TOWARD A NEW PARADIGM OF MARKETING
Understanding Customers*

Harif Amali Rifai

The rapid change of business environment as a result of technology advance is transforming choice, and choice is transforming the marketplace. Volatile environment and high competition demand businesses more sensitive to customer. Business with weak market orientation faces up as a result of poor understanding about customer needs and competition. Furthermore, understanding toward customer could affect marketing promise. This paper explores some relevant themes of understanding customers in this changing environment linked to some marketing approaches in winning the business competition. Companies must figure out about their customer and market where the businesses operate. Impact of customers' preferences could lead to shift the marketing approach. The article may conclude that understanding customers well not only concern with their needs, wants, and desire but also to overcome customer dissatisfaction by dialogue with customers, collaboration, provide some information, and co-designed by customers.

Keywords: customer dissatisfaction, customers' preferences, sensitive to customer, shift the marketing approach.

* I would like to thank Tingying Ding, Namazi, SE, M.S.i for helpful comments and assistance in this work.
Introduction

In the past, managers have not yet concerned with the environment, which changes. Most of the extant frameworks in marketing strategies implicitly assume a benign environment, which means simple and not too dynamic. Yet recent advances in technology, coupled with favorable global political climate to free markets, have made parts of many industries more turbulent. In turbulent environments, the company must innovate, establish customer networks, sense some streams of new products, and share responsibility for new strategies throughout the firm. The managers must also balance the firm's capabilities for leveraging, strengthening, and diversifying its distinct asset or skills. However, in order to survive in competitive environments, the companies have had to restructure and to retrain their organizations to address changing customer needs and emerging competitive forces. These changes can be described as follows: (1) customers will change to change in needs, demographics, lifestyle, and consumption behavior; (2) competitors will change new technologies emerge and barriers to foreign competition shift, and (3) the environment in which business operate will continue to change as economic, political, social, and technological forces shift.

Understanding Customer and Market-Oriented Business

Although the long-run benefits of market orientation are crucial to business survival, the discussion of this section is to provide the short-run benefit of market orientation. Businesses with a strong market orientation typically outperform its competitors in delivering higher levels of customer satisfaction, but also deliver higher profit in the short run. Businesses driven by a strong market orientation create greater customer value and, ultimately, greater shareholder value. But the best way to understand the marketing logic that links market orientation to customer and shareholder value is to examine the sequence of events that evolves when a business has little or no market orientation. According to Kohli and Jaworski (1995), market-oriented business has three management characteristics:

a. Customers Focus. An obsession with understanding customer's needs and delivering customer satisfaction.


Businesses with a strong customer focus will be able to stay in close contact with customer needs and satisfaction. Marketing strategies in these businesses are built around customer need and other sources of customers' satisfaction. The extent of market orientation also relies on how well it understands key competitors and evolving competitive forces includes price, product quality and availability, service quality, and customer satisfaction, thereby leveraging cross-functional skill and business activities that affect customer response and satisfaction.

Businesses with weak market orientation undermines both customers and shareholders. A business with a weak market orientation comes up as a result of poor understanding customer needs and competition. Figure 1, moving clockwise from the top, depicts these poor understanding in a sense which could have consequences toward unfocused competiti

Figure 1. Market Orientation, Customer Satisfaction, and Profitability

Source: Best, R. J. (2002)

Poor Understanding of Customers and Competition

Unfocused Competitive

Me-too Customer Value

High Cost of Customer Retention and Repurchase

Market Share Instability

Excessive Customer Turnover

Accounting Maneuvers Drive Financial Results

Spurious Business Earnings Profits

Stagnant Shareholder

Unfocused Earnings

Profitability
tive position, a “me too” customer value as well as excessive customer turnover and so forth, which finally would affect the short-run results (Bradley, 1994). Customers are easily attracted to competitors who offer equal or greater customer value, which leads to high level of customers turnover and market share instability. Effort to hold off customer switching is expensive, as is the cost of acquiring new customers to replace lost customers.

