

**BUSINESS RELATIONS HIP QUALITY PRODUCTS AND COMPETITIVE
ENTERPRISE ISSUES OF INTERDEPENDENCE BETWEEN PRODUCT
QUALITY AND COMPETITIVENESS OF PRODUCT**

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The article deals with questions related to the quality management of products based on the principles of marketing and competitiveness of the company. There was revealed that the quality of the products is adequately to the competitiveness, as the quality of products perceived by the consumer is made up of different indicators. Marketing solutions in the field of quality management provide for the establishment, provision and maintenance of consumer qualities at all stages of the product life cycle (services). The authors substantiate the necessity of a complex mechanism of marketing management of product quality. Novelty. Product quality management is one of the major problems, which is further exacerbated due to the constantly increasing demand for environmentally friendly products. At the same time, issues of product quality management (services) and increasing the competitiveness of the company is one of the main components of forecasting, strategy and policy of the company. The aim of the study is to examine the activity of economic agents to develop and implement competitiveness strategies for effective action on domestic and foreign markets. To achieve this purpose the methods of analysis, comparison, statistics, induction and deduction have been used.

Keywords: *marketing, product (services) quality, competitiveness.*

Articolul dat tratează aspectele ce vizează managementul calității produselor pe baza principiilor de marketing și competitivitate a companiei. A fost fundamentat faptul că calitatea produselor este raportat adecvat la competitivitate, deoarece calitatea produselor percepută de către consumator este formată din diferiți indicatori. Soluțiile de marketing în domeniul managementului calității prevăd stabilirea, furnizarea și menținerea calităților de consum la toate etapele ciclului de viață al produsului (servicii). Autorii susțin necesitatea unui mecanism complex de management al marketingului calității produselor. Noutatea. Managementul calității produselor este una dintre problemele majore, care este exacerbată mai mult din cauza cererii în creștere pentru produsele ecologice. În același timp, problemele managementului calității produselor (serviciilor), precum și creșterea competitivității companiei reprezintă unele dintre principalele componente de prognoză, strategie și politică a companiei. Scopul studiului este de a examina activitatea agenților economici să elaboreze și să realizeze strategii de competitivitate pentru o activitate eficientă pe piețele interne și externe. Pentru a atinge acest scop, au fost utilizate metodele de analiză, comparare, metoda statistic, inducția și deducția.

Cuvinte-cheie: *marketing, calitatea bunurilor (serviciilor), competitivitate.*

В данной статье рассматриваются вопросы связанные с управлением качеством продукции на основе маркетинга и конкурентоспособности компании. Обоснованно, что качество продукции надлежащим образом связано с конкурентоспособностью, поскольку она воспринимается потребителем и состоит из различных показателей. Маркетинговые решения в

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области управления качеством предусматривают создание, предоставление и поддержание потребительских качеств на всех этапах жизненного цикла продукции (услуг). Авторы подчеркивают необходимость обеспечения комплексного механизма управления маркетинга качества продукции. Научная новизна заключается в том что управление качеством продукции является серьезной проблемой, которая еще более усугубляется в связи с ростом спроса на экологические продукты. В то же время, вопросы управления качеством продукции (услуг) и повышение конкурентоспособности компании являются одними из основных компонентов прогнозирования, стратегии и политики компании. Целью данного исследования является изучение активности экономических агентов в разработке и реализации эффективной стратегии конкурентоспособности на внутренних и внешних рынках. Для достижения этой цели использованы методы анализа, сравнения, метод статистики, индукции и дедукции.

Ключевые слова: маркетинг, качество товаров (услуг), конкурентоспособность.

JEL Classification: D21, E61, O11, O19.

Results and analysis. Economic security represents a condition of any economic entity characterized by the presence of a stable income and other resources that make it possible to maintain the standard of living in the current moment and for the foreseeable future.

Economic security can be achieved if the degree of dependence on the dominant economy, as well as the degree of aggravation of the political, social and economic situation does not exceed the limit, which threatens the loss of national sovereignty, a significant weakening of the military power, a significant reduction in the level and quality of life, or frustrating the achievement of global strategic goals of the country.

