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Grigorescu, Adriana and Bob, Constantin

National School of Political Studies and Public Administration
(NSPSPA), Academy of Economic Studies Bucharest

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MARKETING MIX AND TQM - COMPLEMENTARY PHILOSOPHIES OF COMPANIES SUSTAINABLE DEVELOPMENT

Adriana Grigorescu¹, Constantin A. Bob²

¹ National School of Political Studies and Public Administration, Bucharest, ROMANIA,

E-mail: adrianag@snsipa.ro; adrianag@digicom.ro

² Academy of Economic Studies, Bucharest, ROMANIA, E-mail: constantin.bob@com.ase.ro

Summary: The marketing theory started by questioning if is it science or art and finalized by declaring that "marketing should be the philosophy of the company approach according with the needs of target market". The tool for marketing strategies implementation is marketing mix (MMix) by the 4P or 5P. This mix of components offers the possibility of harmonizing the purposes of companies and customers. A new concept of Total Quality (TQ) has been developed and implemented, firstly by the industrial companies and later on by others (even public administration organizations). This approach is an integrative strategic philosophy and behavior, focused on TQ objectives and the adoption of a new managerial style – Total Quality Management (TQM). In our opinion the MMix and TQM are complementary philosophies to approach companies. The paper is an outcome of a survey regarding the way the top management perceive MMix and TQM and how they are complementary.

Key words: Marketing mix, TQM, philosophy, sustainable development

1. INTRODUCTION

"An economy managed by the invisible hand of the marketplace gave us little control over the quality of urban environment, crime, the inequitable distribution of income, plague and disease, environmental despoliation and pollution by producers and consumers, or even continued economic development itself. The immense social costs of dealing with the by-products of an industrial civilization, and providing the education, highway, and regulatory infrastructure required for its effective operation, were not subject to market forces. Only an extension of explicit management will give control over international forces which have until now been beyond control – such as the world-wide depletion of physical and biological resources, destruction of the biosphere, population growth, exploitation of the Third World, international movements of money, tax evasion and unjustifiable marketing practice by trans-national companies and war." [8] The above mentioned conclusions of John Raven about the future of the society and the remarks that marketing and economic principles, alongside of over industrialization, direct the mankind to self destruction, generates the idea of a new orientation of the economists (including marketing specialists) and technicians (engineers, various specialists) to the philosophy of MMix and TQM as a potential interdisciplinary theory that could offer a sustainable development to the companies/organizations.

A second reason of this paper rises from the theory that the knowledge society, expected to be the next stage of social development, after postindustrial and information society, suggests the need of using knowledge management. According to these the top management should hold a larger amount of information from various fields (technical, economic, social, cultural, politic etc.). In this case the two concepts, MMix - belonging to the economic field and market approach and TQM – belonging, at the beginning, to the technical field extended later on to the industrial company management, could be linked and offer a powerful social related tool for ANYONE that manage a company/organization.

To observe the need of these theories to link, it was worked out a survey on top management knowledge of MMix and TQM philosophies. A number of about 400 subjects from the levels of general, deputy, marketing,

sales/commercial, production, technology managers and chief engineers, were questioned, by mail, with a reply return of 136.

The results of the survey direct us to the conclusion that it is necessary to underline the linkage between the mentioned theories and to create a joint philosophy to be spread on the managerial stuff.

2. SURVEY METHODOLOGY

The targeted managers sample for the replying the questionnaire was of about 400 subjects selected to include three categories of top management from industrial and commercial companies: (1) general and deputy managers, (2) marketing, supply and sales managers, (3) technical, production managers and chief engineers. According to their declaration, the respondents were separated also by their academic background in: (1) economists, (2) engineers, (3) others.

The sample was created from lists of references issued by the team of researchers. This allows a very good rate of reply, due to the personal relation and a better understanding of the aim of the research.

The questionnaire was send by mail, filed in by the subject and sent back. The subject was not asked to mention the name or to sign the form it has only the obligation to mention his academic background, graduation year and age, as personal identification data. It was mentioned that the confidentiality of the answers will be assured by saving the fill in forms in a neutral folder by each researcher that would not provide the e-mail address, subject name, company name or other identification data.

The collected filled in forms were processed to offer to researchers as much information as possible regarding the subjects level of knowledge about MMix and TQM or the potential link between them.

Our initial hypothesis was that the economists are more confident with the theory of MMix and have few or no information about TQM and that the engineers are placed vice versa. Also we presume that more than 50% will be interested in getting information about a joint theory that could be applied at the company level.

