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# Enhancing Service Quality for Sustainable Business Practices: A Case Study of DEDEMAN

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**ABSTRACT:**
Measuring and enhancing service quality can significantly increase an organization's earnings and strengthen its reputation. Regardless of the industry, service quality has a direct impact on an organization's ability to meet customer needs while remaining competitive. We selected this topic due to its importance; thus, learning how to measure and improve service quality is a valuable skill that requires both research and expertise.
Service quality refers to how well an organization delivers its services compared to customer expectations. Customers purchase services in response to specific needs, and they hold—either consciously or unconsciously—certain requirements and expectations regarding how the organization's service delivery meets those needs. An organization with high service quality provides services that meet or exceed customer expectations. It is also a measure of how well an organization understands customer needs and fulfills them.
Understanding how to improve service quality is a critical step in fostering the growth and long-term success of any organization.

*Keywords: DEDEMAN, development, services, quality*

## 1. Introduction

Service quality is best defined as the extent to which an organization delivers its services in comparison to customer expectations (Nijssen & van Herk, 2009). Customers purchase services in response to specific needs, and they consciously or unconsciously hold certain requirements and expectations regarding how a company's service delivery will meet those needs. An organization with high service quality provides services that meet or exceed these expectations (Homburg et al., 2005).

Service quality is also a measure of how well an organization understands customer needs and addresses them effectively. Understanding how to improve service quality is a crucial step in driving organizational growth (Bagozzi, 1992). According to Freeman et al. (2010), service quality measures a company's performance relative to customer expectations, confirming that customers maintain specific standards for service delivery. Companies that consistently meet or exceed these standards achieve high service quality (Bodislav et al., 2020), whereas those that fall short risk reputational damage (Bell et al., 2005).

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The ability to meet customer needs and maintain a competitive advantage depends largely on the quality of services offered—an axiom that holds true across industries. For this reason, companies must conduct systematic market research to identify evolving customer needs (Hult, 2012). Market research enables organizations to measure the quality of their services and determine whether these meet customer expectations (Benson, Saraph, & Schroeder, 1991). Customer feedback, in particular, provides valuable insight into consumer preferences, tastes, and market trends.

## 2. Quality Management within Dedeman

At Dedeman, product quality and organizational efficiency are closely interconnected, with a strong correlation between the company's performance indicators and product quality. Two key aspects underpin Dedeman's operational and relational approach:

1. Internal Quality Focus: Ensuring that products are manufactured to the highest possible standards by adhering to technical specifications, preventing defects, providing employee training, focusing on production efficiency, and emphasizing technical quality.
2. External Quality Focus: Benchmarking products against competitors and market leaders, fulfilling customer needs, meeting societal and environmental requirements, ensuring customer satisfaction throughout the product life cycle, covering all operational costs, and approaching quality from a holistic perspective.

For optimal functionality, Dedeman identifies and manages the specific, interrelated activities characteristic of its field of operation. These interconnected activities, which transform inputs into outputs, constitute a process. Inputs—such as materials, information, and data—are analyzed to generate solutions that address operational challenges, resulting in outputs that may serve as inputs for subsequent processes (Chenet et al., 2010). Effective process management requires defined mechanisms, allocated resources, and monitoring systems to ensure compliance and performance optimization.

### 2.1. Process Improvement Approaches

Dedeman improves processes through incremental enhancements (maximizing existing performance and eliminating errors), standardization to meet performance benchmarks, and radical redesigns for transformative change (Gupta et al., 2005).

### 2.2. Quality Management System (QMS) Implementation

To maintain a robust QMS, Dedeman:

Establishes strategies and criteria to ensure effective implementation and control of processes.
Identifies and applies all QMS processes, including management activities, resource allocation, production, analysis, measurement, internal audits, continuous improvement, and product/service delivery.

Monitors, measures, and evaluates processes to ensure compliance and optimization.
Maintains accurate information and resources to support implementation and monitoring.
Defines the sequence and interaction of processes to ensure alignment with customer requirements and continuous optimization.

Dedeman's QMS integrates resources, processes, responsibilities, organizational structures, methodologies, and performance evidence, formally documented in its quality manual. This system is developed to maintain consistent quality control and evaluated across multiple dimensions to ensure customer satisfaction, operational efficiency, and favorable market conditions.

### 2.3. Continuous Improvement and Strategic Development

Dedeman undertakes targeted actions to fulfill its socio-economic obligations while serving the interests of employees and customers. Continuous product improvement and expansion remain central strategies, with plans to add approximately three to four new stores annually, aiming for a network of 30 shopping centers in the long term. With an average investment of €10 million per store, total network expansion could amount to approximately €190 million over the coming years.

According to company forecasts, the Romanian do-it-yourself market will continue growing until 2025, when geographical saturation is expected. Beyond this point, competition will focus more heavily on refining concepts and expanding service offerings. Dedeman adapts to evolving customer requirements by improving service quality and enhancing its QMS (Hitt et al., 2006).