The levels of economic security are determined by the following factors:

1. Geopolitical, economic and geographical situation of the country as well as access to domestic and foreign resources.
2. The economic, military and political power of the country and its competitive position in the global economic system on the strategically important areas of development.
3. The orientation of the institutional system of the country to support the industries of which depends the level of national security and competitiveness.
4. The priorities of the economic policy of the state in respect to branches that provide a competitive advantage.
5. Options of sectorial and regional structure of GDP, the strategic importance of economic sectors and regions of the country to ensure the national security.
6. Existence of the reserves of strategically important materials.

The national economic security is based on some basic principles such as:

- *the independence of the national economy.* Due to the increasing involvement of national economies in the world, this principle can be made only partially – there is necessary to achieve the state of relative independence of the national economy by increasing the competitiveness. The state's task is to create a level of development of the national economy, which allows it to take a competitive and equal position in the world economy;
- *stability of the national economy.* The state should create a sustainable growth of the national economy, excluding social turmoil, the strengthening the role of criminal organizations, and creates a security mode for each citizen;
- *steady growth of the national economy.* In modern conditions, the only permanent and sustainable growth can provide an acceptable level of economic security, including the improvement of production and professionalism of each person.

Economic security is based on independence, stability and growth of the national economy, which is a prerequisite for its normal functioning.

For the emergence of competition it is necessary to:

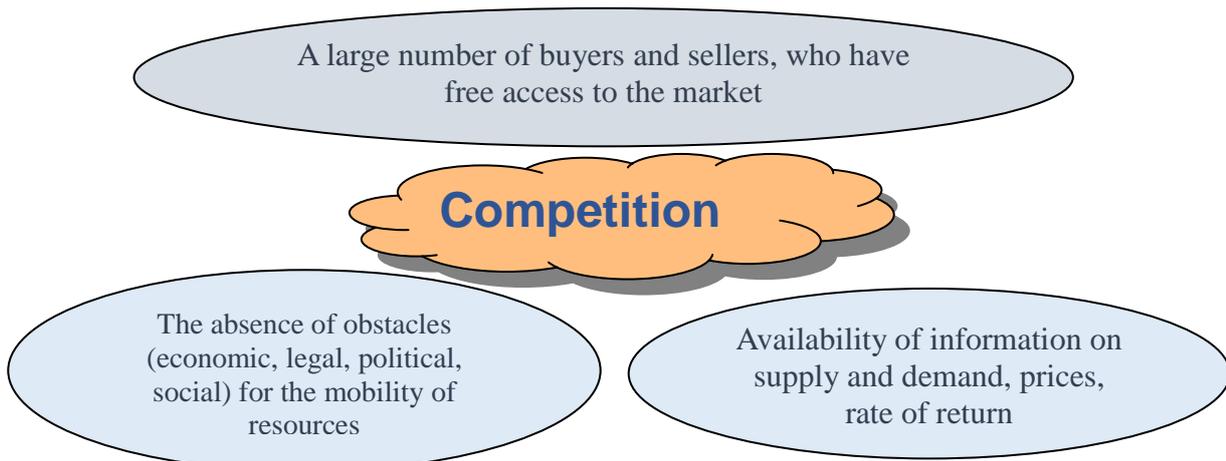


Fig. 1. Content of competition

Source: investigations of authors.

Economic security and competitiveness are in constant interaction. Economic security and competitiveness are both characteristics of the national-economic complex and its component parts. However, if the competitiveness is an objective and a mega-indicator of the degree of development of the national economic complex and its component parts, that economic security is a condition for its existence and development. In other words, a sufficient level of economic security can be achieved by using economic methods, but being a necessary condition for the existence of the national economic complex as a system, its achievement can be attributed to the use of non-economic methods – through direct state intervention.

The most acceptable situation is where macro and micro-level factors that are at the same time the criteria of competitiveness and economic security, create a highly competitive national economic complex and its component elements, forming a sufficient level of economic security.

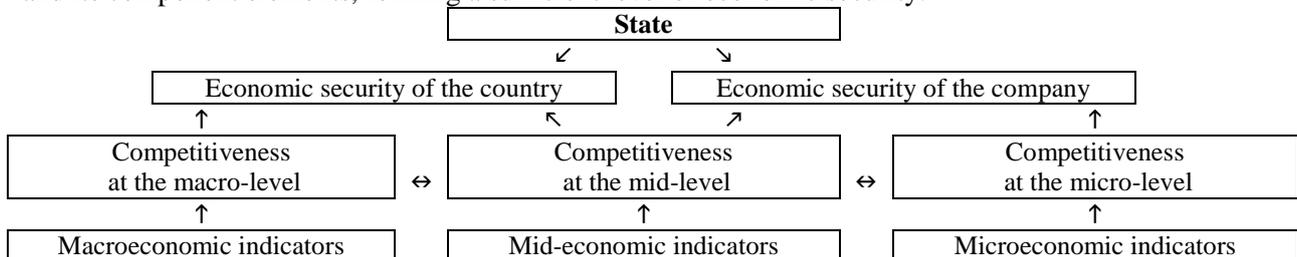


Fig. 2. The level of competitive relations

Source: investigations of authors.

