

**CUSTOMER RELATIONSHIP MARKETING OF THAI SMEs
IN PRODUCT, SERVICE AND DISTRIBUTING INDUSTRY**



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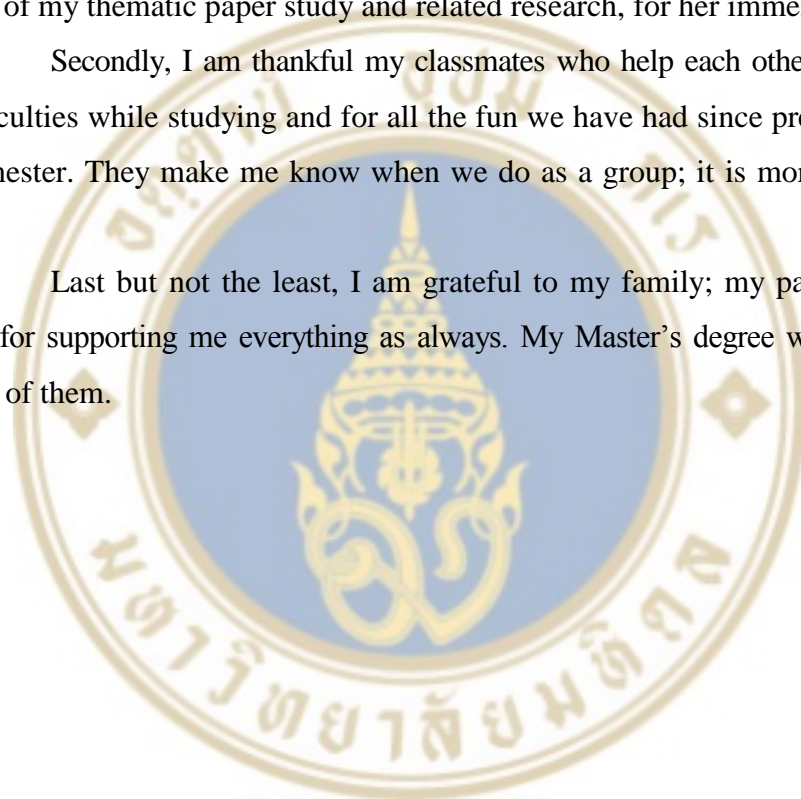
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ABSTRACT

Many Thai SMEs companies have implemented Customer Relationship Marketing, so that they can maintain customer satisfaction and create the opportunities to gain more effective and efficient marketing in order to gain competitive advantage. This research aims to identifying and investigating the Customer Relationship Marketing activities of Thai SMEs in three industries; service, product and distributing applied at different stages of the customer relationship development process. The Customer Relationship Marketing activities were collected from fourteen in-depth semi-structured interviews with Thai SMEs owners. The investigating found seven Customer Relationship Marketing activities were used as Getting contact with customers, Give special gift on the event, doing social activity together with customers, Study Master's degree to build relationship, Arrange meeting to announce new technology and products, Evaluation by customers and Using CRM software. Moreover, the benefits that SMEs got from this implemented consists Getting opportunity to do the job for customer, Saving the expenses from creating a new customer, Getting repeat order, Getting feedback from customer, Increasing positive Word of mouth, Getting mutual benefit and Getting sustainable relationship. In addition, the result of this research prove that Thai SMEs have the customer relationship development process as the conceptual framework of the relationship development process stages from part of client relationship marketing of Woo & Leelapanyalert (2014); pre-relationship, exploratory, expansion, and stable stages.

KEY WORDS: Customer Relationship Marketing / Thai SMEs

50 pages

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CHAPTER I

INTRODUCTION

The main goals of the large company or even small company are to stay present, recognized and respected in the market, to grow and increase profit which these goals can be achieved by provides products or services with satisfying and suitable for the customer needs. To maintain customer satisfaction creates the opportunities to gain more effective and efficient marketing in order to gain competitive advantage. Customer Relationship Marketing is one of the important business strategies that differentiate the company from competitors (Harrigan et al., 2011). Not only the companies get benefits from the customer relationship marketing, but the customers also get it as Gounaris (2005) affirms that both of customer and company would get mutual benefits from the relationship. The companies benefit from increasing sale amounts and volumes, declining operating costs and positive word of mouth (Gilpin, 1996; Gronroos, 2000; Reichheld & Sasser, 1990), while the customers benefit from risk reduction in sophisticated transactions (Hart & Hogg, 1998) and also have the ability to control, reduce and possibility eliminate transaction costs (Buttle, 1996). Many scholars have proposed several conceptual models of the relationship development process due to many companies use the relationship development process as a core marketing strategy to achieve their goals by generating long-term mutually beneficial relationship between company and customer (Dwyer et al., 1987; Ford et al., 1998; Wilson, 1995; Woo & Leelapanyalert, 2014). In order to identify customer relationship marketing in SMEs, this research would revisit and examine the relationship development process of Woo & Leelapanyalert (2014).

Customer Relationship Marketing is defined from a balanced perspective which Zhang et al. (2008) explained that “Customer Relationship Marketing is the philosophy, policy and coordinating strategy mediated by a set of information technologies, which focuses on creating two way communications with customers so that firms have an intimate knowledge of their needs, wants, and buying patterns”. Moreover, Rababah et al. (2010) suggests that “Customer Relationship Marketing is the building of a customer-

oriented culture by which a strategy is created for acquiring, enhancing the profitability of, and retaining customers, that is enabled by an IT application; for achieving mutual benefits for both the organization and the customers”.

