

**Evgeny E. Shvakov<sup>1</sup>**  
**Timur A. Mustafin**  
**Alena Buravova**  
**Ksenia Trembach**

**Article info:**

Received 18.08.2022.

Accepted 08.09.2023.

UDC – 005.336.3

DOI – 10.24874/IJQR17.04-01



## **STRATEGIES OF QUALITY MANAGEMENT IN ENTREPRENEURSHIP AND THEIR CONSEQUENCES FOR THE NATIONAL ECONOMY'S COMPETITIVENESS**

**Abstract:** *In the existing scientific and methodological literature, at the theoretical level of scientific research, and based on the experience of developed countries (during practical studies), there formed an unambiguous view of the quality of products, which has to grow, while its reduction is treated as a negative phenomenon. The existing treatment of quality, first, does not conform to the realities of developing countries, and, second, is not sufficiently flexible to reflect on the real state of affairs at various sectoral markets. To solve this problem, we offer a new – flexible – treatment of product quality. Based on the proprietary treatment, we distinguish such a strategy of quality management in entrepreneurship as the strategy of skimming and market segmentation by the criterion of quality.*

*The distinguished strategy is compared from the positions of its consequences for the competitiveness of the national economy; recommendations for improving the strategic management of quality in entrepreneurship in developing countries are proposed.*

**Keywords:** *strategy, quality management, competitiveness, national economy.*

### **1. Introduction**

The measures on quality management, which are used by companies, are an important strategic decision, especially in the effort of optimizing the price/production quality ratio. Under the conditions of tension in the competitive global market, a wrong strategy might lead to the downfall of a business. The main goal of companies is to satisfy the consumer expectations of customers. The offer of products that are needed by a large number of customers and that are unavailable with the competing companies becomes more complicated.

To understand the interpretation of product quality better, the theoretical views of quality are divided into two groups:

1. Managerial perspectives;
2. Critical points of view.

Managerial perspectives are interpreted as a phenomenon that can be managed, while in the critical points of view business forms are also derived through sociological and political spheres. Sometimes, domination of price in the consumer analysis is the key factor of obtaining a competitive advantage, while consumers analyse certain other elements of business, especially quality management. Thus, the quality of consumer experience becomes one of the key strategic

---

<sup>1</sup> Corresponding author: Evgeny E. Shvakov  
Email: [eshvakov@yandex.ru](mailto:eshvakov@yandex.ru)

goals of companies and the key factor of its competitiveness. Implementing quality as a function of improving a business system becomes a more frequent event. Achievement of a satisfactory level of quality is reflected in the improvement of all segments of the business.

In the elements of international competitiveness of the system of quality management, quality is also treated as the key driver of success. Besides, foreign partners expect from small and medium companies, with which they cooperate, the implementation of a system of general guarantee of quality. Implementation of the system of quality management is a complex and labour-intensive process. Acquisition of quality leads to a measurable evaluation of products and services and the evaluation of quality services. The quality of business operations could be ensured with the help of several models, primarily by implementing the generally recognized international standard ISO 9001: 2015.

This system is also the most certified system of management system quality. Definitions of quality changed over the course of time and the change in the needs and requirements of customers. Companies and entrepreneurs, which achieved success with the help of the principles of TQM (Total Quality Management), have customers and quality that are integrated into their common corporate scheme since any company is a system of interconnected items. For TQM to succeed, all elements within a company must work jointly. Certain characteristics of TQM are considered fundamental: modification, customer preference, communication, successive improvement, restoration measures, the corporate structure of the network type in the process of business management, creativity, IT, organisational culture, and orientation in the future. TQM is a means of managing the effectiveness, flexibility, adaptability, and aggression of business on the whole, which, in the future, should ensure the sustainability of entrepreneurship.

The quality of product means to which extent the product satisfies the needs of customers and serves its purpose and conforms to the sectoral standards. During the assessment of product quality, companies take into account several key factors, including whether the product solves the problem, works effectively, and confirms the customers' purposes. Companies may also evaluate product quality based on various points of view, which show how different groups treat the usefulness of the product. The perspectives that should be considered during the evaluation of product quality include the points of view of consumers, perspectives of production that are based on the product and value, and transcendental points of view, which treat product value in relation to its value.

The quality of products is important because it influences the success of companies and helps to strengthen their reputation in the consumer markets. When companies can create high-quality products, which still satisfy the customers' needs, this may lead to lower production expenditures and higher return on investments and growth of revenues.

The quality of products is also important for customers who depend on the companies' attention to detail and consumer demand. Companies create products to satisfy the market's needs, and consumers expect that these products will satisfy this need since the company advertises them. They need products that will help them establish a connection with the brand, for them to know that they could rely on the companies' offers. High-quality products provide consumers with safe and effective means to solve their problems.

## **2. Methods**

The issue of quality is a very important factor in marketing and management studies. In most of the previous studies, the

differentiation of quality within the theory of games or model structure was considered.

