

Full Length Research Paper

An exploratory study of a business strategy for providing customer satisfaction in the Republic of Serbia

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A key strategic objective for any company should be to achieve and understand the optimum level of customer satisfaction. This contention is, conceptually, the objective of the wider analysis in this paper, in addition to the model for providing customer satisfaction in the form of a business strategy. This theoretically-based model is harmonized with the following important concepts: quality management, business excellence and relationship marketing. The research, which was carried out in companies and among experts in the Republic of Serbia, indicated the validity of the model. Some 600 organizations and 100 experts were canvassed in the course of the research and 84 companies and 37 experts responded.

Key words: Business strategy, customer satisfaction, quality management system, business excellence, relationship marketing.

INTRODUCTION

Achieving business excellence and creating world class products and services, as a basic precondition for a company's growth and development in a modern economy, are not functions of one organizational unit within the company, but rather the result of synchronized activities across the board, following the precisely defined objectives of the company (Cockalo and Djordjevic, 2006). The objective of an organisation should be to achieve and understanding the optimum level of customer satisfaction (Sajfert et al., 2008). This field represents a base of at least three concepts: quality management, total quality management and business excellence. It also involves relationship marketing, which is, conceptually, the subject of the wider analysis of this paper.

LITERATURE REVIEW

Customer satisfaction and related concepts

Customer Satisfaction (CS) can be defined in different

ways. According to Kotler (1996), satisfaction is "the level of a person's felt state resulting from comparing a product's perceived performance (or outcome) in relation to the person's expectations." Briefly, satisfaction level is a function of the difference between perceived performance and expectation (Stahl, 1999).

In the contemporary global economy and highly competitive business environment, it may be fatal for a business organization to be non-customer oriented. In fact, only those customer-centered organizations that can deliver value will survive in the modern business arena. To "make" highly satisfied and loyal customers, organizations throughout the world are striving to produce world class products and services of high quality. For a long time, CS has been considered the key success factor for every profit-oriented organization as it affects companies' market share and customer retention. In addition, satisfied customers tend to be less influenced by competitors, less price sensitive, and stay loyal longer (Dimitriades, 2006).

Many executives seem to trust their intuitive sense that high customer satisfaction will eventually translate into higher loyalty and with it ultimately into improved company performance (Paulssen and Mirk, 2007). Thus

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achieving high customer satisfaction has become a central focus of corporate strategy for most firms (Homburg et al., 2005). However, "despite the claim that satisfaction ratings are linked to repurchase behaviour, few attempts can be found that relate satisfaction ratings to actual repurchase behaviour" (Mittal and Kamakura, 2001). That the validity of this assumption is all but given is nicely illustrated by Reichheld (1996), who reports that while around 90% of industry customers report to be satisfied or even very satisfied, only between 30 and 40% actually do repurchase. Apparently, current knowledge doesn't fully explain the prevalence of satisfied customers who defect and dissatisfied customers who do not (Bendapudi and Berry, 1997; Ganesh et al., 2000). One of the reasons is that the relationship between satisfaction and retention is not a linear one, but moderated by several different variables. Oliva, Oliver, and MacMillan (1992) stated that "the response function linking (...) satisfaction to customer response may not operate as is frequently assumed because the complexity of the relationship may be underestimated".

Leading companies make customer focus a key element of the company's overall strategy to differentiate themselves from competitors. Satisfaction becomes a primary theme for top management in communications with a broad range of stakeholders. Focusing on satisfying high-value customers can be a powerful part of the company fabric because it is meaningful to a broad set of stakeholders including employees, financial analysts, suppliers, and other allies. Putting the customer first becomes part of the corporate positioning and differentiation in the market. The lack of management in CS strategies could be one of the many factors leading to an enterprise's downfall. To effectively draft CS strategies, one must respect customer value and collect customer demands and then compare the importance and performance (satisfaction) between the collected customers' demands (Naumann et al., 2001). Concurrently, customer demands are not stagnant and cannot be manipulated by enterprises. Therefore enterprises must periodically diagnose and filter these demands to set reasonable strategies to insure the survival of CS activities (Te-King and Chao-Ton, 2003).

For example Knox (1998) used product/service content and the ability to satisfy customer demands as the basis for CS strategies analysis. Barsky and Labagh (1992) believed in analyzing CS strategies and that one must consider three factors: expectation and past experiences, product and service performance and the factors affecting actual perception.