To survive in the global markets, focusing on the customer becomes a key success factor for SMEs. Baumeister (2002) argues that it takes up to five times more money to acquire a new customer than to get an existing customer to make a new purchase. Not only large companies, customer relationship marketing also provides SMEs the opportunities which could not be easily exploited (Horowitz, 2005). Therefore, customer retention is in express important to SMEs because of their limited resources. Hence, many SMEs have implemented Customer relationship marketing, so that they can compete effectively (Ramdani, Kawalek, & Lorenzo, 2009). Then the objective of this paper is to understand and identify practical used in sustainable of Customer Relationship Marketing in order to gain more benefits in Thai SMEs. In this study, the main research questions are presented below:

1. How do Thai SMEs apply customer relationship management in their businesses?
2. What benefits that Thai SMEs would get from customer relationship management?

CHAPTER II

LITERATURE REVIEW

2.1 The Importance of Relationship Marketing in SMEs

According to increasing competition in many industries, then it has occurred customer relationship marketing concept. Hence many companies also focus on relationship marketing as the company transform product-based to customer-based structures which is supported by information and communication technologies (Ryals & Rnox, 2001).

In recently year, relationship marketing becomes the importance of business and marketing strategy. SME has to focus on business and marketing strategy due to it has explicit customer target group which require a customer-centric culture (Ozgener & Iraz, 2006). Customer relationship marketing can be determined that is an interactive process to achieve the optimum balance between the investments of the company and customer satisfaction in order to produce the maximum profit. It involves (Gebert, Geib, Kolbe, & Riempp, 2002):

1. Measuring both inputs across all functions including marketing, sales and service costs and outputs in terms of customer revenue, profit and value.
2. Acquiring and continuously updating knowledge about customer needs, motivations and behavior over the lifetime of the relationship.
3. Applying customer knowledge to continuously improve performance through a process of learning from successes and failures.
4. Integrating the activities of marketing, sales and service to achieve a common goal.
5. Implementing appropriate systems to support customer knowledge acquisition, sharing and measuring CRM effectiveness.
6. Constantly flexing the balance between marketing, sales and service inputs against changing customer needs to maximize profit.

Nowadays, the marketing emphasizes on building and maintaining long-term relationships with customers and developing long-term strategies for customer retention by giving what customers want (Christopher et al., 2002; Reinartz & Kumar, 2003; Xu, Goedegebuure, & Van der Heijden, 2006). Gounaris (2005) affirms that both of customer and company would get mutual benefits from the relationship. The company benefit from increasing sale amounts and volumes, declining operating costs and positive word of mouth (Gilpin, 1996; Gronroos, 2000; Reichheld & Sasser, 1990), while the customers benefit from risk reduction in complex transactions (Hart & Hogg, 1998) and also have the ability to control, reduce and possibility eliminate transaction costs (Buttle, 1996).

The main objective of relationship marketing in any industry is to build, maintain and increase a long-term relationship with customers in order to gain more effective and efficient marketing which increase competitiveness (Harrigan et al., 2011), and create a unique and sustainable competitive advantage (Liang et al., 2009) due to competitors cannot copy or produce homogeneous products and services (Buttle, 1996; Perrien & Richard, 1995). Simultaneously, if customers do not have relationship with the company, they can change their mind easily to competitors when they have great promotions such as low price or other deals (Holmlund & Kock, 1996). Then the companies manage this unstable by enhancing customer awareness of long-term financial benefit relationship marketing. There are two economic arguments about relationship marketing. Firstly, it would be more expensive to get a new customer than to retain an existing customer (Stobacka, Strandvik, & Gronroos, 1994) and secondly, the longer the association between a company and a customer, the more profitable the relationship for the company (Buttle, 1996). It is very useful for the company especially SME which has to scope budget as less as possible to process the business. Therefore, customer retention is in express important to SMEs because of their limited resources (Baumeister, 2002).

2.2 Business benefits of Customer Relationship marketing

Customer Relationship Marketing focuses on managing (which includes build and maintain) the relationship between customers and companies moreover customer perspective base on as a key to success (Gebert et al., 2002; Falk, 2004). The benefits as the companies would get from customer relationship marketing includes (Andrade, 2003):

1. Gathering and integrating information on customers.
2. Developing a closer relationship with customers.
3. Increasing customer satisfaction.
4. Declining customer acquisition costs.
5. Ensuring sustainable competitive advantage.
6. Maximizing profitability due to increased sales.
7. Increasing customer loyalty as a result of more personal and efficient service.
8. Collaborating with customers for joint value-creation.
9. Supporting effective sales efforts through better management of the sales process.

Subsequently, the competitive environment has fast changes and then it makes the companies think again about the way to run business. Therefore, customer relationship marketing which is the one of business strategy is considered to be an effective option (Feinberg et al., 2002).

2.3 Relationship Development Process Models Revisited

Many scholars have proposed several conceptual models of the relationship development process due to many companies use the relationship development process as a core marketing strategy to achieve their goals by generating long-term beneficial relationship (Dwyer et al., 1987; Ford et al., 1998; Wilson, 1995; Woo & Leelapanyalert, 2014). Four models have been defined and explained each stage of relationship process that shift from transactional to relational exchange by using conceptual models support in social exchange theory (Dwyer et al., 1987), collaborative relational exchange (Wilson,

1995), the business markets (Ford et al., 1998) and sustainable relationship (Woo & Leelapanyalert, 2014).

