

**THE IMPORTANCE OF FEATURES OF THE OFFER  
FOR THE CUSTOMER IN THE AREA OF QUALITY  
AND THE FINANCIAL SITUATION OF DAIRY COOPERATIVES  
FROM THE ŚWIĘTOKRZYSKIE AND MAŁOPOLSKIE  
VOIVODSHIPS**

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**Purpose:** The main purpose of this article is to identify and compare the validity of features of the offer for the customer in the area of quality from the point of view of dairy cooperatives from Poland from the Świętokrzyskie and Małopolskie Voivodships, which are adjacent to each other. Additionally, the results of this analysis are compared with the analysis of the financial situation of dairy cooperatives from these voivodships.

**Design/methodology/approach:** Direct interviews using a questionnaire survey were conducted among representatives of cooperatives representing 41% of the population, which resulted from the willingness to participate in the survey.

**Findings:** Cooperatives' representatives are aware of validity of features of the offer for their customers in the area of quality. There is no much difference in the opinion of cooperatives' representatives from both voivodships about the importance of features of the offer in the sphere of quality for different customers. Features of the offer in the sphere of quality are more important for consumers than for other kind of entities.

**Originality/value** The comparison of the validity of features of the offer for the customer in the area of quality compared with the analysis of the financial situation of selected cooperatives from two different voivodships.

**Keywords:** quality, value creation, features of the offer, cooperatives.

**Category of the paper:** Research paper, case study.

## 1. Introduction

The quality of the product, verified on the market, is one of the basic goals in the group of the company's goals. This means that the issue of creating product quality should be an integral part of enterprise management (Lisiecka, 1993). Because of the fact that product quality is the ability to meet and sometimes exceed customer needs (Waters, 2001) it is necessary for

companies to know the validity of features of the offer for the customer in the sphere of quality to meet their needs. Basing on this there was stated the main aim of the article which is the identification and comparison of the validity of features of the offer for the customer in the area of quality from the point of view of dairy cooperatives from Poland from the Świętokrzyskie and Małopolskie Voivodships, which are adjacent to each other. Additionally, the results of this analysis are compared with the analysis of the financial situation of dairy cooperatives from these voivodships. The cooperatives' executives were asked to assess the validity of features of the offer for such customers as consumers, companies-users (gastronomy), wholesalers, independent retail grocery stores, large retail chains, local retail chains, intermediary agents in food trade, other dairies, and other institutional purchasers. To fulfil the aim there were stated the following questions:

1. Are cooperatives' representatives aware of validity of features of the offer for their customers in the area of quality?
2. Is there much difference in the opinion of cooperatives' representatives from both voivodships about the importance of features of the offer in the sphere of quality for different customers?
3. Are features of the offer in the sphere of quality more important for consumers than for other kind of entities?

The answer to the stated above questions is included in the empirical part of this paper and in the conclusion.

## **2. Quality and customer value – a short characteristics**

The proper quality of the product can be defined in terms of: passive and offensive. In the passive sense, it means that the final product should meet specific consumer requirements contained in the specification, while in the offensive sense, it means that the final product will provide satisfaction to consumers by fulfilling their wishes. The former is the result of the product quality management process conducted with the interest of the producer, while the latter is the result of the product quality management process from the consumer's interest point of view (Lisiecka, 1993). And in this place we are dealing with shaping the value for the customer. When we are talking about the customer value, we understand by it the market perceived quality adjusted for the relative price of company's product. It is customer's opinion of the products (or services) as compared to that of company's competitors (Gale, 1994). As quality mostly is defined to be the result of a customer's subjective evaluation of a company's product or service, most researchers consider quality as antecedent to customer value and as a significant variable with strong influence on customers' innate behavior (Graf, Maas, 2008). While for a consumer the quality of a product or service is the ability to meet needs, and for a producer, quality is the