The combination of market share instability and higher marketing cost resulted in sporadic business profits. In response, short-term sales tactics and accounting maneuvers are used to achieve short-run financial result. However, invesory’s analysts are able to see through this façade, and shareholder value generally stagnates. Hence, management is now under even greater pressure to produce short-run results. This means the business was not have enough time or inclination, or the motivation to understand customer needs and unravel competitor’s strategies and the circular performance in Figure 1 continues.

The real benefit of a strong market orientation and higher level of customer satisfaction is a higher level of customer retention. To build a market-oriented business, a company must pay attention to the following three fundamental forces that covered (Best 2000):

- **Marketing Knowledge.** The degree to which managers and employees have been educated and trained in the area of marketing directly affects the market orientation of a business.
- **Marketing Leadership.** The market orientation of a business starts at the top. If senior management and key marketing managers of a business do not have a strong market orientation, it’s difficult for a business to establish any level of marketing excellence.
- **Employee Satisfaction.** If employees are unhappy in their jobs and uninformed about how they affect customers, the business market orientation will never achieve even minimal effectiveness regardless of senior management speeches and market-burngment of mission and philosophy.

Keeping good customers should be the first priority of market-oriented business. Business with a strong market orientation is in the best position to develop and implement strategies that deliver high level of customer satisfaction and retention. In turn customer satisfaction and retention drive customer revenue and cost of doing business. Ultimately, they are key forces in shaping the profitability of business.

**Market-oriented, Market-driven, or Customer-oriented?**

Baker et al (1999) defines market-oriented business as "the set of cross-functional processes and activities directed at creating and satisfying customers through continuous needs-assessment to the customers." Whereas Saphro (1994) defines the term "market-oriented" represents a set of processes teaching on all aspects of the company. Market-oriented business can have upstream effect that may enhance the customer perceptions of its relationship with the customer. Customer perceptions of the market-oriented actions may positively affect the indicators long-term relationship (i.e., trust, cooperation, commitment, and satisfaction) that, in turn, should help to sustain the partnership between marketer and customer in the competitive age. A company’s sustainability, profit, and effectiveness depend on its customer. If the company cannot maintain its inflations, this may result in “getting close to the customer” would not be created. Eventually, most companies sell to a variety of customers with varying and even conflicting desires and needs, the goal of getting close to the customers is meaningless.

Business strategy has entered a new market and competitive environment, appropriately designated as the market-driven era of its central focus on market as the basis for strategy design and implementation. The era of market-driven paradigm continues to evolve that offers an array of challenges and opportunities businesses lead to customers-oriented business. Saphro (1994) supported that no meaningful difference between “market-driven” and “customer-oriented.” He used the phrases interchangeably. In this following explanation the writer analyzes about market-driven and market-oriented business.

There are three characteristics that make a company being market-driven:

1. **Information all-important buying influence permeates every corporate function.** A Company can be market-oriented only if it completely understands its markets and the people who decide whether to buy its products or services. In some industries, the distribution channel have a profound influence on the choice customer make. In other market, non-buying influences specify the product, although they neither purchase it nor use it (e.g., architects, consulting engineers, and doctors). In commercial and industrial marketplaces, a professional procurement organization may actually purchase the product, while a manufacturing or operational function uses it. Hence, to be the greatest use, customer information must move beyond the market research.

2. **Strategic and tactical decisions are made interfunctionally and interdivisionally.** Function and division will inevitably have conflicting objectives that mirror distinctions in culture and in modes of operation. Each function and division must have the ear of each other and must be encouraged to lay-out its ideas and requirements honestly and vigorously. To make a wise decision, functions and units must recognize their differences. A big part of being market-driven is the way different jurisdictions deal with one another. The marketing department may ask the R&D department to develop a product with a certain specification by a certain date or budget.

3. **Division and function make well-coordinated decisions and execute them with a sense of commitment.** An open dialogue on strategic and tactical trade-offs is the best way to engender commitment to meet goals. When implementers also do the planning, the commitment will be strong and clear. Powerful internal connections lead to clear communication, strong coordination, and high commitment. However, loose coordination leads to misapplication of resources and a lack of commitment, will fail consequently, to make the most of market opportunities.