Dwyer et al. (1987) has proposed the relationship development process model which consists five stages of buyer-seller relationship; awareness, exploration, expansion, commitment, and dissolution. Whereas, Wilson (1995) conceived the relationship development process includes five stages as partner search and selection, defining purpose, boundary definition, creating relationship value, and hybrid stability. On the other hands, Ford et al.'s (1998) relationship development process model has four stages which are pre-relationship stage, exploratory stage, developing stage, and stable stage. Based on these three concepts, Woo & Leelapanyalert (2014) conceptualized the relationship development process stages from part of client relationship marketing; pre-relationship, exploratory, expansion, and stable stages. The first stage of the *relationship development process is pre-relationship stage*. At this stage, the communication between the company and the customer is the main considerable in order to forming the relationship because there are many uncertainties and less trust among them. Moreover, Dwyer et al. (1987) explains that external marketing such as advertising, promotion and branding are also the importance to build more customer awareness of the company brand, product or service offerings.

The second stage is the *exploratory stage* which concerns about negotiation and discussion of customer purchasing. Then at this stage, the customer has high possible to trial purchase and the future relationship between company and customer which would be formed from the interaction. Blau (1964) explains that the customer satisfaction would describe from the exchange result of this stage.

The third stage is the *expansion stage* which occurs when the uncertainties of both parties about each other's abilities have been reduced and the business is growing in the positive way. The expansion also refers to increasing interdependence and mutual benefit between customer and company (Dwyer et al., 1987)

The last stage is the *stable stage*. This stage happens when products or services have been delivered to customer as routine. The relationship is growing because the trust of each other both parties increased. Dwyer et al. (1987) defines this stage as "commitment" which is the most advanced stage in buyer-seller relationship. This stage would motivate both parties to stay in long-term relationship and could not easily change

even another provides similar benefits. In conclusion, this summarize model could clearly identify and explain the relationship development process of both customers and companies in each stage from the initial stage to another as will be used in this research in order to practice with Thai SMEs (Figure 2.1).

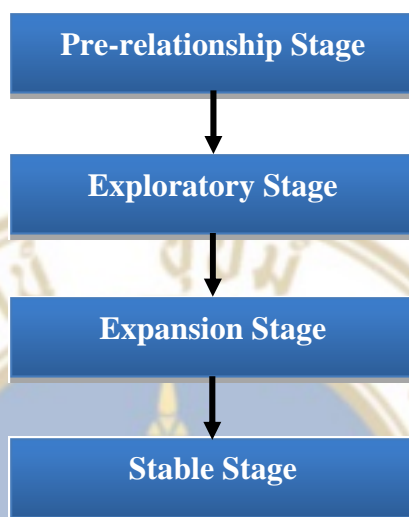


Figure 2.1 Customer Relationship Marketing Conceptual frame work based

Source: Woo & Leelapanyalert (2014)

CHAPTER III

METHODOLOGY

The research methodology is mainly based on qualitative research by using Semi-structured interviews to allow an in-depth study of the customer relationship marketing in Thai SMEs. The qualitative research is applied in this paper because it makes researcher to seek inner experience of interviewees (Corbin & Strauss, 2008; Denzin & Lincoln, 2003). In-depth interview method is selected because it would provide the researcher get rich information by exploring interviewees' own experiences, feelings, thinking and opinions (Denscombe, 2007; Lee & Lings, 2009). Apart from interviews allow the researcher to understand the information in depth; it could make understanding some point that the numbers or statistics could not clearly and thoroughly explain (Sinkovics, Penz, & Ghauri, 2005). Semi-structured interviews also provides with an opportunity to ask further questions and check that all information has been understood correctly. In addition, Semi-structure interviews allow interviewees to generate more ideas and to come up more widely on the researcher's issue (Denscombe, 2007). The researcher can get interact with the interviewees (Harris & O'Malley, 2000) and get unexpected topics that might generate during the semi-structured interviews. The questions that be prepared for interviewing comprise open-end questions and topic of question group in order to the interviewing can conduct as the general structure of the questions and get more understanding of customer relationship marketing in Thai SMEs.

This study focuses on customer relationship marketing of Thai SMEs. The determination of the findings could be able to relate with the existing literatures which are about customer relationship marketing. For the interviews in this research, they are totally fourteen SMEs case studies which collected in several industries as service, product and distributing. The difference of these three industries, service industry is the business that provides services to customers and product industry is the business that produces the product for customers while distributing industry is the intermediately business between producer and user which this business will buy the thing from the producer then sale it

to the users or customers. For reasons of confidentiality, the names of these companies are withheld, and only basic information about case studies that relevant to the study is presented in Table 3.1.

This article would collect data through several sources such as face to face interviews and follow-up telephone interviews. The collected data has been analyzed by using pattern matching method (Miles & Huberman, 1994). According to SMEs, they are not large company then the enterprises would not separate into many department. The interviewees would be the owners of each enterprise because they are the main persons who contact with customers. Hence, they can give the all information which relates with customer relationship marketing otherwise they could let the researcher interviews someone who involved in this issue also. To collecting data of each interview, at the beginning, researcher would ask for audio-record interview approve. If they approve to do so the interview will audio-record and later fully transcript. On the other hands, if they could not let audio-record, the extensive notes would be taken. The data would be collected verbatim quotations from the interview because it would important to analyses.

In this research, the first interview would be conducted to data analysis (Miles and Huberman, 1994) at the same time with data collecting in order to get the research problem which the researcher can adjust to improve in next interview. To analyze the data, collected data is categorized in order to find the relevant between the data and the conceptual framework and consequently, it could develop conceptual framework from the existing literature as Ghauri (2004) explained.