Quality components, such as solving complaints, co-operation of company's representatives with customers, availability of products and services, cost and price policy and activities related to making contracts, have a great influence on customer satisfaction (Saraph et al., 1989; Dale and Ritchie, 2000; Conca et al., 2004). On the other hand, customer satisfaction influences the company's

characteristics, such as spreading positive information about the company and its services and products (Evans and Burns, 2007).

The term "relationship marketing" (RM) was first introduced by Berry (1983) in a services marketing context. Many entrepreneurs do business by building and managing relationships without using the term relationship marketing. Relationship marketing, defined as marketing activities that attract, develop, maintain, and enhance customer relationships (Berry, 1983; Grönroos, 1994), has changed the focus of a marketing orientation from attracting short-term, discrete transactional customers to retaining long-lasting, intimate customer relationships. As the existing literature suggests, business can build customer relationships by initiating one or several types of "bonds", including financial, social, and structural (Peltier and Westfall, 2000; Lin et al., 2003; Roberts et al., 2003). However, much should be learned about the relationship between the bonds initiated by a company and customer perceptions and behaviour.

Evans, J. and Laskin, R. (1994) present a model of effective marketing process which, to a degree, brings together all that has been said up to this point. The model is cyclic in form, with three sub-processes: (1) inputs (understanding customer expectations, building service partnerships, empowering employees and TQM); (2) positive outputs (customer satisfaction, customer loyalty, quality of products/services and increased profitability);

(3) checking phase (customer feedback and integration). The authors define relationship marketing as a "process by which a company builds a long-lasting relationship with possible and existing customers in such a way that both sides (sellers and buyers) are focused on commonly defined objectives, which is in harmony with previously mentioned definitions". Efficiently positioned relationship marketing will lead towards the following positive outputs:

(1) high percentage of satisfied customers, (2) higher loyalty of customers, (3) customers' perception on products/services higher quality and (4) increasing profit of a seller company. Relationship marketing is a continual process which demands the following from companies:

(1) continual communication with customers (provides correct definition of requirements) and (2) to integrate relationship marketing process into strategic planning (enables better resource management and anticipation of future customers' needs). Brookes and Little (1997) enhance the explanation of the effective marketing process by saying that this concept is based on database management, interactive market communication and web marketing.

The concept of "total quality" extends well beyond the marketing customer-perceived view of quality (Garvin, 1988) to include all key requirements that contribute to customer-perceived quality and customer satisfaction. Total quality broadens prior notions of quality in that it includes consideration of business processes for providing

providing complete customer satisfaction on the full range of product and service needs. Essentially, the total quality concept is a general philosophy of management (Mohr-Jackson, 1998).

Business excellence presents a business strategy which demands complete commitment and acceptance of concept from management (Terziovski and Samson, 1999; Irani et al., 2004). The EFQM model of business excellence is based on eight principles. The criteria are: leadership, policy and strategy, people – management of employees, partnership and resources, processes, customer results – customer satisfaction, people results – employees' satisfaction, society results – the influence on society and key performance results (EFQM ed., 2002). All of them are the basis for a self-evaluation the purpose of which is to evaluate the "maturity phase" of the organization and to focus on the problems of further business improvement (Dale and Ritchie, 2000; Motwani, 2001; Rusjan, 2005; Tari, 2005; Teo and Dale, 2007).

Serbian background

Companies from transitional countries, like those of the Western Balkans (Serbia among them), have problems with the quality of their business practices and production productivity. Inherited inefficient production systems and transitional recession, which are common to all countries in transition, affect these companies and can be blamed for their insufficient competitive capacity. The problem is especially obvious in companies dominated by autochthonous private capital. The reason why only a relatively small number of Serbian companies have implemented a quality system can be found in the difficult financial situation of the domestic economy and the fact that the implementation of QMS calls for considerable effort on the part of management. What is of greatest concern is that, while almost all big companies have already implemented QMS, the majority of companies in Serbia are small to medium sized enterprises (SMEs). Taking all the above into account, it is not surprising that the concept of integrated management systems is the most common on the Serbian market while the elements of business excellence serve more as a theoretic-methodological base. The concept of relationship marketing exists, but only on a basic level and in a small number of companies (those in foreign ownership). Furthermore, there are no clear indicators concerning this.