To be a market-driven, the company must have met those three characteristics as mentioned above. By understanding market-driven characteristics the company is expected to reduce the gap between marketers and customers, and so between producers and marketers. Furthermore,
Craven (1998) explained market-driven perspective as follows:

1. Shifting from function to process: Functional de-emphasis is not unique to the marketing discipline. Eventually breaking down functional boundaries is imperative across organizations. Some organizations are being transformed into flat structures. Business designs are increasingly viewed as a process. Consequently, the organizing shift from hierarchy to managing core processes, their distinctive capabilities are closely linked to market-driven processes.

2. Shared responsibility for customers: Transitions to multifunctional teams responsible to customers expands the participant group, enhances the opportunities for superior customer value, and complements the implementation of customer-driven strategies. These responsibilities may include others function besides marketing.

3. Responsibility for implementation:
   a. A number of factors that affect the successful implementation of marketing concepts.
   b. Supporting the plan.
   c. Trainable planning

According to Kotler and Jaworski (1995), the concept of market-oriented is defined as "the organization wide generation of market intelligence, disintegration of existing departments, and organization wide responsiveness to it." Meanwhile, Kumar and Schmenol (1998) cited from Sheth and Sisodia (1999) summarized the market-oriented literature's core messages as "be close to your customers and listen to your customers" and "being too close to customers can create innovation." As a consequence, neither the applicability of market-driven and market-driving mind-sets. However, in order to sustain success over a long time the company needs to apply both market-driven and market-driving simultaneously. Day (1998) mentions that market-driven firms reinforce existing frameworks that define the boundaries of the market, how it is segmented, who the competitors are, and what benefits customers are seeking. On the other hand, market-driving firms seek to uncover the latent and undiscovered needs of current and potential customers; they also make explicit the shared assumptions and compromises made in their industry and break those rules. Hamel and Prahalad (1994) have offered the relevant concept of "leading the customer." Hamel (1996) distinguished between firms that are rule makers, rule takers, and rule breakers in their industry.

Carpenter et al. (1998) cited from Sheth and Sisodia (1999) explained that a common view of customer as offering market-focused target systematically violated. Rather, customer perceptions, preferences, and decisions making evolve over time along with category, and competition are, in part, a battle over that evolution. Competitive advantages, therefore, emerge from the ability to shape customer perceptions, preferences as well as decision-making. Market-driven view proposes an iterative process which marketing strategy shapes as well as responds to customers. An important point here is the ability to shape customer behavior through education and persuasion.

Meanwhile, the research conducted by Baker et al. (1999) supported that four potential indicators of an attitude and perspective towards the creation and maintenance of a long-term relationship in market-oriented business are: trust, cooperation, commitment, and satisfaction. The firms implementing a market orientation may gain number positive benefits, including increased profitability, improved employee attitude, and more customer-oriented value forces. Hamel and Morgan (1995, p. 13) state that firms able to effectively employ the "resource" of market orientation are likely to enjoy a "position of sustainable competitive advantage and superior long-run financial performance." Market orientation of a reseller may enhance the supplier's perceptions of its relationships with the reseller. Reseller's perceived effort satisfying end user results in supplier's belief that the reseller is more expert in the performance of its duties and is concerned with behavior in the best interest of the supplier. The supplier's perception of the reseller's market orientation is associated with the supplier's belief that cooperative norms exist in the relationship; thus, the supplier's view of market-oriented reseller is more likely to believe that both channel partners are working to satisfy mutual goals. Supplier's associate with market-oriented resellers are also more committed to and satisfied with the reseller's relationship. Both of the above indicate that the supplier is likely to place a high value on the relationship with a market-oriented reseller and will work to preserve that relationship. Therefore, a supplier's perceptions of a reseller's market-oriented action may positively affect the supplier's view of the relationship with a market-oriented reseller and work to preserve that relationship. Therefore, a supplier's perceptions of a reseller's market-oriented action may positively affect the indicator of trust, cooperation, commitment, and satisfaction of long-term relationship, in turn, should help to sustain the partnership in a highly competitive environment.