Table 3.1 SMEs Interviews Respondents Lists

Industries	Case study	Business sector
Service	C1	Car rent
	C2	English school
	C3	Hotel
	C4	Restaurant
	C5	Solar-cell
Product	C6	Garment
	C7	Fertilizer
	C8	Farm
	C9	Industrial shelf
	C10	machining products
Distributing	C11	Pure water
	C12	Crain trading
	C13	Hardware trading
	C14	Cutting tooling trading

CHAPTER IV

FINDINGS

This research was studied about customer relationship marketing of Thai SMEs in the different stages of the relationship development process. From the data collected which I have interview with fourteen Thai SMEs' owners, I would summarize the finding of this research into seven activities that the owners used to practice customer relationship marketing consists Getting contact with customers; Give special gift on the event, Doing social activity together with customers, Study Master's degree to build relationship, Arrange meeting to announce new technology and products, Evaluation by customers and Using CRM software.

4.1 The customer relationship marketing practices

4.1.1 Getting contact with customers

Nowadays, Internet is a new channel of communication which is fast content and cheap tool in order to generate customers and have customer interaction (Whelan et al., 2013). It is not only easy but also fast to contact which eleven from fourteen interviewees mention that they use internet to keep in touch with customer such as Facebook, Line application, YouTube, website and email. As SMEs would like to expand customer base, Facebook and YouTube can help them a lot to create more customer awareness. For increasing the opportunity to reach target customer group, internet is one of many ways to achieve that purpose (Meredith, 2012). According to customer have many uncertainties and less trust at the initial stage, customer can acknowledge company background and roughly company products or services of each SME all the time due to they provided it online. Normally, when customers are interested in products or service of that company, they would contact to the company to request more detail of their preference via Facebook, Line application email or even call. Moreover, company

can launch promotion via internet which is one of the cheapest way to do advertising. As Dwyer et al. (1987) explains that external marketing such as advertising, promotion and branding are also importance to build more customer awareness of the company brand, product or service offering. Besides customer awareness, customers can negotiate and discuss about the products and services with company through internet. After customers acknowledged company profile and background from the internet and they were interested in product or service, they would ask more product detail such as the price via internet. The negotiation and discussion are happened on the internet before buying process. At the exploratory stage, customer has high responsible to trial purchase and the future relationship between company and customer would be formed from the interaction via internet and call.

4.1.2 Give special gift on the event

New Year is the most importance and special event to maintain customer relationship. Nine from fourteen interviewees mention that New Year event is the best time to meet customer. Sometime both parties have just communicated and meet each other only at the initial for making business after that they keep contacting via email or call which never seen each other for the whole year. Then New Year event can make them meet each other again through bring the gift basket to the customers at their companies or even arrange special party to give the gift for customers. Interviewees informed that giving the gift basket to customers can make customers think they pay respect to customers which suit with Asian culture especially Thai, Chinese and Japanese. Normally, interviewees give the gift to the existing customer who used to purchase with the company and did it continually in order to motivate both parties stay in long-term relationship. Then this activity would occur in the expansion stage with purchased customers and stable stage with routine purchased customers. Interviewees emphasize that customer would not easily change supplier to buy products if they have long-term relationship or even customers have necessary to change supplier, they would inform the interviewee prior. The benefit that interviewees would get from prior information about customer would not continually buy the product; the interviewees can adjust the production line to suit with the job reduction. According to Andrade (2003) explains that one of the benefit which companies would get from customer relationship marketing

is gathering and integrating information on customers. As interviewee inform *“If I have planned to expand production line, planned to recruit so many employees and brought new machines for supporting that job but unfortunately customer have to change supplier to provide the products. Moreover, if customers have not informed us prior, we would get high loss from that investment. On the other hand, if we have a good relationship with the customer, they would inform us about that news prior which make us have more time to adjust the forecast and plan to suit with actual order finally we would not get loss from this change.”*

4.1.3 Doing social activity together with customers

Half of all interviewees (Seven from fourteen interviewees) mention about doing social activity together with customers. The social activities includes camping, planting, taking customer out to dinner, making merit and playing sport such as golf, football and bowling. They are not just the simple activities which doing together of both parties but the main reason of doing social activity together is interviewees would like to build relationship with customer like one of their friends or family. Moreover, it is not just only one time to do social activity together and would get close relationship like friends or family. On the other hand, they have to do it in regularly such as ask customer to join activities every week or at least once a month whether take them out to dinner or play sports. Almost all of engineering businesses SMEs have to contact with men customers then when take customers out to dinner and serve them with alcohols would make more smooth conversation. According to interview with the owner of Crain trading company, interviewee mentions that *“Do you believe it or not? Almost all of my projects are approved in the restaurant. When customers have drunk a bit, they would more talkative. Then if we have congenial talking, customer would easily sign approve the project.”*

Arranging the competition of football match or bowling can make relationship with many people in one time which each other have to form a team to play. Normally, customers would ask their colleagues who have close relationship or who are in their department to join the team to play football or bowling with supplier. Some customers did not like to play sports, drink alcohol or even dinner with other people, they would like to spend the time with their family especially women customers. Then asking them to

join making merit with both parties' family is the better way to maintain relationship with customers which not only with single person but also with the member of customers' family. The benefit of this thing is sometime their relatives ask to customers about the interviewee because they think to the interviewee which they have relationship with and it makes customer also remember this interviewee due to their family remind them about this supplier.