The survey methodology and data analysis were made according to the Organizational Demand Analysis [6], Qualitätsmanagement für Nonprofit-Organisationen [2], methods used in marketing research without affecting the objectivity of the research.

3. QUESTIONNAIRE

The questionnaire has five parts (Appendix A):

- MMix theory ($Q_{M1} - Q_{M5}$)
- TQM theory ($Q_{T1} - Q_{T5}$)
- MMix – TQM joint ($Q_{J1} - Q_{J4}$)
- Future knowledge interest ($Q_{F1} - Q_{F3}$)
- Identification data ($Q_{I1} - Q_{I3}$)

As one can see the questions are closed type with the view to avoid future problems at the data processing and to make the filling in easier.

The "M" and the "T" question offer information about the basic level of knowledge referring to the MMix and TQM concepts. It is difficult to make an evaluation of the whole knowledge with a very small number of questions, but the aim of survey is to give only a general image about the basics.

The "J" and "F" questions have the aim to test at first sight the connections of the two theories and the interest of the subjects against new theories and their availability for testing them on their companies.

Data processing was made by attributing 1 point to the right answer and 0 points to the wrong answers for "M" and "T" questions and there were counted the variants chosen for the "J" and "F" questions. The "I" questions were also counted to offer statistical information about the structure of the subjects sample.

4. SURVEY RESULTS

The results of the survey confirm the assumption that the economists are more confident with the theory of MMix. The results show that a percentage between 92 to 73 right answers was registered for $Q_{M1} - Q_{M5}$. They have less information about TQM so the percentage of right answers is about 65 to 41% (table 1).

The engineers knowledge about the MMix according to the right answers is at the same level as the economists about TQM, between 61 to 49 %. The knowledge about TQM theory is better placed between 96 to 72 % as it is shown on Table 2.

Table 1. Economists rate of right answers

	QM1	QM2	QM3	QM4	QM5	QT1	QT2	QT3	QT4	QT5	%
Economists	92	87	83	90	73	63	65	59	52	41	

Table 2. Engineers rate of right answers

	QM1	QM2	QM3	QM4	QM5	QT1	QT2	QT3	QT4	QT5	%
Engineers	61	56	49	54	61	95	96	88	81	72	

An interesting observation could be made based on the results comparison and the total amount of answers. The Table 3 shows that if economists, engineers and others are counted as a whole the level of knowledge is placed between 76% and 60%, except the Q_{T5} that obtain only 51%.

We should mention that Q_{M5} and Q_{T5} could be considered a little bit tricky due to the fact that both theories should be applied all the time as they are different types of philosophies to approach companies. They are not tools that could be used only from time to time. The relatively small rate of right answers obtained for Q_{M5} and Q_{T5} shows, in our opinion, that the knowledge is not deep. This could be a reason of less or bad implementation of the theories.

Table 3. Total rate of right answers

	QM1	QM2	QM3	QM4	QM5	QT1	QT2	QT3	QT4	QT5	%
TOTAL	76	70	63	68	63	74	76	68	60	51	

An entire image about the results of the survey is shown in Figure 1.

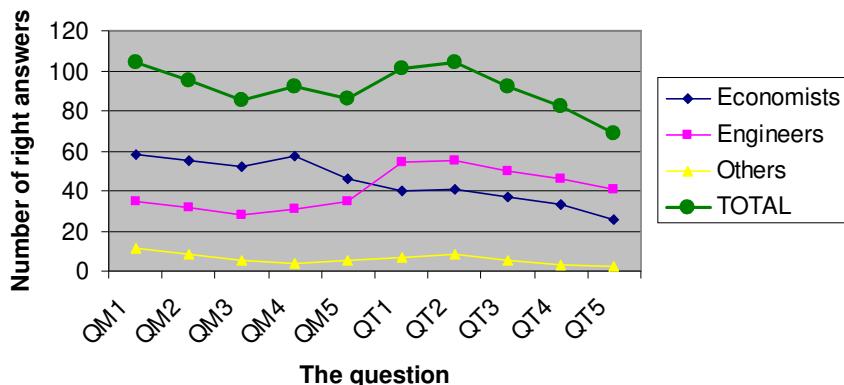


Figure 1: Results of the QM1-QM-5 and QT1-QT-5 answers

On the other hand, the assumption is somehow confirmed by the results, but it should be taken into account that the sample was made by 46% economists, 42% engineers and 12% others. This structure seems to be representative for industrial and trade companies.

