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Full Length Research Paper

The effect of price features on consumer's purchasing behaviors

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Customer relationship management (CRM) has been identified to be one of the important tasks serving to promote customer satisfaction (CS). CS is the most distinctive target for measuring customer satisfaction in enterprise, product or service quality performance. Therefore, many enterprises have initiated investigations and surveys regarding what might constitute product satisfaction for their customers. From this, they have come to understand that the most critical factors affecting satisfaction as a whole are product and service performance. This has led to a change in the core of operations from a product oriented operation to customer oriented one. The manager's values are also determined by the customer's opinion of product quality. In other words, the customers are the key and are always right. Whatever the products are, they are deemed good for that enterprise as long as the customers identify with them. Hence, customer satisfaction has become one of the main targets of any operation. This study analyzes customer purchasing considerations by questionnaire. The results show that not only do customers care about quality and price, but also after-sales service, and enterprises should adopt the slight profit as marketing.

Key words: Customer satisfaction, customer relationship management, product oriented, customer oriented.

INTRODUCTION

Before purchasing a product, the customer could be affected by certain factors, such as price, quality, packing, brand popularity, network assessment and so on. These factors will affect the purchasing intent of said customer. Enterprises selling one certain type of product, have to consider how to win the customers' heart and how to make sure that their customers feel no buyer regret, but rather the benefit or worth of that product. Thus, after purchasing, they will communicate the same to their relatives and friends. If enterprises can successfully execute these marketing methods, their product can be successful.

In the pursuit of customer satisfaction (CS), enterprises must realize that the assessment of CS will be affected by those specified factors, for instance, products, performance and quality of service, even though some of these factors affect satisfaction only slightly, even insignificantly. The management goals should be to improve influential factors to increase satisfaction, and to minimize the resources used for less influential factors. In this way, enterprises could reduce unnecessary costs to acquire the best satisfaction with the least expenditure of resources.

In order to avoid the making of mistakes by decision-makers, which might not only lead to increased cost to the enterprise but also failure to reach the expected standards, it is therefore necessary to find out what customers really want. In this study, we adopt the questionnaire strategy for product assessment from the customers and to reduce the unnecessary cost made by certain strategic decisions. The influence of customer cognition of product quality on customer satisfaction and

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brand loyalty is examined using the example of the Taipei market for contact lens solution as an example. Enterprises invest a lot of time and resources to satisfy their customers. This study also looks at the relationship between service quality at the supermarket and customer satisfaction and loyalty, specifically taking the RT-MART in Taipei as an example. Finding new customers and keeping existing ones is necessary to compete with other supermarkets. One of the most important factors is service quality. Thus we study the relationship between customers, service quality, brand image, customer satisfaction and further purchase intention, taking a bank as an example. How to maintain a great relationship with their customers to ensure frequent customer contact is very important.

There are several different potential methods which can be used to address the questions asked given the motives for undertaking this study, which can be found by reviewing related literature about quality characteristics. However, there are many methods and it could be difficult for decision-makers to choose the most suitable methods. The following are two vital points that need to be considered in this study:

1. Discuss the reasons for obtaining different results from all aspects, and analyze the pros and cons of every method and the applicability of diverse information.
2. Integrate and study the analysis results, then suggest the most effective methods to decision-makers.

The meaning and measurement of customer's satisfaction, the method for classification of quality characteristics and other relevant comparative research frameworks are discussed and sorted, before being forged into an initial concept and study framework.

METHODOLOGY

Research methods and limitations

This study is based on the application of questionnaires. The questionnaire is classified as one of several types: advertisement type, product type or basic data type. Advertisement type: spokesman, friend, advertisement.

Since this study is based on the application of questionnaires for specific cases, targets might be limited:

1. Due to the fact that this study is only for case questionnaires, the results might be different for diverse industries.
2. Questionnaires are the simplest and most basic survey methodology which might cause inaccuracy for the whole enterprise.

