An Assessment of Customers' Perception on Acceptability of Dangote Cement in Tema Metropolis

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DECLARATION

I hereby declare that this submission is my own work towards the commonwealth executive masters' in business administration and that, to the best of my knowledge, it contains no material previously published by another person nor material which has been accepted for the award of any other degree of the university except where due acknowledgement has been made in the text.

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ABSTRACT

The study assessed customers' perception on acceptability of Dangote cement in Tema metropolis with the aim of determine customers perception on durability of the product, factors taking into consideration before accepting or purchasing the product, trend in sales, and strategies management adopted to promote the sales of Dangote cement. The survey method was used to collect data from 381 respondents using simple random sampling methods as a first stage in selecting 4 communities out of 25 communities in Tema for the study after which stratified sampling methods were used to categorise customers according to whether they are domestic or commercial (contractors). Samples were drawn proportionally from each stratum until the intended sample size was reached. Major findings of the study are that, majority of the customers are males between the ages of 40 and 49 years, majority of the customers have the perception that Dangote cement is durable because it binds better and does not lead to cracks, factors taken into consideration before purchasing or accepting the cement are the cost and accessibility. The sale of products is high in the first half of every year than the second half. Major recommendations are that, management should increase field supervision in order to ensure the distributors comply with the price ceiling policy in stabilizing Dangote cement and more distribution centres should be established to enhance access to the product.

DEDICATION

The researcher dedicated this work to his wife Susana Asa Yeboah who gave him the needed encouragement and financial support in undertaking his research work.

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I thank the ALMIGHTY GOD for making this project and my study a very successful one.

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CHAPTER ONE

INTRODUCTION

1.1 BACKGROUND OF THE STUDY

The Dangote group is a diversified conglomerate headquarters in Lagos Nigeria with interest across a range of Africa. Current interest includes cements, sugar, flour, salt, pasta, beverages and real estate, with new project in development in Oil and Natural Gas, Telecommunication and Fertilizer. The group focuses on provision of Local Value Added products and services that meet the need of African population.

Dangote cement, the largest cement production Company in Africa with a market capitalization of almost $14 Billion on the Nigeria market exchange has subsidiaries in Benin, Cameroun, Ghana, Zambia and South Africa.

Dangote group is the first foreign entrant into the Ghanaian cement market. The first two Ghanaian indigenous players in cement industry are Ghana Cement (GHACEM) and West African Cement Company (WACEM). These two indigenous cement industries depend only on importation of major raw materials for the production of cement in Ghana, making the cost of production very high.

Dangote group intends to be the first company in Ghana to begin full production of cement by using indigenous raw materials in order to reduce the cost of cement production as to make product affordable (Osagie 2010).

According to Siriboe (2010), the management of Dangote cement had identified limestone in sufficient deposits in Northern Ghana which will be used to support full scale cement manufacturing in Ghana.

Dangote Cement in Ghana, which is a subsidiary of Dangote Nigeria, has invested about Twenty-Eight Million Dollars ($28,000,000) in the packaging plant in Tema. Ghana where it currently bags imported cements for sale. Another plant is being established in Northern Ghana to help widen the market share and distribution of Dangote cement in Ghana (Sijuade 2010).

According to Association of Ghana industries (2009) GHACEM with an installed capacity of 1.5 million metric tons, only produce 7,000,000 tons of bagged cement yearly with WACEM following closely behind GHACEM. With the Ghanaian cement consumptions of about 3 million metric tons per year, it is seen that the combined production capacity of both GHACEM and WACEM is about half the needed input for consumption. Dangote Cement therefore wants to take advantage of the increasing demand for cement to embark on full scale production in Ghana.

Dangote currently produces 40,000 bags of cement daily and plans to double it when the new plant in Northern Ghana is in operation. (Sijuade 2010)

In Nigeria, the cement industry is faced with a lot of challenges, ranging from rapid policy reversal to poor power supply and the high cost of production. Comparing this to the Ghanaian situation, Ghana in its drive to promote foreign investment, make it possible for investors to acquire landed property at a moderate rate. The countries investment policies provide a thriving terrain for foreign investors (Siriboe, 2010).

1.2 STATEMENT OF THE PROBLEM

Dangote Cement is new in the Ghanaian market with its durability a major concern for the building industry. GHACEM is a household name and most used cement in Ghana with its durability tried for many years. Most prospective landlords do not want to try on a building material they are not sure of its durability due to the high cost of building materials and the expectation that a building once put up must last for decades. Due to this perception and the fact that a Sister foreign base Cement Company; Pozzaline Cement factory located at Gomoa Mprumem in the Central Region is to be shut down because of lack of local patronage of its products, should be a great concern for Dangote Cement in Ghana.

It is therefore necessary to determine whether customers are willing to accept product in order to ensure the continued existence of this new Cement Company in Ghana.

It is also necessary to determine whether the product will be accepted due to the stern competition and the large market share already created by GHACEM, the major producer of cement in Ghana.

1.3 OBJECTIVE OF THE STUDY

The general objective of the study is to assess customers' perception on the acceptability and use of Dangote Cement in Ghana.

The specific objectives are to:

1. Determine peoples' perception on the durability of Dangote Cement
2. Determine the factors customers consider before purchasing Dangote Cement
3. Analyze the trend in sale of Dangote Cement.
4. Determine the strategies that management use in promoting the sale of Dangote cement.

1.4 RESEARCH QUESTIONS

1. What perceptions do customers hold on the durability of Dangote cement?
2. What factors do customers consider before purchasing Dangote cement?
3. What are the trends in the sales of Dangote cement?
4. What strategies does the management of Dangote cement adopt in promoting Dangote cement?

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1.5 SIGNIFICANCE OF THE STUDY

This study has a number of significance to the stakeholders. This can be part of the feasibility study to determine the market share as well as readiness of customers to patronise Dangote cement in the study area. Information gathered on this can help determine how many customers are likely to patronise Dangote cement. This information can help management to plan on the quantities to be provided on consistent bases.

The study will also determine factors customers consider before purchasing Dangote cement. This baseline data can help management to improve on factors customers cherish most so that such customers could always be retained. Their ability to meet the needs of customers can also help improve on the image of the company as well as promoting the products. It is believed that when the factors customers consider before purchasing Dangote cement are met, it could make the customers satisfied with the product and give good account of the company as well.

1.6 SCOPE OF THE STUDY

The study is limited to customers of Dangote Cement in Tema Metropolis. It is also limited to customers' perception and acceptability of the product.

1.7 LIMITATION OF THE STUDY

A major limitation of the study was the difficulty in identifying customers of Dangote cement in Tema Metropolis. To do this the researcher had to visit the company and take the list of all distributors of Dangote cement for the study. In addition to this the researcher had to visit the distribution depots in order to give questionnaires to customers who came around to purchase the products. Some of the customers were in hurry to purchase the cement and leave the depot and as such show no interest in the study. These field situations delayed the data collection.

Another major problem of the study was the difficulty in getting literature on customers' perception on durability of the Dangote cement. To solve this problem, the source of collecting primary data was widened to augment the problems associated with the collection of secondary data faced.

1.8 ORGANISATION OF THE STUDY

The study is divided into five chapters. The first chapter highlights on the introductory aspect of the study while the chapter two is about literature review. Chapter three highlights the methods used for the analysis and this includes research design, source of data, instruments of data collection, sampling and sampling procedures, methods of data collection and analysis.

The chapter four covers data presentation and analysis while the last chapter is summary, recommendations and conclusions.

CHAPTER TWO

LITERATURE REVIEW

2.0 INTRODUCTION

This chapter outlines the literature on the following subthemes: Consumer Behaviour, Factors Influencing Consumer Perceptions of a Branded Product, Branding and Customer Acceptability, Brand Awareness, Brand Image, Perceived Quality, Brand Loyalty, Benefit of a Good Branding, Definition of Cement, Physical Properties of Good Cements, Trends in the Consumption of Cements, Industrial Marketing and Infrastructure, Factors Affecting Purchase Decisions in Customers.

2.1 CONSUMER BEHAVIOUR

To better understand the importance of consumer perceptions and acceptability of a branded cement, it is necessary to have an overview of consumer behaviour. Belch and Belch (2004) defined consumer behaviour as "the process and activities people engage in when searching, selecting , purchasing, using, evaluating and disposing of product and services so as to satisfy their needs and desire".

According to Ugala (2001), two types of consumer behaviour exist, i.e. cognitive and experience-oriented consumer behavior. Consumers with cognitive behaviour are logical and rational consumers while experience oriented consumers have more emotional reason to want to purchase a product. Dalqvist and Linde (2002) characterized consumer behaviour into four i.e.

rational, learned, unconscious and social behavior and they are represented by these three steps: knowledge→ Attitude→ Action.

