Customer Relationship Management in the Purchase Decision Process

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\textbf{Abstract} 

\textbf{Purpose:} Customer relationship management is not a project but is a strategy that every business aims to realize and manage the needs of current and potential customers of the company. This research aims to identify the factors that affect Customer Relationship Management, to provide a more detailed analysis of the importance of customer relationship management, how much businesses invest in meeting customer needs, whether they use the right methods to maintain customers.

\textbf{Findings:} Through this research we have managed to identify several factors that affect the management of consumer behavior. Where intelligent customer management and care generates two main benefits for companies; reducing marketing costs and better penetration to customers

\textbf{Research methodology:} This paper contains theoretical and practical part including literature of various local and foreign authors and scientific publications. Also, the remarks and suggestions given by various local and international authors and organizations, relevant literature and reports, various research articles and other data are critically analyzed.

\textbf{Originality / value:} The findings from this scientific research paper will be a good guide for the research of all researchers and a contribution to enrich the international scientific literature.
1. Introduction

Customer Relationship Management

At a time when competition in the business world is getting tougher and fiercer, having clear strategies and the right tools for customer management can be the key to success. Decades ago, companies found it relatively easy to manage their customers for one simple reason: the market was smaller and more percentual. Large farms used the traditional way of marketing to advertise (Buttle, Customer Relationship Management, 2010).

According Buttle, Francis (2010) In the world of sales there has long been the term "Buyer must be careful". This term has been used for a long time by almost every company. This hunting phrase assumes that the buyer has less information about the product or service he bought, while the seller has much more information. However, with the rapid spread of the internet, social media, the connection between seller and buyer is expanding. The consumer has a lot of choice, so even companies are trying to turn casual customers into loyal customers. This is also the main goal on which new customer relationship management platforms are built.

Big business has the luxury of still using traditional marketing channels, while medium and small business must rely on other channels. Fortunately, modern marketing and customer relationship management platforms are becoming increasingly sophisticated, providing a golden opportunity for all those companies aiming to make their mark in the business world. (Buttle, 2010).

According Buttle, Francis (2009) A relationship between a customer and a supplier is a composition of a series of interactive events between two parties over time, but what do we mean by "interactive events" these are a temporal connection (they have a beginning and an end) and are unnamed each event is composed of a series of interactions where within each event, each person will act and interact with the others. Some authors think it is insufficient, even naive, to define the relationship as an interaction over time for example Jim Barns suggests that it is necessary to include an emotional composition of the interaction. This implies an affection bond.
Similarly, it has been said that a relationship exists only when the parties move from an independent state to a dependent or reciprocal one. A relationship is a social construction. This suggests that a relationship exists if people believe it exists and act in accordance.

It is also obvious that relationships can be one-sided and reciprocal; when a couple or both believe they are in a relationship (Buttle, 2009).

2. Customer relationship management between external and internal customers

According Faulkner, Mike (2003) says: Are you a field manager who has nothing to do with external customers? First, That always the managers of the company together with his team should support and value the individuals who are direct employees with the customer. It has also been proven that customer satisfaction is proportional to employee satisfaction. (Faulkner, 2003).

Second, consider internal customers as supporters of your department or field. For you and your team, CRM (Customer relationship management) means growing supporters and finding new ways to add value. So consumers want to do business with organizations that understand what they want and need. Whether you are in an organization, CRM is about managing relationships more effectively in order to reduce costs and at the same time increase the feasibility of delivering products and services, CRM recognizes the role of technology, the importance of self-knowledge, the specific nature of the company-customer relationship, and the need for consistency in service quality (Faulkner, 2003).

3. Understanding consumer behavior

There are many definitions of consumer behavior. They all basically present the same idea, but differ in the way they are formulated.

According to the American Market Association (AMA), it determines consumer behavior including their opinions and emotions, experiences and actions in the process of determining the purchase, simultaneously in all aspects of the environment that affect the opinion, emotions and actions of consumers. From this we say that consumer behavior is dynamic, which includes collaboration and interchange (Peter & Olson, 2010).
According to Solomon "Consumer behavior is closely related to the search for processes involved when individuals or groups select, pay, utilizes diverse products, thoughts or experiences to pleasure their needs and wants."

According to Solomon, Bamossy, Askegaard, & Hogg - Consumer behavior is a process, in the early phases of consumer behavior development, this part involved the connection between consumers and producers at the time of purchase. Today, tradespeople have come to the conclusion that consumer behavior is a continuing process, which deals not only with exchange during purchase, but this process analyzes consumer behavior even after purchase. While searching for this letter you had different ideas but Solmon, Bamossy, Askegaard came to a conclusion that If the product does not meet customer’s demand, then the customer is dissatisfied, when the product meets customer’s demand is satisfied and if the product exceeds customer expectations is understood that the customer is satisfied (Solomon B. A., 2006).

