

Identification Of Eligible Customer Requirements

Pavel MIKUŠ

Catholic University In Ružomberok Faculty Of Education

ABSTRACT

The paper deals with the changes which must be made by the company for customer satisfaction. The mission of the company is meeting customer requirements, which can be understood as the perception and understanding of his expectations. Making changes is based on a thorough analysis of options of organization and customer requirements. There are many methods by which it is possible to identify the eligible customer's requirements to improve the quality of service or product. The paper deals with a relatively new and simple method BDI - band diagram of interest (band diagram of interest) that is used for the comparison of customer satisfaction, perceptions of the importance of a particular factor as well as perception of the importance of individual perception and the possibility of his influence.

KEY WORDS: customer satisfaction, build loyalty, band diagram, analysis of customer requirements.

II. PREFACE

The satisfaction of customer's needs is the fundamental function, which is performed by enterprise. At the same time it is fulfilling the nature of its existence, which comes out from its mission. The term customer satisfaction can be understood as the perception and understanding of customers' expectations which were met or exceeded by supplier's activities.

III. CUSTOMER'S SATISFACTION

Evaluation of customer satisfaction is therefore a self-assessment of how customers perceive the value of the product and its properties offered for their use. Addressing the customer may not have a favorable response to all customers because every customer recognizes the value and prefer their own product characteristics. Therefore, customer requirements must be considered from a complex viewpoint. Satisfaction of customer needs is psychic interactive process between the enterprise and customers. The result of this relationship is the customer's satisfaction based on their requirements and needs, as well as on business opportunities. Customer creates own requirements based on their own experiences after using a product or service. A satisfied customer comes and buys again, so customer satisfaction is one of the fundamental pillars of long-term business success.

Satisfied customer is at the time when the needs and expectations are fulfilled continuously during the whole life-time of the product. If service supplier did not fulfill the expectations then the chance is given to competitors. It is very important to have the bunch of regular customers. Satisfied customer comes and again requests the product, which satisfied their needs. Short-term goal of marketing activities is to achieve the sales success. With the satisfied customers the direction of the marketing is focused on long-term customer's satisfaction during which customer does not accept the competitor's offers. Customer satisfaction after the purchase of a product depends on what the real value of the product is due to their expectations. "Customer satisfaction depends on their feelings - of pleasure or disappointment resulting from comparing the performance of consumer with the expected performance." ¹ If actual performance is lagging behind expectations, the customer is dissatisfied. Conversely, if actual performance exceeds our expectations, the customer is satisfied and is happy with product or provided service. "All those involved in the management systems must perceive needs and expectations of customer requirements..." ² Building customer loyalty; customer decisions are influenced by many subjective factors that are not always completely rational, by economic choice. One of these

¹ KOTLER P.: *Marketing Management*. GRADA PUBLISHING, Praha, 1998, str.49.

² BUDAL P. – FILO, M.: *Manažment operácií*. Vydavateľstvo Michala Vaška, Prešov, 2008, str. 14.

