

THE MANAGMENT OF ENSURING THE SATISFACTION OF CUSTOMERS OF JOINT-STOCK COMPANIES THAT ACTIVATE IN THE FIELD OF OIL PRODUCTS MARKETING

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Abstract: The value offered to the customer represents the difference between the total value offered to the customer and the total cost at the customer. The total value offered to the customer represents the sum of benefits the latter expects in the case of a product or a service.

We start from the premise that consumers would buy oil products, complementary products and liquefied oil gas cylinders from the company that offers the highest value.

Section 1. DEFINING THE OFFERED VALUE AND THE CUSTOMER'S SATISFACTION

1.1 *The value offered to the customer*

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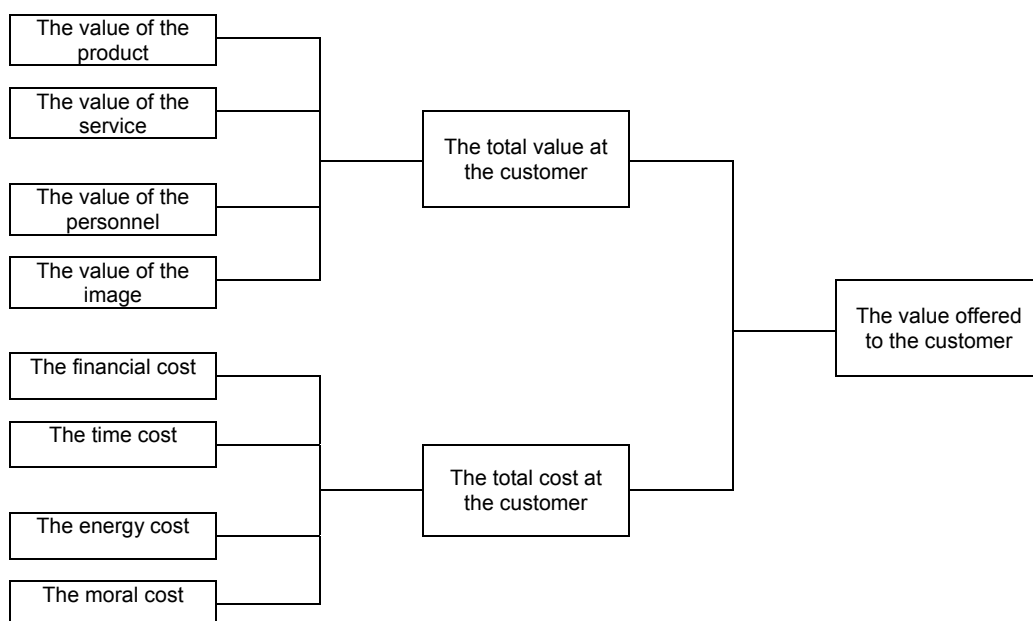


Fig.1.1 Elements that determine the size of the added value offered to the customer

Example:

Let's assume that a company in the field of transports needs Diesel oil, which can be bought from one of the PECO's branches or from other companies.

The selling forces of those companies will carefully present their offers.

The customer who wants to buy Diesel oil searches for the product he/she wants to use for the fuelling of his/her cars. He/she wishes that the Diesel oil should include all the standard parameters and the technical book of the car. He/she evaluates the two offers in relation with the specified criteria and appreciates that PECO's offer has a higher value. He/she announces the services that accompany the product (delivery, transport with the producer's means, laboratory analyses) and appreciates that PECO offers better services. Besides, the customer appreciates that the PECO personnel is better prepared and more helpful. Summing up the values that correspond to the four elements we have analysed: the product, the services, the personnel and the image of the company, he/she perceives the offer of the PECO branch as having a higher total value.

The customer will also analyse the total cost involved in this transaction. The total cost at the client represents more than the financial cost, since it also includes the time, the energy and the moral costs, anticipated by the buyer. In order to get an idea about the total cost at the client, the customer will evaluate both the costs mentioned above and the financial costs.

Next, in the case of PECO's offer, the customer will appreciate if the total cost at the customer is too high in comparison with the total value offered to the customer. If his/her appreciations are real, it is possible that he/she might accept the offer of the competitors. As a last alternative, he/she will buy from the company that offers the highest value.

Assuming that the branch wants to sell the Diesel oil and the fact that prices are set by S.N.P. PETROM S.A, Bucharest, the offer can be improved in three ways:

- firstly, the total value offered to the client can be increased, by means of supplementing the advantages offered by services, the personnel and the image of the company, or by improving the quality of the Diesel oil;
- secondly, it can reduce the non-financial costs by lessening the costs at the client, which are connected to time, energy and moral;
- thirdly, the PECO's branch can contribute to the reducing of the financial cost of the buyer by using the right to reduce the price with 5%, which is approved by the manager of the branch, if the required activities are important enough.

