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LOVE AS A DELIGHTING FACTOR, AN INNOVATIVE MODEL AND A COMPETITIVE ADVANTAGE FOR COMPANIES AND ORGANIZATIONS

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ABSTRACT

Globalization has caused competition for companies and organizations to increase; the search to stay in the market has led companies and organizations to have a continuous process of strategic planning so that they can compete better for survival and try by all means to increase customer satisfaction. A new approach is required, and it should be to orient ourselves to a Civilization of Love. In this article, we want to propose as an innovation that an innovative company seeks to delight its client by aspiring to the enchantment factor "LOVE TO THE NEXT." According to the strategic planning of the organization, it will be obtained a profit margin superior to that of the competition or the increase of the participation in the market since it offers levels of customer satisfaction at prices that the competition will find difficult to match without lowering its profitability.

INTRODUCTION

When an innovative company (EMPIN) detects a need of the client that is not covered, it invests the required resources in all areas to compete better for survival, achieving the level of satisfaction required (NSR) and taking the risk that the cost in which it incurs does not correspond to the price that the client will have to pay. (Prasad, 2010).

The companies and organizations of their (cluster) business invest to reach that level of satisfaction, generally copying the technology and with the certainty that the client will be willing to pay for it. Therefore, it will be a period (T) (Camisón, Cruz, & González, 2006) (Matzler & Hinterhuber, 1998) for all the companies again or organizations reach the level of satisfaction required (NSR). (Sauerwein et al., 1996)

MATERIALS AND METHODS

In our model, the method used considers that in a sustainable business environment; From the financial point of view, companies and organizations would increase their costs only in order to increase customer satisfaction; therefore, our independent variable is cost and customer satisfaction is the dependent variable.

Another of our assumptions is that the customer will be willing to pay the price for a product or service directly proportional to the satisfaction that this provides.

Satisfaction=Function (cost) at higher cost greater satisfaction
Price = Function (Satisfaction) to greater satisfaction higher price.

RESULTS AND DISCUSSION

We will use the following nomenclature to explain our model
(See Figure 1) inspired in Kano model (Dalton & Dalton, 2018)

Initial Satisfaction = (SATI)

Final Satisfaction = (SATF)



Increase in Customer Satisfaction = Δ SAT

$$\Delta \text{ SAT} = \text{SATF} - \text{SATI}$$

Initial Cost (C1)

Final Cost (CF)

Increase in Cost = Δ COST

$$\Delta \text{ COST} = \text{CF} - \text{CI}$$

Final Cost of Enchanting Factor = (CFE)

Cost Increase Enchanting Factor (CFE) = Δ COSFEN

$$\Delta \text{ COSTEN} = \text{CFE} - \text{CI}$$

$$\Delta \text{ COSTEN} \leq \Delta \text{ COST}$$

Initial Price (P1)

Final Price (PF)

Increase in Prices = Δ Price

$$\Delta \text{ Price} = \text{PF} - \text{P1}$$

Price, the customer, is willing to pay at a level of SATCOM= PCOM

T= period required to achieve the final satisfaction level (SATF)

Initial Satisfaction = (SATI)

Maximum price = PMAX

(See Figure 1)

If the final price (PF) is proportional to the increase in customer satisfaction (Dalton & Dalton, 2018), the innovative company EMPIN (generator of the increase in satisfaction) that manages to reach a level of customer satisfaction SATF wins the market.

The competitors will seek to achieve the level of satisfaction that EMPIN achieved, they will invest copying the technology used with the certainty that the client is willing to pay the new price $\text{PF} \leq \text{PMAX}$ and in a short time, the market will be leveled. (Dalton & Dalton, 2018), the maximum price PMAX of a product or service is proportional to the payment capacity of the potential set of customers, each customer has a limited amount of resources that must be divided proportionally among all the products and services that it requires to acquire in a period. (Parkin, 2010)

If the EMPIN finds a delighting factor FE that is very difficult to reach for its competitors, it implies that EMPIN will find itself in a privileged position. This FE is the result of the patents or the structure of costs or machinery, or equipment or information systems or Vision or Mission. That the EMPIN owns. With a relatively small cost



Global Journal of Engineering Science and Research Management

increase (compared to what the competition would need) (Dalton & Dalton, 2018) the EMPIN reaches a level of customer satisfaction that allows it according to their strategic planning, explore one of the following scenarios: (See Figure 1).

1.- Increase the price at the PF level given that when the customer reaches a level of satisfaction SATF would be willing to pay it.