Some customers prefer to be volunteers as the interviewees ask customers to join camping or planting, they would join these activities as well. After both parties have closer relationship like friends or family, when customer has personal event such as wedding ceremony, they would invite interviewees to join with also. This would make each other have long term relationship because when someone has personal event they would invite another to join also. Moreover many time that interviewees visit the customers in the company but not talk about the work, they just talk about general things or just visit for giving the small snack or cake due to they just pass the customer's company. In case of visiting the customers, it is more effective to maintain relationship with customers than just only sending brochure or catalog to the customer because they would realize the good intention of doing that individual. The interviewee argues that *"I don't think that sending the brochure or catalog would build or maintain customer relationship. It just done in the same way with all customers as they just changed the name of customer then sent it to all. In this case, I think it doesn't make customer impress or feel it is special thing. If I would like to send new catalog to customer, I would call to inform customer prior sending in order to make customer notice first that I will send it to them. This thing would make customer feel that I pay attention to their company."* For doing social activity together with customers, it would occur when both parties do not have uncertainties about each other because they have already known each other for a while then it would happen in expansion and stable stages.

4.1.4 Study Master's degree to build relationship

Normally Master's degree students are working people, officers or entrepreneurs who have working experiences. Some people study in same faculty and also work in the same industry. There is the opportunity of supplier to meet customer in the studying Master's degree. Then many SMEs use this opportunity to make customer aware their

business, build relationship and to have connection through studying Master's degree which three from fourteen of interviewees use this activity. They can spend time together by doing the project in group, studying in the same class, studying in the same university or even graduated from the same university. When both parties study together they would get relationship of each other. The customer might never know the company of interviewees before. When they are studying, they have communication after that they would know more of each other background, lifestyle, work and company which they would get through in pre-relationship stage. Some customers would found the product that they are looking for in the studying Master's degree and meanwhile supplier might find their customers here also. When they know each other businesses in the initial stage of relationship through study together, customer would try to purchase in exploratory stage. Furthermore, almost all of Master's degree students are the people who have power or influence to make decision to purchase products or services in the company. Eventually, interviewee becomes one of supplier's lists which have a good chance to get a job or business.

4.1.5 Arrange meeting to announce new technology and products

Regarding to technology is continuing improve, the new technology products are also continuing launch. Arrange meeting to announce new technology and products to make customers know is important activity. The benefit of this event besides customers know the new technology and products, they also have possibility to consume the product that SMEs informed. Due to normally new technology is improved for helping the customers have higher productivity, higher efficiency, lower cost and eventually get higher profit. As some customers are discussing and studying about the product that can help them easily produce products such as new cutting tooling, new shelf material which has suit with their products or new fiber to produce cloth in garment industry, then customer would like to join this meeting because they can be updated the new trend in their currently industry. Moreover, this meeting normally invite customers with free of charge and it would relate with customer interest (Woo & Leelapanyalert, 2014). Three from fourteen interviewees mention about arrange this meeting. They inform this event can also help them to build and maintain customer relationship due to this event can make the valuable meeting time between customers and suppliers.

Interviewees can get this chance to communicate with customer about other thing which might not concern with the works due to they meet each other. Then this event would happen in exploratory, expansion and stable stage.

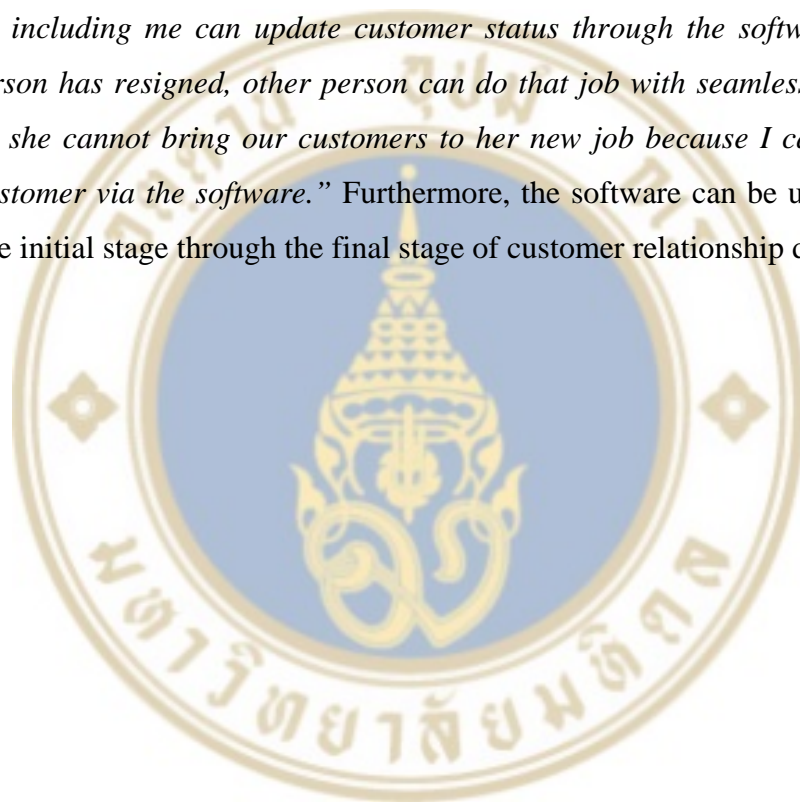
4.1.6 Evaluation by customers

According to Ambrose, Hess, and Genesan's (2007) mention that satisfaction is the key to building sustainable relationship with customer. Four from fourteen interviewees suggested to give customers evaluate the services that they have been served. Claycomb and Martin (2002) explained that when customer filled out reply cards to get additional information or surveys to help the company assesses customer needs. Customers would have satisfaction when they have been served with over their expected as Gronroos (2000) suggested that the positive perceive service quality is achieved when the "experienced quality" meets or exceeds the expectations of customers. Then during exploratory stage that customer are discussing and studying about the services, then the company should offer it to the customer with high quality to make customer try to purchase. After that relationship would step up to expansion stage through quality itself. This is reflected from the interviewee *"I would let students assess the course in order to get feedback from them. Do they satisfy the course? What do they think about the teacher and everything about the school? After I knew the feedback, I would adjust the school to satisfy the customer need. Moreover, normally I would ask the students to evaluate the school by myself in order to get full information and aspect of that student otherwise it will be distorted and reduced the information. Meanwhile, I could not do like this by myself with every single students then actually I should have one person to handle this activity in order to get information from all students."*

