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## A Study on Influencing Factors of Buying Decision under CRM

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### Abstract:

The Act of Buying decision is a compulsory phenomenon since there are many different types of buyers, some being those basic impulse buyers and some are those who use a totally intense system and make through investigation before making a purchase decision. There are 7 important factors that influence all the buying decisions.

**Keywords:** Economic Factor, Functional Factor, Psychological Factor, Social Factors,

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### Introduction:

(Relationship Management, 2010). 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 perceptual. Large farms used the traditional way of marketing to advertise (Buttle, Customer)

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. 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. Journal of Accounting, Finance and Auditing Studies 7/4 (2021): 151-168 153 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).

### Vital factors Influence on Buying Decision

Factors that Influence the Buying Decision, Contact Discovery, Influencing Customers Buying Decisions, Sales Support Services, Account Profiling

### Economic Factor:

#### What are economic factors?

To help you learn the answer to "What are economic factors?", understand that they're variables that affect an economy's development and how the economic environment influences a business's financial state. Economic factors typically impact the income and purchasing power of households and companies. Purchasing power measures the value of money that customers pay to buy goods and services. Economic factors also influence supply and demand, significantly affecting the economy's free flow of services and goods. For example, the unemployment rate is likely to influence the economy, making it an economic factor. Many economic factors can impact a business's labour and production costs and investment value. When a company recognizes the importance of these factors, it enables the business to generate maximum

revenue. For example, if an organization knows that a low-interest rate may have a negative effect; it can stop borrowing money to avoid debt accumulation.

The most important and first on this list is the Economic Factor. This one is the main foundation of any purchasing decision. The reason is simple people can't buy what they can't afford. The need of a product also doesn't play a role here, but the most important thing is affordability.

#### **Factors affecting economic development**

- 1) Economic development usually raises the standard of living in an economy, as it indicates that many individuals have access to education, good housing conditions, and health care. Here are factors that influence economic development:
- 2) Natural resources: Countries with natural resources, such as metal, coal, trees, water, and soil, can easily produce goods domestically rather than importing them. This typically leads to more job creation and improves overall economic growth.
- 3) Transportation: The circulation of goods and services from one place to another can affect economic development. If a country has efficient transportation, goods and services can quickly get to customers and satisfy their needs.
- 4) Training and education: This can increase an individual's creativity and productivity and promote entrepreneurship in a country. People gain more skills and knowledge and receive high wages, which improves income distribution.
- 5) Communication: By using several modes of communication, such as the internet and mobile phones, companies can easily expand their business and meet customers' demands. With it, they can promote their goods and services, causing an increase in sales and economic development.

#### **Functional Factor**

The factor is totally about needs, backed by a logic that what makes sense and also fits in the best interest of the customer. This one factor also plays a very important role in the buying decision.

#### **Psychological Factor:**

Human psychology is a major determinant of consumer behavior. These factors are difficult to measure but are powerful enough to influence a buying decision.

Some of the important psychological factors are:

##### **i. Motivation**

When a person is motivated enough, it influences the buying behavior of the person. A person has many needs such as social needs, basic needs, security needs, esteem needs, and self-actualization needs. Out of all these needs, the basic needs and security needs take a position above all other needs. Hence basic needs and security needs

have the power to motivate a consumer to buy products and services.

##### **ii. Perception**

Consumer perception is a major factor that influences consumer behavior. Customer perception is a process where a customer collects information about a product and interprets the information to make a meaningful image of a particular product.

When a customer sees advertisements, promotions, customer reviews, social media feedback, etc. relating to a product, they develop an impression about the product. Hence consumer perception becomes a great influence on the buying decision of consumers.

##### **iii. Learning**

When a person buys a product, he/she gets to learn something more about the product. Learning comes over a period of time through experience. A consumer's learning depends on skills and knowledge. While skill can be gained through practice, knowledge can be acquired only through experience.

Learning can be either conditional or cognitive. In conditional learning the consumer is exposed to a situation repeatedly, thereby making a consumer to develop a response towards it.

Whereas in cognitive learning, the consumer will apply his knowledge and skills to find satisfaction and a solution from the product that he buys.

##### **iv. Attitudes and Beliefs**

Consumers have certain attitudes and beliefs which influence the buying decisions of a consumer. Based on this attitude, the consumer behaves in a particular way towards a product. This attitude plays a significant role in defining the brand image of a product. Hence, marketers try hard to understand the attitude of a consumer to design their marketing campaigns.

When it comes to the psychological factors there are 4 important things affecting the consumer buying behavior, i.e. perception, motivation, learning, beliefs and attitudes.

##### **Social Factors**

Social factors include reference groups, family, and social status. These factors too affect the buying behavior of the consumer. These factors in turn reflect an endless and vigorous inflow through which people learn different values of consumption.

Humans are social beings and they live around many people who influence their buying behavior. Humans try to imitate other humans and also wish to be socially accepted in the society. Hence their buying behavior is influenced by other people around them. These factors are considered as social factors. Some of the social factors are:

##### **i. Family**

Family plays a significant role in shaping the buying behavior of a person. A person develops

preferences from his childhood by watching family buy products and continues to buy the same products even when they grow up.

#### **ii.Reference Groups**

A reference group is a group of people with whom a person associates himself. Generally, all the people in the reference group have common buying behavior and influence each other.

#### **iii. Roles and status**

A person is influenced by the role that he holds in the society. If a person is in a high position, his buying behavior will be influenced largely by his status. A person who is a Chief Executive Officer in a company will buy according to his status while a staff or an employee of the same company will have different buying pattern.

#### **Conclusion:**

Consumers make decisions based on the decision-making model that has three stages, the pre-purchase, the purchase, and the post-purchase. Another important factor is the habitual decision making those ties a consumer to a particular brand. Common factors include personal preferences, cultural influences, economic conditions, and the marketing campaigns retailers leverage. Societal and cultural factors play a considerable role in shaping consumer decisions. Peer groups, family, social media trends, and other pressures are vital influences.

The customer has a right to know about the quantity, consistency, purity, strength, and quality of goods and services. Furthermore, consumers must pay reasonable rates for the goods they purchase

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