

CORRELATION DEPENDENCE BETWEEN CONSUMER NEEDS SATISFACTION AND PROFIT MAKING IN AGRIBUSINESS

Elenica Sofijanov*, **Risto Fotov****, **Petar Kletnikoski***

**„Goce Delcev” University, Faculty of Agriculture,
„Goce Delchev” No: 89, 2000 Stip, R.epublic of Macedonia
elenica.sofijanov@ugd.edu.mk, petar.kletnikoski@ugd.edu.mk*

*** „Goce Delcev” University, Faculty of Economics,
„Krste Misirkov” b.b, 2000 Stip, P.O. box 201, R.epublic of Macedonia,
risto.fotov@ugd.edu.mk*

ABSTRACT

In this transition period, marketing management is diversifying its role – from analyzing the methods for cost reduction and improvement the physical efficiency of product movement from producers to consumers - towards new approach, understanding consumer needs as a basis for product improvement which will meet those needs. Data were collected from the research conducted in the period 2010-2011 in 10 companies from small agro-business and 7 vineries. There is an emotional connection with the one's own organization, managers and the other employees, they expense to make it more successful (71,42%), they are loyal to the company and ready to accept any work assignment (53,06%) only to work in their own organization. This is a fact which implies for high connection with the organization, not only the owner, but also the other employees too, because there is a similarity between personal, individual values of the employers and the values of the organization.

Key words: marketing management, satisfaction of consumer needs, making a profit, marketing approach

INTRODUCTION

In this transition period, in trade environment, marketing management is diversifying its role – from analyzing the methods for cost reduction and improvement the physical efficiency of product movement from producers to consumers - towards new approach, understanding consumer needs as a basis for product improvement which will meet those needs. The success comes more from satisfaction of consumer needs than producing superior product. The product is just a tool for achieving this satisfaction, hence, the consumers are not buying only the product, but they are buying the satisfaction that the product gives to them. Meeting consumer needs is enabling the company to make a profit. In order for that to be successfully and profitably accomplished, a coordinate effort is needed from all company's employees, despite their specialized work assignments.

MATERIAL AND METHODS OF WORK

The following research methods or technique for data collecting are used:

- Method of comparative analysis,
- Method of evaluation and judging,
- Method of continuing following.
- An interview with the general, top managers

Research analysis which was used in this research represents total of the components which characterize the subject of researching, and it is consisted of questionnaires, measure instruments, techniques and time frame of the research.

Data were collected from the research conducted in the period 2010-2011 in 10 companies from small agro-business and 7 vineries.

RESULTS AND DISCUSSION

As the time passes, the changes are leading to more skilful producers that are paying attention to their products from one simple reason – consumers are recognizing the product quality and attribute improvements. In such a way the company achieves a competitive advantage on the market, producing high-quality products and their improvement from time to time (Tab. 1).

Table 1 Correlation dependence between consumer needs satisfaction and profit making

Vinery	Years of existence	Types of wine sorts at the beginning	Types of wine sorts now	% of increase
A	13	5	23	360
B	2	5	5	0
C	3	3	5	67
D	10	9	9	0
E	9	6	10	67
F	7	6	24	300
G	11	7	25	257

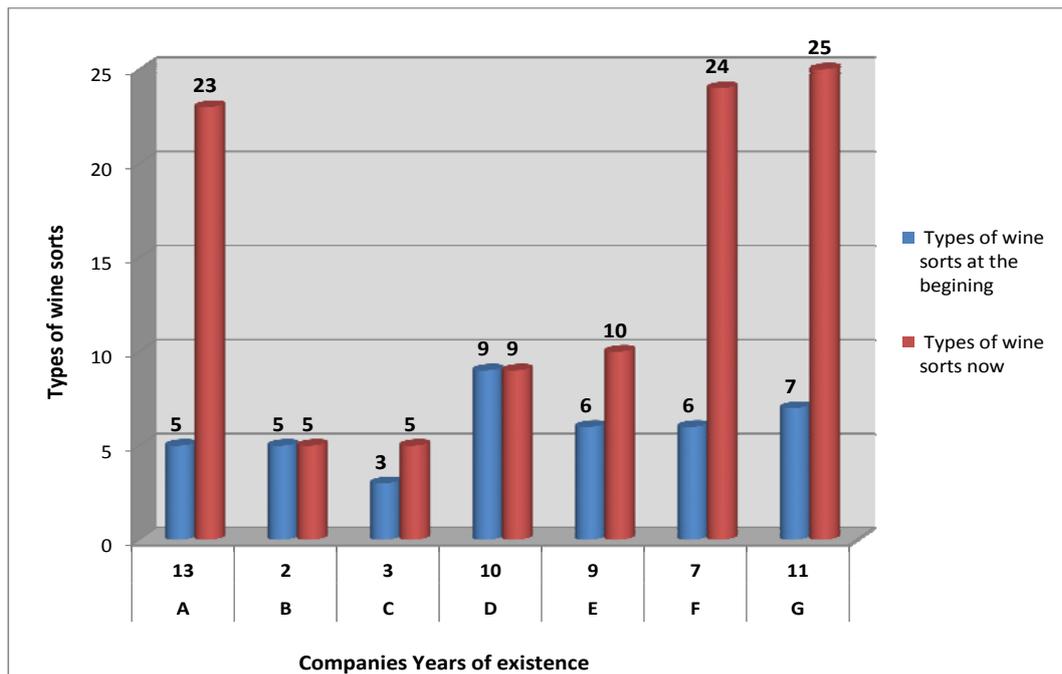


Figure 1 Correlation dependence between consumer needs satisfaction and profit making

The quality improvement leads (through selling) towards consumer needs satisfaction. The idea for the importance of consumer needs is developing and then the product that would meet those needs is improving. Hereby, the efficiency of company’s economic system is growing because the possibility for consumers to like the one that is already produced, is growing. The profit margin

level can indicate how much one product satisfies consumer needs. This marketing approach is important for the company’s survival and success and the management implements it through coordinate effort by all company’s employees. For this reason, the so called marketing mix between product, price, place and promotion – 4 P’s is task implemented in all work assignments despite the workplace.