### 2.4. Quality Assurance Practices

Dedeman ensures quality through:

Statistical Methods (Process Orientation): Statistical process control identifies root causes of defects to prevent recurrence, with particular emphasis on sampling control methods.
Staff Motivation (Worker Orientation): Training and educating all employees—from management to operational staff—to embed quality at every level (Cannella et al., 2008).
To support worker-oriented quality, Dedeman has digitized recruitment, training, and internal communication for its 9,000 employees, implementing advanced human resources management solutions.

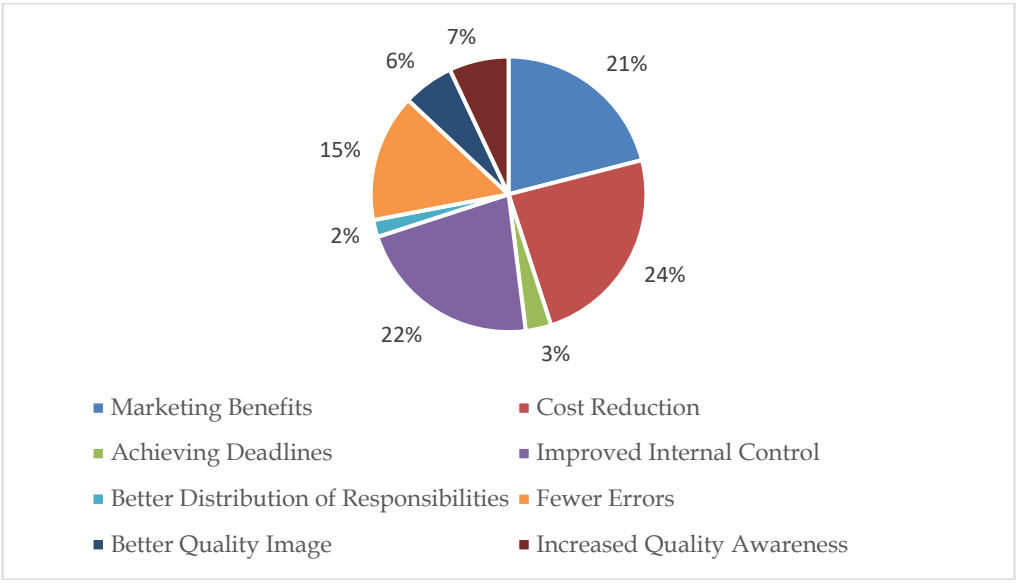


*Figure 1. Benefits obtained from implementing the ISO 9000 standard.Source: Moldoveanu& Dobrin, 2003*

Over time, the quality assurance system within Dedeman has become established for reasons such as:
- The specific contribution of the quality system to obtaining high-quality products and services, sold and accepted by consumers.
- Automation and computerization of production processes have determined the placement of quality at the forefront.
- Maximizing the share of quality in the competition manifested on the goods and services market.
- Optimization of quality costs.
- Increased consumer demand regarding the quality of goods (the consumer has become increasingly informed and educated, he will manifest new demands towards products and services, especially in the conditions of diversification of the market offer);
- The influence exerted by quality on the indicators of the organization's economic efficiency (labor productivity, profitability, etc.).

Dedeman's policy aims at the permanent improvement of the quality of its products to obtain the satisfaction and total trust of its customers. Dedeman's goal is to establish a well-structured, strong, competitive organization that will maintain itself as a leader in its field of activity

Continuously encouraging each employee to be concerned with improving their own activity and to make viable proposals for the smooth running of Dedeman is a concrete way to achieve this objective.

Even though it is a medium-sized regional company, Dedeman is prepared to face competition, be it regional, national or even international.

In management, it has been considered that repeating this methodology leads to continuous improvement. Quality management is identified with the coordinated activities for guiding and controlling an organization in terms of quality.

## 3. Proposals for quality improvement within Dedeman company

Carrying out appropriate quality in the field of supply activity within Dedeman creates premises that are favorable to obtaining certain quality results by the company, which leads to the improvement of Dedeman's economic parameters.

Another method is represented by the Pareto diagram, which is a graphical analysis method that allows the distinction between the most significant causes of a problem.

Thus, the steps to be followed in order to develop this diagram will be presented below, using as an example the analysis of complaints and grievances received within Dedeman.

1. Establishing the data to be analyzed and the time period to which the data refers. It is necessary to specify how they will be classified and where they come from.

2. Classification by categories. In this case, 845 complaints are considered, starting from the complaint forms that were completed by customers, which were grouped into the following categories.

