

**PRODUCT QUALITY AND CUSTOMERS' SATISFACTION [CASE  
STUDY OF NESTLE NIGERIA PLC]**

**BY**

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**A PROJECT SUBMITTED TO THE DEPARTMENT OF BUSINESS  
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ADMINISTRATION.**

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## DECLARATION

I, **Akinleye Damilola Oluwatosin**, do hereby declare that this project is entirely my work and composition. The work embodied in this project has not been submitted in any form for any Degree or Diploma and is not concurrently being submitted for any other degree. All references made to works of other persons have been duly acknowledged.

.....

**Signature/Date**

## CERTIFICATION

We certify that this research was carried out by **Akinleye Damilola Oluwatosin** in the Department of Business Administration, College of Arts, Social and Management Sciences, Mountain Top University, Lagos-Ibadan Express Way, Ogun State. The research work is considered adequate in partial fulfilment of the requirements for the award of B.Sc. Business Administration.

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## **DEDICATION**

This research is dedicated to Almighty God who makes all things possible.

## **ACKNOWLEDGMENTS**

My express gratitude goes to Almighty God who guided and helped me in my research work. He made the completion of this study possible. Through thick and thin, He was there for me. I am grateful to my parents Mr. and Mrs. Akinleye for their constant prayers, financial support, and encouragement.

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## **ABSTRACT**

Organizations today are operating in an environment in which little is certain, the tempo is quicker and the dynamics are more complex. The customer is central to the organization and assessing customer satisfaction is a vital element in any strategy for business performance improvement. This makes customer satisfaction a driver for survival, competitiveness and growth. The key determinant for a sustainable business is customer loyalty as loyal customers not only increase the value of the business, but they also enable businesses to maintain costs lower than those associated with attracting new customers. By creating and preserving customer loyalty, organizations develop a long term, mutually beneficial relationship with the customers. The purpose of the research is to examine product quality and customers' satisfaction in relation to Nestle Nigeria Plc. The study used primary data. Primary data was acquired through distribution of questionnaire to the selected staffs and customers of Nestle Plc. Data is being analysed with the aid of Statistical Package for Social Sciences (SPSSv25). Frequency tables and percentages are being adopted in the presentation and analysis of the data generated for the study. The study found that (i) Nestle Product benefits does have effect on customers' satisfaction, (ii) Nestle Product images does not have any effect on customers' satisfaction, (iii) Nestle Product characteristics do have effect customers' satisfaction (iv) Product price has effect on customers' satisfaction. In conclusion, product quality is not the only influencing factor for customer satisfaction; however, it has a significant impact on customer satisfaction, which leads to high performance/efficiency of a company. Meanwhile, a manufacturing company's long-term survival in a competitive environment is heavily reliant on the quality of its products.

## **CHAPTER ONE**

### **1.0 INTRODUCTION**

The aim of this work is to give insight into the purpose of this study and to state clearly the problem that led to this study. The first section is the background to the study which will help create a better understanding of the variables involved in this study. The second part will identify the gaps which exist in literature that has led to this study and clearly discuss these gaps. The last sections will discuss clearly the objective of this study and the key terms that will be used in this study will be defined.

#### **1.1 Background of the Study**

The research consists of several basic steps. The first step consists in the self-evaluation by the respective companies of the quality of their own products, while the third step is essentially a comparison of results, so that any differences can be identified and addressed. The second one being the measurement of customer satisfaction with the products produced by the companies in question. Subsequently, it is necessary to identify quality management methods applied in the companies and the resulting performance. The outcomes of individual steps were compared and contrasted to enable conclusions regarding the actual influence of customer satisfaction on product quality, the influence of quality management on product quality and the influence of customer satisfaction and quality management on company performance. All of the above is expected to result in the improvement of managerial activities (or management per se) to ensure the long-term excellence of companies.

Considering the fact that the respondents (customers) need to be familiar with the products in question (and in order to have as many respondents as possible) the research was focused on Nestle Nigeria Plc. headquartered in Lagos, Nigeria. However, the company in question is indeed concerned with the quality control and sufficient amount of materials and data can be collected for research. That said, comparative research can be carried out in the future with regard to companies that do not have quality management systems in place, or companies from other industry sectors.

Therefore, this research is to measure customer satisfaction with the quality of products from Nestle Nigeria Plc., although the research does not cover the Nigerian customers in general, it represents especially the demographic group of customers. The aim of the article is to determine the level of satisfaction with the quality of product and to identify factors that affect satisfaction (including any correlations between the former and the latter).

The trend of world markets has changed noticeably, all of the service businesses are trying their best to improve their service and product quality by doing many efforts including promotion in order to make customers satisfied with their services. Customer satisfaction, a business term, is a measure of how products and services supplied by a company meet or surpass customer expectation. Every business wants to be the best at what they do and that includes customer satisfaction. In a competitive marketplace where businesses compete for customers, customer satisfaction is seen as a key differentiator. Some of the major sources of dissatisfaction for consumers are: not understanding how to use a product, not being able to find what was ordered online, or having packages delivered late. When customers are dissatisfied with quality or service, they often switch brands - which can lead to significant losses in revenue. The more unhappy customers you have, the more likely you are to lose them.

Some of the major sources of dissatisfaction for consumers are: not understanding how to use a product, not being able to find what was ordered online, or having packages delivered late. When customers are dissatisfied with quality or service, they often switch brands - which can lead to significant losses in revenue. The more unhappy customers you have, the more likely you are to lose them. (Munisih & Soliha, 2015).

On the other hand the world has come full circle from selling to marketing and from seller's market to buyer's market. The customer today has the option to buy what he thinks he should and from whom, being in his best interest. Product development, technological improvement, cost optimization and excellent service facility are very important for any organisation but their importance is only if the customer appreciates it. (Agyapong 2010: 64) For example, both diamond and coal are carbon but they are priced differently due to different valuations by the customer. Therefore, any business begins and ends with the customer (Syafarudin 2016).

Therefore, the success of any organization can be traced or linked with successful product quality and this depends on their ability to identify the needs of customers and to quickly create products

that meet these needs. Therefore, product development is the process in which a new product or product improvement is created. Product development is broken down into many stages such as engineering, design, prototype construction and commercialization. The process of product development can be described as the life blood of any business organization. Lovelock & Wright (2015). Zabeen (2019) Satisfaction is determined by whether or not customers feel they have a satisfactory experience of a product. This will please your customers and they'll know they're on the right track, producing quality products and services, which the product itself differs from some of the features or factors through the expectation and also the presentation of the product itself. (Sheth, & Mittal, Banwari, 2015). Furthermore, companies worldwide lose half their customers every five years. But most managers fail to address that fact head-on by striving to learn why those defectors left. They are making a mistake, because a climbing switching rate is a sign that a business is in trouble. Managing a large organization is challenging, it requires leadership skills, strategic planning, and an understanding of human behaviour. But with the right guiding principles and strategies, managers can stem the decline and build a successful enterprise. Tjiptono(2015) suggests that by searching the root causes of customer departures, companies with the desire and capacity to learn can identify business practices which can win the customers back and re-establish the relationship on firmer ground.

Customer satisfaction is a fresh thought that is used to be the representative to wholly after purchasing effects on the products (Hertati & Safkaur, 2020: Khan, et, al, 2016: Pramudana & Satria, 2017: Sari, NP, Heny, 2018). Satisfying the needs of customers is not solely a marketing problem, nor is it solely a design or manufacturing problem. It is a product quality problem. Product quality is an interdisciplinary activity that requires contributions from nearly all the function of a firm however, three functions are almost central to a product quality effort. These include marketing, design and manufacturing Judith & Kincaid (2017). The marketing function mediates interactions between the firm and its customers. Marketers often facilitate the greatest possible benefit for clients, and we have decided to formalize the relationship with the other firms on the block chain. This will enable us to work together to better understand our customers' needs and to have more effective communicate between the firms, and its customers, in other to set prices and oversees the launch and promotion of the product Razaq (2016). The design function leads the definition of the physical form of product to best meet customers' needs. The design function is responsible for bringing ideas to life on a large scale. They can be engineers, industrialists,

promoters, or a combination of all of these things. They are the glue that brings all of the other functions together, and shapes the company as a whole. Khan & Ahmed (2016) The manufacturing function is primarily responsible for designing and operating the production system in order to produce the product, the manufacturing function also includes purchasing, distribution and installation. . Khan & Ahmed et,al (2016).Although, some prefer the label production/operations management, the more global term of production used here is to emphasize that production system generates intangible services as well as tangible goods.

Ehsani&Ehsani (2015) states at least four reasons why it is important that you know something about production quality, the production of quality is hard work. The challenge is to earn profits, yet minimize expenses, by producing high-quality goods in a large volume. It is difficult to produce high-quality goods at a large scale, but it is not impossible. Production is a core organizational function. The production function commands the flow of resources through the organization. Society depends heavily on the output of productive organizations and the production function is tied to many serious societal components. A typical operation or production manager views organizations as productive systems, complete with inputs, a transformation process and output. The transformation process consists of interrelated parts, each depends on the other. Among the important parts of productive systems are these activities listed below, (Cruz 2015).

Customer service, sales, productions at a company are all impacted by the number of customers the company has and their perception of them. It's the job of customer service to ensure that customers are satisfied with their experience. As such, service representatives can optimize their interactions with customers by understanding their expectations and following up accordingly. They provide products and services to fulfil different needs of the customers. The focus is now moving from short-term satisfaction to long-term relationship between the firm and its customers (Kusuman, & Abdillah, (2016). Finding new customers is important for a business, but equally important is keeping the old customers since many researchers found that focus on customer satisfaction has resulted in economic benefits Sirfaz, Sabir & Naz, (2016). With the change of time and situation, the scenario of business world is increasingly being competitive. On contrary, due to globalization and internationalization the competitiveness of business environment, either from national or international market, strongly motivates or develops the awareness about the consumer right along with their expectations and demands Kelemu & Mandefro (2017). According to Atiyah

(2016), this is an issue that touches every aspect of the business world. The ability to categorize is an invaluable skill that allows one to quickly understand a situation or find information in a specific location. It would be beneficial to develop a set of identical terms to help better define this concept, allowing for better communication and understanding between the various disciplines of the business world. However, in real life goods retailers still offer for some form of service in order to motivate and facilitate higher level of sale of goods leading to have the relative influence in customer satisfaction.