There is a rather distinct between the idea of a market-driven or customer-oriented company and market orientation company. Conceptualizations and operationalizations of a market orientation have emphasized cultural and behavioral aspects. Whereas market-driven or customer-oriented have emphasized the structural aspects to understand where companies are coming from and not only where they are trying to go. Application in practice shows depending on readiness organizational capability to change. Like to make organization more customer-oriented, it suggested that structural change are needed. Moreover, organizational systems must be changed to facilitate on customer group as well as address the issue that some people may have skill that are to trigger relevant when firms move toward a greater customer focus.

### Shifting Paradigm in Marketing Approach

To some marketer, the creation of almost unlimited customer choice represents a great — particularly when choice is accompanied by new competitor. An example, twenty years ago, IBM had only 20 competitors and fewer than 90 semiconductor companies; today it faces more than 5,000, when you count any company that is in the "computer" business, and more than 300 semiconductor companies. In the United State alone. And not only are the new competitor, bringing with them new products and new strategies, but the consumers who are new also almost 40% of the people used a computer in 1999 were not using in 2000. These new customers do not know about old rules, the old understanding, or the old ways of doing business and they don't care. What they do care about is a company that is willing to adapt its products or services to fit their framework. These represent evolutions in marketing as results of the technology advances that bring to understanding the new thought framework of marketing.

As technology developed and competition increased, some companies shifted...
their approach from sales-driven company to customer-driven. The shift is motivated by the need to come closer to the problems the customer is trying to solve. Within sales-driven company, salespeople are essentially product specialists and are typically assigned to a single product-focused company for sale the products to all customers. The customer-driven seeks to enable salespeople to better assess the customer value, and to differentiate offering on the basis of rich knowledge. In the latter 1990s company begin to move towards closer to the customer that eventually lead to market-driven company. The companies expressed a new willingness to change their product to fit customer request. Businesses with market driven will practice “let’s figure out together whether and how color matters to your larger goal” marketing. It is marketing that is oriented toward creating rather than communicating a market. The fundamentals of these concepts are knowledge-based marketing and experience-based marketing that involves education, incremental improvement, and ongoing process rather than simple market share tactics, raw sales, and one-time events (McKeena 1991).

These concepts will supplant the old approach to marketing and new product development. The old approach getting an idea, conducting traditional market research, developing a product, testing the market, and finally going to market is slow, unresponsive, and unfocused. Moreover, given the fast-changing marketplace, there is less and less reason to believe that this traditional approach can keep up with real customer needs and demands or with the rigor of competition. Knowledge-based marketing requires a company to master a scale of knowledge of technology in which it competes; of its competitors; of its customers; of its new sources of technology that can alter its competitive environment, and of its own organization, capabilities, plans, and way of doing business. According to McKeena (1991), armed with this mastery, companies can put knowledge-based marketing to work in three essential ways:

- **Integrating the customers into the design process to guarantee a product that is tailored not only to the customer’s needs but also to the customer’s strategies.
- **Generating niche thinking to use the company’s knowledge of channels and markets to identify segments of the market the company can own.
- **Developing infrastructure of suppliers, vendors, partners, and users whose relationship will help sustain and support the company’s reputation and technological edge.

Similarly, in the experience-based marketing, the business would emphasize interactivity and connectivity. With this approach, companies spend time with their customers, constantly monitor their competition, and develop a feedback-analysis system that drives this information around the market and compulsion into important new product intelligence. These close encounters — with customers, competitors, and internal and external technology — give companies first-hand experience they need to invest in market development and total intelligence, calculated risk. Therefore, that means marketing that find a way to integrate the customer into the company, to create and sustain a relationship between the company and the customer.

The second fundamental shift is the firm role and purpose of marketing: from manipulation of the customer to genuine customer involvement. From selling and selling to communicate and sharing knowledge; from last-in-line function to corpo-

---

*Annu Riji- Towards a New Paradigm of Marketing*

The market must be the integrator, not a controller, of the technology. The company must internalize the knowledge that market needs and external and internal technology the company offers. The customer into the company will look for an object with which company’s technology in the development and adaptation of goods and services. Playing the integrator requires the marketing to command credibility in the marketplace characterized by rapid change and potential for value-driven choice. Credibility becomes the company’s sustaining value. The character of its management, the strength of its financials, the quality of its innovations, the credibility of its customers references the company’s capabilities in all its alliances — these are measures of a company’s credibility. And that means marketing that find a way to integrate the customer into the company, to create and sustain a relationship with the company and the customer.