ability of a given enterprise to produce the best possible product or service at the lowest cost to maintain outlets, what ultimately matters is the quality determined by the market, and not the quality determined by the company's employees (Kall, Sojkin, 2006). The quality of a product or service is not something that the company puts into it. It is what the client obtains from that good or service (Kotler, 2004). It can further encourage customers to re-purchase the products the companies offer because the winner is not the strongest or the greatest, but it can satisfy the customers (Sevenpri, Juliani, 2018). That is because the key determinant for a sustainable business is customer loyalty as loyal customers not only increase the value of the business, but they also enable businesses to maintain costs lower than those associated with attracting new customers (Ling, Mansori, 2018). Therefore, in order to avoid the dissatisfaction of long-term buyers and the termination of their implicit agreement, companies are forced to incur constantly increasing expenditure on increasing the offered quality (Bludnik, 2010).

Because of the fact that the expectations of customers, not the needs of the enterprise, are the basis for shaping the quality, the focus should be on customers, both external and internal. This means that quality can only be described and understood from the point of view of these stakeholders. Meeting customer expectations is a challenge for an organization, and often also a serious difficulty. Shaping quality requires recognition of this and demonstrating a real willingness to take up the challenge (Martin, 2006). Especially when it is known that the quality of the entire company is the result of the quality of all workplaces. So it covers the quality of market process observation and customer consulting, quality assurance planning, order calculation, quality research, logistics processes, customer service, etc. (Skrzypek, 2000). For this to be possible, the company's qualitative policy should be pursued, which is understood as a set of guidelines defining the activities needed to achieve a certain quality, namely: systematic training, proper division of duties; participation; complexity of activities; clear information on quality; continual improvement, which underpins the excellence-oriented system (Wyrca, 1999). Therefore, top management should review the company's quality plans at least annually. It includes the company's quality objectives and plans, which all departments are involved in. The topics of these reviews should be: quality projects, quality and cost improvement of quality plans, reviews of quality assurance organizations. During these meetings, all quality-related activities in the previous year should be discussed, and their result should be a quality plan that sets goals and plans for the company for the next period of time (Lock, 2002). However, it is possible when the company knows the needs of customers and knows what features of the offer are important for particular customer. Among many features of the offer in the sphere of quality that shaping the customer value, excluding quality of the material product itself, the most important seems to be (Konieczna, 2015):

- Quality of pre-, around- and after-sales services.
- The reputation of the company's brand.
- The reputation of the product brand.
- Quality - certificates obtained.

- Awards obtained at fairs and exhibitions, as well as in plebiscites and competitions.
- References issued by consumer organizations, research institutions commissioned by these organizations or by independent experts.
- Certificates and manufacturer's declarations concerning those properties of the product that the consumer is not able to test and evaluate on his own.

All mentioned above features of the offer in the sphere of quality are the subject of the analysis that is carried out in the next section.

### 3. Features of the offer in the sphere of quality – research results

The research was conducted among dairy cooperatives' executives who were asked to assess the validity of features of the offer for the customer in the area of quality. All dairy cooperatives from the Świętokrzyskie and Małopolskie Voivodeships were asked to take part in the research, however, because of the tendency of the representatives of cooperatives to participate in the research, the research had been conducted on a sample of 7 out of 17 dairy cooperatives from Świętokrzyskie and Małopolskie provinces, i.e. 41% of cooperatives functioning in the year of conducting research. There was used an interview questionnaire, which was structured. Interview results are shown in Table 1.