- **Rational behaviour:** consumers with rational behaviour first get some knowledge about the product and what it may offer. By assessing this information, they get an attitude toward the product and finally act; whether or not to buy the product. This type of behaviour is mostly common when consumers are purchasing expensive products such as cars, houses, etc. (KNOWLEDGE→ATTITUDE→ACTION)
- **Unconscious behaviour:** consumers with unconscious behaviour begins with an attitude towards the product, this attitude may either come from emotions or feelings. This attitude will lead the consumers to find out more information about the product and get knowledge about it and finally act their choice. (ATTITUDE→KNOWLEDGE→ACTION)
- **Learned behaviour:** this type of behaviour stems from habits. These Consumers do not plan their choice of product, they do it by habit. Example of this behavior is when buying a newspaper. (ACTION→KNOWLEDGE→ATTITUDE)
- **Social behaviour**: consumers with social behaviour choose their products as a result of the social environment which they live in. Their status, lifestyle and influence from others determine the product they will buy. (ACTION→ATTITUDE→KNOWLEDGE)

Culture has been seen to have one of the greatest influences on consumer behaviour. According to Kotler et al (1999), apart from cultural factors other factors such as social, personal, and psychological factors have influence on consumer's behaviour.

- **Cultural factors** have to do with the culture, subculture or social class in which a consumer identifies his /her self with.

- **Social factors** have to do with the consumer's family, reference groups and the consumer's role and status.
- **Personal factors** are the lifecycle status and age of consumers. Also, the economic situation, occupation, self-concept and consumers personality.
- **Psychological factors** include perception, motivation, learning, attitude and belief of the consumers.

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2.2 CONSUMERS BUYING BEHAVIOUR

According to söderlund (2001), consumers buying behaviour has to do with the attitude, intention, preference and strength to commitment and the consumer's ways of identification. Consumers buying behaviour can also be referred to as the buying behaviour of the final consumer. Consumer buying behaviour is a complicated issue due to the fact that many internal and external factors have effect on consumers buying decision.

According to Kotler et al (1999), there are five stages of consumers buying behaviour. This can be seen in the diagram below.

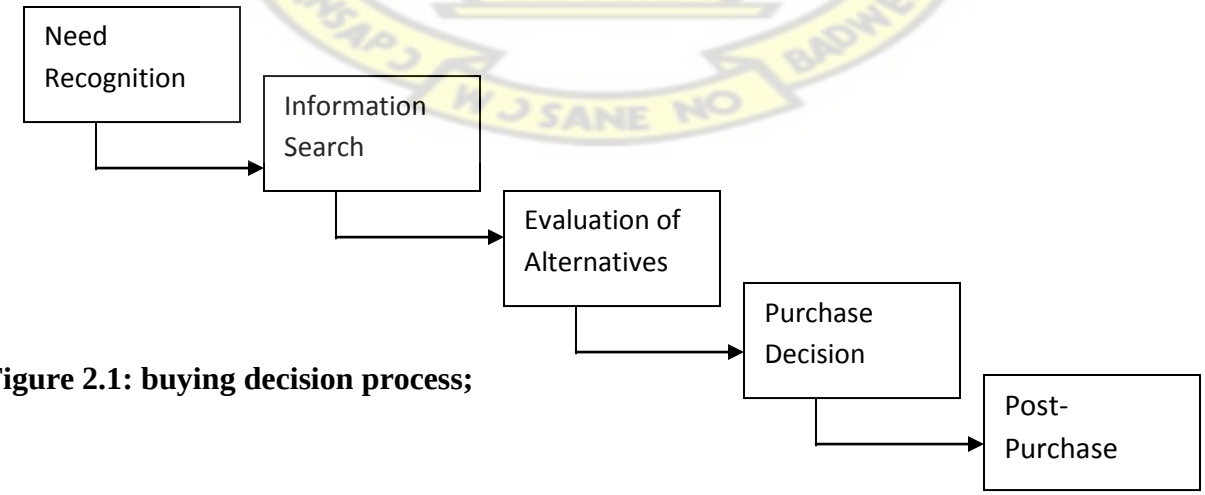

Figure 2.1: buying decision process;

Source: Kotler et al (1999)

From the diagram above, it can be seen that consumers passes through five stages in their buying process. According to Kotler (1999), Consumers do not pass through all the stages in their everyday purchase. For example in everyday commodity purchase, information search and evaluation are omitted. In other words, consumers faced with complex purchase situation pass through all this stages.

- **Need recognition:** this is when the consumers defined their problem or need. A need could arise either as a result of internal or external stimulus. Example of an internal stimulus is when you need to eat something as a result of hunger. External stimulus arises from commercial on television after which the consumer thinks that the brand/product is needed. Therefore it is of importance that marketers find out what stimulus attracts interest in their brand.
- **Information search:** this is when consumers start to search for information either through commercial source, personal source, public source, and experiential source. This information enhances the consumer's knowledge and awareness of the available brand.
- **Alternative evaluation:** this is the stage whereby the consumers evaluate and rank alternative brand based on the information they have. Such information can be price or quality etc.
- **Purchase decision:** this is when consumers purchase the product. Consumer's perception of a brand can be influenced by unforeseen situational factors and attitude of others.

- **Post-purchase decision:** this is when the consumers compare their expectation and perceived performance. Kotler et al (1999) stated that they get satisfied when their expectations are the same with the product performance.

Differences in consumers behaviour depends on the type of product the consumer is buying. Kotler et al (1999) designed a buying behaviour model which consisted of four different buyer behaviours.

Table 2.1: Four Type of Buyer's Behaviour

	High involvement	**Low involvement**
Significant differences between brands	Complex buying behaviour	Variety-seeking behaviour
Few differences between brands	Dissonance-reducing behaviour	Habitual buying behaviour

Source: Kotler et al (1999)

- **Complex buying behaviour** is when consumers purchase a high quality brand and before making the purchase he seeks a lot of information about it.
- **Habitual buying behaviour** is when consumers purchase a product out of habit.
- **Variety seeking buying behaviour** is when consumers go around shopping and experiment with a variety of product.
- **Dissonance reducing buying behaviour** is when a buyer is so highly involved with buying a product as a result of the fact that it is expensive or rare.

2.3 FACTORS INFLUENCING CONSUMER PERCEPTIONS OF A BRAND

Kotler (2005) defined perception as the process by which information is received, selected, organised and interpreted by an individual. Some of the factors that influence consumer perceptions of a brand include:

- **Quality:** this is one of the factors which consumers take into account when making their choice of brand. According to Uggla (2001), quality is an integrals part of brand identity.
- **Price:** McDonald and Sharp (2000) stated that price can be used as a reason for brand choice in two ways; either by going for the lowest price in order to escape financial risk or the highest price in order to achieve product quality. According to söderlund (2000), price, place and brand are three important factors when deciding consumers purchase choice in everyday product.
- **Influence by others:** according to Kotler et al (1999), influence by others plays a vital role in consumer's decision processes. Consumers have the habit of consulting each other regarding a new product or brand and seeking their advice. The advices of other people have a strong effect on consumers buying behaviour. However, the degree of such effect depends on the situation or individual. Later adapters tend to be more influenced than early adapters. Influence by others cannot be sharpened by marketers. A buyer can also be influence culturally i.e. value, behaviour and preferences from family or other institution or socially i.e. by a small group like family or membership group. Purchase decision could also be influenced by attitude of others. For example, a consumer wants to buy MacLean, while in the shop he or she comes in contact with a friend who says Colgate makes my teeth brighter and whiter. The consumer can be forced to buy Colgate.

- **Advertising:** the main aim of advertisement is to create awareness. Advertisement is a conspicuous form of communication. According to Aaker (1991), if advertising, promotion and packaging embrace a regular positioning strategy over a period of time, there is the tendency that the brand will be strong. Some ways of reaching and communication to consumers through advertising is through television, cinema, radio, bill board etc.
- **Packaging:** this is the process of designing the cover of a brand/product. According to Kotler et al (1991), packaging is a form of advertisement in the sense that it sales duties such as attracting consumers, describing and selling the product.
- **Convenience:** according to Lin and Chang (2003), convenience of a brand has a significant effect on consumer. In other word, easy access to brand/product in store is vital when buying low involvement product.

2.4 BRANDING AND CUSTOMER ACCEPTABILITY

Kotler et al (2005) defined a brand as "a name, term, sign, symbol, design or a combination of these that identifies the makers or seller of the product or services". This definition is based on the use of a brand name, symbols and signs to distinguish a product from its competitor. Prasad and dev (2000) noted that a brand can also be said to include all tangible and intangible attributes that the business stands for. According to Keller (2003), the American market association (AMA) defines a brand as a "name, term, sign, symbol or design or a combination of them, intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competitor".

A brand is different from a product. According to Kotler (2000), a product is anything which can be presented to a market for purchase, use or consumption that is possible of satisfying need or want. He went further to say that a product is made up of goods that have physical appearance, service, events, experiences, places, persons, organisation, properties, information and ideas. According to De Chernatony and MacDonald (2003), a brand goes beyond physical constituents and what it stands for, it has some additional attributes which although maybe intangible but are still important to consumers consideration. A brand has added value which differentiate it from a product [Doyle (2002), De Chernatony and MacDonald (2003), Jones and Slater (2003)].

