined Arcelor Mittal (MT) group produces more than 120 million tons of steel a year.

Investing in Steel: A Wave of Global Consolidation

What's next for world steel? Expect yet more consolidation that will make the industry more efficient. Despite recent high-profile mergers, the global steel industry remains fragmented along national lines. And size has its advantages. Larger companies have more power to negotiate with suppliers. They can better manage production to keep prices and profitability high. They can exploit synergies in marketing, trading, and research and development that their smaller rivals can't.

U.S. Steel (18 million tons), now facing a giant in the form of Arcelor Mittal in its own backyard, last week bid for Lonestar Technologies. Germany's ThyssenKrupp (16 million tons), born of a 1999 merger, has long been looking for partners, both in Europe and America. NKK and Kawasaki, two large Japanese companies merged to form JFE. And, Korea's POSCO (29 million tons) aspires to become a 50 million ton producer.

Industry leaders such as Lakshmi Mittal ultimately expect that the steel industry will be dominated by a handful of companies that produce more than 100 million tons a year. Consulting group Accenture estimates that by 2010, the five top companies in steel will control 30% of the market -- each averaging 80 million tons a year. In 2000, the top five companies combined to control only 14% of the market.

Investing in Steel: Is China a Savior or a Threat?

The global steel industry has China to thank for its spectacular and unexpected recovery. Thanks to the Asian giant's explosive growth, global steel consumption has increased by an average of nearly 6% a year between 2000 and 2005 -- compared with an anemic 1.9% annual average growth between 1970 and 2000. Between now and 2015, global steel demand likely will grow by 3.5% a year.

Not surprisingly, increased demand has pushed prices higher. Hot-rolled coil, for instance, the sheet steel for cars and fridges, tripled from $200 a ton to more than $600 a ton. Steel companies also grew their operating margins to 30% and earned profits of up to $250 a ton. Some forecasts suggest that the prices for exported hot-rolled sheet could easily rise to about $700 a ton by the middle of the summer -- a harbinger of a further period of good profit growth for the steel industry.

But here's the downside. In 1994, China's steelmaking capacity was only 11% of the world total. Today, that capacity approaches one-third. With China investing at a rate of $35 billion a year, it plans for at least four huge new coastal steel plants. By 2010, China will produce 63 million tons of steel in excess of domestic demand. Over-capacity in the domestic market has already driven China's internal steel prices for the benchmark sheet steel down to $300 a ton -- well below international levels. Indeed, since the end of 2005, Chinese companies have started to sell steel in foreign markets. It's little wonder that the same Western steelmakers that have Chinese demand to thank for the revival of their industry are fearful that fleet loads of cheap Chinese steel will be sold in their markets.

Steel Industry – An Indian Perspective

Introduction

The Indian Steel industry is almost 100 years old now. Till 1990, the Indian steel industry operated under a regulated environment with insulated markets and large scale capacities reserved for the public sector. Production and prices were determined and regulated by the Government, while SAIL and Tata Steel were the main producers, the latter being the only private player. In 1990, the Indian steel Industry had a production capacity of 23 MT. The year 1992 saw the onset of liberalization and the Indian economy was opened to the world. Indian steel sector also witnessed the entry of several domestic private players and large private investments flowed into the sector to add fresh capacities.

The last decade saw the Indian steel industry integrating with the global economy and evolving considerably to adopt world-class production technology to produce high quality steel. The total investment in the Indian steel since 1990 is over Rs 19,000 crores mostly in plant equipments, which have been installed after 1990. The steel industry also went through a turbulent phase between 1997 and 2001 when there was a downturn in the global steel industry. The progress of the industry in terms of capacity additions, production, consumption, exports and profitability plateaued off during this phase. But the industry weathered the storm only to recover in 2002 and is beginning to get back on its feet given the strong domestic economic growth and revival of demand in global markets.

With a current capacity of 35 MT the Indian Steel Industry is today the 8th largest producer of steel in the world. Today, India produces international standard steel of almost all grades/varieties and has been a net exporter for the past few years, underlining the growing acceptability of its products in the global market. Steel is a highly capital intensive industry and cyclical in nature. Its growth is intertwined with the growth of the economy at large, and in particular the steel consuming industries such as manufacturing, housing and infrastructure. Steel, given its backward and forward linkages, has a large multiplier effect.

Economists quantify the economic impact of any sector through measures such as the output multiplier effect, forward and backward effects etc. Based on the Indian input-output model, the Iron, Steel and Ferro Alloys sector (sector code 72 of CSO Table) reveals high output multiplier of 2.64 and ranks 4 out of 115 sectors into which the economy is divided. The output multiplier effect is defined as the total increase in output generation (in case of sector 72, total increase of 2.64 units including unitary increase of the sector's own output) for one unit increases of final demand in the particular sector.

The Forward Linkage refers to the inter relationship between the particular sector and all other sectors which demand the output of the former as their inputs. In the CSO table of 60 sectors (where all iron and steel sub sectors have been merged to one sector), the Forward Linkage of the Iron and Steel sector at 4.79 is quite significant (ranks 4 out of 60 sectors into which the economy is divided). The significant output multiplier effect and the forward linkage effects are the compelling reasons propelling various economies to set up domestic plants to satisfy the local demand. Economists have estimated that for every additional one lakh rupees output (2002-03 prices) in the Iron, Steel and Ferro alloys sector, an additional 1.3 man years of employment are created.

With capital investments of over Rs 100, 000 crores, the Indian steel industry currently provides direct/indirect employment to over 2 million people. As India moves ahead in the new millennium, the steel industry will play a critical role in transforming India into an economic superpower.

Types of Steel

All steel products are made from semi-finished steel that comes in the form of slabs, billets and blooms. Though today there are over 3500 varieties of regular and special steel available, steel products can be broadly classified into two basic types according to their shape

Flat products

Derived from slabs this category includes plates and Hot Rolled Steel such as Coils/Sheets. While plates are used for applications such as shipbuilding etc. HR Steel is the most widely used variety of steel and other downstream flat products such as Cold Rolled Steel and Galvanized steel are made from it.

HR Steel has a variety of applications in the manufacturing sector. It is primarily used for making pipes and has many direct industrial and manufacturing applications, including the construction of tanks, railway cars, bicycle frames, ships, engineering and military equipment and automobile and truck wheels, frames and body parts. Cold Rolled Steel is used primarily for precision tubes, containers, bicycles, furniture and for use by the automobile industry to produce car body panels. Galvanized Steel is used for making roofs in the housing and construction sector.

Long products

These products derive their name from their shape. Made using billets and blooms they include rods, bars, pipes, ropes and wires, which are used largely by the housing/construction sector. There are also other products like rail tracks in the category.

Semi finished steel is also used to produce other varieties of specialized steel such as Alloy Steel.

Current Scenario

1. Indian economy growing @ 8 to 9 %, is one of the fastest growing economies in the world.

2. Industrial production showing encouraging trends. Index of industrial production for Capital goods is growing @ 8.4% CAGR and growth in index for consumer durables was @10.5% CAGR during 2005-06.

3. The 10th plan investment in infrastructure has been envisaged at around Rs.880,550 crores.
4. The major sector wise anticipated investment is likely to be Rs.292000 crores in Power, Rs.145000 crores in Roads & Bridges, irrigation Rs. 111000 crores.

5. During 11th plan (2007-08 to 2011-12), the projected investment towards infrastructure is likely to be Rs. 2027000 crores, an increase of 180% over 10th plan.

6. Per capita steel consumption at 35 kg low as compared to world average of 150 kg. and 300kg for china.

7. National Steel Policy, as formulated by Indian Ministry of Steel envisages the following -

    a. Crude steel production of 110 million tones by 2019-20 at CAGR of 7.1% from 2004-05.

    b. The demand of steel by 2020 is likely to be 90 million tones at CAGR of 6.9% from 04-05.

    c. A steel export by 2020 is likely to grow at CAGR of 13.3% from 04-05 to 26 million tones.

d. Steel imports to the country by 2020 shall grow at CAGR of 7.1% from 04-05 to 6 million tones.