Customer satisfaction

The conception of customer relationship management (CCRM) has attracted a lot of attention in the management field in recent years. In the area of customer relationship management (CRM), customer satisfaction is the most representative part. Customer satisfaction often comes up in discussions and studies in the academic community and with real enterprises. There are many diverse issues about customer satisfaction that need to be addressed, for instance, the comparative assessment of customer satisfaction from the customers' point-of-view and its effect on purchasing. It is also helpful to obtain an understanding of customer cognition of product expectations and after-sales service by a company (Chen, 2002). The effect of the customer's product quality cognition on customer satisfaction and brand loyalty is examined in the work of Huang (2003). The relationship between supermarket service quality, customer satisfaction and loyalty is examined by Chen (2002) along with the relationship between customer relationship managers, service quality, brand image and customer satisfaction. Nowadays customer satisfaction is considered to be created as long as customers think the product is useful and the sellers' service attitude is good. It is assumed in such cases that satisfaction will be high. Even if product quality is better, but if the customer feels that service attitude is lacking or inappropriate, satisfaction will be low. After all, each customer is interested in different kinds of products, and likes diverse things, so classification has to be carried out to enhance customer satisfaction. According to Kotler (2000), the invariable principle of enterprise management is to satisfy customer needs, and customer satisfaction will increase enterprise benefit. Fornell (1992) argued that the customer is a part of an enterprise's assets since their satisfaction directly benefits the enterprise.

Since Cardozo (1965) introduced customer satisfaction into the marketing field, arguing that customer satisfaction has became an important index of enterprise management performance, and can also be seen as a leading target for developing new products and as a revised power provided by new services. Hemple (1977) thought that customer satisfaction depends on the expected degree of benefit of products or service to customers. They showed that the expected results had the same degree as practical ones. Zeithaml and Bithner (1996) agreed that satisfaction includes a much wider range than just service quality assessment. Customer satisfaction can be affected by service quality, product quality, price, situational factors and personal factors.

Measurement of customer satisfaction

Since customer satisfaction is very important for enterprises in customer relationship management (CRM), then how to measure customer satisfaction effectively and accurately becomes one of the most important issues for an enterprise. Each customer has their own diverse opinion about what is satisfaction. They have to know what customer satisfaction is like, as introduced by frontline personnel, or from customer responses to questionnaires to ensure that customer's satisfaction will be high when new products are introduced.

RESULTS AND DISCUSSION

The questionnaire is classified as one of several types: advertisement type, product type or basic data type. Advertisement type: spokesman, friend, advertisement.

Table 1 includes information about gender, age, income, first purchase, spokesman factor, clerk's attitude, attitude and price factor, if a person buys this product due to low price, if a person knows about this shop or company from his friends, if a person knows about this product from advertisement, and the making of reliability analysis. The reliability is 72.66%, meaning that this questionnaire is effective.

Figures 1 and 2 show that young people consider not only price but also quality before purchasing certain products, meaning that purchase intention does not

Table 1. Factor analysis of the research questionnaire.

1	2	3
5.493E-02	0.626	-0.217
1.818E-02	-8.794E-02	0.873
-9.18E-03	-4.067E-03	0.806
1.609E-02	0.615	-0.387
0.830	6.788E-02	-0.201
0.443	0.706	0.172
0.321	0.771	0.354
0.377	0.645	-1.749E-02
0.847	0.302	7.663E-02
0.871	0.277	0.151

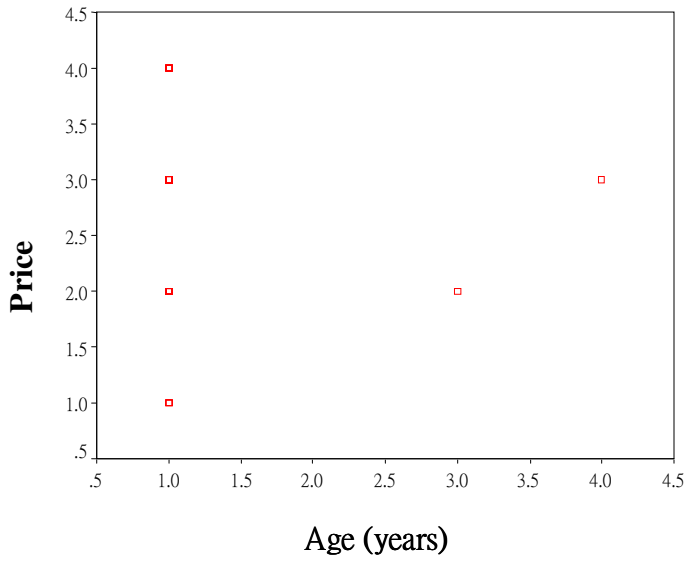

Figure 1. Relationship between age and price.