Jones and Slater (2003) sum up these added values as those that develop from experiences of the brand; those that arise as a result of usage of the brand, which could be as a result of consumers association with the brand; those that arise from an assumption that the brand is powerful; and those that arise from the appearance of the brand i.e. packaging the product.

According to Doyle (2002), these added values play a vital role in many consumers buying decisions, as brands are purchased from emotional motivation as well as functional motivation.

Many researchers have adopted this added value concept into their brand definition. For example, De Chernatony and MacDonald (2003) established the following definition. "In identifiable product; service, person or place augmented in such a way that the buyer or user perceives relevant, unique added value which match their needs most closely. Furthermore, its success results from being able to sustain these added values in the face of competition".

One of the functions of a brand is that it serves as an identifier of product and services so that it can be differentiated from other products and services of the same class. Aaker (1991) said that brand knowledge serves as a protector for both the manufacturer and consumer.

Schmitt (1999) said that a brand should not just be an identifier, he went further to say that a good image and name is insufficient; delivered experience is also important. Schmitt (1999) recommended two ways to branding:

- The brand has to be viewed as an identifier where the logo, slogan, names forms a particular image and awareness for the consumer.
- The brand has to be viewed as an experience provider where the logo, slogan, names, event and contacts by consumer provides consumers affective, sensory, lifestyle and create relation with the brand.

Kotler and Armstrong (2004) also see brand to be beyond an identifier. It represents consumer's sensitivity and emotional attachment to the product.

According to Feldwick, (2002), a brand is a distinguishable symbol of origin and an assurance of performance.

Conclusively, a brand can be said to be a symbol of all facts associated with a product and service. A brand commonly includes a logo, a name and any other visible elements such as symbols and images. It also consists of other sets of expectation related to a product or service which normally arise in people's mind.

2.4.1 BRAND AWARENESS

Brand awareness can be referred to as the degree of consumers' familiarity with a brand. Aaker (1991) and Keller (1993) stated that brand awareness is a vital element of brand equity. According to Rossiter and Percy (1987), brand awareness is the ability of consumers to distinguish a brand amongst other brand. Keller (1993) conceptualized brand awareness as comprising of brand recall and brand recognition. He went further to say that brand recall is the ability of consumers to remember a brand from their mind when the product class is made know.

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Keller (1993) argued that "brand recognition may be more important to the extent that product decisions are made in the store". Rossiter et al (1991) noted that brand attitude and intention to purchase a product can only be developed through brand awareness.

According to Aaker (1991), there are three levels of brand awareness:

- **Brand recognition**: It is the ability of consumers to identify a certain brand amongst other i.e. "aided recall". Aided recall is a situation whereby a person is asked to identify a recognized brand name from a list of brands from the same product class.
- **Brand recall**: This is a situation whereby a consumer is expected to name a brand in a product class. It is also referred to as "unaided recall" as they are not given any clue from the product class.
- **Top of mind**: This is referred to as the first brand that a consumer can recall amongst a given class of product.

Many researchers have seen brand awareness as an element that plays a vital role in consumer's choice of brand. In Lin and Chang (2003), the result of their study established that brand awareness had the most powerful influence on consumers purchase decision.

Hoye and brown (1990) as cited by Lin and Chang (2003) their study examined the importance of brand awareness in consumers decision making process and they found out that brand awareness was a primary factor. Also Jiang (2004) found out in his study that brand recognition influences consumer's choice. Hence, in our present study, brand awareness is conceptualized as consisting of brand recognition and top of mind.

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2.4.2 ACHIEVING BRAND AWARENESS

Aaker (1991) prescribed some of the following factors as ways to achieve brand awareness:

- **Involve a slogan or jingle:** a slogan is a visible feature of a brand. There can be a strong link between a slogan and a brand. The slogan and jingle are powerful and can be a great change for a brand.
- **Be different and memorable:** as a result of the similarity between product and their means of communication, product differentiation is important.
- **Symbol exposure:** a known symbol will make it easier to recall and memorize a visible illustration of the brand. A logo that is connected to an existing brand or a developed brand will play a vital role in developing and keeping brand awareness.
- **Publicity:** one of the most important ways to get publicity and create awareness is through advertisement.
- **Event sponsorship**: sponsorship of event can also help to create and maintain awareness.

- **Consider brand extension:** one way to increase brand recall is to show the logo or name on the product and make the name popular. Example of this is coca-cola which is more publicized than the key product.
- **Using cue:** packaging is one of the most significant cues to a brand due to the fact that it is what the purchaser sees when purchasing a product. If the product or brand is not known, the only means of contact to the brand or product is the package.

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2.4.3 BRAND IMAGE

Engel Blackwell and Miniard (1993) referred to brand image as the combined effect of brand association or consumers perception of the "brands tangible and intangible association". Keller (1993) see brand image as a perception or association consumers form as a result of their memory concerning a product. According to Low and Lamb (2000), brand image can also be referred to as the emotional perception or reason that consumers place to a particular brand.

Thus, brand image does not exist in the features, technology or the actual product itself, it is sometimes brought out by advertisement, promotion or users. Brand image enables a consumer to recognize a product, lower purchase risks, evaluate the quality and obtain certain experience and satisfaction out of product differentiation.

Marketing researchers such as Keller (1993) have proposed that brand image is an important element of brand equity. Krishnan (1996) found out that brands with high brand equity are prone to more positive brand associations than those with low brand equity. Also Lassar et al (1995) found out that brand with high brand image rating always have higher brand equity and premium

price. Conclusively, Kwon (1990) reported that positive brand image is mostly likely associated with preferred brands.

Researchers have proposed that brand equity is to an extent driven by the brand association composition of the image. According to Keller (1993), favorable, unique and strong associations are assumed to provide a positive brand image which will create a bias in the mind of consumers thereby increasing the brand equity. Pitta and Katsanis (1995) also stated that a unique, favorable and strong brand image allows the brand to be easily differentiated and positioned in the consumers mind, thereby adding to the possibility of increased brand equity.

Conclusively, brand image can be said to be the brand association or consumer's perception about a particular brand as a result of their association with the brand.

2.4.4 PERCEIVED QUALITY

According to Aaker (1996) and Keller (1993,1998), perceived quality is a core dimension of customers based brand equity as it relates to the willingness to pay a price premium, brand choice and brand purchase intention.

Low and Lamb Jr (2000) referred to perceived quality as the perception of the superiority of a brand when compared to alternative brand. Zeithamal (1998) defined perceived quality as consumer's judgment about the whole product superiority or excellence. According to Szymanski and Henard (2001), one of the antecedents of satisfaction is perceived quality. Like

brand association, perceived quality provide consumers with value and give them reason to differentiate a brand from another.

Justified by Researchers such as Carman (1990), Parasuraman et al (1985, 1998), perceived quality can said to have a positive effect on customers purchase intention. Although there are inconsistencies on the available empirical evidence for example, Boulding et al (1993) considered service quality as one of the factors leading to purchase intention. In Cronin and Taylor (1992) as cited by Juan Carlos et al (2001) direct effect was not significant whereas there was an indirect effect which rose from satisfaction. Taylor and Baker (1994) speculated that perceived quality liked with satisfaction has an effect on consumers purchase intention.

Therefore, perceived quality can be said to be consumer's perception of the superiority of a brand which enables them to differentiate a brand from another.

2.4.5 BRAND LOYALTY

According to Aaker (1991), brand loyalty is "the attachment that a customer has to a brand". Yoo and Donthun (2001) also referred to brand loyalty as the tendency to be loyal to a brand and this can be shown by the intention of the consumer to buy the brand as a foremost choice.

Oliver (1999) also defined brand loyalty as "deeply held commitment to re-buy or re-patronize a preferred product/service consistently in the future, thereby causing repetition of same-brand or same brand set purchasing, despite situational influence and marketing efforts having the potential to cause switching behaviors".

Odin et al (2001) stated that brand loyalty can either be behavioral or attitudinal. Behavioral loyalty comprises of repeated purchases of the brand. According to Dekimpe et al (1997), one advantage of this is that it measures observable behaviours rather than self-reported deposition or intention. It is easier and cheaper to measure.

According to Chaudhuri and Holbrooks (2001), attitudinal loyalty can be referred to as the extent of dispositional promises with respect to some particular advantages connected with the brand while behavioral loyalty has to do with the intention to repeat a purchase.

Although, the definition of behavioral brand loyalty deals with consumer's sincere loyalty to a brand as shown in purchase choice, the definition based on attitudinal perspective stresses on consumers intention to be loyal to the brand. It is presumed that consumers understanding of quality will be associated with their brand loyalty. As the more loyal a consumer to a brand, the more he/she is presumed to see the brand as a superior quality and vice versa. Also, the more favorable association's consumers have towards a brand, the more their loyalty and vice versa.

Aaker (1991 2002) classified loyalty as follows:

- **Non- customer**: these are people who buy the brands of competitors.
- **Price switcher**: these are the once that are sensitive to price.
- **Passive loyal**: these once are purchase brand/product as a result of habit rather that reason.
- **Fence sitters**: are those that are indifferent between several brands.

