

ASSESSING CUSTOMER SATISFACTION LEVELS AT A NATURAL GAS ENERGY SUPPLIER

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ABSTRACT

The advent of pipeline natural gas from the gas fields of Mozambique to supply the industrial customers in South Africa, brings with it new opportunities and challenges to the South African pipeline gas energy sector. The South African pipeline gas industry has been dominated by Sasol for more than two decades.

With the introduction of pipeline natural gas from Mozambique, the South African government, which holds a stake in the natural gas pipeline, has made clear its intentions of opening the industry to more players, in order to squash once and for all the industry perception of Sasol being a monopolistic player in gas industry. The government intends to eradicate this perception by entrenching regulations and an Act that would see the transmission and distribution of pipeline gas being open to companies that would compete with Sasol.

According to agreements reached with the South African government, Sasol shall be given a certain grace period, to be able to recoup its investment in the 1,9 billion US\$ pipeline, where-after the pipeline shall be open to players who satisfy certain government conditions. Depending on the proven gas reserves the period could be from 0 to 10 years from the first gas.

New players are envisaged to enter the downstream end of the pipeline gas industry as mostly independent distributors and retailers of gas. The fight for market share will certainly intensify. As a result of these implications Sasol Gas, a subsidiary of Sasol, will have to look at new ways of retaining and protecting its markets from new entrants. A point of departure has been to gauge how satisfied customers are with Sasol's present offering.

Customer satisfaction has long been a construct looked at as the primary essential in marketing oriented companies. The customer satisfaction principle has evolved from "primitive marketing tools" the more recent sophisticated measuring tools such as the Customer Satisfaction Index. An exploratory survey to assess customer satisfaction levels and pertinent issues of satisfaction has been carried out at Sasol Gas.

The survey instrument was designed along the American Customer Satisfaction Index Fornell (1994) satisfaction antecedents i.e. perceived value, perceived quality, customer expectations and satisfaction consequences of customer loyalty and customer complaints. It should be stressed here that the aspect of quality was limited to customer service only and not to the physical product and reliability of supply. These two aspects were considered by all customers as givens. However emphasis should be made that due to the exploratory nature of this study, the methodology used

was to assess quantitative as well as qualitative issues. Thus the designed instrument addressed both quantitative as well as qualitative aspects.

It is the intention of the author of this report to create a more comprehensive questionnaire, along the lines of the American Customer Satisfaction Index, to cover the entire South African Energy industry spectrum.

DECLARATION

I declare that this research report is my own, unaided work. It is submitted in partial fulfillment of the requirements for the degree of Master of Business Administration in the University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination in any University.

.....

Ronald Tšepo Peters

.....day of February, 2005.

DEDICATION

Dedicated to my late parents, and to all my children.

ACKNOWLEDGEMENTS

I am grateful to the following:

My supervisor Mark Peters, for his encouragement and battling for me when the going seemed to be tough and to my friends and colleagues Pieter Grobber ; Mots Koapeng; Herbert Ngwenya; Johan Fourie; for their unending encouragement.

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