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## CUSTOMER SATISFACTION ELEMENT AS TOTAL QUALITY MANAGEMENT

**Abstract:** *In the early 80's of last century, many organizations are faced with an increased number of customers who were very loud and everywhere complained about the quality of products and services. This period is often called "the era of consumer revolt. " Some companies have responded to this phenomenon by being blind to the criticism of consumers, while other firms is very mature and professional joined the newly created problem and considered by building mechanisms to monitor levels of customer satisfaction. Today's customers' satisfaction as a central feature of which is assessed in the organization, whether it's a small, medium or large company. Many banks, airline companies, clinics and other companies providing similar service whose prices with each other slightly, but it is what determines the behavior of customer quality of service and behavior of companies and their customers. The relationship with the customer and his satisfaction is becoming a major tool in the fight to win the market*

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### 1. INTRODUCTION

In addition to cooperation with partners - the name of managing relationships with partners (Partner Relationship Management-PRM), many firms have developed strong relationships with its customers - customer relationship management (CRM). It is a process of managing detailed information on groups of customers and management of places of contact with customers in order to achieve that degree of loyalty been decided already. Place of contact with customers is any situation where the buyer meets with a certain product. For hotel, meeting place includes a reservation, registration and cancellation of the program for frequent guests, business services, shore excursions.[1]

Customer relationship management (CRM) is a new approach to managing

relationships with customers or new management concept. In this approach combine the different elements of technology, people, information resources and processes, with a mission to create a product that includes the total view of the customer as a service or product.

If you analyze the thought of the former IBM president Thomas Watson Jr. ("that all the company's value in its people and if you rely on your drives, your people and your information you will be stronger than ever"), it can be understood and to understand the importance of information management in deciding on the creation of new products or services with the ultimate goal of customer satisfaction.[2]

CRM is a relatively new concept that started to develop only in 1997. when it establishes a relationship with customers through modern information technology. The focus of the company is no longer just

a product but also customer. No longer a question of what to sell, but who sell. Good relations with customers increase enterprise-wide real value and thus increases the brand value. In this context appears to strategic decision concerning the creation and strengthening competitive advantages and power companies.

The market economy means competition of products in the new post-transition conditions and profiling of such a relationship with the customer based on solid foundations and that is the mainstay of prosperity and security in a vantage point national company and international division of labor.[3]

CRM is a process that can develop and maintain profitable relationships with customers that their perception of delivering superior value to that of the competition and thus creates the satisfaction of those who buy and consume. It is, in fact the interaction between the seller and the buyer and not just on a pragmatic approach with a better slogan's meet their customers or their key groups as more important than that we had a larger benefit. The term relationship is held in which the interaction among each other are becoming more open and even in some cases, there is a shared vision of the future product or service.

The path from customer requirements to product realization in accordance with the requirements, is very long in a market-oriented organization.[4] Perceived value is the difference between the total value for the customer and their costs. The buyer would always choose the value you want the available resources to maximize. Customer satisfaction depends on the realization of expected benefits. It is also the measure that determines the success of business. Satisfied customer stays loyal to the product and the positive effect on new customers while negatively dissatisfied customer identifies the product and also adversely affect the opinions and decisions of other customers. Analyzing the CRM

system and it was found out that it is much more cost-effective to maintain quality and long-term relationships with existing customers than to constantly search for new and existing indulge other manufacturers. Loyal customer is always loyal to the company's brand and always returns a positive impulse purchases by spreading around, because it needs to respect and listen to his reakcije. CRM is still in razozu but it is becoming increasingly important in the overall concept of identifying the modern marketing.

## 2. DEFINING THE VALUE OF CONSUMERS

The key variable in the management of customer relationship management (CRM) is the value. It has different meanings for each participant in the market. Buyer interested in delivered value and satisfaction I get by paying the value why is ready to enter into various forms of relationships with manufacturers. It is a subjective category that the customer compares with their expectations. The value for the customer by Kotler be defined as a combination of benefits and sacrifices, where the value is the difference between benefits and sacrifices. Perceived benefits are a combination of physical characteristics of products, services and the availability of technical support (service and warranty) on the use of products, and other observed characteristics which define product quality. Victim to the customer include all costs that the buyer has to pay when buying a product: price, transportation, installation, repair and maintenance, the fear of poor performance, spare parts, etc..

