

CUSTOMER EMOTIONAL INTELLIGENCE, ITS UNDERSTANDING BY THE SELLERS RESULTING IN IMPLICATIONS ON CUSTOMER'S PURCHASE DECISIONS

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ABSTRACT

The area of concern for marketing professionals is strong quality relationship with the customers and positive outcomes of this relationship. There is importance of understanding emotional intelligence of the customers for the marketing professionals, along with the emotional intelligence quality level utilization by the customers. This review of literature has developed propositions that how emotional intelligence and its understanding by both sellers and buyers result in decision making process and how it varies from situation to situation. Implications of emotional intelligence on the purchase decision making of the customers are very important for marketing professionals, as they contribute to building a strong customer relationship management strategy, a delightful customer experience, and a win-win situation for both sellers and buyers. Implications of study are useful for strategic marketing decision makers and every customer making purchase decisions, whether critical or normal, to make their purchases without dissonance.

INTRODUCTION

Emotional intelligence and decision making processes are linked together and are complementing each other for the ultimate achievement of an outcome. Emotional intelligence is very important aspect which explains the capability and ability of an individual to understand and perceive a certain process to attain certain outcomes as desired. This linked procedure is very important and will be beneficial for the sellers who are selling goods or services to the end consumer's and customers, as purchasing a thing is a process which requires decision making. This process in the mind of the customer will be well understood if proper research and investigation related to emotional intelligence of the consumer is performed by the marketing researchers. The information about the emotional intelligence construct is very important for understanding the decision making scenario of the consumer. This provides us with information about the biases and heuristics which sometimes result in avoidance of win-win situation.

Customers act with their decision making in different ways according to the situation, and sometimes the action for the decision making is not rationally motivated (Kim, Fiore, Niehm, & Jeong, 2010). So there are many different situations for which there are different approaches adapted by the person. This is

applicable to the customers purchase decision as it has been observed that consumer decision making is also very diverse in different scenarios. This increases efforts requirement from marketing researchers to know the customers and to give them what exactly they want in applicable scenario. The modern concept of involving customers in the stages of product development has been exercised to fulfill this emotional intelligence variance construct of decision making process. The core of marketing activities is to understand what customer thinks and how customer will react to the offerings by the seller; here emotional intelligence is the main actor for customers to determine and form behavior in response to market offerings.

All the marketing activities are undertaken to get to the positive results from the customer and the customer requires the positive results from the seller, this refers to marketing being a value exchange process. These positive outcomes are possible for both sellers and customer if comprehensive and detailed understanding of emotional intelligence variance is developed, and there is synchronization between the customer and the seller. Decision making literature suggests that whenever there is a high involvement decision to be made by the customer, the quality of emotional intelligence is high as stakes are high, and these decisions are critical decisions which have a lot of cost associated with them (Bazerman, 2001). If in a

high involvement decision making process, emotional intelligence of the customer is not clearly and fully understood by the seller, or customer is unable to utilize his emotional intelligence due to incompetency or lack of awareness and information, the results are disastrous resulting in immense losses and wastage of time and resources.

It can be clearly identified that while making a decision the awareness and capability related to emotional intelligence is very critical for the customer, as well as its understanding is critical for the seller. So controlling emotions and utilizing right emotions at the right time is what is required and literature of decision making has a lot of support for this argument.