8. Lot of steel projects both brownfield and Greenfield likely to come up and are in various stage of execution.

9. As per the news paper reports (Eco. Times dt.14-11-07), Steel Minister has projected India's steel production to be around 124 million tones by 2012 and a capacity of around 275 million tones by 2019-20.

10. During the year 06-07, India produced around 49 million tones of finished steel which was higher by 11 % over 05-06.

11. Imports at 4.1 million tones during 06-07 was higher by 6.5%. Exports at 4.7 million tones grew by 6.1% during 06-07.

12. During 05-06 Iron ore exports at 84 million tones was almost at the previous year's level of 87 million tones .

13. During April - Sept.'07 following has been the performance-

a. Crude steel production at 25.7 million tones, exhibited a growth of 5 % over corresponding period last year.

b. Exports at 2.6 million tones shows an increase by around 8% over the same period of last year.

c. Imports were around 3.2 million tones which was an increase by 63% over April-Sept'06.

14. Due to infrastructure focus, production of long products is gradually increasing and ratio of flat to long products is narrowing.

15. During Ap-Sept'07 non flat steel produced at 12.4 million tones showed an increase of around 9% over April-Sept'06.

16. In case of flat products production during April-Sept'07 at 12.2 million tones was almost at same level of last year.

17. Apparent Consumption of steel during April-Sept'07 was 22 million tones which was an increase by 11 % over April-Sept'06. While long products (excl. semis) at 12.3 million tones registered a growth of 9%, the flat products consumption at 12.5 million tones indicated an increase of 12%.

18. With due focus on infrastructure development and strong economic indicators, the demand for steel in India shall continue to remain robust.

Industry Structure

The Indian steel industry can be divided into two distinct producer groups:

- Major producers : Also known as Integrated Steel Producers (ISPs), this group includes large steel producers with high levels of backward integration and capacities of over 1 MT. Steel Authority of India Limited (SAIL), Tata Steel, Rashtriya Ispat Nigam Limited (RINL), Jindal Vijayanagar Steel Limited (JVSL), Essar Steel and Ispat Industries form this group.

SAIL, TISCO and RINL produce steel using the blast furnace/basic oxygen furnace (BF/BOF) route that uses iron ore, coal/coke as the basic input mix for producing finished steel.

Other major producers such as Essar Steel, Ispat Industries and JVSL use routes other than BF/BOF for producing steel. . While Essar Steel and Ispat Industries employ Electric Arc Furnace (EAF) route that uses sponge iron, melting scrap or a mix of both as input, JVSL uses COREX, a revolutionary technology for making steel using basically iron-ore and coal.

- Other producers: This group consists of smaller stand-alone steel plants that include producers and processors of steel.
- Processors/Rerollers: Units producing small quantities of steel (flat/long products) from materials procured from the market or through their own backward integration system.
- Stand alone units making pig iron and sponge iron.
- Small producers using scrap-sponge iron-pig iron combination produce steel ingots (for long products) using Electric Arc Furnace (EAF) or Induction Arc Furnace (IAF) route.

The Major producers are strategic in nature and account for most of the mild steel production in the country. The group produces most of the flat steel products in the country including Hot Rolled, Cold Rolled and Galvanized steel. The majors also produce a small proportion of Long products and other special steel being produced in the country.

Other producers account for a majority of long products being produced in the country and some of the value added flat steel products like cold rolled steel and galvanized steel.

To help the Indian Steel Industry achieve its potential and play a meaningful role in India's development some steps need to be taken,

- Steel is yet to touch the lives of millions of people in India. Per capita consumption of steel in India is only 29 kg and has to go a long way to reach consumption levels of around 400 kg in developed countries like USA and world average of 140 kg.

- There is a need to continue the current thrust on infrastructure related activities and extend them to rural India. Rural Indian today presents a challenge for development of the country and the opportunity to increase usage of steel in these areas through projects such as rural housing etc.

- Current shortage of inputs has pushed up the costs for the steel industry. Government should ensure that quality raw material such iron-ore and coke are available to the industry. With Ministry of Steel targeting an output of 100 MT of steel by 2020 there is an urgent need to develop raw material resources for inputs like iron-ore and coal within or outside the country. Countries like Japan have already taken similar steps to safeguard their industries.

- Adequate enabling infrastructure such as power, ports, roads, rail transport is pre-requisite for the Indian steel industry to remain competitive.

- Government should not regulate prices and free market forces should prevail. Intervention by the Government is only a short-term solution to the issue of steel prices in the country. Once left alone, market dynamics will automatically ensure price corrections and determine the optimum price of steel.

- The Indian steel Industry is amongst the least protected in the world. While developed countries have put numerous tariff and non-tariff barriers on steel exports from the country, the domestic industry is exposed to cheaper imports from competing nations. As in case of other important industries, the Government should give reasonable levels of protection to the domestic steel industry, which is just starting to get back on its feet.

- Industry should be allowed to have a fair return on investment and contribute to the overall health of the Indian manufacturing segment. The steel industry has invested a capital of over Rs 90, 000 crores. CRISIL in a recent study has concluded that given

the large exposure that banks and financial institutions have to the steel industry, a healthy steel sector is in the interest of the economy. Steel industry still continues to be unattractive for investors and a recent study by CRIS INFAC suggests that any new projects with target price below $270/MT will be economically unattractive.

- Today, Indian producers employ world-class standards of technology. Steel from Indian finds growing acceptability in international markets. But despite this India's share in world trade steel is a miniscule 2%. Given the capabilities of the Indian steel industry there is tremendous scope to increase this share further. While the steel industry will continue servicing the domestic demand there is a lot of untapped export potential with the industry. The Government, in line with EXIM policy 2002-07, should take steps to make Indian exports more competitive.

China's soaring demand (over the past five years China's demand for flat steel has risen at 17 percent as compared with just 2 percent for the rest of the world: the growth rate in China's demand for steel is expected to come down to 8 percent during 2003 through 2010) which had revived the long term suffering industry will eventually be satisfied by additional domestic capacity-hardly a long term solution to the fundamental problem of worldwide capacity. The basis for such a conclusion is the estimated lower cost of construction of steel mills in China by some 30 to 50 percent than comparable facilities in the developed world and the fact that currently the global flat steel industry has at least 100 million tons of overcapacity. Add to this the worry of economists of slower economic growth in China and the fact that the country can become a net exporter with telling effects on future international prices. Adequate steps must be taken right now to make the Indian steel industry more competitive in order to meet these challenges. The Indian steel industry may not be able to afford another crisis similar to him one between 1997-2001.

CHAPTER IV

DATA ANALYSIS AND INTERPRETATION

CHAPTER IV

DATA ANALYSIS AND INTERPRETATION

4.1 PERCENTAGE ANALYSIS

TABLE NO.4.1.1

AGE OF THE RESPONDENTS

S. No	Age	No. of Respondents	Percent
1	< 25	7	14
2	26-35	10	20
3	36-45	24	48
4	> 45	9	18
	Total	**50**	**100**

INFERENCE

From the above table most (48%) of the respondents belong to age group between 36-45. 20% of the respondents belong to age group between 26-35.18% of the respondents belong to age group above 45. 14% of the respondents belong to age group less than 25.

CHART NO.4.1.1

AGE OF THE RESPONDENTS

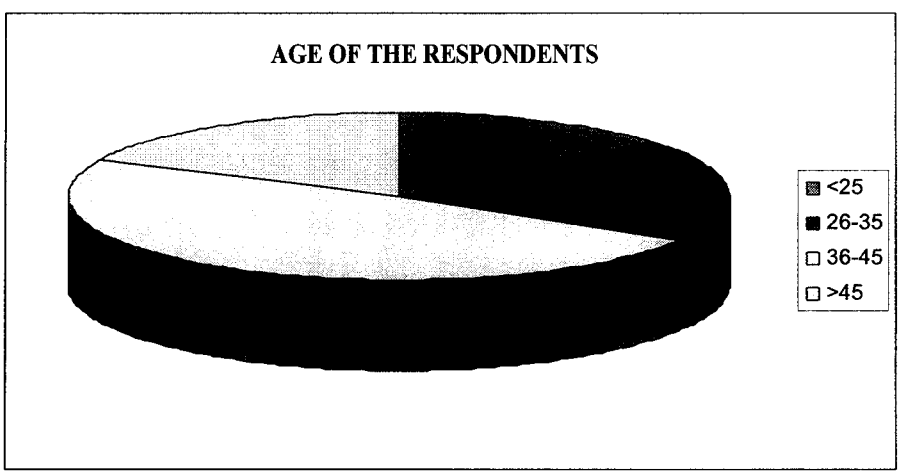


TABLE NO.4.1.2

EXPERIENCE OF THE RESPONDENTS

S. No.	Experience	No. of Respondents	Percent
1	< 5 years	11	22
2	6-10 years	16	32
3	11-15 years	17	34
4	> 15 years	6	12
	Total	**50**	**100**

INFERENCE

From the above table most (34%) of the respondents belong to experience group between 11-15 years. 32% of the respondents belong to experience group between 6-10 years. 22% of the respondents belong to experience group below 5 years. 12% of the respondents belong to experience group above 15 years.

