

***International Economy***

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**INVESTIGATION OF THE RELATIONSHIP
MARKETING CONCEPTION
IN THE INTERNATIONAL MARKET****Abstract**

The relationship marketing is considered. It provides the directness of the firm's marketing activity on the determination of long-term functional, preferred relationships both with the workers of the firm and potential customers (consumers). The interrelations marketing conceptions in the international market are defined. The content and structure of promotion functions and principles of the enterprise's personnel is showed. They are: economic, social and moral. The model of using of consumer satisfaction, quality of goods and index of satisfaction of consumer expectations of its using is proved.

Key words:

Consumer, index of satisfaction of consumer expectations, goodwill, brand, job stimulation.

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Relationships conception is the most important in the area of marketing, inasmuch as it deals with the question of interrelations between producers and consumers of goods (services). Relationship marketing provides directness of firm's marketing activity on the determination of long-term, functional, preferred relationships between the workers of the firm and consumers.

«Interpersonal skills – is the same goods as sugar, bread or cola. And I am ready to pay for this skill more than for any other goods in this world» J. Rockefeller noticed in 1935 [17, 18].

Orientation on creation of long-term relationships between the clients (consumers) and suppliers, intermediaries and relationships inside of the enterprise (firm, company) explains the spectrum spreading of marketing functions. Besides the market of goods and services investigation, planning and promotion of sale, the independence function of marketing nowadays becomes a function of interrelations with the customer (consumer).

We should define two aspects in the modern interrelations marketing conception:

- Interrelations between the consumers and partners;
- Interrelations inside of the enterprise (firm), which amount its non-material assets.

Let us consider the second aspect.

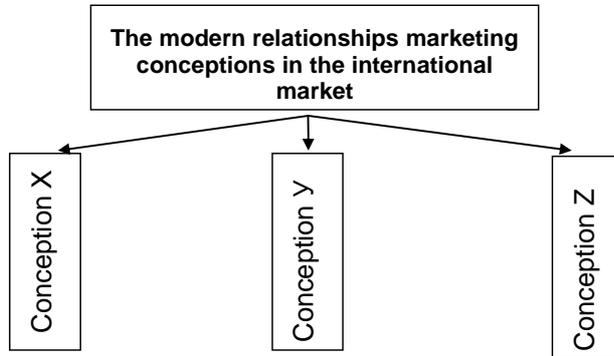
The modern marketing requires commands of «blasting business». In its staff composition there is not only the firm's personnel but also staff, oriented at company's outsourcing. At that, the tasks of the marketing departments require innovation supports. Cooperation with the companies-providers enables to prepare «blasting» marketing decisions («breakthrough innovations»), which provide the new steps of development. In accordance with the «breakthrough innovation» other supporting innovations appear [10, 5].

One of the most consistent, modern relationships marketing conceptions, oriented at the activization of the human factor, is conception of Michigan University Professor D. McGregor (figure 1), who analyses two theories with the conventional name «theory (x)» and «theory (y)» [13, 184].

«Theory x» (actually F. Taylor theory) supposes that people are lazy and try to avoid working; They should be made working. They are to be managed; they are not responsible, they do not like changes; they are not to be trusted. [14, 44].

Figure 1.

**The modern relationships marketing conceptions
in the international market**



On McGregor's opinion, people have the opposite qualities («theory y»). As McGregor wrote, «theory x» emphasizes on the control tactics, procedures and methods, which enable to say people what they should do, defining if they fulfill it and apply encouragement or punishment. Inasmuch as the assumption, that people should be made do everything, necessary for the enterprise's success, is on the basis, it is natural, that their attention is directed on the management methods [13, 168].

In the «theory y» a special attention is paid to the interrelations, creation of environment, which promotes the uprising of dedication to organizational targets, enable to show the maximum initiative, inventiveness and independence during their reaching.

In recent years, the «theory y» was developed as «theory z», presented by the Professor of Californian University V. Ouchi and based on the studying of Japanese experience of workforce management [12, 120].

On, Yoshihara's opinions, the Japanese experience main features, which provide the realization of «human potential», are:

1. *Security of employment and creation of confidence situation.* Japanese managers concern about the work force stability, because stability is the inducement for workers and employees, strengthen the feeling of corporate community, relations between the frontline workers and administration. The permanent presence of administration at the place of production is very typical for Japanese enterprise.

