

## **THE IMPORTANCE OF VALUE ANALYSIS IN ESTABLISHMENT OF MARKET PERFORMANCES OF A PRODUCT**

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**ABSTRACT:** *The value analysis is a method of competitiveness wich aims at increase of products value by a systematic procedure with the object of obtaining optimum solution. The paper proposes to present, using the value analysis with in the company S.C. EUROSPORT DHS SA, on the basis of a questionnaire the degree of satisfaction of the customers concerning the products of the company taken for object of research.*

**KEY WORDS:** *company, customers, value analysis, competitiveness level, degree of satisfaction, products range, Eurosport DHS.*

**JEL CLASSIFICATION:** *M21, M31.*

### **1. INTRODUCTION**

The value analysis is:

- An organized and creative competitiveness method aimed at meeting the needs of the user through a specific, functional, economic and pluridisciplinary approach.
- Method of conception or reconciliation of products and services to meet the user's needs at a reasonable cost.
- Organized procedure to identify unnecessary costs.
- Organized procedure for identifying unnecessary costs in multi-component products, using Functional Analysis to define the problem and group creativity to solve it.
- Method of increasing the material production by reducing manufacturing costs, while improving the quality of products, acting at the stage of constructive design.
- Method of conducting material production.
- A series of system processes geared to delivering the necessary functions at a minimal cost, without neglecting quality, reliability and delivery.

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- A method for increasing the value of both products and services or technological processes, by means of which a systemic procedure tends to obtain optimal solutions.
- Research method - systemic and creative design which, through a functional approach, seeks to ensure that the functions of the studied objective are conceived and achieved with minimal expenses, in a quality condition that satisfies the needs of the users, in accordance with the socio-economic requirements.

**The objectives of the Value Analysis are:** cost reduction, quality improvement and required services, innovation, conquering new markets, adapting to external developments, ensuring sustainable competitiveness. The Value Analysis object forms its activity, product or components. Only the product is a value carrier and the subassemblies or parts contribute to the usefulness of the product.

**The Value Analysis Directorate is Functional Analysis.** Starting from the idea that a product is bought because it does something that corresponds to a buyer's need, this property has been named its principal function. In order for the main function to be fulfilled, a series of secondary functions need to be added to the product, which is of interest only if it contributes to the normal function of the main function. It is estimated that, in general, only 20% of the manufacturing costs of products are caused by the main functions, and 80% of the secondary functions.

## 2. PRESENTATION OF THE COMPANY SUBJECT TO THE STUDY

A Chinese math teacher, Yang Xi, left her native country in 1996 with her husband, Niu Guanghui, to start a business in Romania. They chose Petrosani, where they built the foundations of a bicycle factory in 1999.

The choice of location was based on two reasons: unemployment in the Jiu Valley, which guaranteed its availability on the labor market, and the second fact that at that time the Jiu Valley benefited from the status of the disadvantaged area. Ten years later, Yang Xi succeeded in inaugurating a second bicycle factory in Deva. The bicycle factory is located near the town of Deva, the central-western part of the country and is the country's largest bicycle manufacturing facility. Eurosport DHS is China's largest investment in Romania. Up to now, around 20 million euros have been invested here.

PROPHETE GMBH, Germany's number two bicycle manufacturer in Germany, bought 30 percent of EUROSPORT DHS shares with capital and at the same time gained 100 years of experience in Germany. In 2006 EUROSPORT DHS invested in the new production plant in Deva, more than 6 million EURO and with a production area of more than 17,000 square meters. In June 2006, Prophete GmbH entered into a partnership with Eurosport DHS SA bringing in this partnership both the capital and 100 years of experience in the production of bicycles at German standards. In July 2006, the massive investment of approximately 300.000 Euros in an automatic technological line for the assembly and centering of bicycle wheels (6-wheel adjustment equipment purchased from the French manufacturer Mach1, a company specializing in the production of bicycle wheel construction equipment), and by acquiring automated assembly lines in the Netherlands that guarantee the quality of

products as European standards, the company's production has grown to 500,000 units per year.

This investment was made taking into account the opportunity for bicycle production in Romania. The bikes produced here are sold throughout the European market since January 2007 when Romania became a member of the European Union. Eurosport products have some very important features: good quality and low prices thanks to the low cost of local labor.