CHART NO.4.1.2

EXPERIENCE OF THE RESPONDENTS

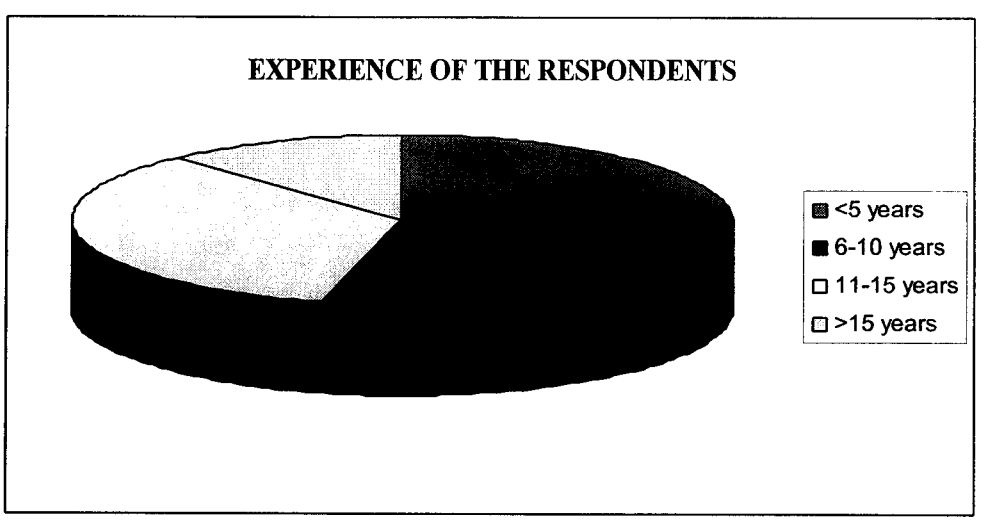


TABLE NO.4.1.3

PERCEPTION OF QUALITY

S. No.	Quality	No. of Respondents	Percent
1	Highly Satisfied	5	10
2	Satisfied	28	56
3	Neutral	16	32
4	Dissatisfied	1	2
	Total	**50**	**100**

INFERENCE

From the above table most (56%) of the respondents satisfied with the quality.32% of the respondents said that the quality is neutral. 10% of the respondents highly satisfied with the quality. 2% of the respondents dissatisfied with the quality

CHART NO.4.1.3

PERCEPTION OF QUALITY

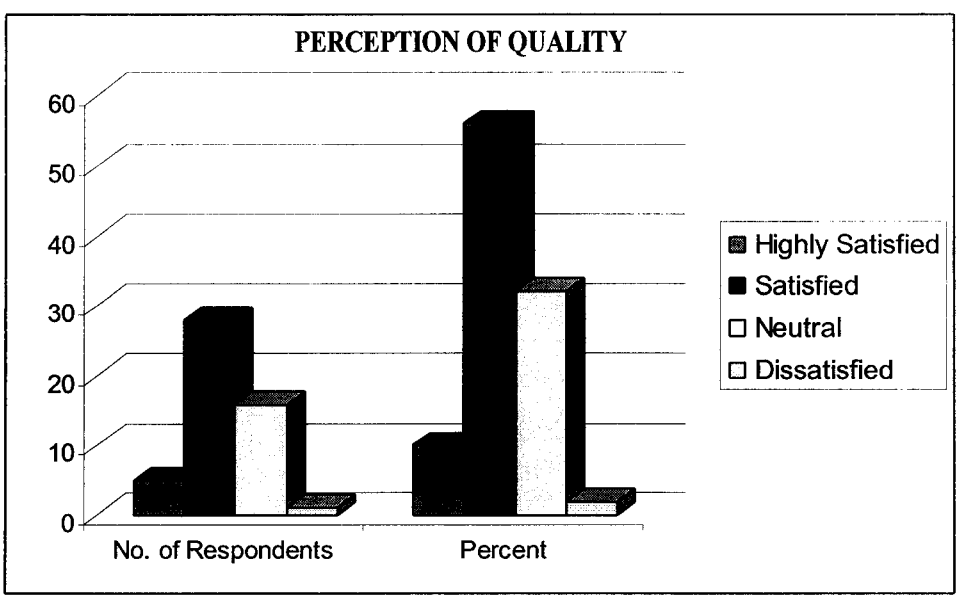


TABLE NO.4.1.4

PERCEPTION OF PRICE

S. No.	Price	No. of Respondents	Percent
1	Highly Satisfied	1	2
2	Satisfied	11	22
3	Neutral	28	56
4	Dissatisfied	10	20
	Total	**50**	**100**

INFERENCE

From the above table most (56%) of the respondents said that the price is neutral.22% of the respondents satisfied with the price of the product. 20% of the respondents dissatisfied with the price. 2% of the respondents highly satisfied with the price

CHART NO.4.1.4

PERCEPTION OF PRICE

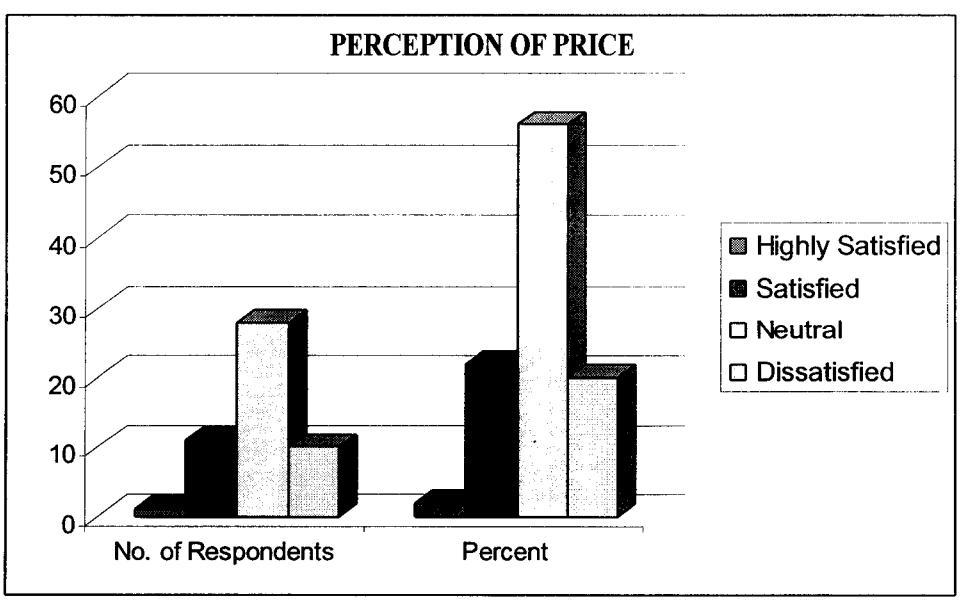


TABLE NO.4.1.5

PERCEPTION OF MOTIVATION

S. No.	Motivation	No. of Respondents	Percent
1	Highly Satisfied	3	6
2	Satisfied	23	46
3	Neutral	16	32
4	Dissatisfied	7	14
5	Highly Dissatisfied	1	2
	Total	50	100

INFERENCE

From the above table most (46%) of the respondents satisfied with motivation. 32% of the respondents said that the motivation is neutral. 14% of the respondents dissatisfied with the motivation. 6% of the respondents highly satisfied with the motivation. 2% of the respondents are highly dissatisfied with the motivation.