Customer satisfaction is considered to be the primary goal for organizations that practice relationship market is to increase sales. The goal of relationship branding is the same, but bigger-scale. It's about creating a strong brand image, getting people to know who they are, and creating an emotional connection with their customers and prospects. It's a great idea, but it's hard to pull off. Asshidin, Abidin, Borhan (2016). Once a customer is satisfied it means that the amount of purchase grows which in turn reduces the customer replacement costs. Over the past few years, we have noticed a trend in our customer base: some of our most loyal customers are choosing to pay a premium for our products instead of receiving a discount. They are deciding to purchase on a regular basis instead of only when they need something. This has forced us to change our business model to one where we are continually investing in our product and improving our customer experience so that our customers will want to come back to us again and again. This has been a great test for our company and has helped us to better understand what our customers really want and need. McMullan & Gilmore (2018). Interesting findings by Bastos and Gallego (2018) states that *"It may be up to 10 times more expensive to gain a potential customer than it is to satisfy an existent one, and the price of getting a new customer up to the same value of the company as a lost one can be up to 16 substantially greater."*

Many researchers in business associations have studied customer satisfaction and product quality. Griffin (2016) and their results have shown positive relation between product quality and customer satisfaction. It has been established that service quality significantly contribute to' consumers to accept again, become less price sensitive, and share their pleasant experiences with others. (Charan 2017). Similarly, these findings can be applied in retail setting where in today's competitive retail sector, retailers no longer will afford to dissatisfy their customers on services side. Moreover, the significance of product quality in retail sector should also not be overlooked because the higher

the quality in relation to price, the higher the value for customer. The quality of the product can only be assessed from the perspective of what the customer ultimately buys. If the customer buys less than they expected, the product is a failure; if more than expected, the product is a success. In 1987 David Garvin suggested the eight product quality dimensions: we identified in our research for improving product quality were: design and aesthetic, materials and textures, safety and health, service and support, and price and value. Also nine specific product quality characteristics were identified: recognisability, consistency, durability, responsiveness, affordability, safety, and quality. While these are broad characteristics, they capture the essence of these dimensions in terms of what consumers and users want to see in their products. Organizing these nine into a single list of characteristics help us to identify and prioritize the most important quality dimensions to focus on.

Sustained competitive advantage (SCA) is achieved when they want to be the best in their field, provide the best product or service and rank high on the list of companies people choose to do business with. However, sometimes the best competitive advantage is not the most expensive, the most modern, or the most innovative. It is the one that allows you to stay true to your values, your mission, and your vision while providing a sustainable competitive advantage that allows you to consistently outperform the competition and the organization's developed strategy (Sugiarti, T, Thoyib, A, Hadiwidjojyo, D. & Setiawan, M. 2018). SCA is the key differentiator of the organization in making its competition irrelevant. Competitive advantage is not static; rather, it is extremely dynamic in nature, since it has to be as flexible as market conditions, especially when customer needs and resources availability are highly variables time to time. Change in technology has changed the competition landscape. Traditional way of controlling the resources simply does not work as small players also can have access to the advance level of technology with a very affordable cost by using the available open source information or the leasing facilities. Since sources of competitive advantage become scarcer, potential new areas of competitive advantage must be explored (Markley & Davis, 2017). Competitive advantage is created as a firm discovers a new or a more efficient way as compared to its competitors or as soon as it innovates.

Both quality of services and products in retail sector are considered to be vital for survival and success of the firm. Highly intensified and competitive retail industry has compelled firms to pursue strategies which could yield higher value for customers. Many retail companies would be

unable to operate because large companies offered higher relative value of both service and product quality. Tu&Chih (2019).

Overall an organization should be able to create superior customer satisfaction. Adopting a customer satisfaction vision enables an organisation understand their customers and to win without a fight should be the supreme among all strategies. A firm can, under certain situations, win without fight by carefully positioning itself through innovation which affords it competitive advantages. Building a competitive advantage involves understanding the needs of the market (customers) and devising a strategy to make use of the resources that are available (or can be obtained) to set the business apart from the competition. The strategy needs to take into account the target market and the company's strengths and weaknesses. Despite the high number of researches that explain and study the significant impact of creating sustainable competitive advantages of the performance of the company, still there are not many literature that focus on the factors of product quality and customers satisfaction for services and product perspective (for example; service quality, product quality) in business to business (B2B) sector.

Together, these activities let managers carry out their economic function of transforming resources into useful goods and services.

## **1.2 Statement of the Problems**

Compromising product quality in development stage may become very expensive for a company once product is launched. Cost of poor quality in the manufacturing industry lies between 5 to 25% of sales (Wilson, 2014) and service industries expenditure are even higher, of the order of 30-40%. Up to 95% of these costs are the failure and appraisal costs and mere 5% are the prevention costs (Bell, 2015; Vicent, 2016; Suthummanon, 2018). When quality-problems occur, the producer invariably receives the blame since, in the customer's mind; the producer has ultimate responsibility for the product. However, the reality is that, in many situations, external suppliers often provide the faulty components and subunits that make their way into final products (Trent et al., 2018). This research is backed by (Forker, 2019) who holds it that a product quality can only be as good as the quality raw materials from suppliers. In spite of the manufacturing organizations plea to get raw materials that meet or surpass their expectations, poor quality products have always found way in their supply chain. This study therefore sought to carry out an investigation on the factors affecting products quality and customers satisfaction as regards Nestle Nigeria Plc. product.



The system's overall design was mature. It was developed by means of modular branch designs. More adaptability is supplied by many modular parts. The mature design was rendered in terms of modular branch designs. The component of the design included workflow layout and architectural plans. A labour staffing plan that specified just how each operation is to be carried out, including labour time standards, a materials flow plan and layout and, the central warehouse design including storage layout and logistics supply system, the production operation layout, equipment specification, a schedule for the acquisition of property and the building of branches, and a complete financial analysis (Saleki & Sayedsaleki 2012).

Studies have shown that there are several factors that influence a customer's decision to repurchase a product or service or to be satisfied to a particular product. . Lau et al. (2016) in his article mentioned that there were several factors that influenced consumers' satisfaction towards certain brands. The factors were: brand name, product quality, price, promotion and service-quality. Other scholars and experts have also come up with factors that influence customers satisfaction and one thing remains common with them; they believe that product quality or perceived product quality plays a role in customer satisfaction however, a review of literature on the relationship between product quality and customers satisfaction has highlighted the gap in literature that critically analyses the product quality and customers satisfaction. Construct or the degree of effect that product quality has on customer's satisfaction.

A review of different product quality models also emphasizes the gap in models that are constructed solely to explain the degree to which product quality influences brand loyalty. This is because most of the product quality models available highlight the chain of reaction from customer expectations to brand loyalty without breaking down the quality constructs into the different degrees that may be responsible for customer's satisfaction. However, these models have been constructed to explain the product quality and brand loyalty process for different countries and their marketing environment. Till date, there is little or no product quality model that has been constructed to suit the Nigerian environment or to explain how product quality and customers satisfaction works in the Nigerian context.

For an organization to be successful, the conception of the process and facilities product design has to represent an integrated view of the conversion process for the system as a whole. In

reviewing the longer-term operation decisions, we must realize that they are very significant to the future of the organization.

The decision set against the basic approach to supply distribution and operations for some time to come and committing the majority of the available capital of the enterprise. The key decision that set the design of the productive system is: The design of the product/service quality to be offered and finalized through an interactive process.

### **1.3 RESEARCH QUESTIONS**

- What is the effect of product benefit on customers' satisfaction?
- What is the effect of product image on customers' satisfaction?
- What is the effect of product characteristics on customer's satisfaction?
- What is the effect of product price on customer's satisfaction?

### **1.4 OBJECTIVE OF STUDY**

Based on the above research questions, the main aim of this study is to examine product quality and customers' satisfaction in relation to Nestle Nigeria Plc. The specific objectives are:

- I. To examine the effect of product benefit on customers satisfaction.
- II. To examine the effect of product image on customers satisfaction.
- III. To examine the effect of product characteristics on customers satisfaction.
- IV. To examine the effect of product price on customers satisfaction.

### **1.5 RESEARCH HYPOTHESES**

#### **Hypothesis 1**

Ho: Product benefit does not have effect on customers' satisfaction.

### **Hypothesis 2**

Ho: Product image does not have any effect on customers' satisfaction

### **Hypothesis 3**

Ho: Product characteristics do not have effect customers' satisfaction

### **Hypothesis 4**

Ho: Product price has no effect on customers' satisfaction

## **1.6 Significance of the Study**

This study is expected to be significant to manufacturing industries as it will outline factors affecting product quality and customers satisfaction in manufacturing industries. The study will be useful to alleviate the problems of poor products that Manufacturing industries face in Nigeria and other parts of the world.

The study was a supply reference material for future researchers on other related topics. In addition, it will help other academicians who undertake research on related topics. Also the study will be useful to the researcher since it serves as the partial fulfillment of the requirement for the award of the Bachelor's Degree.

Moreover, the information from this study will be beneficial and usefully guidelines to policy makers and planners at various levels in the country.

