

## EFFORT FOR DEVELOPING MARKETING CONCEPT AND QUALITY MANAGEMENT – WOOD INDUSTRY COMPANIES IN KOSOVO

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### ABSTRACT

*The majority of wood refinement companies should consider quality management not limited to products they offer but also in other services they may offer to costumers in order to satisfy their needs and wants. The purpose of paper is to stress and present the necessity of quality management in manufacturing but also in services offered for costumers by filling and eliminating the disparities between what costumer expects and what he get buying their products. Authors approach to the issue is to analyze the stage of quality management implementation and marketing mix used from the wood processing enterprises in order to maintain relationship with their customers. Management of quality is not questioned by any of managers; authors conclude that the future of these enterprises is in jeopardy if no fast action is taken on this major issue for them.*

**Key words:** quality, marketing, consumer, management

### 1. INTRODUCTION

In wood industry in Kosovo always is calculated as a possibility for employment increase and investment, financial as well as human. Wood manufacture has to do with quality that is in correlation with marketing as concept focused on fulfillment of consumer demand with quality products. No doubt that quality is becoming strategic issue for the future of wood processing enterprises, on the marketing activities developed by Kosovar wood processors, only (3) three last year's product quality has the primary importance as reference for costumers. For quality is being debated more actively during 80s and further in Conferences, Symposiums and scientific magazines, the issue is being treated and in connection with management and quality. In this period there are a numerous authors that in their books treat the issue of quality and the need of its management, we have Boomsma and van Borrendam 1987; Zeithaml & Parasuraman & Berry 1990; Kunst & Lemik 1991, Berry & Parasuraman 1991; Gummesson 1993. [1] For companies oriented towards marketing concept the quality of product is of special interest, and focus on "quality" offered to costumer is presented as a special dimension on marketers activities. Strategies as PIMS (Profit Impact of Market Strategies), originated from General Electric Company, and since 1975 and further developed in Strategic Planning Institute, bring to a close connection consumer's perception for quality as a variable that determinate company profit, [7]. A contribution in studying the quality and the need for its management has also creation of concept TQM (Total quality Management), that in fundamentals has requirements for cooperation all managers of company departments in order to enable improvement of quality and profitability. In TQM concept there are also many authors that have contributed: Crosby 1979; Deming 1982; Imai 1986; Juran 1989; Oakland

1989; Dale & Cooper 1992. [1]. In this concept is explained the movement towards facts that the “quality” has become integrator between production orientation and marketing orientation [6]. This also applies for wood manufacturers in Kosovo, and best for those that understood this early and has been engaged to rise of quality in their business. In wood industry in Kosovo as per regard to product quality marketers take care and intervene in cases of standards, shape, size, packaging, innovations and aging of products.

## **2. MARKETING AND QUALITY**

Marketing treats as of special importance relation created between company and customer. As concept is accepted widely from entrepreneurs, marketing its role has expressed the best on familiarizing with the customers and their needs, efforts on creation of products for fulfilling those needs, whereas recently marketers have raised the issue of quality as objective of company marketing program. Issue of quality in marketing can be subjective depending on: 1) individual product and Individual Company, as well as 2) metrics by which the quality is measured. The first one have to do with that itself product creation is a process, same applies also for company business, this makes reasonable request that at any phase of process, quality and management with quality to be of different level, and the second have to do with measures (metrics) desired to be achieved, and similar products to be compared with. If we know the customer and we accept his role on determination of quality level that he awaits, in many cases customer cannot afford to itself possession of a higher quality products and services? Here we note the effect of other marketing mix variables that are price, place and promotion. A fact that should be made wittingly to managers of Kosovar companies is that concept of marketing in 21 century has evolved exactly by presenting a challenge so called “quality” on day to day business. How much are known these facts to managers? Marketing evolution is expressed exactly in Holistic Marketing, and have to do with the need that companies has to think for the manner they are doing business and how they will compete in different marketing environment, and now is time that managers to be aware for the need that they should learn to have an comprehensive access and not only to implement in so far practiced manner the marketing concept. Holistic marketing concept is based on development, design and implementation of programs of marketing and activities that clearly have widely and interdependence of each component [4]. In a new developments, having to do with quality management approach in process of marketing implementation it must be included at least two more important elements which are “process” and “people”. Consumer remains to satisfy his needs with those products for which he have knowledge, he can find them in place where he likes, and has financial capability to purchase them. It must be mentioned that another issue that marketing should treat within quality management is also relation with their suppliers, often also with suppliers of its suppliers. Marketing activities that have as reference the quality are: Qualitative product, Qualitative Information and Presentation. Within implementation of quality management in companies main role has certification, and in the world are known international structures of quality as: Standard ISO 9000, and Malcolm Baldrige National Quality Award [5]. Companies for wood refinement recently started to study possibility for certification with ISO 9000 standard.