2. *Publicity and corporation value.* Workers of all levels of management are able to use the general base of information, concerning strategy and com-

pany operation, as a consequence the atmosphere of participation and general responsibility is developed, improving interrelations and increasing productivity.

On Japanese subsidiary «Sharp» in Australia the Chief Executive half-yearly gets together all managers, employees, and clerks to discuss the financial standing of the company. Besides it, the Chief Executive in turn comes across with the group of six workers during morning or after dinner tea. The importance of such meetings is that employees feel the concern and trouble. Such meetings can not bear the feeling of dedication to the company. But we understand that they influence on high dedication of workers and strengthen their spirit [15, 157].

In «theory z» every worker works independently, off-hand. Such trust improves the assurance of workers concerning the coincidence of their individual aims with the aims of enterprise. This explains the high level of collectivism, loyalty and productiveness of Japanese companies. Japanese employee identifies himself with the corporation; He is convinced that He is very important and necessary person in the company. Japanese work a lot for a good cause of the company (as a rule they use not more than a half of a leave, the working day is ended only after finishing the necessary amount of work, at that, the end of the workday «on the minute» is a breach of decorum). Introducing himself, the Japanese firstly tell the name of a company, where He works and only then, his own name [19, 25].

The encouragement of private and direct connections is the method of consolidation of workers' identification with the company. There is some schemes of communication: morning meetings, section's meetings, small groups' meetings (quality circles and ritual groups). At the meetings the business managers presents the strategy of the company to the employees, then, over the period of an hour, all together are doing morning exercises and after that – claim: «Let's work » [16, 132].

Japanese firms often celebrate the opening of new office, the beginning of New Year, famous records, concerning reporting for work etc. Every autumn the sport competitions are organized, as well as collective guided tours annually or twice a year. The teams of two companies play baseball, football or rugby. The attendance is very high. This improves the personnel solidarity and spirit.

In the common business office the employees of one department works in one big room and sit opposite each other around the big table, they can communicate with each other, particularly with manager. Japanese managers and their inferiors use the general dinner rooms, toilets. The distinctions on rank or class are not available. Having breakfast together with the manager, the workers feel equality, and strong connection with the company managers.

The informal connections among employees are popular too. The employees of one department often visit pubs to discuss their problems. Any manager can invite his inferiors to the pub, to discuss problems, concerning work.

During holidays or leaves, the company workers often rest together on picnics. The company encourages such group rest.

«Japanese consider each man as such having general economic, social, psychological and spiritual demands. But Japanese managers suppose that they should pay much more attention to the human personality. The culture of relations in the corporation must be high, and only after that, the human capabilities will be exactly used to provide the work efficiency» [18, 48].

The enterprises' experience, oriented at the rise of content-richness and attraction. In particular, at the USA, Great Britain and Netherlands enterprises, the workers can plan and organize work, distribute salaries, quality control surveillance, admission of new workers, examination of equipment and its repairing.

The theory of «social individual» relations, offered by F. Herzberg, who defines the two groups of operative motives of the human work effort activation: hygienic and incentive. Hygienic motives are psychological motives, which create the mood for work. They are: managerial style, managerial doctrine of the company, salary, operation conditions, interpersonal relations, social status of worker, the warrant of work's preservation, privacy of workers. Due to F. Herzberg conception, the hygienic truths are not favorable. Vice versa, the incentive factors are favorable. They are: the worker's working successes, the recognition of his merits, submission of independence, career development, professional perfection, work's enhancement by the imaginative touches [11, 66].

