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ATTRACTING AND RETAINING CUSTOMERS WITH QUALITY

Abstract: *Quality has to start with the needs of the customer and end with customer perceptions. The product strategy should incorporate efforts to deliver value by working at maximum adjustment to customers' wishes and working to order. Mass customization allows you to attract and retain customers and the company strives to provide high quality products and service to customers, at competitive prices by up to meet customer needs. To achieve this, we need Extensive support of technology, production technology, which allows you to respond to customers' specifications. Unfortunately, due to heavy reliance on technology, mass customization to individual preferences can be set product strategy. Must be carefully weighed the benefits of adapting this strategy to maximize value for the customer in relation to its costs. The paper gives an equilibrium between the product quality, customer satisfaction and attracting and retaining customers as a basis for strategic product chain - quality - customer satisfaction.*

Keywords: *quality, product and services, customer satisfaction, attract customers, customer retention.*

1. INTRODUCTION

Quality as an imperative in any activities of the company (promotion, distribution channels, pricing and product) must be present and must ensure that all employees are motivated and trained to maintain the quality high. Employees must meet the needs of both internal and external customers. Quality can to gain real value only if the chain partnerships all factors and all suppliers also deliver quality. Thus a company that strives to provide quality must find and just plug suppliers and distributors of high quality. A large number of companies in the world believes in the Japanese concept of *kaizen*, "continual improvement of all of all". There are opinions that the best way to improve the quality of implementation of

the benchmarking process, which compares the performance of the company's quality by competitors who are the best producers in the industry. Often, a manager may hear claims that a high quality induces delays in production and to increase costs enormously. However, it is essential to overcome this opinion by creating money in the right way the first time since the improvement of the quality is absolutely necessary in order to adequately meet the needs of customers as all competitors are also trying to increase their quality to the same extent.

The consumer is the social, economic, political and cultural being. He is both an individual for himself, family member, a representative of a particular group or particular social class, a member of a particular nation, race, religion, etc.. A

consumer is a person who possesses certain goods or means and willingness to purchase products and services. It is the buyer of products and services that use them to meet their personal and collective family needs.

Synonymous with the customer is consumer, the English word "consumer." [1] The customer is often said that the person who is in constant dilemma in making decisions about purchasing goods and services and that the process shopping solve any of your needs. It is therefore of utmost importance to determine what kind of quality and what product features and services, we can attract and retain customers. It should be noted that customers can be not only individual persons but also companies and certain institutions (schools, medical facilities, etc..) who also buy the products and services and use them to perform their core activities. The term customer is used to distinguish two types of consumer unit: people as consumers and organizations (companies) as well as consumers. All customers must be served to the great satisfaction because there is no important and less important customers. Customers can often be divided into those with whom we enjoy the work, those who have to suffer and those who are not nice to us when purchasing. This division does not always adequate results and expected benefits. So it's better to share the financial categories: platinum, gold, silver, iron and lead customers. The most important thing is to attract and retain customers first three categories [2].

In our opinion the company should classify all customers in a different way. In the first group belonged to the most profitable customers who need to devote extra attention. The second group includes customers with the highest growth rate of purchase that required special attention in the long run. The third group are emotionally vulnerable customers and among them is most important to keep

them as customers and intervene preventively in the event of any dissatisfaction. The fourth group of customers are perpetual critics even before they cancel the confidence to try to translate in any of the above categories of customers. If you keep them and they will become profitable. If they go exhaustion our competition. If we find a way to satisfy customers and worst time management will be easy to meet the needs of all other categories.

Theoretical setting of the division of customers can be found in a number of definitions that determine what is it that makes such *Customer Behavior*. The theoretical concept in economic literature, the consumer behavior. A synonym that is rarely used but is present in the theory and practice, *Research Customer*.

Consumer Behavior is defined as "conduct which show consumers in finding, buying, using, evaluating and managing products and services they expect to meet their needs [3].

Second, just as authoritative definition of *Consumer Behavior* says "activities that people undertake the acquisition, use and disposal of products and services." [4] activities in providing products and services related to information search, evaluation of alternative brands and the act of purchasing products or services .