There can be situations when the customer does not choose the offer of the PECO branch that has the highest value. Such a way of acting, by minimising the offer's value, can be caused by three possible reasons:

1. The buyer can be instructed to buy the cheapest product. In this situation, the task of the sales agent from the PECO branch is to convince the management of the company that the choice of the cheapest product (the Diesel oil) will have negative effects upon the long-term profits.

2. The buyer is not interested in the influence of the cheapest product upon the costs for the maintenance of his company's equipments, since he/she has the intention of leaving the firm for different reasons (personal, transfer, etc.). The task of the seller is to convince other persons from the buyer's company that the offer of the PECO's branch has a superior value.

3. The buyer is a friend of a sales agent from a competing firm. The task of the sales agent from the PECO branch is to convince the customer that the product offered by the competitor's company will not satisfy the users, when they will perceive the quality of the product.

Customers operate under different types of compulsions and, even more so, make unpredictable choices, giving more consideration to the advantages they obtain than to those that would bring benefits to the company they represent.

Section 2. THE CUSTOMER SATISFACTION

It has been argued that customers get a personal opinion concerning the value and acts upon it.

Their satisfaction or dissatisfaction after buying depends upon the degree to which the performance of the offer corresponds to their expectations.

Satisfaction represents a person's feeling as a result of comparing the perceived results of a product and the expectations of that particular person. Customers can experience three levels of satisfaction:

- if the attributes of the product are far from their expectations, customers are dissatisfied;
- if the attributes correspond to their expectations, buyers are satisfied
- if the qualities exceed the expectations, customers are very satisfied.

The customers' expectations depend upon their previous buying experiences, their friends or colleagues' opinions and the information and promises coming from the PECO branch and the latter's competitors.

If the PECO branch increases the customers' expectations at a level that is too high, it is very possible that they will be disappointed eventually. On the other hand, if the level of expectations is too low, the company will never manage to attract a sufficiently numerous clientele.

For the PECO branch, the customers' satisfaction represents a marketing objective and instrument.

Means whereby the PECO branch evaluates the degree of customer satisfaction:

a.) Systems of receiving complaints and suggestions

The PECO branch, being customer-oriented, must provide opportunities for customers to come up with complaints and suggestions. Thus, the PECO branch would provide special forms that the customers might fill in, in order to express their satisfactions and dissatisfactions and create a special phone number, which would facilitate the sending of orders, suggestions and complaints.

This information flux represents an important source of ideas and suggestions for the PECO branch, helping it to solve the possible problems.

b. Evaluating customers' satisfaction level

The periodical surveys represent a method that allows the direct appreciation of customers' satisfaction level.

The Marketing Department of the PECO branch sends questionnaires or rings up a number of customers, chosen at random, in order to find out their response to different aspects concerning its activity. In addition, customers are inquired about the performances of the branch competitors.

The Marketing Department will use different ways of evaluating the degree of satisfaction:

- by using the answers of customers at questions such as: "Indicate your degree of satisfaction in relation to the oil product, the complementary product or the liquefied oil gas cylinder, the service at the pump, the oil replacement, services concerning the liquefied oil gas cylinder of the X

type, using the following scale: very dissatisfied, dissatisfied, indifferent, satisfied, very satisfied (the direct expression of satisfaction).

- By asking the subjects to indicate the level of expectations for different characteristics of an oil product, a complementary product or a liquefied oil gas cylinder, and their real level (derived dissatisfaction).
- By asking the subjects to place in order the different elements of the offer, in terms of the importance they attribute to each one of them, and appreciate the degree to which the PECO branch has satisfied each element in particular. (appreciating the importance of the performance)

Alongside this appreciation of gathering the information concerning the customer's satisfaction, the latter should be asked about his/her intention to buy and his/her readiness to recommend to other persons the branch or the products sold by it.

c. Role-playing the customer

The Marketing Department will use this method to get an idea of the customer's level of satisfaction, which involves using the services of some persons, who would play the role of potential buyers, and later on report the results obtained and appreciate which are the strong and the weak points of the branch and its competitors.

The action will be taken in the case of both the customers and the company's competitors. These persons can simulate difficult situations, in order to test the reactions of customers and their way of solving the problem.

Thus, the "ghost-buyer" could complain that, after buying the petrol supply (oil, Diesel oil), their car no longer runs or, in the case of a the liquefied oil gas cylinder, this does not function properly, or that the station operator has stained the customer's clothes with oil, in order to see how the complained will be solved.