**Table 1.**

*The validity of features of the offer for the customer in the quality area for different types of customers*

Features/elements of the offer		Consumers	Enterprises - users (gastronomy)	Wholesalers	Independent retail grocery stores	Shopping chains		Agents involved in the food trade	Other dairies	Other institutional buyers	Mean of each element	
						Large	Small					
Quality of pre-, around- and after-sales services	Ś	Mean	4.33	4.00	4.00	0	0	4.33	0	0	0	4.17
		Standard deviation	0.577	0.000	1.000	0	0	0.577	0	0	0	
		Median	4	4	4	0	0	4	0	0	0	
	M	Mean	4.25	4.00	4.00	5.00	4.00	4.25	0	0	0	4.13
		Standard deviation	0.500	0.816	0.816	0.000	0.000	0.957	0	0	0	
		Median	4	4	4	5	4	5	0	0	0	
The reputation of the company's brand	Ś	Mean	4.00	3.50	4.00	0	0	4.33	0	0	0	3.96
		Standard deviation	0.000	0.707	0.000	0	0	0.577	0	0	0	
		Median	4	4	4	0	0	4	0	0	0	
	M	Mean	4.50	4.50	4.00	4.00	4.00	3.50	0	0	0	4.13
		Standard deviation	0.577	0.577	0.816	0.000	0.000	0.577	0	0	0	
		Median	5	5	4	4	4	4	0	0	0	

Cont. table 1.

The reputation of the product brand	Ś	Mean	4.33	4.00	4.00	0	0	4.00	0	0	0	4.08
		Standard deviation	0.577	0.000	1.000	0	0	1.000	0	0	0	
		Median	4	4	4	0	0	4	0	0	0	
	M	Mean	4.00	4.50	3.75	4.00	4.00	3.75	0	0	0	4.00
		Standard deviation	0.816	1.000	0.500	0.000	0.000	1.258	0	0	0	
		Median	4	5	4	4	4	4	0	0	0	
Quality - certificates obtained	Ś	Mean	4.00	4.00	4.33	0	0	4.00	0	0	0	4.08
		Standard deviation	1.00	1.414	0.577	0	0	1.000	0	0	0	
		Median	4	4	4	0	0	4	0	0	0	
	M	Mean	4.25	4.00	4.50	4.00	3.00	3.75	0	0	0	4.13
		Standard deviation	0.500	0.000	0.577	0.000	0.000	0.957	0	0	0	
		Median	4	4	5	4	3	4	0	0	0	
Awards obtained at fairs and exhibitions, as well as in plebiscites and competitions	Ś	Mean	4.33	3.00	4.00	0	0	3.67	0	0	0	3.75
		Standard deviation	0.577	0.000	1.732	0	0	0.577	0	0	0	
		Median	4	3	5	0	0	4	0	0	0	
	M	Mean	4.50	4.25	4.50	5.00	2.00	3.75	0	0	0	4.25
		Standard deviation	0.577	0.500	0.577	0.000	0.000	1.258	0	0	0	
		Median	5	4	5	5	2	4	0	0	0	
References issued by consumer organizations, research institutions commissioned by these organizations or by independent experts	Ś	Mean	4.67	4.00	4.33	0	0	3.67	0	0	0	4.17
		Standard deviation	0.577	1.414	0.577	0	0	0.577	0	0	0	
		Median	5	4	4	0	0	4	0	0	0	
	M	Mean	4.00	4.25	4.00	4.00	4.00	4.00	0	0	0	4.06
		Standard deviation	0.816	0.500	0.816	0.000	0.000	0.816	0	0	0	
		Median	4	4	4	4	4	4	0	0	0	
Certificates and manufacturer's declarations concerning those properties of the product that the consumer is not able to test and evaluate on his own	Ś	Mean	4.33	4.50	4.33	0	0	3.33	0	0	0	4.12
		Standard deviation	0.577	0.707	0.577	0	0	1.155	0	0	0	
		Median	4	5	4	0	0	4	0	0	0	
	M	Mean	4.25	3.50	3.75	4.00	4.00	4.00	0	0	0	3.88
		Standard deviation	0.500	0.577	1.258	0.000	0.000	0.000	0	0	0	
		Median	4	4	4	4	4	4	0	0	0	
Features of the offer – an average rating	Ś	<b>4,05</b>	4,28	3,86	4,14	-	-	3,90	0,00	0,00	0,00	
	M	<b>4,03</b>	4,25	4,14	4,07	4,29	3,57	3,86	-	-	-	

Scale: 1-5, where 5 – extremely important, 4 – very important, 3 – quite important, 2 – little important, 1 – completely unimportant, 0 – not applicable. Ś – Świętokrzyskie Voivodship; M – Małopolskie Voivodship.