In accordance with the above, the modelling of an acceptable concept that would satisfy customers' requirements by integrating QMS, business excellence and relationship marketing seems a possible solution in a transitional context. Therefore, the objective of the research was to create and present a qualitative theoretical model of a system for providing satisfaction of a company's (firm's) customers needs. The model assumes a process approach, appropriate marketing at the end. The model was created to enable easier management of

these processes, with the aim of achieving business excellence.

RESEARCH APPROACH

Pre-conditions of the research

The research starts from at least two key pre-conditions:

1). Under the given conditions the incorporation of the principles and criteria of business excellence – the input and output elements of relationship marketing in defining policy, and objectives and tasks in the organization (the sphere of planning quality in the future) shows the strategic determination of certified Serbian companies to satisfy the requirements of customers and other stakeholders.

2). Wide involvement of organizational and management structure in the processes of expectations identification and monitoring, measuring and analysis would mean forging stronger bonds between current activities and strategic decisions, where a satisfied customer is the focus.

Argumentation, even an indirect one, of these pre-conditions would be enough to show justifiability and acceptance of the model of business strategy which, in the centre (including sub-processes defined by the standard and supported –cyclic expanded- in the sphere of planning and reconsidering quality in the future, exclusively by strategically oriented concepts of business excellence and relationship marketing) puts satisfaction of customers and other stakeholders. In order to provide stable bonds between the rings it is necessary to incorporate wider organizational and management structures especially in the processes directly oriented towards the customers.

Target groups and the structure of the surveyed sample

Target groups in the research were:

- 1). Companies (production and/or services) which are certified according to the ISO 9000 standards and which work and/or have residence in the Republic of Serbia; managers in quality and/or marketing sector in these companies, as the primary group,
- 2). Experts, in the sphere of quality and/or marketing (with reference to the subject sphere, published works and/or cited), as a control group. They were to confirm the companies' attitudes. It was interesting to see whether considerable differences would appear in the companies' answers and the answers of those who were dealing with this matter from an academic (university professors) or some other standpoint (consultants).

The survey was primarily realized by e-mails which were sent to approximately 600 companies and 100 experts. The database of the Serbian Chamber of Commerce was the primary source for the selection of companies and the sample of experts was compiled from the database and contacts of JUSK – the United Association of Serbia for Quality, as an independent and sufficiently representative body for the country. In total 37 experts and 84 companies (which represents between 4.5 and 5.5% of all certified companies in Serbia) accepted the invitation to participate in the research. A special questionnaire was drafted for the survey (taking care of the methodology of the research); the communication principle was: one questionnaire – one company/expert. The survey was realized mainly in the first quarter of 2008.

The structure of the surveyed companies and experts are presented in the Table 1.

Table 1. Structure of the surveyed companies and experts.

		Number of companies (firms)	% of overall sample
The structure of the surveyed companies			
Ownership structure	Private	61	72.6
	Public	10	11.9
	Socially owned	8	9.5
	Other	5	6
Field of operations (according to Statistical office of the Republic of Serbia)	Agriculture, hunting, forestry and water management	3	3.4
	Mining and quarrying	1	1.1
	Manufacturing industry	46	52.3
	Electrical, gas and water generation and supply	5	5.7
	Construction	9	10.2
	Wholesale and retail trade ; motor vehicles, motorcycles and household/personal repair	8	9.1
	Transport, warehousing and communications	3	3.4
	Administration and defence; compulsory social insurance	2	2.3
	Education	3	3.4
	Health and social care	3	3.4
	Other communal, social and individual services	5	5.7
Size	Micro	6	7.2
	Small	8	9.5
	Medium	38	45.2
	Big	32	38.1
Position of the interviewed	Director	10	11.9
	Senior manager	49	58.3
	Consultant	3	3.6
	Others	22	26.2
The structure of the interviewed experts			
Gender	Male	31	83.8
	Female	6	16.2
Age (six experts did not answer this question)	Over 50 years	13	41.9
	Between 30 and 40 years	11	35.5
	Between 40 and 50 years	7	22.6
Level of education	PhD	15	40.6
	Master's degree and Bachelor	10	27
	College diploma	2	5.4
Occupation (answered 22 (59,5%) of the interviewed)	University or college professors/assistants	13	
	QMS consultant	5	
	Technologist, programmer, engineer	4	
	Director	1	

