

THE ROLE OF CUSTOMER RELATIONSHIP MANAGEMENT IN ROMANIA'S REAL ESTATE MARKET

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Abstract: The dwelling is a long-term investment and, at the same time, the most important asset for most people in Romania, so despite the constantly changing preferences for other categories of goods, the desire to own a property seems to remain a constant for the Romanian consumer. At the same time, a property is, first and foremost, an emotional investment for most people, and real estate agencies and developers are fully aware of this fact and, therefore, design entire marketing campaigns to stimulate their emotions. Given all this, customer relationship management (CRM) becomes extremely important in the real estate market, contributing not only to attracting consumers, but, above all, to increasing their satisfaction and, not least, to quickly adapting to market changes.

Keywords: consumer, real estate market, customer relationship management.

1. Introduction

Influenced by economic, technological, demographic, climatic changes, and more, the real estate market is a constant dynamics.

The real estate market encompasses the many facets of property, including the development, valuation, marketing, sale, rental, leasing, and management of commercial, industrial, residential, and agricultural properties. This market may fluctuate depending on national and local economies but, at the same time, remains constant because people always need homes, land, and businesses, most often, need commercial space.

Real estate properties may be used for residential, commercial, or industrial purposes, often being the most valuable investment a person owns.

Real estate value is, most of the time, a key indicator of an economy health, with some authors emphasizing that changes in the economy affect the dynamics of real estate market development and, in turn, real estate market dynamics leave their mark on certain sectors of the economy [1].

2. Determinants of the Decision to Buy a Dwelling

Whether the economy is more or less developed, people will always need a place to live and there will always be a constant need for real estate professionals. Their level of success depends greatly on their motivation, the geographical location in which they operate, the flow of the market [2] but, to a large extent, their success also depends on how well they understand and apply customer relationship management (CRM).

In general, consumer behaviour is influenced by numerous factors [3], and the real estate market, from this point of view, exhibits certain peculiarities. In many

cases, real estate is a common form of financial investment. As is known, the properties that one owns can not only increase in value, providing the owner with constant profits, but also can provide constant income and even financial stability [4].

For some people, direct investment in real estate consists in purchasing residential or commercial property, either for obtaining rental income or for its subsequent resale for a profit [5].

Thus, for many people, buying a property is a symbol of economic prosperity.

Beyond the purely financial aspects, property is an emotional investment for most people, this reality being especially characteristic of young people who constitute one of the most dynamic segments on the real estate market.

Most homebuyers are newlyweds or people about to start a family, and the main reason they buy a home, beyond satisfying a need for security, is that this purchase can be associated with a rite of passage into adulthood. They have seen how older generations bought a home when they got married and equate the act of buying a home with starting a family [6].

In many situations, after completing their studies and finding a relatively stable job, one of the first things young people do is get a mortgage and buy a property, the dwelling being a symbol of success.

In addition to the income level, the age of the buyer is therefore a very important factor, as it may show what type of residential property the consumer wants [7].

Noticing this trend, developers have built housing complexes in suburban and even rural areas, especially for middle-class families, and these well-equipped homes offer the buyer a sense of accomplishment [8].

For some, buying a house becomes a rite of passage into family life and a symbol of success. For others, the investment is ultimately a monetary matter,

and the mixing of emotions in this process, in many cases, only complicates the situation and leads to uninspired investment decisions [7].

People are also motivated to buy their own housing units, as a result of the investment opportunity that these purchases present. Investing in the housing sector, for people involved in tourism, guarantees, in many cases, some significant profits for them.

The distinctness of a real estate property is determined by numerous factors, including those of an economic nature, such as rarity, location, interdependence, capital-intensive nature, low liquidity [9].

On the other hand, since in some cases tax breaks are granted for buying a home, this makes investing in real estate seem like a good idea. However, the tax breaks offered are generally very small compared to the interest that the buyer has to pay. So, if we consider this aspect, buying a home is not always a good decision, from an economic point of view, even if from an emotional point of view, the perceived tax breaks have a major impact on a considerable number of buyers [8].