Markets and customers operate like light and energy. In fact, like light, the customer in more than one thing at the same time. Some time customers behave as part of a group, fitting readily into social and psychographics classifications. Hence, the real goal of marketing is to own the market — not just to make or sell products. Smart marketing means defining what whole “fit” is yours. It means thinking of your own company, your own technology, your product in fresh way, and a way that begins with defining what you can feel. Because in marketing, what you lead, you own, as well as leadership.

The third change is from low to high variety product line. A traditional marketing orientation may not be sufficient to meet the customer’s needs more efficiently. As one of foundation concepts of marketing used the benefit segmentation. Greater market diversity difficult to create meaningful segment. Therefore, that needs to replace market segmentation with customization (Kesh and Steidla 1999). According to Kesh (1998), from the customizations point of view there are two reasons why increasing variety in a product line can increase customer satisfaction and loyalty. The first reason is because more variety in a product line will make it more likely that each customer finds exactly what they desire. The second reason is that more variety in a product line will allow each individual consumer to purchase in a variety of options over time (variety-seeking strategy). Through these strategies the marketer can help the customer determine which option best suits his or her needs. Moreover, both strategies can be explained similarity as follows:

- **Customization Strategy:** Each customer is different and thus would require a different option. If the marketer wants to meet the needs of each customer better than the competition, a customization strategy increases the likelihood each consumer will find exactly what the he or she wants.

- **Variety-Seeking Strategy:** Its means that behavior or tendencies of individual to seek diversity in their choice of service or goods over time is observed for many different reasons (Kesh 1995). Most of consumers have some kind of internal need (due to satisfactions) or drive (due to thrill-seeking), or even intellectual curiosity that cause people to choose variety over time. By being flexible and trying a variety options, consumer can learn to be adaptive to changing environment.

In order to lower costs of the variety seeking and customization strategy, accompany can utilize in one of two ways. First, cost can be lowered through economies of scale, where standardized components are configured in a customized manner. The
second way to lower the cost is through economies of scope--the use of standardize processes that are flexible enough to allow for variety.

Other shift is basically from managing customer satisfaction to customer expectations. Customer satisfaction results from a comparison of perceived performance to expectations. Greater market diversity suggests that it is impossible to provide high level customer satisfaction across the board without clearly understanding the individual factors that drive it. As a determinant of customer satisfaction, the role of customer expectations has been underappreciated and underserved (Sheth and Sisodia 1999). Companies spend the bulk of their resources on attempting to meet frequently unattainable customer expectations, satisfaction by altering those expectations.

**Customers Discontent**

In the practice of modern marketing, the application of marketing concepts, the central tenant is that business succeeds best when it tries to serve customers by giving them what they truly want. Meanwhile, something seems not right, and it is useful to try to understand what is going on and going wrong. Criticism of marketing focuses largely on two areas: its "excesses" and its "expertness." Excesses are about purposefully shoddy and objectionable products, inadequate warranties, deceptive or objectionable advertising, misleading packaging, questionable selling practices, and emphasis on tawdry values. These are basis of what is broadly referred to as the "consumer movement," or "consumerism" (Star 1991).

Expertness refers to the special ways marketing think about and approach consumers. Most people define consumer needs or want in terms of products and their functional attributes--what a product does, how it performs, taste, or looks. They think also of how products perform in terms of consumers' psychological and psychological needs and wishes. This tends to be complex, subtle, and manipulatable. Individuals often do not perceive any need for particular products until they have been persuasively exposed to the possibility of having them—and it are marketing experts who expertly do the persuading. Indeed, its customer discontent arises not from "excesses," "inappropriate" definitions of customers' wants and needs, or from greed or cutting but rather from functional limitations on implementability of the marketing concept. Therefore, some implication of marketing concept has caused us to identify three points that may be conducted by marketer (Star 1991).