Consumer behavior research in content includes what people buy, why they buy, how and where they buy, how often purchase products and services. In some studies carried out an assessment of the attitudes of buyers formed after the purchase. Customers in all purchases, from the individual point of bringing good and bad buying decisions. It is difficult to assume that they always make the best decision. From the experience of customers in the use of products of products and services, manufacturers and the willingness to provide them with the best quality as they chose to buy the same brand of products is the process of

attracting and retaining high quality specification.

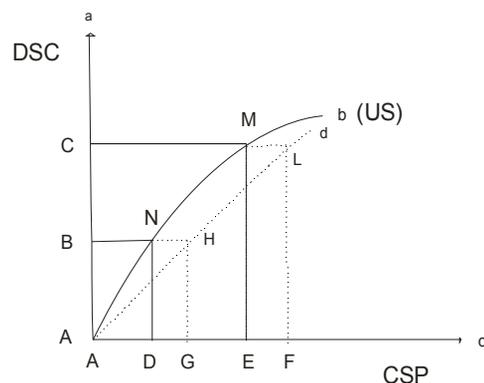
2. QUALITY AND ADDITIONAL SATISFY THE BUYER

The quality starts and ends with the customer. The ability to earn a lot of companies today depends on the knowledge, skills and ability to combine the right way and create value for which customers are willing to pay. In addition to established connections with suppliers in the supply chain, companies need to work on developing strong relationships and loyalty with their customers. In the past, many companies are facing your customers as something that can be accepted as a fait accompli. The market grew so quickly that companies are not concerned about the quality of products that would provide full satisfaction to customers. The company could lose thousands of customers a month, but the others were receiving thousands of customers that month and considered selling his property. It was believed that there will always be enough new customers to replace old, which is in some way denied satisfaction and quality. That meant high costs because it is much more expensive to acquire new customers than retain old.

Things have now changed. It is believed that the company loses half its customers every seven years. The reason is that many customers are not pleased with the value they received and the quality is extremely problematic.

In order to improve its market position in enterprise management may require from their vendors to contact lost customers. Their opinion about the product or service, or delivery system vendors and quality products can offer objective information that is often more realistic than those obtained from current customers.

Each company is trying to keep their customers. Competition is increasing and the cost of attracting new customers grow. In order to retain customers must be first introduced. If you do not know what they want customers will never offer the right offer and the right quality. Regularly communicate with customers allows the company to find out all you want and establish a lasting and sincere friendship. In Figure No. 1 data matrix of the buyer and seller with additional elements of customer satisfaction (DSC) and price the seller satisfaction (CSP) based on research fifty small and medium enterprises in the field of food trade in the Republic of Serbia.



Picture no. 1: Matrix of the buyer and seller.

- DSC (additional customer satisfaction)
- CSP (price satisfaction seller)
- U.S. (line overall satisfaction)
- A (small additional customer satisfaction and low price satisfaction seller)
- B (mean additional customer satisfaction)
- C (large additional customer satisfaction)
- G (average price satisfaction seller)
- F (a great price satisfaction seller)

In the picture no. 1. show that DSC is growing faster than the CSP, so that when the DSC at point B then the CSP at the point D from which we conclude that additional customer satisfaction is growing faster than the price the seller satisfaction. So when the DSC maximum at point C while CSP is reached value at point F is already at the point E. The figure shows that in practice the sample fifty small and large companies additional customer satisfaction grew faster than the seller of price satisfaction. Because there are several causes: controlled inflation, unregulated relationship quality and customer satisfaction, mainly imported goods which has been lacking in our market, high profits for imported goods, which "covers" a faster growth of DSC on the CSP, and the emergence of monopolies and oligopoly with consumer goods.