Checking phase

During the checking phase of statistically relevant differences in the

answers of different- size- companies (types of companies: (1) micro and small, (2) medium and (3) big, in the following tables, as well), the data types which appeared in the survey called for the

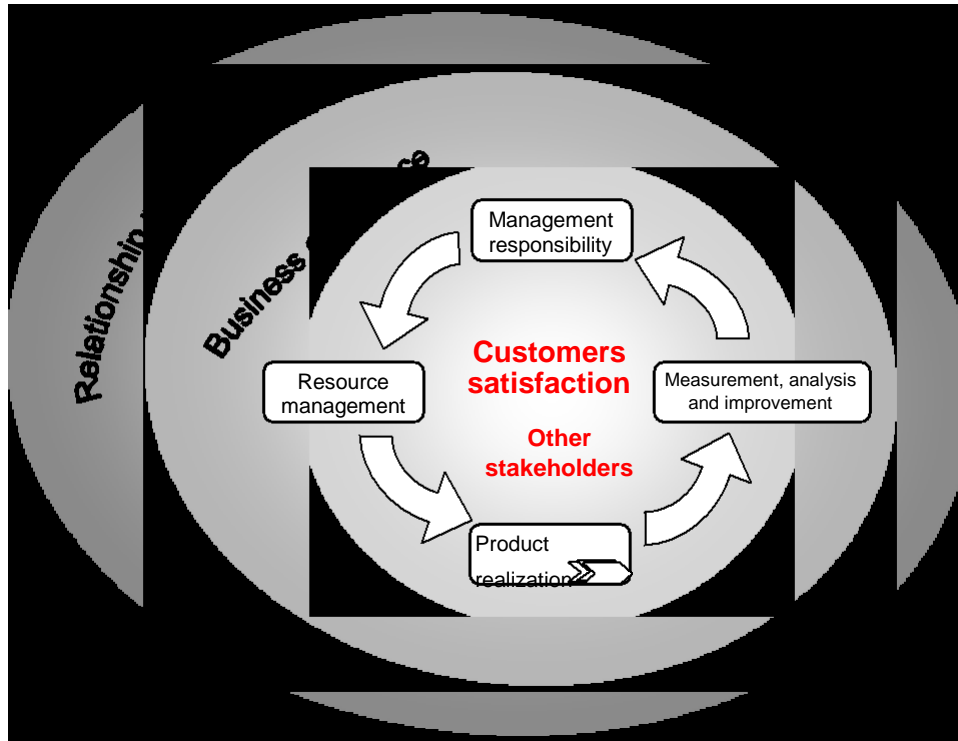


Figure 1. A business strategy for providing customer satisfaction

application of two different methods of statistical analysis: Kruskal Wallis and One way ANOVA. ANOVA was also used in the comparison of companies' (total) and experts' data. It was taken that the evaluation limit of reliability of results, t.i, probability which made it possible to claim that the data were error consequences or random variations was $p = 0.05$. This means that for $p \leq 0.05$ exists statistically significant difference in results, i.e. indicates different interpretations of the business strategy by companies of different size.

It was determined that there was no statistically significant difference between the answers given by the companies and by the experts and as a result there is no further discussion on this matter.

A BUSINESS STRATEGY FOR PROVIDING CUSTOMER SATISFACTION

In the part of the research presented here, the framework of the business strategy for satisfaction of customers' requirements acceptable for Serbian companies is given, supported by statistical analysis of the answers provided by our respondent target groups. The attitude on justifiability and acceptance of the model will be created later, on the grounds of certain quantitative indicators related to the mentioned qualitative theoretic model. The part of planning or incorporating the principles and criteria of business excellence and relationship marketing into the standard (ISO 9000) defined framework is the subject of a separate analysis. This serves to illustrate the justifiability and acceptance of the strategically oriented form presented in the following picture.

Figure 1 presents a model in the form of a cycle, in order to describe the business strategy which puts the

focused modules (sub-processes) in the environment of customers and other stakeholders, whose objective is the progress of the whole organization. Such a business strategy is supported by business excellence and relationship marketing. It may be a matter of dispute which "ring" of support is "older" and/or more important. The authors of this paper believe that it is the matter of attitude, but their existence or the need for it has been shown in this research.

