Customer Satisfaction as the Basic Principle of a Company’s Success*

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Abstract: The consumer’s expectations are linked not only to the material benefit that the product itself can satisfy, but, and above all, to its satisfaction, which can be of different types according to its identity and which represents the necessary stronghold to obtain a competitive advantage over competitors. A company’s competitive advantage is influenced by the endogenous changes, which are internal to the company and to its capacity of reacting to and anticipating the exogenous changes, external to it. The aim of the research is to analyze the relationship in marketing. It can be considered as an established connection between customers and the company and it is a one-to-one relationship, which is a bond between the brand and its target. Successful examples that have followed this marketing policy are the companies Danone end Grom.

Keywords: agri-food marketing, customer satisfaction, Services Quality, agri-food businesses

Introduction

For a couple of years now, the most reliable barometer of the success of a company’s policy has always been the consumer. Indeed, the consumer has the power of influencing “the reputation”, which consists of one of the main immaterial goods that the company owns.

This is the reason why it is essential to listen to him/her and to collaborate with him/her to succeed in satisfying his/her requests. Especially in the food sector, the responsibility towards consumers is even greater. The relationship between a consumer and a brand is built upon trust and any disappointment is bound to affect the company’s business in a negative way (Aaker 1991). For these reasons, every company should manage to apply in its marketing strategy the concept which is defined as customer satisfaction, in an effective and efficient way (Ancarani, Valdani 2000). Since the 20th century, the market’s evolutionary tendency, which holds customer satisfaction as its absolute priority, has been increasingly developed. Several scholars have been fascinated by this phenomenon, in particular for the changes which have been traced in what we can call the “classic market”. The evolutionary

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tendencies have led people to see the relationship between supply and demand by a different point of view. In fact, today, when purchasing a product, not only an object, but also an identity is transferred.

1. The Research Objective: the modern food consumer’s expectations

The consumer’s expectations are linked not only to the material benefit that the product itself can satisfy, but, and above all, to its satisfaction, which can be of different types according to its identity which represents the necessary stronghold to obtain a competitive advantage over competitors (Slater, Narver 1994).

All of this is surely linked to technological progress, to the added value that today a product’s brand manages to give, and especially to the increasingly distinguishing search for products and services of a superior quality, which undoubtedly satisfy more of the customer’s needs. This situation represents the basis of the superior performances recorded by the company in terms of profitability compared to its competitors’ average, thus certainly granting the desired success (Lanfranchi, Giannetto 2013).

A company’s competitive advantage is influenced by endogenous changes, which are internal to the company and to its capacity of reacting to and anticipating the exogenous changes, external to it.

The strategies that can be employed to succeed in obtaining a competitive advantage, compared to the competitor firms can be of different types, for example:
– differentiation strategies, with the firm’s ability to propose some products with unique features, which are supposed to have a differential factor representing a higher value for customers,
– cost leadership strategies, that highlight the company’s capacity of proposing to the customer a product which is similar or equivalent to those offered by competitors at a lower price… etc.

We can state that customer satisfaction refers to a concept which is inseparable from that of the quality of the product and of the offered service. This quality is further definable in terms of the product’s perceived quality. One of the contributions that can still today help us measure customer satisfaction is the Serqval model by Parasuraman, Zeithaml and Berry (1994).

2. Research Approach: the Services Quality, an instrument for customer satisfaction

ServQual, an abbreviation of Service Quality, is a methodology of American origin for the realization of a quantitative, sporadic (“spot”) or continuous market research on costumers, whose target is the timely measuring and/or the continuing monitoring over time of
the quality, or indeed, of the qualitative level of a service or of a set of services supplied by a firm (Beaujanot, Lockshin, Quester 2006).

The researchers carried out the measuring of the perceived quality and therefore of the customer satisfaction, thanks to a comparison between:

- the expectations, according to which a customer approaches the product or the service,
- his impressions after the product’s or the service’s consumption.

This comparison is exerted through the so-called (disconfirmation paradigm), according to which satisfaction is assumed as a psychological state deriving from a gap between the evaluation of the occurred consumption experience and the consumer’s expectations towards the same experience (Brioschi 2009).

