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## THE SUPERIOR CUSTOMER'S VALUE OF THE NEW ECONOMY IMPLEMENTED WITHIN MACEDONIAN COMPANIES

**Abstract:** *There is only one way towards a successful market economy. You must be better and faster than your rivals. Only those that might win the market with special products / services may secure their existence. Each company is creating a quality model of the services according to the needs of the consumers that are based on the request of what exactly is needed from a certain enterprise to be done in order to meet all the needs. All of these can be achieved when all needs and desires of the consumers/ costumers are being met. Paying attention of the desires, needs of the consumers and the attempt of the companies to satisfy their needs would increase the contentment of the customers and would allow a competitive advantage. This paper provides an analysis for gathering data regarding the contentment of the consumers upon the quality of products/ services. Also, it should point out the measures that need to be taken by the companies in order to improve their contentment.*

*As for the results that have been received from the research, the need of using adequate methodology for designing and implementing the TQM (Total Quality Management) system is being imposed. The advantage of the using the TQM system is not only the increasement of the business results of the domestic companies that further on would serve as a starting power for continued improvement. Also it increases the dedication of the top management and the employees towards improvement of processes, consumers' content, auctioneers, delivery persons and the community.*

**Keywords:** *Market economy, measuring, customer contentment, quality, TQM system*

### 1. Introduction

Global competitiveness worldwide is an imposed race both within the economical

progress and the creating of new civilization values. New world trends impose new manner of thinking, working and adjusting within the new flows of the market economy that are consumer-oriented. In times of enormous competitiveness and presence of many entities, the accent on quality and the business performance in general needs to be increased. Each product or service needs to

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emerge at the market with high quality, acceptable price and within the given deadline.

The emergence of the ISO 9001 standard and the TQM (Total Quality Management) philosophy has brought out a mass implementation of the strategy worldwide. In one hand, it has been set as a market strategy for fulfilling the consumers' needs, and on the other hand it has been set as a superior style of working for improvement of the competitiveness and the efficiency, thus reducing the costs and long-term sustainable development which brings a dose of skepticism for every executive. New quality approach demands new activities in the field of education of the employees, implementation of standardization to all processes, introduction of a statistical process control for flawless working, new approach within the analyzes of costs, etc (Mitrevva 2010, Vujanović, 1996). All of the aforementioned require a scientific, methodological and well-planned approach, as well as persistency and systematical work. At the same time, it the notice a drastic change in the employees' behavior, radical changes within the organizational settlement, clear defining of rights, obligations and responsibilities of each individual and complete orienting towards the desires and necessities of the buyers/ consumers.

## 2. Marketing approach towards measuring the contentment of the consumers

What exactly the organization performs in order to fulfill the consumers' desires?

Marketing is one of the basic concepts of TQM, and has a special role as a key chain in its designing and realization. The basic function of marketing is getting information about the size, structure and other dimensions for the necessities of the consumers, but also plays a key role within the determination of quality and its standardization in the quality development,

as well as the building of a system for an integral quality management.

Marketing activities are (Feigenbaum, 2002):

- collecting and processing of data for the market and the power of consumers according to the defined standards for quality within the organization;
- participation within the qualitative and quantitative fitting of information into standards, normative and indicators that ought to be measured and precisely expressed;
- determining the distribution channels for products / services in order to fulfill the exact requirements of the purchasers as well as realization of the JIT (Just in Time) policy.

The marketing team should recognize potential buyers through mechanisms for contacts and also should be able to get some specific info.

Above all, the information needs to refer to:

- the range and the characteristics of the consumers' needs; the abilities of the company to fulfill those needs to a defined quality level, as well as the limitations and the upcoming issues on the way;
- what the competitive side offers, what is their advantage and what are their abilities and weaknesses;
- rationalizing of the system of information through suggestions and decisions in order to increase the advantage regarding the competition, as well as revitalizing of flows.