3. QUALITY AND LOST CUSTOMERS

Enterprises must devote special attention to the problem of customers leaving and take measures to reduce this or eliminate. First, companies must identify the reasons or causes for which customers leave the company and the products exceed the competition. Customers who leave the geographic area are more interesting for the analysis of enterprise management, but they are important customers to the poor quality of products and services and high prices do not buy more products company. Secondly, after identification to calculate how much profit is lost when the former customers without a switch to products of other companies. For example, we shall take a department store. Starting the IBK (annual number of lost customers) is equal to 5000 and that the PPI (average annual lost revenue per customer) is equal to 20,000 then the IGP (lost annual income) is equal to:

$$\text{IGP} = \text{IBK} \times \text{ipp}$$

$$\text{IGP} = 5.000 \times 20.000$$

$$\text{IGP} = 100.000.000$$

If the average rate of return is 15% then the IGD (total annual lost profits) equal to:

$$\text{IGD} = \text{IGP} \times 0.15$$

$$\text{IGD} = 100.000.000 \times 0.15$$

$$\text{IGD} = 15.000.000$$

Third, the company should calculate how much will it cost reduction for customers crossing the competition. If the cost is less than the lost profits, the company should invest resources in order to reduce the number of lost customers.

Fourth, the company must determine the reasons of this situation and take appropriate measures in the future would not have the same problems occurred. The causes are: poor quality, strong competition, inadequate management, insufficient or improper use of marketing mix elements and so on.

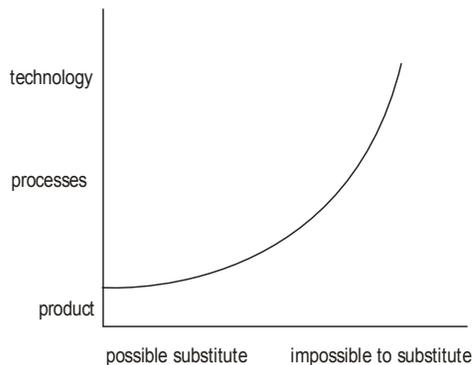
4. EFFECTS OF ENVIRONMENT ON THE LOSS OF CUSTOMERS - THE CASE OF SPARE PARTS

Customers no longer to be loyal to product companies when those products or services do not meet their expectations and the substitution of competing products is strong and centripetal forces acting on the customer relationship - the seller. Customers are leaving because the geographic area of purchase, or leave other vendors offer better products and services at the same prices. Extreme environment affects the organization of companies and enterprises are not arbitrary, already present in the interaction with the environment. [5] The loss of communication with the customer causes the customer switch the competition. Practice has shown that the most common reasons for example, sales of spare parts in Serbia, and the same goes for most other types of sales, as follows:

- impaired disequilibrium seller - the buyer

in all segments (delay delivery of spare parts, replacement parts delivery, incorrect delivery address the customer, poor quality products, distorted trade relations, financial indiscipline, etc..)

- Syndrome "naughty children" (ignoring the complaints of spare parts by customers, minimize customer alerts on the effect of competition and abuse of monopoly position),
- inconsistency of supply (frequent change of policy to sell spare parts, change rebate scale, favoring certain customers, changes in prices without notice, to introduce new customers to the already saturated areas, familiarity and rapport with individual customers and ignoring others),
- use-value substitution as a competitive advantage and the possibility of imitation [6].



Picture no. 2: Technology, processes, product substitution and the possibility of the sale of spare parts.

Taking time as a variable there is a tendency for technology to move the process from there in the product (picture no. 2). First, the technology is considered by experts and then moves into the processes and routines that would eventually become a packaged product that is no longer original or it is impossible to replace the substitute. This tendency is observed in time takes place in every company that sells replacement parts. The only solution that is available to the

management is constantly investing in new technologies. In order to succeed in the enterprise needs to understand what customers perceive as the true value. The second will be to detect and identify what are the actions that customers give dimension to these values for particular quality product or services to attract customers.

If a company is able to identify why customers stopped doing business with them on a program of spare parts, then it gives them the opportunity to correct these mistakes which buyers exceeds the competition.

5. BUYERS RETURN PROJECTS

Projects for the return of lost customers may appear in many forms, from highly organized with a lot of effort and resources to simply send promotional materials and publications to show that the customer is not forgotten. It is well known rule to customers, regardless of whether or not to buy products should be kept in the information system companies. Organizing the data can be done in different ways. Known as "the classic" How to organize data using: files, daily work, address books and folders and so on. [7] offer customers valuable information that can be used to identify and resolve problems before the problem spreads to all customers.