CHART NO.4.1.5

PERCEPTION OF MOTIVATION

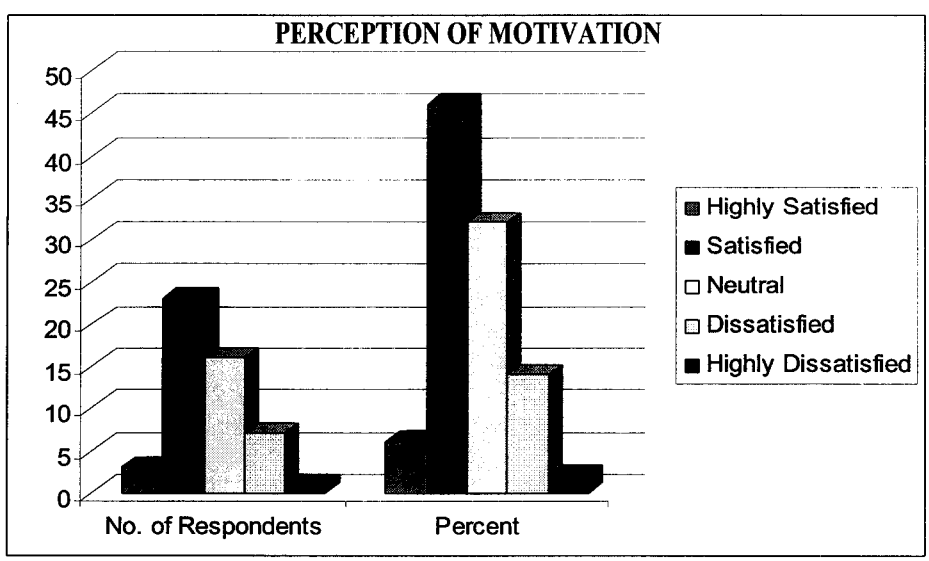


TABLE NO.4.1.6

PERCEPTION OF BRAND AWARENESS

S. No.	Brand Awareness	No. of Respondents	Percent
1	Satisfied	15	30
2	Neutral	27	54
3	Dissatisfied	5	10
4	Highly Dissatisfied	3	6
	Total	**50**	**100**

INFERENCE

From the above table most (54%) of the respondents said that the Brand awareness is neutral. 30% of the respondents satisfied with Brand awareness. 10% of the respondents dissatisfied with the Brand awareness. 6% of the respondents highly dissatisfied with the Brand awareness.

CHART NO.4.1.6

PERCEPTION OF BRAND AWARENESS

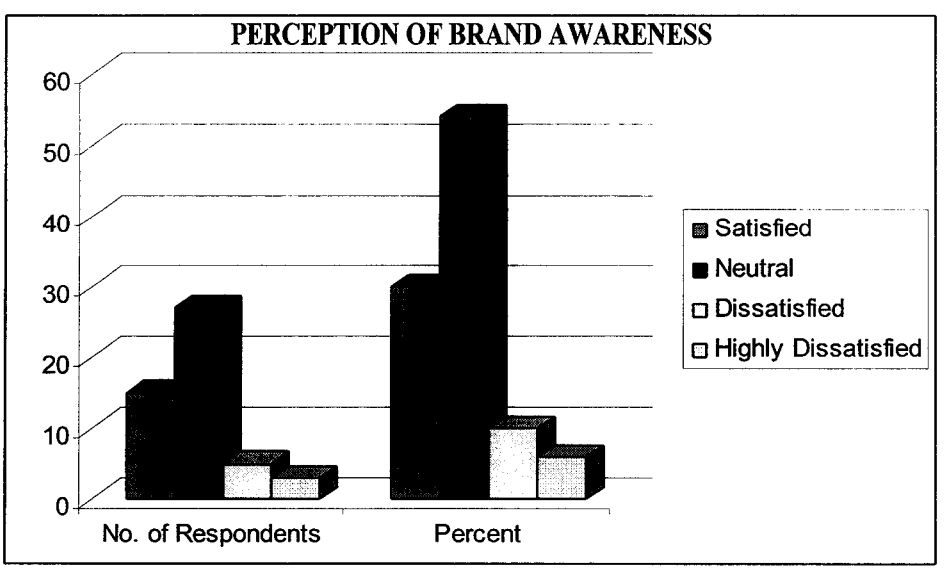


TABLE NO.4.1.7

PERCEPTION OF CONSIDERATION

S. No.	Consideration	No. of Respondents	Percent
1	Highly Satisfied	2	4
2	Satisfied	8	16
3	Neutral	24	48
4	Dissatisfied	12	24
5	Highly Dissatisfied	4	8
	Total	**50**	**100**

INFERENCE

From the above table most (48%) of the respondents said that the consideration is neutral. 24% of the respondents dissatisfied with consideration. 16% of the respondents satisfied with the consideration. 8% of the respondents highly dissatisfied with the consideration. 4% of the respondents highly satisfied with the consideration.

CHART NO.4.1.7

PERCEPTION OF CONSIDERATION

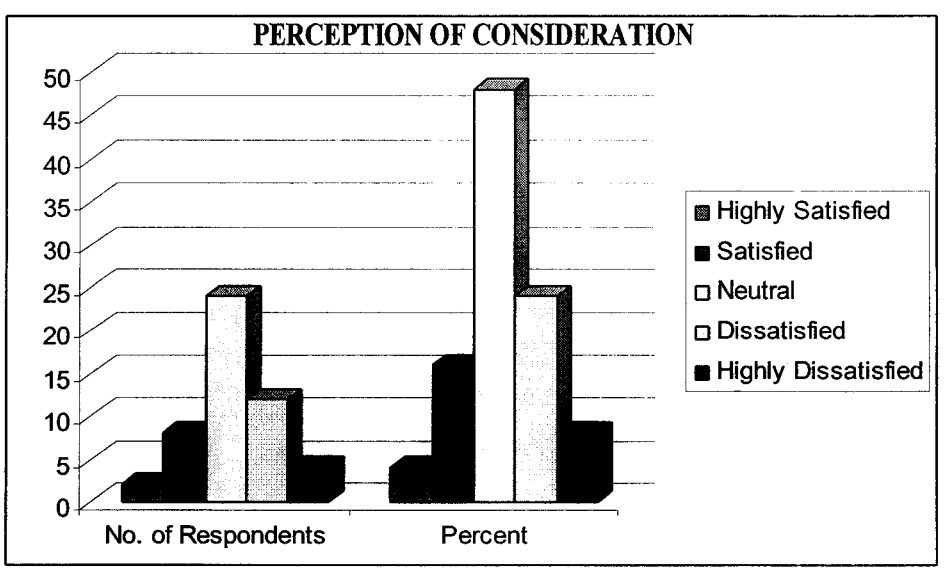


TABLE NO.4.1.8

PERCEPTION OF CREDIT FACILITIES

S. No.	Credit facilities	No. of Respondents	Percent
1	Highly Satisfied	4	8
2	Satisfied	26	52
3	Neutral	12	24
4	Dissatisfied	7	14
5	Highly Dissatisfied	1	2
	Total	**50**	**100**

INFERENCE

From the above table most (52%) of the respondents satisfied with the credit facilities. 24% of the respondents said that the credit facilities is neutral. 14% of the respondents dissatisfied with credit facilities. 8% of the respondents highly satisfied with the credit facilities. 2% of the respondents highly dissatisfied with the credit facilities