Fitting the marketing information into (Cepujonska, 2009) measurable indicators and standards is quite necessary in order to fulfill the demands, but also there is a need of a platform for understanding and cooperation with the other sectors and services within this organization. Therefore, the development of those indicators and standards enables a measuring and following of the accomplished quality, reaching an acceptable level of quality in all sectors, as

well as removing of all the defects and futilities.

Collecting data for consumers' contentment regarding quality of products / services should indicate what companies need to undertake in order to improve the level of contentment. Complaints, questionnaires, debates, and interference in the design are main indicators.

In order to reach proper knowledge regarding its position and the position of its products on the market, the management itself needs to collect and adequately value the consumers' data in terms of products, their experiences and expectations as well as their level of contentment. Through the process of collecting original primary data, their adequate processing, their evaluation and effective interpretation, some particularly important information can be mobilize, which – the other hand may aid the development process of the concept of the product.

Through the measurements by (Zairi, 2000) the management could follow the accomplishing of its goals, especially the measurable operative aims for quality service. More precisely, the management compares the perception of its own product/service of the consumers, in regard to the perception of the best product of the competition's side.

All of the aforementioned statements open dilemmas such as:

- whether Macedonian companies are prepared to place themselves at the global market;
- are they able to create values and build business culture as a response of the development of the competitiveness and fast adaptation of needs and desires of the consumers;
- whether they have built a system of measurement of contentment by setting measurable dynamic standards;
- whether they are prepared to accept the TQM philosophy.

### 3. Research finding and their analysis

This paper presents an analysis regarding the condition of Macedonian companies through one of the criteria for receiving a European Quality Award (Mitreva, 2010): measurement of the contentment and the manner of gaining data for their desires and needs.

The analysis on this paper is a segment of the general research of the existing conditions within the Macedonian companies (Mitreva, 2010) in the domain of creating and implementing of quality system, analyzed through four pillars from the House of Quality where the top pick is the top management, and in its basis are the measurement, evaluation, analysis and comparison of both good or bad quality. The House of Quality is held by four subsystems: internal standardization, methods and techniques for flawless business, education and motivation, as well as analysis of the quality costs.

The constant condition was being analyzed through the criteria for gaining the European Quality Award: leadership, policy and strategy, managing with employees, resources, processes, contentment of both the consumers the employees, the society impact and the business results (EFQM, 2000). The position and the competitiveness of the Macedonian companies were evaluated within the European Quality Award through those criteria.

Special attention has been paid to for collection of entering data within the research. Those researches were done by a questionnaire and by its own aspects regarding the real condition within 151 Macedonian companies. The analysis of the findings was done through mathematical statistics.

In order to assure whether selected companies have collected and processed the data for the market and the power of consumers according to the defined standards for quality within the organization,

the following question is: *how the companies are informed regarding the needs of their customers?*

- 60% of the respondents answered that they become informed *through sales/ offer analysis*;
- 20%, of them become informed *through analysis of a questionnaire*;
- 3%, of them do not take this question into account;
- 17%, of them have listed other issues, such as *direct contact with the consumers and searching for an optimal and acceptable solutions*.

The weak interaction between the costumers and the service providers is an alarming fact, since it refers to the weak function of the marketing services. The nonexistence or the malfunctioning marketing services of the Macedonian companies deprives them from acknowledging this fact and providing the market needs. Therefore their adjustment towards for fulfilling them is question as well.

*Following the question oriented towards the Macedonian companies whether they have any demands on behalf of the consumers upon they are unable to respond to, the following data has been obtained.*

- 59% of the respondents answered that they *can entirely respond to the consumers' needs*;
- 41% of the respondents answered that they *are unable to do it*.

The reasons refer to the lack of technical support and unreal demands of the consumers, as well as requests for deadlines and deliveries that are shorter than the optimal.