- **Committed:** are those who are honestly loyal to the brand.

Kotler also classified loyalty to include switchers, soft-core, hard-core loyal and shifting loyal. So far, we have been able to connect the views of various researchers that address the issue of consumer based-brand equity. From our readings and what we have been able to gather, we will like to state here that consumers base brand equity have influence on consumers perception of brand. Favorable perceptions of quality are more presumed to be developed by consumers who hold a favorable association toward a brand.

Furthermore, consumers brand awareness is presumed to be high when they have strong association and perceived quality of the brand and vice versa.

Thus, consumer's perceptions about the quality of a brand are presumed to be high when they have strong association with the brand and vice versa.

2.5 BENEFITS OF A GOOD BRAND

According to Dave Dolak (2003), a strong brand will create the following benefits amongst others:

- Build name recognition for your product/company.
- Influence the consumer's buying decision.
- Build trust and emotional attachment to a firm's product/service.
- Make purchase decision easier. For example in a commodity market where product and services are indistinguishable, it will enable customers trust and create a set of belief

about your product even without knowing the uniqueness of your products and characteristics.

- A strong brand increases the consumer's attitude towards a particular brand's product and services and the strength of such attitude is developed through experience with such brand.
- Consumers experience help to increased perceived qualities, inferred attributes and eventually leads to brand loyalty which are not easy to evaluate except before purchase.
- A strong brand enjoy benefit such as reduced competitive advantage, premium price greater customer loyalty, profitability, reduce the perceived risk of consumers who are not so sure of their decision.

2.6 DEFINITION OF CEMENT

Cement is a paste of calcium silicate hydrates, polymerized into a densely cross-linked matrix (Pubs, 2012). Although cement has been known and used for two thousand years, even today its chemistry is not fully understood.

Cement is a binder, a substance that sets and hardens independently, and can bind other materials together (Wikipedia, 2012). The word "cement" traces to the Romans, who used the term opus caementicium to describe masonry resembling modern concrete that was made from crushed rock with burnt lime as binder. The volcanic ash and pulverized brick additives that were added to the burnt lime to obtain a hydraulic binder were later referred to as cementum, cimentum, cäment, and cement.

Cement used in construction is characterized as hydraulic or non-hydraulic. Hydraulic cements (e.g., Portland cement) harden because of hydration, chemical reactions that occur independently of the mixture's water content; they can harden even underwater or when constantly exposed to wet weather. The chemical reaction that results when the anhydrous cement powder is mixed with water produces hydrates that are not water soluble. Non hydraulic cements (e.g. gypsum plaster) must be kept dry in order to retain their strength.

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The most important use of cement is the production of mortar and concrete, the bonding of natural or artificial aggregates to form a strong building material that is durable in the face of normal environmental effects.

Concrete should not be confused with cement, because the term cement refers to the material used to bind the aggregate materials of concrete. Concrete is a combination of a cement and aggregate (Wikipedia, 2012).

2.7 PHYSICAL PROPERTIES OF GOOD CEMENTS

Cement should be tested for its following properties (Paul 1998).

Fineness: Fineness or particle size of Portland cement affects rate of hydration, which is responsible for the rate of strength gain. The smaller the particle size, the greater the surface area-to-volume ratio, therefore the more the area available for water-cement reaction per unit volume. Approximately 95% of cement particles are smaller than 45 micron with the average particle size about 15 microns. Fineness is measured in terms of surface area per unit mass. Fineness can be tested by Wagner turbidimeter test, Blaine Air-permeability test, 45- micrometer sieve and electronic particle size analyser (Astm, 2012).

Soundness: This refers to the ability of a hardened cement paste to retain its volume after setting. Lack of soundness is observed in the cement samples containing excessive amounts of hardburnt free lime or magnesia. Autoclave expansion test is used to determine soundness of cement.

Consistency: Consistency of a cement paste refers to its ability to flow. Normal consistency pastes are required to be prepared for testing cement specimens. A paste is said to have a normal consistency when the plunger of Vicat apparatus penetrates it by 10 ±1 mm.

Setting Time: One of the most important properties of cement is its setting time, as this will regulate how much time the contractor will have to get the concrete placed and finished.

Initial setting time is the time that elapsed from the instance of adding water until the pastes ceases to behave as fluid or plastic. Whereas final setting time referred to the time required for the cement paste to reach certain state of hardness to sustain some load. Setting time is assessed using Vicat apparatus or Gillmore needle.

Compressive Strength: Compressive strength of cement is tested by 50 mm mortar cubes made by using standard sand and cured in a prescribed way. The cubes are tested under a compression testing machine. The strength of cement varies with time; therefore in general it is reported as 3 day, 7 day or 28 day strength.

Heat of hydration: The heat generated during the reaction of cement and water is known as heat of hydration. The factors affecting heat of hydration are C3A, C2S, water-cement ration, fineness of cement and curing temperature. Conduction calorimeter is used to test heat of hydration (ASTM Annual Book of Standards, 1999).

Loss on Ignition: A cement sample of known weight is heated between 900 - 1000°C (1650 - 1830°F) until a constant weight is obtained. The weight loss of the sample due to heating is then determined. A high loss on ignition (more than 3%) indicates rehydration and carbonation, which may be due to inappropriate storage or adulteration.

Specific gravity (relative density): Specific gravity is generally required in mix proportioning for concrete. The particle density (measured by excluding the air between particles) of OPC is found to be in the range of 3.1 to 3.25 Megagram per cubic meter. The relative density of OPC is assumed as 3.15. The density of cement is determined by Le Chatelier apparatus.

Bulk Density: The bulk density can be determined by dividing the mass of cement particles and air between particles by the volume of cement sample. Bulk density of Ordinary Portland Cement ranges from 830 kg/cu.m to 1650 kg/cu.m. This test can be done with the help of two beakers having same amount of cement. The cement in one beaker is slightly vibrated which shows a decrease in the volume.

Chemical Shrinkage: Another convenient method for monitoring hydration kinetics is via the measurement of chemical shrinkage. Because the cement hydration products occupy less volume

than the starting materials (cement and water), a hydrating cement paste will imbibe water in direct proportion to its ongoing hydration. This is true except for low w/c ratio pastes (< about 0.4) where the depercolation of the capillary porosity may dramatically reduce the permeability of the cement paste and limit its imbibition rate below that required to maintain saturation during the continuing hydration.

While no standard ASTM method exists for the measurement of chemical shrinkage, a draft standard for this test is currently being considered by ASTM C01.31 subcommittee on Volume Change. The maximum expanded uncertainty in the calculated chemical shrinkage has been previously estimated /9/ to be 0.001 mL/ (g of cement), assuming a coverage factor of 2 (Bentz D.P.et al).

Pore Solution Concentrations: Some of the first year efforts in the VCCTL consortium focused on the incorporation of a module into the VCCTL software for estimating the composition of the pore solution during hydration. The new module provides estimates of the solution pH and the concentrations of the following ions: sulfate, calcium, potassium, and sodium. Based on these predicted concentrations, the conductivity of the pore solution can also be easily estimated (Cement and Concrete Research, 2002). To accurately predict the changes in pore solution composition with time, it is necessary, of course, to know both the total alkali oxide and readily soluble alkali oxide compositions of the cement (Powers, T.C, 1935).

2.8 TRENDS IN THE CONSUMPTION OF CEMENTS

According to Balasingam, et al (2008), increased use of cement allowed for an accelerated growth of the construction industry, particularly of concrete constructions, but also the reverse,

the development of the construction industry presented cement producers with increased requirements, which were gradually overcome.

For over 20 years the share of consumption of bulk cement in Western Europe has been higher that 80%, indicating towards development of European countries in production and consumption of concrete.

The manner of cement consumption in Serbia is typical of transitional economies, where individual construction sites dominate, with appropriate production of concrete, which in turn implies consumption of cement in bags. The fact that Serbia consumes some 40% of its overall cement consumption in bags gives room for the development of transportation of concrete as well as for the development of different, more and various types of cement.

Designers and drafters require high-strength cements, with particular emphasis on the dynamics of hardening, but other specific characteristics as well: decreased heat of hydration for the construction of massive concrete constructions, increased chemical resistance (primarily sulfates and acid medias) , less shrinking and other demands. In all this, maximum attention is dedicated to uniformity of content, meaning at the same time the usable qualities of cement.

Cement is an unavoidable raw material in all aspects of construction, from construction of house buildings, business and industrial buildings and installations, bridges, tunnels and roads, ending with subterranean works and sub soils. In other words, whenever and wherever concrete and mortar are required, that is:

- Superplasticized concrete with high compressive strength – HPC concretes (High Performance Concretes);
- Prestressed constructions and concrete products;

- Precast concrete (lamp-post, kerb blocks, bearers for roof constructions, bearers for halls and crane rail);
- Concrete slabs for courtyards and squares;
- Concrete products requiring rapid de-installation or rapid de-installing of forms;
- Lightweight concretes, that is “cellular” or “hollow” concretes, gas concrete and foamed concrete;
- Classic concrete (pumping, self-compacting);
- Cement and flexible mortar;
- Dry mortars

Up to now, concrete as a construction material has developed towards improvement of compressive strengths while in the future it is to be expected that improvements in other features will be attained as well, such as modulus of elasticity, flexural strength, dynamic strength, permeability and durability. Certain improvements have been attained in some mineral additives contained in cement, such as granulated blastfurnace slag, fly ash, limestone, etc.