- **Market opportunity.** The marketer identifies a market opportunity: an apparent consumer need—discovered by research, intuition, technological innovation, or some combination of these. Then the marketer determines its size, its intensity include how much people who have the need would be willing to pay for its satisfaction, and whether the need could be satisfied at a profit cost.

- **Target identification.** That covered the specific group in the population that the necessary marketing effort (program) will go after—not just people with the indicated need but also with the wish, will, and money try to satisfy it. Marketers identify potential consumer along demographic and, especially in consumers goods, psychosocial terms.

- **Developing programs.** In the end, the marketer develops a program to coincide, to the greatest extent possible, with the attributes of the consumer target group. Unfortunately, the "greatest extent possible," it is always full disjunctive. Given the target group, marketers must make trade-off regarding specific product features, packaging, personal selling, copy strategy, channel distribution, after-sales services, price, and advertising media.

**Determine the Customer's Preference**

As mentioned above, if firms want to compete more effectively, the company must focus to meet the customers needs more efficiently. In order to meet customer needs the company should have been able to determine customers' preferences. Gilmore and Pine (1997) suggest two ways to determine customer's preferences: transparently or collaboratively. Discovering preferences transparency means that the marketer learns the customer's needs without actually involving the customers. Transparent customization is not possible when preferences are not well defined or observable or when a series of interactions is not expected. Meanwhile, learns customers' preferences collaboratively, the marketer engages in a dialogue with customers to help them articulate their needs and identify the precise offering that fulfills those needs.

Although ultimately this method can result in the ideal product, it can also be a terrible bother and take a great deal of time. The goal of marketer in learning preferences collaboratively is to determine a method that maximizes the learning without frustrating the customer. In this manner, they can have more control over the process and ensure that they fact do get what they want and need. Furthermore, a product which is co-designed by customer, in turn, so having a customer collaborate on discovering his or her own ends encourages the customer's purchase (Kahn 1998). Eventually, just being part of the process -- being involved -- seems to increase satisfaction. For example, Levi-Strauss Co. found to be the case with their customized jeans product. They found that customers were more likely to be satisfied with the final product if somewhere in the process they actually tried a pair of jeans. This was true even though the customization could occur easily without having customers try on jeans. According to Huffman (1998; cited from Khan 1998), the ideal way to determine customer needs was to engage him or her in the process of formulating preferences on each of the attributes. However, they found that there are limits to amount of input that should be required from the customer asking for too much input only served to frustrate the customer rather than involve him or her. If customer was pushed too far in the interaction, the customer was likely to disengage from entire process, and collaboration would not work.

Other methods that marketer should use is to present the information to the customer. There are two basic approaches that can be used. The first approach is to present the information by attribute, for example, Dell Computer helps customers choose the right computer, and ask preferences about what monitor is desired (e.g., hammer, CPU, and so on). The second approach is to present the information by alternative. This method properly utilized when product line was relatively simple, or if preferences were well-known prescribed. On the other hand, if the product was very complex and involved decisions on many attributes, then the best way for a marketer to present the information were by attribute.
Conclusion

When the business was small, products were simple, environment competition was unsophisticated, and customers were less demanding, we easily may screen the potential customer. But now, the turbulent environment and high competition demand business to be more sensitive to customer. The company must initiate innovation and learn about customers as well as share responsibility to customer. Customer satisfaction is a good leading indicator of future operating performance. If customer satisfaction is declining, an early warning signal is given, providing the opportunity to revise a problem before real damage is done. Of course, if a business does not track and misunderstand with their customer satisfaction, it forgives the opportunity to correct problems before decline in sales and profit result.

Viewing evolves of the marketing approach in turbulent environment and high competition would be continuing impact toward the business. Business that has strong market orientation is the best way to develop and implement strategies that can deliver high-level customer satisfaction and retention. On the other hand, businesses with weak market orientation come up as result of poor understanding about customer needs and competition. However, the role of marketing in the business of the future will be altering but its recognizable or identifiable. The reality increasingly faced by some marketers is a fundamental challenge toward the shift of paradigm in marketing approach. The ability of company to implement properly marketing practice is poorly understood; furthermore, it may be reliable to reduce rather than grow, as a result a number of factors currently affecting market and customer. As aforementioned, this article seeks to gain a few important changes in marketing approach. Among those changes are as follows: (1) From sales-driven to customer-driven company, recent trend represents a new willingness to change their product to apt customer’s needs base on knowledge and experience that involves education, incremental improvement, and ongoing process. (2) From manipulation of the customer to genuine customer involvement: from telling and telling to communicate and sharing knowledge: from last-in-line function to corporate-credibility champion. Its means marketing that find a way to integrate the customer into the company, to create and sustain relationship between the company and customer. The relationships are the key, the basis of customer choice and company adaptation. Therefore, marketing not only more than sell but also define the way a company does business.