Competitiveness at the macro level refers to the country's ability to sustain high rates of economic growth in the medium and long term. In order to assess the competitiveness of the country, there are used three approaches: cost-price, rating and on the basis of the implemented competitive advantages.

In order to timely establish priorities in its activities and to develop effective competitive strategies based on the strengths of activity, companies need to continuously implement marketing control and analysis of the quality and competitiveness of goods and services [1]. Marketing product quality assurance raises the possibility of the company to achieve business success in terms of increased competition and the uncertainty of the external environment.

In quality management on the basis of the marketing approach, there is necessary to address the following issues:

- Formation of quality level on the basis of established and prospective needs of target customers;
- Ensuring the competitiveness of products;
- Determination of the price based on the quality of goods, services, and market conditions;
- Conducting marketing analysis of the quality and competitiveness of goods and services.

According to some marketing researchers [2; 3], an increase of the quality of production is a part of socially responsible marketing. Providing a high quality adequately reflects the social and economic interests of both producers and consumers. For the manufacturer, it is the satisfaction of social labor, the strengthening of business reputation, improving the competitiveness of products, which has a primary quality. For the target consumer it is about the satisfaction of consumer demand and supply, increasing the value of the goods, an adequate sales price.

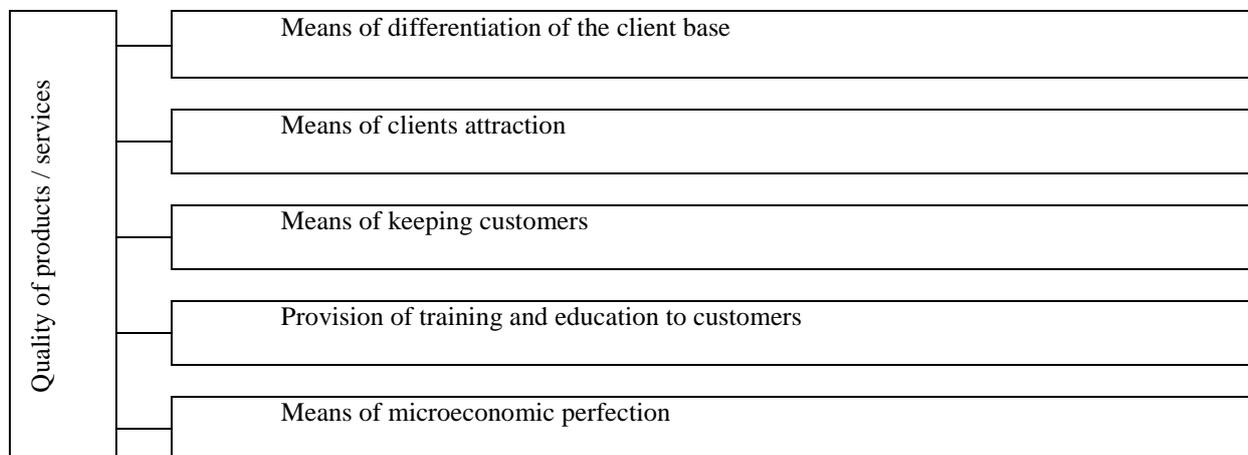


Fig. 3. The means to achieve competitive quality products and services

Source: investigations of authors.

It is also necessary to note that competitive opportunities of the company, the market success of its pricing, profit margins depend largely on the quality of products. In the formation of prices there must be taken into account not only economic, but also psychological factors of pricing. Consumers often perceive the more expensive items like having a better quality.

The price may have a positive impact on the assessment of the value of consumer goods: in some cases, with the growth rates of increased valuation. And if the growth of value exceeds the price rise, the demand may increase. A possible explanation for this phenomenon is that a higher price is associated with a high quality, which makes the product more attractive. Another possible explanation of this feature: if the consumer is not able to assess the quality of the product, the only guide is its price, and the price is acted as an indicator / gauge of quality. That is, many consumers look at the price as the quality index of goods and well-being of producers.