In an attempt to build consumer loyalty, and because price competition is known to hurt all producers, competition tends to occur among producers of cement on items other than price, for example: marketing services, immediate delivery, help in financing and reputed higher quality. The one time that rapid price erosion appears is when a new competitor tries to achieve volume sales quickly by price-cutting. On the other hand, price increases are difficult to make, for there is no assurance that all producers will follow a price rise. This is the reason that cement-price rises are announced far in advance; if competitors do not match the rise, then the price leader may rescind the increase without having lost business (Tompkins, 1956). The level of cement

consumption is not affected in the short run by regional increases or decreases in price. This condition, referred to as inelastic demand, occurs because cement cost represents only a small portion of the final cost of any construction job. In the long run, because of availability of substitutes such as asphalt, demand is price-elastic, that is, upward changes in price can cause a greater than proportional drop in demand because consumers will substitute other materials. Therefore, the cement industry cannot increase profit by lowering the price, while; conversely, price increases may cause a gradual shift to competitive products.

2.9 INDUSTRIAL MARKETING AND INFRASTRUCTURE

Choffray and Lilien (1980), state that industrial marketing is the marketing of products on services to industrial and institutional customers for their use in the production of goods and services. Demand in industrial markets is derived from the demand by the final consumers.

Day and Herbig (1990) state that the individual consumer is his/her own decision maker and can be individually targeted from his/her demographics and attitudes. Therefore the likelihood of these persons purchase of products can be readily predicted with accuracy. Further defining industrial marketing,

Berkowitz (1986) states that, it is different from consumer marketing due to the complexity of organizational buying. Buying center decisions can be influenced by a variety of individual factors in a buying situation such as characteristics of the product, those of the firm, whether the decision concerns the product or brands selected, or the supplier selected (Berkowitz 1986). The most apparent difference between individual consumers and industrial buying centers is that buying and selling units in industrial marketing are organizations represented by several different individuals.

According to Day and Herbig (1990) Decision making in industrial buying centers is typically done in groups, by people with vested interests that are threatened by change, and consideration of these changes increase their perceived risk. Thus, in the industrial contest, we can rarely focus on the single decision maker.

Industrial purchasing decisions involve several individuals or decision participants who work together as a decision-making unit, or buying center, inside the framework of an organization (Choffray and Lilien, 1980).

Muth and Hendee (1980), state that a buying center is a social system of decision makers oriented to common goals within an industrial organization. The social system specifies the rage of tolerable behavior for individuals and therefore fixes the effectiveness of adoption strategies and purchase decisions by individuals in the social system. The structure of the social system most influences the norms of the organization, the purchase of frequently used or familiar products and the diffusion of new products. This structure is defined by who leads how they lead, and why they lead. Although the buying center makes decisions as a group, individuals within the infrastructure buying center are important because their input does have an effect on the buying decisions made by the buying center.

Lehman and O'Shaughnessy (1974) noted that a key figure in the process (the industrial buying process) is the purchasing argent, whose evaluation of suppliers and products is likely to influence, if not determine the company's final choice.

The purchasing agents may have their individual buying characteristics, but they should behave totally different as consumers in an organization than they do as individual consumers making decisions solely for themselves. Within the industrial buying center, each individual subverts many of his own preferences to the group effort. This person creates a second persona who may have totally different consuming and reasoning habits than when he/she consumes as a private individual. It could be said that the purchasing agent within the organizational buying center is an individual who adopts characteristics similar to that of the consumer he is required to be by the organization (Lehman and O'Shaughnessy, 1974).

By these defining characteristics, Ghana can be defined as an industrial market. First, the decision makers in infrastructure design, construction or maintenance operate in buying organizations to meet the needs of the organization and not their own individual needs. Second, the needs of the infrastructure organizations are complex because of the collective input by the decision makers or purchasers. Therefore, purchase decisions in infrastructure markets are not easily predicted as are decisions made by an individual for personal consumption. Third, the ideas, norms and therefore decisions in infrastructure markets are heavily influenced by organizational structure. Decisions are made by these decision makers based on the structure of the organization and not by these people based on their individual consumer needs.

Choffray and Liliean Say (1980) say that consumer marketing analysis has led the way in scientific applications to marketing research, but industrial marketing research is becoming more prevalent. Industrial marketing managers are discarding traditional rules of thumb used and developed for individual consumer marketing to adopt a more tailored systematic approach

required for industrial marketing. Manufacturers in the infrastructure market need more defined, industrial marketing method instead of using consumer marketing methods

2.10 FACTORS AFFECTING PURCHASE DECISIONS IN CUSTOMERS

Crow and Linquist (1985) state that the larger the firm, the more likely purchase criteria and guidelines exist. Therefore, these buyers have less individual flexibility in the purchasing decision. Both size and industry type were shown to be significant in determining the influence of participants in the buying center. A specific example of a social system controlling individual purchasing decisions is in government agencies or non-profit organizations. In a survey performed by Berkowitz (1986), it was found from comments to unstructured questions that many end users in non-profit and government organizations have less power to control the purchase decision than in the private sector. Often times, government purchases are made by generic name on a contract bases to government specification. The government bureaucracy and regulations restrict the purchase decisions to the point where an individual has little power in a purchase decision (Berkowitz 1986). Organizations in infrastructure markets such as state departments of transportation have many branches and divisions. Therefore, the individuals' decisions as to what materials will be used in construction of infrastructure will be limited by the organization structure and needs. More likely, decision for infrastructure construction will be governed by manuals such as Ritter's (1990) Timber Bridges: Design, Construction, Inspection, and Maintenance.

Within the organizational buying center, Day and Herbig (1990) state the criteria used to make choices among alternative products is often transient, unstable, and depends upon current membership of the buying center. One manager may have the final buying authority, but the individual is not acting for his/her own benefit but as an agent for the firm and therefore these persons options are limited by the company regulations and specifications. One conclusion drawn by the authors is that the higher the percentage ownership of a firm by one person, the closer the tactics involved approach a consumer entity. If one views the product adopting industrial company or unit as an individual decision maker and ignores the social and institutional dynamics in the organizational buying center of said unit, a change begins to occur in the industrial marketplace. From this, Day and Herbig (1990) conclude that the greater number individual companies acting as users that exist for any particular industrial product, the closer the adoption curve and adopter behavior should approach that of a consumer product.

This consumer effect seen in large companies with many purchasing regulations and in markets with many individual companies may be seen in the infrastructure market. Prime examples of this effect are railroad and in utilities industries. Each of these industries has a large number of members, so the overall market behavior may be very much like individual consumers in the long run with characteristics defined by the firm as an individual.

CHAPTER THREE

METHODOLOGY

3.0 INTRODUCTION

This chapter highlights the followings; research design, sources of data, instruments of data collection, sampling methods, sample size determination, methods of data presentation and analysis

3.1 RESEARCH DESIGN

The study adopted the survey methods by using the quantitative methods of data collection and analysis. This method described customers' perception and acceptability of Dangote cement. This design was selected because it has the advantage of describing peoples' attitude and perception towards a given product. It also provides meaningful explanations on peoples' perception. Newman (1997) states that the goal of a survey method which employs descriptive analysis provides accurate description of a phenomena concerning a group, gather new information to stimulate new explanations, provides basic background and document information that support prior belief about a subject.

3.2 SOURCES OF DATA

Primary and Secondary sources of data were used for the study. The Primary sources included the use of questionnaires to collect field data on customers' perception and acceptability on product while the secondary source in the form of reports and journals were used to collect already existing data on the trends of sales of Dangote cement to help determine the output of sales.

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3.3 INSTRUMENTS OF DATA COLLECTION

The main instrument used was semi-structured questionnaires. This was used to solicit customers' views on the acceptability and use on Dangote Cement. These are based on the objectives of the study. The questions were both close and open-ended with majority being open-ended questions. This gave in-depth knowledge on people's perception and acceptability of the product.

Questionnaires were used because the study is quantitative in nature and as such, the variables needed to be collected using a quantitative instrument. The semi structured nature of the questionnaire gave the researcher the opportunity to probe as well as clarify issues in the course of the data collection exercise. The use of the semi-structured questions also gave the respondents a level of flexibility in choosing their responses. Al these helped to give detailed and real life situations of events as experienced by the respondents.

3.4 SAMPLING METHODS

Simple random sampling methods were used to select four communities in the Tema Metropolis. After selecting the four communities, stratified sampling method was used to categorize the customers according to whether they were domestic customers or contractors. Samples were drawn from each of these categories to form the total sample size for the study.

3.5 SAMPLE SIZE DETERMINATION

According to the 2010 Dangote marketing reports, there were about 2000 (Two thousand) domestic customers and 30 building contractors in each community in Tema. This implies there were about 8000 domestic and 120 building contractors in the communities considered in Tema.