## **3. WOOD INDUSTRY IN KOSOVO**

In period after 1999 in Kosovo raise of small businesses has been intensified, among them wood refinement, with their assortment from rough pallets and elements for construction, home furniture, kitchen elements, etc. National wood industry is being developed based on local raw material, which is not enough and depends from import of pallets of different kind of wood, final industrial material (panel plates, etc.), glues, metal parts, paints and decorative covers. Wood processing Company turnovers registered in 2012 was 80 million euro,

comparing to 2009 when turnovers were 40 million euro, and wood refinement companies participating with 20% of general number of companies in Kosovo [2]. Fast and big changes of technology and society can be considered as a threat for the future of wood refinement companies in Kosovo. Consecration of Kosovar's companies to implement knowledge, ideas and experienced management concepts is obvious, however after introducing marketing concept in their business that seems to be easily experienced, now is considered as necessary in order to move ahead with knowing of customer satisfaction as part of processes developed by company. Consumer's satisfaction comes as starting point and for companies to implement quality management respectively Total Quality Management (TQM). When we refer to concept of quality management then majority of managers of Kosovar companies premeditate that it has to do with product quality and provided services. In fact we refer to definition of Total Management of Quality (TQM); we explain for managers that this has to do with a philosophy of business, or the manner of doing successful business. Exactly the fact that they have different consumers, that could be individual, companies or institutions requires a different approach for fulfilling consumer's demands. Because of this reason companies are trying different ways to fulfill these demands of costumers, and the purpose or objective of companies must be of two kinds: 1. complete satisfaction of consumer, and 2. No failure (in products, or other referring services). An intention of analyze of wood refinement companies is to find a connection between marketing and quality, and exactly the issue of insisting from both concepts on care to consumers orients us in finding of issues that have to do with quality and consumer from company managers point of view, and their mentality about this binomial.

### **3.1 Implementing quality via marketing mix elements**

In order to gain knowledge about consumer pleasure, level of which will be guide management on the measures and steps to be undertaken to make improvement off product and continuous improvement off other accompanying elements that reflect through basic marketing mix elements as are price, place and promotion, we ran a survey – in depth interviews with representatives of the wood processing enterprises in Kosovo. The objective of this survey was interaction with management in assessing relevance of quality management and their actual efforts on implementing marketing elements, describing changes they need to do in their organizational structures that will help identify process of implanting quality control, not limited to product but also to other elements linked with consumer's satisfaction, and demands. In the questionnaire are general questions for the company's data's, as are specific questions that are matters of business, quality, customer, and marketing mix, and sections for additional information that may give the participants. As a Results and discussion for this paper we present in shortened descriptive way the findings. Each marketing mix variables related to quality are reviewed and assessed on their mutual relationship based on the results of survey, by the order of issue raised.

**Product and relation with quality management-** estimation taken by respondents bring us the verification of local manager's opinion that their product is the "best", to the question "How do you estimate your product quality" mostly estimates as "high" their product quality (on offered qualification as: high, middle, low), which comes to a relation to prejudgment quality, before sale, and after sale, which have to do not only with physical quality and product characteristics but also with other its attribution as for example Warranty. In the literature is insisted on interest for creation of "brand", which is not done yet completely by companies on survey. Beside this in the next question "How would you estimate performance of your products" 90% of cases performance of majority of products is "very good"(on possibilities of: excellent, very good, good, satisfied) , that bring us to a conclusion that companies have not created a specific offer yet, and identifying product, which would be carrier of company's sales, known brand for consumers and why not a leader in the market,

which would create positive image to consumers and for the entire company. Quality that is accepted by customer is not only based on general characteristics of product but role plays also design, quality information, additional services after sale, etc. It remains to companies to determine for products that shall fill segments of market (niche markets) rather to enter in competition with products of huge series that have a higher competition being local and foreign.

**Promotion and Quality Management-** marketing had a role on integration of “consumer care” and “quality” as aim of company orientation based on market demands. Promotion as marketing activity that has as a purpose communication of company with his costumers constantly is subject of change of information sent to all interested parties regarding product attributes, price and distribution. Their promotion activities from respondents are mostly evaluated as very good (on possibilities of: excellent, very good, good, and satisfied). Advertisement is a most used form that Kosovar wood refinement companies used to inform for product and its quality, or service quality and pre-eminences in price and distribution. Companies are far more active and using also other elements as sales promotion, publicity, sponsorship, personal sale, etc. In order to compare it is the attempt of companies that communication activity to direct towards consumers, and in other case use instruments directed to intermediaries. Company and costumers faces in lot of ways, and personal sale as one of communication mix elements also to wood refinements requires contact of company staff with customer (or purchaser in several cases) and in this case there is a possibility that customer meets: manager, cashier, receptionist, however the key contact is with the retail seller or company agent, for this is required that companies invest in creation of professional seller staff that on facing with customer would be able to give information for product (assortment), price, distribution, convincing them for quality and stimulate and foster to conclude the deal(transaction).