Companies in the course of its business must take into account the actual value of the bid to give the customer that would be able to acquire and retain their loyalty. In this way, companies can create

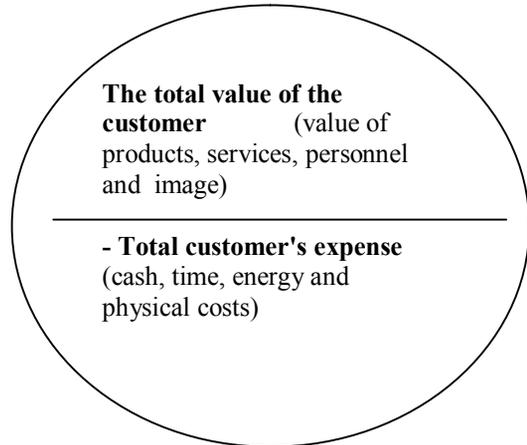
"brand architecture" can be defined as a range of common and specific elements of the brand that the company applied to various products and services sold by and to itself. It reflects the number and nature of new and existing brand elements and also directs the decisions about how to be branded new products.[5] Following the needs and desires of customers, managers are able to bringing strategic decisions in terms of creating value for customers coming to an equilibrium between the products offered and the needs and desires of customers, which ultimately leads to increased probability that the same customers still buy the same products in the future. It is a prerequisite to renowned brands recommend others interested in the environment of the primary customer, which explicitly leads to expansion of the customer base and on the other hand reveals the number and nature of all elements of brand's products and services company.[6]

Global market conditions include competition in which to compete for position and competitive advantage more participants. Each of them wants to give you more value for the customer in order to sell their products or services. Customers are in a constant dilemma of where to donate their confidence but are in fact behaving rationally, taking into account that the relationship between the victim and the greatest benefit for the customer to be as high as possible. Unlike the ratio between the total customer value and total customer's cost. This customer is a kind of profit.

An important determinant of benefits and costs related to the buyer's usage process of products during the life cycle of a quality that can be measured through interaction: the product, users and instructions for use.[7]

Indian company *Tata* was early recognized that its employees as well as product quality a key resource in the process of adopting a greater focus on

customers. Therefore adopted a program management retail value within which provided training for salespeople recruited to help to increase retail traffic while respecting basic principles of value potrošačai product quality.



**Figure 1- The value for the customer and his satisfaction for the purchased product (profit)[1]**

In the region of northern India sales teams trained by the company managed to double the share of *Tata* on the market in the region starting from the above postulates.[8]

### 3. CREATING VALUE FOR CUSTOMERS

Creating value for the customer begins the process indetifikovanja needs and demands of customers for specific products companies. Tying a buyer for the company in the long run justify adjusting the marketing mix individual requirements. Elements of the marketing mix (product, price, promotion and distribution channels) to create in the minds of the customer knowledge, and noted the implications of what determines a product as well as understanding and promise that it offers. Customers have a

local or national bias that can dramatically affect sales results. Wrong perception of specific product names in a particular market may cause some biases. English name of the American trade magazine Gift was used as the title around the world and many consumers have legal associations of the term, but in the German gift is translated as a poison and not gift and the differences in the perception of the words were enough to sabotage the planned approach to promotion.[9]

Contemporary theory and practice of management and marketing insistence on a clear differentiation of activities that add value not only for average but for a specific customer. In fact different authors have different visions on how to increase the value to be provided to the customer. Increase benefits for the customer means that in addition to the basic value added product to the customer and what is considered important, useful or unique outside its core values. Good quality basic products plus associated services (warranty, service, delivery to the home, and other after-sales services) increase the benefits to the customer and to positively influence the quality that the customer sees. The buyer may be required and such transactions involving the lowering of prices, increase convenience shopping, friendly staff, promotions sales promotion, etc..

Customers may also be involved in evaluating the product before, during and after your purchase. Famous slogan of the German company BASF: We do not make much of a product. We make many products that would be better to buy. This corporate statement, which is BASF's corporate propaganda campaign has done the most recognizable of all corporate campaigns in the chemical industry has enabled a number of advantages which gained an increased awareness of the company for customers. How are they distinguished themselves in one survey 70% of respondents recognized the slogan,

while it is 48% and recognized and properly linked with BASF in the measurement known as true awareness.[10]

The best way to ensure that enterprise customers will choose just their product or service to provide more benefits and less harm than the competition. In order to "offer the best value" strategic intent did the company, managers need to understand the phenomenon of customer value. This is the key to survival and prosperity.