Product quality management (PQM) is a method that allows companies to determine the defects of a product and trace the customers' concerns. Then, product and project managers use this information to assuage the problem and improve the quality of products in the future. PQM covers four spheres of product quality assessment, including planning, control, provision of quality, and improvement.

A strategy of good quality stimulates the successful creation and manufacture of products that are popular in the market. Organisations may use one or several approaches to the provision of long-term effectiveness, which can increase the quality of their products.

The method of total quality management consists of several key principles:

- Customer orientation;
- Leadership;
- Involvement of employees;
- Process approach;
- A strategic approach to management;
- Constant improvement;
- Factual approach to decision making;
- Mutually beneficial interaction with suppliers.

This method is also oriented toward the satisfaction of customers, which has an important role in determining the product's quality. Such an approach may bring many potential advantages, including an increase in profit and efficiency and a decrease in defects of products or reduction of expenditures.

Analysis of the scientific approaches allows stating that Total Quality Management is a system of actions aimed at achieving the satisfaction and attraction of consumers, growth of employees' capabilities, higher revenues and lower expenditures; comprehensive efforts that are made at the scale of the entire organization and are

aimed at the increase in the quality of goods and services. The focus on the use of total quality management implies the transformation of the organization, aimed at quality and based on the idea of continuous improvement of the entire process of functioning, gradual and systemic improvement of all aspects of the organisation's activities, which envisages hard work, discipline, intensive training and continuous use of certain tools and resources.

Analysis of the materials of Aquilani et al. (2017), Anholon et al. 2017, Kulenović et al. (2021) and Suárez et al. (2017), Arsovski (2023) allowed generalising the experience of using the concept of total quality management of a company, which implies its development given the provision of the following components:

- initiating the participation of personnel of the economic activities' subjects in the provision of goals on the achievement of quality within each centre of responsibility. This aspect might have high effectiveness in the case of using the motivation of personnel and adoption of the corporate focus on the achievement of parameters of high quality in each sphere of the company's development, which ensures high quality of products. According to Andersen (2018) and Tovmasyan and Minasyan (2020), the motivation of attracting personnel can have material and non-material character; at that, the company's saving on its leads to the growth of formalism in the sphere of quality management and does not stimulate personnel's accepting the necessity to participate in the company's development in this direction. In the context of non-material motivation, it is possible to offer participation in quality management at the level of responsibility centres of companies (a component of personnel growth); stimulation of employees based on feedback from customers' representatives and contractors; orientation of the activities at consumers. Consumers have expectations and requirements, the level of satisfaction of

which, ensured by the parameters of quality, influences the sales volumes and economic state of the company in the market. Among the expectations and focuses of consumers, it is possible to mention the following ones: accordance of the level of prices and quality of products (services); wide assortment of required products with the support of quality; requirements for after-sale maintenance with the corresponding quality and prices; requirements to the possibility of repair service (warranty repair (free) and post-warranty repair (paid));

- Specifics of solving the tasks of quality provision at the company. This direction implies strategic establishment and implementation of the following provisions: the comprehensive and systemic resolution of tasks at the level of all spheres of the functioning of the economic activities' subject; solving the tasks of provision of quality at all stages of the life cycle of implementing projects, managing processes and operations that are connected with the manufacture and sales of products;

- Vectors of the key milestones in the sphere of quality management at a company, which include the following: vector of the integration of human resources management into the common system of total quality management; emphasis on the development of the responsible attitude of employees toward their work, including toward the achievement of corporate goals within the centres of responsibility; provision of the high culture of production (other spheres), including the focus on the parameters of sustainable development (achievement of the balance of the economic, social and environmental components of production and logistics spheres of company management); informal styles of management, etc. The above vectors of development are determined at the level of the common strategy of development of a company, which is oriented toward total quality management, and are implemented within the operative programmes and plans;

- Resolution of quality problems, which implies the collective determination of complexities and threats in the achievement of certain parameters of quality based on assessments that are presented within each centre of responsibility; proposition of ways and directions to solve the designated problem aspects of quality management; determination and adoption of the optimisation direction according to the developed offers from employees and responsibility centres of the company;

- Improvement of the state of development of HR potential, which is connected with the increase in the competency of the company employees; increase in the level of professional qualification. These directions envisage the monitoring of the level of development of personnel in these spheres; determination of the directions of improving competency and professional qualification; selection of programmes and courses to ensure an increase in the level of these indicators of personnel's development;

- Prevention of the emergence of problems in the system of quality management through determining possible challenges and threats to the system of quality in different spheres of company management at the level of each responsibility centre;

- Continuity of the process of total quality management of the company, which includes the provision of achievement of quality at the level of each stage, process and centre of responsibility of the company, which is the basis of the general system of continuous management of this process;

- Achievement of balance at the level of quality, expenditures and time. Possible directions for the optimisation of quality on the resource and time expenditures are determined. Within certain corporate strategies of development, these parameters could be expanded through the environmental parameter and its indicators, namely (Prieto-Sandoval et al., 2019): level of waste, the excess of which might influence the growth of environmental costs

for certain companies; level of environmental pollution and noise from certain types of economic activities.

