

CUSTOMERS PERCEPTION AND COMPANY-CUSTOMER RELATIONSHIP

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Abstract-

Purpose: The purpose of the study is to identify customers' approach to attempts to build lasting ties with them undertaken by various companies in different markets.

Design/Methodology/Approach: The research method was a diagnostic survey with the use of a research tool – a questionnaire. The research questionnaire was distributed by a research agency. The application of the target-amount selection procedure was assumed. The structure of the sample, in terms of significant features, was the same as the structure of the surveyed population in Poland. The characteristics adopted in the study are gender, age, education, place of residence and income. It was planned to conduct the study on a group of 1,000 people.

Findings: The conclusions from the study indicate that customers are mostly open to building ties with a company, to a varying degree, depending on their gender and the specific nature of the relationship. It was also found that customers pay a lot of attention to the economic aspect of the relationship with a company, and that some aspects of building relationships are more important to them than others. The knowledge obtained can be used both for practical purposes and for further theoretical considerations.

Practical Implications: Global competition and the peculiarity of contemporary customer-company relationships have for years compelled companies to take actions to attract and retain customers for as long as possible. Thanks to the acquired knowledge obtained, various companies that want to build lasting and profitable relationships with customers will be able to design appropriate solutions for their situation.

Originality/Value: This article presents an analysis of customers' approach to Customer Relationship Management (CRM), Customer Experience (CX) and Customer Care (CC) solutions. Knowledge on this subject so far has been rudimentary and has been based mainly on observations within organizations. Customers have not been asked directly how they perceive companies' efforts to build long-term relationships with them.

IndexTerms: CRM, customer relationship management, customer care, customer experience.

I.INTRODUCTION

The demands which contemporary consumers place on companies are growing ever more. Contemporary consumers take advantage of technological advances and are sometimes referred to as New Age consumers, and increasingly as digital consumers (Krzepicka.). The characteristic feature of such consumers is, above all, independence. Moreover, contemporary consumers seek information, emphasise both their individuality and authenticity, engage in market processes and gather, analyse, and select information. At the same time, they are aware of their rights and are characterised by ethical behaviour (Włodarczyk-Śpiewak, 2011). They are willing to build relationships, if a company takes the initiative, but under certain conditions and with certain rules. In addition, competition is increasingly global in nature. Since as early as the 1990s, companies have been using Customer Relationship Management (CRM) to counteract the dangers that arise from this fact. "CRM is a concept for managing a company's interactions

with customers, clients, and sales prospects” (Long *et al.*, 2013). This system consists of IT solutions, but also a philosophy rooted in the organisational culture.

According to the results of a survey conducted by ShoppingShow, a digital (contemporary) consumer has a set of specific distinguishing characteristics, which include (Gieracz, 2012):

- 90% convenience, intuitiveness, and comfort,
- 70% awareness arising from experience,
- 70% impatience,
- 45% repetition of behavioural patterns.

Regarding these characteristics, some can be influenced by a company, while others are purely the result of a customer’s perceptions and personality. These characteristics build certain personal expectations among customers towards the market. The Adyen Retail Report, prepared in cooperation with analysts from the Centre for Economics and Business Research (CEBR), reveals certain customer expectations of companies operating in the B2C model and the way in which companies currently respond to them. It indicates, for example, that 71% of visitors will not return if they were not satisfied with the service in-store or online and 73% expect businesses to retain the flexibility they demonstrated during the pandemic (Adyen, 2012). Customer expectations of companies are clearly increasing, with a simultaneous absence of loyalty. Companies invest heavily in the implementation of systems such as Customer Relationship Management and thus expect certain results.

Customer Relationship Management (CRM) is implemented in an organization to reduce cost and increase company performance, which means profitability results through customer loyalty (Long *et al.*, 2013). The question then arises as to what attracts and encourages customers to build a relationship with a company, and what they welcome in this context. This paper seeks to identify when customers are more open to building a relationship with a company and to examine what building a relationship with a company means to customers. This study has made it possible to partially answer these questions.