## **1.7 Scope of the Study**

The study was restricted to the NESTLE NIGERIA PLC specifically the factors affecting product quality and customer satisfaction. The study was based on primary data collection since they provide a more realistic conclusion to meet the objectives of the study.

## **1.8 Limitation of the Study**

The study was limited in the following ways:

Poor cooperation from some respondent as some of them was interested to participate to the study. To overcome this challenge, objective of the research explained by the researcher and made known to the respondents so as to solicit their informed consent.

Some of important information was being disclosed from the respondents due to issue of confidentiality of information. However, the researcher ensured that high level of confidentiality on the information was provided by respondents through questionnaires was maintained.

### **1.9 Definition of Terms**

**Pricing:** Is the financial bargaining of the product. It can be said to be financial rate at which the product sales in the open market.

**Market Segregation:** This allows for a market to be segregated by different product variations so that consumers are open to different choice in the market area.

**Manufacturing Date:** This is the printing or label placed on a product for identification and notification of a particular product manufacturing date. It also carries other details like expiry date, and so on.

**Target Consumer:** These are individuals, organization or societies who are in need of various products.

**Marketing Strategy:** Is the basic approach that the business unit uses to achieve its objectives and it consists of broad decision on target market/consumers.

**Shopping Product:** Are items from which buyers are willing to put forth considerable effort in planning and making the purchase.

**Impulse Goods:** Are low price items that are routinely purchases on a specific trip to a store.

**Products:** An asset of tangible and intangible attributed including packaging, color, price, which the buyers may accept as offering want-satisfaction.

**Packaging:** Is the process of designing and producing the container or wrapper for a meeting the prospect face.

**Brand:** Is a name symbol or special design or some combination of these elements that is intended to identify one product from competing ones.

**Labelling:** Is the part of a product that carries verbal information about the product or the seller.

**Warranty:** Is to give buyers some assurance that they will be compensated in case the product does not perform up to reasonable expectation.

**Quality:** is defined as a zero error rate, i.e. the ability to produce a perfect product on the first try.

**Satisfaction:** the use of two basic concepts: transaction based satisfaction and cumulative satisfaction.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.0 Introduction**

This chapter provides an insight into the theoretical and empirical environment in which the field of Product Quality and Customers' Satisfaction [Case Study Of Nestle Nigeria Plc.] as well as Conceptual framework which included independent and dependent variables under graphical structure.

Customer's decision making is one of the most important topics in a rapid changing business environment. Product valuation is the core determinant of the consumer choice. Product features are important to both consumers and marketers. The consumer uses features as the basis for evaluating a product since features of product provide benefits the customer seeks when purchasing a product and comparing between competitive brands. Consumers also evaluate product quality positively or negatively, which is perceived as being important in the decision-making process. The marketer uses features of product to differentiate his brand from competitive brands and as the basis for the development of new products.

Consumer satisfaction has been very well-known in marketing where as it is as the basic focus in achieving business objective, vision and also mission (Anderson et, al, 2014). Consumer satisfaction is customer evaluation or felt towards a product after usage that does the product itself differs from some of the features or factors through the expectation and also the presentation of the product itself. Customer satisfaction a fresh thought that is used to be the representative to the wholly after purchasing effects on the products after a duration (Anderson et al., 2014; Fornell, 2012; Johnson and Fornell, 2011). Satisfaction is an internal view which offshoot from customers own experience of a consumption or service experience. The connection between customer satisfaction and company success has traditionally tied to faith and numerous satisfaction studies have supported this position (Hill and Alexander, 2010). Customer satisfaction has always been considered a vital business goal because of its crucial role in the formation of customers' desire for future purchase or tendency to buy more (Mittal and Kamakura, 2011).

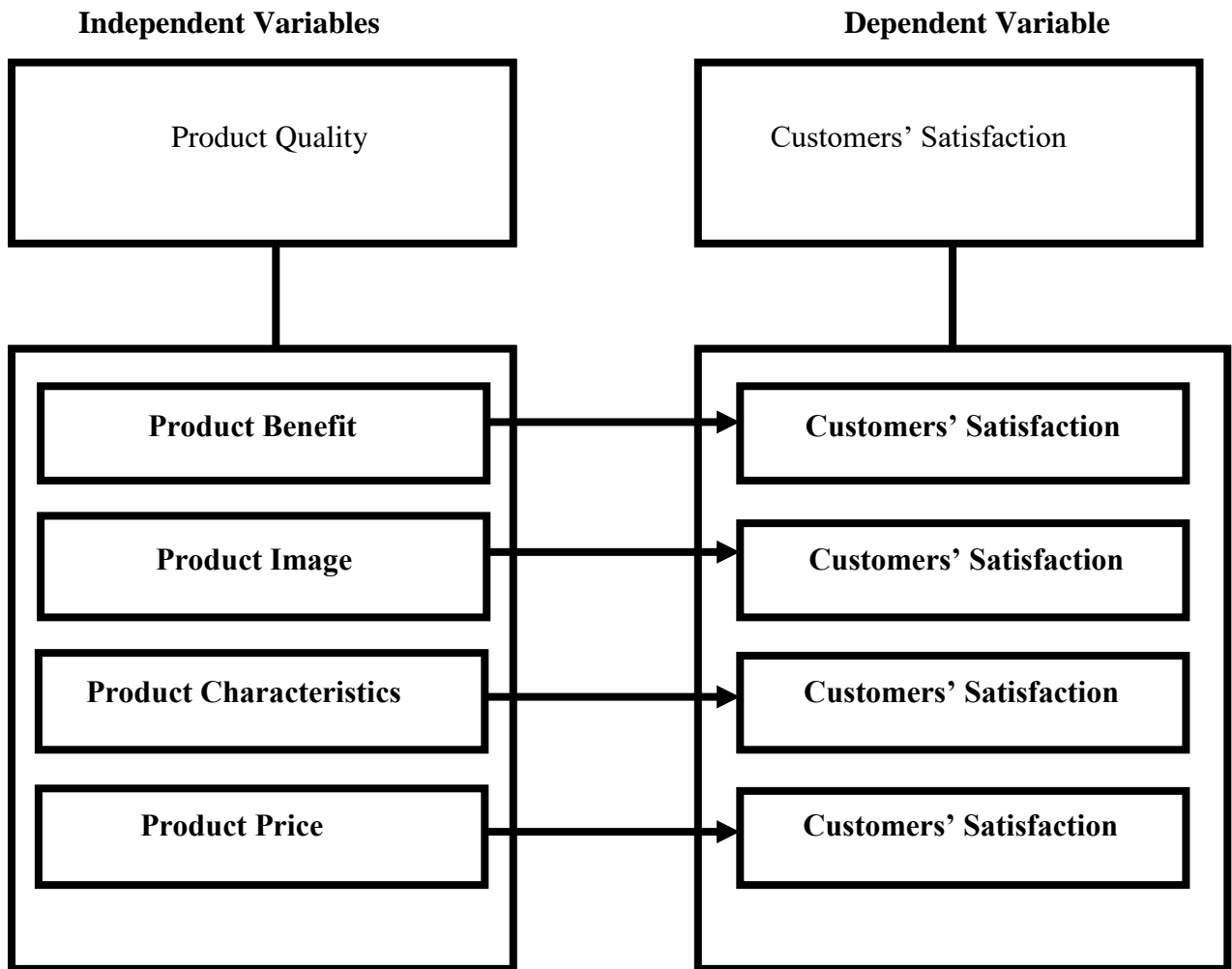
Nestle Nigeria Limited as company whose objectives are to satisfy the requirements of the consumers with high quality food products with long shelf life adapted to the taste and food habits of the consumers and as a result, Nestle has continuously invested in Nigeria by building and commissioning in 1991 at Agbara, Ogun State a fully integrated plant producing concentrated sorghum malt extract from locally malted sorghum. The investments represent successful and significant effort at replacing imported raw materials in the manufacture of milo food drink and the Maggi cubes and with the company's historical root in nutrition, wide product portfolio, strong brands, research and development competence, skilled and motivated professionals, and efficient management, the company is positioned to committed to the progress, prosperity, economic development, and industrial growth of Nigeria, through the use of vertical integration strategy, the company achieve a clear cut competitive advantage over competitive products by ensuring that their products are available wherever, whenever, and however the consumers want. Their continuous attention is also given to developing the professional leadership skills of staffs at all levels so that they can directly contribute to growth and a higher level of performance.

In this contemporary era of our current generation nowadays, it is normal for a business to face a fluctuate performance, hence in order to sustain the growth of business in a long-term period and increasing the performance of the firm, consumers play a vital role in this context as they are the most crucial components to the firm. Any firm should take into account any complaints or reviews expressed by consumers regarding on the firm's performance. According to Russell-Bennett, McColl-Kennedy & Coote (2007), customer satisfaction plays a significant role in shaping purchase intention in the future. Therefore, it is ought to the firm to provide an excellent service in ensuring the customers were satisfied with the service provided and quality of the goods purchased. Hence, there is a significant correlation between competitors and any other business as it is a nature in business area that we cannot avoid, thus, it is very vital to achieve loyal customers and repeat purchases that will induced to customer satisfaction (Sulek & Hensley,2004).

## **2.1 Conceptual framework Review:**

The aim of this section is to summarize the idea got from past literature. Conceptual framework is the foundation on which the study is based. It describes the relationship between dependent

variables and independent variables. The product feature is important factor that effect the consumers' satisfaction and this will evaluate with the help of four product feature dimensions. On the independent variable we have price of product, quality of product, easily available of product and healthy product medicine purpose). The following framework can derive from review of existing literature and research papers.



**Figure 1. Conceptual Framework.**

).