LITERATURE REVIEW

Emotional intelligence has been defined as the ability to perceive, understand, and manage emotions and it has implications for decision making in the specific criteria or situation (Ciarrochi, Chan, & Caputi, 2000). Hence purchase decision will be taken into consideration as criteria having implications from customer's emotional intelligence. According to Kidwell, Hardesty, and Childers (2007), emotional intelligence will be utilized in a scientific way to get the desired customer purchase decision outcome. This highlights the importance of emotional intelligence for marketing professionals. The importance of cognitive ability has been of high significance in research related to marketing (Ariely & Daniel, 2000), relevant to focus on customer's basic actions and levels like capacity of acquisition (Capon & Davis, 1984), the purchasing process (McCarthy, & Mothersbaugh, 2002), and the usability context knowledge (Ariely & Daniel, 2000) in order to develop strategic decisions related to the customers from the sellers perspective. The research has shown that customers with more strong emotional intelligence make more cautious and well thought out decisions while purchasing, in comparison to less emotionally intelligent customers (Ramanathan, Suresh, & Menon, 2006). Now the question arises that what is the determinant of emotional intelligence in customers. To answer this question the research by Kidwell et al. (2007) showed that level of emotional intelligence depends on the nature of the product which is being bought. The nature of the product is directing towards the usability and importance of that product for the customer, desired out come and how much that desired outcome is valuable for the customer. As it was identified that the products which are of high value in any aspect, whether it is price or high value of the outcome resulting from the use of that product, are

more cautiously thought out by customers and these customers have strong emotional intelligence. The importance of customer behavior is what all modern era marketing is about. It is all about understanding customer and the customer value is what leads to competitive advantage in current times as elaborated by Woodruff (1997).

“Emotional Intelligence and Emotional Involvement understanding is critical for buyers and sellers”

Emotional intelligence has very high significance for the purpose of developing or sustaining a relationship (Ciarrochi et al., 2000). The construct of emotional intelligence has a linear directed pathway towards decision making (Petrides & Furnham, 2000). This explains that emotional intelligence is the predictor of quality of customer purchase decision making process. Another important construct which has been identified by the research conducted by Ciarrochi et al. (2000), namely known as mood management, if somehow marketers are able to get hold of this mood management, which is integral part of emotional intelligence as it will play a trigger or initiator role in generating and handling the moods, they will be very successful in developing and maintaining their marketing strategies. Being customer oriented and knowing the emotional intelligence level for customer decision making by sellers is of high value and will continue to have its importance for very long (Woodruff, 1997). The quality of the relationship between seller and buyer is considered to be the point of focus for both buyer and seller, and relationship quality goes high if emotional intelligence is properly utilized by the customers (Ciarrochi et al., 2000).

“Emotional Intelligence of the customer and its understanding by the sellers is very critical for Customer Relationship Management”

The importance of emotional intelligence in the context of customer will be understood by the findings of the study by Kidwell, Hardesty, and Childers (2008) which clearly narrates that the products in the market, trends of the market and the product range in the market, all depend on the quality of emotional intelligence of the customer. Exploiting customers emotional intelligence can be un-ethical, but in the era of knowledge the emotions of customers are not only owned by the customers, they will be amplified in quantity and quality by the sellers in order to get good results related to growth for both customers and the sellers (Ariely & Daniel, 2000). But there are heuristics and biases which are very common and have negative impact on practical decision making related to purchase of some goods or services, and this negative impact is felt by both parties. This results in low quality relationship and undesired trigger of emotional

dissonance (Bettman, Jhonson, & Payne).

Another important dimension for the marketing researchers and professionals has been identified by McLeod (2009) that marketing professionals should not assume that customer’s decision related to purchase will always be rational decisions based on emotions. It is important to know about the emotional intelligence level of the relative segment customer in a certain situation. Customer’s purchase decision always has an emotional reasoning attached to it (Peter, 2007). In order to ensure an ideal outcome from the seller’s perspective; marketing professionals should always be thinking about their efforts to get a positive response from customers. They should be clear about level of contribution required for high quality relationship due to high involvement of customers and their high emotional intelligence (McLeod, 2009). The difference among emotional intelligence levels of customers and variances in decisions due to this reason have been identified by Schutte, et al. (1998). This refers to

marketing professionals attention for consideration of emotional intelligence as a strong base for customer segmentation in order to compete and get a superior value in the competitive market as highlighter by Woodruff (1997). Emotional intelligence is the optimal predictor of success for any business (TIME, 1995), for the success and continuous interaction with the customers requires strong understanding of emotional intelligence level of the customer which is variable for every purchase decision (McLeod, 2009). The success exists in the involvement of customer in the product or service on offer, as this increase the quality of emotional intelligence, and it is possible to get maximum quality relationship parallel to high benefit monetary returns from the customers. This all is what has lead to transformation of consumer research in this time for business growth and customer satisfaction as identified by Peter (2007).