Yamane's (1967) simplified formula corrected to proportion was used to determine the sample size for the study. It is defined as;

$$n = \frac{N}{1+N(e)^2}$$

N: - Total population

n: - Sample size

e:- Precision

$$n = \frac{8120}{1+8120(0.05)^2}$$

$$= 381$$

Table 3.1 Sample size drawn from the four communities in Tema

Type of customer	Population	Sample
Domestic Customers	8000	375
Building Contractors	120	6

Total	**8120**	**381**

Source: field work (2012)

3.6 METHODS OF DATA PRESENTATION AND ANALYSIS

The data collected were presented using tables and charts. The main tables used are frequency distribution tables and these were analysed using percentage. The data was first presented in a tabular form in order to help summarised the data for analysis. To ensure accuracy in data processing, the data collected was first edited, after which it was coded before data entry was made.

CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

4.0 INTRODUCTION

This chapter presents the analysis of data collected. These analyses are based on the objective of the study which looks at customer perceptions on the ability of Dangote cement. Factors consider before purchasing the cement, trend in the sales of the cement and the strategies management adopts to promote the sales of Dangote cement. The socio – demographic characteristics of customer's perception and attitude towards the purchasing of Dangote cement.

4.1 SOCIO – DEMOGRAPHIC CHARACTERISTICS OF RESPONDENTS

The socio – demographic characteristics considered for this study are sex, age, marital status and level of education. These were chosen because they are thought to have influence on people perception.

4.1.1 SEX OF RESPONDENTS

Out of the 381 respondents only 10.2% were found to be females and the rest (89.8%) are males. This implies that customers to Dangote cements are mainly males. The details are presented in Table 4.1 below

Table 4.1 Sex of Respondents

Sex of Respondent	Frequency	Percentage (%)
Male	342	89.8
Female	39	10.2
Total	**381**	**100**

Source: field work (2012)

4.1.2 AGE OF RESPONDENTS

Analysis on the age of respondents indicate that customers of Dangote cement are mainly middle age with a small percentage been young adult. The study found that as high as 40.9% of the respondents are aged between 40 – 49 years. It was also found that 25.5% of the respondents are also aged between 50 – 59 with only 11% aged 60 years. The details are presented in Table 4.2 below.

Table 4.2 Age of Respondent

Age of respondents	Frequency	Percentage (%)
20 – 29	18	4.8
30 – 39	68	17.8

40 – 49	156	40.9
50 – 59	97	25.5
60+	42	11.0
TOTAL	**381**	**100**

Source: field work (2012)

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4.1.3 MARITAL STATUS OF RESPONDENTS

The study found that majority of the respondents are married (71.4%) while (21.3%) are single, (5.2%) divorced, (1.6%) widowed and (0.5%) separated. The details are presented in Table 4.3 below.

Table 4.3 Marital Status of Respondents

Marital status	**Frequency**	**Percentage (%)**
Single	81	21.3
Married	272	71.4
Separated	2	0.5
Divorced	20	5.2
Widowed	6	1.6
Total	**381**	**100**

Source: field work (2012)

4.1.4 LEVEL OF EDUCATION OF RESPONDENTS

Analysis on the level of education indicated that, a small number of respondents (5.2%) have no formal education, (8.6%) have primary level of education, (21.5%) have Junior High School or

Middle school level of education. As high as 39.9 percent, has secondary level of education. It was also found 24.7 percent of respondents have tertiary level of education. This signifies that the level of education is generally high in the study area. The details are presented in Table 4.5 below.

Table 4.4 Level of Education of Respondents

Level of education	**Frequency**	**Percentage**
No education	20	5.2
Primary	33	8.6
JHS/Middle school	82	21.5
SHS/Secondary school	152	39.9
Tertiary	94	24.7
Total	**381**	**100**

Source: field work (2012)

4.2 CUSTOMER PERCEPTIONS ON THE DURABILITY OF DANGOTE CEMENT

The perception customer hold on the quality of a product determines whether that product will be accepted or not. All things being equal, the higher customers' perception on the durability of a product, the more likely they are to use such product. Customers were asked to indicate their perception on the durability of Dangote cement since it is a new product and views of such nature will help to improve on the product. The details are presented in Table 4.5 below

Table 4.5 Customer Perceptions on the Durability of Dangote Cement

Perception	**Frequency**	**Percentage (%)**
Very durable	202	53.0
Durable	161	42.3
Fairly durable	18	4.7
No durable	0	0
Total	**381**	**100**

Source: field work (2012)

From Table 4.5, it was found that majority of the customers (53%) indicated that Dangote cement is very durable. The reasons to this assertion are that Dangote cement being better whenever it is used for any construction works. It was found that, once the right proportion mixture is used, an excellent building material is found. It was also found that, it is very durable because, when it is used, it does not lead to cracks in any construction works undertaken as in the case of other types of preferred use in water logged areas or used in the construction of reservoirs construction of dams, ponds, swimming pools, bridges, etc. the study found that whereas construction of special edifices in water require the use of special amount, is not the case in

Dangote cement. This finding is consistent with Balasingam, et al (2008) which found that, due to the very high quality of cement, there has been increase in the use of such types of cement. For instance, in Western Europe, over 80 percent of all constructions have been done with Dangote cement. In the case of Serbia, 40 percent of individual constructional works have been done with this type of cement.

Another high percentage of customers (42.3%) felt that, there are some challenges with the use of Dangote cement that reduces the durability. It was found out that, because of high clinker level in the cement, it calls for the application of minimum water and also the ability to use the mix mortar very fast since its take shorter time for the mix mortar to set. It was found that, once used is delayed and the mortar is setting the durability begins to reduce on whatever constructional works its uses for. To this end, it is not appropriate to prepare a large quantity of mortar using Dangote cement and then use it in piecemeal as it is normally done by most constructional works since Dangote cement set very fast. The study also found that, to have good mixture of concrete using Dangote cement calls for their application of minimum water in order to bind well. When the quantity of water is misapplied, it can reduce the durability of the constructional work.

A small percentage of respondents (4.7%) have the perception that Dangote cement is fairly durable. The reason given is that, it has poor chloride resistance and should only be used with high cover depth to reinforcement. This is because the high clinker levels in the cement cause high corrosion when in contact with metals such as iron rods.

Another reason why the durability is little in doubt is that, concrete prepared from Dangote cement are resistance to freezing and thawing but nonresistance to high temperature. Due to this ,concrete subjected to high temperature normally cracks easily. None of the respondents indicated that, Dangote cement is not durable. The reason for this is that, Ghana standard Board has level of durability or minimum standard that all cement in Ghana should meet that requirement. That is, they should meet the standard of grade of 25.5R. Since the Dangote cement is far above minimum required grade is acceptable for use in all concrete works.

From the above, it can be concluded that, most customers have perception that Dangote cement is very faster and does not crack easily.

4.3 FACTORS CUSTOMERS CONSIDER BEFORE PURCHASING DANGOTE CEMENT

There are different types of cement in the Ghanaian market but all indicating that, Dangote cement can be used for any constructional purposes. Customers do not just buy cement because they have to buy, but rather certain factors motivate them to buy. The researcher was interested in exploring such factors in the purchasing of Dangote cement. The details are presented in Table 4.6

Table 4.6 Factors Customers Consider Before Purchasing Cement

Factors	Frequency	Percentage
Cost of cement	125	32.8
Quality	110	28.9
Type of packaging	20	5.2
Accessibility/ availability of Dangote cement	14	3.7

Bonus/ incentives	61	16.0
Human relations	10	2.6
Security	41	10.8
Total	**381**	**100**

Source: field work (2012)

From the table 4.6, it was found that majority of customers (32.8%) consider the cost of cement before purchasing it. It was found that Dangote cement is relatively cheaper as compare to other cement in Ghana. As a result most customers prefer to buy in order to make a lot of gains rather than to rely on the expansive types of cement. It was identified that normally, customers have in mind the estimated number of quantity of cement required for their project. Due to this, the customers look at how they can meet this quantity. The easiest way to go by most customers is to purchase Dangote cement which is the cheapest in the market in order to get the quantity they require. Other customers also prefer Dangote cement because when such cements are purchase they can cut down the cost of the project due the low cost of the cement.

As high as 28.9% of the respondents indicated that they consider quality of cement before they purchased it. These categories of respondents indicated that there are five different companies producing cement in Ghana with all having varying grades and durability. Due this, they consider the use of cement with the highest grade for their constructional works. It was found that, such customers do not look at the prices but the availability of the highest grade of cement for their project. Analysis on the grade of cement reveals that, Dangote cement is having the grade of 42.5R, Ghacem 32.5R, Diamond cement 28.5R, Fortress 42.5R. This explains why

Dangote cement is among the preferred types of cement for most customers in Ghana due to its high durability. Major constructional works, such as building bridges, dams, high rising building relies on such durable cement.