As a result of this strategy, when the competition reaches SATF, the market share would remain stable; that is, the volume of sale of EMPIN would not increase due to this strategy.

Considering that the company reaches an SATF satisfaction level with a cost (CFE) that turns out to be lower than CF, $CFE \leq CF$, with the same market share EMPIN will obtain better results than the competition and that strategy will be a tremendous competitive advantage

2.- Increase the price at the PCOM level, which is much less than PF ($PCOM \leq PF$) see Figure 1, so having the same profitability as competition can satisfy customers at the SAT level, this will allow it to increase its market share in a very significant way and that strategy will also be a great competitive advantage

3.- A combination of strategies 1 and 2. (See Figure 1).

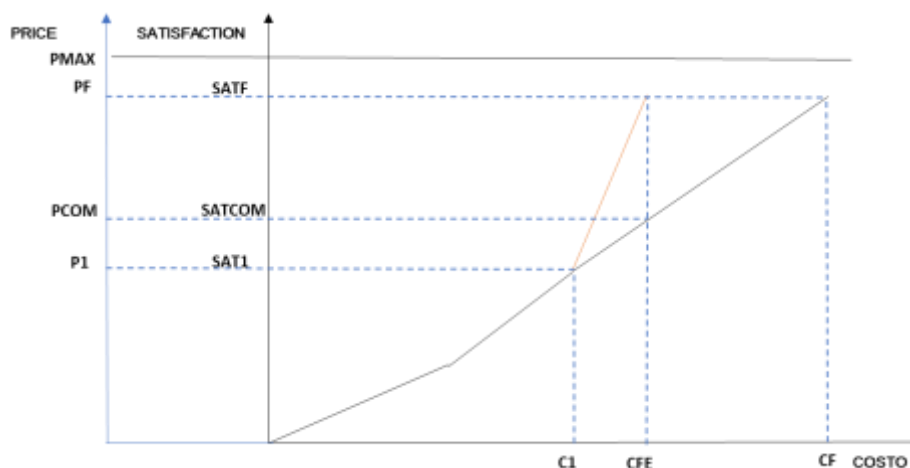


Figure 1. In this figure, it can be seen the relation between cost and satisfaction, and the relationship between satisfaction and price. Inspired in Kano model (Dalton & Dalton, 2018)

To measure the efficiency and effectiveness of an organization in a certain period we have to measure the quotient obtained by dividing the output obtained between the input provided; we will call this vital quotient "Survival Factor" SDS.

The strategies selected by EMPIN should aim to increase the quotient.

Survival factor (FDS) = OUTPUT (Output) / INPUT (Input); in a period of time

The restrictions imposed on the achievement of this objective in most organizations are legal and considering the ethical and technical gaps that our laws have, resulting in a contradiction since the company is not sustainable. For-profit organizations, ROE is the FDS.



Global Journal of Engineering Science and Research Management

The unit in which this factor is measured depends on each organization and of course the most common, but the one that is easier to obtain and seems objective is in terms of money.

Each organization determines the minimum value to reach, and if in the defined time a positive SDS is not reached, the organization must not continue operating since it is consuming resources from its environment.

Maximize SDS / in the period T

Subject to:

- 1.- Restrictions of operation
- 2.- Legal Restrictions
- 3.-Ethical Restrictions
- 4.-Restrictions Sustainability

(Candia-Véjar & González, 2012)

Recent history shows us that the neoliberal model that seeks without any restriction to increase the output of organizations in the shortest time possible has led us to a civilization for which the person is not essential, as long as it is not for producing or consuming. (Andreo, 2008).

However, today's world is afflicted with double materialism. In the first place, economic life tends to invade everything, being that it is only a dimension, necessary if, of the life of man:

It imposes its constrictions, its logic, its increasingly rapid rhythms on the whole of personal and social life, deviating and altering the higher purposes of family, cultural, political, and international life. There is, moreover, materialism, because it is an economic dialectic that is often distorted in itself, and that transmits its illnesses to all fields of existence ". It can be said that we live in a dehumanized civilization, which we could call a civilization of death (Sakalaki, Richardson, & Fousiani, 2016) (E Petrov-International scientific conference proceedings, 2017 -ojs.kbf.unist.hr).

Increasing sales or decreasing costs achieve the maximization of output in the case of a for-profit organization. The object for which this organization was constituted is not relevant to the conclusion mentioned in the previous paragraph.