Results concerning strategic components of the model of the business strategy

Asked to evaluate the importance (the survey used the Likert 5-point scale) that should be paid to the principles of business excellence while defining policy, objectives and tasks in the organization, 66 (85.7%) (out of 77 (91.7%) of those interviewed in companies, or 33 (91.7%) (out of 36 (97.3%)) experts gave the answers shown in Table 2. All the principles were evaluated as significant or particularly significant (the lowest grade was given to corporative social responsibility by the experts 3.39)

Having been asked to evaluate significance given, or necessary to give to criteria of business excellence when defining policy, objectives and tasks in the organization, the respondents (63 (85.1%) out of 74 (88.1%)) in companies, and the experts (33 (91.7%) out of 36 (97.3%)) evaluated the criteria and their application as significant (Table 3).

Table 4, the respondents' evaluations indicate how

Table 2. Comparative survey of average significance grade that should be paid to the principles of business excellence when defining policy, objectives and tasks in the organization.

Principles of business excellence	Average grade of the interviewed in companies	Average grade of the experts
Results Orientation	4.17	4.39
Customer Focus	4.42	4.61
Leadership	3.82	4.18
Management by Processes and Facts	3.80	4.06
People Development and Involvement	3.76	3.88
Continuous Learning, Innovation and Improvement	3.68	3.79
Partnership Development	3.94	3.94
Corporate Social Responsibility	3.58	3.39

ANOVA significance test					
Group: companies					
	Sum of squares	df	Mean square	F	P
Between groups	0.528	2	0.264	2.066	0.152
Within groups	2.685	21	0.128		
Total	3.214	23			

Table 3. Comparative survey of average significance grade which should be paid to the criteria of business excellence when defining policy, objectives and tasks in the organization.

Criteria of business excellence	Average grade of the interviewed in companies	Average grade of the experts
Leadership	3.73	4.00
Policy and Strategy	3.87	4.24
People	3.68	4.21
Partnership and Resources	3.65	3.97
Processes	3.90	4.15
Customer Results	4.47	4.48
People Results	3.58	4.15
Society Results	3.52	3.70
Key Performance Results	4.23	4.27

ANOVA significance test					
Group: companies					
	Sum of squares	df	Mean square	F	p
Between Groups	0.769	2	0.385	3.350	0.052
Within Groups	2.755	24	0.115		
Total	3.524	26			

important they consider the criteria of business excellence for top management and in management review. Affirmative answers were given by 65 (83.3%) out of 78 (92.9%) companies and 33 (91.7%) out of 36 (97.3%) experts. Here, a statistically significant difference was noticed in the answers of the different types of companies ($p = 0.043 < 0.05$) and the grades are shown separately. A high average grade of significance, paid to

the criteria of business excellence, was noticed. In other words, they were evaluated as significant and particularly significant – the lowest grade was 3.50.

It is interesting that particular significance is given to the principles and criteria which are directly oriented towards customers (the lowest average grade is 4.23). This shows the readiness of the organizations to devote themselves to their customers and the importance which

Table 4. Comparative survey of the average significance grade assigned, and necessary to assign to the criteria of business excellence at management review

Criteria of business excellence	Average grade of companies			Average grade of the experts
	1	2	3	
Leadership	3.67	3.54	3.73	4.00
Policy and Strategy	4.08	4.04	3.88	4.24
People	4.33	3.69	3.50	4.21
Partnership and Resources	4.17	3.69	3.62	3.97
Processes	4.17	3.73	4.04	4.15
Customer Results	4.67	4.42	4.23	4.48
People Results	3.92	3.81	3.50	4.15
Society Results	3.92	3.46	3.62	3.70
Key Performance Results	4.67	4.35	4.12	4.27

ANOVA significance test					
Group: companies					
	Sum of squares	df	Mean square	F	p
Between groups	0.727	2	0.363	3.584	0.043<0.05
Within groups	2.434	24	0.101		
Total	3.161	26			

experts give to this question.

Both companies and experts consider the input elements of the relationship marketing concept significant or satisfying, especially in the sphere of planning (Table 5).