## 2.2 Product Quality



Product quality: One of the important element in the business word is providing value to customers which does not only include objects that are tangible but also objects that are intangible, that is including packaging, service characteristics, brand name as well as performance quality. Customer's satisfaction and value is thus linked to a product's quality which has a significant impact towards service performance or the product (Kotler& Armstrong, 2021). However, according to Rust (2018), the term quality has been so overused that its meaning is not easy to determine because of the so much attention that have been devoted by academics and practitioners. Moreover, most authors accept the qualification of product quality by Zeithaml's (2020) which states that, product quality is defined based on either extrinsic cues that is the external quality or the intrinsic cues which is the internal quality of a product. Customer's perception regarding extrinsic cues such as warranty, brand, country of origin or price according to Teas and Agarwal (2016) is based on the quality externally. The dimensions of product quality according to Winder (2016) and Chavan (2013) is the totality of product characteristics that has the capability or capacity of satisfying the expectations of consumers. Clients will be highly happy and consider that a product is of higher quality and is acceptable when a product meets their expectations. These dimensions according to Garvin (1984) include the following: Performance, Feature, Reliability, Conformance, Durability, Service Ability, Aesthetics, and Perceived Quality.

Waller and Ahire (2016) define product quality based on the manner in which customers perceive the actual quality versus their views towards quality of the product in terms of performance, reliability, durability and conformance. Keller's 2008 study showed that brand judgement usually begins with positive quality (product) perceptions, but attitudinal attachment is almost always needed for customer engagement to occur. Product quality is "often considered to contribute to the development of competitive advantage, then the design and manufacture of products tailored to meet customer requirements should enhance quality performance" (Benson, Saraph, & Schroeder, 2011). A study by Van Doorn et al. (2010) showed a direct effect, whereby the greater the perceived product quality, the greater the level of customer satisfaction.

A study by Odekerken et al. (2011) investigated the impact of three dimensions of product quality (technical, functional and relational) which can affect customer loyalty. Having a better understanding of customer perceived quality can enhance a firm's customer loyalty (Sen & Kenyon, 2012). Thus, better perceptions of product quality are established when the degree of

conformance exceeds customer expectations, and results in customer loyalty (Garvin, 1984). Service quality perception can be understood by knowing what customers will do (prediction), and their expectations for the actual service delivered, i.e. what do customers think the company should do or provide? (Lee, 2010). With a specific type of customer engagement tool, firms can accrue and offer more value to customers (Kaltcheva, Patino, Laric, Pitta, & Imparato, 2014). The study of Darwin, Suwanna, and Theingi (2017) shows that service quality positively affects customer engagement. High levels of satisfaction in service quality affect customer engagement positively (Saha &Theingi, 2009).

Since quality at the source is central to the core value of total quality, it must be realized that supply quality is the source for an imbalance proportion of the inputs into their organization's products, processes and services (Trent, 2019). Aorker, (2019) holds it that a firm's quality performance (output) can only be as good as the quality performance of its suppliers (input). If organizations get poor quality of inputs from their suppliers the end products quality will also be wanting. According to the Queen Mary literature, manufacturers cannot consistently produce quality products without effective collaboration among suppliers. (Flynn and Flynn, 2015) propose that organizations which pursue goals related to supply chain will also pursue goals related to quality, and argued that supply chain performance is built on the foundation of quality. Hence, supplier quality management is a key to achieve good quality, so as to achieve world-class success (Lemkeet, 2013).

However, due to the raising importance of supplier management, manufacturing companies have taken proper actions against this change, where sourcing suppliers, evaluating and selecting suppliers, providing training to suppliers, supplier performance rating and supplier certification are the common practices in managing their suppliers (Besterfield *et al.*, 2015; Dobler, 2010).

### **2.2.1 Product Benefit:**

Kotler and Keller (2016) opined that product benefits are any positive impact that a good or service has on the experience of a consumer interacting with it. Customers may note immediate benefits or long-term benefits, which they might experience at increasing levels the longer they use your product or service. Each benefit you provide to customers also provides them with another reason to decide to purchase your product or service. Product benefit is an actual benefit. This type of benefit has a practical effect the consumer can experience and see in the real world. For example,

a wheelbarrow that can carry more weight than its comparably priced alternatives provides an actual benefit to consumers who purchase it. Product can provide is a perceived benefit. This is a perk related to the image that your product projects and the effect that can have on the customer. When consumers perceive a product to be a luxury item, for example, it can provide a perceived benefit to consumers because of others viewing it as a sign of status.

### **2.2.2 Product Image**

There is a general view that a favourable product image has a positive impact on customer satisfaction. Davies (2013) suggested that product image correlates with customer satisfaction. Product image has been recognized as an important antecedent of customer satisfaction. Hence, a positive supermarket product image will tend to generate high customer satisfaction in the outlet. Kandampully, and Suhartanto (2010) posit that corporate image is positively associated to customer loyalty. In addition, they added that customer satisfaction and corporate image with the organizational performance significantly illustrate the variance of customer loyalty. Da Silva and Alwi (2016) noted that if the customers are satisfied with the services or products offered by a brand then they have more willingness to recommend the services or products to others; have less probability to switch other brands, and more likely to repurchase from the same brand. Product image has a significant impact on customer satisfaction especially across manufacturing industries. Kapferer (2011) identified store infrastructure, convenience, store service and sales activities as the four components of store image, and they all impact customer satisfaction directly. Palacio, Meneses, & Perez, (2012) also empirically proved the dominant role of product image in predicting customer satisfaction in the hospitality industry. Moreover, the congruence between the product image and customers 'self-image would enhance customer satisfaction and customers 'preference for the product. Furthermore, the strategic importance of customer satisfaction for organizations is even more highlighted. In a competitive marketplace where businesses compete for customers like in the service industry; customer satisfaction is seen as a key differentiator and increasingly has become a key element of business strategy. It is essential for companies to effectively manage customer satisfaction. Pimentel and Heckler (2013) found that product image has an indirect influence on loyalty via customer satisfaction. Moreover, product image could have both direct and indirect effects on loyalty. Nevertheless, product image can be certainly viewed as a predictor of customer loyalty. Thus, in the service industry context, a positive product image appears to

stimulate customer loyalty. It is accepted that positive product image contributes to enhance customer loyalty and also, customer loyalty has great roles in building strong product image of a company. Product image therefore is essential for companies to gain lifetime customer loyalty which leads to gear up organizational efficiency.

### **2.2.3 Product Characteristics**

Product characteristic may influence consumer satisfaction. The literature includes studies that describe a variety of other product characteristics that are possibly related to satisfaction. Chitturi (2019) showed that a positive product characteristic, in regard to hedonic benefits, caused a greater amount of promotion-focused emotions such as delight and satisfaction, and less prevention-focused emotions such as security and confidence. In contrast, positive product characteristic that concerned utilitarian benefits caused a greater number of prevention-focused emotions and fewer promotion-focused emotions. This research shows that the experiences concerning different product attribute types may lead to qualitatively different types of emotions; this is possibly related to consumer satisfaction. Theoretical, effects of product characteristics on consumer satisfaction moderated by characteristics evaluability (+ and – indicating positive and negative effects, respectively).

Slotegraaf and Inman found that consumer satisfaction with a number of car characteristics was relatively low for resolvable characteristics, that is, characteristics that might be fixed or changed without buying a new product, such as the operation of the brakes. In contrast, consumer satisfaction was relatively high for irresolvable characteristics —characteristics that cannot be fixed—such as interior roominess. This difference was assumed to be due to the characteristics of any dissatisfaction to either the inherent nature of the product.

### **2.2.4 Product Price**

Indicators of characterizing prices that are able to create customer loyalty is one of them is the suitability of the price with the benefits obtained. This takes place where consumers decide to buy the product because the benefits consumed are commensurate with the price set by the company and vice versa if consumers feel the benefits of the product are smaller than the price issued then customer loyalty will not be created Kotlerdan Armstrong (2019).

Product Price is one part of the marketing mix, which is a value of certain goods attached to goods or services that are being traded in the market. The product price concept in this study is the price for services paid by consumers to have satisfaction of Nestle Nigeria product. The compatibility of good or bad prices can be seen from the consumer's response to the price offered, accepted or rejected. In manufacturing services, prices are the top priority of customers in choosing service quality. The price increase can affect consumers. According Stephan. (2017) the product price increases are situations where customers get low money values, where prices are higher than expected, or prices decrease after purchases and products purchased do not match the price offered. The increase in the price of cellular telecommunications services should also be accompanied by an increase or improvement in the quality of services, so that consumers' poor perceptions of prices can be avoided. Research conducted by Dhurup, Manilall, Mafini, Chenedzai. & Dumasi, Tshepiso. (2014) produce a statement that prices show a significant positive effect on brand satisfaction and management must be able to apply prices effectively to increase customer satisfaction with the company's products. Research by Wang, Sujuan. Hu, Qiying., & Liu, Weiqi. (2017) also shows that in a market that has a high sensitivity to prices, changes in price increases are very sensitive to the level of customer satisfaction, the more appropriate the price offered and provide benefits, the greater the influence on customer satisfaction.

Virvilaite (2019), states that product prices are one of the most flexible marketing mix elements that can quickly change, after changing certain product characteristics and services. How customers see ascertain price, where the price of a low-high product can be a significant effect on the customer's intention to buy a product. Fairness of prices will affect customer perceptions and will ultimately affect their willingness to become customers. The price set will affect customer loyalty, because mistakes in setting selling prices will result in customers feeling disappointed. Herrmann et al (2017) stated that price loyalty affects customer satisfaction in a positive way but perceived fairness of prices can be negatively affected by customer vulnerability. Customers want good quality products at affordable prices that they can buy easily and if there are companies that provide this to customers, it will build good long-term relationships with customers (Peng & Wang, 2016).