TABLE NO.4.1.8

PERCEPTION OF CREDIT FACILITIES

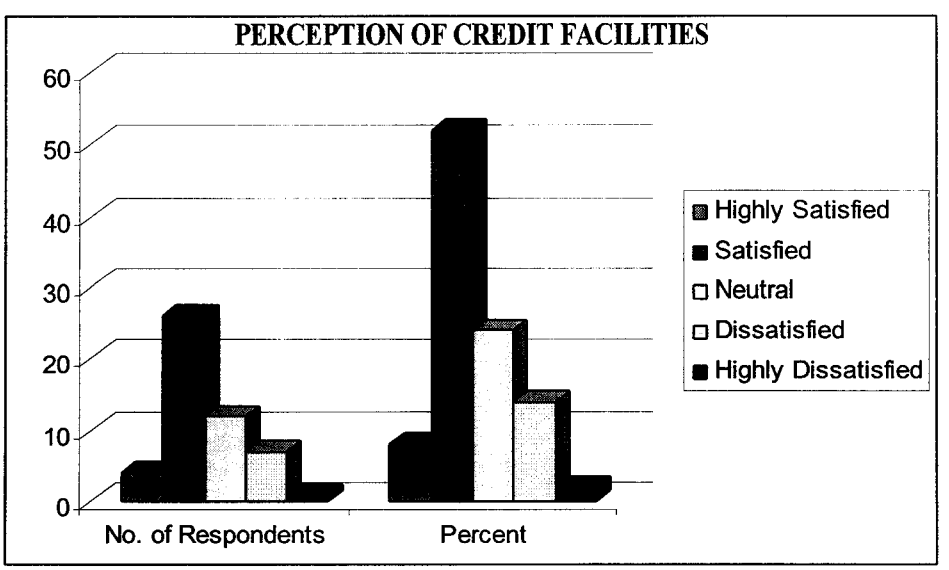


TABLE NO.4.1.9

PERCEPTION OF RESPONSE FOR COMPLAINTS

S. No.	Response For Complaints	No. of Respondents	Percent
1	Highly Satisfied	1	2
2	Satisfied	14	28
3	Neutral	29	58
4	Dissatisfied	5	10
5	Highly Dissatisfied	1	2
	Total	**50**	**100**

INFERENCE

From the above table most (58%) of the respondents said that the response for complaints is neutral. 28% of the respondents satisfied with the response for complaints. 10% of the respondents dissatisfied with response for complaints. 2% of the respondents highly satisfied with the response for complaints. 2% of the respondents highly dissatisfied with the response for complaints.

CHART NO.4.1.9

PERCEPTION OF RESPONSE FOR COMPLAINTS

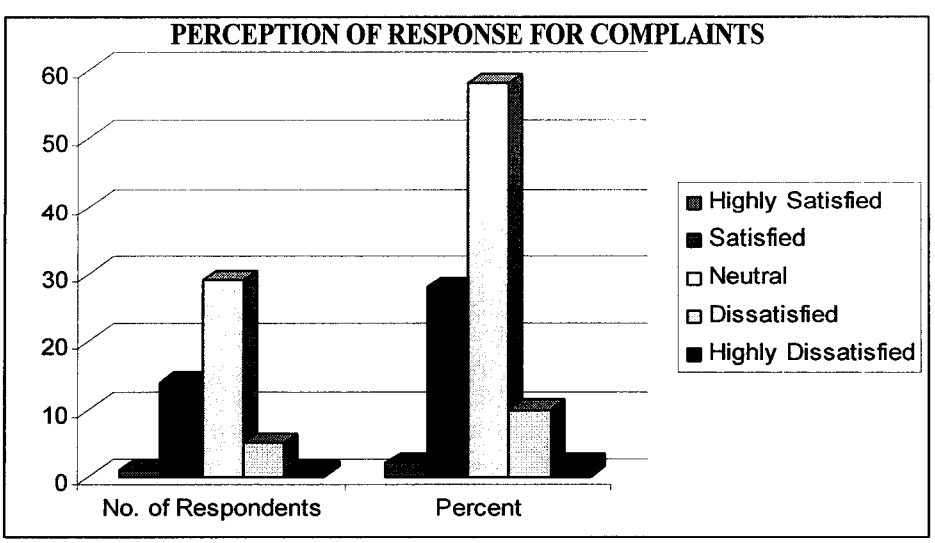


TABLE NO.4.1.10

PERCEPTION OF PROMOTIONAL SERVICES

S. No.	Promotional services	No. of Respondents	Percent
1	Highly Satisfied	6	12
2	Satisfied	12	24
3	Neutral	27	54
4	Dissatisfied	4	8
5	Highly Dissatisfied	1	2
	Total	**50**	**100**

INFERENCE

From the above table most (54%) of the respondents said that the promotional services is neutral. 24% of the respondents satisfied with the promotional services. 12% of the respondents highly satisfied with promotional services. 8% of the respondents dissatisfied with the promotional services. 2% of the respondents highly dissatisfied with the promotional services.

CHART NO.4.1.10

PERCEPTION OF PROMOTIONAL SERVICES

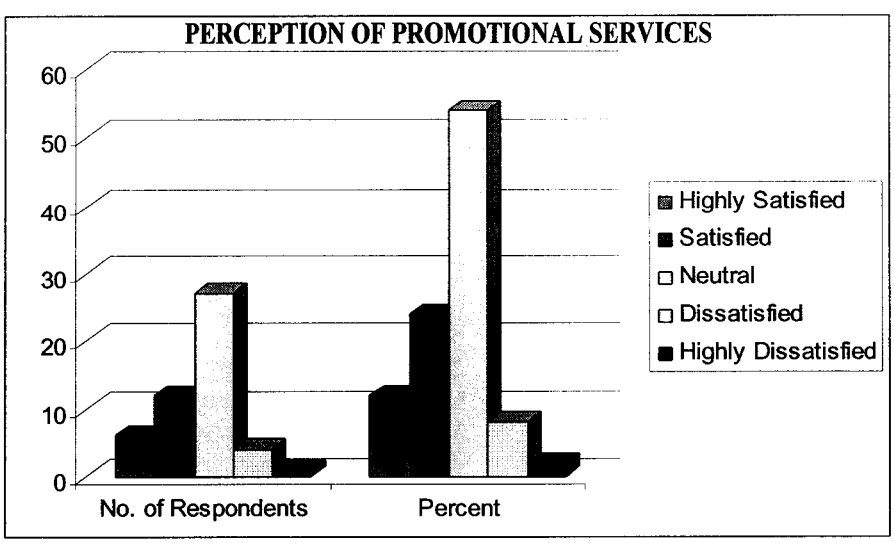


TABLE NO.4.1.11

RECOGNISING SUGGESTIONS

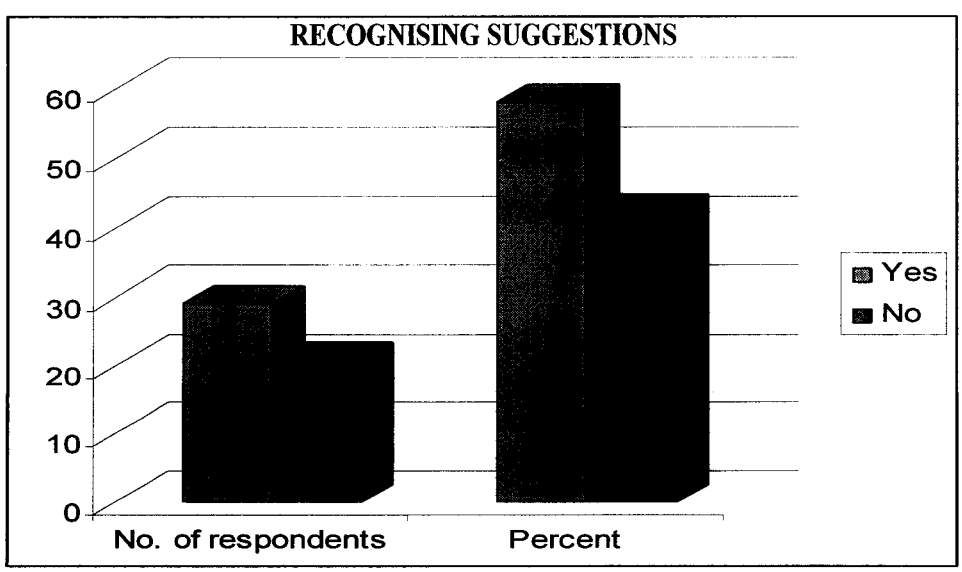
S. No.	Opinion	No. of respondents	Percent
1	Yes	29	58
2	No	21	42
	Total	**50**	**100**

INFERENCE

From the above table most (58%) of the respondents said that the company recognizing suggestions. 42% of the respondents said that the company does not recognizing suggestions.

