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Benchmarking - Fashionable Term Concerning Traditional Processes

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Abstract *Marketing is a major factor to boost the competitiveness of the firm in an environment which is more and more turbulent. It centers the company's management as being the ideal satisfaction of the current and potential consumer. This is why, in our conception, the marketing's management represents a subsystem of the company's' general management by which shall be administered to specific activities, and also designed to contour the company's' activity object. In this article, the intent is to highlight the fact that the benchmarking has come loose from cultivating the traditional process to the innovative organizational culture product. In this paper, the authors consider benchmarking as a process of qualitative organizational culture adaptation to market requirements, depending on the context, so as to ensure the improvement of the economic criteria of appreciation of the business lucrative activities. Based on direct observations concerning small firms, followed by analysis, comparison and synthesis, the authors suggest taking into consideration the theoretical and practical benchmarkings' approach, as being the current strategy of acquiring and cultivating excellence, as initiation philosophy and business development.*

Key words Management, marketing, benchmarking, demand, offer, needs, wishes, firm

JEL Codes: D40, D46, M14, M16, M31, M37

1. Introduction

Marketing, as both specialization and profession, has occurred somewhere at the beginning of the 20th century, as a catalyst for the transfer of goods and services from the producer towards the end consumer, involving low-costs. Some have seen in the art of marketing to motivate vendors to be more successful in the sales process. They may have had temporary success, but on long term, they were eliminated from the market. In this field, only those who adapted continuously have been successful concerning the business requirements of increasingly sophisticated purchasers. As a discipline of study, marketing had continuously revised premises, concepts, methodologies, and arguments. As a profession, those who have become experts in this field, must know when to opt for a large market and when to do it for a segment of it, when to launch new assortments or just want to expand the range of existing, when foster and when to stop distributing a product, when to protect the

internal market and to penetrate foreign markets aggressively, and also, when to diversify supply and advantages, when to cut the price, especially when specific tools to make management instruments a decision-making-giving options. Therefore, it has been considered that major change perception arose when marketing business aim has gone from managing transactions to managing customers (Kotler, 1997). More recently, marketing has been enriched with the term benchmarking, designating the managerial process of cultivating the relations between the producer and the buyer. Benchmarking is a new fashion marketing, which has not found any appropriate approaches in basic works of Philip Kotler *Marketing Management*, respectively, *The Principles of Marketing*, even in specialized dictionaries, in our specialized literature from the beginning of this century. Therefore, in this article the authors want to tackle the benchmarking as a constant marketing, but have become a special concern to business people, as awareness of the fact that, customer loyalty means to guarantee market success. Also clients are not converted into loyal ones, only when they are enjoying the pleasure of excellence. Next, the paper tracks sequences from marketing history, wanting to capture the content of benchmarking, even if the process was not conceptualized.

2. Literature review

Marketing has become a modern religion of convenience of the relationship between commercial producers and consumers, and those that have described the fundamentals, have entered the public consciousness as a true priests of this new religions. That's why marketing is a state of mind arising from the contribution brought to the theoretical and practical plan of different schools of thought.

From the time Adam Smith advocated the primacy of consumption as the sole purpose and only purpose of production, because "each of us experiences through exchange-or becomes, in some measure, a merchant-and the company gets, as well, a society of trade"(Smith, 2011), the marketing can be accepted as „A thought school focused on commodities“ (Kermally, 2009), in which the companies efforts concentrates on services and products continuously improvement, while in general, the demand is much higher than the offer.

Since the productive labour force has increased, along with almost uncontrollable social division of labour and the offer diversification momentum, concerning the trade, it is tried a repositioning of marketing in relation to the sale, by imposing the following forms, such, "Selling focuses on the sellers' needs, while marketing focuses on the buyers' needs. The sale is occupied with the seller's needs, to convert the product into cash; marketing is concerned with the idea of meeting consumer needs through product and the entire network of issues regarding the

creation, delivery and, ultimately, its consumption" (Levitt, 1983). Without trying to create disputes between sellers and new professions dedicated to marketing, Levitt championed so that firms become aware of the fact that any business should have as its starting point, the creation of value for customers, competitive coverage needs satisfaction that buyer emanates. About consequence, marketing has become the philosophy that shows, organizations should take into account market conditions, so they can adapt them and insist on forcing the customer to purchase the product using the tyranny of winning and retaining customers by satisfying their competitive being permanent care management company (Levitt, 1960).