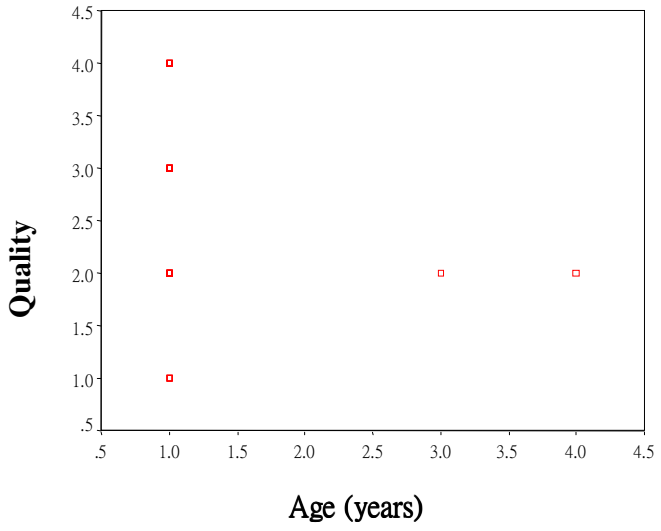

Figure 2. Relationship between age and quality.

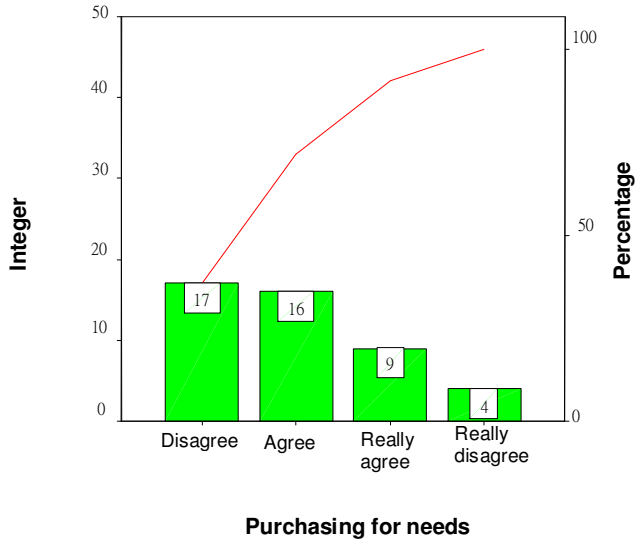

Figure 3. Analysis of purchase for need in Plato.

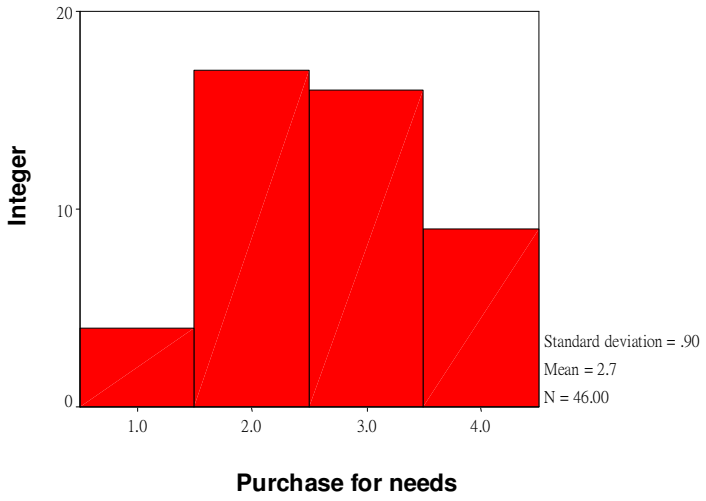

Figure 4. Bar chart for purchasing for needs.

depend on low price alone. It can also be seen that customers consider quality more important than price when making a purchase. In other words, quality is the most important for them. Figure 3 reveals that a total of 46 persons participated in answering the questionnaires. Of these 25 agreed with purchasing for need before buying, and the remaining 21 considered other factors before buying, such as price, spokesman factor, etc. Figure 4 reveals that persons who say that items should be purchased out of need are more than those who disagreed. As long as customers came to the shop or company with a desire to purchase, the use of gifts or factors such as salespeople could attract them to purchase. Figure 5 reveals that there are many more persons who consider price factors before buying than those who do not. It also shows that most persons will consider price factors before buying. Nowadays due to inflation, price has certainly become a much more important factor.