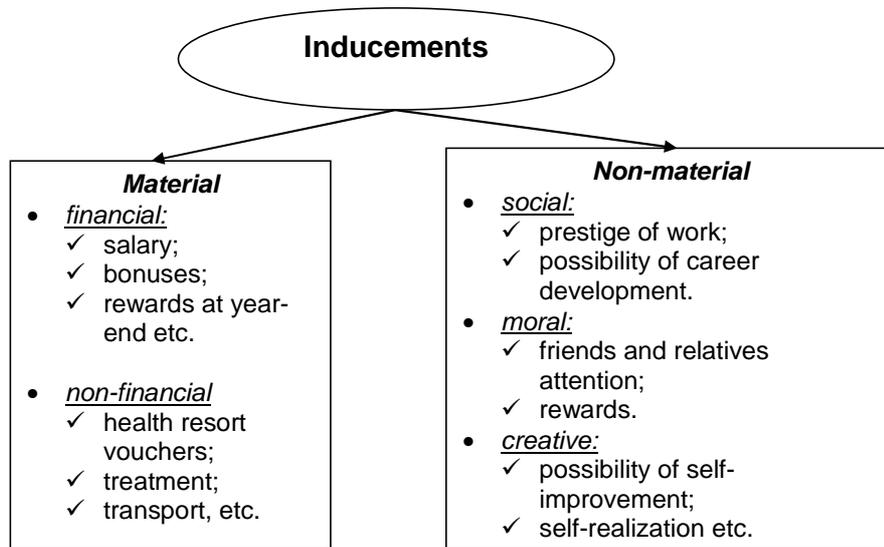
In order to «enhance the work», (for example in Greece in 1970-s) the law on participation of working people in the production development was adopted, on the basis of which, the productive cooperation between administration and workers is performed. For example, at the enterprise, joint-stock company «Avesta», specialized at production of cold-rolled mill products, 250 workers take part in the business life of the enterprise through the work in the groups of the trade unions clubs: they negotiate with administration, control the operative conditions, work in the groups of insurance, inform experts on the questions, concerning hiring of labor, work in personnel and economic groups on rehabilitation, retirement benefits, train and retrain personnel, cooperate with Social Democratic Party on the questions of designing etc [4, 121].

It is very important to encourage the work of the enterprise personnel. (figure 2). It means the external incentive, the element of labour situation, which influences on the human behavior in the sphere of labor, as a material cover of personnel motivation. At the same time, it has the immaterial capacity, which enables the worker to realize himself as an individuality and personality. The encouragement of the personnel's work exercises the economic social and moral functions.

Economic function shows that the work's promotion courses the increase of the production effectiveness, expressed in the improvement of the productivity of work and products quality.

Figure 2.

Encouragement of the enterprise personnel's work.



Moral function defines that the work incentives form proactive approach to life, moral public climate in the society. At that, it is important to preserve the right and feasible system of incentives with the consideration of traditions and historical experience.

Social function forms the social structure of society through the sharp level of citizens' incomes, which considerably depend on the incentives, which influence on different people. Besides it, the formation of needs and as a result, the development of personality is also coursed by the organization and encouragement of work in the society. The incentives can be material and non-material.

Work encouragement is a very complicated procedure with a great number of requirements: complexity, differentiation, flexibility and efficiency.

Complexity means the combination of moral and material, collective and individual incentives, which depends upon the system of personnel management approaches, enterprise's experience and traditions. Complexity envisages the availability of disincentives.

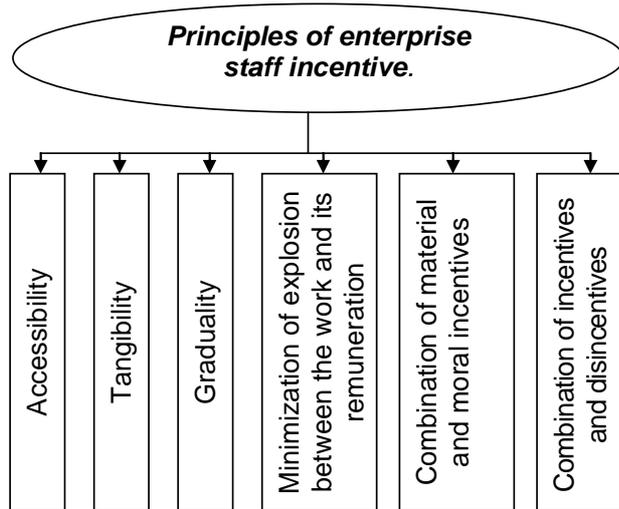
Differentiation means the individual approach to the encouragement of the different groups of workers. Approaches to lower-income and well-to-do workers should be different as well as approaches to young and core workers.

Flexibility and efficiency provides the consideration of incentives, depending on changes in the society and collective body.

To maximize the influence of incentives we should obey the certain principles (figure 3).

Figure 3.

Principles of enterprise staff incentive.



Accessibility. Each incentive should be accessible for all workers. The conditions of encouragement should be simple and understood.

Tangibility. For one worker the incentive in the amount of one dollar is tangible, for the other – 10 dollars – not enough. This condition should be considered while defining the lower threshold of the incentive.

Graduality. Material incentives are inclined to the permanent correction, revised upwards; this should be considered in practice. The over-estimation of reward is depicted on the worker's incentivization on account of formation of expectations and a new lower threshold of the incentive, suitable for worker. In no case, it is impermissible to reduce the level of material incentive. It is necessary to correct the conditions of encouragement.