CHART NO.4.1.11

RECOGNISING SUGGESTIONS



4.2 RANKING

TABLE NO.4.2.1

PERCEPTIONAL FACTORS

S. No.	Factors	Total score	Weighted average	Rank
1	Quality	187	3.74	**I**
2	Price	153	3.06	**VIII**
3	Lead time	159	3.18	**V**
4	Information flow	160	3.2	**IV**
5	Product movement	157	3.14	**VI**
6	Recognition	169	3.38	**III**
7	Motivation	170	3.4	**II**
8	Brand awareness	154	3.08	**VII**
9	Consideration	142	2.84	**IX**

INFERENCE

From the above table, as per the perception of the respondents' Quality, Motivation and Recognition have got the first three ranks respectively.

TABLE NO.4.2.2

PERCEPTION OF SERVICES

S. No.	SERVICES	Total score	Weighted average	Rank
1	CREDIT FACILITIES	168	3.36	**3**
2	RESPONSE FOR COMPLAINTS	159	3.18	**5**
3	TRANSPORTATION	169	3.38	**2**
4	PROMOTIONAL SERVICES	175	3.5	**1**
5	PAYMENT FACILITIES	167	3.34	**4**
6	COMPLEMENTS FOR BETTER PERFORMANCE	159	3.18	**5**

INFERENCE

From the above table, as per the perception of the respondents' regarding the services offered by the company, Promotional services, Transportation and Credit Facilities have got the first three ranks respectively.

TABLE NO.4.2.3

RANKING AS PER QUALITY

RANKS	RAN INDIA		KOVAI RAJA		AGNI TOR		AMMAN	
	F	%	F	%	F	%	F	%
1	18	36	15	30	15	30	1	2
2	16	32	11	22	16	32	8	16
3	11	22	17	34	15	30	7	14
4	5	10	7	14	4	8	34	68
RANKS	**1**		**3**		**2**		**4**	

INFERENCE

From the above table, based on quality RAN INDIA, AGNI TOR and KOVAI RAJA have got the first three ranks respectively

TABLE NO.4.2.4

RANKING AS PER PRICE

RANKS	RAN INDIA		KOVAI RAJA		AGNI TOR		AMMAN	
	F	%	F	%	F	%	F	%
1	12	24	19	38	8	16	6	12
2	17	34	15	30	17	34	6	12
3	8	16	11	22	18	36	13	26
4	13	26	5	10	7	14	25	50
RANKS	**2**		**1**		**3**		**4**	

INFERENCE

From the above table, based on price, KOVAI RAJA, RAN INDIA and AGNI TOR have got the first three ranks respectively.

TABLE NO.4.2.5

RANKING AS PER SALES

RANKS	RAN INDIA		KOVAI RAJA		AGNI TOR		AMMAN	
	F	%	F	%	F	%	F	%
1	12	24	17	34	19	38	2	4
2	15	30	14	28	11	22	10	20
3	10	20	12	24	14	28	14	28
4	13	26	7	14	6	12	24	48
RANKS	2		3		1		4	

INFERENCE

From the above table, based on sales, AGNI TOR, RAN INDIA and KOVAI RAJA have got the first three ranks respectively

TABLE NO.4.2.6

RANKING OF INFLUEINCING FACTORS

RANKS	QUALITY		PRICE		AVAILABILITY		PROMOTIONAL TOOLS		SALES	
	F	%	F	%	F	%	F	%	F	%
1	13	26	17	34	10	20	5	10	5	10
2	22	44	10	20	8	16	5	10	5	10
3	10	20	5	10	16	32	13	26	6	12
4	5	10	8	16	6	12	22	44	9	18
5	-	-	10	20	10	20	5	10	25	50
RANKS	2		1		3		4		5	

INFERENCE

From the above table, PRICE, QUALITY and AVAILABILITY have got the first three ranks respectively.

TABLE NO.4.2.7

RANKING OF ADVERTISING MEDIA

RANKS	TELEVISION		RADIO / FM		NEWS PAPERS		HOARDINGS , WALL PAINTINGS	
	F	%	F	%	F	%	F	%
1	13	26	27	54	13	26	8	16
2	1	2	16	32	19	38	23	46
3	12	24	6	12	18	36	14	28
4	24	48	1	2	-	-	25	50
RANKS	**4**		**1**		**3**		**2**	

INFERENCE

From the above table, RADIO / FM, HOARDINGS, WALL PAINTINGS and NEWS PAPERS have got the first three ranks respectively.

4.3 CHI-SQUARE TEST

EXPERIENCE AND LEVEL OF SATISFACTION (QUALITY)

The relationship between experience and level of satisfaction regarding quality has been analyzed. Respondents have been classified into five groups viz.,.Less than 5 years, 6-10 years, 11-15 years, more than 15 years.

TABLE NO.4.3.1

Experience	Highly Satisfied	Satisfied	Neutral	Dissatisfied	Total
< 5 Years	$1^{(1.1)}$	$6^{(6.16)}$	$4^{(3.52)}$	$0^{(0.22)}$	11
6 –10 Years	$1^{(1.6)}$	$13^{(8.96)}$	$2^{(5.12)}$	$0^{(0.32)}$	16
11 – 15 years	$3^{(1.7)}$	$8^{(9.52)}$	$6^{(5.44)}$	$0^{(0.34)}$	17
> 15 years	$0^{(0.6)}$	$1^{(3.36)}$	$4^{(1.92)}$	$1^{(0.12)}$	6
Total	**5**	**28**	**16**	**1**	**50**

Null Hypothesis H_O:

There is no significant relationship between experience and level of satisfaction regarding quality

Alternative Hypothesis H_1:

There is a significant relationship between experience and level of satisfaction regarding quality

Application of Yates' Correction:

$$\chi^2_{\text{Yates}} = \sum_{i=1}^{N} \frac{(|O_i - E_i| - 0.5)^2}{E_i}$$

O_i = an observed frequency
E_i = an expected (theoretical) frequency, asserted by the null hypothesis
N = number of distinct events

Factors	Level of Significant	Degree of Freedom	Table Value	Calculated Value	Result
Educational Qualification	0.05	9	16.92	19.40569	Significant

INFERENCE

Since the calculated value 19.406 is more than the table value 16.92 at 9 degrees of freedom and at 5% level of significance, we reject the null hypothesis and infer that there is a significant relationship between experience and level of satisfaction regarding quality

EXPERIENCE AND LEVEL OF SATISFACTION (PRICE)

The relationship between experience and level of satisfaction regarding price has been analyzed

TABLE NO.4.3.2

Experience	Highly Satisfied	Satisfied	Neutral	Dissatisfied	Total
< 5 Years	$0^{(0.66)}$	$3^{(1.98)}$	$6^{(6.16)}$	$2^{(1.98)}$	11
6 –10 Years	$2^{(1.26)}$	$3^{(3.78)}$	$12^{(8.96)}$	$4^{(3.78)}$	21
11 – 15 years	$1^{(0.9)}$	$1^{(2.7)}$	$10^{(9.52)}$	$3^{(2.7)}$	15
> 15 years	$0^{(.18)}$	$2^{(.54)}$	$1^{(3.36)}$	$0^{(.54)}$	3
Total	**3**	**9**	**29**	**9**	**50**

Null Hypothesis H_O:

There is no significant relationship between experience and level of satisfaction regarding price

Alternative Hypothesis H_1:

There is a significant relationship between experience and level of satisfaction regarding price

Application of Yates' Correction:

$$\chi^2_{\text{Yates}} = \sum_{i=1}^{N} \frac{(|O_i - E_i| - 0.5)^2}{E_i}$$

O_i = an observed frequency
E_i = an expected (theoretical) frequency, asserted by the null hypothesis
N = number of distinct events

Factors	Level of Significant	Degree of Freedom	Table Value	Calculated Value	Result
Educational Qualification	0.05	9	15.507	14.65052	Significant

INFERENCE

Since the calculated value 14.651 is less than the table value 15.507 at 9 degrees of freedom and at 5% level of significance, we accept the null hypothesis and infer that there is no significant relationship between experience and level of satisfaction regarding price

EXPERIENCE AND LEVEL OF SATISFACTION (CONSIDERATION)

The relationship between experience and level of satisfaction regarding consideration has been analyzed

TABLE NO.4.3.3

Experience	Highly Satisfied	Satisfied	Neutral	Dissatisfied	Highly Dissatisfied	Total
< 5 Years	$0^{(0.36)}$	$2^{(1.44)}$	$5^{(4.32)}$	$2^{(2.16)}$	$0^{(0.72)}$	9
6–10 Years	$4^{(0.92)}$	$3^{(3.68)}$	$11^{(11.04)}$	$4^{(5.52)}$	$1^{(1.84)}$	23
11–15 Years	$0^{(0.56)}$	$2^{(2.24)}$	$8^{(6.72)}$	$4^{(3.36)}$	$0^{(1.12)}$	14
> 15 years	$1^{(0.16)}$	$1^{(0.64)}$	$2^{(1.92)}$	$0^{(0.96)}$	$0^{(0.32)}$	4
Total	**2**	**8**	**24**	**12**	**4**	**50**

Null Hypothesis H_O:

There is no significant relationship between experience and level of satisfaction regarding consideration.