Since the quality and competitiveness are a prerequisite for market development, it is relevant to consider their relationship. The perceived quality of consumer products is made up of many indicators, it is about their technical and operational characteristics, appearance, packaging, consumer properties, the value for the consumer and others [4]. Achievements of firms to improve the quality of goods is now firmly linked to their innovation capacity. The concept of maximizing customer satisfaction is replaced by the concept of "effective use": "From more – to better". Products competing with each other, are checked against the buyer to meet consumer qualities. In this regard, we can say that the quality of the products is adequately to competitiveness, and should be considered in the same context.

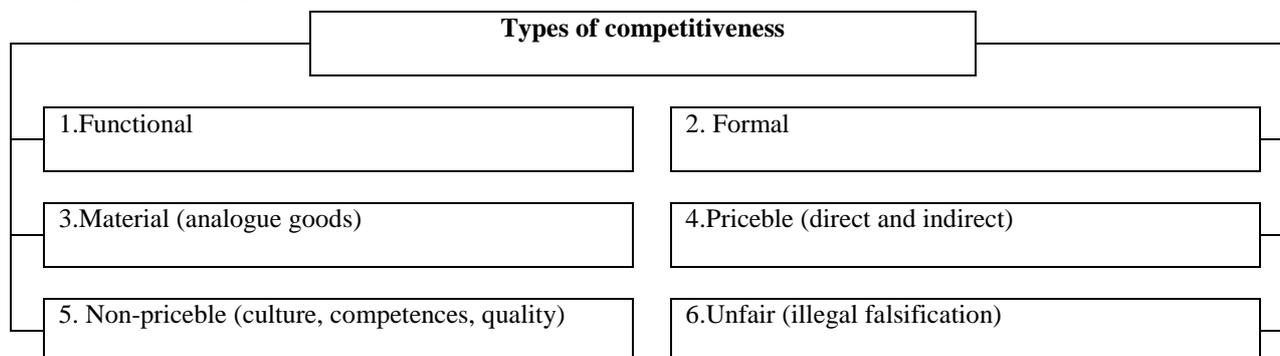


Fig. 4. Structure of the main types of competitiveness

Source: investigations of authors.

The competition is an integral part of the market environment. It determines the position of the company in the commodity market on the basis of the competitiveness of its goods. The competitiveness term includes: quality, product uniqueness, security of supply, price, after-sales service, etc. In these conditions, a firm entering the market, first of all, must offer the customer high quality products and services that represent a certain value, and the buyer that is interested in its acquisition, has to pay its cost.

The company's success in the competition depends on the quality of products and the company's activities that have an impact on the results of the competition. Cumulative production of consumer qualities is essentially an index on the basis of which is determined its level of competitiveness. The higher the value is, the better the customer needs are met. There criterion is price, formed depending on the consumer qualities, the demand for products. The price must cover all costs of production, supply and sale of products, including the rate of return.

Demand for high-quality goods and services puts new demands on the quality management of products. This necessitates the creation at the enterprise of an integrated marketing quality control mechanism. Under the control of the quality we mean the establishment, maintenance and provision of consumer valuable properties as separate steps, and in general throughout the life cycle of goods, services.

Marketing solutions in the field of quality suggest a close relationship with the activities on preservation of consumer qualities of goods and services. Quality management on the basis of the marketing approach assumes that the planning, organization and control of the decisions is made in the interaction of all divisions of the company that are involved in the process of production and circulation of goods, services (transportation, storage and sales). In this regard, there is a need to work closely with marketing and logistics in order to maintain the required quality of the goods, the consumer value of properties when moving goods from producer to final consumer.

Marketing quality management is aimed at resolving a number of contradictions that are associated with the need to harmonize the requirements and demands of target customers with the capabilities to meet them from the enterprise [1]. For the decision to overcome the contradictions, there is a need to solve the following problems in integrated marketing management quality goods (services):

- Identification of market position and competitiveness of the goods (services);
- Determination of the range of indicators to assess the level of quality;
- Providing valuable consumer properties as separate stages, and throughout the product life cycle;
- Focus on the environmental requirements of products;
- Establishment of sales for the current and prospective periods;
- The formation of prices based on consumer properties of ecological purity of the product; calculus of costs, taking into account the duration of the product life cycle.