The customer’s perception of having spent his/her resources well, having obtained as much as possible in proportion to his/her expectations, is therefore what we define customer satisfaction, which consequently appears to be closely related to the quality of the purchased good or service. According to this idea of quality, the whole firm has to be involved in the achievement of the mission statement, and, in fact, since 1987 some voluntary rules have been enacted in order to fix the necessary requirements for an approach to quality, the so-called UNI EN ISO rules, in which eight principles of quality management are defined.

Previously, from a traditional point of view, it was stated that in order to achieve a high quality, it was necessary to sustain high manufacturing costs. Today, this statement seems to be no longer valid, according to two points of view:

- the concept of quality has to be defined according to the customer’s expectations and, indeed, customer satisfaction is the target which represents the basis of the total quality,
- today, many companies compete both on the price and the quality. In fact, customers expect certain levels of quality at a competitive price.

The important thing is not only to measure how much producing quality costs, but also, and above all, how much not producing it costs, in terms of organizational efficiency, of customer satisfaction and therefore of higher or lower competitiveness (Beaujanot, Lockshin, Geursen 2003). A company which follows the road of total Quality has two possibilities of choice: either to modify the systems through the respect of the requirement fixed by the ISO 9000 standard, or to modify the culture, by defining a mission statement that stimulates a new attitude towards work and the customer, that is to say a culture of quality within the organization. Among the guiding values of this mission, the first one is the attention towards the customer, even though there is also an increase of the co-workers’ responsibility, as well as the continuous improvement with the introduction of work teams and groups to solve problems, with the constant perfection of products and services, and through team work in the interest of the company, by eliminating internal competition (Lanfranchi, Giannetto, Zirilli, Alibrandi 2012). Certainly all of this is faced with a new vision, that of managing to guarantee the total satisfaction of the customer, who, if satisfied in a proper way, will surely keep himself/herself loyal to the company. This is the point where it is undoubtedly
necessary to introduce another concept that appears to be linked to the previous ones, that of “relationship marketing”, which can be decoded as the creation, development, maintenance and optimization of the relationships between customers and a company, surely based on the central role of the customer.

3. Research Methodologies: a new marketing model for agri-food businesses

Relationship marketing can be considered as an established connection between customers and a company and it is a one-to-one relationship, which is a bond between the brand and its target (Kotler 2004).

Indeed, unlike the traditional form, relationship marketing analyses a very specific target of consumers, not wide ones, by trying to create a direct link between the company and the single consumer, though the support of different channels which range from web communication to telephone call centres, in order to manage to establish a bilateral relationship and to know the interlocutors in depth. It is necessary to generate a continuative and customized relationship between the consumer and the brand, even through the creation of caring programmes, collection schemes, prize competitions, member gets members, or through benefits aimed at collection programmes, that are considered as an accumulation of discounts which are returned to the holder in arrears, or turned into immediate vouchers.

Obviously, it is necessary to succeed in establishing a personal relationship between a consumer and a company, above all by knowing the customers, their needs and their preferred choices, with the creation of bilateral communication, and of proposals aimed to their needs. The assumption on which this new marketing approach is based, is that it is far more difficult and expensive to acquire a new customer rather than to keep one already present and to make him/her more willing to spend. Indeed, the principle on which this new mentality of doing marketing is based, is that of “few but good”, meaning that the acquisition of a new customer is certainly very expensive, both in terms of advertisement, promotions, and in terms of resources (Keller 2003). Instead, an already acquired customer has a continuous predisposition towards what the company offers and he/she is always ready to spend. For this reason, at the beginning we stated that the consumer represents the company’s “barometer”, since its stability is based on his choices.

The “barometers” of the group, often a restricted one, are willing to spend, but it is essential to give them the chance to do it in an intelligent way, by modifying and customizing proposals, by continuous fidelisation, and by keeping their absolute satisfaction as the main target.

The most important aspect of relationship marketing is knowledge as the key factor, an active knowledge that evolves in time in parallel with the company’s and the customer’s own history (Heiens 2000).