Alternative Hypothesis H_1:

There is a significant relationship between experience and level of satisfaction regarding consideration.

Application of Yates' Correction:

$$\chi^2_{\text{Yates}} = \sum_{i=1}^{N} \frac{(|O_i - E_i| - 0.5)^2}{E_i}$$

O_i = an observed frequency
E_i = an expected (theoretical) frequency, asserted by the null hypothesis
N = number of distinct events

Factors	Level of Significant	Degree of Freedom	Table Value	Calculated Value	Result
Educational Qualification	0.05	12	21.03	16.05799	Significant

INFERENCE

Since the calculated value 16.058 is less than the table value 21.03 at 12 degrees of freedom and at 5% level of significance, we accept the null hypothesis and infer that there is no significant relationship between experience and level of satisfaction regarding Consideration

EXPERIENCE AND LEVEL OF SATISFACTION (BRAND AWARENESS)

The relationship between experience and level of satisfaction regarding brand awareness has been analyzed

TABLE NO.4.3.4

Experience	Satisfied	Neutral	Dissatisfied	Highly Dissatisfied	Total
< 5 Years	$2^{(3.6)}$	$7^{(6.48)}$	$2^{(1.2)}$	$1^{(0.72)}$	12
6 –10 Years	$6^{(4.5)}$	$8^{(8.1)}$	$0^{(1.5)}$	$1^{(0.90)}$	15
11 – 15 years	$6^{(3.9)}$	$5^{(7.02)}$	$1^{(1.3)}$	$1^{(0.78)}$	13
> 15 years	$1^{(3.0)}$	$7^{(5.4)}$	$2^{(1.0)}$	$0^{(0.60)}$	10
Total	**15**	**27**	**5**	**3**	**50**

Null Hypothesis H_O:

There is no significant relationship between experience and level of satisfaction regarding brand awareness.

Alternative Hypothesis H_1:

There is a significant relationship between experience and level of satisfaction regarding brand awareness.

Application of Yates' Correction:

$$\chi^2_{\text{Yates}} = \sum_{i=1}^{N} \frac{(|O_i - E_i| - 0.5)^2}{E_i}$$

O_i = an observed frequency
E_i = an expected (theoretical) frequency, asserted by the null hypothesis
N = number of distinct events

Factors	Level of Significant	Degree of Freedom	Table Value	Calculated Value	Result
Educational Qualification	0.05	9	16.927	11.20632	Significant

INFERENCE

Since the calculated value 11.206 is less than the table value 16.927 at 9 degrees of freedom and at 5% level of significance, we accept the null hypothesis and infer that there is no significant relationship between experience and level of satisfaction regarding brand awareness.

EXPERIENCE AND LEVEL OF SATISFACTION (CREDIT FACILITIES)

The relationship between experience and level of satisfaction regarding credit facilities has been analyzed

TABLE NO.4.3.5

Experience	Satisfied	Neutral	Dissatisfied	Highly Dissatisfied	Total
< 5 Years	$2^{(2.7)}$	$7^{(8.1)}$	$5^{(2.7)}$	$1^{(1.5)}$	15
6 –10 Years	$0^{(1.62)}$	$8^{(4.86)}$	$0^{(1.62)}$	$1^{(0.90)}$	9
11 – 15 years	$6^{(2.52)}$	$5^{(7.56)}$	$2^{(2.52)}$	$1^{(1.4)}$	14
> 15 years	$1^{(2.16)}$	$7^{(6.48)}$	$2^{(2.16)}$	$2^{(1.2)}$	12
Total	**9**	**27**	**9**	**5**	**50**

Null Hypothesis H_O:

There is no significant relationship between experience and level of satisfaction regarding credit facilities.

Alternative Hypothesis H_1:

There is a significant relationship between experience and level of satisfaction regarding credit facilities.

Application of Yates' Correction:

$$\chi^2_{\text{Yates}} = \sum_{i=1}^{N} \frac{(|O_i - E_i| - 0.5)^2}{E_i}$$

O_i = an observed frequency
E_i = an expected (theoretical) frequency, asserted by the null hypothesis
N = number of distinct events

Factors	Level of Significant	Degree of Freedom	Table Value	Calculated Value	Result
Educational Qualification	0.05	9	16.927	17.18298	Significant

INFERENCE

Since the calculated value 17.183 is more than the table value 16.927 at 9 degrees of freedom and at 5% level of significance, we reject the null hypothesis and infer that there is a significant relationship between experience and level of satisfaction regarding credit facilities

EXPERIENCE AND LEVEL OF SATISFACTION (PROMOTIONAL SERVICES)

The relationship between experience and level of satisfaction regarding promotional services has been analyzed

TABLE NO.4.3.6

Experience	Highly Satisfied	Satisfied	Neutral	Dissatisfied	Total
< 5 Years	$1^{(0.96)}$	$1^{(2.4)}$	$6^{(4.32)}$	$0^{(0.32)}$	8
6 –10 Years	$1^{(2.52)}$	$11^{(6.3)}$	$7^{(11.34)}$	$2^{(0.84)}$	21
11 – 15 years	$3^{(1.92)}$	$2^{(4.8)}$	$11^{(8.64)}$	$0^{(0.64)}$	16
> 15 years	$1^{(0.6)}$	$1^{(1.5)}$	$3^{(2.7)}$	$0^{(0.2)}$	5
Total	**6**	**15**	**27**	**2**	**50**

Null Hypothesis H_O:

There is no significant relationship between experience and level of satisfaction regarding promotional services.

Alternative Hypothesis H_1:

There is a significant relationship between experience and level of satisfaction regarding promotional services.

Application of Yates' Correction:

$$\chi^2_{\text{Yates}} = \sum_{i=1}^{N} \frac{(|O_i - E_i| - 0.5)^2}{E_i}$$

O_i = an observed frequency
E_i = an expected (theoretical) frequency, asserted by the null hypothesis
N = number of distinct events

Factors	Level of Significant	Degree of Freedom	Table Value	Calculated Value	Result
Educational Qualification	0.05	9	16.927	19.17482	Significant

INFERENCE

Since the calculated value 19.175 is more than the table value 16.927 at 9 degrees of freedom and at 5% level of significance, we reject the null hypothesis and infer that there is a significant relationship between experience and level of satisfaction regarding promotional services.

CHAPTER V

FINDINGS, SUGGESTIONS AND CONCLUSIONS

5.1 FINDINGS

This chapter deals with findings and suggestions

5.1.1 FROM PERCENTAGE ANALYSIS

- Most (48%) of the respondents belong to age group between 36-45. 20% of the respondents belong to age group between 26-35.18% of the respondents belong to age group above 45. 14% of the respondents belong to age group less than 25.
- Most (34%) of the respondents belong to experience group between 11-15 years. 32% of the respondents belong to experience group between 6-10 years. 22% of the respondents belong to experience group below 5 years. 12% of the respondents belong to experience group above 15 years.
- Most (56%) of the respondents satisfied with the quality.32% of the respondents said that the quality is neutral. 10% of the respondents highly satisfied with the quality. 2% of the respondents dissatisfied with the quality
- Most (56%) of the respondents said that the price is neutral.22% of the respondents satisfied with the price of the product. 20% of the respondents dissatisfied with the price. 2% of the respondents highly satisfied with the price
- Most (46%) of the respondents satisfied with motivation. 32% of the respondents said that the motivation is neutral. 14% of the respondents dissatisfied with the motivation. 6% of the respondents highly satisfied with the motivation. 2% of the respondents are highly dissatisfied with the motivation.
- Most (54%) of the respondents said that the Brand awareness is neutral. 30% of the respondents satisfied with Brand awareness. 10% of the respondents dissatisfied with the Brand awareness. 6% of the respondents highly dissatisfied with the Brand awareness.