As a research method, we use the surveys for collection of data.

Companies were selected through simple random sampling. The companies from this research sample have different forms of ownership, work in different sectors of business (spheres), and sell a wide spectre of products and services.

### **3. Literature review**

For Riaz (2016), quality is an instantaneous perception that appears when something in the environment interacts with the human factor. Quality is defined as the sum of the emotional evaluation of each object by a buyer. This object creates the satisfaction of customers (Cook & Verma, 2012). Another definition states that quality is a level at which the set of inherent characteristics satisfies the requirements (Black & Porter 2016).

Although the literature on total quality management contains a large circle of business, there is no common view of the definition of quality. Researchers have a different view of the idea of quality. Curkovic et al. (2015), Douglas and Judge (2018), and Davis (2009) have their definitions of the concept of quality and general quality. Roger (2018) defined total quality management as a strategic, normative, and administrative method that is aimed at the participation of all employees to increase profitability through the provision of satisfaction of customers and employees.

Stevens (2013) and Tasdan and Sievers (2019) define TQM as the groups of methods and management tools that are focused on the provision of a substantial value to customers through revealing the customers' needs and reacting to their changes. Villasenor and Estrada (2016) define it as an ordered method of management, which is based on the processes and constant

improvement of companies' efficiency with all human resources, for satisfying the hidden and vivid expectations of customers and other interested parties.

Tracy (2017) sees in this the philosophy of management, aimed at constant improvement of all functions of an organisation; this could be achieved only during the use of the principle of absolute quality. Gee et al. (2010) and Chapman and Al-Khawaldeh (2002) define total quality management as a strategy and the normative and administrative approach that strives for the participation of all employees to increase revenues.

The issues of quality management in entrepreneurship, competitiveness and the national economy are considered in the works by Kanjevac Milovanović (2017), Salgado et al. (2014), and Pendiuc (2012).

### **4. Results**

We tried to find answers to different questions that would allow us to determine one of the four elements of marketing which, according to companies, is the most important one and could be used as an initial point for establishing long-term competitiveness.

The most important results obtained are as follows:

- in international companies, 40.19% of all employees work in sales departments, while in domestic companies this number is 24.96%;
- average growth of sales over the last five years equals 33.38% in international companies, and 18.75% in domestic companies;
- average growth of profit over the last five years equals 34.33% in international companies, and 14.68% - in domestic companies;
- companies whose sales departments account for less than 20% of the total number of employees demonstrated an

increase in sales by 22.11% on average, while companies whose sales departments account for more than 20% of employees – 26.29%.

Companies use price and quality as the components of their strategies. The results

demonstrate a statistically significant difference in the treatment of these elements of marketing and show which characteristics of products or services of companies are considered the most valuable.

**Table 1.** Price/quality ratio for the group of companies.

Claim	MW test	“p” value	Mean rank 'INT'	Mean rank 'DOM'	Md 'INT'	Md 'DOM'
The companies prefer to offer better quality than cheaper products	159.000	p = 0.017 < 0.05	26.55	19.33	5.00	4.00
The companies prefer to offer cheaper than better quality products	169.500	p = 0.041 < 0.05	18.98	24.44	1.00	3.00

Source: Developed by the authors based on (Tasdan and Sievers, 2019).

Two conclusions could be made. For companies, the strategy of leadership by expenditures is the best solution. Production can develop not only through the growth of wages but also an increase in the effectiveness of their use. That is why the problem of building an effective system of managing the expenditures of economic subjects in the context of the general strategy of a company, which would stimulate the maximisation of the rates of growth of profit and minimisation of expenditures, is especially topical today.

A competitive approach, based on low full production costs, is most expedient when many buyers are sensitive to price in the industrial market. Analysis of the works of Kharub et al. (2019) and Kimiti et al. (2020) showed that the main task of this strategy consists in creating a sustainable advantage in costs over the rivals, who offer low prices. The competitive advantage in costs is the basis for opposing the rivals through conquering the market environment in the price niche with the support of the corresponding quality or receipt of additional profit from product sales. The advantage in costs brings profit as long as the rivals do not make aggressive attempts to reduce price parameter and raise the volumes of product sales; consumers do not form the level of

demand for products of low quality due to the absence of solvency as to products of higher quality.