factors is customer loyalty to their supplier for occasional purchases. If the concept of loyalty for measuring customer satisfaction is particularly important, it must be examined in some depth. Customer loyalty is the cornerstone of successful service, loyalty affects employees and contractors. It also produces incomes that encourage loyalty of shareholders. Gains may be caused either by lower prices as a means of obtaining a first contract or particular market position, or possibly as preparation for launching a new service on the market, both are associated with exploring of the requirements and desires of a new customer. "Keeping existing customers is less costly than acquiring new, because the costs of keeping loyal customers make up only 20% of the cost of acquiring new"³. Evaluation of customer satisfaction; before the enterprise comes to detailed evaluation of customer satisfaction with the appropriate tools and in respect of the planned changes, firstly it must come to usage of the possibility of feedback, which is the most trusted way to get opinions and evaluations of a particular product. This is the creation of additional contacts with customers with the aim to gain easy and quick evaluation of its product. Some companies use direct contact with customers and make a telephone survey of satisfaction with a particular product or service. Others add a short questionnaire to a new product which is available for answering to the customer after some time of usage and customer is to send it to the company. These events are usually associated with the competition events. There is a popular way of using the Internet, where the customer logs on to the web address of the manufacturer and evaluate the product and as bonus they receive a bonus such as extended period of the warranty period, or permanent collection of information on new products, with the possibility of granting discounts. This creates a certain interest groups of people who are connected by the same product. Setting consumer advisers, consumer clubs, may then also serve as a tool for feedback to the opening of qualitative information on the causes of dissatisfaction. For the customer perception as well as other relations with customers special critical experiences, events, complaints and claims are evaluated at the various points of contact. "The aim is to actively create conditions for satisfaction of enterprise and of customer as well. Procedures focused on performance through benchmarking, testing, mostly links to the regular referral of the facts to verify compliance with technical or objective characteristics of the product. These procedures should therefore be eligible for the special screening of objective, measurable factors.

IV. BDI – THE METHOD FOR THE ANALYSING OF CUSTOMER NEEDS AND OPPORTUNITIES OF ENTERPRISE

Making changes is based on a thorough analysis of enterprise opportunities and customer requirements. There are many methods by which it is possible to identify the eligible customer's requirements to improve the quality of service or product. Very simple method BDI - band diagram of interest (band diagram of interest) that is used to compare client satisfaction, the importance of the perception of a particular factor as well as the importance perceived from the side of enterprise and the possibility of its influence. It does not require a different statistical analysis and evaluation of questionnaires or the knowledge of the statistical apparatus. Therefore, the usage is wider. It takes into consideration the compliance rate of legitimate customer requirements and their satisfaction against the organization opportunities to fulfill these requirements. The statistical support is not excluded and analysis of results using statistical methods. The method can be applied as an action, therefore, for immediate detection of dependence on a phenomenon perceived in the organization. It is practical, easily manageable and illustrative when at look the final quadrant provides meaningful value for further action of manager in implementing the change in the company. It is easy to define the different quadrants and their importance which is already known in advance. Therefore, this is a method for the analysis and definition of required changes from the side of the consumer, customer, and for improvement business processes. Why changes? Easy answer, the changes are moving the world. For example, current period is characteristic by world economic crisis. It is the change, which with unforeseeable and with huge measure touched all areas of social and industrial life not only in Slovakia, but got the whole world measure. The starting point from this situation is the activation of the change processes, which will probably lead to wished – better state comparing with today. It of course expects to make a trough analysis and future requests. By the means of BDI method – band diagram of interest, it is quite easy to find out the customer's requests and perception of their importance considered by customer. Perception of customer's request can be inadequate; therefore, they are corrected by view of perception of possibilities from the side of enterprise. BDI is the method of compromise of eligible client's requests and view of the significance, resp. importance and possibilities from the view of enterprise. Importance of perception of customer's requests is then reviewed by stating the significance and importance from the side of enterprise. The enterprise features here as the regulator of competence of requests and the possibilities of its fulfillment. The factors of satisfaction are necessary to state in line with the increase of quality of company activities, which leads to customer satisfaction. It is the process of changes,

³ REICHELDT, F. – SASSER, W.: *Služby cesta k úspechu*. Praha, Victoria Publishing 1993, str. 39

which are to satisfy the customer's needs based on their legitimate requests, possibilities and performance of the enterprise.

Basic relation; it is based on the customer's requests and related premises to fulfill these requests.

Usage; By analyzing of customer's satisfaction in manufacturing as well as in nonmanufacturing area, detection of request of potential customer's, purchasers and consumers.