Through the work of Michael Porter, marketing is the thinking that links the product into value chain success integration, managed by the producer and the buyer interests. For Porter, the value chain contains activities that the organization is totaling undertaking to produce goods and services in terms of competitiveness. This involves the organization infrastructure, technology, internal and external logistics, businesses aiming to optimize each element. Value chains make it possible to analyze the justification of the purchase decision by taking into account the addition of value to the customer level (Porter, 1985).

To Kotler and Armstrong, marketing is a management and social process by which individuals and groups obtain what they need and want through creating and exchanging products and value with others, process that it is based on the following concepts: marketing needs, desires and requirements; marketing-offers products, services and experiences; value and satisfaction; exchanges; transactions and dealings. Agreeing with the value chain of Michael Porter, Kotler suggests that the marketing's firm should be oriented towards the consumer, which means that the company should look marketing activities as support of consumer lawsuits, not as the departmental organizational structure. This means that, for marketing to become the promoter of value, the only way you win is achieving consumers' loyalty in the long run, which appreciates the continuous improvement of the value received from the very first offer (contents of benchmarking). The market-oriented company direction, centered on continuous value added is found only if marketing management has always thoroughly reasoned answers to questions like: Which is the activity's objective? Who is the customer? What kind of value it wants? What should be the activity's object by reference to the costumers' desired value? Therefore, marketing becomes the art of attracting and keeping profitable customers through competitive advantage (Kotler and Armstrong, 2004).

While many of today's products and services are similar, there are very few people who consider that marketing is the solution that makes the sale to be mediated by special effects of attracting and convincing. However, the essence of truth takes the product essence, essence which becomes a source of inspiration for marketers.

Competitive advantages can be achieved through the provision of something more valuable, a greater workload, an investment in the buyer's credibility. The process of measuring the competitive advantage may be deemed to be based on the following five criteria: clarity, uniqueness, desirability, credibility and motivation. When the competitive advantage of a product or service is constructing, the essence of benchmarking it is necessary to respond realistically to the following questions: The target market will perceive it as an advantage? Is different than what the competition offers? Clients will benefit from this competitive advantage? Consumers will believe it? The competitive advantage is a purchase? If the answers to these questions are unconvincing, it is a good idea that marketing moves towards other deals, offers that are positioned above the competition (Lewinson, 1996).

Peter Drucker reminds managers in any industry that the most important issue for a business that has as a result of the confusion, is to make the difference between effectiveness and efficiency, in other words, between doing what is right and doing things well. The result of this confusion: making useless things, in terms of efficiency, things that should not be done at all. This should be checked immediately on the market. It begins to be misused, copied from similar products, with the disputed quality parameters which are to be refused even where they are provided free of charge. *In such circumstances, marketing's management is put in a situation to take unpopular measures even to steer resources only to products that are sought after by buyers, because the results are directly proportional to satisfied clients* (Drucker, 1998). *And satisfied clients are found outside the organization. In Drucker's vision, the only business results are produced by a customer which converts the costs and efforts in revenue and profits due to its availability to change one's own purchasing power with business products or services. The one who takes the buying decision is outside the company, and he can be made buying, only if the product or service proposes maximum benefits to him* (Drucker, 2006).

For Peters and Waterman, the failure of a business concerns all those who consider the client "being an ignorant or a cursed nuisance " and the success of all those linking the company to the customer. The clients are entering into each enterprise department, sales, manufacturing processes, research, accounting, and so on, which makes excellent firms to explain its success in direct relation to customer proximity. Customer orientation is, by definition, a way to find a particular niche through which it cultivates excellence, through which an organization demonstrates that it is better than others. And to be better than the others is now the essence of the benchmarking process (Peters and Waterman, 2010).

Stage of knowledge capture points of theoretical and practical courses which do not define the term, but systematized benchmarking addressing with conviction-

standing elements of this specifically modern and contemporary management process.

3. Methodology of research

The research methodology was based on consulting the literature, both nationally and internationally.

Research methodology endorsed, in particular, efforts of observation, case studies, discussions with business people, comparisons, analyses and syntheses, particularly from companies that are considered very small.

These concerns focused on two study directions, theoretical impact: semantic correlation between marketing and marketing's' management and benchmarking, as an innovative marketing process.

