

The Relevance of Total Quality Management To Strategic Marketing

Patricia U. Allison

Marketing is one arm of management sciences that is only beginning to stamp its relevance in the scheme of things. The author has often wondered if other people have discovered that everything we do in life revolves around marketing. It is either one is satisfying her internal customer or external customer.

Various erudite scholars and authors proffered definitions of marketing from various perspectives. One thing though is clear they all focus on customer satisfaction. So also is the focus of Total Quality Management (TQM).

TQM is a customer-driven philosophy whereby an organization focuses attention on what the customer needs and produces to the customer's specification. That way the customer will be so delighted and there is a certainty of repeat purchase. Johnson (1995) put it very succinctly, "...remember, a person isn't a customer until he's bought twice.."

TQM focuses on doing things excellently, and Townsend, in the "Up the Organisation," says "..... if you don't do it excellently don't do it at all, because if it is not excellent, it won't be profitable; and if you are not in business for profit, then what are you doing there....."

TQM goes to the root of the matter. It is a strategic agent of change which aims at changing the techniques, culture, methods, tools, systems of work in a company or organization, and places the organization on the path of greater improvement. It is generally believed that TQM was what placed Japan on the world economic

map where till today Japan still retains her pride of place, because she believes that there is always a better way of doing things.

The Japanese believe that there must be a way to improve on all existing products or services. The gun-fire rapidity that we are witnessing in the roll-out of different models of electronic gadgets attest to this fact. Today, TQM has become a central theme in management theory and practice for those companies which see quality as premium offer to customers and which aspire to remain relevant and afloat in the turbulence the world economy is going through right now, Nigeria inclusive.

Quality Assurance in Nigeria

So that there will be control over quality of products and services in Nigeria and the definition of quality, Nigeria joined the rest of the world in conforming to the International Standard for Quality, namely, the ISO 9000 series.

Depending on what an organization is offering to the public, the organization is free to choose from ISO 9000 ISO 9004. The managing establishment of the standards for Nigeria is the Standards Organisation of Nigeria (SON) which issues a certificate to any organization that scales through the rigorous test of the ISO certification. The implementation of the ISO series come with benefits, some of which are;

1. Efficient utilization of scarce resources.
2. Reduction of waste arising from better product design.
3. Reduction in rework; and customers receiving guarantees for their purchases.
4. Survival of organizations by their looking for and securing international market.

The important thing about fulfilling the ISO requirements is that it places the organization on a path to continuous improvement, where

every staff from its management to the cleaner is pulling in the same direction.

TQM and Strategic Marketing

Strategic marketing seeks to use various methods to outsmart competition, have a healthy growth pattern, and profit for the owners of the business as well as a contended work force. Even the best of plans cannot work when the work force is not in alignment with the management in both mission and vision of the organization. In today's business world of intense competition, organizations aspiring to survive and excel must manage the quality of their product or services efficiently. They must check operational activities in such a way that customer requirements are met.

In an extensive research carried out by Rust, Moorman and Dickson on "Getting Return on Quality; Revenue Expansion, Cost Reduction or Both" (Rust et al: 2002). They unanimously concluded that how a firm should attempt to derive financial benefits from quality control might vary depending on the functional perspective it takes. Marketing tends to address the problem from a revenue perspective and operations from a cost reduction and efficiency perspective. Although it might appear possible to double the benefit by using both approaches simultaneously.

Their empirical findings suggest that firms can achieve greater financial returns from quality improvements by emphasizing revenue generation solely along with its underlying focus on customer satisfaction and relations. The result from such emphasis exceed those arising from focus on costs alone or from attempts to balance a dual emphasis on both revenues and costs.

How then do they initiate strategic marketing or strategic planning, as some authors prefer to call it? Kotler (1988) says that instead of relying on one major differentiation or thrust, a company needs to weave its own tapestry of marketing qualities and activities. The organization must also have a robust strategy; and they don't

come more robust than getting ISO certified and embarking on a journey of Total Quality Management.

Siemens, a well known communications giant, opines that quality is when customers come back and their products don't. Customers are increasingly choosing vendors on the basis of long-term value not long-term history. Marketers too have a mindset just as other professionals. They see the marketing management process as consisting of five basic steps as put forward by Kotler (1988):

→ R → STP → MM → I → C

1. You do a research → R.
2. You segment the markets S. Target only those segments you can satisfy - T, and position your products P STP.
3. You bring in the right combination of marketing mix MM.
4. You Implement the mix I.
5. You set up control measures to monitor the market C.

The relevance of Total Quality Management takes one beyond this level. Let us look at the impact of TQM on the key elements of the marketing mix.

Price: As a long term continuous improvement process, TQM inevitably leads to cost reduction and value appreciation. There is a link between improvement and quality. Quality is the ability of an organization to meet or exceed the customers' requirements and expectations while removing unnecessary costs. This translates into the customer getting what he wants at a lower price because there are no reworks or product failures that would increase the cost ex-factory.