Macedonian companies use questionnaires, direct interviews, participation of the *consumers* into working teams, counseling, etc. This is in order to measure the content or discontent regarding their products in a very small portion. The data gained by answering the question about *how do the companies get informed that their products/ services do not fulfill the expectations of the*

*consumers, is as follows:*

- 35,7% of the respondents have announced that they get the *info from the complaints*;
- 23,8% of the respondents have announced that they get the *info from their profit* (depending upon whether it is reduced or increased);
- 16,7% of the respondents have announced that they get the *info through the analysis of a conducted questionnaire*;
- 14% of the respondents have announced that they get the *info from reports done by the service for quality control*;
- 4,7% of the respondents have announced that they get the *info from following the competition* and
- 4,7% of them *have claimed other, i.e. the direct contact with the consumers helps them reveal whether their expectations have been fulfilled or not*.

Those results have shown a weak usage of the questionnaires in order to measure the level of content or discontent. In order to improve its products/ services, it is the most important for the company to interpret correctly the well-intentioned objections or complaints from the consumers and to practice a continuous tracking of their contentment that would result into a priceless source of information for business analysis as well as their managing.

In order for a company to be successful into gaining info regarding its position and the position of its products on the market, it is necessary to collect and adequately value the data and the parameters of the consumers in several terms. This regards the companies' products/ services, consumers' experience and expectations from the product/ service, their level of content and the usage of products.

In order to foresee the efforts of Macedonian companies regarding the contentment of consumers through improvement of the business processes, product/ service etc, the following question was raised: *have they introduced some improvements of the*

*processes of business or changes that would significantly influence the content increase and therefore the increase of the business results during those last years? Here is the data:*

- 34,3% of the respondents have announced that they have introduced new technology;
- 31,4% of the respondents have introduced new products/ services;
- 17,1% of the respondents have realized improvement of the marketing concepts and strategies;
- 14,3% have made significant improvement of the business processes or organizational methods;
- 2,8% have claimed that the most influential step taken was their proactive reaction within the working of the companies.

*The problems within each Macedonian company origin from its weak marketing approach (only 17% of them have accomplished an improvement of marketing concepts and strategies), incorrectly organized business processes (only 14% have made a significant improvement of the business processes or organizational methods) as well as from the inability to fulfill the demanded quality standards.*

The reasons of the bad competitive level of Macedonian companies are not only a shortage of modern technology but poor abilities of the managers, qualifications and the fulfillment of the employees, quality for dealing with business processes, no habit to listen the consumers comments, desires etc.

The requests for high quality of products/ services impose not only a supply of new equipment but *adjusting the desires of the consumers into real standards, too*. In this way, the priority is given to the consumers' needs gained at each useful source of information and then methodically analyzed and processed into details that would help the design and improvement of processes, all in order to meet the necessities.

The competitive advantage of the

Macedonian companies is being presented through their ability to meet the needs and desires at a faster pace than the competitive side. In order to gain that, the company needs to be exposed to learning and to implement the knowledge which would present a fluid mixture of different experiences, values and information in order to have an expertise inspection which would enable the evaluation as well as accepting of the new knowledge and information.

#### 4. Conclusion

According to gained results and the aforementioned goals of the research, it has been confirmed that the Macedonian companies do not take proper care for product/ service quality, insufficiently pay attention to consumers, do not practice continuous education, as well as make poor innovational investment. Also, there are a small number of companies that actually have built a quality system, have paid insufficient attention towards the employees, as well as the delivering team and the communities. There is also an insufficient usage of SPC (Statistical Process Control) while the teamwork has been considered as a step back to the past. In one word, **TQM philosophy** is unknown in Macedonia (Mitrevva, 2011).

In order to implement the TQM strategy, it is necessary to invest in education and trainings of the employees, reengineering of the business processes as well as a permanent improvement of the quality system. Strong competition can be survived only by those who are well organized, who own qualified working capital, those that invest into education and training of employees, who invest into improvement of the business processes and the organization innovativeness (Mitrevva, 2012). Modern market conditions, besides fulfilling the desires and needs, impose an analysis of the position of competitive sides and their strategy.

Marketing activities within the companies should orient towards enrichment of the assortment and product/ service quality, determined position on the market and gaining better cooperation with foreign partners. The way that leads towards

improvement of quality of processes and services at domestic companies should be sought into *the application of adequate methodology for designing and implementing the TQM system* (Mitreva, 2011).

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