#### 4. COMPETITIVE ENVIRONMENT

In this section we explore possible techniques that we use to develop competitive advantage in a particular market segment. A segment is defined as a group of customers to whom similar needs, similar to observed values corresponding to their needs. Segment no geographic restrictions for people with similar needs can be found in different areas and different countries. At the level of each segment are: effective demand and able to imitate the competition. When effective demand should determine the needs of customers, size of demand and if demand increases or decreases, and the possibility of imitating the competition to determine our core competencies that enable meeting the needs of customers better than competition. Here we shall combine the rates and costs to determine the possible profit the company in a given segment. If in a given segment is growing demand growth and prices and profits. To customers opt for products or services the company should be clearly distinguished business customers from the customers who buy the candle needs. One is a kind of satisfaction that drives the demand for business customers and another for customers who purchase products or services for their needs. Also in both groups to determine how their needs

change in the future. This question difficult to answer. So we need to follow trends (social, demographic and economic) that impact on meeting those needs in the future. In this way we can help to determine trends in demand in certain segments in the future and measures to be taken to customer satisfaction was the greater.

Competencies to compete in that market segment, creating the complex activities that occur under company. These activities are crucial to the company's ability to deliver customer value. Grand in the book *Contemporary Strategic Analysis* (Blackwell, 1995.) suggests that to maintain competitive advantage, strategic resources and competencies need to have a good result when we look at them through the four characteristics: qualification, durability, portability and ability to copy.

Qualification characteristic that determines to what extent the profits created a strategic advantage only relevant for a specific company and can not take someone else. If you have some advantages deeply rooted in the company and meet the buyer's satisfaction that the company is hard to take away profit that is generated. Problems arise when a company owns real estate. So if the star of the football team to develop a high capacity for leadership and achievement of goals he has and has power. This power may be the competition or to gain better benefits from the team owner.

Durability, this characteristic is the time interval between the sources of profit. Visible parts of the property may be shortened due to the development of technology but the routine operation of an enterprise and its methods may persist despite the change of generations and products. Company's reputation with customers does not decrease for years if they are working on innovation, productivity and quality as permanent processes. Leading brands have proven to be never-ending permanent.

Products change or improve or disappear, and the names marks remain with fair reputation in the eyes of customers long number of years (Coca Cola, Nestle, Du Pont, Xerox). Still no indestructible reputation and customers punish companies with poor performance suddenly and relentlessly.

Portability is a feature that shows that if we could be transmitted by the key competencies and resources to the duration and the possibility of their competitive advantage is less. This property is of less strategic importance because it is easily portable and easy to buy and sell. If the property is of strategic character, shaped by cultural values and beliefs will help maintain the company profit. Culture Hewlett Packard is a source of advantage that is not portable.[11]

Ability to copy a feature that provides some competencies the company only when the competition is not able to create an identical chain competencies. If it is able company has no competitive advantage. What is easier to imitate a product the lower the strategic importance of resources and customers will opt for another brand with the same competencies. The company must constantly develop new sources of benefits to meet the constantly growing demands of customers, on the one hand and alleviate the impacts of competition on the other side. It must be learned from the competition.

## 5. CONCLUSION

The buyer is sometimes thought, but always feels. Perhaps for these reasons in mind when buying decisions contributes only 20%, 80% emotion. If the buyer is under the influence of positive emotions about the product or service in that sooner rather opt for a particular product or use a particular service. Under the negative emotions are often the buyer gives up the purchase. French philosopher Pascal wrote

that the heart has reasons which reason can not comprehend. Leading companies using the latest research on the relationship between IQ (intelligence quotient) and EQ (emotional intelligence) still have to work on the development of strong veuza and loyalty with their customers, taking into account the relationship between emotional and rational factors in deciding on the purchase. Once the market was growing so fast that companies are not taking care of the customer's full satisfaction. On one side are losing customers on the other side were met by acquiring new belief that there will always be enough new customers to compensate for lost profits. Not taken into account that it is much harder to acquire new customers

than to lose the old. The costs of this approach are directly influenced the decrease of profits and the competitive position in the market. Today, the need to retain old customers, have changed the need to constantly develop new sources of advantage by attracting future customers. Every company wants to retain its customers and also to repay old who crossed the competition. Competition is increasing as the cost of attracting new customers. Five times more expensive to attract a new customer than to keep current. In order to save customers a company must have the ability to produce valued products which will maintain a competitive advantage and defend your brand.

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