According to Noel, the study of consumer behavior examines the products and services that consumers buy and use and how these purchases affect their daily lives (Noel, 2009).

4. Consumer decision-making process

According Keller, Kevin Lane (2002) Today, Consumers are faced with different types of product in the shops where they buy when they can choose products of the same category, of different brands, sizes, colors, models and different domestic and foreign brands in shopping malls. In addition, the consumer is confronted with information from electronic and print media, regarding information on counterfeit products, expired products, marketed. Increasingly, marketing managers need to take action in the field of market research (Keller, 2002).

Decision making means that several alternatives will be considered, consumers not only want to identify as much as possible from these alternatives, but also to choose the one that best suits their goals, objectives, desires and values. According to Keller buying a product starts from the need to buy it, getting information about a product, comparing it to another product and decision to buy that product (Keller, 2002).
According to Richarme there are two marketing theories: attention (consumers know many brands where through marketing make the decision to buy the product of that brand ) and inclusion (where the efforts in the decision-making process are directly related to the purchase of a product). Consumers are faced with choices in a controlled environment, where it is hoped that variables are under control, and that choices are rewarded by understanding that both conscious and unconscious elements influence the consumer's choice of product. (Richarme, 2005). Purchasing is a complex process, because a person does not behave rationally in certain situations, respectively in his decision to buy objectively, therefore many objective and subjective factors, respectively incentives, influence. The main factors are: the individual, his family, his close environment, belonging to a certain social, cultural class, socio-economic environment (Armstrong & Kotler, 2013).

5. Recognition of the need by the buyer

Recognizing the problem is the starting point in the purchase decision process, is the result of a discrepancy between the desired situation and the current situation that is sufficient to trigger and activate the decision-making process (LOCA, 2006). Consumers perceive the differences between the ideal state and the current state, in some socio-psychological or physical dimensions. This motivates consumers to look for products or services to help bring them to their current state of mind. Consumer purchasing decision processes are triggered by unfulfilled desires or needs.

The need can be caused by:
- internal stimuli (hunger, thirst, etc.).
- external factors (factors and situations acting from outside).

Hunger and desire are internal stimuli, the color of the car, the shape of the packaging, the production marks mentioned by friends or advertisements on television are considered as external stimulus (Kotler P., Consumer Markets and Consumer Buyer Behavior, 2009).

6. Requesting information from the buyer

According Semiha LOCA(2006), Information retrieval can take place indoors or outdoors, in internal search the person recalls information stored in his memory,
what are the chances for successful solutions mainly from previous experience with a product and if no solution is found taking into account the internal information then the consumer will seek outside information to solve the problem, this is known as external search which may include:

Opinions, attitudes, behaviors, feelings of friends, family, relatives, and online contacts with strangers.

Professional information provided in brochures, articles, books, personal contacts. (LOCA, 2006).

The volume of search depends on the power of the consumer's motivation, the amount of information they have at the beginning about the need that arose, the ease of obtaining as much information as possible, the evaluation of additional information and the satisfaction it receives from the search. A marketing specialist says "it rarely happens that an advertising campaign is as effective as the words the neighbor says". The more information the consumer collects, the more knowledge there is about the brands available and the features they have. A company must build the marketing mix in such a way as to open up prospects to its brand and make it as well known as possible, as well as carefully identify the sources of customer information and the importance of each source. (Kotler & Armstrong, 2013).

According to Kotler and Keller, the sources on which consumers request information are divided into four groups:

**Personal** - In which family, friends, neighbors, acquaintances are involved.

**Commercial** - Includes advertising, websites, retailers, merchants, packaging, information displayed on screens.

**Public** - Involving mass media, specialized consumer organizations.

**Experimental** - In which touch, examination, use of the product are involved (Philip, 2012).

**7. Evaluation of alternatives by the buyer**

At this stage a comparison is made with the different alternatives from which it came through the information gathering process. First the buyer at this stage thinks about the benefit he can expect from the production, as well as from the features of the
products which have different capacities to meet their requirements. The consumer will compare the characteristics of the products to see which products have the characteristics he wants. Consumers differ in their attitudes towards evaluation, but a number of aspects are common (Svend, 2010).

An important element or criterion in evaluating solutions is the brand image as an indicator of quality that comes from consumers’ convictions to have a particular brand.