**Price as factor in quality management-** using other elements of marketing mix, company offers product or service close to consumer, however customer estimates product from attribution that he sees at the product, and as more attributes that he notice creates assurance for best quality to that product. On the other side a number of consumers estimate the product by observing the lacks of product and the less weakness he finds at that product creates the assurance for product best quality [3]. However company managers absolutely must notice attributes and lacks of products, because they have effects directly in volume of sales and expenses. Answer got from respondents on questions about price and ranks, they rank them as mean comparing with competition (on given possibilities: high, medium, and low). Here is linked quality and price as expression of value of product, products and services with higher quality have higher prices, whereas products and services with less or no lacks are more qualitative and create lowest expenses. Wood refinement companies price formation in many cases estimates its expenses as real and average in relation to competition. For increase of company image it should be used price formation and their effects as superior prices linked with product quality, distribution efficiency, and this shall reflect on decreasing the expenses.

**Distribution as phase of marketing and quality-** it is necessary that company give a special attention to activities related to product delivery to consumer according to original order, with selected quality, and based on time as quickly as possible or just in time - JIT [8]. According to manager’s estimation taken from questionnaire results that they rank “very good” the process of distribution of their company, (on possibilities of: excellent, very good, and good). As well as respondents answers, the wood processing companies do not produce for stocks, however relies on technique of taking the purchasing order and then organize production, that

bring us to conclude that in many cases they produce for known purchaser, that in one hand makes it more simple their business, but in the other hand brings the company to lose potential purchaser because of not having available stocks in disposal. In theory process of distribution management and care for quality of services in this phase are separate in three sets: Management with packaging design or encasement, quality management in distribution, and care for minimizing of failures in distribution. Manner for packaging and encase is taking a very importance attention and for that are created standards, as ER(essential requirements), ISO 14000, ISO 55 standards [10], observed companies have no accurate information for packaging standards, however remains convinced that it has importance the manner of packaging of product for delivery from manufacturer to consumer. This process must be managed, and the failure must be registered in order to make improvements, in the same time it will help the company not to deliver poor quality products.

**Services to consumer's indicator of quality management-** within marketing activities more and more attention is given except marketing mix also to relationship marketing, where are included: consumers, channels, and business partners. A preferred form is customer relationship, and refinement companies according to their estimation manages the relationship with consumer by offering qualitative products and services at the "very good" scale, (on possibilities of: excellent, very good, good, and satisfied), and this according to them have to do except "unique offer", also with given attention to additional services as: warranty, maintenance and service and convenient financial conditions (discount, credit) for purchasing their product. Quality that is linked according to managers of refinement companies with quality in general but also with "service to consumers" have to do with product attributes, product standardizing, good performance during usage, competitive prices, sellers staff ability, friendly approach to consumers, giving financial stimulation, staff training, following innovation and newness on branch.

#### **4. CONCLUSION**

During discussion in the project we linked quality and the need of its management according to requirements of marketing concept, where standard mix of marketing must evolve on usage of also other elements and this newness is so called "Holistic Marketing", with new approach towards fulfillment of needs and consumer's demands. Wood industry in Kosovo has a tradition, however in a huge competitive circumstance must survive and develop based on quality management of product but also other parts of process of satisfying the consumer that have to do with paid attention before and after purchase is done. From observation performed with wood refinement companies is noticed the wish for quality advancement and growth of effort for quality service to consumers. Lack of expertize on marketing activities is fulfilled with base training enabled by refinement wood society and donators, first of all USAID, encouraging businesses for achieving a sustainability based on quality. It remains challenging for these companies employment of professionals in subject of management and marketing, or cooperation with different agencies beginning by fulfilling of needs for Research and Development, and continual research of costumers satisfaction. It is noticed that companies are concentrated on development of functions as: production, supply, e-marketing, in fact everything they evaluate based on budgets allocated for each department. Remains to conclude that in wood refinement companies there is still to be done for providing the flow of information within functional sectors of company, and this certainly will bring to situation that employees will over bridge physiological barrier, to be aware that they are not responsible only for their work done. We are optimist that with a support given in coming period there shall be created condition that these companies will function as a entirety and not as a set of separate functions, because this shall be in favor to consumers, employees, and

owners by creating conditions for a sustained growth and development. This shall be retaliated by creating sustained companies, qualitative products and satisfied consumer.

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