The wide range of products and services, together with the long-established professionalism and reliability, have put Eurosport DHS S.A. among the first companies in the country. To prove this, the company holds numerous diplomas and awards. The National Council of Private Small and Medium Enterprises ranked Eurosport DHS S.A. for the third consecutive year in the first place in the category "Bicycle production".

In 2009, Chinese managers began building a new production hall, in which they invested another 2 million euros.

### **3. DETERMINING THE LEVEL OF MARKET COMPETITIVENESS OF S.C. EUROSPORT DHS S.A.**

The proposed questionnaire is the following:

Company Name: \_\_\_\_\_

Date: \_\_\_\_\_

Your Name: \_\_\_\_\_

Your function : \_\_\_\_\_

#### **Customer Satisfaction Assessment Questionnaire**

##### ***1. What is the most important reason for working with Eurosport DHS?***

- a) Seriousness
- b) Promptness
- c) Product design
- d) Rate
- e) Quality

##### ***2. How do you qualify your relationship with the sales department?***

- a) Very good
- b) Good
- c) Normal
- d) Weak

##### ***3. Is the best way to promote DHS products?***

- a) Banner
- b) Poster
- c) Catalog
- d) Media
- e) Flyers

##### ***4. Are your preferences about the 2017 product range?***

- a) Impulse
- b) DHS
- c) Trekking
- d) DHS Kids
- e) Kreativ

**5. The most sold product in the 2017 season was?**

**6. Was the 2017 service activity?**

- a) Very good                      c) Normal  
b) Good                              d) Poor

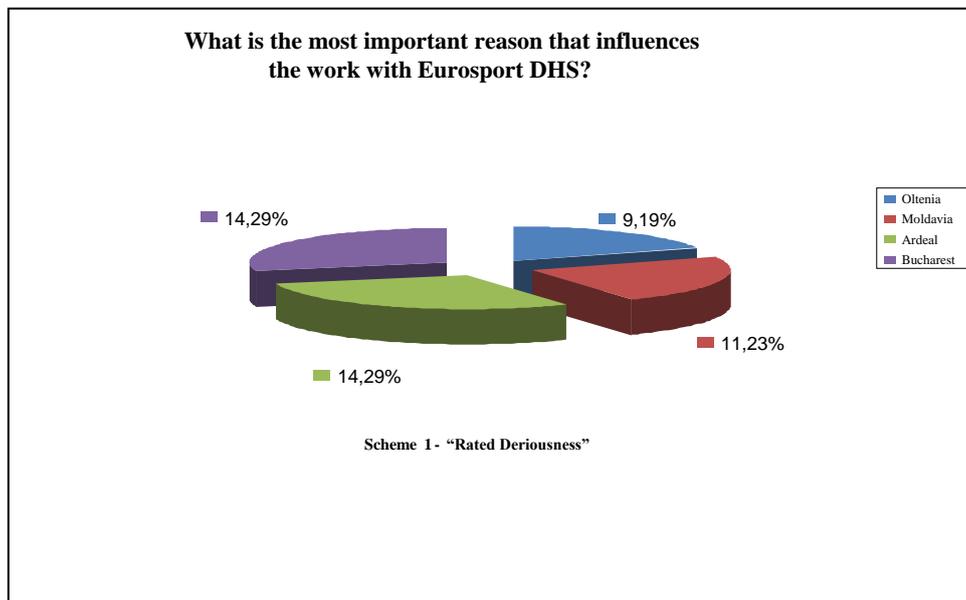
**7. Is your opinion about Bike Fest 2017?**

- a) Very good                      c) Normal  
b) Good                              d) Poor

**Interpretation of results:**

**1) What is the most important reason for working with Eurosport DHS?**

This question seeks to determine the factor that most influences the collaboration with SC Eurosport DHS SA. This is a closed question with five variants of answer, of which the respondent chooses one. In the following graph are presented the results of the analysis of the data obtained by this question. It is noted that most respondents, ie 58% of the respondents, consider seriousness as the most important factor that may influence the collaboration with Eurosport DHS, half of them, that is, 14, are from Bucharest and the rest of Transylvania. Only 19% of the respondents from Oltenia and 23% of Moldova consider the company's seriousness as the most important factor influence.

