

CHASING SERVICE ORDER WINNERS AND ORDER QUALIFIERS

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This article is devoted to the problem of conducting competitive environment analysis for the new companies entering the Belarusian market. That is why much attention is paid to the development of new marketing tool, which is inexpensive and easy for the new market entrants to access. This article can become practically relevant as the competition in the tertiary sector of economy is rowing rapidly and new companies need to know how they can win the orders from clients.

Keywords: order winners; order qualifiers; Competitor Profile Matrix; polar diagram.

The share of the tertiary sector in the Belarusian economy is growing from year to year and now comprises 51%. The major trend that can be observed in the Belarusian service market is the increasing competitiveness of current market players, caused by the emergence of new companies [1].

The low barriers to entry and thus increased danger of a tougher competition create the need to react quicker to threats arising from the external environment. However, fast emerging new service providers cannot always become aware of what their customers really need and why they should choose this very service provider in case there are hundreds more offers as the most frequently used by today's companies analytical tools such as market positioning matrix, value chain and VRIO analyses require such an input as sensitive competitor information, which is not easily accessible and costly.

The concept of order winners and order qualifiers, coined by Terry Hill, helps to identify which product's/service's characteristics are required for the product/service to even be considered by a customer and which will win the bid or customer's purchase. However, the concept was criticized for having no clear visual representation [2].

Further tools that were aimed at resolving this problem are competitive profile matrix, developed by David, which is a framework that «identifies a firm's major competitors and its particular strengths and weaknesses in relation to a sample firm's strategic position» by assigning the weights and total weighted scores on the basis of the chosen factors importance and company's rank in having or not having this or that competence, and polar diagram method of data representation, developed by Florence Nightingale which is a tool that allows to plot the obtained numerical values of some factors for multiple data sources and compare them [3,4].

We hypothesize that a new tool based on a combination of the three outlined above has a potential to solve this problem The advantage of this tool

will be its cost-effectiveness, application easiness, novelty and the methodology itself, which requires only the observation for competitive analysis conducting and survey among customers with the initial list of order winners and qualifiers on the basis of which they should evaluate this or that provider.

Competitive environment audit may present a great interest for both practitioners and researchers in strategic and operational management as well as for students who plan to start their own business or help improve the competitiveness of existing companies.

The objective of our research is to develop an effective and easily employable tool for competitor analysis of the service sector companies, which will allow them to strengthen their competitive position.

The object of our research are coffee shops located in Minsk, the number of which increased dramatically from 2010 till 2019, by 27%.

The subject of our research is the possibility to combine the three earlier described tools of competitive analysis into a new, more efficient, more visually representative and more cost effective instrument.

In order to develop the new tool the following steps have been taken:

- A survey among coffee shops customers to identify the order winner and order qualifying factors for the businesses in this sector have been conducted;

- The data has been further transformed into the weighted scores, according to the methodology developed by David. The final score for each competitor resulting from multiplying the factor's importance (weight) by the company's rank has been calculated;

- The scores for each company's performance have them been placed on a common polar diagram, where the diagram axes are comprised of either order winners or order qualifiers.

- The output will let the company to see how it performs in terms of the basic characteristics every competitor should have and what are its strengths comparing to the competitors.

To show how the tool works, we decided to further apply it to the coffee shops operating in Minsk. In order to identify the order winning and order qualifying factors for coffee shops, we conducted a survey among 67 respondents in the age group of 16 to 45 years old and asked them to describe the coffee shop in which they are ready to buy coffee and to describe the best coffee place in which they have ever bought coffee. Using the grounded theory method, the collected data has been further grouped under particular categories, that are either order winning or order qualifying factors for coffee shop customers. Further the importance scores have been assigned to the relevant categories going by the majority of responses. Then another survey was conducted, when the respondents were asked to evaluate the performance of 4

market players in coffee shop industry on the basis of the above identified categories. As a result the following table was derived:

Table

The Inputs to Final Score Calculation

Mentioned factor	Category	Weight	Tierry Rank	Bakery du Soleil Rank	Paul Rank	Zolotoy Grebeshok Rank
Price	Order qualifier	0,2	3	4	1	2
Quality	Order qualifier	0,14	5	4	5	5
Speed	Order winner	0,06	4	4	4	3
Reputation	Order qualifier	0,08	4	5	4	4
Ambience	Order winner	0,08	3	4	3	5
Social responsibility	Order winner	0,04	5	5	5	5
Convenience	Order winner	0,15	4	2	3	4
Dependability	Order qualifier	0,04	3	4	4	4
Qualified personnel	Order qualifier	0,15	3	5	4	5
Variety	Order qualifier	0,1	3	4	5	5
Service flexibility	Order winner	0,05	3	3	3	3

After the multiplication of the weight assigned to each factor and the coffee shop's rank, the following polar diagram was obtained (Figure):

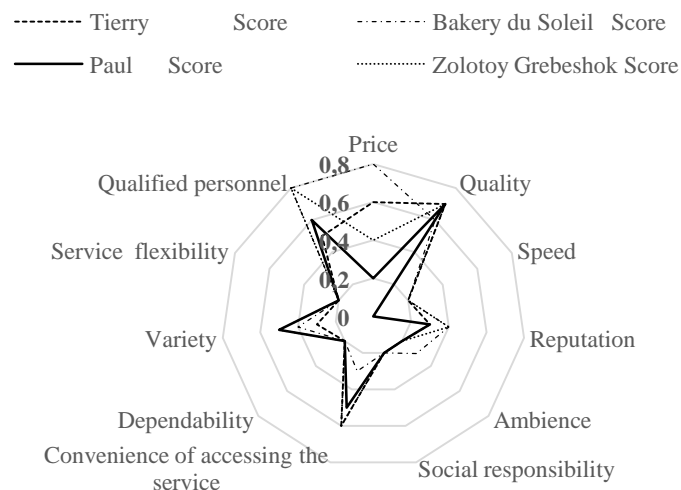


Figure. Competitive Positions of Minsk Coffee Chains

Here we see that Bakery du Soleil excels at its reasonable pricing, however, losing in terms of quality and convenience. Taking into consideration Paul's premium pricing, it should improve its customer service, and convenience of accessing the service, which will allow to improve the company's position relative to its main competitors: Zolotoy Grebeshok, and Thierry. Zolotoy Grebeshok should keep in mind its pricing, which is actually is not considered to be the best in the market. As a result Zolotoy Grebeshok is losing to Thierry ad Bakery Du Soleil, which have more reasonable prices and the same quality, meaning that it is possible to reduce prices while not hurting the quality level.

To sum up, it should be said that the developed tool, based on the concept of order winners and order qualifiers combined with competitor profile matrix and polar diagram method of data representation, is an effective, low cost tool for competitive environment analysis, which helps companies to define their market position and further course of actions on the basis of customer generated data, while solving effectively the problems arising while applying other more expensive and sophisticated methods of competitive analysis.

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