### **2.3 Customer Satisfaction**

Customers today have different needs and increasingly demand for higher quality of products and services. However, in majority of case customer priorities often differ significantly from what organizations think they are (Quinn & Humble, 2013). While the needs of customers has been recognised as being of crucial importance but that understanding has not yet been fully translated into action in terms of accessing the necessary information. In general definition “quality” is “satisfying customer’s requirements” (Ghobadian, Speller, & Jones, 2014). What quality means for the customer today no longer constitutes a competitive weapon but the basic core offering expected by customers Drucker (2015) suggests that the sole purpose of any organization is to create value for its customers. To enjoy superior performance, we need to serve the customer in distinctive ways to attract satisfy and retain them (Hax & Wilde, 2003). Customer satisfaction goes beyond service experience that a customer went through. It incorporates value judgment and comparison to initial expectation of what the service quality should be; oftentimes based it is an overall comparison between the value that customers perceive and the price that they pays (Rust & Zahorik, 2013). By focusing on customer value organizations think outwards, toward external customers and about ways in which customers can achieve greater responsiveness to their needs (Wooduff, 2017). Fulfillment of customer needs through delivering customer value, in turn increases customer loyalty (Gronholdt, Martensen, & Kristensen, 2014).

## **2.4 Theoretical Review: Theories on product quality and customers satisfaction**

### **2.4.1 Assimilation Theory**

Assimilation theory is based on Festinger’s (1957) dissonance theory. Dissonance theory posits that consumers make some kind of cognitive comparison between expectations about the product and the perceived product quality. This view of the consumer post-usage evaluation was introduced into the satisfaction literature in the form of assimilation theory. According to Anderson (1973), consumers seek to avoid dissonance by adjusting perceptions about a given product to bring it more in line with expectations. Consumers can also reduce the tension resulting from a discrepancy between expectations and product performance either by distorting expectations so that they coincide with perceived product performance or by raising the level of satisfaction by minimizing the relative importance of the disconfirmation experienced.

However, Payton et al (2003) argues that Assimilation theory has a number of shortcomings. First, the approach assumes that there is a relationship between expectation and satisfaction but does not

specify how disconfirmation of an expectation leads to either satisfaction or dissatisfaction. Second, the theory also assumes that consumers are motivated enough to adjust either their expectations or their perceptions about the performance of the product. A number of researchers have found that controlling for actual product performance can lead to a positive relationship between expectation and satisfaction. Therefore, it would appear that dissatisfaction could never occur unless the evaluative processes were to begin with negative consumer expectations.

#### **2.4.2 Contrast Theory**

Contrast theory was first introduced by Hovland, Harvey and Sherif (1987). Dawes et al (1972) define contrast theory as the tendency to magnify the discrepancy between one's own attitudes and the attitudes represented by opinion statements. Contrast theory presents an alternative view of the consumer post-usage evaluation process than was presented in assimilation theory in that post-usage evaluations lead to results in opposite predictions for the effects of expectations on satisfaction. While assimilation theory posits that consumers will seek to minimize the discrepancy between expectation and performance, contrast theory holds that a surprise effect occurs leading to the discrepancy being magnified or exaggerated. According to the contrast theory, any discrepancy of experience from expectations will be exaggerated in the direction of discrepancy. If the firm raises an expectation in his advertising, and then a customer's experience is only slightly less than that promised, the product/service would be rejected as totally un-satisfactory. Conversely, under-promising in advertising and over-delivering will cause positive disconfirmation also to be exaggerated.

Furthermore, several studies in the marketing literature have offered some support for this theory. The contrast theory of customer satisfaction predicts customer reaction instead of reducing dissonance; the consumer will magnify the difference between expectation and the quality of the product.

#### **2.4.3 Disconfirmation Theory**

Disconfirmation theory argues that 'satisfaction is related to the size and direction of the disconfirmation experience that occurs as a result of comparing service performance against expectations'. Szymanski and Henard found in the meta-analysis that the disconfirmation paradigm is the best predictor of customer satisfaction. Ekinici et al (2004) cites Oliver's updated

definition on the disconfirmation theory, which states “*Satisfaction is the guest’s fulfillment response. It is a judgment that a product or service feature, or the product or service itself, provided (or is providing) a pleasurable level of consumption-related fulfillment, including levels of under- or over-fulfillment*” Mattila, A & O’Neill, J.W. (2003) discuss that “Amongst the most popular satisfaction theories is the disconfirmation theory, which argues that satisfaction is related to the size and direction of the disconfirmation experience that occurs as a result of comparing service performance against expectations. Basically, satisfaction is the result of direct experiences with products or services, and it occurs by comparing perceptions against a standard (e.g. expectations). Research also indicates that how the service was delivered is more important than the outcome of the service process, and dissatisfaction towards the service often simply occurs when guest’s perceptions do not meet their expectations.

## **2.5 Empirical Review**

Numerous empirical studies have indicated that product quality and customer satisfaction lead to the profitability of a firm (Anderson et al. 2014; Zeithaml 2000). Anderson and Sullivan (2013) stated that a firm’s future profitability depends on satisfying current customers. Anderson et al. (2014) found a significant relationship between customer satisfaction and return on assets. High quality leads to high levels of customer retention, increase loyalty, and positive word of mouth, which in turn are strongly related to profitability (Reichheld and Sasser 2010). In a manufacturing sector like Nestle Nigeria Plc. settings, customer satisfaction is the key factor for successful and depends highly on the behaviours of frontline service providers. Kutner and Cripps (2017) indicated that customers should be managed as assets, and that customers vary in their needs, preferences, buying behaviour, and price sensitivity. A manufacturing sector like Nestle Nigeria Plc. remains competitive by increasing its product quality relative to that of competitors. Delivering superior customer value and satisfaction is crucial to firm competitiveness (Deng 2013). It is crucial to know what customers value most and helps firms allocating resource utilization for continuously improvement based on their needs and wants. The findings of Customer Satisfaction Index (CSI) studies can serve as predictors of a company’s profitability and market value (Chiu 2011). Such findings provide useful information regarding customer behaviour based on a uniform method of customer satisfaction, and offer a unique opportunity to test hypotheses (Anderson et al. 2017)



According to Jeevananda (2011), customer satisfaction in simple terms defined as the level of purchasing experience in a retail outlet where the customer's expected service level is met with the actual service provided by the retailer. In business terms, it can be also explained as a measure of how products and services supplied by a company meet or surpass customer expectation. Aaker and Jacobson (2014), as cited in Ehsani (2015) said that product quality is the customer's perception of the overall quality or superiority of the product or service, with respect to its intended purpose, relative to alternatives. Meanwhile, Jones and Taylor (2017) stipulated that service loyalty is the degree to which a customer exhibits repeats purchasing behaviour from service provider, possesses a positive attitudinal disposition toward the provider.

In a study conducted by Gronholdt, Martensen and Kristensen (2000) showed that customer loyalty is a function of customer satisfaction, and a loyal customer affects the company's finances performance. Seyedi et al. (2012) also stated that the product and service quality were the important factors affecting customer satisfaction. Moreover, the level of satisfaction depended on the extent to which the needs were met. A study conducted by Arokiasamy and Abdullah (2013) has reported that customer satisfaction is one of the most important issues concerning the business organisation of all types, which is justified by the customer-oriented philosophy and the principles of continues improvement in a modern enterprise. Wong and Zhou (2006), Aktepe, Ersöz and Toklu (2015) stated that satisfaction is one of the main factors that affects customer loyalty. These views are supported by Straker, Wrigley, and Rosemann (2015) who pointed that outstanding positive experience leads to affirmative behaviours in companies' and firms' activities making customers loyal to organisations' products and services. According to Caruana (2002), service quality which act as an important gateway to customer satisfaction. Furthermore, Ryu, Han and Kim (2008) draws our attention to quality which identified as a main driver of satisfaction; and patrons' behavioural intention is a function of these variables. In the same vein, Cronin and Taylor (1992), Tsoukatos and Rand (2006), and Kim, Chang, Park and Lee.

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From the perspective of Razak, Nirwanto and Triatmanto (2016), if the perceived product quality is in line with the expectation, then the customer will perceive the product quality as good quality and also feel satisfied. To conclude, these studies suggested that the quality of service and products do affect customer attitude and satisfaction with convenience stores. It is shown that there is a positive relationship between the customer's satisfaction, service quality and product quality as therefore, the current study will be focused on customer satisfaction that relying on the service and product quality.

Purwani and Dharmmesta (2002) loyalty is the attitude towards tangible products expressed by consumers in the likes of dislike or dislikes and decides whether to buy the product or not. High loyalty if the consumer has a firmness in the product he or she chooses, while low loyalty if the consumer is vulnerable to switching to another product. According to Wu (2013), to achieve customer loyalty, the company should focus on customer satisfaction because it positively affects the customer's future behavioural intent, which implies that satisfied customers will buy more and

more and more importantly, recommending their favourite goods and services to their friends and family.

Kotler and Keller (2012) stated loyalty or loyalty was a firmly held commitment to buy or subscribe to particular products or services in the future despite the influence of the situation and marketing efforts potentially leading to behavioural transitions. Griffin (2005) argues that a customer is said to be loyal or loyal if the customer shows a buying behaviour regularly or there is a condition that requires customers to buy at least twice within a certain time interval. Customer satisfaction efforts are made to influence customer attitudes, while customer loyalty concepts are more closely related to customer behaviour than customer behaviour.