“High Involment leadsto better Emotional Intelligence which inturn results in better purchase decisions”

FIGURE 1
Nature of emotional intelligence for purchase decisions

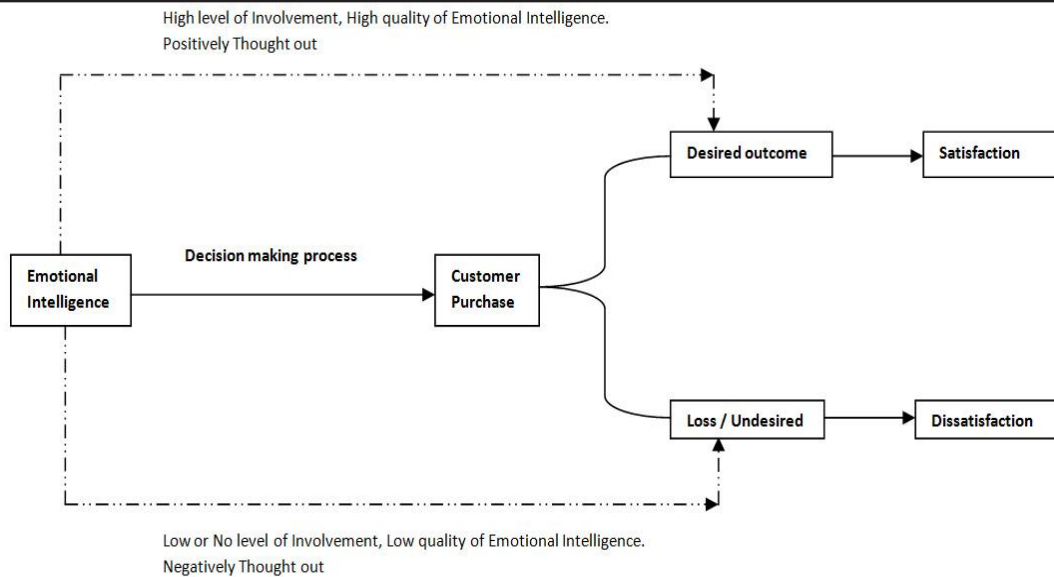


TABLE 1

Importance of Emotional Intelligence for Customer and its understanding for Seller / Marketing professionals

| Customer / Buyer | | Seller / Marketing Professionals | | Seller / Customer |
|------------------|------------------|----------------------------------|-----------------|-----------------------------|
| EI Level | Type of Decision | EI understanding | Type of efforts | Outcome |
| High | Important | Good | Maximum | Win / Win situation |
| Low | Important | Good | Maximum | High Loss / Dissatisfaction |
| High | Normal | Good | Maximum | Win-Win situation |
| Low | Normal | Good | Maximum | Low Loss / Dissatisfaction |
| High | Important | Bad | Less | High Loss / Dissatisfaction |
| Low | Important | Bad | Less | High Loss / Dissatisfaction |
| High | Normal | Bad | Less | Low Loss / Dissatisfaction |
| Low | Normal | Bad | Less | Low Loss / Dissatisfaction |