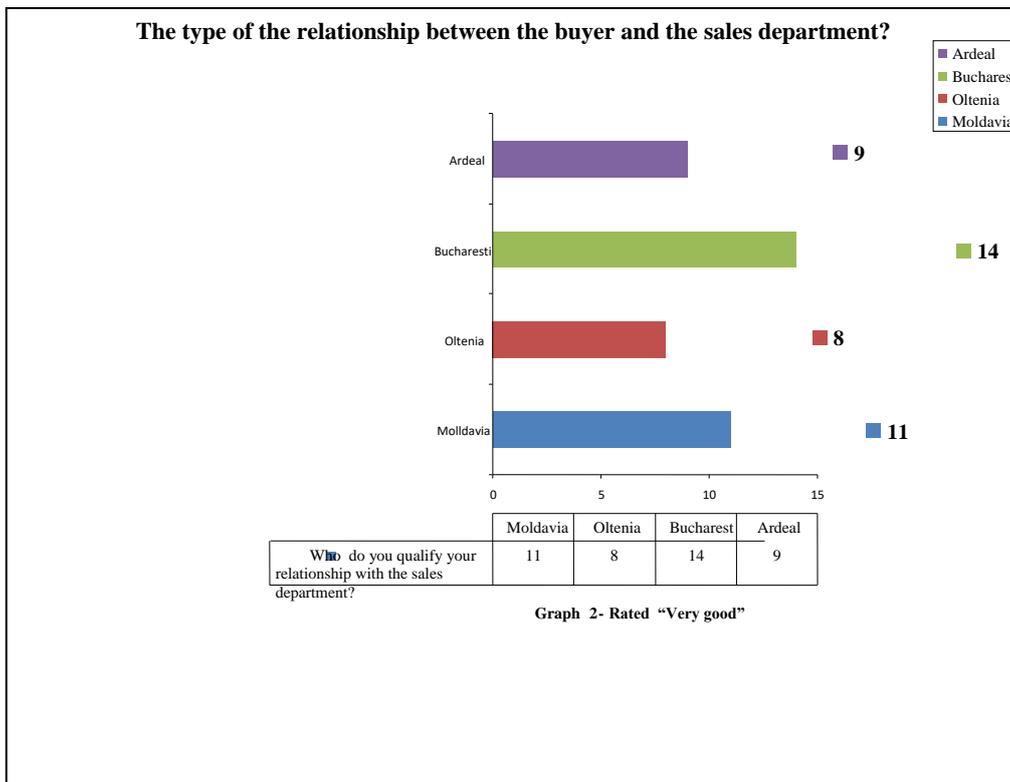


**2) How do you qualify your relationship with the sales department?**

This question seeks to establish the type of relationship between buyers and the sales department. That question is closed, metric scale type.

From the above figure we can see that the area where most of the respondents qualified the relation with the sales department as being very good is Bucharest with 34% (14 persons), followed by Moldova with 26% (11 persons).

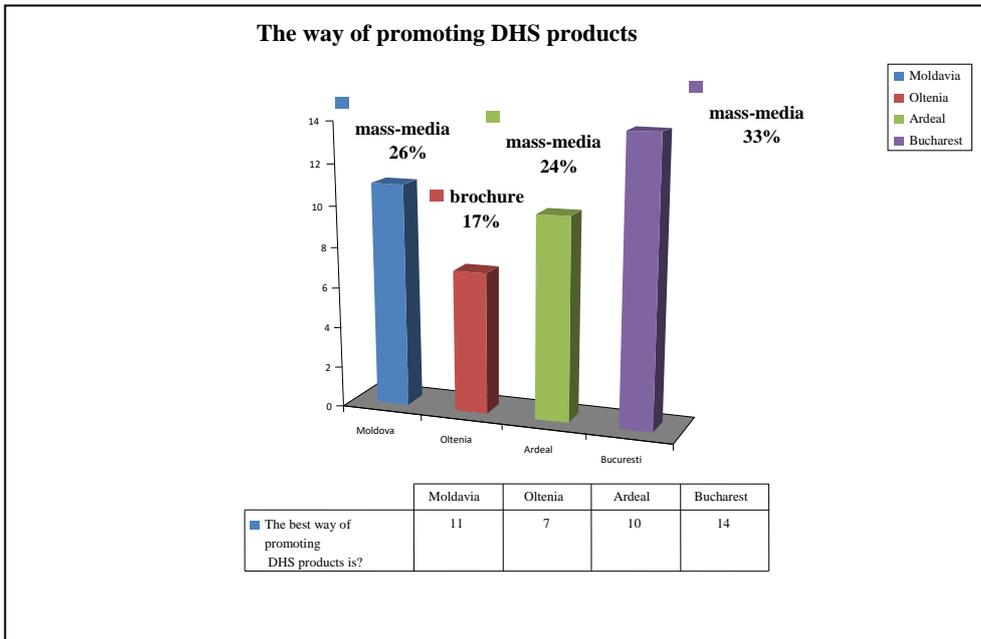
Only 9 respondents from Ardeal consider that their relationship with the sales department of the company is very good (ie 21%), and in the Oltenia area, 19% of the respondents gave the same answer regarding their relationship with the sales department of the firm.