4. Marketing and marketings' management

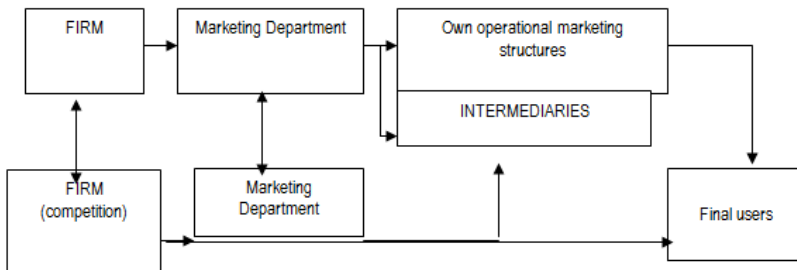
Marketing has established itself as a modern process of adapting the business to the markets' requirements, in the context of increasing competitiveness. For Philip Kotler and Gary Armstrong, marketing's management is „...the art and science of choosing market - targets and to build profitable relationships with them, which involves obtaining, preservation and development of the customers by creating, provision and submission of a higher values for the customer. Therefore, marketing management involves the demand-side management, which in turn requires managing their relationships with customers” (Kotler and Armstrond, 2005).

This definition shows that the marketing's' management of a company does not have as main object the serving of some clients to follow or potential ones, with everything they need, but serve those customers on which the selling compartment (marketers) can serve well in profitable way for their company. As such, marketing management has as a starting point for the identification of the application to which they propose appropriate products, in conditions of competitiveness for their own company. The marketing's management may be established, at a given moment, that there is no demand, that there is an appropriate application, that there was an irregular application, that there is a too high demand, it being involved in this reality by finding, increasing the reduction or changing the application.

In our conception, the marketing's management as a part of the general management of the company, which provides, organize, entails, controls and adjusts the specific activities for the achievement of the object of activity of the company under competitive conditions and profit, as it can be seen in Figure 1.

The marketing's management is expressing the specific knowledge about the processes and the relations of the leadership of the marketing assembly, materialized in management techniques and methods and the use of which ensures

optimum human potential use, material and financial use and the achievement of the objectives of the company performance (organization).



Source: Made by authors

Figure 1: Marketing's system principle's elements

As it can be seen in the figure above, the firm, throw its own functional marketing structure, is ready to serve in a market competition, where final users can be found. The Company, firm or organization shall send products and messages about these, either directly by the structures of their own operational marketing or indirectly by the system the intermediaries in the same way as they do and competition, all the actors in the system being influenced by the same conditions of economic fluctuations, financial, demographic, physical, technological, political-legislative and socio-cultural environment.

If it is considered that each part adds value to the one in the next level, the company's success does not depend only on their own marketing actions, but also the way in which the entire firm system manages to serve the needs of their final consumers. In the business management, marketing could orient the organizational activity in one of the following concepts: design oriented toward production; the design oriented toward the product; the design oriented toward the sale; design oriented toward the marketing and design oriented toward the mined marketing (Kotler and Armstrong, 2005).

In the framework of the design oriented toward production, it starts from a finding that the end users like products, they are accessible from the point of view of the price as such management, marketing, in these circumstances, may consist in the orientation of the company to focus on improving the efficiency of production and on the timing cover, achieve the production with relatively low ensured, the basic words being "produce and sell". This cannot be time consuming, because consumers are beginning to be preoccupied with more and more of the products' qualities, the

situation which requires a marketing's management oriented toward the product by focusing company energies toward the continuous performances improvement of the products' quality, because "produces in order to sell".

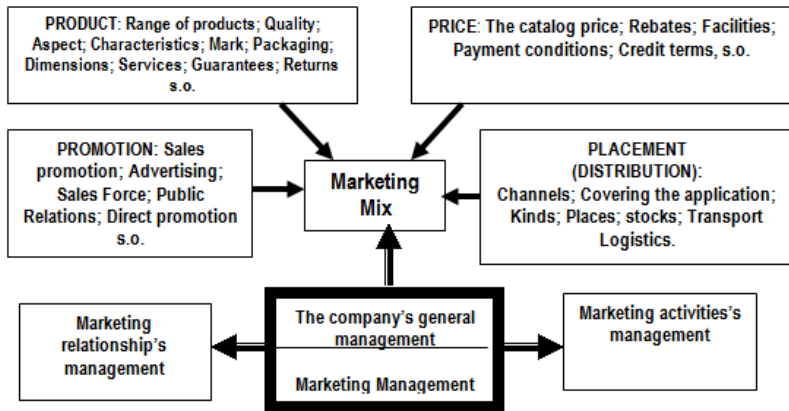
If the products have achieved a high performance level or if the firm offers products that do not enjoy a wide search, marketing management shall lead the company toward greater efforts in the sales fields and promotion of what is produced, the basic idea of being "to sell what it is produced or to produce what it is sell".