Last but not least, developers are fuelling the fear that, with land limited and the world's population growing, we are likely to witness a housing crisis. In essence, this argument is not entirely correct from several points of view. Why? Because, in reality, the world's population has stabilized in recent years, with a growth rate of less than 1%.

On the contrary, in several European countries and beyond, the demographic forces that, some time ago, contributed to the development of real estate markets are currently in decline [10].

But even with a large population increase, there is enough land in the world to provide people with housing. Thus, encouraging real estate purchases on the grounds that there will be nothing left to buy in the future is an incorrect argument [4].

In this context, where real estate purchases have both financial and especially emotional motivations, implementing an effective CRM system can make the difference between success and failure in such a competitive real estate market.

In the last two decades, characterized by the development of digital technologies, the complexity of relationships between developers, buyers and real estate agents has greatly increased, with digital channels playing an increasingly powerful role in real estate marketing [11].

3. General Aspects Regarding the Real Estate Market in Romania

The functioning and dynamics of the real estate market in Romania are determined by structural factors common to all markets, but also by the intrinsic particularities of real estate assets, as assets subject to trading. The specificity of the real estate market derives

mainly from the fixed nature of the location of each property, which confers uniqueness to each asset. This permanent location determines a complex set of distinctive characteristics, which directly influence the price formation mechanisms, liquidity, degree of substitutability and the behaviour of market participants. This permanent location determines a complex set of distinctive characteristics, which directly influence the price formation mechanisms, liquidity, degree of substitutability and market participants behaviour.

The Romanian real estate market continues its transformation amid profound economic and social changes. Price evolution, variations in supply and demand, as well as the integration of technological and sustainability trends shape a sector in continuous adaptation and development.

In recent years, the Romanian real estate market has exhibited a significant increase in prices, driven by factors such as inflation, high demand in large urban centres and increasing construction costs, the shift towards sustainable and energy-efficient housing, and internal and external population migration, etc.

In the fourth quarter of 2024, the real estate market has undergone a supply squeeze, with the number of properties available for sale falling by 13% to around 101,000 units. This decline was accompanied by a 14% increase in the average price per square meter, which reached 1,710 euros/sqm - an indication of the pressure exerted by sustained demand in the context of limited supply [12].

Compared to Q4 2023, the average asking price for properties listed for sale increased by 14% in a year.

The demand for housing, especially for new housing, has increased especially in large cities, such as Bucharest, Cluj-Napoca, Constanța, Timișoara.

According to the source cited above [12], in the fourth quarter of 2024, the demand for residential property rentals increased by 8% compared to the same quarter of 2023 and, against this backdrop of demand pressure, the average price for renting a home increased by 10%.

In consideration of all the above, we can underline the fact that in Romania real estate assets constitute an essential component of personal wealth for the majority of the population, especially for homeowners. The size and expansion of the real estate market turns it into a field with high profitability potential, attracting a considerable number of national and international investors. The sector encompasses a wide range of activities, which go beyond the scope of property management and include urban planning processes, real estate financing and development, construction, valuation, facilities management, as well as strategic consulting and brokerage services. From the perspective of its contribution to the national economy, the real estate sector exceeds other important industries in economic relevance, such as the automotive or healthcare sectors [13].

4. Research on the Real Estate Market in Romania

4.1. General Framework of the Research

A clearly outlined methodology provides a structured framework for conducting the study, facilitating the efficient organization of activities and compliance with essential stages. It establishes the way to collect, analyse and interpret data, directly influencing the conclusions drawn. In this regard, in order to determine the importance of customer relationship management on the Romanian real estate market, we conducted a survey based on a questionnaire consisting of 18 questions, of which 5 were identification questions and the remaining 13 were content questions.

Its logical and sequential structure aims at both the consistency of the answers and at obtaining a detailed picture of the decision-making process of the Romanian consumer on the real estate market.

The questionnaire was conducted online using the Google Forms platform, and its completion was possible by distributing it online.

In carrying out this research, we started from the premise that the real estate market in Romania is characterized by rising prices, as a result of an imbalance between the demand and supply of real estate.

In this context, the main objectives of the research were:

O1: Identifying the most important factors that influence consumer behaviour in real estate transactions;

O2: Identifying the respondents' level of information regarding funding sources;

O3: Analysing consumer preferences for certain methods of financing real estate purchases;

O4: Identifying the perception of Romanian citizens regarding the evolution of the real estate market in 2025.