**3) Is the best way to promote DHS products?**

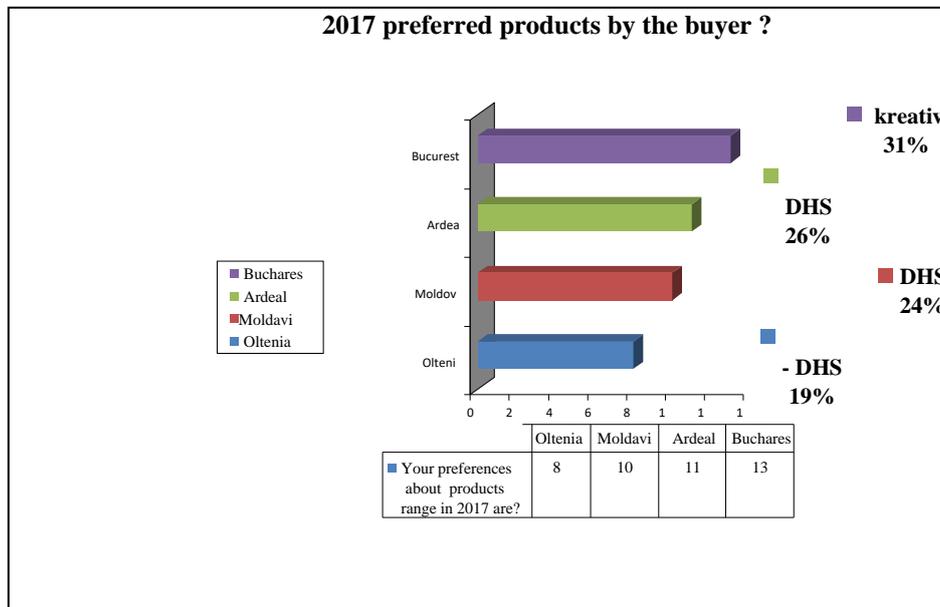
The role of this question is to determine the best way for the respondents to react and stimulate them to buy or at least to visit the Eurosport DHS store. This is a closed question with 5 variants of respondents that respondents can choose one.

From the graph above, it can be seen that 33% of respondents in the Bucharest area, namely 14 persons, consider that the best way to promote DHS products is mass-media. In addition, the Moldovan and Ardeal regions are added with a 50% cumulative share (11 persons surveyed from Moldova and 10 from Ardeal), who opt for the same promotion of products as those in Bucharest. 17% of respondents in Oltenia state that the best way to promote DHS products is the catalog (7 people).