A comparative survey of the average grades which the respondents used to evaluate the significance of output elements of relationship marketing, especially in the sphere of planning, is given in the Table 6. It should be emphasized that all the elements were evaluated as significant, both by companies (81 (96.4%) answered the question) and by experts (35 (94.6%) of the interviewed). Considering the question which demands definition of management and responsibility for processes, identification of expectations, monitoring, measuring and analysis, a certain generalization can be noticed in the answers, given by experts, when compared to those obtained in companies. No matter, we can find some similarities which are presented in Table 7a for process identification of expectations and Table 7b for process monitoring, measuring and analysis. A statistically significant difference in the answers of different types of companies is noticed considering the question about management/responsibility over processes – identification of expectations ($p = 0.005$) and the answers are given separately.

Totally, 68 (80.9%) companies and 35 (94.6%) experts answered the question on the process of identification of expectations and 71 (84.5%) of companies answered the question related to the process of monitoring, measuring and analysis.

It is interesting to note the way responsibility moves (in the opinions of both companies and experts) from the top marketing manager, for the identification of expectations,

towards the top sales manager, for the process of monitoring, measuring and analysis. Especially expressed significance of organizational units (sectors) can be noticed: trade/sale, marketing, development sector and quality sector.

DISCUSSION

There are certain problems concerning the acceptance of business excellence and relationship marketing in the Serbian economy and they have been briefly explained in the text. The consequences of these problems are the following: mainly the concept of integrated management systems is applied on Serbian market based on the ISO 9000 series of standards while the elements of the business excellence concept are mostly used as its theoretic- methodological base. However, it is also obvious that a strategic orientation towards satisfaction of customers' and other stakeholders' requirements is present in certified domestic companies. This is confirmed by acceptance of the principles and criteria of business excellence (input and output elements of relationship marketing) in defining policy, objectives and tasks in the organization, in other words, in the sphere of planning quality in the future. According to the research results, the criteria of business excellence should also be incorporated in the reconsideration phase at the side of management (management review). Taking all this into account, it is not surprising that considerable significance is paid to customer satisfaction. Namely, a particular significance is paid to the principles and criteria which are directly oriented towards customers (the lowest average

Table 5. Comparative survey of the average significance grade of input elements in the relationship marketing concept.

Input elements of relationship marketing concept	Average grade of the interviewed in companies		Average grade of the experts	
Understanding Customers Expectations	4.31		3.88	
Building Service Partnerships	3.92		3.42	
Empowering Employees	3.66		3.71	
Total Quality Management	3.76		3.26	

ANOVA significance test					
Group: companies					
	Sum of squares	df	Mean square	F	p
Between groups	0.478	2	0.239	2.892	0.107
Within groups	0.743	9	0.083		
Total	1.221	11			

Table 6. Comparative survey of average significance grade of output elements in relationship marketing concept.

Output element in relationship marketing concept	Average grade of the interviewed in companies		Average grade of the experts	
Quality Product	4.64		4.06	
Customer Satisfaction	4.44		4.26	
Customer Loyalty	4.04		4.09	
Increased Profitability	4.19		3.91	

ANOVA significance test					
Group: companies					
	Sum of squares	df	Mean square	F	p
Between Groups	0.206	2	0.103	1.431	0.289
Within Groups	0.649	9	0.072		
Total	0.855	11			

Table 7a. Comparative review of management and responsibility over processes identification of expectations.

Given answer- Companies		Process identification of expectation			
		Company			Expert (%)
		1 (%)	2 (%)	3(%)	
(a)	Top manager and/or owner	1 (5.6)	15 (14)	6(9.2)	13(17.6)
(b)	Executive management	-	10 (9.3)	3(4.6)	
(c)	Development unit manager	1 (5.6)	12(11.2)	4(6.2)	7(9.5)
(d)	Marketing unit manager	3 (16.7)	4(3.7)	15(23.2)	25(33.8)
(e)	Trade/sale unit manager	5 (27.8)	18(16.8)	14(21.5)	13(17.6)
(f)	Quality unit manager (or QMS manager)	3 (16.7)	9(8.4)	9 (13.8)	10(13.5)
(g)	Unit managers (generally)	3 (16.7)	9(8.4)	6(9.2)	-
(h)	Staff in direct contact with services customers or those directly involved in services realization.	-	10 (9.3)	6(9.2)	4(5.4)

Kruskal Wallis Test Grouping			
Variable: Firms (companies) Rank			
	Companies	N	Mean rank
Frequency	1	15	15.33
	2	15	30.77
	3	15	22.90
	Total	45	

Table 7a. Contd.