The practical studies confirm the psychologists' opinion that there is linear dependency between the desired and actual level of material remuneration.

Subsequent to the increase of rewards a new, higher level of requirements is formed.

Minimization of explosion between the results of work and its remuneration. The majority of foreign companies choose the weekly remuneration of labor. The more frequent reward and its distinct connection with the results of work is very strong incentive. The increase of the level of reward in reference to the previous one provides worker with a huge sense of accomplishment, both moral and material. The temporary reduction of this level positively influences on the people's labor activity.

Combination of moral and material incentives. Inherently, the material and moral factors are both very strong. Everything depends of place, time and subject of those factors. The question is about the development level of economy, traditions of one or another state, as well as worker's financial situation, age and sex. Taking into consideration the above mentioned, it is necessary to combine rationally those kinds of incentives, considering their purposeful influence on every worker. For example, it is known that when the worker is young, the material incentives are with highest priority for him. But it does not mean the full absence of the moral incentives. The Soviet experience of our country is the obvious example of it. Thousands of sportsmen were succeeded on the base of moral incentives, inasmuch as the serious material incentives were out of question at that time.

We can cite a lot of such examples in the sphere of labor relations. As sociologists admit, under 50 years of age, the significance of moral and material incentives, in case of natural economy development, is almost equalized. Under-estimation or over-estimation of encouragement as well as kinds of incentives is harmful for the effective management at the enterprise.

Combination of incentives and disincentives. This statement is very contradictory. On our opinion, their combination should be rational. Developed countries experience shows the permanent transformation of incentives from the predominance of disincentives (hunger, fear, penalty etc) to the predominant using of incentives. Everything depends on society development level, its history, customs and traditions. We should take into consideration the history of the company, its activity status, qualification level, professional training and social composition of workers.

In the aspect of interrelations between the consumers and partners, a special attention should be paid to the formation of partnership relations between them.

The advantages of partnership relations are earned by the consumer «for the value of communication with the (as an example of students' friendship)». Human needs and values form the imagination about the advantages, which he or she wants to get from the firm and its commodities or problems, which he or she can solve by means of the firm. If there is a mutual profit at that, both parties

(consumer and firm) can make a change of values. The values exchange can be the basis of the partnership relations development.

The tangible quality of firm commodities can be described by means of «model of modelі satisfied expectations» or «model of cognitive discordance minimization», they say that the consumer compares his expectations from the firm products with that, obtained in reality.

The evaluation of trust is carried out during the whole period of the commodity life-cycle, unlike other kinds of services. Every company has its own set of marketing means and approaches, directed on «minimization of cognitive discordance», one of which is creation of mutual value (trust) on the basis of partnership relations.

Organization of technological process has a special place in the producing of goods. The quality of goods and stable attitude to the firm depends on the good organization of the technological process.

There are some research methods, enable to define the acceptable value of products for consumers. In order to manage the quality of goods successfully, the author offers to concentrate the efforts on the analysis of the model of using of consumer's satisfaction.

The model of using of consumer's satisfaction, concerning the quality of goods is the chain for such statements: consumer's incomes are connected with the increase of partnership relations and firm's loyalty, concerning its consumers.

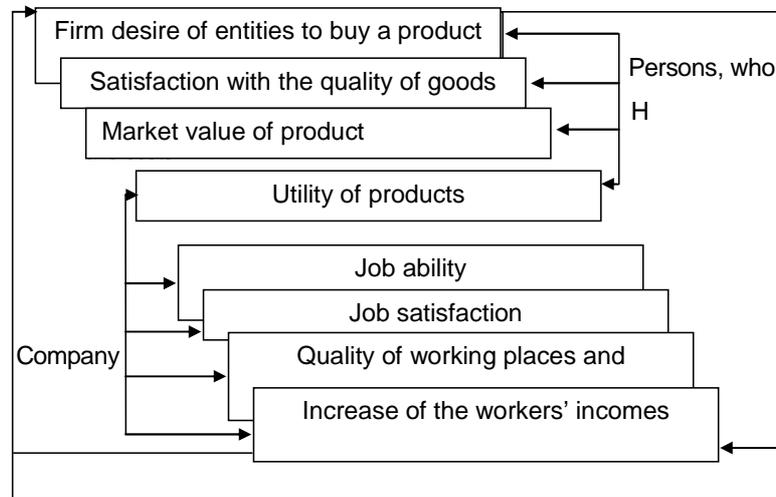
The model is connected with the value of product. Value of products for the consumers depends on the quality of goods, produced by the workers of the certain firm. The mentioned model can be presented in the scheme (figure 4).