**4) Are your preferences about the 2017 range of products?**

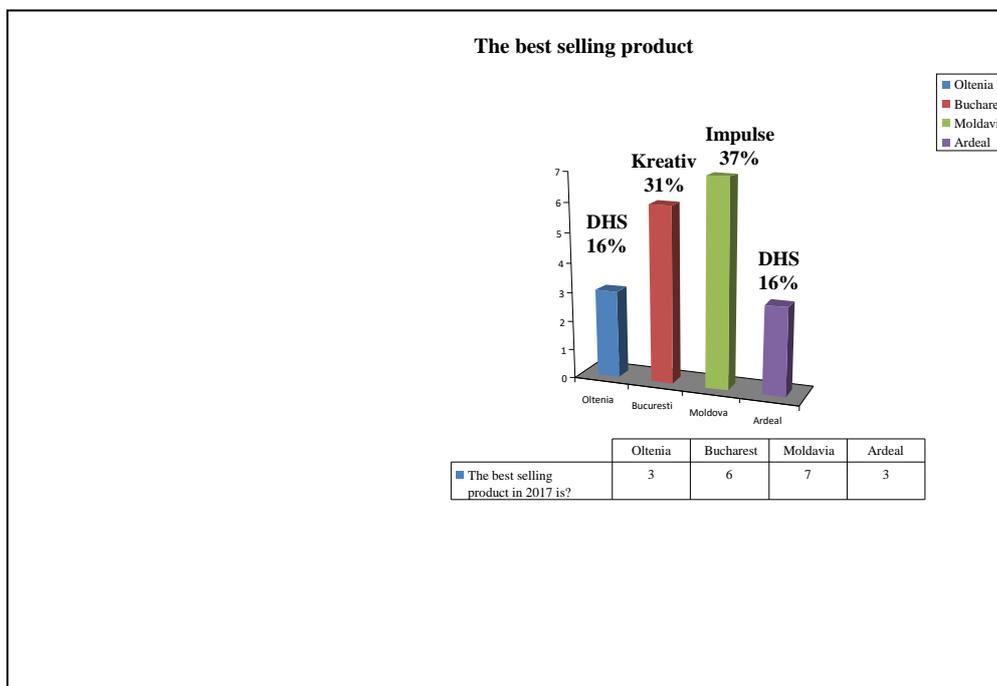
The role of this question is to determine the preferred product from 2017. It is a closed question with five variants of answer, of which the respondent chose one.



From this chart it can be deduced that the preferred product of the buyer in 2017 is DHS, accounting for 69% (11 persons from Ardeal, 10 from Moldova and 8 from Oltenia respectively) compared to Kreativ that was voted by 31% (ie 13 persons) of respondents in the Bucharest area.

**5) The best-selling product of the 2017 season is?**

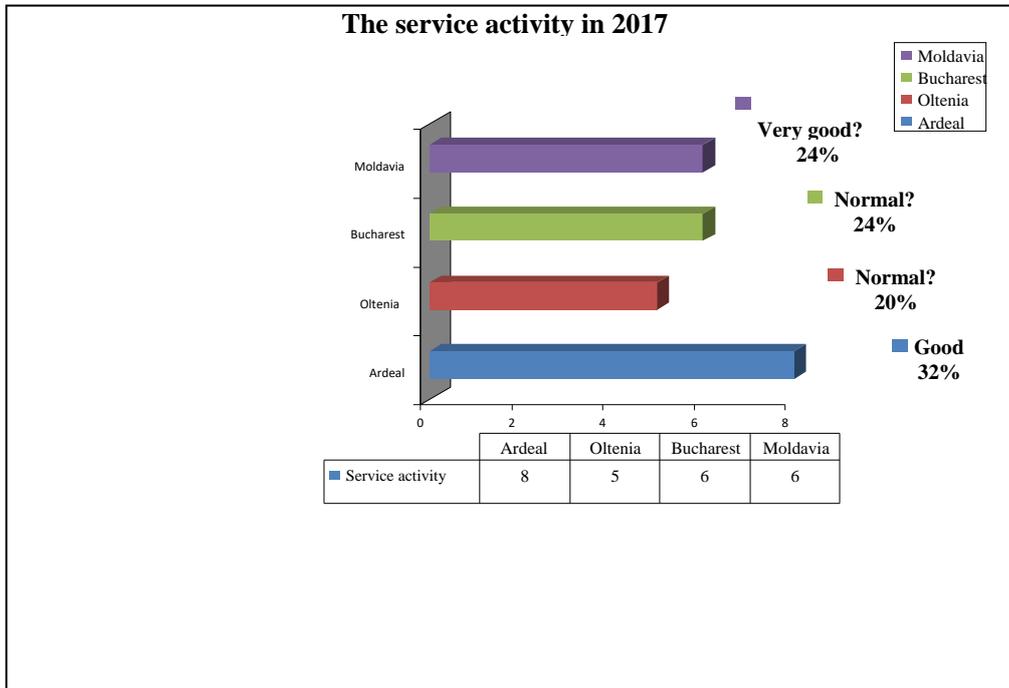
The role of this question is to determine the best-selling product of 2017. It is an open question for the respondent to write which is the product that had the highest earnings in the year 2017.



The graph above shows that the best selling product in the area of Moldova is Impulse with a weight of 37%, followed by DHS with a cumulated weight of 32% in the Oltenia and Ardeal areas. 6 of the people surveyed liked Kreativ as the best-selling product in 2017 in the Bucharest area.