If the results are rates of the right answers then, according to Figure 2 the total rate curve is placed between economists and engineers ones. A significant influence is also induced by the “others” that hold 12% in the structure.

The answers to the Q_{J1} - Q_{J5} are shown in Figure 3 to Figure 6. For Q_{J1} one can see that the majority (56%) considers the syntagm “our customer – our master” related only with MMix and 37% to both (the right approach).

The result is better for Q_{J2}, 94 subjects (69%) consider that quality could be the main root of the MMix-TQM philosophy.

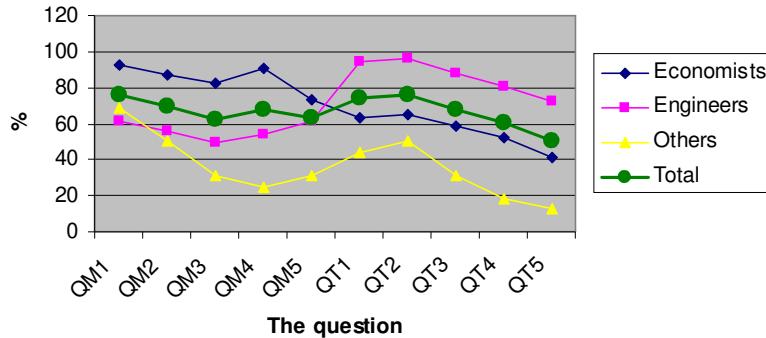


Figure 2: Rate results of the right answers

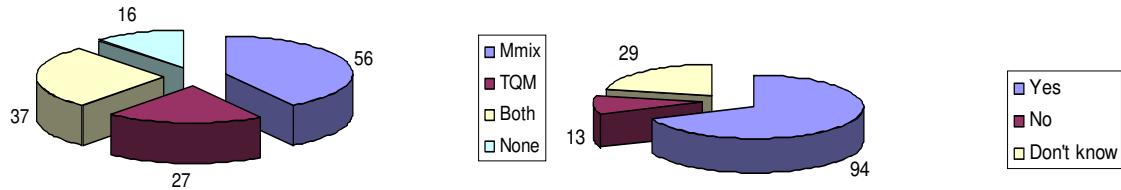


Figure 3: QJ1 – Do you consider that the syntagm "our customer – our master" belongs to

Figure 4: QJ2 – The quality of products / services could be the essential element of the MMIX-TQM joint philosophy

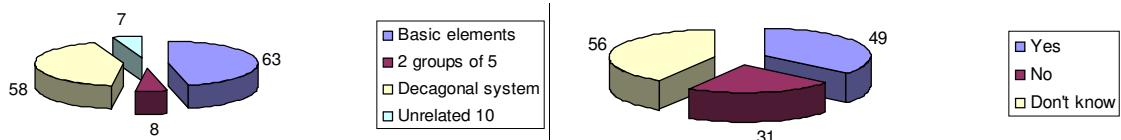


Figure 5: QJ3 – The elements of MMIX combined with TQM could be

Figure 6: QJ4 – Joint philosophy well-known by both could be an alternative for sustainable development in the age of knowledge management?

A great majority of 89% ($121=63+58$) was obtained those considering that the 10 elements mentioned could be the basic structure for the joint theory and about half of them consider that these elements could be structured as a decagonal system.

The Q_F questions highlight the interest of the subject for a new theory, so:

- 46% consider that the academics are able to improve the managerial theory according with the practice requirements and offer better tools for companies sustainable development and 43% are undecided;
- 63% are interested to have more information about the MMix and TQM or other managerial concepts that could be implemented in their current activity;
- 35% are interested in pilot implementation of a new theory and 39% are undecided.

As a conclusion of the survey, we can appreciate that the working hypothesis was close to the Romanian companies realities and there is a potential gap that could be filled by a new trend – MMix & TQM joint philosophy.

5. CONCLUSIONS (MMIX –TQM JOINT PHILOSOPHY)

The first the conclusion is that a joint MMix-TQM philosophy could be a potential future approach of companies for a sustainable development in the age of knowledge management. This is the reason that determines us to show up instead of conclusions some aspects of the future theory.

The joint philosophy could use the elements of both theories and create a common body of knowledge that could be better applied to approach a company for a sustainable development.

As we proposed by Q_{J2}, the “QUALITY” could be the core of the joint theory. A proof for this is that the quality is taken into account in each of 5P used by MMix.