II. BUILDING CUSTOMER-COMPANY RELATIONSHIPS IN THE LONG TERM

Building customer relationships over the long term undoubtedly relies on the CRM concept and its tools. One of the critical elements of CRM is customer relationship development. According to Ford (1980), the study of relationship development primarily involves research into structures and processing of the relationship between customer and supplier (Long *et al.*, 2013). The most important activity to achieve relationship development is known as monitoring of the relationship management process such as service or complaint management (Brown and Gulycz, 2002). The customer-company relationship evolves over the entire time of its existence. It proceeds from the stage where the customer is just beginning to take an interest in the company to the stage of partnership, where the customer and the company have grown quite close. B2B relationships may even reach the stage of synergy, where the cooperating companies achieve more together than when acting alone.

The most important elements associated with Customer Relationship Management when considering how to build lasting relationships are Customer Care (CC) and Customer Experience (CX). Customer Care (CC) is a technique of focusing specifically on the customer during all stages of the relationship with them, and during all processes within the company. As a result, the CRM philosophy permeates the entire organisation. The Customer Care technique is particularly useful for manufacturers and service providers, whose product is characterised by a relatively high price and a long period of use (Sołtysik-Piorunkiewicz, 2008).

Customer Experience (CX), on the other hand, is the sum of all experiences, emotions and customer experiences that are associated with a particular product brand or company (Customer Experience..., 2002). Customer Experience (CX) has become a key differentiator for today's top brands, with companies in all industries rushing forward to advance their CX programs. For maximum CX results, companies need to have a sense of the future of the Customer Experience to best allocate precious time and resources (Williams, 2011). CX is the key to strategic synergy in the consistent delivery of value to consumers (Guan Meng and Md Sidin, 2012). CX is directly linked to the customer's perception of the brand and while CC is quite firmly dependent on the company, CX is largely dependent on the customer's perceptions and general life experience. Earlier studies on CX results provide retail managers important insights for maximizing customer experience across different touchpoints and throughout the whole journey to increase customer engagement and loyalty (Koetz, 2013).

Building relationships with customers, like all human relationships, is only possible with the openness on the part of both potential parties. If the customer does not want to enter into a relationship with a company, the company will gain nothing and vice versa. One can observe many examples on the market in which this relationship cannot be built or does not make sense. There are well-known cases in which the CRM concept is not used. An example of this is when a purchase is not likely to be repeated quickly (e.g., the purchase of a wedding gown) or maintaining a relationship with a customer would be inconvenient or even unpleasant for them (e.g., in the funeral industry).

Customers do not always have a choice of products or services and so, for example, in a typically monopolistic market or when operating in a market niche, companies do not invest in CRM systems. This is, however, knowledge based on observation of the market, and it is necessary to examine precisely when and in which situations CRM techniques can be used with customers. Nevertheless, virtually all companies already know and understand the need to build customer relationships in the long term. Research by various independent research companies indicates that a Satisfied customer is 73% likely to recommend that company to others and 46% say they will trust a given company's other products and services more than those of competitors (SDL: The Global..., 2010).

Furthermore, the probability of making sales to existing customers is fourteen times higher than the probability of selling to a new customer (Józwiak, 2011). In addition, expert estimates can be cited which indicate that, according to various data, retaining an existing customer is five to thirty times cheaper than acquiring a new one (and this is due, among other things, to the sales funnel: an existing customer is rather already in the lower half of it, so statistically they will be more likely to be susceptible to the marketing of a given company than someone who is a complete stranger) (Muszyński and Muszyński, 2008).

Many researchers give different reasons explaining why customers engage in relational exchange (Drapinska, 2010). The simplest answer is that customers need to see that the benefits of a relationship with an organisation outweigh what it costs them (Hunt *et al.*, 2006).

According to Jagdish Sheth and Atul Parvatiyar, customers establish relationships to achieve greater efficiency/effectiveness of their decisions, reduce the need to process information, achieve cognitive consistency in their decisions, and reduce the perceived risk of future choices (Sheth and Parvatiyar, 1995). Richard Bagozzi, on the other hand, believes that for customers, establishing relationships is an instrument to guide them towards their goal of acquiring a product (Bagozzi, 1995).