Griffin (2005) believes that reliable measures to predict sales growth are customer loyalty, and customer loyalty can be defined based on consistent purchasing behaviour. Characteristics of customer loyalty area) Make repeated purchases regularly b) Purchase across product and service lines c) Refers other. Mowen and Minor (2002) describe the aspects that shape consumer loyalty are: 1) Confidence (cognitive) means that product information held by consumers should refer to superior products in competition. 2) Attitude (affective) means that the level of consumer's preferences should be higher than the rival product, so there is a clear affective preference in the focal product. 3) Consumer intent (conative) towards the focal product means that consumers should have the intention to purchase a focal product instead of other products when the purchase decision is made

Product quality according to Lupiyoadi and Hamdani (2013) is the extent to which the product or service meets its specifications. The consistency of the quality of a product or service can contribute to the success of a company reviewed from customer satisfaction, employee satisfaction, and company profitability. Quality service products play an essential role in establishing customer satisfaction (Kotler and Armstrong, 1996). The more qualified the product and the services provided, the higher the customer satisfaction. When customer satisfaction is higher, it can generate profit for the business entity. Satisfied customers will continue to make purchases on the business entity. That is, if analysed further, between long-term quality and profit is seen in 2 (two) things, namely external profit factor derived from customer's fraud and internal gain derived from improved product or service efficiency (Sviokla, 2009). According to Sviokla in Lupiyoadi and Hamdani (2013), such external benefits may have implications in the production

process of goods or services, i.e., the quality of the product or service provided by the company can create a positive perception of the customer against the company and generate a satisfaction and customer loyalty. In the meantime, what is meant by internal gain is seen at the same time as gaining external gains with a company focus on quality that can bring the company's internal positive value in the process of improving its product quality? Quality is closely linked to customer value and satisfaction. In a more narrow sense, quality can be interpreted as "free from damage." However, most customer-centric companies interpret quality based on value creation and customer satisfaction (Kotler and Armstrong, 2001).

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1. INTRODUCTION**

The Researcher states and explains the study's methodology in this chapter. The research design, target population, and sample process are all included in this section. It also comprised instruments and processes for data collection, as well as instrument validity and reliability, data presentation, and data analysis approaches.

## **3.2. RESEARCH DESIGN**

The survey research approach used in this study allows for the use of questionnaires to collect information from respondents. The plan for collecting, measuring, and analysing the data necessary for a study is known as research design. The research design is the overall strategy for solving the research topic. It suggests that the overall method was adopted in order to unite the many components of the considerations in a logical and systematic manner, guaranteeing that the research topic was properly handled. According to Saunders et al. (2012), research design is a general plan to solve a research issue. It brings together numerous components, strategies, and procedures to gather and evaluate data as a systematic way to conducting a scientific enquiry.

The design of this study determines the type of data collected and, as a result, the outcomes. Research design, depending on the kind, also determines the other constituent aspects of a study, such as variables, hypotheses, experiments, technique, and statistical analysis (Creswell et al., 2018).

The techniques and processes followed by the researcher during the study process are referred to as the research design. This is the most logical and acceptable strategy for researchers to uncover the most scientific and logical data gathering and analysis method. This type of information, the method of obtaining it, the timeliness, and the mechanism of sample distribution are all part of the research design. This strategy allowed the researcher to gather, analyse, and interpret data using both quantitative and qualitative research methodologies.

### **3.2.1. TYPES OF RESEARCH DESIGNS**

One of the most important factors influencing the quality, relevance, and accuracy of a result is the study design. As a result, before beginning to develop a proposal, it is usually a good idea to differentiate the type of study by including it into the research design.

There are several approaches to a research design type, however the literature has not always been clear on these approaches (Abutabenjeh, 2018). In reality, previous publications have made distinguishing between types, techniques, and approaches nearly difficult, with some older references referring to fixed and flexible designs.

Some of the types of research designs are

- Descriptive research
- Correlational Research Design.
- Experimental Research Design.
- Diagnostic Research Design
- Questionnaire research design

### **3.3. POPULATION OF THE STUDY**

The population is the total number of items for which samples can be drawn for research. This is the group of people who have the qualities you wish to look into. A population is a well-defined or collection of people, organizations, divisions, activities, social events of things, or families that are rigorously assessed for outcomes. This is the group of people who have the qualities you wish to look into. The population of interest in this study is all user of Nestle products in Ogun state. This research work's overall population of study is 500.

### **3.4. SAMPLE SIZE**

A sample of 20-30% is sufficient if samples are carefully selected from the elements for specified population. The sample size will be 700, which is representative of the entire population.

#### **3.4.1. SAMPLE SIZE DETERMINATION**

The respondents for the organization were used as the sample for the Taro Yammane formula. To produce a properly representative sample, proportional stratification will be used.

THE TARO YAMANE FORMULA 
$$n = \frac{N}{1 + N(e)^2}$$

Where N- is the total population

n- Is te sample size

e- Is the margin error which is equal to 5% (0.05)

### **SOLUTION**

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

$$n = \frac{500}{1 + 500(0.05)^2}$$

$$n = \frac{500}{1 + 500(0.0025)}$$

$$n = \frac{500}{1 + 1.25}$$

$$n = \frac{500}{2.25}$$

$$n = 222$$

### **3.5. SAMPLING TECHNIQUES**

Sampling is the act, technique, or practice of selecting an appropriate sample from a population that is representative of the entire population. Sampling is the act of highlighting, selecting, and scrutinizing a relatively small number of people, things, or events in order to learn more about the larger population from which they are drawn. A sample is a subset of the target population that is picked in a systematic manner. Stratified random sampling was chosen by the researcher because it allows for the generalization of a broader population with a statistically determinable margin of error. The following sample techniques will be employed in the research:

STAGE I

STAGE II

STAGE III

### **3.6. METHOD OF DATA COLLECTION**

The two data gathering approaches are as follows:

1. Quantitative technique: This involves the use of questionnaire.
2. Qualitative technique: In-depth interviews are used in this method.

A quantitative data collecting approach consisting of a questionnaire will be employed for the objectives of this study for the following reasons:

- a. It increases the result's simplicity by including a larger study with a higher number of individuals.
- b. It provides data summaries to back up the study's simplifications.
- c. It improves the objectivity and precision of the outcomes.

#### **3.6.1 INSTRUMENT FOR DATA COLLECTION**

Only questionnaires were used to gather data in this experiment. This is due to the fact that this instrument may be administered more quickly than an interview. As a result, the surveys included both open-ended and closed-ended items. Respondents to closed-ended questions will be presented with many alternatives from which to select the one that best fulfils their criteria. Open-ended questions, on the other hand, will be followed with blank areas where responders can express themselves in their own words. As a consequence, the surveys will aid in the gathering of both qualitative and quantitative data. The researcher will also administer the device via self-administration. According to the study, the questionnaire will include questions about the Product quality as well as the consumer's satisfaction.

Section A of the questionnaire included questions about socio-demographic data.

Section B will be separated into three sections (A-D) depending on the study goals. As a questioning basis, Likert five-point scales ranging from 1 to 5 (strongly agree=1, agree=2, neutral=3, disagree=4, and strongly disagree=5) will be employed.

The question will be structured in such a way that imprecision and technical triviality are avoided. To that aim, the questions will simply ask responders to mark ( ) against the appropriate response.



### **3.6.2. SOURCES OF DATA**

Data can be sourced in two ways either from primary data or secondary data

#### **Primary information**

It refers to the materials prepared by the researcher to meet the investigation's purpose. Primary data is data that is acquired particularly for a certain aim or objective. One benefit is that the information is correct because it is acquired from the researcher. They are unique pieces of information that have never been obtained and used before. Primary data are data that have been collected from the beginning and are one-of-a-kind.

#### **Secondary Information**

This information may be defined as previously learned knowledge related to the survey's goal. Secondary data is data that has already been obtained and processed. It might be based on internal as well as external sources, such as books, newspapers, magazines, government serials, journals, and internet services. The main advantage of this information is that it does not always fit or relate to non-doubting knowledge. This study relied solely on primary data.

### **3.7. VALIDITY OF RESEARCH INSTRUMENTS**

Validity is the characteristic assigned to the degree to which they correspond to establish knowledge or truth. It refers to the amount to which an instrument can or should have measured. Concurrent validity is a measurement device's ability to differ directly from another measure of the same construct or indirectly from a degree of an inverse construct. It allows you to demonstrate that the test is significant by comparing it to an existing valid test. The ability of a test to encompass or speak to all of the content of a certain concept is referred to as content validity. The validity of the tools will be determined by constructing questionnaires and working with content supervisors. Adjustments will be made based on the supervisor's recommendations. Initial advisor consultation and peer evaluation of the research instrument were used to justify questionnaire items. To strengthen the validity of the data acquired via questioner and interview, the researcher seeks data based on the study objectives. In addition, the researcher double-checked that the interview questions were not deceptive. Peers and supervisors evaluated the interview questions and gave objective input on areas for development.

### **3.8. RELIABILITY OF RESEARCH INSTRUMENT**

The reliability test is a useful tool for determining the degree of consistency of a measurable attribute. Cronbach's alpha is a commonly used metric of dependability. Cronbach alpha is a reliability coefficient extensively used to evaluate internal consistency or dependability. In this inquiry, the test-retest method will be employed to assess the dependability of the research tools. The questionnaires will be distributed twice to the eight respondents over the period of one week. The outcomes of the two events will then be compared to see whether there is any link between the answers. The test/retest technique is preferred over the internal consistency method for testing dependability because it is easier to administer.

## CHAPTER FOUR

### DATA PRESENTATION AND ANALYSIS

#### 4.0 INTRODUCTION

This chapter entails the presentation of data analysis and interpretation of data collected. The data collected was through the use of questionnaire while the analysis was based on research questions and research hypotheses stated earlier in chapter one of this study. Simple percentages and tables were used to analyse the research questions and Chi-square statistical tools were used for testing of research hypotheses.

#### 4.1 Presentation Of Questionnaire Sent Out And The Number Of Questionnaire Returned.

Table 4.1 shows the number of questionnaire sent out and the number of questionnaire returned.