For example, the leading successful agrarian companies in the sphere of crop research in Russia implement the considered strategy in their business. This is done due to the effective strategic parameters, which are implemented and achieved at the operative level in the regime of constant control; the absence of rivals who would set non-market prices. The main leading companies of Russian crop research that implement this strategy are as follows (Tadviser, 2022): Agricultural complex “Natural products” (2021 revenue – RUB 66,136 million), Rosagro (2021 revenue – RUB 51,572), Rusagro complex (2021 revenue of all participating companies – RUB 152,708 million), Avangard-pro (2021 revenue – RUB 37,900 million), Miratorg (2021 revenue of all participating companies RUB 152,065 million).

Achievement of the goals of the leadership strategy on costs usually means low production costs compared to rivals, which is adopted in the company's business strategy. However, when using this strategy it is important to avoid the risks of positioning too cheap products with low quality, which

may cause consumer distrust. The cost leadership strategy is an effective competitive approach when market demand is sensitive to price parameters.

Analysis of Chepchirchir et al. (2018) has shown that the main mechanism for determining a company's costs is the value chain. A company can achieve advantages in costs through optimisation of costs if it ensures the concentration of efforts on the reduction of unproductive costs, search for ways to transform various technological and organisational processes and creation of the framework for more economically effective work. To reach the advantage in costs, the total production costs of companies at the level of the value chain should be lower compared to the similar costs of the main rivals.

The main ways, due to which industrial companies can reach quality in the main spheres of management (including within the quality management of products) and advantages in costs are created through improving value chains, namely through the following (Biol, 2018; Kharub et al., 2019; Kimiti et al., 2020; Kimiti et al., 2020:

- Reduction of unnecessary production steps and actions in the production process. This measure leads to a decrease in costs, elimination of doubling of functions that may influence the reduction of quality;
- Use of simpler, less capital-intensive, more rational technologies. The issue of technologies is important in the context of the need for import substitution. When selecting technologies in this direction, companies, apart from the above parameters, have to take into account that it is necessary to ensure communication and consultations with developers for reliable technological management;
- Search for the reduction of prices for consumables and raw materials. This measure could be implemented at the level of groups of companies that are integrated within certain networks, etc.;
- Achievement of a more economical level of vertical integration, compared to rivals.

Within this direction, it is expedient to minimise non-productive managerial tasks (meetings, briefings, reports can be held remotely, which will allow saving on rent, etc.);

- Use of the optimal number of employees in the managerial and production sphere due to the implementation of robotisation, reduction of doubling of function and optimisation of work time.

Analysis of the works by Azim et al. (2017) and Purwianti (2019) has shown that manufacturers with low costs ensure the achievement of competitive priorities due to cost saving at the level of all stages of the creation of the value chain. The main competitive advantages of manufacturers with low costs include corporate culture, based on widespread savings; intolerance to losses and defects; active observation of the norms of budget expenditures; attraction of personnel to the control over the level of expenditures; observation of balance between austerity and sustaining the level of quality of products at all links of production and logistics. Though companies that have low costs are leaders in the sphere of austerity, they are oriented toward high expenditures for the development of projects that imply a further decrease in expenditures. The competitive strategy of cost leadership at industrial companies should be used in the following cases (Azim et al., 2017); (Lin, 2020), (Purwianti, 2019):

- If the price competition in the specific market environment is particularly strong;
- When the offered product is standard, its characteristics of quality conform to the requirements of the entire segment of consumers (such conditions allow buyers to make a decision on the purchase based only on better prices);
- There are several methods of differentiating products to attract a buyer, but differences in the price for buyers are substantial;
- Most buyers use the studied products in a similar manner, being satisfied with general requirements on user terms. A standardised

product fully satisfies the buyers' needs. In this case, prices, not characteristics, and the level of the quality of products could be an argument that influences the buyers' choice;

- The level of buyers' expenditures in the transition from one type of product to similar products is very low (or is absent), which facilitates the possibility of the search for replacements with lower prices and similar quality.

The development of crisis phenomena in the economy and capabilities of the information and communication technologies demonstrate that buyers can perform a quick and effective search for the required products at various trade platforms, using clear parameters of quality and price.

This competitive approach of ensuring low costs has certain negative sides. Cost leadership is a serious competitive advantage. However, it is necessary to take into account the possible risks of this strategy. If rivals start using a new technology, which will open a way to reduce costs, the leader company may lose its advantage, without return from previous investments in the sphere. Rivals may copy the actions of cost leader, which may decrease the lifespan of the achieved advantage. Working on the problem of cost saving, a company may not see other opportunities, which would have allowed it to become the leader. The change in preferences of buyers may also bereave the company of the acquired preferences. The focus only on low costs may lead to buyers' changing their goals and focusing on other parameters of quality, characteristics, terms of delivery and terms of service during exploitation.