Building relationships with customers can and even must be based on mutual trust (Nguyen *et al.*, 2013). However, it must not be forgotten that this is a commercial relationship. It will therefore take economic factors into consideration, such as the profit for each of the parties and the customer's ability to obtain a discount. For example, the main declared motive for joining loyalty programmes are material benefits, such as material prizes or discounts (over 50% of respondents) (Kwiatek, 2010). Customers who are

increasingly aware should realise that a better relationship with the company also means better contact and products tailored to their needs. Stephen Vargo and Robert Lusch emphasise that customers are co-producers of the product and that relational exchange - through their participation - allows the product to be better adapted to their needs and expectations (Vargo and Lusch, 2004).

It is well known that relationship building is perceived differently by different customers. It seems important to investigate how customers actually see this relationship. It is out of this that the first research problem (P1) emerged, what does relationship building mean for customers and what are their expectations from it.

To increase the effectiveness of CC and CX, it is important to identify when customers are more open to building lasting relationships. Specifically, another research problem (P2) arises: identifying in which industries and markets and in which situations do customers want to build a relationship, and when they do not.

III. RESEARCH METHODOLOGY

The research method was a diagnostic survey with the use of a research tool - a questionnaire survey. This method makes it possible to check whether the phenomenon selected for study exists and allows the level of its intensity to be determined. It is used in research on attitudes, respondents' motives, as well as their knowledge about the studied phenomenon or process (Krajewski, 2006). A pilot study was conducted by self-distribution among ten marketing

research experts to verify the correctness of the questionnaire. The research questionnaire was then distributed by a research agency. The study covered broader issues related to consumer behaviour in different markets. The part of this research related to building customer relationships was used for this paper, specifically the questions: 'What do you think building a longer relationship with a company means?' and 'When are you open to building a longer relationship with a company?' Both questions were closed questions. The first question was a multiple-choice question with a choice of ten answers. In the second question, the respondent was asked to respond on a five-point Likert scale to each of eleven answers. As part of the statistical analysis, a reliability analysis was performed for the second question, the result of which was 0.82.

The study included a sample of 1000 adult Poles, participants in an online Opinion Research panel. The study was representative of the population of users of the online research panel, based on the percentage of persons using the Internet by age and gender (based on the CBOS Study on Internet Use, no. 85/2012), whereby using the

Internet is understood as using it at least once a week. The questionnaire was completed by 501 women and 499 men.

The respondents were divided into six age groups – up to 24 years of age, (127 individuals), between 25 and 34 years of age (241 individuals), between 35 and 44 years of age (258 individuals), between 45 and 54 years of age (168 individuals), between 55 and 65 years of age (135 individuals) and over 65 years of age (71 individuals).

Respondents came from rural (21%) or urban (79%) areas, which were divided into three groups depending on the number of residents – towns of less than 100 thousand (34%), between 100 and 500 thousand (28%), and towns of over 500 thousand (17%). Four levels of education were distinguished – primary (10 respondents), lower secondary (36 respondents), secondary (514 respondents) and higher (440 respondents), and monthly income per person was taken into account. Monthly income above 5,000 PLN/person was declared by 52 respondents, between 3,100 and 4,900 PLN/person was declared by 150 respondents, between 2,100 and 3,000 PLN/person was declared by 347 respondents, between 1,100 and

2,000 PLN/person was declared by 351 respondents, and below 1,000 PLN/person was declared by 100 respondents.