Test statistic	Frequency
χ^2	10.740
df	2
p	0.005<0.05

Table 7b. Comparative review of management and responsibility over processes monitoring, measuring and analysis.

Given answer - experts		Process monitoring, measuring and analyses	
		Companies (%)	Experts (%)
(a)	Top management and/or executive management	12 (6.9)	10(12.7)
(b)	Development unit manager	10 (5.7)	
(c)	Marketing unit manager	4 (2.3)	7(8.9)
(d)	Trade/sale unit manager	25 (14.3)	24(30.4)
(e)	Quality unit manager (or QMS manager)	41 (23.5)	13(16.5)
-	-	36 (20.6)	21(26.6)
(f)	Employees in sale network	14 (8)	-
		17 (9.7)	2(2.4)

Kruskal Wallis Test Grouping Variable: Firms (Companies) Rank			
	Companies	N	Mean rank
Frequency	1	14	15.36
	2	14	24.57
	3	14	24.57
	Total	42	

Test statistic	
	frequency
χ^2	5.436
df	2
p	0.066

grade is 4.23); that shows readiness of the organizations to devote themselves to their customers, as well as the importance which the experts give to this question.

Wide incorporation of organizational and management structure, from top to executive management, in other words, employees in direct contact with customers, in processes of identification of expectations and monitoring, measuring and analysis, according to the model, means making stronger bonds between current activities and strategic decisions where a satisfied customer is in the focus. The analyzed results indirectly confirm this aspect of the model, emphasizing the functions of top manager and/or owner, marketing unit manager, quality unit manager and trade/sale unit manager which are especially incorporated in the mentioned processes, while moving management and responsibility over processes respectively can be noticed, going from marketing and top management towards top sales manager. As expected, special attention is paid to organizational units (sectors) like trade/sale, marketing, development sector and quality sector and their management.

Although it was to be expected, given the strategic orientation of the business model and organisational set-up, there is no statistical difference between the answers given by micro, small, medium-sized and large enterprises except in two cases:

The level of significance given to the criteria of business excellence at management review; two of the three criteria given the greatest attention are the same (Key Performance Results, Customer Results). The third, key criterion, however, varies significantly; People with micro and small enterprises; Policy and Strategy with medium-sized and Processes with large enterprises. Management and responsibility over processes identification of expectations of customers. Here one of the three most significant answers is the same for all types of company; Trade/sale unit manager. However, as company size increases, answers orient more towards organisational functions: Development, Quality and Marketing.

Finally, it can be noticed from the analysis and discussion that the theoretic, strategic business model for

providing satisfaction of customers' requirements proved to be acceptable and justifiable for Serbian companies in relation to the context presented here.

IMPLICATIONS AND CONCLUSIONS

The company's objective should be achieving and understanding the optimum level of customer satisfaction. An important step in achieving customer satisfaction is to customer requirements in order to make informed business decisions. The model of business strategy for providing customer satisfaction, presented here, is harmonized with the requirements of ISO 9001:2000 series of standards, as well as with relevant proposals and criteria of business excellence, marketing requirements and the specific characteristics and requirements of Serbia's economy. The presented quality model can be considered acceptable and justifiable which has been supported indirectly by statistic indicators concerning planning and management, in other words, by incorporating the principles and criteria of business excellence and relationship marketing defined by the standard (ISO 9000).

The model itself has not been applied in practice or tested but, in our opinion, its usage would contribute to more complete and wider acceptance of the concept of business excellence and/or relationship marketing on the part of certified companies (standards ISO 9000 series) in the Republic of Serbia. In relation to limitations, we think that the model's validity would be more complete if the research included a greater number of domestic companies in the sample, even better if this research could cross the borders of Serbian territory and transfer to the countries of the Western Balkans.

Finally, the research presented here, bearing in mind the limitations mentioned has at least three implications: The strategic orientation of companies towards customer satisfaction means that, in addition to the concept of QMS in organisation and management processes, the concepts of marketing relations and business excellence should also be included. This above all in the planning and verification phases, i.e. the management of key processes.

Companies which are ISO 9000 certified generally accept the strategic model of providing customer satisfaction;

There are differences in the level of acceptance of the strategic model depending on size and organisational structure which are a direct consequence of these factors

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