4.1.7 Using CRM Software

CRM Software is the tooling that has powerful in relationship marketing (Woo & Leelapanyalert, 2014). The features of this software are recording what sale person deal with customer in order to update the progress and monitoring the development of the relationship and it can alert the appointment that sale person makes with customer. In an accident case such as that sale person who has responsible to take care of the customer and she has necessary to leave the office for long time, the CRM software

will become the important role to make other sale person carry on that job. It would not make customer feel good if they have been contacted from many sale person from the same company and it would be bad if all of sale persons inform the customer in the same thing, same pattern that they already known from prior sale person. One from fourteen interviewees who apply CRM software explains the more benefit of this program is *“In the past, I had to rely on the sale person. It would be bad situation if that sale person resigns and brings my customers that she handled to her new job. Currently, I apply CRM Software name “Aqua CRM”. It is very helpful which all sale persons including me can update customer status through the software. Then when sale person has resigned, other person can do that job with seamless. The important thing is she cannot bring our customers to her new job because I can follow up the exist customer via the software.”* Furthermore, the software can be used in all stages since the initial stage through the final stage of customer relationship development.



CHAPTER V

CONCLUSION

From the finding, it demonstrates the customer relationship marketing practices which are used in SMEs service, product and distributing industry. All three industries are different kind of businesses. For service industry, it is the business that provides services to customers such as facility, knowledge, food and system installation. For product industry, it is the business that produces the product for customers. Furthermore, the distributing industry is the intermediately business between producer and user which this business will buy the thing from the producer then sale it to the users or customers. From these different kinds of these businesses then it also makes the relationship marketing practice different in each stage of relationship development process.

At the first stage, pre-relationship stage; that customer have many uncertainties and less trust in the SMEs business that they never known it before, the companies have to create customers aware of their companies which all of industries use getting contact with customers and use relationship from study Master's degree. After that they move that relationship to the next stage. Moreover, one of distributing industry uses CRM software in order to keep record of customer contract from the initial through the final stage of Relationship development process. However, the CRM software is chosen to be use when that company has many customers to take care of by many sales persons.

After customers acknowledged company, the relationship would move to the second stage; exploratory stage which negotiation and discussion of purchasing are happened. Product and distributing businesses would announce the new technology through arrange the meeting with customer in order to make customer has high possible to trial purchase. Whereas the service industry has not much change in technology then this practice would not take place. For evaluation by customer practice is used in service and distributing business after they already serviced and served product to customers.

When customer have reduced the uncertainties after they trial purchase, both parties have increase interdependence and mutual benefit in the third stage; *expansion stage*. The relationship would be increased by give special gift on the event and try to ask customer to do social activity together which this two practices were used in all industries.

Furthermore, when customer has trusted in the company, the relationship would stay in the long-term relationship which is last stage of relationship development process; *stable stage*. All business industries just maintain relationship with customers as they used activities in the expansion stage.

5.1 Theoretical implications

From all seven practices identified from the finding in this paper, it outlined four similar practices with a previous study of relationship marketing practices in the legal industry by Woo & Leelapanyalert (2014). The legal industry is professional service industry which different with Thai SMEs industry that has not complexity and too much formal. Three out of the seven customer relationship practices identified in this paper are emerging; Giving contact with customers, Give special gift on the event and Study Master's degree to build relationship. The data collected are summarized in Table 5.1 and Figure 5.1

In addition, when Thai SMEs apply these customer relationship marketing practices in their companies, they would get benefits from these practices. It's not only company side would get the benefit but also customer side. As previous researches from Gilpin (1996); Gronroos (2000); Reichheld & Sasser (1990) explained that the companies benefit from increasing sale amounts and volumes, declining operating costs and positive word of mouth, while the customers benefit from risk reduction in complex transactions (Hart & Hogg, 1998) and also have the ability to control, reduce and possibility eliminate transaction costs (Buttle, 1996)

Table 5.1 Customer relationship marketing practices by Thai SMEs three industries; Service, Product and Distributing at different stages of the Relationship Development Process