A new approach is required; it should be to orient ourselves to a Civilization of Love. (Enasoae, 2016) a concept that was impulse by the Pope Pablo VI(Andreo, 2008)

In this article, we want to propose as an innovation that the EMPIN company seeks to delight its client by aspiring to the enchantment factor LOVE TO THE NEXT." Argandoña, A. (2010).

Argandona (2011) defines "Love as a feeling of affection or deep respect for yourself and others, for valuing yourself and believing in yourself and for others, and for helping to achieve the best of what everyone is capable of."

The EMPIN in which, by its nature, it focuses on the person as the fundamental element in the business (Pérez López & Polo, 1991). Has the potential to aspire to "LOVE" the client.

Our approach is that, if an organization or company has in its Mission, Vision, and Values the person as the center of the action (López, JAP (1991)). This organization can aspire to generate an enchantment factor with very high potential, since that "LOVE " has the advantage of being inexhaustible and that at the time it is required it is not divided, but multiplied and has no significant cost.

(Argandoña, A. 2010).

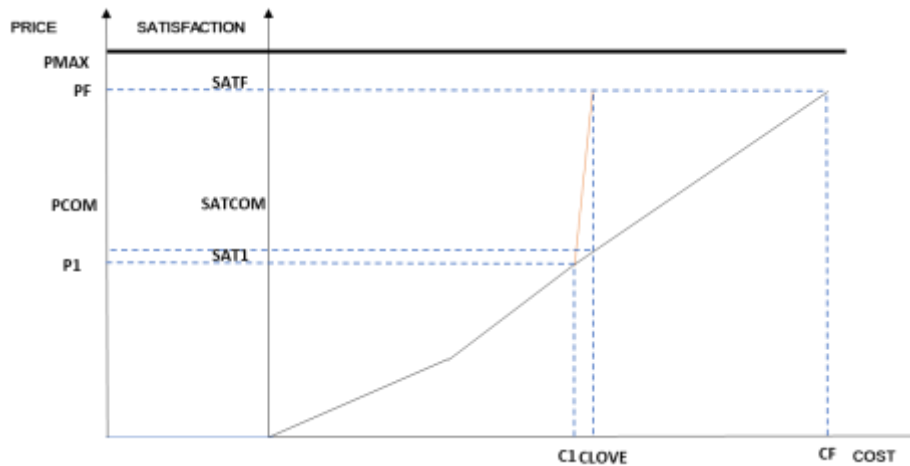


Figure 2. In this figure, it can be seen the relation between cost and satisfaction, and the relationship between satisfaction and price, $CLOVE \leq CF$. Inspired in Kano model (Dalton & Dalton, 2018)

We can see in Figure 2 (inspired in the Kano model (Dalton & Dalton, 2018)) that $CLOVE$ is less than CF and is equal to $C1$. The cost required to reach the $SATF$ is lower than CF .

When the client obtains $SATF$, he is willing to pay PF , the limit of PF is $PMAX$

The EMPIN has the option of selling its product to PF as well as its competitor with the advantage for EMPIN of achieving it at a $CAMOR$ cost that is less than CF .

EMPIN is, therefore, more profitable than the competing company or organization.

The EMPIN has the option to sell its product at $PCOM=P1$ price incurring a $CAMOR$ cost which would have the same profitability as competitors but being $PCOM$ lower than the price that the client would be willing to pay PF ($PCOM \leq PF$) will achieve a penetration of the market far superior to that of the competition.

EMPIN should:

Maximize SDS in the period T

Subject to:

1.- Restrictions of operation

2.- Restriction of LOVE

$0 \leq UTI$ and $0 \leq INVN$ LOVE is the innovation that allows us to be sustainable.

In the model, we consider that if the organization aspires to achieve LOVE, the restrictions of legality, ethics, and sustainability are reduced to a single restriction of Love. Argandoña, A. (2011).

In a company in which the delighting factor FE is LOVE, we take for granted that it will not undertake illegal, unethical and certainly not sustainable actions. (Argandoña, 2011)

CONCLUSION

In a company or organization in which the Mission, Vision, and values are focused on the person, we can innovate by aspiring to Love Others.

In the presented model it is concluded that the competitive advantages would be significant and depending on the strategic planning model that is promoted, it will have fewer restrictions when optimizing the required SDS ratio.



Global Journal of Engineering Science and Research Management

According to the strategic planning of the organization, it will be obtained a profit margin superior to that of the competition or the increase of the participation in the market since it offers levels of customer satisfaction at prices that the competition will find difficult to match without lowering its profitability. Both strategies generate an SDS in T higher than that of the competition.

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