The marketing management centered on the marketing concepts aims to attain the organizational objectives through knowing the demand and the supply to the desired satisfactions, more efficiently than the competition. On the basis of these conceptions, the company changes from customers find suitable for products offered to the cultivation of relationships through which it provides products suitable for its customers, i.e. "occurs what is sold".

The concept of mined marketing represents a top marketing management concentrated on marketing, which starts from the idea that the organization must provide and establish in dynamics all needs and desires and also provide the markets requirements concerned and the desired satisfactions in a more efficient and more effective than the competition, but in a manner which will improve the general social ambient, generate customer satisfaction and social wealth stored in long term being, those being two essential conditions for both the attainment of the company's objectives and for the obligations fulfillment of its own.

In essence, marketing management expresses the meaning of quality which directs the company's energies for obtaining all of the objectives which justify its existence, as it is suggested in Figure 2. In fact, the general management of the company by its subsystem, the marketing's management, manages the competitive environment of the company through the customer relationship management, the marketing's management mix and the management of specific activities (specialized in marketing), its own functions and the marketing department. There are made comprehensive market analysis for identifying the customer's needs, it's based strategies, plans and marketing programs, to configure the marketing mix that will characterize the entire effort of attaining the company's objectives, in terms of efficiency and effectiveness, in the conditions of a competitive environment that eliminates painfully anyone who tries to disobey the basic marketing requirements.

Regardless of the marketing concept adopted, marketing management has as main activity the customer relationship management. Initially, this activity supposes all the shares for the customer information management in order to convert them into loyal customers, but, with time, customer relationship management has become a global process of taking up and succumbing to some profitable relations with them, by ensuring continuous and safe value and also customers' satisfaction.



Source: Made by authors

Figure 2. Marketing's management contents

As such, the successful firms are no longer concentrate on finding new clients with which to achieve profitable transactions, but developing a new relational philosophy which aims to keep the current customers, within a framework of profitable relations in the long term, the new vision of management marketing consisting in the skill to find, preserve and develop the customers, which is the main reason why the company is competitive.

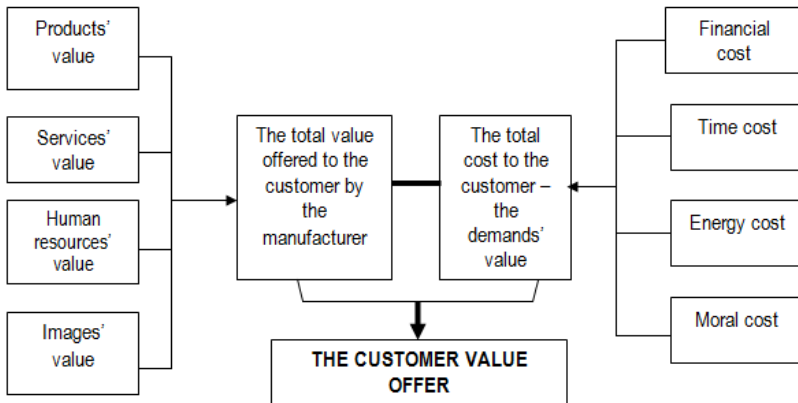
Under the conditions of the extended economies, some firms considered that it do not have to invest too much in maintaining the customers, because the temporary loss of old customers could be exceeded by itself in obtaining new customers. But today's companies and those of the near future are facing new reality marketing. The dramatic demographic changes, the productive performance capacity, and also, diversification of their refinement degree made that, from an economic point of view, attracting a new customer costs up to ten times more than the cost of keeping in a state of contentment an existing customer.

Also, the companies have started to realize that the loss of a customer means much more than the loss of sales, it means the loss of a whole string of acquisitions, which the customer can make them from a company in the course of its existence, which means the value over the life of the customer.

For building some stable relations with customers, firms must go way out to provide them with a higher value degree and a higher satisfaction degree, because only in this way a potential customer can become a preferred customer and a customer can

turn into a customer promoter, each of them being committed to grant the company a bigger share of acquisitions.