Accessibility and availability of cement is another factor most customers (16.0%) consider. The study showed that Dangote cement has a number of distributors throughout the country. As such, their products are accessible to all customers. The study shows that, Dangote cement is available throughout the year, there is no seasonal shortages as it is seen in the distribution and supply of others cement. Because of the all year supply, it is a preferred choice to most customers. It was found that, once a customer get to use to a particular brand of cement, it's difficult to change from the use of that cement to other cement and this situation has helped Dangote to retain a lot of customers.

The security service provided by the manufacturing company (10.8%) was a motivating factor for attracting people to buy from the company. The management of Dangote cement provides high level of security to all customers who come to the premises to transect business with them. The company has a large packing space which is walled with a number of security men patrolling to ensure that customers' cars are not tempered with. To reduce burglary and loss of huge sums associated with fraudulent misrepresentation, all staffs are mandated to be in their uniform and with their tags on at all time. This is to ensure that, customers deal with the right personnel in the company. Another security measures adopted is that, the company does not accept physical cash in the payment of cement, rather the use of cheques and pay-in slips are

required to help customer avoid the risks involved in carrying large sums of money for the purchase of cement.

The type of packaging is also known to attract customers. Packaging with durable packing materials is known to reduce losses and wastage through poor handling; due to this people prefer to buy Dangote because the packaging is durable. It was found that, Dangote cement uses two packaging materials. There is a primary packaging which is made up of strong polythene and a second packaging which is made of a strong rubber sack which prevent bursting. Dangote cement is preferred because of the strong packaging materials the company uses with making it difficult to burst even under poor handle conditions.

Another category of customers 12.6% indicated that they consider the human relation of Dangote cement. The study found that, most customers are at home with the officers at the sales department and the front line officers of the organization because they are cultured and show respect to customers. It was also found that almost every worker at the company has the time to respond to the needs of customers whenever they are contacted. Based on this, most customers prefer to do business with Dangote cement.

The ability of Dangote cement limited to give bonuses and incentives to distributors has attracted a number of distributors to do business with the company. The study showed that at the end of every year, Dangote organizes awards and dinner night for all the distributors and reward them. for keeping faith with the company. In addition to this, bonuses are given for every bag of cement purchased by a distributor. This attracts more distributors to the company and also

motivates them to buy in large quantities in order to get more bonuses. It can be concluded that, customers consider a number of factors before purchasing Dangote cement. Among the major factors are the cost, quality of cement, bonuses and incentives available. These findings are inconsistent with Day and Herbig (1990) who noted that, buyers have less individual flexibility in the purchase decision since the quality and the price of cement are the same by all manufacturers and should not be a determining factor for the purchase of such product.

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4.4 STRATEGIES MANAGEMENT ADOPT TO PROMOTE THE SALE OF DANGOTE CEMENT

The main aim of every business enterprise is that its products are accepted by customers and at the same time product patronize. Due to this, management always strives to maintain customers as well as getting new ones. The strategies Dangote cement adopt in promoting the sales of its cement are summarized in table 4.7

Table 4.7 Strategies Management Adopt to Promote the Sales of Dangote Cement

Strategy	Frequency	Percentage (%)
Establishment of more distribution centers	179	47.0
Introduce sale promotions	35	9.2
Increase human relations	22	5.8
Maintain the quality	41	10.8
Ceiling prices for retailers	104	27.2
Total	**381**	**100**

Source: field work (2012)

From table 4.7, the main strategy management of Dangote cement has adopted to promote sales of its cement is to establish more distribution centers in all the regions, district capitals and the major towns throughout the country. This constituted 47% of the responses. The study found that, management has established warehouse to ease the distribution of cement throughout the country. Under this situation, distributors do not have to travel to Tema to take delivery of cement but rather only have to pay and submit the pay- in slips at the sales office at Tema and take the delivery at any closest warehouse to the customers. This strategy will reduce the risk of transporting this heavy product over long distances. The study further found out that the establishment of distribution centers will also reduce the distribution cost of distributors since the cost of conveying the cement from Tema to the distribution centers will no longer be their responsibility. Their only responsibility will be cost of conveying the product from Dangote distributing warehouse.

The second most dominant strategy management of Dangote cement adopts to promote sales of cement is their ability to determine ceiling prices of cement for the distributors to any customers. This constituted 27.2%. It is observed that Dangote ability to regulate the price of its product has help to keep the price of Dangote cement stable. It is also seen that, because of price ceiling the price of Dangote cement is all most same throughout the country. This has motivated customers to keep on buying Dangote cement because of price stability and relatively lower than other types of cement. Distributors who do not keep to the policy of price ceiling are blacklisted and then punished by refusing them supplies.

Another strategy of promoting the sales of Dangote cement is the ability of management to maintain the quality of their cement. This constituted 10.8% of the responses. The study found that, Dangote cement has been graded very high with clinker component of 42.5R. This meets International Standard Organization (ISO) Manufacturing Specifications of ISO 9002. The ability to maintain this standard has attracted many customers to use this type of cement, simply because every customer aims at providing durable projects. It was identified again that durable packaging material used is another way of maintaining quality of the cement. It was found that the product is first bagged in polythene after which it's then put in a sack to strengthen the package. This makes it difficult for bags to burst as it is found in other bags of cement.

The promotion of sales of cement (9.2%) is another strategy for promoting the sales of cement. The organization promotes the sales of its cement through the giving of bonus of any bag of cement bought by any distributors. It was found that a bonus of Ten (10) pesewas of any of cement bought by the distributors. Again awards are given to the best distributors at the end of every year. In addition to this, souvenirs of the company are given during every Christmas to all distributors of company.

In promoting the sales of cement, management of Dangote cement do not only concentrate on its distributors only but on the staff as well. The staffs are motivated by given bonuses at the end of the year. Staffs are sponsored to undertake short courses outside the country and also pay all the utility and health bills of its workers. By so doing, the workers are motivated to give off their best to the company.

The increase in human relations (5.8%) is another strategy of promoting the sales of cement. All frontline officers have relationship been trained to give excellent reception to all customers of the company. This creates cordial relationship among the company staff and customers, hence attracting more customers to the company.

It can be concluded that management adopted a number of strategies to promote sales of cement and this includes establishment of more distribution centers, setting a ceiling price, maintaining the quality, introduction of sales promotional packages and excellent human relationships.

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4.5 TRENDS IN THE SALES OF DANGOTE CEMENT IN TEMA METROPOLIS

The summaries of the trend of sales of Dangote cement in Tema Metropolis have been presented in the table 4.8 and figure 4.1 below.

Table 4.8 Trends in the Sales of Dangote Cement in Tema Metropolis

Year	Monthly		
	January – June	**July – December**	**Total**
2010	100082	90280	190362
2011	120847	111745	232592
Total	**220927**	**202025**	**422954**

Source: Dangote Ghana Annual Report (2010, 2011)