4.2. Results

The research sample consisted of 145 people, of which 35.9% were women and 64.1% were men. In terms of residence, 82.1% of the subjects came from urban areas, and the difference of 17.9% from rural areas.

The age categories between 18-24 years, those between 25-34 years and those between 35-45 years constitute the highest percentages within this sample, respectively 33.8%, 24.8% and 32.4%.

As for the level of education, 44.1% of respondents have high school education, and 44.8% have university education. In this context, extremely small percentages are those with only secondary school education, as well as those with postgraduate or even doctoral studies.

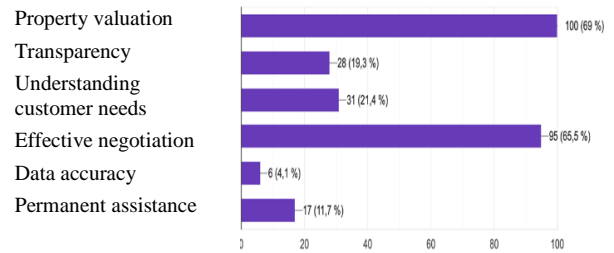


Fig. 1. The determining factors of the decision to buy a dwelling.

Most respondents believe that the most important factors in making the decision to purchase a property are the possibility of a correct valuation of the property, as well as the possibility of negotiating the price.

Other factors taken into account by the subjects participating in the study are understanding customer needs, transparency and permanent assistance during the transactions, both from real estate developers and from financial institutions or real estate agencies.

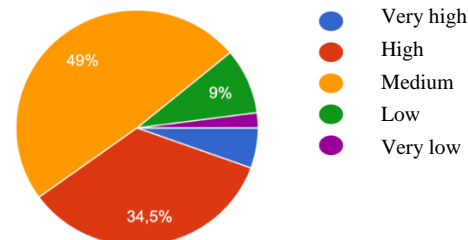


Fig. 2. The respondents' level of information regarding funding sources.

Almost half of the respondents (49%) believe they have a medium level of information regarding potential sources of financing for purchasing a home.

It is worth noting that just over a third of the subjects (34.5%) consider their level of information to be high.

At the opposite pole, the people with the lowest percentages are those who consider themselves either very well informed or totally uninformed.

As for the financing sources preferred by respondents, we note that most subjects (42.8%) prefer New Home loans, which offer the possibility of lower interest rates and, in general, better conditions than mortgage/real estate loans.

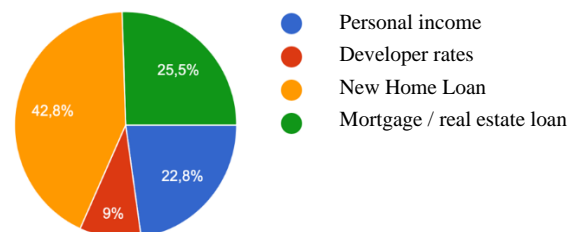


Fig. 3. Sources of financing for a potential real estate transaction.

On the other hand, only 9% say they prefer instalments directly from the developer. It is worth noting that 22.8% of the subjects talk about the possibility of purchasing a home based on their own income.

The importance of customer relationship management (CRM) also results from the following question.

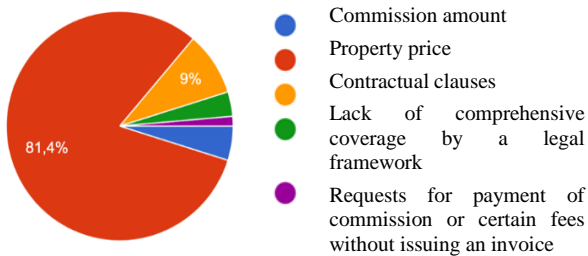


Fig. 4. The main objections in the process of trading a home

As can be seen in Figure 4, the most common objection in real estate transactions (81.4%) is the one related to the price of the property. Other objections expressed are those related to contractual clauses (9%) and even those related to the amount of the commission (6%). On the other hand, the least common objection is the one related to requests for payment of the commission or certain taxes, without issuing an invoice (0.9%).