According to Armstrong, Gary; Kotler, Philip (2013), the consumer achieves attitudes towards different brands through appraisal procedures, but, how the way consumers move between purchase valuation options depends on the individual and the specific purchasing situation. Once the consumer is aware of the problem, he seeks out possible options, analyzes the options available to them, and evaluates alternatives when evaluating alternatives often occurs when the consumer is engaged in the information retrieval process different, they often base their estimates on a considerable set of attributes that are relevant to the consumer. (Armstrong & Kotler, 2013). For example, from the information received the consumer makes his choice for the car in three brands, he is interested in the attributes of the car - style, economy in fuel consumption, warranty and price, the consumer will make an assessment of which of the possible choices fulfills these attributes. Consumers in evaluating alternatives choose among different products, which can meet the need, choosing the product that is offered and best suited (Blythe, 2013).

**8. Consumer decision to buy**

This stage means the act of exchanging the product for the consumer's money. The act of purchase is accompanied by a number of factors. These factors are consumer mood, time pressure and propensity to buy. If consumers have decided on the brand, we have two general factors, which can interfere between the purpose of the purchase and the purchase decision, which are the attitude of others and the unforeseen factors of the situation. The first factor: the attitudes of others - if a person who is important to the consumer thinks he should buy the car at a lower
price, the chances of buying an expensive car are slim. The second factor: unexpected circumstances - the consumer is based on these factors: his expected income, the expected price and the expected advantage of the product. Purchasing preferences and intentions do not always match the purchase choice that the consumer ultimately made (Armstrong & Kotler, 2013).

At different times can be influenced by factors coming from the environment, they can make us change, hasten or cancel the decision. Consumers seek and buy products and services, as they believe they are endowed with the best values and benefits, once consumers have access to the product or service, they usually consume it. This particular type of consumption is called ordinary consumption, which is related to lifestyle, and what and how consumers consume. These behaviors tend to have symbolic meanings and vary greatly from culture (Grewal & Levy, 2008).

According to Kotler, Keller there are three choices (Kotler & Keller, 2012).

Cognitive orientation. The customer sets an acceptance level for each attribute and selects the alternative that meets the minimum standards for all. According to Solomon, cognitive orientation involves processing the brand to select the brand based on predefined attributes, making the decision after all the attributes have been identified in the brand. The consumer chooses a brand if it meets all the required attributes, but if the brand does not meet even one attribute it means that the consumer will reject that brand, change the decision rule, delay the selection or modify the attributes, which he has predefined in the choice of brand.

Lexicographic orientation. According to Solomon, the consumer chooses the brand, which represents the most important attribute. If the consumer thinks of two or more brands or products that have this attribute, the consumer compares the brands in relation to the second most important attribute. This process continues until the moment when one of the brands meets the desired attributes. Consumers, who use lexicographical orientation, compare all brands based on a key attribute such as: price, size, reliability, durability, calories, etc., and choose the brand that best represents this single attribute.
Elimination of orienting aspects. According to Solomon, using this method, the buyer evaluates the brands based on the most important attributes and in this case he considers the brands, which have these attributes (Solomon M. R., 2011).

9. Customer behavior after purchase

After the act of purchase follows the so-called post-purchase process, which will be examined by processing the following areas: (Kolter, 2009)
- After purchase dilemmas;
- Use of production;
- Purchase assessment;
- Buyer complaints and
- Behavior of buyers during re-purchase.

The results of purchases can be satisfactory or unsatisfactory for consumers which influences their subsequent behaviors. If the customer is satisfied with the purchase of the product, then he in future purchases of products will show a greater loyalty (reliability) to that product. Merchants need to focus on customer behavior after buying a product because if the customer will be satisfied with the product purchased it will bring more customers with the marketing they do with the satisfied product, where here these customers become loyal make purchase everyday and are important for the company (Lewy, 2008). The satisfied customer will usually suggest to others to buy that product, while the dissatisfied customer will always try to alleviate his dissatisfaction by taking some actions, they can ask to return the product, as well as ask for information. complementary to indicate the high value of the product.

Very often immediately after the purchase or after a while, consumers reconsider their decisions, their choice. These "doubts" are known as post-purchase dilemmas. The likelihood of their occurrence as well as their size and intensity depends on: (Kolter, 2009)
- Importance and non-opposition of the decision;
- The importance of the decision for the consumer;
- Difficulty to choose between several alternatives and
- The tendency of individuals to doubt and dilemma.