According to the strategic document (Roadmap for Increasing the Competitiveness of the Republic of Moldova, approved by the Moldovan government on 14.1.2014) [4], competitiveness is to be considered at both the macro as and at the enterprise level: making the Moldovan economy and its business more competitive, thus allowing local markets to withstand additional competitive pressures from EU producers and will enable local producers to find or expand new markets in the EU, exploiting the competitive advantages of Moldova. This may open higher economic opportunities for local businesses and households, help increase their income and boost the state's efforts to continue diversification of reforms.

Competitiveness is closely linked to the cost. The main direct and indirect costs, such as capital, labor, energy and other utilities, insurance and congestion costs, are critical to the competitiveness of Moldovan companies in foreign markets and the domestic market, which already has a fairly high level of openness. This concern is present in the Roadmap, and contains each of its components.

An important element of competitiveness is the size and structure of the markets in which companies operate, what determines their ability to specialize and exploit economies of scale, thus influencing its costs and productivity. In the case of Moldova, in particular because of DCFTA, there is expanded the access to foreign markets, with an enormous potential of purchase and represents an incentive and substitute for an internal market of small size. However, the size and structure of the internal market remains crucial and there is room for improvement: it is imperative to facilitate its expansion and increasing its effectiveness for promoting competitiveness.

While improving the market efficiency is the result of current reforms in the long term, in the field of competition policy, for example, the Roadmap aims to contribute through more specific measures to eliminate constraints to the proper functioning of the market.

Thus, in the current market conditions, the formation of the company's competitiveness is impossible without marketing product quality management services. The marketing function plays a key role in determining the needs of target customers and in making decisions on quality management products.

USA lost the title of world's most competitive economy. US was exceeded in the IMD World Competitiveness Center by China (Hong Kong) and Switzerland occupying the top two positions. Thus, it appears that the absolute economic power held by the US was not enough to maintain the top position of the most competitive economies in the world. US has led the top in three years. This year, the top opened by China Hong Kong, Switzerland and the USA, is complemented by Singapore, Sweden, Denmark, Ireland, the Netherlands, Norway and Canada. "The United States continues to boast the best economic performance in the world, but there are many other factors that we consider when evaluating competitiveness", is written in the report.

Table 1

The IMD World competitiveness Scoreboard, GDP, GDP per capita, 2016

WCY 2016		Countries with the biggest GDP			GDP per capita, USD
rating	Country	Country	GDP 2016 (pr) bln. USD	GDP 2015 bln. USD	
1	Hong Kong	1. USA	18 698	17 968	Qatar - 146.011
2	Switzerland	2. China	12 254	11 385	Luxemburg - 94.167
3	USA	3. Japan	4 171	4 116	Singapore - 84.821
4	Singapore	4. Germany	3 473	3 371	Brunei - 80.335
5	Sweden	5. Great Britain	3 055	2 865	Kuwait - 71.600
6	Denmark	6. France	2 488	2 423	Norway - 67.619
7	Ireland	7. India	2 385	2 183	EAU - 67.201
8	Netherlands	8 .Italy	1 868	1 819	Hong Kong - 57.676
9	Norway	9. Brazil	1 673	1 800	USA - 57.045
10	Canada	10. Canada	1 592	1 573	Switzerland - 56.815
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59	Romania	50. Romania	181,944	177.954	20,787
76	Ukraine	65. Ukraine	83,550	90.615	7,519
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82	R. Moldova	145. R. Moldova	6,084	7.962	5,006

Source: [2; 3].

Conclusions. In the ranking of countries where you can make your holiday, Moldova ranks 111 of 141 countries included in top tourist destinations. At the macro level and at the enterprise level, Moldovan economy and its business become more competitive, thus allowing local markets to withstand competitive pressures additional from EU producers and will enable local producers to find or expand new markets in

the EU, exploiting the competitive advantages of Moldova. This may open higher economic opportunities for local businesses and households help increase their income and boost the state's efforts to continue and diversificate reforms. Competitiveness is closely linked to the cost.

Delay in economic recovery occurs in Moldova because, from the outset, it was hidden that we are affected by the crisis. We believe that we can not talk now about a total output of this recession, but about a revival of certain economic sectors such as foreign trade, agriculture, and industry in some subsectors.

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Recommended for publication: 17.05.2016