Source: own work and (Konieczna, 2018).

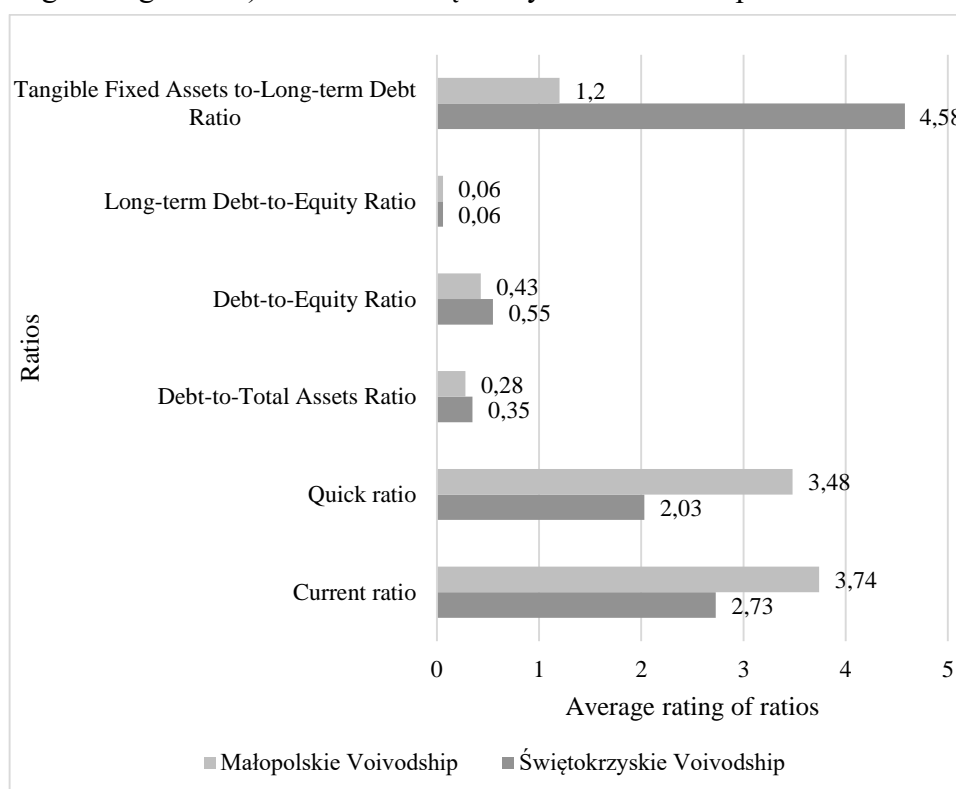
Taking into account the validity of features of the offer for the customer in the quality area for different types of customers it can be seen that there is a slight difference in the assessment of dairy cooperatives from between Świętokrzyskie and Małopolskie Voivodships but only in case of particular customers (Table 1).

The highest rating in case of Świętokrzyskie Voivodship have such features as quality of pre-, around- and after-sales services, references issued by consumer organizations, research institutions commissioned by these organizations or by independent experts (4.17) and certificates and manufacturer's declarations concerning those properties of the product that the

consumer is not able to test and evaluate on his own (4.12). In the same time the highest rating in case of Małopolskie Voivodship have such features as awards obtained at fairs and exhibitions, as well as in plebiscites and competitions (4.25), quality of pre-, around- and after-sales services, the reputation of the company's brand, and quality - certificates obtained (4.13).