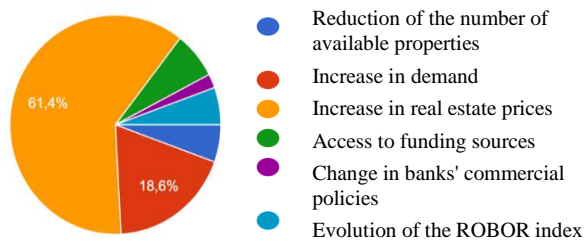


Fig. 5. Perception of the most important influencing factors for the real estate market in 2025

The increase in real estate prices is considered the most important influencing factor on the real estate market in 2025, with 61.4% of respondents expressing this opinion.

Other study participants (18.6%) believe that the evolution of the real estate market this year will be influenced by the increase in demand, along with the reduction in the number of available properties. In addition to these factors, according to respondents, the real estate market in 2025 will also be influenced by the ways of accessing financing sources, the evolution of the ROBOR index and even the modification of banks' commercial policies.

Thus, correlating the answers to the first five questions presented in this paper, we observe that financial aspects, and especially price, represent the most important elements in the real estate market.

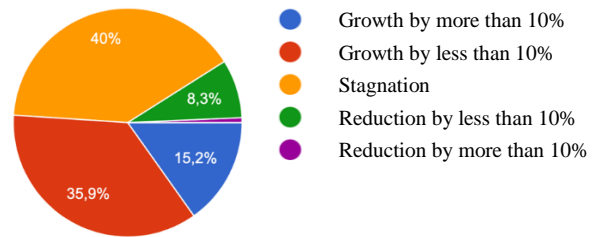


Fig. 6. Respondents' perception of price evolution on the real estate market

As for the respondents' perception of the evolution of prices on the real estate market, we notice a rather worrying situation. Even though 40% believe that prices will stagnate, the majority believe that we will witness an increase in prices (35.9% believe that prices will increase by less than 10%, and 15.2% believe that we will witness an increase of even more than 10%). On the other hand, only 8.9% of the subjects believe that prices not only will not increase, but will actually decrease this year.

5. Conclusions

The Romanian real estate market, like many other markets, is extremely dynamic and competitive, which renders customer relationship management a decisive factor in achieving a long-term advantage.

In the context of the growing demand for housing, commercial spaces and infrastructure, the Romanian real estate market has experienced significant development in recent decades, becoming an attractive area for investors, both local and international. The size and dynamism of this market positions it among the economic sectors of strategic importance, with a direct impact on economic growth, employment and investment flows.

The activities related to the real estate field are extremely varied and involve multiple interdependent branches: urban and territorial planning, development and construction, real estate financing, asset valuation, property and facilities management, technical-economic and legal consulting services, as well as intermediation and brokerage activities. This diversification confers the sector a high degree of complexity and a wide potential for integration with other economic fields.

Transparency is an essential element in real estate transactions, directly influencing the level of trust between real estate agencies or developers and customers. The use of a CRM system facilitates clear communication, allowing the provision of real-time updated information on the evolution of transactions, real estate prices and available options. By strengthening access to relevant and verifiable data, customer relationship management contributes to reducing uncertainties perceived by customers and increasing the degree of satisfaction and loyalty.

Meeting customers' demands, in addition to offering homes with smart technology, developers are also looking to incorporate better ventilation frames, high-

speed elevators, sensory doors, backup power for common areas, state-of-the-art security systems, all of which are vital additions.

In this context, the demand for customised solutions is increasingly strengthened, whether we refer to residential purchases, rentals or real estate investments. The implementation of Customer Relationship Management (CRM) systems allows real estate agencies and developers to centralize, segment and analyse relevant data on customer behaviour, preferences and needs. This process supports the provision of targeted offers and tailored recommendations, increasing the accuracy of commercial decisions. A personalized approach, based on data analysis, contributes to the optimization of customer relationships, increasing the degree of retention and, implicitly, increasing revenues.

All of the above reveals that customer relationship management (CRM) on the Romanian real estate market plays a fundamental role in developing a successful business and, especially, in the process of finding the best solutions for the increasingly sophisticated demands of consumers.

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