The respondents were asked “What, in your opinion, does building a longer relationship with a company mean?” They could give the following answers (numbering consistent with the original research questionnaire):

- 11.1. Relationship based on mutual trust
- 11.2. A relationship that is profitable for me
- 11.3. A profitable relationship for the company
- 11.4. A relationship that is profitable for both parties
- 11.5. A relationship in which I become the "advocate" of the company
- 11.6. Better contact with the company for me
- 11.7. An offer tailored to my needs
- 11.8. Predictability in actions in this relationship
- 11.9. High repetition of purchases on my part
- 11.10. Big discounts for me

They were also asked “When are you open to building a longer relationship with a company?” The following possible answers were taken into account (numbering consistent with the original research questionnaire):

- 12.01 - When a company offers green products
- 12.02 - When a company offers inexpensive products
- 12.03 - When a company offers an attractive loyalty programme
- 12.04 - When a company offers large discounts
- 12.05 - When a company offers high quality products
- 12.06 - When a company offers food products
- 12.07 - When a company offers cleaning products
- 12.08 - When a company offers personal care products
- 12.09 - When a company offers audio/video products
- 12.10 - When a company offers computer hardware and software
- 12.11 - When a company offers services, such as hairdressing

Statistical analysis was performed using Statistica software. In all questions, the null hypothesis of no dependence between groups (including divisions according to the metric) was set against the alternative hypothesis that such a dependence exists. The correlation between the answers given by the respondents and (respectively) their gender, level of education, place of residence, age group or average income per person was tested using the χ^2 test. Spearman's rank coefficient was used to determine the correlation.

Differences in the determination of the factors indicating the customer-company relationship were examined using the non-parametric Mann Whitney U test. This test, which compares the equality of medians in two groups, is used when the normality of the distribution cannot be established (because the assumptions of the tests examining normality of distribution are not met). In the case when more groups were compared, the Kruskal-Wallis ANOVA test was used, also due to the impossibility of assessing the normal distribution within groups. A significance level of $p = 0.05$ was assumed throughout the analysis (Mann and Whitney, 1947; Shapiro and Wilk, 1965; Kruskal and Wallis, 1952).

IV.RESULTS

To investigate research problem P1, what does relationship building mean for customers and what are their expectations from it, the following analyses were conducted. The individual answers given to the question “What, in your opinion, does building a longer relationship with a company mean?” were counted and subjected to statistical analysis.

The Mann Whitney U test was used to test for differences between groups. The results of the test ($Z = 0.189$; $p = 0.85$) show that there are no grounds to reject the H_0 hypothesis of no differences between the groups. The choice of answer to the question asked did not depend on gender.

The Kruskal-Wallis ANOVA was used to test for differences between groups. According to the test results (Table 1), there is no basis to reject the null hypothesis that the medians in all four groups are equal. The choice of answers therefore did not depend on the level of education, the place of residence, age or on the income per person in the household.

Table 1. The Kruskal-Wallis ANOVA test results.

independent variable	H	p
the level of education	0.56	0.91
the place of residence	0.17	0.98
age	0.17	0.997
the income per person in the household	0.51	0.99

Source: Own creation

To address research problem (P2), Identifying in which industries and markets and in which situations do customers want to build a relationship and when do they not; the following analyses of the answers to the questionnaire question were conducted: When are you open to building a longer relationship with a company?

The H_0 hypothesis that there is no relationship between the respondents' answers to the above questions and their gender should be rejected in the case of items 12.01, 12.03, 12.04, 12.06 - 12.11. The results of the χ^2 test show that such a relationship exists, i.e., the answers given by women differ significantly from the answers given by men. Significant correlations between respondents' answers and gender were found for most questions but the coefficients are low, and the correlation is weak, i.e., a linear relationship between variables is essentially imperceptible.

There are no grounds to reject the null hypothesis of no dependency of the answers given in relation to the level of education in all the items under discussion. The results of the χ^2 test are not significant. Similarly, there are no significant Spearman correlations in any of the aspects addressed. This means that respondents' answers are not dependent on their level of education.

Considering the breakdown by age, the null hypothesis of no relationship between groups should be rejected for items 12.05, 12.06, 12.07, 12.08 and 12.11. For 12.06, 12.08 and 12.11, significant Spearman correlation coefficients can be observed (weak correlation).

The null hypothesis of no correlation between respondents' answers and per capita income should be rejected for the first two questions – offering organic products ($\chi^2 = 31.01$; $p = 0.01$) and offering inexpensive products ($\chi^2 = 30.65$; $p = 0.01$). A significant correlation coefficient occurred only for offering inexpensive products (-0.14 ; $p = 0.00001$).