Projects return of lost customers consist of four linked phases:

1) *Applied information input.*

At this stage one should find out the reasons why the customer cancels the trust products and services company. To do so is necessary to determine when and why it stopped or reduced customer orders, or why they stopped or reduced sales of certain products in exclusive stores manufacturers. It is quite difficult to determine and is often necessary to engage experts from the side who are competent in

that field in action companies.

2) *Applied analysis of customer needs.*

The turbulent environment causes permanent changes in the market to change and customer needs. To detect and expert analysis, not rigid positions without cover, permitting the creation of a new paradigm of relations between the buyer - the seller, in which all forms of perceived customer satisfaction and especially the newly established level of quality. Any analysis of the situation should enable the establishment of a new equilibrium in the market.

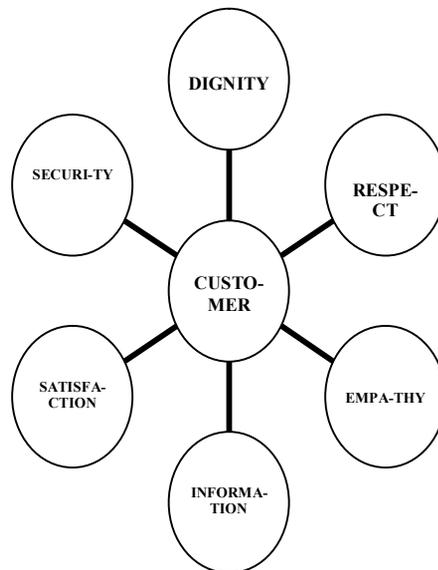
3) *Apply an appropriate marketing mix.*

Without the appropriate marketing mix with special emphasis on the promotional mix are unable to achieve the best contact with customers. Guess the real intentions of the buyer with the purchase and determine the mix with which we operate provide the best results.

4) *Make Feedback analysis.*

After the first three stages is necessary to determine whether we were on track and whether the measures we have taken have given the results, or whether we have succeeded in the project back lost customers.

- *dignity* (to achieve what they promise),
- *respect* (to do what they promised on time and as promised)
- *information* (that customers know what and how dealers work),
- *empathy* (to do with understanding and respect)
- *satisfaction* (the process of buying and selling takes place in designated spaces and a relaxed atmosphere) and
- *security* (for things to take place in secure conditions that do not threaten the integrity of the specification).



Picture 3: Customer expectations

6. STRATEGY "expected " SELLER BEHAVIOR

Behavior is what people actually work in the company, including all activities and decisions made. Behavior that is passed into the routine was intentional or accidental, it is very difficult to change. Beliefs and values in a company must be accepted by all members, because all decisions are made on the basis of different viewpoints and experiences can be a company to take away from the customer. Buyers from the sellers are expecting at least six things:

In the picture no. 3 buyer expects the seller to provide a quality relationship built on mutual dignity. All that was promised to be filled as in most communication with the people you need to have confidence in them and are confident that we will hear from them the whole truth. Any situation in which the seller promises something and fails to meet the conditions that he loses respectability to you. The information is also important and in contrast to previous expectations of the customer expectation here depends solely on the seller on how

much he knows his job. Incorrect information and false confidence retailer can become double-edged sword which is the fastest betray the trust and irrevocably lose the customer. Any seller who wants to successfully do his job must have compassion. Empathy simply means that the seller thinks the way it is for the buyer, or to put in his place. Security implies the need of complete physical - technical customer care when buying and protecting the integrity of the person specification which was in insist latest marketing studies. Satisfaction with space, atmosphere and service depends largely on the reputation of the company with whom the customer communicates. Respectable exceptional care companies to meet customer expectations in terms of store ambience, cleanliness, staff appearance, light and musical effects, so that the buyer felt like a "king" and not "prisoner".

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7. CONCLUSION

Buyer does not depend on the seller but the seller depends upon it. It is the purpose of the seller. He is an outsider in business but is an integral part. Sellers and all members of the company does not do any service to customers, but customer service seems company time which gives him the opportunity to sell their products and deliver services with maximum quality and complete satisfaction to the buyer purchased a product or service provided. Only thus can attract and retain customers and create a new one. Simply put, a company must give its customers what they want and not what the sellers think they want and they will continue to come back again and will bring their friends.