Stage	Service industry's Customer Relationship Marketing Practices	Product industry's Customer Relationship Marketing Practices	Distributing's Customer Relationship Marketing Practices
Pre-relationship stage	<ul style="list-style-type: none"> • Getting contact with customers • Study Master's degree to build relationship 	<ul style="list-style-type: none"> • Getting contact with customers • Study Master's degree to build relationship 	<ul style="list-style-type: none"> • Getting contact with customers • Study Master's degree to build relationship • Using CRM software.
Exploratory stage	<ul style="list-style-type: none"> • Getting contact with customers • Study Master's degree to build relationship • Evaluation by customer 	<ul style="list-style-type: none"> • Getting contact with customers • Study Master's degree to build relationship • Arrange meeting to announce new technology and products 	<ul style="list-style-type: none"> • Getting contact with customers • Study Master's degree to build relationship • Arrange meeting to announce new technology and products • Evaluation by customer • Using CRM software.
Expansion stage	<ul style="list-style-type: none"> • Give special gift on the event • Doing social activity together with customers • Evaluation by customer 	<ul style="list-style-type: none"> • Give special gift on the event • Doing social activity together with customers • Arrange meeting to announce new technology and products 	<ul style="list-style-type: none"> • Give special gift on the event • Doing social activity together with customers • Arrange meeting to announce new technology and products • Evaluation by customer • Using CRM software.
Stable stage	<ul style="list-style-type: none"> • Give special gift on the event • Doing social activity together with customers 	<ul style="list-style-type: none"> • Give special gift on the event • Doing social activity together with customers • Arrange meeting to announce new technology and products 	<ul style="list-style-type: none"> • Give special gift on the event • Doing social activity together with customers • Arrange meeting to announce new technology and products • Using CRM software.

5.2 Recommendation

Almost all of relationship marketing practices have been done by the owners themselves because SME is not big business then the person who concerns with customer has not over four persons per one company. Moreover the researcher could get the answer of questions that presented in the initial:

1. How do Thai SMEs apply customer relationship management in their businesses?

Thai SMEs apply customer relationship management in the business through seven activities as Getting contact with customers, Give special gift on the event, doing social activity together with customers, Study Master's degree to build relationship, Arrange meeting to announce new technology and products, Evaluation by customers and Using CRM software. For all activities that interviewees mentioned, it would be confirmed that it relates with the relationship process which Woo & Leelapanyaalert (2014) demonstrates in four stages include Pre-relationship stage, Exploratory stage, Expansion stage and Stable stage. Some activities can do along all stages from the initial through the final stage but some activities are useful only some stage which it can be obviously seen and practiced in the real business.

2. What benefits that Thai SMEs would get from customer relationship management?

All of interviewees (Fourteen SMEs' owners) confirmed that customer relationship marketing is one of the most important things to run their businesses. For the benefits that they got from customer relationship marketing consists

- Getting opportunity to do the job for customer or get first priority to expand product in the market even sometime they have a bit higher price than competitors.
- Reducing the expenses in the company due to maintain exist customer is easier and cheaper than to create a new customer because new customer already got their existing suppliers then it quite hard to make them change.
- Getting order and repeat order because customers have satisfied in relationship with the company.
- Getting feedback from customer in order to use it to improve the business.
- Increasing positive Word of mouth through customer awareness in good image of the brand.

- Getting mutual benefit both of company and customer.
- Getting sustainable relationship that can deal business for long time

In conclusion, the customer relationship marketing activities that Thai SMEs applied in the companies can make them run, expand and sustain the businesses in all industries includes service, product and distributing industries.

5.3 Limitation and Future Research

The results presented in this study represent the initial step of research concerned with identifying the activities that influence Customer Relationship Marketing adaptation in Thai SMEs compare between five service industries, five product industries and four distributing industries which limited the scale of study to got only seven activities. Then the future research should wider study to explore the Customer Relationship Marketing in more business sectors which Thailand have several existing businesses in order to get more information. Therefore, the future research can specify Customer Relationship Marketing of SMEs by comparing between B2B and B2C which has different pattern of marketing. Moreover, this research explained only the benefits of each Customer Relationship Marketing activities then future research should also explore the effect of each activities that might occur when use to be applied in not proper time or else. For example, after asked customer to evaluate the company and they would like company to improve something which customer would have high expectation of the result. Furthermore it can be used this research to be a comparator with other SMEs region besides Thai in order to gather more ideas of Customer Relationship Marketing. In addition, I would suggest the future researcher to use the research methodology which based on qualitative research by using Semi-structured interviews in order to get rich information by exploring interviewees' own experiences, feelings, thinking and opinions. That would make the future researcher be really into the research.

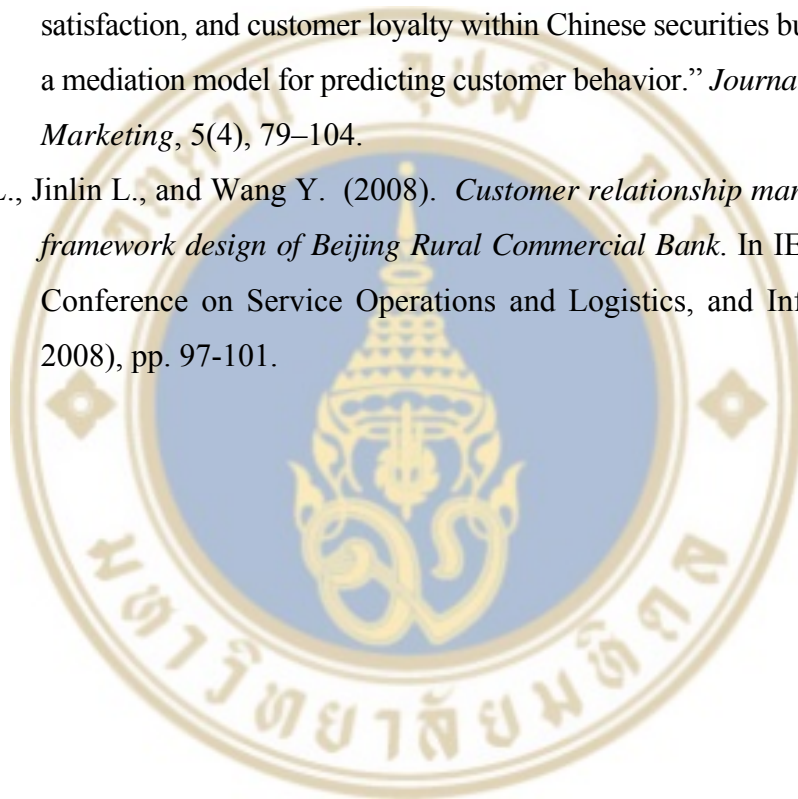
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Appendix A: Key Interview Questions

Introduction

1. How long have you established the organization?
2. What kind of your business? What is your product or service that you provide?
3. How many employees were employed in the organization?