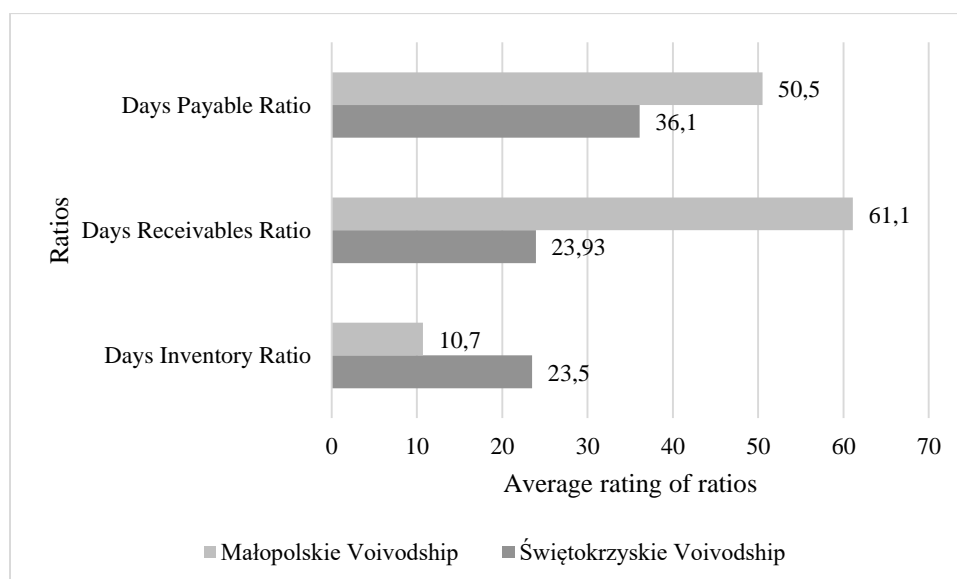
The lowest rating in case of Świętokrzyskie Voivodship have such features as awards obtained at fairs and exhibitions, as well as in plebiscites and competitions (3.75) and the reputation of the company's brand (3.96), while the lowest are assessed certificates and manufacturer's declarations concerning those properties of the product that the consumer is not able to test and evaluate on his own in case of Małopolskie Voivodship (3.88).

Taking into account all features/elements of the offer in the sphere of quality it is seen that they are very important for consumers from both voivodships (the average rating is 4.28 for Świętokrzyskie Voivodship and 4.25 for Małopolskie Voivodship). The lowest the validity of this kind of features is considered to be for large shopping chains (the average rating is 3.57) and for small shopping chains (the average rating is 3.86) in case of Małopolskie Voivodship, while for enterprises - users (gastronomy) (the average rating is 3.86) and small shopping chains (the average rating is 3.90) in case of Świętokrzyskie Voivodship.



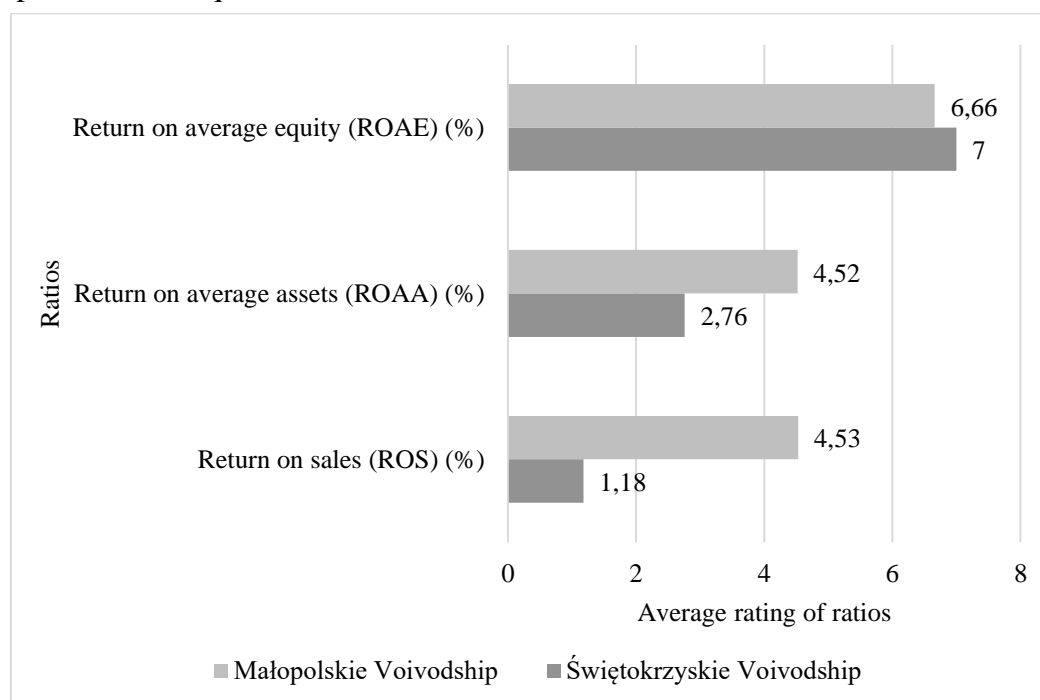
**Figure 1.** Selected liquidity and debt ratios – an average rating.