Once more, the company puts the person as the focus of its ventures, and precisely by respecting his/her background it does nothing but exploiting again in an increasingly active
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way a marketing strategy which is essential to lead the consumer to a progressive fidelisation to the brand. Indeed, by doing so, the customer tends to approach to the company’s work with naturalness, transparency and spontaneity, for example though visits to the company’s factories where there are millions of employees who, with their daily work, devote their time to produce a quality product, trying to fully satisfy their needs (Twede, Clarke, Tait 2000). By now a lot of companies do not underrate this customer relationship strategy, but try to improve their direct marketing channels, which today have evolved precisely towards what is defined as interactive marketing, web marketing, social media marketing and even mobile marketing (Pilati 2004).

Below are listed some of the instruments that are employed for some winning communication strategies and in order to value and strengthen the consumer’s faithfulness.

1. The presence of an ever-active telephone line through which the consumer can address himself/herself to an operator for any information, keeping the bilateral communication between customer and company steady.
2. The e-mail writing service, in order to quickly contact the company through a simple e-mail@.
3. The chat line service, through which the customer, by signing in on the company’s web site, can join chat rooms, where he/she manages to exchange information with other consumers, faithful to the same brand and even with some of the company’s employees.
4. The digital marketing management, with brand-new projects of mobile marketing, such as apps to be downloaded on an iphone or similar. The app certainly succeeds in creating engagement with a customer, and in fact, it provides him/her with simple and useful advice on how to use the product or the service purchased, even through the support of videos which make a surplus of information and suggestions on the product’s use available for the customer. Therefore, it is fundamental to apply relationship marketing across scales in order to be successful (Lanfranchi, Giannetto, Puglisi 2014).

4. Customer Relationship Management

It is necessary to highlight the role of Customer Relationship Management, better known with the acronym “CRM”, which literary means management of the relationships with customers, and puts at the centre of the business the customer and not the product as a business strategy (Siguaw, Simpson, Baker 1998).

It refers to the company’s overall vision. It is an approach closely related to the company’s strategy, communication, people and culture, which puts the customer at the centre of its attention in business-to-business, business-to-consumer and government-to-citizen situations (Hamel, Prahalad 1991).
CRM can be divided into three macro-areas: the operative, the analytic and the cooperative one, while the technological architecture reflects the substrate that makes its application possible (Schmitt 1999).

Operative CRM is formed by those CRM applications addressed to the customer which support some activities such as:

– back office for orders management,
– of a supply chain and of transactions with the company’s computer system,
– front office activities for sales-force and business marketing automation,
– mobile office activities to support the agents’ activities and for other support services.

Analytic CRM refers to the data collection and analysis phase, that lets the knowledge supporting the management’s decisions be organized.

Cooperative CRM enables to establish personalised relationship with the customer through the several available channels. It is composed by all those communication tools which the customer may interact with, for example, e-mails, phone calls, faxes, web pages (Palmer, Ponsonby 2002).

5. Final Results Obtained: the case of Danone

This is the point where it seems right for us to quote in our work the names of some companies which have achieved leadership and great success in their market area.

The Danone Group is a French transnational company that can boast of a global presence in 120 countries with 184 production factories and about 101,000 employees. Danone covers leadership positions in even 4 businesses in the health nutrition sector: fresh milk products (n’1 in the world), bottled water (n’2 in the world), infantile nutrition (n’2 in the world), and clinical nutrition (n’1 in Europe). The Group’s mission is that of bringing health through nutrition to as many people as possible, thus contributing to an individuals’ growth and to improve their lifestyles. The values that characterize Danone and represent the fundamentals of the company’s culture and environment are: centrality of the person, continuous innovation and openness to diversity (Narver, Slater 1990).

The Group has been operating in Italy since 1966, with more than 320 employees and with a revenue of nearly 310 million Euros revenue in 2013. Among the several brands which belong to the Group it is worth remembering some: Actimel, Danacol, Danette, Vitasnella, etc. The company offers Italian consumers a wide range of food products, enriched with natural ingredients, which have, apart from the yogurt’s normal benefits, a positive effect on adults’ and children’s health and wellness. “Eating healthily is the first step to love oneself”, this is the company mission statement.