This scheme shows the correlation and interdependence between the satisfaction of persons, who have money to buy the products and company's employees, satisfied with their work and increase of their incomes and as a consequence, company's assets. This model can be the basis for marketing researches, examination of relations and loyalty of internal targeted audience, transition from management of traditional complex of marketing-mix to the management of partnership relations in the sphere of goods and services.

Nowadays, there are no distinct criteria in the evaluation of product utility. Product worth is understood rather from the psychological than economic point of view. But the corresponding indicators should be developed to evaluate goods.

Figure 4.

**Model of using of consumer's satisfaction,
concerning the quality of goods**



The indicators of product utility are those characteristics, which allow supporting and obeying the loyalty and satisfaction of consumers. They are: assortment, nomenclature, quality, design, brand, packing, sizes, service, guarantees, return etc. Product worth for the consumer that exceeds its main functional assignment can be defined not only as meta-value, but also as brand awareness. This additional value consists in company reputation, for which the individual is ready to pay in order to get those particular goods, produced by the enterprise. Good standing is always a tool, by means of what the firm builds its partnership relations with the consumer of its product. In future, we can speak about the total brand awareness, and as a consequence – about the increase of value for the every member of partnership.

To establish the interrelations, it is necessary to pay attention on such key insights:

- Personnel qualification;
- Its ability to define and foresee the consumer's needs;
- Ability to satisfy them in due time ;
- Personnel readiness to open communication;
- Possibility of comments and suggestions at the consuming end;

- Rate of response on comments and suggestions ;
- Response time should be minimal and does not exceed the customers' expectations.

Personnel qualification is an important background for establishing of relations, based on nonprice parameters.

It is offered to use the index of satisfaction of consumer's expectations as an indicator of product worth and level of consumer's satisfaction. Index estimates the main characteristics of product, as well as management and relations between personnel and consumers. It is offered to separate 14 main criteria of consumer's expectations estimation (see table 1). Consumers estimate each parameter from 1 to 10 points. In such a way, having got the point average, we can make a conclusion about the correspondence of consumer's expectations to the goods purchased.

Consumer's satisfaction – is the source of marketing process. Systematical studies of the level of consumer's satisfaction from the goods purchased were performed only recently. As it is known, establishing of partnership relations leads to the increase of the goods' quality standard. As a result of consumers' questioning and corresponding analysis of given indicators, the firm's management shows the weak points in the areas of activities and applies measures concerning their improvement.

The process of common value creation is the basis for the long-term partnership relations development.

Within the frameworks of partnership relations, there are some advantages, enable to solve successfully questions, concerning application of new qualitative goods characteristics.

They are:

1. Creation of common value at the each stage of technological process.
2. Administrative costs reduction.
3. Implementation of total checking on quality standards and their permanent improvement.
4. General advancement of value proposition.

Systems of moral and material encouragement in different countries and companies have group of actions, directed on the increase of labor activity of working people and as a consequence, on the increase of work effectiveness, its quality. Mankind accumulated lots of forms, systems and methods of workers' encouragement. Majority of Western Europe firms gradually reduces the specific weight of material reward and increases the share of nonmaterial incentives.

Table 1

**Estimation of satisfaction index of consumer's expectations,
concerning product usage**

№	Criterion	Consumers' estimation										Point average
		1	2	3	4	5	6	7	8	9	10	
1	Product nomenclature											
2	Assortment											
3	Correspondence of the declared product characteristics											
4	Fundamentality of product (its novelty)											
5	Quality											
6	Relevancy at the market											
7	Goods service											
8	Practicality											
9	Use conditions											
10	Maintainability											
11	Use of guaranties											
12	Personnel qualification											
13	Pate of response on consumers' remarks.											
14	Additional possibilities for consumers											
15	Index of consumer's expectations, concerning product usage.											

Firms, oriented at establishing of partnership relations should totally understand that their competitive position and as a consequence their financial stability is directly connected with the volume of sales of products and potential consumers. If we compare the value of firms, which have the identical circulation, but the workers of one of the firms have a good technological knowledge, the value of such firm will be higher. Such partnership considerably intensifies the firm's competitive position at the market, adds «values» to the acceptable quality of goods, and increases its strategic potential. It serves the additional competitive advantage, especially if this firm takes a leading place in the European ratings.

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