**6) Is the 2017 service activity?**

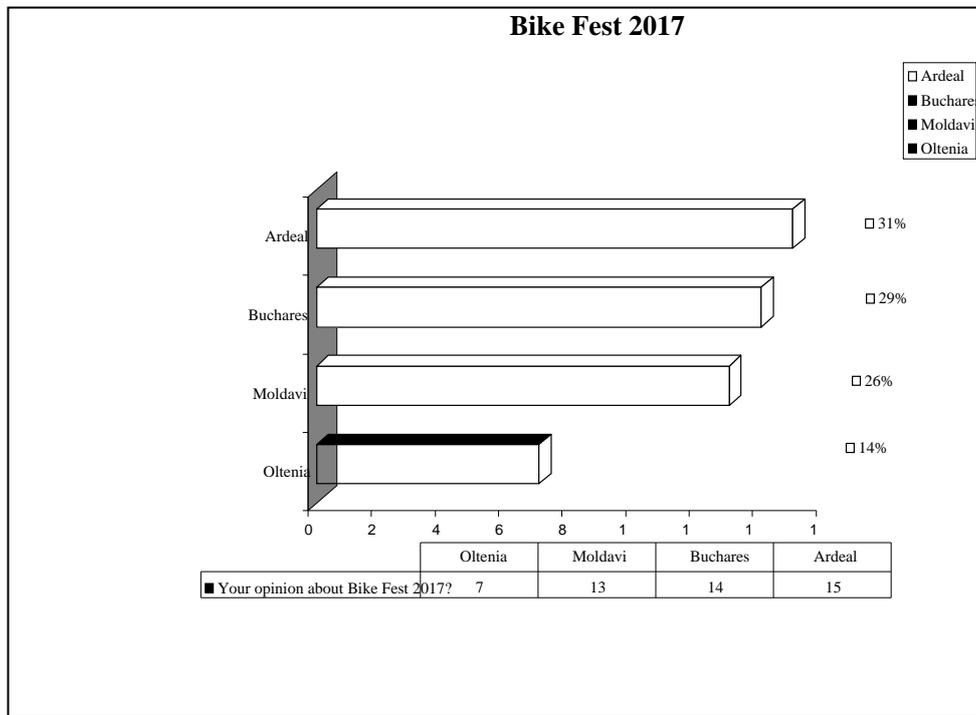
This question is aimed at identifying how the service activity was qualified in 2017. It is a closed question with four variants of answer from which the respondent can choose one.



From the above graph we can see that 24% of the persons surveyed in the area of Moldova consider the service activity from 2017 to be very good, unlike the Bucharest and Oltenia areas which claim that the service activity was normal in 2017, thus registering a weight of 24% (6 of the persons surveyed), respectively 20% (5 persons). Transylvania registered 32%, ie 8 people claiming Eurosport DHS's 2017 service was good.

### 7) *Is your opinion about the Bike Fest 2017?*

This question seeks to determine customer opinion on Bike Fest 2017. It is a closed question with four variants of the answer that the respondent chooses one, ending the collaboration with it.



**Quoted "Very Good"**

From the above graph it can be concluded that among the people surveyed the most, who had a very good opinion about Bike Fest 2017, are from Ardeal, with a share of 31% (15 persons respectively). București registered a 29%, that is, 14 people interviewed, in this area is the Bike Fest of 2017 was a success with a very good opinion. Of the respondents in the Republic of Moldova, only 13 have this opinion (26%) and Oltenia, 14% meaning 7 persons.

**4. CONCLUSIONS**

The reaction of the customers entering the store, the ease with which the company's website can be accessed, or the way the seller comes to the customers are things that, although seem insignificant, make a vital contribution to the future of any business.

Adequate feedback is also a motivating force for employees, which strengthens self-confidence, commitment to the organization, and increases professional satisfaction.

The customer can choose from a wide range of products or may propose their own models to be produced at the factory in Deva. In the latter case, the customer benefits from the exclusivity of the models he has created. The company is very competitive in terms of prices due to the low cost of labor in Romania.

DHS has not only limited to bicycle production, but has continued to produce bicycle components, such as aluminum rims and body painting.

DHS directors contribute to "locating" EUROSPORT DHS products, meaning maximizing the use of components produced here. DHS acquired Italian painting equipment for the cadres, including this process in processes in Romania. This reduces the volume of imports but creates new jobs.

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