<b>Variables</b>	<b>No of Respondents</b>	<b>Percentage</b>
Questionnaire filled and returned	200	90.1%
Questionnaire not returned	22	9.9%
<b>Total</b>	<b>222</b>	<b>100%</b>

**Source:** Field Survey, 2022

Table 4.1 above shows that out of 222 copies of questionnaire structured and distributed to the customers and staff of Nestle Plc, 200 (90.1%) of the returned questionnaire while 22 (9.9%) copies of questionnaire not returned. The analysis is now based on 200 respondents view on the product quality and customers' satisfaction a study on Nestle plc.

## 4.2 Presentation of Data

**TABLE 1: DEMOGRAPHIC CHARACTERISTICS OF RESPONDENTS**

<b>Gender</b>	<b>Frequency</b>	<b>Percent</b>
Male	85	42.5
Female	115	57.5
Total	200	100.0
<b>Age group</b>		
21 – 30 years	70	35.0
31 - 40 years	44	22.0
41 - 50 years	50	25.0
51 years above	36	18.0
Total	200	100.0
<b>Marital statue</b>		
Married	130	65.0
Unmarried	70	35.0
Total	200	100.0
<b>Years of Nestle product intake</b>		
0-5 years	55	27.5
6-10 years	105	52.5
10years and above	40	20.0
Total	200	100.0
<b>Educational qualification</b>		
Schooling	75	37.5
PG	45	22.5
Degree/diploma	80	40.0
Total	200	100.0

*Source: Field Survey (2022)*

**Distribution of Respondents by Sex:** The sex distribution of the respondents shows that 42.5% of the respondents were males while 57.5% were females.

**Distribution of Respondents by Age:** The age distribution of the respondents is captured, the response shows that 35.0% of the respondents' were within the age of 21-30, 22.0% were within the age 31-40 and 25.0% fell within the age 41-50 bracket. 18.0% of the rest of the respondents were within the ages of 51 and above. The respondents can be said to be experienced and capable enough to know some important issues concerning product quality and customers' satisfaction.

**Marital Statue of Respondents:** The findings shows that 65.0% of the respondents were married and 35.0% were unmarried.

**Years of Nestle product intake:** The findings revealed that 27.5% of the respondents have been taking Nestle products between 1-5years, 52.5% of the respondents have been taking Nestle products between 6-10years and 20.0% of the respondents have been taking Nestle products more than 10years. It also shows moderate level of patronization of the company products under study.

**Distribution of Respondents' by Educational Qualification:** The findings revealed that 37.5% of the respondents are still schooling, 22.5% are PG graduates and 40.0% of the respondents have degree/diploma certificate. It also shows moderate level of western education in the area under study.

**TABLE 2: EFFECT OF PRODUCT BENEFIT ON CONSUMER SATISFACTION**

	Frequency	Percent	Remark
<b>Q1</b> Nestle products have a positive satisfaction on consumers			
Strongly agree	92	46.0	Accepted
Agree	54	27.0	Accepted
Strongly disagree	14	7.0	
Disagree	40	20.0	
Total	200	100.0	
<b>Q2</b> With the consumption of nestle products overtime, consumers have been having positive experiences concerning the products			
Strongly agree	50	25.0	Accepted
Agree	114	57.0	Accepted
Strongly disagree	10	5.0	
Disagree	26	13.0	
Total	200	100.0	
<b>Q3</b> There is a motivational drive to consume more of Nestle products.			
Strongly agree	100	50.0	Accepted
Agree	56	28.0	Accepted
Strongly disagree	20	10.0	
Disagree	24	12.0	
Total	200	100.0	
<b>Q4</b> Nestle products like milo satisfy the needs of the consumers when consumed			
Strongly agree	90	45.0	Accepted
Agree	50	25.0	Accepted
Strongly disagree	30	15.0	
Disagree	30	15.0	
Total	200	100.0	

*Source: Field Survey (2022)*

**Question 1** showed that 46.0 percent of the total respondent strongly agrees that Nestle products have a positive satisfaction on consumers. 27.0 percent agrees, and 40.0 percent disagree, while the remaining 7.0 percent strongly disagree. This implies that Nestle products have a positive satisfaction on consumers.

**Question 2** showed that 25.0 percent of the respondents strongly agree that with the consumption of nestle products overtime, consumers have been having positive experiences concerning the products. 57.0 percent agree, 13.0 percent disagree, while the remaining 5.0 percent strongly disagree. This implies that with the consumption of nestle products overtime, consumers have been having positive experiences concerning the products.

**Question 3** showed that 50.0 percent of the total respondents strongly agree that there is a motivational drive to consume more of Nestle products. 28.0 percent agree, 13.0 percent disagree, while the remaining 5.0 percent strongly disagree. This implies that there is a motivational drive to consume more of Nestle products.

**Question 4** showed that 45.0 percent of the total respondents strongly agree that Nestle products like milo satisfy the needs of the consumers when consumed. 25.0 percent agree, 15.0 percent disagree, while the remaining 15.0 percent strongly disagree. This implies that Nestle products like milo satisfy the needs of the consumers when consumed.

**TABLE 3: THE EFFECT OF PRODUCT IMAGE ON CUSTOMERS' SATISFACTION**

<b>Q5</b> Consumers easily identifies Nestle products mere seeing the logo or the brand.	Frequency	Percent	Remark
Strongly agree	54	27.0	Accepted
Agree	92	46.0	Accepted
Strongly disagree	40	20.0	
Disagree	14	7.0	
Total	200	100.0	
<b>Q6</b> Nestle branding image has positive influenced the buying pattern of consumers in the markets			
Strongly agree	50	25.0	Accepted
Agree	114	57.0	Accepted
Strongly disagree	10	5.0	
Disagree	26	13.0	
Total	200	100.0	
<b>Q7</b> Branding image of Nestle products attracts consumers in the markets.			
Strongly agree	100	50.0	Accepted
Agree	56	28.0	Accepted
Strongly disagree	20	10.0	
Disagree	24	12.0	
Total	200	100.0	
<b>Q8</b> Proper branding image has a positive impact on the sales of goods of Nestle products in the market			
Strongly agree	90	45.0	Accepted
Agree	50	25.0	Accepted
Strongly disagree	30	15.0	
Disagree	30	15.0	
Total	200	100.0	

**Source: Field Survey (2022)**



**Question 5** showed that 27.0 percent of the total respondent strongly agrees that Consumers easily identifies Nestle products mere seeing the logo or the brand. 46.0 percent agrees, and 7.0 percent disagree, while the remaining 20.0 percent strongly disagree. This implies that Consumers easily identifies Nestle products mere seeing the logo or the brand.

**Question 6** showed that 25.0 percent of the respondents strongly agree that Nestle branding image has positive influenced the buying pattern of consumers in the markets. 57.0 percent agree, 13.0 percent disagree, while the remaining 5.0 percent strongly disagree. This implies that Nestle branding image has positive influenced the buying pattern of consumers in the markets.

**Question 7** showed that 50.0 percent of the total respondents strongly agree that Branding image of Nestle products attracts consumers in the markets. 28.0 percent agree, 13.0 percent disagree, while the remaining 5.0 percent strongly disagree. This implies that Branding image of Nestle products attracts consumers in the markets.

**Question 8** showed that 45.0 percent of the total respondents strongly agree that Proper branding image has a positive impact on the sales of goods of Nestle products in the market. 25.0 percent agree, 15.0 percent disagree, while the remaining 15.0 percent strongly disagree. This implies that Proper branding image has a positive impact on the sales of goods of Nestle products in the market.

**TABLE 4: The Effect of Product Characteristics on Customers' Satisfaction**

<b>Q9</b> Consumer satisfaction depends on the size and the weights of nestle products	Frequency	Percent	Remark
Strongly agree	32	16.0	
Agree	20	10.0	
Strongly disagree	84	42.0	Accepted
Disagree	64	32.0	Accepted
Total	200	100.0	
<b>Q10</b> The quality of Nestle products has a positive impact on consumer satisfaction			
Strongly agree	96	48.0	Accepted
Agree	92	46.0	Accepted
Strongly disagree	4	2.0	
Disagree	8	4.0	
Total	200	100.0	
<b>Q11</b> Colour attraction also positively affect consumer satisfaction in the aspect of getting attracted to buy Nestle products			
Strongly agree	96	48.0	Accepted
Agree	74	37.0	Accepted
Strongly disagree	20	10.0	
Disagree	10	5.0	
Total	200	100.0	
<b>Q12</b> The detailed usage on Nestle products helps to improve consumer satisfaction on products			
Strongly agree	88	44.0	Accepted
Agree	58	29.0	Accepted
Strongly disagree	22	11.0	
Disagree	32	16.0	
Total	200	100.0	

*Source: Field Survey (2022)*

**Question 9** showed that 42.0 percent of the total respondents strongly disagrees that Consumer satisfaction depends on the size and the weights of nestle products, 32.0 percent disagree, 10.0

percent agreed, while the remaining 16.0 percent strongly agreed. This implies that Consumer satisfaction does not depend on the size and the weights of Nestle products.

**Question 10** showed that 48.0 percent of the total respondent strongly agrees that the quality of Nestle products has a positive impact on consumer satisfaction, 46.0 percent agree, 4.0 percent disagree, while the remaining 2 percent strongly disagree. This implies that the quality of Nestle products has a positive impact on consumer satisfaction.

**Question 11** showed that 48.0 percent of the respondents strongly agree that Colour attraction also positively affects consumer satisfaction in the aspect of getting attracted to buy Nestle products, 46.0 percent agree, 5.0 percent disagree, while the remaining 10.0 percent strongly disagree. This implies that Colour attraction also positively affects consumer satisfaction in the aspect of getting attracted to buy Nestle products.