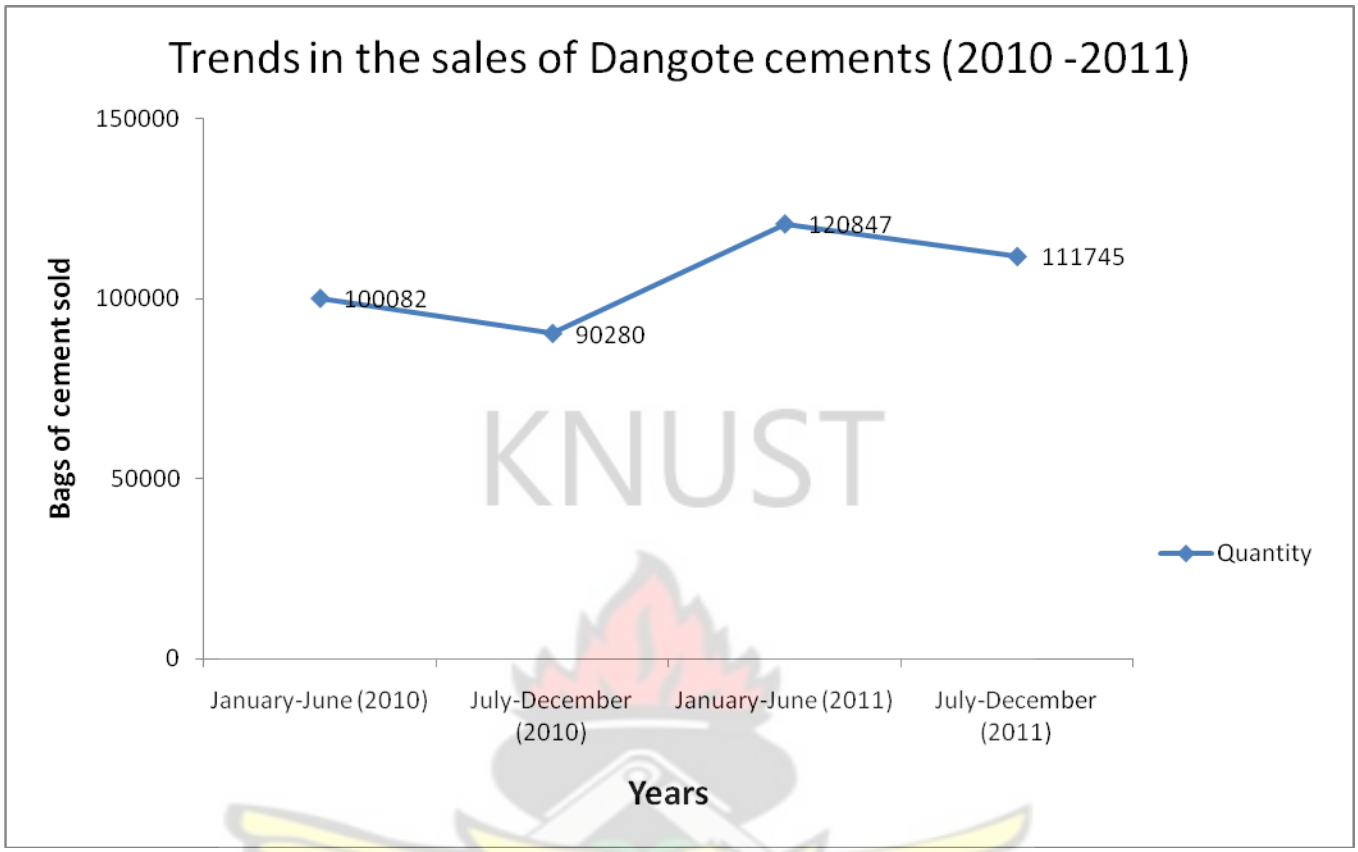

Figure 4.1 Trends in the sales of Dangote cement in Tema Metropolis

From table 4.8 it was seen that from January – June 2010 as high as 100082 bags of cement were sold. This followed with a drop in sales of 90280 within July to December 2010. In 2011, between January and June there was a sharp increase of sales 120847 bags, this is followed by a decrease in sales of 111745 bags.

There is a general trend in emerging in the sales of Dangote cement. The data reveals that, there is a sharp increase sale of cement at the beginning of every half year and it's followed by sharp decrease in the last half of the year. The likely reasons are that, most building contractors normally start their building at the beginning of the year and the most of the project are completed or near completion stage within the first six – month. Implying that, more cement is bought within January - June than in the second half of the year.

Another reason is that, most often management of Dangote Cement breaks for two months for major maintenance and repair work especially within July and August and also experience rain season. This period seems as a lean production season and due to this, they cut down production which invariably affects sales.

Comparing the sales between years, it seems that, the sales in 2010 was lower than 2011. The reasons for this might be due to the fact that Dangote started cement business in Ghana in 2010 and the most people did not know the quality of the product as such were hesitant in buying the product hence the low output in 2010 as compared to the year 2011.

Considering the trend sales over the tow year's period it's likely that, sales of Dangote cement will continue to increase in the next year. It is also expected that, sales between January and June will be higher than that between July and December. This finding is consistent with Balasingam et al (2008) which indicated that, there is a continuous increase in the production and sale of cement due to the growth of the constructional industry.

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CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 SUMMARY

The growing demand of cement products as well as the ability to break the monopoly of Ghacem in order to improve on accessibility and affordability of cement in Ghana has led to the establishment of five privately owned cement company. These include Dangote group of cement limited. The current study assessed customers' perception on acceptability of Dangote cement in Tema metropolis. The main aims of this study, is to determine people perception on the durability, determine factors the customers consider before purchasing the cement, trend in the sales of the cement and the strategies management adopt to promote the sales of cement.

The study adopted the survey method approach using quantitative methods of data collection and analysis. Questionnaires were the main instrument used for the study to collect data from 381 respondents using simple random sampling methods to select four communities out of twenty five communities, after which stratified sampling method was used to categorise customers according to whether they are domestic customers or contractors. Samples were drawn proportionally from each stratum until the intended sample size was reached.

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5.2 CONCLUSIONS

The findings were made in the course of the study before conclusions were drawn:

1. Dangote cement has more male customers than females.
2. The customers are mainly between the ages of 40 – 49 years and are married.
3. Most of the major distributors have low level of education.
4. Majority of the customers are of the perception that, Dangote cement are durable because it binds better and do not lead to cracks when used.
5. None of the customers perceived that Dangote cement is non – durable because it was found to be within the acceptable range of Ghana Standard Board.
6. The main factors consider before purchasing Dangote cement are the cost, quality and accessibility of the product.
7. Trend analysis reveals that, mostly within first half of every year, sale is higher than in the second half of the year. Annual sales in 2011 was higher than 2010.
8. Establishment of major distribution centres is a major strategy used in promoting Dangote cement in the study area.

9. Their ability to fix price ceiling for distributing on sales of Dangote cement has brought about price stability and also promoted the sale of cement.

From the above, it can be concluded that, customer perceived Dangote cement to be durable and also considered the price of cement and durability of cement before buying the product. There is a general increase in the sale of cement in 2011 as compared to sales in 2010, with great variability in sales between the first half and second half of each year, and the main measure of certain sales being the increased in the establishment of distribution centres.

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5.3 RECOMMENDATIONS

1. Based on the fact that there are more male customers than females in the use of Dangote cement, it's being recommended that management should encourage female distributors in the distribution of cement to bridge the gender balance.
2. Majority of customers were found to be in middle age bracket (40 - 49) years. Other age groups especially young enterprising adults should be motivated to become customers especially distributors of Dangote cement.
3. The study found that the main factors customers consider before purchasing the Dangote cement is the cost and accessibility of the product. To this end, it is important for management to ensure that the price of Dangote cement is relatively cheaper than other cements so that more cement can be purchased for the organization. In terms of

accessibility, there is the need to establish more distribution centers in every regions, districts and major towns to enhance accessibility of the product.

4. Their ability to fix price ceiling for distributors as a measure of stabilising the price of Dangote cement is a good measure but what needs to be done is to intensify field supervision to ensure that the distributors comply with the pricing policy.
5. The trend analysis reveals that production and sales of Dangote cement are usually low during the second half of every year. This is because major maintenance of machinery and training of staff within the month of July to September. There is therefore the need to produce in excess during the period of shutdown and maintenance in order to ensure continuous supply of customers' product.

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APPENDIX

KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY

INSTITUTE OF DISTANCE LEARNING

QUESTIONNAIRE

The researcher is a student of Kwame Nkrumah University of Science and Technology, Institute of Distance Learning. He is writing a thesis on the topic:

CUSTOMERS' PERCEPTION ON ACCEPTABILITY OF DANGOTE CEMENT

HOW TO COMPLETE THE QUESTIONNAIRE

Answers have been provided for most of the questions. Please response by ticking the boxes corresponding to the most appropriate answers. Other questions require that you provide your own responses. Write your responses in the spaces provided. Thank you

Section A: Socio - Demographic Profile of Respondents

1. What is your sex?

   Male ☐

   Female ☐

2. In which age group do you belong

   20 – 29 ☐

   30 – 39 ☐

   40 – 49 ☐

   50 – 59 ☐

3. What is year marital status?

   Single ☐

   Married ☐

   Separated ☐

   Divorced ☐

   Widowed ☐

4. Which level of education are you?

   SHS/Secondary ☐

   Vocational/Commercial/Technical ☐

   Diploma ☐

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Bachelors' ☐

Masters' ☐

Others (Specify)…….....

5. Which range does your monthly income fall

Less than ¢100.00 ☐

¢100.00 - ¢250.00 ☐

¢250.00 - ¢500.00 ☐

¢500.00 - ¢750.00 ☐

¢750.00 - ¢100.00 ☐

¢100.00+ ☐

SECTION B: People Perception on the Durability of Dangote Cement

1. What is your perception about the durability of Dangote cement?

Very durable ☐

Durable ☐

Fairly durable ☐

Not durable ☐

2. Given reasons to your response about the durability of Dangote cement.

……

……

……

3. Have you ever head of a customer complained about Dangote cement?

Yes ☐

No ☐

4. If Yes, what is his complain about

……

……

……

5. What is your perception about the prices of Dangote cement?

Very affordable ☐

Affordable ☐

Quite affordable ☐

Not affordable ☐

6. Give reasons for your answer in question 5.

……

……

……..

7. What is your perception about packaging of Dangote cement?

Excellent ☐

Very Good ☐

Good ☐

Fair ☐

Bad ☐

8. Give reasons for your answer?

……

……

……

9. Has Dangote cement being accepted in your community?

Yes ☐

No ☐

10. Give reasons for your answer?

……

……

……

SECTION C: Factors Customer Consider Before Purchasing Dangote Cement.

1. What factors do customers normally consider before purchasing Dangote cement?

Cost of cement ☐

Durability of cement ☐

Type of packaging ☐

Quality of cement ☐

Accessibility of cement to the deport ☐

2. Explain why such factors are considered?

……

……

……

SECTION D: Trend in the Sales of Dangote Cement

1. How do you see the sales of Dangote cement in your area?

   It moves very fast ☐

   They buy it slowly ☐

   They do not buy it ☐

2. How can these causes of seasonal fluctuation eliminated to improve efficiency?

   ……

   ……

   ……

   ……