EI = Emotional Intelligence

According to Huy (1999), high emotional intelligence level leads to better results for the customers in reference to purchase decisions. It was also notified that the consumers with high level of emotional intelligence can adapt to changes. This point is very critical for marketing professionals. Bazerman (2001) said that if involvement is increased, the level of emotional intelligence in the customer's mind to get the desired product or service will also increase and the result will be a better and beneficial decision for both customers and sellers (win / win situation). Mizerski, Golden, and Kernan (1979) provided strong evidence that if marketers are able to alter an individual's emotional intelligence levels; this will result in desired result for both customer and seller leading to satisfaction. According to Xia (2010), customer's purchase decisions result in both desired and undesired conditions. With reference to research among young group of Chinese people, Fan and Li (2010) concluded that the emotional involvement and emotional intelligence level in the purchasers' behavior is the antecedent of their purchase experience. Vesel and Zabkar (2010) pointed towards relationship quality between the customer and seller with reference to emotional intelligence and its understanding as a predictor of desired results and satisfaction. Caldwell, Henry, and Alman (2010) said emotional involvement of the customer in purchase decisions leads to better and cognitive understanding of the product on offer by the seller, and is considered to be a satisfying and quality purchase decision. Cognitive thinking customers have a high level of emotional intelligence and they are quality conscious and quality is a predictor of satisfaction (Park, Yu, & Zhou, 2010). The quality conscious customers have a strong understanding of all the attributes of the products on offer. This means that there is synchronization between the customer and seller leading to a better decision for both sellers and the customers (Kimiloglu, Nasir, & Nasir, 2010). It is better for the sellers to create more involvement in the customers mind with the product as this is beneficial for the seller (Ha & Lennon, 2010). A research conducted among foreign students in Singapore showed that students with high emotional intelligence level result in better understanding and grades in their academics, this means that a customer will also be having the same experience while purchasing in the market (Fatt & Howe, 2003). The level of emotional involvement in the customers' mind can be utilized by marketing professionals to earn revenues from them (Sunikka, Peura-Kapanen, & Raijas, 2010). To enhance value for the business, the level of emotional involvement of the customer is very critical (Kim et al., 2010). Customers with a level of control and emotional intelligence increase level of service quality and the results are satisfaction for both customers and

sellers (Krishen, Bui, & Peter, 2010). Understanding of customer's emotional intelligence level can help in better positioning of the product (Mitchell & Harris, 2005). If you have positioned yourself appropriately you will be the most acceptable choice of the customer.

CONCLUSION & DISCUSSION

The discussed literature, figure 1 and table 1 clearly highlights importance of emotional intelligence in the decision making process of a customer. The literature has helped us in finding the areas which should be prioritized by the marketing personals, as well as the customers to get the best results out of their whole decision making process and marketing efforts.

Following areas were identified with the help of the literature and the graphical representation of the concept:

- i. If emotional intelligence level is high and the decision is important in its nature and in parallel the emotional intelligence understanding by the seller is good, he will utilize his maximum efforts to meet the customer's needs resulting in satisfied customer as well as a satisfied seller.
- ii. If emotional intelligence level of the customer is low and type of decision is important, it does not matter what efforts seller contributes, the result will be a disaster.
- iii. If emotional intelligence level of the customer is high and the decision is normal in its nature and the efforts and understanding by the seller is maximum and good respectively, both parties will be satisfied as they will gain their desired outcomes.
- iv. If emotional intelligence level of the customer is low and the type of decision is normal in nature, than whatever the seller contributes the result will be loss and dissatisfaction. But this loss is not a big loss, yet still it will not be good.
- v. If the emotional intelligence level of the customer is high and the nature of the decision is important, and if the understanding of customer's emotional intelligence by the seller is bad due to fewer efforts, than the outcomes will be very dissatisfying and high losses will occur for both the customer and the seller.
- vi. If the emotional intelligence level of the customer is low and the decision is important in nature, if badly understood by the seller due to fewer efforts the result will be highly dissatisfying and heavy losses for both parties.
- vii. If the emotional intelligence level of the customer is high and the nature of decision is normal and the seller understands it badly or does not understood it due to less efforts, the results will be losses. They

will not be major losses due to nature of the decision but still losses are not good.

- viii. If the emotional intelligence level of the customer is low and the nature of decision is normal and badly understood by the seller due to fewer efforts, the result will be losses. Yet again they will not be heavy losses due to nature of the decision.

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