(3) From low-to high-variety product line. Greater market diversity makes it increasingly difficult to create meaningful segments. Increasing variety in a product line can increase customer satisfaction and loyalty as well as allow each customer to enjoy a diversity of opinion over time. Therefore, we need to replace market segmentation with mass customization. This concept refers to the notion that by leveraging certain technologies, companies can provide customers with customized products while retaining the economic advantages of mass production. (4) From customer satisfaction to customer expectation. Greater market diversity suggests that it is impossible to provide high levels of customer satisfaction without clearly understanding the individual factor that drive it. Companies spend the bulk of their resources on attempting to meet frequently unsustainable customer expectations, failing to understand that they can have a greater impact on satisfaction by altering those expectations. From the explanation mentioned above, we may conclude that many firms do not aware that their business is facing marketing paradigm changes. The marketing paradigm is weak may be indicative of the longer term changes that may be anticipated in companies by well understand with the customers and competitive environment of businesses as well as involving customer in co-design to create customization products.

References


ABOUT THE AUTHORS

ABD. MAJID, M. Shabri Ph. D. candidate from International Islamic University Malaysia (IIUM), got his Bachelor of Management (Cum Laude) from University of Syiah Kuala, Aceh, Indonesia in 1995. M.E. (Mater of Economics) in 1999 from IIUM.

ASRI Sw, Marsan, earned a Doctor of Philosophy (Ph.D.) degree in Finance from Mcke-Gatson College of Business and Economics, University of Kentucky (1997) and a Master of Business Administration (MBA) in International Business (1982) from Catholic University of Louvain, Belgium. He is a senior lecturer in Finance and Management at the Faculty of Economics (Undergraduate), Master of Management (M.M) Program, Master of Science (M.S.) Program, as well as at the Doctoral (Ph.D) Program at Gadżah Mada University. His current position since 1999 is the Director of Master of Management (M.M) Program Gadżah Mada University.

ISMAIL, Abdul Ghafar is currently an associate professor of banking and financial economics at Universiti Kebangsaan Malaysia. He got his Ph.D. from University of Strathclyde, England. He is also currently the Chief Editor of Jurnal Ekonomi Malaysia and the co-founder for Ph.D. comprehensive examination. His research interests include capital structure, equity provision, balance capital and Islamic banking. He has been a lecturer since 1984 and has been teaching several economics courses such as Money and Banking, Financial Economics, Advanced Macroeconomics, Money and Capital Market in Islam.

LLEWELLYN, Richard V. is a Lecturer and Senior Researcher at the International Business Management Program of the Management Department of Petra Christian University, in Surabaya. He completed his Ph.D. (1995) and M.Sc. (1998) degrees at Kansas State University in Manhattan, Kansas, U.S.A. in the field of Agricultural Economics as well as a B.S. degree in Agronomy (1984), also from Kansas State University.

MARDIASNO is a lecturer at Faculty of Economics, Master of Management Program, Master in Development Economics Program, and Master of Science and Doctoral Program in Accounting at Gadżah Mada University (G.M.U.). Achieved his Doctorate in Accounting from G.M.U. (1981), Master of Business Administration (M.B.A.) majoring in Accounting from University of Bridgeport, U.S.A. (1989), and Doctor of Philosophy (Ph.D.) in International Administration from School of Public Policy, University of Birmingham, U.K. (1999).

RIFAI Harif Amal is a lecturer at the Faculty of Economics, Amalun University. He completed his M.Si. in 2001 at the M.Si. Program Faculty of Economics, Gadżah Mada University.