**Question 12** showed that 44.0 percent of the total respondent strongly agrees that the detailed usage on Nestle products helps to improve consumer satisfaction on products, 29.0 percent agree, 16.0 percent disagree, while the remaining 11.0 percent strongly disagree. This implies that the detailed usage on Nestle products helps to improve consumer satisfaction on products.

**TABLE 5: EFFECT OF PRODUCT PRICE OF CUSTOMERS' SATISFACTION**

<b>Q13</b> Price is one of the major factors that affect consumer satisfaction	Frequency	Percent	Remark
Strongly agree	92	46.0	Accepted
Agree	54	27.0	Accepted
Strongly disagree	14	7.0	
Disagree	40	20.0	
Total	200	100.0	
<b>Q14</b> Increase in the prices of Nestle products decrease the satisfactions of the consumers			
Strongly agree	50	25.0	Accepted
Agree	114	57.0	Accepted
Strongly disagree	10	5.0	
Disagree	26	13.0	
Total	200	100.0	
<b>Q15</b> The current price of Nestles products ensures the satisfaction of the consumers through being able to purchase the products.			
Strongly agree	100	50.0	Accepted
Agree	56	28.0	Accepted
Strongly disagree	20	10.0	
Disagree	24	12.0	
Total	200	100.0	
<b>Q16</b> The prices on Nestle products are not too much to ensure consumers satisfaction			
Strongly agree	90	45.0	Accepted
Agree	50	25.0	Accepted
Strongly disagree	30	15.0	
Disagree	30	15.0	
Total	200	100.0	

*Source: Field Survey (2022)*

**Question 13** showed that 46.0 percent of the total respondents strongly agreed that Price is one of the major factors that affect consumer satisfaction, 27.0 percent agrees, 20.0 percent disagreed, while the remaining 7.0 percent strongly agreed. This implies that Price is one of the major factors that affect consumer satisfaction.

**Question 14** showed that 25.0 percent of the total respondent strongly agrees that Increase in the prices of Nestle products decrease the satisfactions of the consumers, 57.0 percent agree, 13.0 percent disagree, while the remaining 5 percent strongly disagree. This implies that Increase in the prices of Nestle products decrease the satisfactions of the consumers.

**Question 15** showed that 50.0 percent of the respondents strongly agree that the current price of Nestles products ensures the satisfaction of the consumers through being able to purchase the products, 28.0 percent agreed, 12.0 percent disagree, while the remaining 10.0 percent strongly disagree. This implies that the current price of Nestles products ensures the satisfaction of the consumers through being able to purchase the products.

**Question 16** showed that 45.0 percent of the total respondent strongly agrees that the prices on Nestle products are not too much to ensure consumers satisfaction, 25.0 percent agreed, 15.0 percent disagree, while the remaining 15.0 percent strongly disagree. This implies that the prices on Nestle products are not too much to ensure consumers satisfaction.

#### **4.3 Discussion of Findings**

This study was carried out to examine the impact of product quality and customers' satisfaction a study on Nestle plc. To achieve this objective, four research questions and four research hypotheses were formulated to guide this study. A structured questionnaire was use as the main instrument to gather data from 222 copies of questionnaire structured and distributed to the customers and staff of Nestle Plc, 200 (90.1%) of the returned questionnaire while 22 (9.9%) copies of questionnaire not completed and returned.

The data collected from the respondents were analysed using simple percentage and tables to analyse the research questions. The findings revealed that:

- Nestle Product benefits does have effect on customers' satisfaction.
- Nestle Product images does not have any effect on customers' satisfaction.

- Nestle Product characteristics do have effect customers' satisfaction.
- Product price has effect on customers' satisfaction

## CHAPTER FIVE

### 5.0 INTRODUCTION

This chapter presents summary, conclusion and recommendations for further studies

### 5.1 SUMMARY OF FINDINGS

This study was carried out to examine whether product quality has effect on customers' satisfaction a study on Nestle plc. To achieve this ultimate goal, the study revealed that:

- Nestle products have a positive satisfaction on consumers.
- With the consumption of nestle products overtime, consumers have been having positive experiences concerning the products.
- there is a motivational drive to consume more of Nestle products
- Nestle products like milo satisfy the needs of the consumers when consumed.
- Consumers easily identifies Nestle products mere seeing the logo or the brand.
- Nestle branding image has positive influenced the buying pattern of consumers in the markets.
- Branding image of Nestle products attracts consumers in the markets.
- Proper branding image has a positive impact on the sales of goods of Nestle products in the market.
- Consumer satisfaction does not depends on the size and the weights of nestle products.
- The quality of Nestle products has a positive impact on consumer satisfaction.
- Colour attraction also positively affect consumer satisfaction in the aspect of getting attracted to buy Nestle products.
- The detailed usage on Nestle products helps to improve consumer satisfaction on products.
- Price is one of the major factors that affect consumer satisfaction.
- Increase in the prices of Nestle products decrease the satisfactions of the consumers.
- the current price of Nestles products ensures the satisfaction of the consumers through being able to purchase the products
- The prices on Nestle products are not too much to ensure consumers satisfaction.

## **5.2 CONCLUSION**

Obviously, product quality is not the only influencing factor for customer satisfaction; however, it has a significant impact on customer satisfaction, which leads to high performance/efficiency of a company. Meanwhile, a manufacturing company's long-term survival in a competitive environment is heavily reliant on the quality of its products. Finally, customer satisfaction can be defined broadly as a company's ability to meet a product's customer requirements. This appears to have contributed to future purchases and patronage of the product, as well as the recommendation of another buyer to purchase that product. Furthermore, customer satisfaction is based on product quality and the degree to which it can be demonstrated by comparing the product to that of competitors.

## **5.3 RECOMMENDATION**

According to the results of this study, the researcher has therefore advised consumers to take into account other influencing factors, such as customer services and price, which may have an impact on consumers' satisfaction in addition to the product quality.



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## OGUN STATE

### PRODUCT QUALITY AND CUSTOMERS' SATISFACTION

#### A STUDY ON NESTLE PLC

#### QUESTIONNAIRE

Dear Respondent,

My name AKINLEYE, Damilola. I am a final year undergraduate student of Mountain Top University. In partial fulfilment of the requirements for the award of a Bachelor of Science Degree in Business Administration, I am writing a project on the above-mentioned topic. I would appreciate it if you could complete the questionnaire to the best of your ability and with the utmost honesty in order to acquire trustworthy findings. Your anonymity is assured, and the information you submit will only be used for academic purposes and will be kept strictly secret.

Thank you.

#### QUESTIONNAIRE

##### SECTION ONE: Demographic Data

Instructions: Please indicate by ticking (√) in the appropriate box.

Please answer the following questions

1. Gender: Male  Female
2. Age: 21years - 30years  31years - 40years   
41years - 50years  51years and above
3. Educational Qualification: SSCE  B.Sc.  OND  HND   
MBA  M.Sc.
4. Years of Nestle project intake: Less than 5 years   
6- 10 years  11- 15 years  16 – 20 years  21 years and above
5. Marital Status: Single  Married  Divorced
6. Staff Categories: Senior Staff  Junior

## SECTION B

### EFFECT OF PRODUCT BENEFIT ON CUSTOMERS' SATISFACTION

Using the scale below, please, carefully, answer the statement below by ticking the option that best satisfies your response to the following statement

**SA-Strongly Agree (4), A-Agree (3), SD- Strongly Disagree (2), D-Disagree (1)**

SN		SA	A	SD	D
1.	Nestle products have a positive satisfaction on customers				
2.	With the consumption of nestle products overtime, customers have been having positive experiences concerning the products				
3.	There is a motivational drive to consume more of Nestle products				
4.	Nestle products like milo satisfy the needs of the customers when consumed				

## SECTION C

### THE EFFECT OF PRODUCT IMAGE ON CUSTOMERS' SATISFACTION



Using the scale below, please, carefully, answer the statement below by ticking the option that best satisfies your response to the following statement

**SA-Strongly Agree (4), A-Agree (3), SD- Strongly Disagree (2), D-Disagree (1)**

SN		SA	A	SD	D
1.	Customers easily identifies Nestle products mere seeing the logo or the brand.				
2.	Nestle branding image has positive influenced the buying pattern of customers in the markets				
3.	Branding image of Nestle products attracts customers in the markets				
4.	Proper branding image has a positive impact on the sales of goods of Nestle products in the market				

## SECTION D

### THE EFFECT OF PRODUCT CHARACTERISTICS ON CUSTOMERS' SATISFACTION

Using the scale below, please, carefully, answer the statement below by ticking the option that best satisfies your response to the following statement

**SA-Strongly Agree (4), A-Agree (3), SD- Strongly Disagree (2), D-Disagree (1)**

SN		SA	A	SD	D
1.	Customers satisfaction depends on the size and the weights of nestle products				
2.	The quality of Nestle products has a positive impact on customers satisfaction				
3.	Colour attraction also positively affect customers satisfaction in the aspect of getting attracted to buy Nestle products				
4.	The detailed usage on Nestle products helps to improve customers satisfaction on products				

## SECTION E

### EFFECT OF PRODUCT PRICE OF CUSTOMERS' SATISFACTION

. Using the scale below, please, carefully, answer the statement below by ticking the option that best satisfies your response to the following statement

**SA-Strongly Agree (4), A-Agree (3), SD- Strongly Disagree (2), D-Disagree (1)**

SN		SA	A	SD	D
1.	Price is one of the major factors that affect customers satisfaction				
2.	Increase in the prices of Nestle products decrease the satisfactions of the customers				
3.	The current price of Nestles products ensures the satisfaction of the customers through being able to purchase the products				
4.	The prices on Nestle products are not too much to ensure customers satisfaction				

How effective is product quality increasing customers 'satisfaction?

Not Effective at all Somehow Effective Undecided Effective Very

Effective

**THANK YOU.**