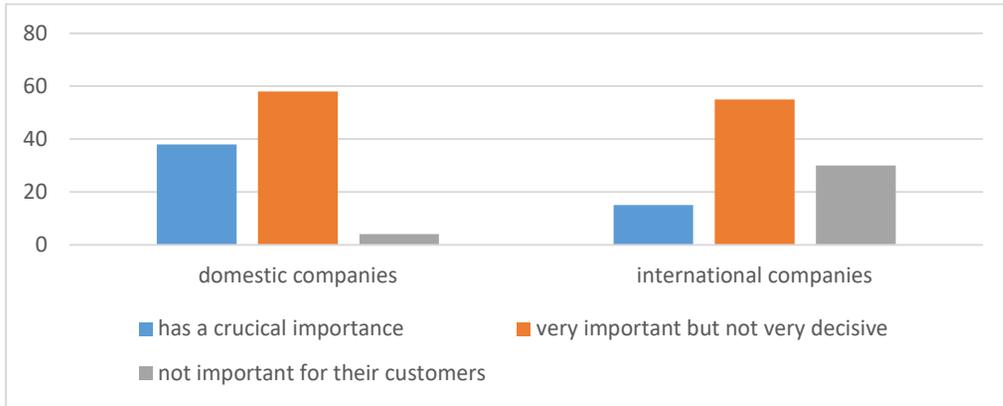
According to Lin (2020) and Purwianti (2019), large investments in the reduction of costs may sometimes make a company a "hostage" to the used technology and implemented strategy due to the neglect of

innovations in production processes and changing priorities of consumers. Thus, during the development and implementation of a cost leadership strategy, it is necessary to take into account other directions of raising the company's competitiveness.

Domestic companies try to gain a larger share of the market, but they should not forget to show initiative in the restructuring of the value creation chain, to exclude additional expenditures and activities with low value added. Another conclusion is that a company that is stuck in the middle guarantees low profitability.

Companies can ensure their future, setting clear goals and seeking them. Only in this way they can see the market opportunities and use them. The practical tools of management and the measures of planning and adaptation can also provide support. Regardless of the marketing elements that are regarded as the most important by companies, strategies should be always based on the desires and needs of the customer. Figure 1 shows the degree of the importance of price during the purchase of products.

Correction of the strategic direction as a result of the constant and unpredictable change in the environment is the key to the success of market-oriented companies. Strategic tool and organisational opportunities, which provide companies with the advantages compared to their rivals, will not probably be adequate in the future. Therefore, companies have to realise the changes and manage them, as well as use their resources to adapt to the current market conditions. Table 2 shows which strategic tools will be used by companies to achieve competitiveness of the advantage in the market and which tools they use now.



**Figure 1.** Degree of the importance of price during the purchase of products.  
Source: authors.

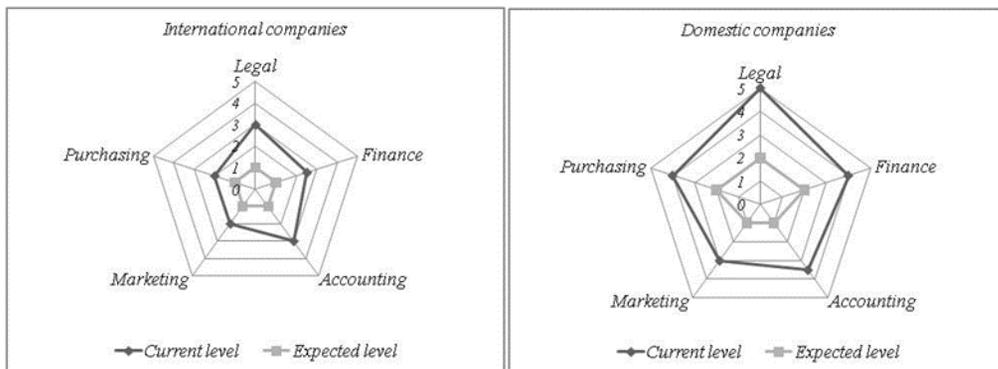
**Table 2.** The most important strategic tools for domestic companies.

TOTAL	RESPONDENTS	COUNT	24	7	7	2	1	6	1	0	0
		ROW TOTAL %	100	29	29	8	4	25	4	0	0
Which tool for achieving strategy advantage is one that you use now?	Price	%	25	57	0	50	0	17	0	0	0
	Quality	%	29	0	86	0	0	0	100	0	0
	Distribution	%	4	0	0	50	0	0	0	0	0
	Marketing	%	0	0	0	0	0	0	0	0	0
	Customer needs	%	13	0	14	0	0	33	0	0	0
	Friendship	%	8	14	10	0	0	17	0	0	0
	Speed - efficiency	%	21	29	0	0	100	33	0	0	0
	Something else	%	0	0	0	0	0	0	0	0	0

Source: Developed by the authors based on (Tasdan and Sievers, 2019).

An important feature of companies that deal with sales and are oriented at the issues of quality is their readiness and skill in connecting their main business functions

(departments) with functions of their customers, to support long-term business interrelations (Figure 2).