The procedure of BDI application; the procedure represents the group of steps, which are necessary to make from the side of the enterprise in order to detect the needs of customers:

1. to state the factors (elements) of satisfaction
2. to find its importance from the view of customer
3. to define the importance from the view of enterprise
4. to state the quadrant of legitimate requests
5. to create contrastive matrix rate of significance factors of satisfaction with the rate of importance and options from the side of organization and their rate of importance.
6. to define the meaning of particular quadrants
7. to state the tolerance of ideal state
8. intersection of quadrants and their characteristics
9. to state the procedure in order to transform the satisfaction to the zone according to the options.

Principles: - customer orientation

- Focusing on results
- Stability of objectives and their adaptation to customer
- Management according to satisfaction factors
- Constant changes leading to quality
- Revealing of new possibilities of the potential usage
- Responsibility for customers and their needs

Recalling BDI value; it is possible to consider the recalling value as the consequential graphical processing and stating of recalling value of particular quadrants. From the intersections of BDI1 and BDI2 it is possible to state the objectives which must be done in order to get the customer's satisfaction to quadrant of satisfaction.

Major feature; the major feature of BDI method is consistent respect of client with the objective of satisfaction of their legitimate requests bound to potential and possibilities of organization.

Using this method it is possible to reduce the risks which arise from:

- Building of the management system
- Development of product and its construction
- Satisfaction of client's needs in given services
- In preparation of new technologies
- In preparation of changes and their implementation either proactively or exceptionally reactively.

Contribution of BDI:

- Structural approach to improvement of company activities in favor of customer
- Self valuation based on factors and potential
- Straight confrontation of customer's requests and company possibilities
- Regular valuation of organization trends
- Preconditions to better master the process of proactive changes
- The innovations must be focused on weak points
- Wide usage
- Support to initiative and teamwork
- Sound of feedback

Consecutive contributions:

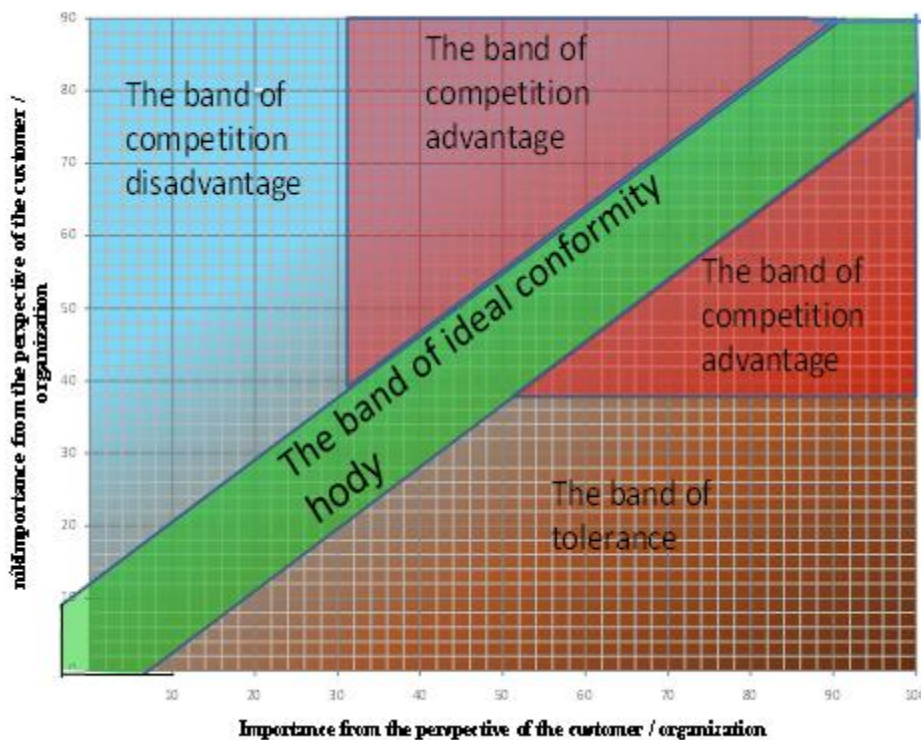
- Focusing on customer,
- Image improvement
- Improvement of quality of process changes

Using the BDI method (band diagram of interest) - it is possible to analyze all chosen factors.