The main reason for the phenomenon of the post-purchase dilemma is the fact that the consumer, by choosing the given alternative, has given up the positive characteristics of other alternatives. Marketers play a major role in reducing disagreement by reinforcing consumer decisions after the purchase. According to marketers, in communications with consumers after the sale of the product, they should provide evidence and support to help consumers feel good both before and after choosing the brand of products they offer (Kotler, Wong, Saunders, & Armstrong, 2005).

10. Situational factors, which affect the purchase of the product

Environmental stimuli, which can influence conscious or unconscious consumer choices and behaviors, are social situations, social situations, brand logos, and the presence of other people. Situational factors influence or at least hinder the psychological and social issues of the consumer. Situational factors relate to the purchase and the situation when the purchase is made, as well as to the temporary condition of the consumer. These factors are:

Purchasing situation: The consumer may be willing to buy certain products or services, due to an underlying psychological trait or due to social factors.

Situation of the sales unit. Customers may be ready to buy a product or service, but they change their minds as soon as they arrive at the sales unit. Marketers use several methods or techniques to influence consumers at this stage of the decision-making process.

Atmosphere of the sales unit. Atmosphere is the process that managers use to manipulate the physical environment or service, to create an environment and mood that is most suitable for buyers. Sales units and service providers develop unique images, which are placed in indoor environments creating an atmosphere, which is influenced by features such as: lighting, appearance, product placement, decor, colors, sounds, scents, uniforms, the behavior of vendors and service personnel. According to Shaw, Dibeehi and Walden, music and lighting in the premises of the
sales unit has an impact on consumers, positively affecting the mood and the tendency to buy (Shaw, C., Dibeehi, & Walden, 2010).

Crowds: In cases where there are crowds of people, customers may feel annoyed by the people, the large amount of products on the shelves or even the long queues at the exit of the sales unit. If there are too many people in a sales unit the customers are confused and they can leave without making a purchase. Other consumers have difficulty buying products if the products are close to each other. Crowds generally bring negative results for the sales unit and the consumer.

Sales staff - If sales staff are well trained, this can influence sales in the sales unit by giving one product an advantage over another, as well as encouraging more purchases. The effectiveness of sales staff is influenced by the interaction of knowledge, skills, authority of sales staff and customer-staff relationships. According to Grewal and Levy, the way a product is presented can influence the decision-making process.

Promotions - Sales units use various promotional tools to influence customers, for example a price reduction promotion may change a person from the intended purchase plan. Discounts on many products such as "buy one and get one for free" and coupons are promotional tools to get consumers to buy more than they normally would. Sales promotions generally have satisfactory results because attract competitors 'customers. Marketing communications such as point-of-sale advertisements and promotions, descriptions, suggestions, promotions, rules and other promises influence consumer behavior.

Packaging - It is difficult to make a product visible when it competes in a shelf space between several other brands. This problem is especially difficult for packaged consumer goods, such as manufactured food and cosmetics, so marketers spend millions of dollars on designing to make their packaging more attractive and striking to the consumer. (Grewal & Levy, 2008).

Demonstrations in sales units - Another technique is demonstrations in the sales unit, where the taste and aroma of new food products can entice consumers to try something they would not normally be able to do. Product promotions, through
promotional materials, make the product more visible to the consumer in the sales units making decision making easier. Emotional choices are more inclusive in nature, this choice is based on consciously evaluating the various features of the product, as buying clothing is primarily an emotional choice. Evaluation in itself is often based exclusively on the immediate emotional responses of the product or service. Individuals who are in a positive mood focus more on product information than those in a negative mood (Hawkins, 2010). The different results point out that a positive situation at a point of purchase (such as through background music, promotional screens, etc.) is unlikely to have an impact on the choice of particular brands, if there is already a previously maintained rating for brands. Studies show that reliability is more important than expertise when it comes to making a choice between many brands.

**Attitude-based choice** - Consumers make their choices based on impressions of a brand and sometimes on information on specific brand attributes. In attitude-based selection, consumers form the overall impressions and ratings of the brands under consideration based on everything they know about the entire market, and then choose a brand for which they have the highest rating. Many studies show that most individuals gather very little information on products from outsourcing to make a purchase, so they are more likely to make decisions based on attitude choices. Attitude-based choice involves the use of general attitudes, the intuition of the consumer, who at the time of choosing so brands do not compare their attributes. Time is the main determinant of the election process with increasing time pressure the consumer makes decisions about product choices based on attitude (Kardes, Cronley, & Cline, 2011).

**11. The importance of customer satisfaction**

According to Kotler (2000) Today, Consumer satisfaction is very important for all traders. So, it should be analyzed, evaluated and lived primary for any company where at the same time the satisfaction and dissatisfaction of the customer is understood by how much sales the company has and as most appropriate to achieve. If the company has big sales we can see the customer satisfaction while while the
A company does not have sales then it will be at a loss and of course the customer dissatisfaction.