In principle, the value offered to the customer can be determined as the difference between the total value offered to the customer by the manufacturer and the total cost incurred by the customer. Schematic, value added tax levied by the customer is displayed in Figure 3.



Source: Adapted after Kotler, Armstrong, 2005, pp. 72-73

Figure 3. The components that determine the added value of the customers

Of course, it is considered that a customer will buy from a company only if will be convinced that this gives the highest value added tax levied by him, value that appears during some comparisons of utilities and costs between the marketing offers belonging to the competition. Therefore, marketing compartments must manage with great interest the individual criteria and group ones, which may be different from performance ones that are taken into account by the producers.

The customer satisfaction degree appears in relationship to the performance degree perceived by it in connection with the product bought, which can satisfy or not expectations. In the case that the customer considers that the products' performance exceed expectations, when the customer is very pleased, status that must be properly managed by marketing management marketing to keep customers always delighted by giving them more than they are expecting, but in conditions to maximize profits.

For the management of the customer satisfaction degree, marketing management calls on different methods, such as: the receipt of complaints system, deployment of specific techniques for the assessment of customer satisfaction, the game of the buyer, the periodic analysis of the customers' loss s.o.

In the process of customers' satisfaction, marketing management must substantiate sizes which give their maximum, from the point of view of the consumers and the optimum level that can be achieved by the firm, taking into account realistic ratios which must be set up between the customers' degree of satisfaction and the firms' degree of profitability.

Customer relationship management proposes not only to find many customers, but also keep them for the rest of their whole life, to create, in this way, a certain capital value of the customers, which becomes a criterion to measure the company's performance, that can be more important than incomes, because, while the incomes and the market shares reflect the firms' past situations, the capital value of the customers suggests performance that will take over the future. As such, customer relationship management tends toward performance as long as it intensifies the customers gears-inducing with the obtaining profit by the firm.

Managing relationships with customers shall be carried out on the structural marketing mix data. Through the marketing mix, the firm defines its public nature of the business. But the successful companies define the marketing mix by understanding the messages relating to environment changes, and at the same time, in connection with changes they are prepared to undertake for it.

Unfortunately, there are sufficient examples which demonstrate that many companies, characterized by a non-marketing management, that do not understand the fact that the change may constitute an opportunity for the design of new performance. On the contrary, they ignore changes or oppose them resistance, until the organizations concerned are removed from the competitive environment, a late moment when organizational structures and functional internal affairs of the company necessary need to make the appreciations enshrining incompetence disfunctionalities, amateurishness, ignorance, so on.

As a matter of principle, in a company, responsibility for developments identification in changing the statuses of the competitive environment is the responsibility of the predominant functions and the marketing compartments. Alongside the other functional structures of the company, the marketing is required to define the changing trends of the environment, to identify and to substantiate the favorable opportunities of change. By monitoring the systematic approach to the business environment, the marketing can provide the marketing management information designed to lead to the revision or adoption of marketing strategies, such that the

firm will be able to cope with problems, and also, be able to make the best use of the markets' opportunities.

5. Benchmarking – new concept concerning traditional activities.

Marketing has become a new business philosophy, by concentrating all the production factors to meet customer needs through providing only what is required. When a company fails to produce only what they sell, it means that it is effective, because effectively responds to the question "what is sold?"

In order to efficiently administer what is sold, the firm's management has begun to pay attention to the competition, comparing the competitive firms with them and the initiation of programs to bring the company on the first place gaining the designation of benchmarking. As such, benchmarking means a process management for the acceptance of the change, which includes the remodeling activities, become aware in an organized and coordinated manner, so as the main purpose is to obtain superior results relating to the competition. This process has the effect of making business overview, by capitalising the coordinated deployment of its components, a better use of assets and strengthens competitive advantage in the market.