As it is shown in the Figure 1 cooperatives from both Świętokrzyskie and Małopolskie Voivodships have good financial liquidity. Both analyzed ratios have ratings above optimal range, what is seen especially in case of cooperatives from Małopolskie Voivodship. The same is in case of debt ratios. The results show that the proportion between debt and other elements taken into account is good and indicates the right financing.



**Figure 2.** Selected efficiency ratios – an average rating.

Efficiency ratios that are shown in the Figure 2 show the difference between analyzed voivodships. Better situation is in case of Świętokrzyskie Voivodship. Cooperatives turn their inventory into sales quicker and have more time to pay their current liabilities. Only in case of inventory better situation is in case of Małopolskie Voivodship, because it is sold and replaced over a period of time quicker.



**Figure 3.** Selected profitable ratios – an average rating.

As shows Figure 3 better profitability situation is in case of cooperatives from Małopolskie Voivodship. They are receiving more profit from 1 zloty of sales as well as from assets. Slight difference between two voivodships is only in case of return on average equity. They receive very similar profit from 1 zloty of equity.

## 4. Conclusion

In the market orientation of enterprise management, product quality seems to be a factor that determines the development and survival of the enterprise because the quality of products determines the achievement of material indicators of the company's development (Lisiecka, 1993). However, under the conditions of the "new" economy, the success of an enterprise is more and more a derivative of the quality of its relationship with the customer base, and to a lesser extent the effect of the quality of the products themselves. Therefore, the company's activities should be aimed at providing the client with a set of values that increase the utility he realizes, and within these values, the intangible aspects of the offer are becoming more and more important (Kall, Sojkin, 2006). That is why top management should know what matters for their all customers, no matter if they are single consumers or large buyers, because their needs often are different. Only the knowledge of what features/elements of the offer in the sphere of quality affects the customer value and as the result willingness to purchase can provide to the company's development and higher income.

Taking into account the research results and stated in the introduction questions the following conclusions can be reached:

1. Cooperatives' representatives are aware of validity of features of the offer for their customers in the area of quality. They indicated to what extent a given feature/element of the offer is important for individual customers they have.
2. There is no much difference in the opinion of cooperatives' representatives from both voivodships about the importance of features of the offer in the sphere of quality for different customers. When we are taking about the average rating of all customers there is practically no difference. However when is analyzed separately each kind of customer there is slight difference, especially in case of enterprises users (gastronomy).
3. Features of the offer in the sphere of quality are more important for consumers than for other kind of entities. In both voivodships there is seen the higher rank of assessing the importance of these features than in case of other customers.

Recommendations for future research can be made to address the area limitations of this research, namely to carry out a study among cooperatives from other voivodships, to find out if the assessment of the validity of features of the offer for the customer in the area of quality is similar or not.



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