This role-playing is recommended for the managers and the persons that control the selling and the marketing activity, who should, from time to time, get into contact with their competitors or the activity in the branch and show up in places where they cannot be recognised, in order to get a first-hand image of the way customers are treated. Managers can choose to phone at the branch, with different demands or complaints, in order to see how these problems are going to be solved.

d. Analysing the customers' losses

The Marketing Department, through the PECO branches and contact those customers that ceased buying the products offered by that particular branch – for different reasons – or have chosen a different supplier, in order to find out what caused their decision.

When a customer is lost, a company should try hard to find out the mistake that was made: was the price too high? Were the services deficient? Are the products no longer satisfactory?

In order to find out such things, the company should interview different former customers and calculate the rate of customer loss, which indicates the capacity of the branch to satisfy its customers.

e. Aspects that should be taken into consideration when evaluating the customers' satisfaction

When customers express the degree they are satisfied by a certain element related to the activity of the branch, for instance the supply of products from the storage rooms, we should know that each one of them uses different criteria. Thus, a delivery that is considered satisfactory can indicate, for each customer in particular, that the delivery is made before the established time, or that it is not made in time, etc. In addition, each

element in particular is impossible to analyse, since such a thing would involve asking the customers to fill in a long questionnaire.

At the same time, we shouldn't forget the fact that two customers can say they are dissatisfied for different reasons: one of them can be constantly slightly dissatisfied, while the other can be very difficult to satisfy, but declared himself/herself satisfied, in a particular situation.

The manager of the branch should consider the fact that the personnel of the branch or the sales agents have the possibility to manipulate the clientele and thus influence the results of a survey. They can be more careful with the customers without asking the questions, or can exclude the dissatisfied customers from the list.

The customers themselves can declare themselves dissatisfied intentionally (even if, in reality, they are actually satisfied), with the aim of getting some extra/concessions from that particular branch.

The customer-oriented PECO branch aims to satisfy its customers, but nevertheless, this is not its main objective. It can increase the level of customer satisfaction by lowering the prices or by improving services, which could influence the profits. Secondly, it can increase its lucrative quality by increasing the effected sale. Thirdly, the branch should protect the interests of some different categories of persons – employees, providers, suppliers, shareholders, etc. By trying harder to satisfy the customers, it can neglect the imperative to satisfy all the other partners.

2.1 Implementing the quality management

The activity aimed at the quality management of the branch is not restricted to the Quality Management Department. No matter how efficient the latter might be, it cannot compensate for the deficiencies of oil products, the liquefied oil gas cylinder or the existing services. A customer who does not manage to understand the usage instructions of a product, who does not manage to contact the right person in that particular branch, or who gets an invoice that contains mistakes, will get a wrong impression about that branch and be dissatisfied by it.

There is a close relationship among the quality of the oil products, and selling services, the customer satisfaction and the profit of the branch.

The quality represents the sum of features and characteristics of a product or service and the ability to satisfy the expressed or the implicit needs. This definition is centred on the customer, who is characterised by a set of demands, needs and expectations.

A seller offers quality in each situation in which the product or the service reaches or gets beyond the level of customers' expectations. Thus, if the branch manages to satisfy the majority of its customers' needs, it will be considered a quality company. There is a difference between the quality conformity and the qualitative performance.

Example:

An operator from a PECO branch has qualitative performances (materialised in promptness, care, etc.) as far as serving customers is concerned and provides oil products with a higher quality level.

The quality is the key to the process of creating value and satisfying the customer.

“The marketing that will not use the <<language>> of quality in all activities will become useless. The days of functional marketing are gone. We can no longer afford to consider ourselves just some market researchers, people working in the advertising business, sellers or strategists: we should rather consider ourselves elements working for the satisfaction of the clientele, as real guides for the customers, in the process of satisfaction”.

The following principles concerning the quality improvement will be applied:

1. Quality should be perceived by customers. When customers ask for oil products, complementary products and liquefied oil gas cylinders with certain characteristics, these represent for them elements of quality.
2. Quality is not limited to oil products, complementary products and liquefied oil gas cylinders only, but should be found again in any activity of the branch. The latter is interested not only in services, advertisements, documentation, files, delivery, transport, etc.
3. Quality requires the involvement in work-related activities of all employees. It can be achieved only when the branch agents strive towards this aim.
4. Quality involves the collaboration with quality partners. The task of the branch (marketing) is to find and attract the best suppliers, distributors and agents.
5. Quality can always be improved. The management of the branch believes in improvement of all kinds.
6. The improvement of quality sometimes involves skipping some steps. Although quality should be constantly improved, sometimes the branch should make its progress by skipping some stages.
7. Quality does not cost anything. It can be free, but a real improvement of quality means to learn "how to do good thing, for the first time".
8. Quality is a necessary element, which can nevertheless be insufficient.
9. The effort directed towards obtaining quality cannot solve a product that does not have quality.

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