Danone’s commitment for health and nutrition is the heart of the Group’s activity. The governance is based on three fundamental pivots: first of all, the science and research behind the products, self-discipline and organization, as well as a continuous dialogue. These three principles are the values on which Danone’s philosophy and strategic orientation have
long since been consolidated. “Bringing health through nutrition to as many people as possible” is a path that, according to Danone, starts always and everywhere by complying with local habits and nutritional needs.

The first pivot of governance is health, and, in fact, the company which supports the industries self-discipline code has joined the main agro-food groups in mutual commitment for a transparent nutritional information to be featured on the packets’ labels, in order to let consumers make conscious choices regarding the products that they purchase and consume.

To Danone, a health-based governance also means to establish close relationships with governmental authorities, scientific communities and consumer associations and with all customers. During last few years the Group has been trying to focus its (bringing health) mission, through nutrition to as many people as possible, turning it into a real social commitment: that of guiding people from birth to old age by offering them some products suited to the needs of each period of their life.

One could therefore ask oneself, how has Danone succeeded in building up such a strong market and in expanding it over the years? Certainly the secret is the continuous study of the potential consumers’ unexpressed and unsatisfied needs, then to shape a yogurt-based product that could satisfy the market demand. Another key word used by the Group is Research and Development. Indeed, the company has invested a lot on scientific research and it still keeps on doing it now, in order to create a product through the combination of the favourable effects for health and taste. All of this has started with research launched and fostered by one of the first founders, which is focused on a bacterium, Bifidus Animalis DN-173010, belonging to the pro-biotic category that is formed by living bacteria, which, if ingested, have remarkable beneficial properties for the human organism, especially as regards the digestive process. For this reason, the company has managed to turn the bacterium into money, thanks to the exhaustive studies and research that have let “Bifidus Regularis” be classified as a friend of the intestine. Actually, at the beginning there were many doubts, but the data and earnings that the introduction of these products have brought to the company, have highlighted how this choice has been a very “happy” one, since it has strengthened this famous brand’s position, especially thanks to a perfect market strategy.

Today the Danone Group serves consumers from about 120 different countries, and consequently its demand derives from a target of consumers who have completely different cultural, social and geographical roots. Danone has opted for a delocalization on a world market, and its wide knowledge of local markets, which are linked through a world business with a local presence, has been fundamental to its success. The company decides to actuate a high diversification of the competing markets, at the same time developing widespread targeting. The high diversification of the produced target and budget and the experimentation on geographically different markets have favoured the Group’s success over the long term. Everywhere it operates, its priority is to create a specific brand which should be recognizable within Danone’s family, and which should succeed in satisfying the needs of that country’s consumers. Danone has managed to consolidate over the years a brand in many of
world countries in which it operates, having that brand perceived as a “home brand”, a “local” brand, one that consumers can trust and rely on.

Becoming a local company though at world level has been a priority of the Group, which have managed to apply a world business to a local identity, and thus the question arises: How?

Indeed, when producing locally, it is essential to be strongly present in a country, with productive structures and a local staff, thus having a real idea of the market in which one operates, fully understanding the consumers’ needs and fidelising them to the products through direct contact with sales personnel, ready to listen to the consumers’ needs in the retail stores.

Taking a look at the product policy carried out by this Group, it is clear that the strategy is that of a multi-brand, or rather, the so-called sub-brand one. In particular, as regards Danone Italia, it has developed specific product lines that present peculiar qualitative features for certain market segments, though every product still belongs to the fresh and yogurt-based macro-sector. Furthermore, every single product line, despite referring to a target of different consumers, shares the Group’s inspiring basic principle, which is the meeting point “health care and taste in nutrition”. The leadership culture, which has been deployed within the whole Group since 2000, is another key factor in what we call Danone’s philosophy. The “leadership for everyone” initiative, combined with the promotion of personal development, stimulates initiatives and strengthens the involvement of those men and women who work for the company. In fact, the motto is “people above all” and every staff member contributes to improving Danone’s performance by collectively participating in the company through team work. This concept is based on the belief that a business’ success is not possible unless it devotes the right attention to people and to the working environment. In other words, Danone focuses its competitive advantage on the strength of its relationships, which it fosters day by day with its stakeholders, thus applying relationship marketing across the board.