- Most (48%) of the respondents said that the consideration is neutral. 24% of the respondents dissatisfied with consideration. 16% of the respondents satisfied with the consideration. 8% of the respondents highly dissatisfied with the consideration. 4% of the respondents highly satisfied with the consideration.
- Most (52%) of the respondents satisfied with the credit facilities. 24% of the respondents said that the credit facilities is neutral. 14% of the respondents dissatisfied with credit facilities. 8% of the respondents highly satisfied with the credit facilities. 2% of the respondents highly dissatisfied with the credit facilities
- Most (58%) of the respondents said that the response for complaints is neutral. 28% of the respondents satisfied with the response for complaints. 10% of the respondents dissatisfied with response for complaints. 2% of the respondents highly satisfied with the response for complaints. 2% of the respondents highly dissatisfied with the response for complaints.
- Most (54%) of the respondents said that the promotional services is neutral. 24% of the respondents satisfied with the promotional services. 12% of the respondents highly satisfied with promotional services. 8% of the respondents dissatisfied with the promotional services. 2% of the respondents highly dissatisfied with the promotional services.
- Most (58%) of the respondents said that the company recognizing suggestions. 42% of the respondents said that the company does not recognizing suggestions.

5.1.2 FROM WEIGHTED AVERAGE RANKING

- From Perception factors ranking table, Quality, Motivation and Recognition have got the first three ranks respectively.
- From Perception of Services ranking table, Promotional services, Transportation and Credit Facilities have got the first three ranks respectively.
- From Quality ranking table, RAN INDIA, AGNI TOR and KOVAI RAJA have got the first three ranks respectively
- From Price ranking table, KOVAI RAJA, RAN INDIA and AGNI TOR have got the first three ranks respectively.
- From Sales ranking table, AGNI TOR, RAN INDIA and KOVAI RAJA have got the first three ranks respectively
- From Influencing Factors ranking table, PRICE, QUALITY and AVAILABILITY have got the first three ranks respectively.
- From Advertising Media ranking table RADIO / FM, HOARDINGS, WALL PAINTINGS and NEWS PAPERS have got the first three ranks respectively.

5.1.3 FROM CHI-SQUARE TEST

- From Chi-square test to find the relationship between experience and level of satisfaction regarding Quality, it is identified that calculated value 19.40569 is more than the table value 16.92 at 9 degrees of freedom and at 5% level of significance. Hence we reject the null hypothesis and conclude that there is a significant relationship between experience and level of satisfaction regarding quality
- From Chi-square test to find the relationship between experience and level of satisfaction regarding Price, it is identified that calculated value 14.65052 is less than the table value 15.507 at 9 degrees of freedom and at 5% level of significance. Hence we accept the null hypothesis and conclude that there is no significant relationship between experience and level of satisfaction regarding Price
- From Chi-square test to find the relationship between experience and level of satisfaction regarding Consideration, it is identified that calculated value 16.05799 is less than the table value 21.03 at 12 degrees of freedom and at 5% level of significance. Hence we accept the null hypothesis and infer that there is no significant relationship between experience and level of satisfaction regarding Consideration
- From Chi-square test to find the relationship between experience and level of satisfaction regarding Brand Awareness, it is identified that calculated value 11.20632 is less than the table value 16.927 at 9 degrees of freedom and at 5% level of significance. Hence we accept the null hypothesis and infer that there is no significant relationship between experience and level of satisfaction regarding brand awareness.
- From Chi-square test to find the relationship between experience and level of satisfaction regarding Credit facilities, it is identified that calculated value 17.18298 is more than the table value 16.927 at 9 degrees of freedom and at 5% level of significance. Hence we reject the null hypothesis and infer that there is a significant relationship between experience and level of satisfaction regarding credit facilities

- From Chi-square test to find the relationship between experience and level of satisfaction regarding Promotional services, it is identified that calculated value 19.17482 is more than the table value 16.927 at 9 degrees of freedom and at 5% level of significance. Hence we reject the null hypothesis and infer that there is a significant relationship between experience and level of satisfaction regarding promotional services.

5.2 SUGGESTIONS

When I approached Respondents for the purpose of this survey, I found lot of openness among them. At that time they shared and confident with me their own concerns and anxieties.

The Company has to take more corrective actions on developing brand awareness among the dealers and public.

The Company has to take more corrective actions on increasing considerations for dealers

The Company has to take more corrective actions regarding response for complaints.

The Company has to concentrate on increasing the media for advertising.

Out of 50 dealers, 15 satisfied with product movement, neutral result from 24, 10 dissatisfied with that. So the Management has to take almost care in product movement.

Based on quality, the dealers are more satisfied compared to other factors of satisfaction. So the management should strictly follow the existing practice in quality.

5.3 CONCLUSION

This project was done in RAN INDIA STEELS (P) LTD., to examine dealers' perception. The project also evaluates how the dealers help the organization to develop itself.

In this project, we found out the satisfaction level of the dealers regarding various factors of perception and services offered b the company to it's' dealers.

They satisfied with quality, sales, promotional services, motivation and credit facilities.

They dissatisfied with price, consideration, and response for complaints,

We understand how dealers perceive the factors and the services and to identify opportunities to improve satisfaction level of the dealers.

We understand dealers' perception from different perspectives.

We identify the perceived importance of satisfaction factors and the issues causing dissatisfaction.

ANNEXURE

QUESTIONNAIRE

1. PERSONAL DATA
   - Dealer's Name : .....
   - Age

     ☐ <25 ☐ 26-35 ☐ 36-45 ☐ >45
   - Experience

     ☐ <5 years ☐ 6-10 years ☐ 11-15 years ☐ >15 years

2. What is your perception about the following factors of RAN INDIA STEELS?

	Highly Satisfied	Satisfied	Neutral	Dissatisfied	Highly Dissatisfied
Quality	☐	☐	☐	☐	☐
Price	☐	☐	☐	☐	☐
Lead time	☐	☐	☐	☐	☐
Information flow	☐	☐	☐	☐	☐
Product movement	☐	☐	☐	☐	☐
Recognition	☐	☐	☐	☐	☐
Motivation	☐	☐	☐	☐	☐
Brand Awareness	☐	☐	☐	☐	☐
Consideration	☐	☐	☐	☐	☐

3. Mention your satisfaction level about the following services offered by RAN INDIA STEELS?

	Highly Satisfied	Satisfied	Neutral	Dissatisfied	Highly Dissatisfied
Cretit facilities	☐	☐	☐	☐	☐
Response For Complaints	☐	☐	☐	☐	☐
Transportation	☐	☐	☐	☐	☐
Promotional Services	☐	☐	☐	☐	☐
Payment Facilities	☐	☐	☐	☐	☐
Complements For Better Performance	☐	☐	☐	☐	☐

4. Rank the following brands according to following factors?

S.No	Factors / Brands	Quality	Price	Sales
1	RAN INDIA STEELS			
2	KOVAI RAJA			
3	AGNI TOR			
4	AMMAN			

5. Rank the factors that influence the customers to buy RAN INDIA STEELS?

S.No	Factors	Ranks
1	Price	
2	Quality	
3	Availability	
4	Promotional tools	
5	Sales	

6. Rank the Advertising media mostly used by the company in your area?

S.No	Medias	Ranks
1	Television	
2	Radio / FM	
3	News Papers	
4	Hoardings , Wall paintings	

7. Does the company recognize your suggestions?

Yes ☐ No ☐

8. Any other relevant information which you wish to offer for the study?

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BIBLIOGRAPHY

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