The profile of customer's satisfaction describes the relation between the importance of particular parameters and customer's satisfaction with these parameters. This ideal zone is possible to name as balanced zone, which is created by interval +/-10 up to 15% from balance axis.

The same is valid for BDI from the view of enterprise as well. The company makes the comparison of importance of guessed factors with its possibilities in consideration of sources, human potential, finances, technical and technological possibilities to make with the legitimate customer's needs. This net graph was created being based on assumption: amount incurred by enterprise are put on to legitimate customer's satisfaction and it is equal to importance from the side of customer, i.e. ideal zone. The profile of customer's satisfaction describes the relation between the importance of particular parameters and customer's satisfaction with these parameters.

V. BAND DIAGRAM OF INTEREST



Picture: band diagram as graphical BDI interpretation

It is necessary to divide the diagram to several zones (quadrants):

The band of competition advantage; it is possible to perceive in 3 levels

- Customer – relatively high satisfaction, over 50% importance of particular factors
- Organization – options are used for satisfaction of customer, the importance of guessed factor is relatively high and in line with customer perception
- Mixed – it is possible to state relatively high rate of conformity of perception of guessed factors from the view of customer as well as organization. The rate of conformity and importance is then considered as the competition advantage, supported by the favor of customers.

The band of ideal conformity; represents the same view of both subjects on factors perception in 3 levels:

- Customer – satisfaction is perceived in conformity with importance of particular factors
 - Organization – the rate of importance of particular factors is measured to its possibilities
 - Mixed – the same perception of importance defined in customer's satisfaction as response to possibilities of organization
- Margin of tolerance; customer satisfaction and the possibility of organizing are more than 15%, but given the relatively low level perception of the importance of both entities it is possible, factors that occur in this zone, identified as less important and it is not necessary to pay attention to them.

2. Band of a competitive disadvantage; attention to the high level of attention,
 - a) Customer - shows low satisfaction with the service provided, to which attaches high importance, and expresses their dissatisfaction,
 - b) Organizations - low potential of organization to affect the factor, but also it perceives it as very important for meeting the needs of customers
 - c) The common and very important is that the factors which are found in this band, represent a threat of losing a customer to the organization. It is therefore a band of problems which are to be addressed urgently.

Ideally, the company moves when the satisfaction and importance are in balance. This area can be described as an ideal and an equilibrium zone is formed by an interval of +/- 5 up to 10% from the equilibrium axis. Strategic disadvantages are lower than the percentage expression of the limit value and satisfaction rating is in an ideal area. Limited value of satisfaction is set by the desired value of satisfaction and depends on the objectives of the company, its market position but also the maturity of its customer portfolio and over time may change its value. Strategic benefits are the percentage expressing of the ratio of satisfaction and importance of a limit value satisfaction boarded by ideal area bounded from above, but also from the bottom. Customer orientation is now a fundamental vision of all advanced business and satisfied customer is the main objective. For business success is therefore very important to correctly identify the requirements and expectations of its customers, to monitor and manage their level of satisfaction. Enterprises that have a balanced set of strategic evaluation criteria and their tracking system are more powerful and successful than their competitors. The implementation of process changes for customers means to take into account several factors that affect customer decision making and hence the success and profitability of the company on a diverse and rapidly changing market. The customer is in many enterprises motivating factor, but also an indicator of success, but not the only measure of business efficiency.

VI. CONCLUSION

Processing results in such proposed chart will bring a structured overview of research results, but also a practical tool for managers in the planning process changes and operational decisions. No company is interested in providing low quality products or services. Many times, there is the difference between what it considered as important for business as a quality product and customer perception in terms of importance. To eliminate this gap it is valuable to systematically measure the needs of customers based on specified criteria and using the results of these surveys to determine the further strategy of the company.

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