V.DISCUSSION

The topic of customer perception of customer relationship management is not often raised in research. Research usually concerns the issue of how to effectively manage customer relationships from the point of view of the organization. The research work sometimes took into account the issue of customer perception in relation to CSR

activities (Hur *et al.*, 2012). It is only partially related to the subject matter discussed in this article. Some theorists also pay attention to the extension of relationship marketing in this context (Ahearne *et al.*, 2005). But they deal with it more from the point of view of client psychology.

For the first research question, no statistically significant relationships can be observed in terms of gender, education, place of residence, age and per capita income. This question can only be considered on the basis of a simple analysis of dependent variables. This shows that customers in a relationship with a company mostly understand building this relationship as one based on mutual trust, an offer tailored to their needs and a chance to have better contact with the company.

Attention was also paid to the economic aspect. 39% of customers see building a long-term relationship with a company as an opportunity to receive large discounts, and as many as 59% see a possibility for both sides of the relationship to profit from it. These conclusions are in line with existing knowledge on customer behaviour and needs in the context of customer-company relationships. They structure this knowledge within the scope of this study. The study also indicated that customers are not too keen on feeling like an 'advocate' for the company, indicating little inclination to defend the company in the event of a crisis e.g., on social media. Customers also give little indication that such a relationship is unilaterally profitable for the company. It can be seen here that there is a growing awareness among customers as a result of experience.

Summarising the considerations concerning the second research question, there is a correlation between the respondent's age and the importance of building a longer relationship with the company when the company offers high quality products, food products, cleaning products, personal care products and services such as hairdressing. The negative correlation indicates that the older a respondent is, the less importance they attach to relations in the market for personal care products, food products, or services such as hairdressing. There is also a certain correlation in regard to the gender of respondents, while no correlation can be established in regard to education. The answers given by women compared to men differ significantly in the case of green products, attractive loyalty programmes, large discounts, food products, cleaning products, personal care products, audio/video products, computer hardware and software, in the case of hairdressing services (Table 2).

The study shows that men are generally rather less eager to build relationships, as they were less likely than women to give "strongly agree" and "agree" answers. Only in the case of consumer electronics, computer hardware and software did they indicate that they were more open to building relationships with a company. Overall, the analysis of the above question shows that customers declare that they are open or somewhat open to building a longer relationship with a company in about 2/3 of cases.

Women do so slightly more often than men. Women are most open to building long-term relationships in the case of an attractive loyalty programme and discounts. This shows once again that the economic aspect of the customer-company relationship is clearly important to the customers surveyed.

Table 2. Number of "strongly agree" and "agree" answers given to the question "When are you open to building a longer relationship with a company?" for each answer, taking the gender of the respondent into account.

		12.1	12.3	12.4	12.6	12.7	12.8	12.9	12.10	12.11
women	strongly agree	72	164	230	87	89	143	71	59	67

	agree	201	235	212	200	214	246	208	196	168
	TOTAL	273	399	442	287	303	389	279	255	235
	strongly									
men	agree	58	249	180	67	61	73	90	84	57
	agree	168	71	219	174	179	174	201	208	120
	TOTAL	226	320	399	241	240	247	291	292	177

VI.CONCLUSION

The research conducted for this article has extended and confirmed the existing state of knowledge regarding customers' attitudes towards building relationships with companies according to the CRM philosophy. Both research questions posed have been analysed and some conclusions have been drawn. Customers are increasingly aware that the customer-company relationship should be based on mutual trust and is profitable for both parties but serves to match the products offered to the customer's needs and expectations. In addition, women are more open to building lasting relationships with companies. In general, the majority of customers want to build these relationships. The level of this openness varies for different types of client-company relationships.

Customers pay attention to the economic aspect of the relationship and a well-matched, attractive loyalty programme. The practical implications of these research findings for different companies are wide-ranging. Some companies may have to redefine their customer policy. The research also shows that the economic aspect of the customer-company relationship should be taken into account, as customers pay close attention to the profitability of this relationship. In sum, it can be said that the goal set for this article has been achieved.

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