6. Final Results Obtained: the case of Grom, an example of a winning marketing strategy

Grom is a company that was set up in 2003 in Turin from an idea of oenologist Guido Martinetti and financial analyst Federico Grom (by whom the company’s name was taken). Their aim was to produce home-made ice cream by using only natural ingredients. Grom opened its first ice cream parlour in the centre of Turin in May 2003 with an investment by the partners of about 120,000 Euros (in which half was non-repayable). It was an immediate success and for this reason, in January 2005 the partners doubled their initial investment. The ice cream mixtures are supervised by a team of experts and then delivered three times a week, after a rigorous examination of temperature. Today, the Grom Company is present in Italy’s main cities and it has a total of on 58 retail outlets. In 2007 it opened its first outlet abroad, in New York and eventually in Paris, Tokyo, Osaka and Malibú. In 2012 the
company’s workforce increased to 520, and the company’s total revenue was about 30 million Euros. Grom’s success has led to the realization of one of their ambitions: that of buying a 15 hectare field in Costigliole d’Asti and of founding the Mura Mura agricultural business, where old peach, apricot, pears, and fig orchards, together with strawberries and melon are planted, and the goal is always to obtain the best possible fruit, by organic farming, and by respecting nature and the environment.

In order to highlight once again its sensitiveness towards the environment, the company has realized an ecological project called *Grom Loves the World*. In the Italian businesses scenario, Grom is an example of industrial innovation by several points of view. The idea is that of applying to home-made ice cream production a principle which is common to all of the world’s best restaurants: that of purchasing ingredients of absolute quality. For different reasons, the company has been acknowledged to have an innovative approach in the *marketing oriented* category aimed at customers, since it has been promoting over the years in its firm policies of which are aspects of economic and environmental sustainability. It is not easy to do business in Italy, because it is a complex scenario even though some historical and cultural values can help one to make the right choices.

6.1. *Grom’s marketing mix*

According to what has been mentioned above, it is possible to try to apply the 4 Ps model theorized by Jerome McCarthy to the marketing strategy used by the Turinese company. The product is ice-cream, produced by using exclusively the best ingredients coming from the best Italian agricultural holdings and from the one owned by Mura Maura. The price tends to be higher (€ 2.50 for an ice cream cone/little sundae, € 3.50 for an ice cream cone/medium sundae, € 4.50 for an ice cream cone/big sundae) compared to the so-called industrial ice-cream precisely because the consumer is willing to pay more to receive a quantitatively superior product. Placement, which is the set of activities necessary to direct ice cream to its final consumer, is characterised by the localization of the retailed outlets with the “Grom” brand (but not franchising), which are supplied with the semi-finished product (then packaged and frozen) directly by the Mura Mura agricultural holding. Promotion, meant as the set of activities aimed at promoting, advertising and making the market aware of its own ice cream finds its own online space on the company’s website and on the main social networks (Facebook and Twitter). The real strong point is nonetheless represented by the value that the two Turinese businessmen have succeeded in building around their own brand, which makes GROM the ice cream that it used to be.
Conclusions

From the so far conducted analysis, it emerges that the consumer, when expecting new possibilities of taste and satisfaction from agro-food products, becomes more pretentious towards the products.

The direction is that of seeing in the consumption of these goods not only a means to satisfy one’s nutritional needs, but also to enrich one’s experiences, feelings and knowledge. The consumer, in his/her demand, always cares about the product’s quality, to the cultivation and production site, to the place of origin, to the animals’ wellness and to the respect of the environment with reference to the on-going productive processes. There is indeed a strong desire of knowing the features and quality of the products.

References


SATYSFAKCJA KLIENTA, JAKO PODSTAWOWA ZASADA SUKCESU FIRMY

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Słowa kluczowe: marketing rolno-spożywczy, zadowolenie klientów, jakość świadczonych usług, przedsiębiorstwa rolno-spożywcze

Citation