The MMix has a 5P structure: product, price, placement/distribution, promotion, personnel. Even if at the beginning MMix was formed by the first 4P, later the 5th was added one for services that are considered more dependent on the personnel than the goods supply. Now, all the 5P are important for goods or services at the same extent.

The *product* is responsible for the offered quality. It is important to know the quality level in order to focus on a specific market segment. High, as well as, low quality could represent a competitive advantage, but it should be clearly defined.

Price is related with the quality by the price-performance rate. The customer is not buying the product itself, he is buying the service offered by the product or the satisfaction that he could earn.

If we are going back to the marketing definition, “Marketing is getting the right goods and services to the right people, at the right place, at the right time, at the right price, with the right communication and process” (Philip Kotler), it is easy to see that putting the product at the right *place* is a compulsory condition of being successful. The quality of the product will be related to the easiness of getting it.

Promotion is determined by the quality. There are opinions that the advertising is more aggressive for the low quality products than for the high quality one that are sold by themselves. At the same time, all the companies that are known as brands almost producers should promote themselves just to keep the high standard of exigencies.

The *personnel* quality is, in our opinion, one of the most important aspects of the business. You can sell all most everything if you have good salesmen. Or you can jeopardize your efforts if the relation between the stuff and the customer suffers due to the lack of knowledge or communication.

The *quality* is present, also, in all elements that are contributing to the TQM theory. So, the quality of products or services should be strictly defined by national/international standards, or if it is non standard product the company will not be able to use the theory and to apply for certification.

The *process* used by the company has to observe the environment protection, working condition, productivity and all other requirements that should be followed. The entire process is the subject of the analysis to select the best solution for the company, employees and environment.

Standardization is used for all managerial functions of the company. It comes out the remark that this is a form of putting on a level all the producers. The reality is that by standardization is settled only a system of elements that have to reach a certain level of expectations.

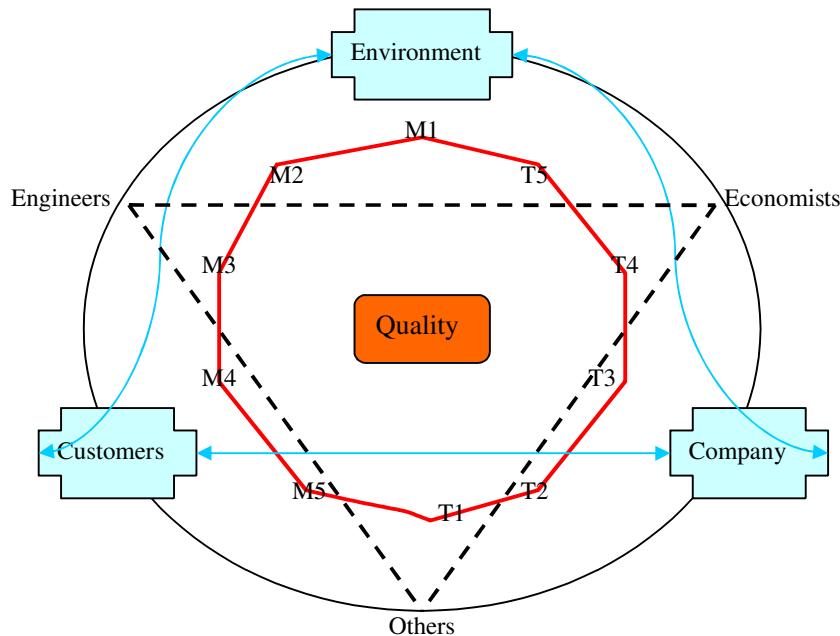


Figure 7: The skeleton of the joint MMix – TQM philosophy

The most important element that gives values to the TQM theory, in our opinion, is that the company is asked to work out *procedures*. These will allow the personnel to save time and use it better following the rules. This means that they are able to use better their time for the benefit of the company.

The TQM theory, as a modern management technique, asks for *involvement* of the employees in the company strategy design. Various forms are used to stimulate the initiative of generating solutions to the company problems, proposals for quality improvement of the economic rates.

These 10 elements (5 of MMix and 5 of TQM) could create a decagonal system that offers better results by using the company resources in accordance with the market requirements. The economists, engineers and others will be acquainted with the theory that will create the opportunity for a better understanding of the market mechanisms, company behavior, environment protection and social determination, when they reach a managerial position with.

We are sure that these ideas briefly shown as potential skeleton (Figure 7) of the joint philosophy could be a start for the analysis and working out of the proposed subject.