Hereof, the values of the company are building and expounding further on, which are base for the business plan.

How the company will behave – business planning

The business planning process begins by management deciding what behavior will be created to deal with employees, investors, consumers, from which depends the efficiency and quality.

If superiority in efficiency, quality, innovation and responsibility is developing towards consumer, than a sustainable competitive advantage exists that will last in continuity.

Data from the research conducted in the period 2010-2011 in 10 companies from small agro-business (Fig. 2), shows that:

1. There is a satisfaction in organizational behavior by working, a long term profit is achieving, that enable development ability for supplying different products on the market

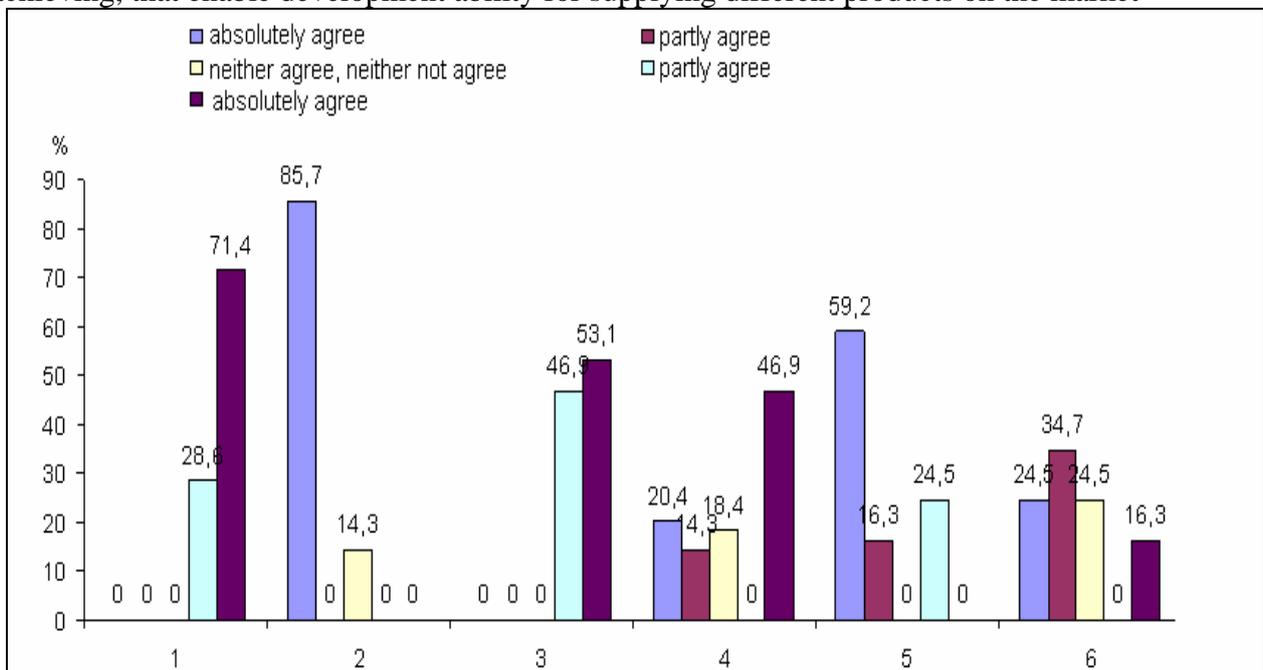


Figure 2 Data for organizational behavior

- 1 I am giving the maximum from myself in order to help to the company
- 2 My feeling of loyalty to my organization is “low”
- 3 My values and organization’s values are similar
- 4 I would not mind if I work in other organization if the type of working is same
- 5 “I do not have” a lot of benefit from the organization, so I do not have to bind myself lifelong to this organization
- 6 It is often happening to me not to agree with company’s politics

There is an emotional connection with the one’s own organization, managers and the other employees, they expense to make it more successful (71,42%), they are loyal to the company and ready to accept any work assignment (53,06%) only to work in their own organization. This is a fact which implies for high connection with the organization, not only the owner, but also the other employees too, because there is a similarity between personal, individual values of the employers and the values of the organization.

2. There is a utility maximization that enables market potential to target markets, every organization has its own target market which is achieving gradually and for which is supplying different products through innovations that are satisfying consumer needs.

It is concluded that the combination of consumer wish for maximal use – utility, with the restriction of available resources for their satisfaction, is that that creates competition on the market.

SUMMARY

Profitable satisfaction of demand is a driving force that allocates the rare resources in the private organizations. The most effective producers are those which fully and the best satisfy the consumers demand, and they do that by a lowest price. The changes of demand are reflecting in a price change of products. This leads to change in a demand for rare resources. The result of this is a fully satisfying the consumers demand, the production is much effective and this lead to well being of the society.

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