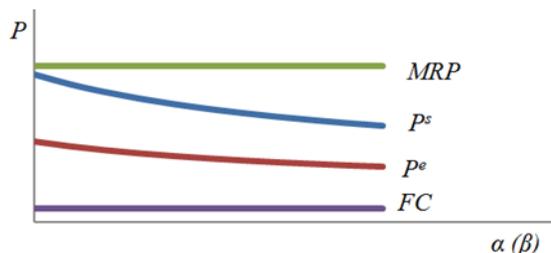
**Figure 2.** The current and expected level of interrelations between business functions.  
Source: compiled by the author based on (Waeber, 2018)

International companies think that all business functions have to be strongly connected in the process of the sale, while such attitude of domestic companies is true only for the departments of marketing and accounting.

Besides, to solve the problem of increase in competitiveness, such a strategy of quality management as "skimming" is offered.

Considering the ratio of economic price to the price of skimming, it is possible to see the importance of the strategy of skimming. The higher the economy/skimming ratio, the larger the interest in using the strategy of skimming.

Figure 3 shows the behaviour of skimming and the economic price depending on  $\alpha$  and  $\beta$ .



**Figure 3.** Skimming/price of economy ratio in point  $\alpha(\beta)$ .

Source: Developed by the authors based on (Mathur et al., 2017).

We demonstrated the model of pricing given the strategy of skimming during the introduction of a new product. The optimal economic price is calculated in view of the prices of skimming.

Let us consider the following strategy of quality management – segmentation of market by the criterion of quality. Segmentation of the market is complex and has long-term consequences for the organization. The strategy of segmentation is the work at several segments, with consideration of each segment given its needs. It allows focusing on consumers' needs. Segmentation is the division of the targeted market into clearly expressed groups of buyers, each of which can purchase certain goods and/or services. Segmentation of the market is the process of dividing consumers into groups according to a range of sustainable attributes, which are called the marketing “segmentation attributes”. A market segment consists of consumers that react to a set of stimuli of marketing in the same way. The process of segmentation implies the formation of the consumer market’s segments, which are sustainable by their unifying attributes and

possess a set of vivid characteristics for the successful positioning of services.

The scheme of market segmentation has a general character and could be used during the planning of various directions of marketing activities. For successful market segmentation, it is expedient to use the approved principles, which include the following:

1. Differences between segments: segmentation must lead to the formation of different groups of consumers;
2. Similarities of consumers: envisages homogeneity of the potential buyers from the point of view of buyers’ attitude towards a specific product;
3. The large size of the segment: targeted segments must be rather large for provision of sales and coverage of the companies’ expenditures;
4. Measurability of the characteristics of consumers: the principle that guarantees the ability to discover the needs of potential buyers and to study the reaction of the targeted

market to the marketing actions of the company through targeted field actions;

5. Achievability of consumers: the presence of the channels of communication between company-seller and potential consumers.

Under the conditions of the determined intensification, manufacturers should focus on the group of innovators and early followers, since they will be the first to try the new product and will lead to further communication with other consumers.

## **5. Discussion**

The role of quality in strategic orientation, - as one of the possibilities for differentiation – is the basis on which companies can create sustainable competitive advantages. Companies that work in the production sector have to support continuous investing of resources to achieve better quality. In any process of decision, making regarding the creation of strategic design it is necessary to consider many variables, many of which cannot be expressed quantitatively. Customers are non-material assets and value added for all companies. A very important issue for all organizations is the attracted/remaining customers ratio. Companies have to use objective and subjectively oriented methods of measuring the satisfaction of customers and adapt their strategy to the requirements of the market.

## **6. Conclusion**

In this paper, we focus on quality management in entrepreneurship. We performed an overview of its definitions, made an emphasis on quality in entrepreneurship, and paid special attention to the consequences of quality management

for the competitiveness of the national economy.

Using the results of the analysis of preferable elements of the marketing complex, which companies try to optimise, we conclude that international companies pay more attention to the issues of quality, using them as a tool of differentiation in the market. They realise the value that should be sent to customers to satisfy all hidden and vivid needs and strong desires. On the other hand, domestic companies think that the strategy of leadership by expenditures is the best option for their customers. It is possible to advise domestic companies to use a system of quality assessment as one of the tools and methods of quality management, for the implementation and development of quality. Companies should start developing long-term strategies that are based on specific resources and organisational opportunities. Customer loyalty is the companies' ability to hold satisfied customers. Supporting customers' loyalty is one of the most complex tasks for all departments of a company since customers' desires change quicker than their needs. The policy of sales that always gives priority to customers' needs and desires is the only means of ensuring loyalty, which is the basis for the establishment of long-term business relations.

Based on the results of the theoretical and empirical studies, it is possible to conclude that investments in quality, which are based on the search for opportunities for the creation and development of value added for customers, are a good starting point to implement the customer-oriented model of sales. This model might help companies raise the level of loyalty and satisfaction of customers. Despite strong competition in corporate sales, this model might help companies increase the quality of their products and become leaders in the market.