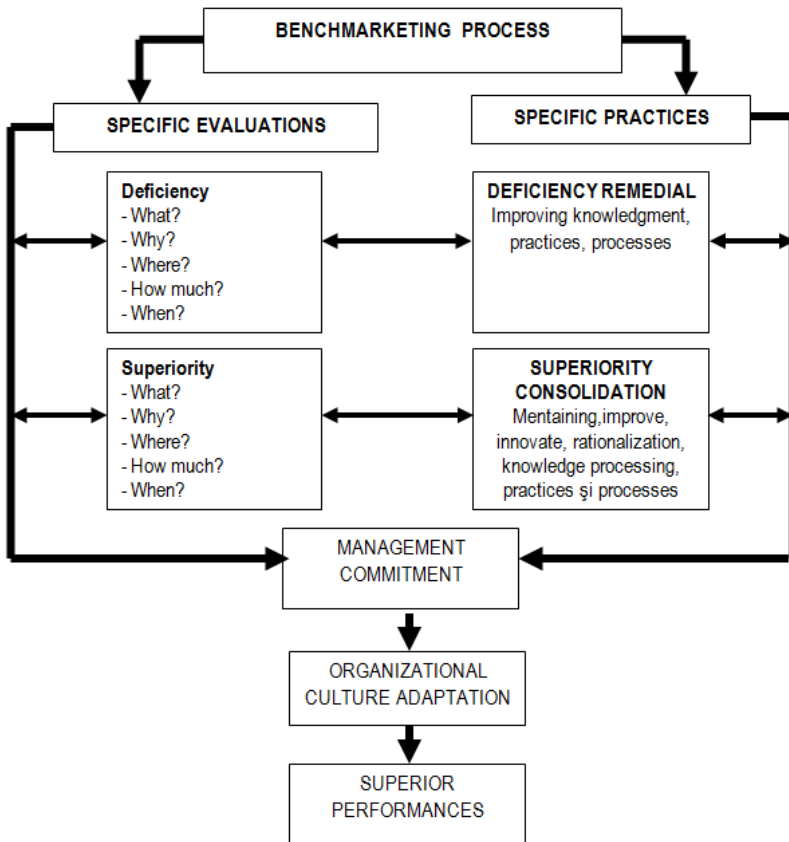
An essential element of the benchmarking implementation on business management is to adapt the qualitative organizational culture, depending on the context external circumstances, by strengthening continuously the performance elements required by the market. In this way, the aim is that successful management will process everyday change management, ensuring the superiority of being generated by the understanding of the best practices applied in the field in comparison with the competition leader, which has to be exceeded.

By continuous analysis of the strengths and weaknesses of their own work, seeing on time the threats and opportunities, taking over what is effective from some of the leaders and the competitors, revealing the secret of the powerful and adapting and innovating continuously, always improving effectiveness, business management recognizes that benchmarking is applied in order to become more competitive, throw implementing it, what defines the marketing to be the strategy of superiority.

Benchmarking, in the generic way, represents a form of marketing manifestation, which is subordinated to achieve continuous performance on the market, including, actions modules suggested below, in Figure 4.

The production is relatively similar to small and medium-sized firms, so it is imperative required that their management exceed the meditative state and try, the daily way, to answer the following questions: Which is the business position in relation with its competition? Why the others are better and what it can be learnt from them? What it can be done to become the best? Cultivating such an

organizational culture, any firm can transform any state to be the best one, in a continuous process to maintain itself to a higher level.



Source: Made by authors

Figure 4. The generic benchmarking process within the framework of the marketings' management

And it can be highlighted the fact that, this involves not only sporadic efforts to offer the market a product at a certain quality, but also the changes of the production process, the interdepartmental approach making it possible to excellence.

6. Conclusions

Always the producers are compared between them, at least from the point of view of the performance achieved by the product. In the conditions in which the product was featured best, had a better value of use, it was considered that, as being the main facts for improving the company's activity. As the social division of labor has deepened, the market competition grew, so that the product competition had become insufficient.

Many companies have seen themselves in the situation of having to produce products of high performance, but which weren't bought by many consumers.

Benchmarking has developed an extended comparison of the foreign affairs committee, watching at the same time all the activities which gave shape to the companies general performance: incomes, profit, profitability, the market share s.o.

Traditionally, companies were compared between them by pointing out strengths and weaknesses of each. Traditional management in companies had measured the improvement of all activities. With the marketing development, benchmarking has established itself as a specific management process specific managerial that uses management comparison discharge so that the business becomes the best on the market by customers satisfaction and obtaining a higher profit. What until the early mid-1980 was only accidentally produced, as a sequential measurement of economic performance, has turned into a better management style, the management of the internal change to reach and to overcome the opponent best way. Regarding incidental traditional activities, benchmarking has already become a business strategy performance, a strategy for the acquisition of competitive excellence, but also a fashion word about traditional activities.

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