Products: If the input is right and the process is right, then the output must be right. A process is series of activities that yields an output in

material or data form.

Promotion: The stamp of quality that a company is ISO certified gives an added fillip to its promotional campaign. Customers need not worry anymore about the quality of goods or services they are getting because they are sure that these goods or services are guaranteed.

Place: The product will be at the right place and within the reach of the customer. This is because the process of taking the product to the place the customer will get it has been scrutinized during certification and found to be in order.

Therefore, the product will be at the right time. Some companies that have religiously adhered to the prescription of the certification requirements will attest to the fact that there is marked improvement in various areas of their operation be they manufacturers or service providers with a corresponding increase in their turnover. Some of these companies are Mouka Foam, Vita Foam, Emenite, Anambra Motor Manufacturing Company Ltd., FedEx Red Star, Hollandia Yoghourt to mention a few. Going through the certification is a tedious programme. An organization that has had the singular experience of undergoing an audit would have found that there are no half measures. Only two options are open to you:

1. Either you do the right way or,
 2. You do it the right way.
- In other words you have no option. This is understandably so, because the company gains by:

- avoiding rework;
- exercises care in handling dangerous processes;
- perfect timing in re-order level of raw material to

avoid tying down of inventory or sometimes even stock-out.

Again at the apex of these rigorous efforts is the desire to satisfy the customer whose specifications the organization is trying to meet both in time and product quality.

From the stable of ISO (International Organisation For Standards) the series that are most popular here are the 9001 and 9002. The difference between the two is design. If the organization is involved in design, then it goes for the 9001 and if not, then the 9002 series. As earlier posited, these series are stable cleaners that make it possible for a solid foundation to be laid for a process of continuous improvement.

Total Quality Management, (TQM), is a heavy equipment in the arsenal of any manufacturer of products or provider of services. If it is implemented, TQM allows the organization manipulate her marketing mix in the best possible way to the confusion of her competitors and to the delight of her customers and shareholders. It enables the organization to plan for the export of her products overseas since it now has an internationally acceptable stamp of quality. The business horizon widens and in accordance with the mission statement, the business will then review her strategic marketing decisions.

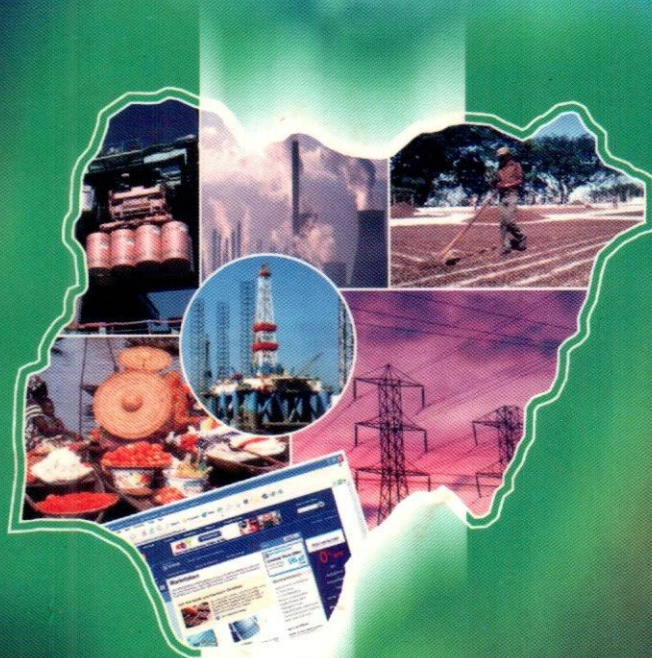
The ISO 9001 series had twenty elements which were later compressed to eight. These eight elements were thought to have taken into account some of the grey areas not clearly defined in the 9001; 1994 series. It is now called the ISO 9001; 2000 series. All companies which might have undergone the training when it was 1994 series would need to do a conversion course. Although some companies have done this, some haven't. Those companies yet to do so will start the re-certification exercise afresh.

In summary, therefore, Total Quality Management can be used in any organization as a vital strategic marketing tool.

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Marketing and Management Practice in Nigeria



edited by

**Julius Onuorah Onah
Ikechukwu Sylvester Ndolo
Patricia Ukachi Allison**

Marketing and Management Practice in Nigeria, presents in a simple but succinct manner, the practice of marketing and management in a developing economy like Nigeria.

The book is practical oriented and the knowledge obtained therein can be applied to any developing economy similar to that of Nigeria.

Apart from students of marketing and management in the Universities, Colleges of Education and Polytechnics, this book is highly recommended for all levels and practitioners of marketing and management and general readers.

A lot of experiences in both the private sector and academics were interwoven to produce this book of reading which will find relevance as either being read for pleasure and knowledge or being read in pursuit of academic excellence in the fields of marketing and management.



AFRICAN MARKETING DEVELOPMENT FOUNDATION
36B, Umuezebi Street, New Haven,
P.O.Box 15672 UNEC, Enugu, Nigeria
Tel: 042-457812, 08033272081, 08050545005



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