## References:

- Andersen, J. A. (2018). Managers' Motivation Profiles: Measurement and Application. *SAGE Open*, 8(2), 1-9.
- Anholon, R., Zoqui, E. J., Quelhas, O .L. G., & Novaski, O. (2017). Quality Management System for Micro and Small *Enterprises*. *Systems & Management*, 12, 362-376.
- Arsovski, S. (2023). The sustainability transition from quality 4.0 to quality 5.0. A role of sustainable spiritual and intelligent leadership in the creation of intangible capital for future, *Journal of Innovations in Business and Industry*, 2(1): 53-64, doi: 10.61552/jibi.2023.02.001
- Aquilani, B., Silvestri, C., Ruggieri, A., & Gatti, C. (2017). A systematic literature review on total quality management critical success factors and the identification of new avenues of research. *The TQM Journal*, 29(1),184-213.
- Azim, S., Abdullah, H. H., & Gorondutse, A. H. (2017). Competitive Strategy and Firm Performance: A Review of Literature. *International Journal of Business and Technopreneurship*, 7(1), 87-92.
- Birol, B. (2018). Cost reduction struggles in sister companies. *PressAcademia Procedia (PAP)*, 7, 11-17.
- Black, S. A., & Porter, L. J. (1996). Identification of the critical factors of TQM. *Decision sciences*, 27(1), 1-21.
- Chapman, R., & Al-Khawaldeh, K. (2002). TQM and labour productivity in Jordanian industrial companies. *The TQM magazine*, 14(4), 248-262.
- Chepchirchir, A. B., Omillo, F., & Munyua, J. (2018). Effect of Cost Leadership Strategy on organizational performance of logistics firms at Jomo Kenyatta International Airport, Kenya. *European Journal of Management and Marketing Studies*, 3. Retrieved from: <https://oapub.org/soc/index.php/EJMMS/article/view/437> (data accessed: 10.08.2022).
- Cook, L., & Verma, R. (2012). Exploring the linkages between quality system, service quality, and performance excellence: Service providers' perspectives. *Quality Management Journal*, 9(2), 44-56.
- Curkovic, S., Melnyk, S., Calantone, R., & Handfield, R. (2015). Validating the Malcolm Baldrige National Quality Award framework through structural equation modeling. *International Journal of Production Research*, 38(4), 765-91.
- Davies, I., Ryals, L., & Holt, S. (2010). Relationship management: A sales role, or a state of mind? An investigation of functions and attitudes across a business-to-business sales force. *Industrial Marketing Management*, 39(7), 1049-1062.
- Davis, J. (2009a). How to recession - Proof sales with consultative selling. *Channel Insider*, 9.3.2009, 1-2.
- Davis, J. (2009b). 8 steps to better sales with consultative selling. *Channel Insider*, 5.5.2009, 1-2.
- Douglas, T., & Judge, W. (2018). Total quality management implementation and competitive advantage: The role of structural control and exploration. *Academy of Management Journal*, 44(1), 158-69.
- Gee, G., Richardson, W., and Wortman, B. (2000). The quality manager primer. 4th edn., West Terre Haute, in: Quality Council of Indiana
- Mathur, G., Jugdev, K., & Fung, T. S. (2017). Intangible project management assets as determinants of competitive advantage. *Management Research News*, 30(7), 460-475.