CONCLUSIONS AND SUGGESTIONS FOR FUTURE RESEARCH

Most questionnaires respondents in the above study were young people aged 20 to 30. These youths consider need, price and quality before purchasing certain products. Most young people in this age group experience

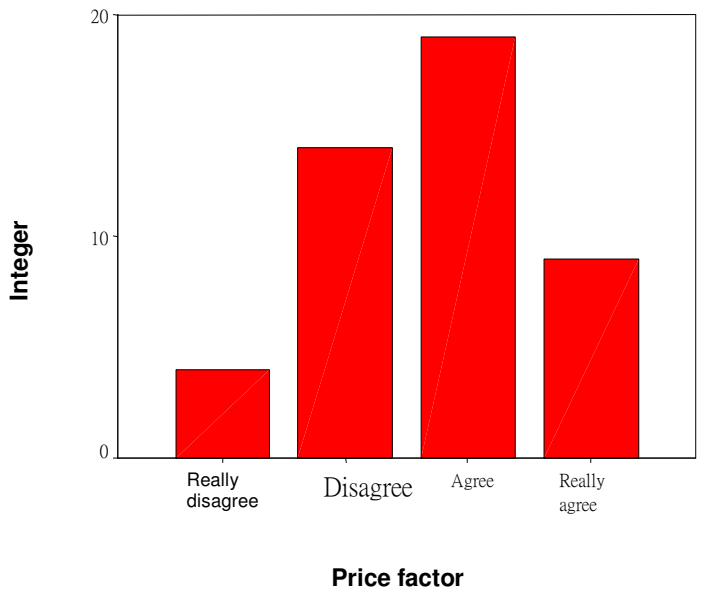

Figure 5. Bar chart for price factor.

economic pressure since most of them are students or just starting out in their careers, thus price is given a great deal of weight. As long as a product is low in price, then it will be purchased. As this product doesn't out of run or with low price and bad quality, it will not be sold. If the product price is low but its quality is bad, it is useless. Therefore, it is unnecessary to waste money to buy useless things. Questionnaires show that youths will purchase what they need, when purchasing, and that low priced and useful products will be preferred. Product quality must be considered, but they do not necessarily need the best. Since the better the quality of the product, the more it costs, if the production cost of the product increases, the price should be higher. Since students' pocket money is always limited, they care about the price very much.

This study suggests that when enterprises produce products, they should assess whether the target demographic for this product is students or groups higher up the spending pyramid. Enterprises can also try to produce diverse version of the same product. Quality is taken as a classification. The same product can be sold to diverse consumer groups. However, before producing different quality versions of the same product, a standard should be set first so that even though quality is different, each product must have a certain standard of quality. It is better to use the idea of small profit and quick turnover for selling each product. Although the benefit from each item might be less, the cost of advertisement might also decrease. Why? Because as long as the product is useful and cheap, it takes only a few consumers who have purchased it to introduce it to their relatives and friends. The effect of word-of-mouth advertising will reach others one by one. Frequently, this effect is more useful than spending a lot of money on adverting. After all, the word-of-mouth reflects consumer opinion after trying a product, In this way not only can firms keep existing customers but they also can attract more new ones. Especially in this economically troubled era, everyone tends to shop around before purchasing any product. While a certain inexpensive product may not be better than a higher quality one, it is still acceptable to use, so will be chosen frequently. The idea of small profit and quick turnover to build product image is the suggestion of this study.

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SAMPLE FORMAT FOR TABLE 1: Table Z. Factor analysis of the research questionnaire.

Variable	Advertisement type	Product type	Basic data type
	1	2	3
gender	5.493E-02	0.626	-0.217
age	1.818E-02	-8.794E-02	0.873
income	-9.18E-03	-4.067E-03	0.806
first purchase	1.609E-02	0.615	-0.387
spokesman factor	0.830	6.788E-02	-0.201
clerk attitude	0.443	0.706	0.172
attitude and price factor	0.321	0.771	0.354
person buys this product due to low price	0.377	0.645	-1.749E-02
person knows this shop or company from his friends	0.847	0.302	7.663E-02
person knows this product from advertisement	0.871	0.277	0.151