**Table 1. Distribution of quality problems by category**

| **Category** | **Complaint** |
|---|---|
| Lack of new products | 21 |
| Non-security in the parking lot | 6 |
| The unit does not have the necessary means to transport employees; | 9 |
| The unit does not benefit from the funds it needs to create its own marketing and distribution network for manufactured products; | 4 |
| Poor lighting in the parking lot | 3 |
| Does not participate in exhibitions | 5 |
| Staff training | 7 |
| Waiting in line | 10 |

*Source: own processing from data obtained from the website www.dedeman.ro*

3. The data is tabulated starting with the category that includes several elements and continuing in descending order. This will calculate:

- absolute frequency.
- cumulative frequency

**Table 2. Tabulating data**

| No | Categories | Frequency (absolute) | Frequency (cumulative) |
|---|---|---|---|
| 1 | Lack of new products | 21 | 21 |
| 2 | Non-security in the parking lot | 6 | 27 |
| 3 | The unit does not have the necessary means for transporting employees | 9 | 36 |
| 4 | The unit does not benefit from the funds it needs to create its own network for marketing and distributing manufactured products; | 4 | 40 |
| 5 | Poor lighting in the parking lot | 3 | 43 |
| 6 | Does not participate in exhibitions | 5 | 48 |

*Source: own processing from data obtained from the website www.dedeman.ro*

Here's your text rewritten in clear, polished academic English with improved grammar, structure, and consistency, while preserving your original meaning and references:

## 4. Further Proposals for Quality Improvement

One proposal is to invest in employee transportation by acquiring appropriate vehicles to meet this need. Additionally, investment in human capital is essential, particularly through specialization courses, training programs, and other forms of professional education.

Since the company does not currently possess the necessary resources to establish its own marketing and distribution network for manufactured products, it may be possible to access European funds to address this gap (Headley & Miller, 1993).

Queueing remains one of the main operational challenges; therefore, additional cash registers should be installed, or more staff hired to reduce waiting times. Furthermore, the implementation of a well-structured logistics system would be highly beneficial.

Achieving an acceptable level of quality in Dedeman's supply activities requires the following measures:

Introduction of purchase and sale contracts that, in addition to economic and quantitative provisions, stipulate clear qualitative requirements.

Development of technical quality documentation—such as control procedures, quality manuals, and other relevant materials—aligned with international ISO standards, Dedeman's internal quality standards, and national or industry-specific regulations.

Establishment and implementation of quality control procedures for each qualitative function of a product entering the company.

Continuous improvement initiatives and the development of quality awareness among employees in the supply chain.

To ensure consistent quality in purchased goods, procurement managers must evaluate potential suppliers based on their capacity to deliver products that meet the company's quality requirements. This requires a systematic supplier evaluation process, which should gather detailed information on:
Organizational, production, human, and financial resources;
The supplier's proven capacity to deliver the desired product at the required quality level.
Quality Policy Directions for Dedeman
In this context, Dedeman's top management should focus on:

- Maintaining the Quality Management System (QMS) by recertifying it in accordance with current quality standards and continuously improving it.
- Completing recent investments by operationalizing modern, high-performance, computer-assisted production facilities capable of manufacturing products at a European quality level.

Diversifying product offerings by:

- Developing new products in response to customer demand;
- Producing existing product lines at higher quality while maintaining competitive costs.
- Continuously improving the performance of all departments to strengthen Dedeman's image and market prestige.
- Enhancing internal communication across organizational structures so that all employees remain engaged, proactive, and aware of the importance of product quality.
- Implementing an Environmental Management System certified under current environmental standards to demonstrate Dedeman's commitment to environmental protection to customers, authorities, and the wider public.

## 5. Conclusion

Quality assurance at Dedeman is founded on a structured system of criteria, principles, standards, and performance indicators, supported by clearly defined procedures and mechanisms for maintaining, improving, and continuously evaluating quality. This approach integrates quality assurance into the institutional development process, moving beyond simple control toward a holistic quality management philosophy.
Within an organization, quality functions as both a decision-making principle and a driving force that directs individuals to optimize processes for personal and organizational improvement. Quality reflects a shared mindset and standard embraced by all stakeholders.

In today's competitive marketplace, quality is more critical than ever. Advancements in technology have enabled customers to compare products globally, while dissatisfaction can be instantly broadcast via social media. Meeting and exceeding customer expectations increases the likelihood of repeat purchases, fosters loyalty, and generates positive reviews that drive traffic and sales.

High-quality products enhance a company's reputation, positioning it to outperform competitors with weaker reputations. Dedeman's strategy is to seize every opportunity to maximize customer satisfaction, improve its financial performance, and strengthen its position in the markets it serves. This includes ongoing improvements to both products and services, as well as the continuous enhancement of its QMS.

Dedeman's policy emphasizes the permanent development of product quality to achieve complete customer satisfaction and trust. The company's goal is to maintain a strong, competitive, and well-structured organization capable of sustaining its leadership position in the industry. In practical terms, this means recertifying its QMS in line with current quality standards, applying quality policy consistently at all organizational levels, and embedding a culture of continuous improvement across the company.

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