- Kanjevac Milovanović, K. (2017). Impact of quality and safety product on competitiveness. *International journal for quality research*, 11(2), 469- 488.
- Kharub, M., Mor, R. S., & Sharma, R. (2019). The relationship between cost leadership competitive strategy and firm performance: A mediating role of quality management. *Journal of Manufacturing Technology Management*, 30, 6, 920-936.
- Kimiti, P. G., Muathe, S. M. A., & Murigi, E. M. (2020). Cost Leadership Strategy, Competitive Advantage and Performance: A Cross-Sectional Study in the Context of Milk Processing Firms in Kenya. *International Journal of Management, Innovation & Entrepreneurial Research*, 6(2), 64-76.
- Kimiti, P. G., Muathe, S. M., & Murigi, E. M. (2020). Nexus between cost leadership strategy and performance: Fact or fallacy in milk processing firms in Kenya. *International Business Research*, 13(10), 1-12.
- Kulenović, M., Folta, M., & Veselinović, L. (2021). The Analysis of Total Quality Management Critical Success Factors. *Quality Innovation Prosperity*, 25(1), 88-102.
- Lin, N. (2020). Designing Global Sourcing Strategy for Cost Savings and Innovation: A Configurational Approach. *Management International Review*, 60, 723–753.
- Pendiuc, T. (2012). Ways of increasing the efficiency of quality management in the commercial companies under the authority of the Romanian local council in the post-accession period to the European market. *International Journal for Quality Research*, 6(1), 41-46.
- Prieto-Sandoval, V., Jaca, C., Santos, J., Baumgartner, R. J., & Ormazabal, M. (2019). Key strategies, resources, and capabilities for implementing circular economy in industrial small and medium enterprises. *Corporate Social Responsibility and Environmental Management*, 26, 1473–1484.
- Purwianti, L. (2019). Analisa Pengaruh Cost Leadership, Differentation Strategy dan Market Orientation Terhadap Kinerja Perusahaan. *Journal of Global Business and Management Review*, 1, 1, 33-44.
- Riaz, S. (2016). An integrated and comprehensive approach to software quality. *International Journal of Engineering Science and Technology*, 2(2), 59-66.
- Roger, M. (2018). Contract sales organization: Making the transition from tactical resource to strategic partnering. *Journal of Medical Marketing*, 8(1), 39-47.
- Salgado, E. G., Sanches da Silva, E. R., Sanches da Silva, C. E., & Pereira Mello, C. H. (2014). Ana analytic hierarchy process analysis for small and medium-sized enterprises: prioritizing the practices of total quality management in Brazil. *International Journal for Quality Research*, 9(2), 185-196.
- Stevens, C. (2013). Personality and attractiveness of activities within sales jobs. *Journal of Personal Selling & Sales Management*, 23(1), 23-27.
- Suárez, E., Calvo-Mora, A., Roldán, J. L., & Periañez-Cristóbal, R. (2017). Quantitative research on the EFQM excellence model: A systematic literature review (1991–2015). *European Research on Management and Business Economics*, 23(3), 147-156.
- Tasdan, F., & Sievers, G. (2019). Smoothed Mann-Whitney-Wilcoxon procedure for two-sample location problem. *Communications in Statistics: Theory and Methods*, 38(6), 856-870.

- Tadviser (2022). Agriculture in Russia. Retrieved from: [https://www.tadviser.ru/index.php/%D0%A1%D1%82%D0%B0%D1%82%D1%8C%D1%8F:%D0%A1%D0%B5%D0%BB%D1%8C%D1%81%D0%BA%D0%BE%D0%B5\\_%D1%85%D0%BE%D0%B7%D1%8F%D0%B9%D1%81%D1%82%D0%B2%D0%BE\\_%D0%B2\\_%D0%A0%D0%BE%D1%81%D1%81%D0%B8%D0%B8](https://www.tadviser.ru/index.php/%D0%A1%D1%82%D0%B0%D1%82%D1%8C%D1%8F:%D0%A1%D0%B5%D0%BB%D1%8C%D1%81%D0%BA%D0%BE%D0%B5_%D1%85%D0%BE%D0%B7%D1%8F%D0%B9%D1%81%D1%82%D0%B2%D0%BE_%D0%B2_%D0%A0%D0%BE%D1%81%D1%81%D0%B8%D0%B8) (data accessed: 10.08.2022).
- Tovmasyan, G., & Minasyan, D. (2020). The Impact of Motivation on Work Efficiency for Both Employers and Employees also During COVID-19 Pandemic: Case Study from Armenia. *Business Ethics and Leadership*, 4(3), 25-35.
- Tracy, B. (2013). *Beasalesuperstar: 21 great ways to sell more, faster, easier in tough markets*. San Francisco: Berrett-Koehler Publishers.
- Tracy, B. (2017). *The art of closing the sale*. Washville: Thomas Nelson.
- Villasenor, A., & Estrada, E. (2016). A generalization of Shapiro-Wilk's Test for multivariate normality. *Communications in Statistics: Theory & Methods*, 38(11), 1870-1883.
- Waeber, K. (2018). 'Medium-size' businesses: Don't get stuck in the middle. *Contract Management*, 50(7), 20-26.

---

**Evgeny E. Shvakov**

Altai State University, Barnaul,  
Russia  
[eshvakov@yandex.ru](mailto:eshvakov@yandex.ru)  
ORCID 0000-0002-9323-5225

**Timur A. Mustafin**

Diplomatic Academy of the  
Ministry of Foreign Affairs of  
the Russian Federation, Moscow,  
Russia  
[ntv-mmm@mail.ru](mailto:ntv-mmm@mail.ru)  
ORCID 0000-0002-5411-6493

**Alena Buravova**

Novomoskovsk Institute  
(branch) Dmitry Mendeleev  
University of Chemical  
Technology of Russia,  
Novomoskovsk, Tula region,  
Russian Federation  
[malik\\_alenka@mail.ru](mailto:malik_alenka@mail.ru)  
ORCID 0000-0002-3575-8108

**Ksenia Trembach**

Novomoskovsk Institute  
(branch) Dmitry Mendeleev  
University of Chemical  
Technology of Russia,  
Novomoskovsk, Tula region,  
Russian Federation  
[tululu\\_ksu@mail.ru](mailto:tululu_ksu@mail.ru)  
ORCID 0000-0001-7388-5629

---