Nigel H. John, Rob, McDouglas have pointed out that: "Everyone knows what pleasure is until the moment you ask them to define it." However, the author's definition continues: “Satisfaction is an emotional feeling that results from a comparative recognition or evaluation process, which includes a person's experience of the level of performance of a product or service compared to his or her expectations for that product or service ". According Armstrong & Kotler(2013) Attracting and retaining customers can be a daunting task. Customers are often faced with a wide range of products and services from which to choose so, a customer buys from the firm that offers the highest value perceived by him which is valuation makes the customer the difference between all the goods and costs of a market offer in relation to those of the competitive offer. Customers often do not judge values and costs accurately or objectively. They act on the basis of the value they perceive (Armstrong & Kotler, 2013).

American marketing expert Philip Kotler says: "If the service meets customer expectations it is satisfied; if it is exceeded customer expectations remain very satisfied; and, if the result does not meet expectations, then the customer is not satisfied.". According to Singh, the importance of customer satisfaction is especially important for organizations because when customers are satisfied to share their experiences with about five to six people, while when customers are dejected they share their experiences with ten or more people. (Singh, 2006). Consumer value management involves comparing the expected value and what is actually realized, the company image, the degree of dependency and the attributes of the product.

Bagdonienė and Hopenienė emphasize that one of the most important factors of customer satisfaction - the quality of service. Therefore every organization should constantly monitor if their customers are satisfied (Bagdonienė L., 2005). Well-known marketing companies make a special effort to keep their customers happy. According Armstrong &Kotler (2013) Always companies that have quality products promise only what they can give and then they give me more than they promise and
definitely consumers make repeat purchases and spread their market experiences with others (Armstrong & Kotler, 2013).

Customer service, in order to be as effective as possible, the following issues need to be addressed and respected:

**First**, you need to provide services or products that fully match the goals of the customers, in this case this provides a competitive advantage.

**Secondly**, the time between receiving the order and sending it should be minimized as much as possible, it is important that the services and products are delivered to the customers as soon as possible, without compromising the quality.

**Thirdly**, in the case of a business activity, which performs custom services e.g. if you leave a car to be painted completely and the owner of this car service promises you that the car will be ready in a week, then you need to make sure it is ready, why not even in five days.

According Suzana Panariti(2012), Customer loyalty and the ability to retain customers are highly dependent on actual customer satisfaction, obviously, customer service, is a Key in the marketing relationship and further in measuring the customer. The goal of marketing is to generate profitable value for the customer (Suzana, 2012).

**12. Research methodology**

The whole paper will be based on primary data as well as secondary data or data collected from the aspect of previous research, reports and publications on this economic aspect.

This paper includes qualitative techniques, the work is focused on collecting and processing qualitative information. Some of the data are provided through various literature, foreign articles as well as information about consumers and the process in the decision to purchase the product. This paper is informative and includes various analyzes. The information was selected first and then the work continued, including some steps needed for an adequate summary.
Every research, study and scientific work is subject to basic criteria, as well as research and scientific methods and forms, according to which the research work is carried out in general.

The main method used during the collection and interpretation of data of this research is the case study method.

The data were collected using literature from various sources, scientific publications from several books as well as from various websites, where they were then analyzed, processed and systematized so that this research is as accurate as possible, and usable.

And the last part of this material relates to the conclusions and recommendations.

13. Conclusions

"Consumer behavior is a dynamic interaction of consent, cognition, behavior and the environment from which people are guided in the exchange process in various aspects of their lives." During the research in this paper we can say that consumer behavior is closely related to the thoughts, feelings of people, market experience and the moment of purchasing products.

Nowadays advertising policy has evolved so much that companies can choose many alternatives and forms to find the easiest way of communication towards the consumer. To make customers satisfied with their purchases, product quality is irreplaceable. Also through advertising we can make custom sales (from home) through the internet, a trend that is always growing. With this option consumers can save time and money.

From the definitions of various authors, I have come to understand that consumer behavior is a process that begins before the purchase of a product or service, at the moment when the need for a product or service arises, and continues after the purchase. Also According to consumer behavior, end buyers buy products and services for personal and family use, to satisfy their needs and requirements, not to make money from them.
So, creating consumer confidence through the quality of certain products or services, today everywhere in the world is a priority of consumer-oriented enterprises so businesses still need to work in this direction to make even clearer their message about the product / the service provided by them.

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