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Appendix A: QUESTIONNAIRE

Aim: *Evaluation of top management knowledge regarding MMix and TQM and the opportunity of a joint philosophy to be applied in industrial companies and other organizations.*

Note: *Your honest answers will be appreciated and will help us to improve the management and marketing theory with useful concepts and tools. Thank you for your kindness to use your time on filling in this form.*

Q_{M1} – The MMix represents the combination of:

- a) 4P (product, price, placement, publicity);
- b) 5P (product, price, placement, publicity, personnel);
- c) product, personnel, technology, management;
- d) types of products produced by the company;
- e) unknown concept.

Q_{M2} – MMix has the role of:

- a) combining the marketing tools used by the marketing specialists;
- b) determine a better resources management;
- c) best market approach according to the company resources and market demand;
- d) increasing the turn over of the company;
- e) none.

Q_{M3} – MMix structure is elaborated:

- a) according to some general patterns existing already;
- b) generally for a type of company;
- c) particularly for a company or time or market;
- d) particularly for a company, at a certain time, for a certain market segment approach.

Q_{M4} – The MMix elaboration is an attribute of:

- a) marketing managers;
- b) general/deputy managers;
- c) top management lead by marketing managers/specialists;
- d) marketing managers/specialists together with other sectors managers (production, financial, human resources, commercial/sales etc.);
- e) any one interested in.

Q_{M5} – In the company you are in a top management position is MMix concept used the as a tool of marketing strategy or as a company philosophy for the market approach?

- a) Yes – always
- b) Yes – some times
- c) No

Q_{T1} – The concept of TQM is referring to:

- a) the evaluation of products/services quality;
- b) a managerial style based on the quality;
- c) international standardization;
- d) a procedure of company certification/evaluation;
- e) unknown concept.

Q_{T2} – In order to use TQM concept a company should focus on:

- a) best quality of the products;
- b) best personnel and management;
- c) procedure elaboration and implementation according to the international standardisation requirements (ISO-9000);
- d) technologies used for industrial production and quality of raw materials;
- e) none.

Q_{T3} – The procedure of TQM used by a company is worked out by:

- a) pre-existing general patterns of international standardization;
- b) particularly for a company;
- c) particularly for a company according to international standardization that settle the limits of the parameters ;
- d) particularly according to the company performances.

Q_{T4} – The ISO-9000 certification of the company that confirms the TQM implementation is the attribute of:

- a) general/deputy managers;
- b) top management lead by general manager;
- c) product managers or chief engineer;
- d) human resources manager;
- e) any one interested in.

Q_{T5} – In the company you are in a top management position is TQM concept used the as a managerial philosophy of company development?

- a) Yes – all the time
- b) Yes – some times
- c) No

Q_{J1} – Do you consider that the syntagm “Our customer – Our master” that means to “meet the customer requirements” belongs to the:

- a) MMix;
- b) TQM;
- c) Both;
- d) None.

Q_{J2} – The quality of products/services could be the essential element of the MMix-TQM joint philosophy:

- a) Yes;
- b) No;
- c) Don't know.

Q_{J3} – The elements of MMix (product, price, placement, publicity, personnel) combined with TQM (quality, process, standardization, procedure, involvement) could be:

- a) ten basic elements for the joint philosophy;
- b) unrelated two groups of 5 elements belonging to the mentioned concepts;
- c) a system with a decagon form made by the ten basic elements of the joint philosophy;
- d) unrelated ten elements.

Q_{J4} – Considering that the MMix belongs to the economists and the TQM to the engineers, a joint philosophy well-known by both could be an alternative for sustainable development in the age of knowledge management?

- a) Yes;
- b) No;
- c) Don't know.

Q_{F1} – Do you consider that the academics are able to improve the managerial theories according to the practice requirements and offer better tools for sustainable development of companies?

- a) Yes;
- b) No;
- c) Undecided.

Q_{F2} – Are you interested to have more information about the MMix and TQM or other managerial concepts that could be implemented in your current activity?

- a) Yes;
- b) No;
- c) Undecided.

Q_{F3} – If a new MMix –TQM joint philosophy will be carried out, will you be interested in pilot implementation?

- a) Yes;
- b) No;
- c) Undecided.

Q_{H1} – Managerial position

- a) general/deputy manager;
- b) marketing/commercial/sales manager;
- c) chief engineer or production/process/technical manager;
- d) other managerial position.

Q_{I2} – Academic background

- a) economic/management;
- b) engineering/technical;
- c) other.

Q_{I3} – University graduation year