Part 1: To explore the perceptions of customer relationship marketing

4. Do you think customer relationship marketing important for your organization?
How important is it and why?
5. How important are building and maintaining relationship with your customers?
6. What is the benefit that your organization would get from customer relationship marketing?
7. In your opinion, is it worth with your organization to practice customer relationship?

Part 2: To understand customer relationship marketing practices in SMEs

8. How do you build relationships with your customers? Do you have any tooling to help you to do it? Can you please give some examples?
9. How do you maintain relationships with your customers? Do you have any tooling to help you to do it? Can you please give some examples?
10. What kind of activities would you normally do to build relationships with customers? Can you explain in detail?

Don't forget to find out at what stage it happens

11. What kind of activities would you normally do to maintain relationships with customers? Can you explain in detail?

Don't forget to find out at what stage it happens

12. Who is involved in building and maintaining relationships with customers?
Can you please give some examples? Do they are a team or a person?

Find out why he or she said so

Don't forget to ask for examples.

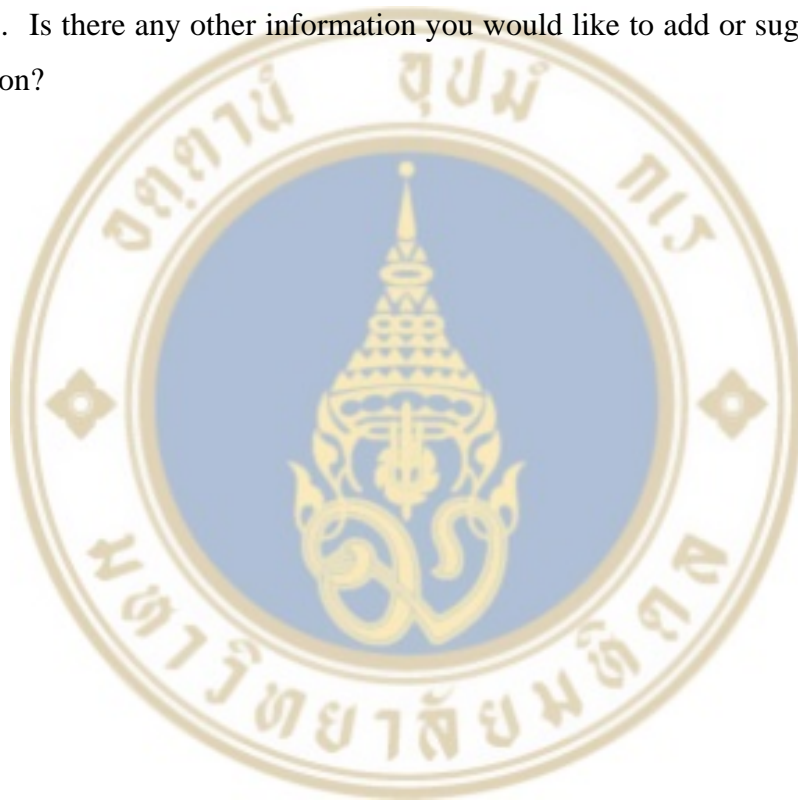
13. Can you tell me about the scope of your roles and responsibilities in the organization?

Try to extend the discussion in detail for each practice.

Try to link each practice to different stages by interpreting (e.g. “Would you say it happens during the initial phase?” or “Would it happens after purchasing?”)

14. What kind of customer relationship marketing do you think you should apply in the future? What tooling do you think might effective to customer relationship marketing? (In case you have not done it with that before.)

15. Is there any other information you would like to add or suggest more to our discussion?



Appendix B: Interview Result

Transcript 1 (Service Industry)

Introduction

1. How long have you established the organization?

Two years and a half.

2. What kind of your business? What is your product or service that you provide?

Our product is English course. Besides the English course we are offering some education materials like English CD, DVD and consult book which is kind of our main business recently. And besides the English courses, we also send the teachers to teach in the company.

- Do you mean if some organization would like you to teach at their company, you will send the teacher to them?

Yes, we send the native English speakers to the company that requested and they can also request the content that they would like to learn too.

3. How many employees were employed in the organization?

Right now I have two full time employees and I'm hiring two or three more. Actually at first is to be three but one leave. So, now we have two employees.

- What are their responsibilities?

The first one she is kind of sales and administration staff she is taking care all the administration like all documents or invoices and receipts and also giving information to the new students and also taking care of the current students too. Actually, for this kind of position there should be two persons in charge but right now we have only one and we are recruiting one more. And another employee she is taking care for marketing assistant. It's not like that marketing job but she is a partly for the graphic jobs. Editing to the VDOs and recoding the VDOs and support me for any marketing activity but not main person for marketing. But we are recruiting one for that position.

Part 1: To explore the perceptions of customer relationship marketing

4. Do you think customer relationship marketing important for your organization?

Yes! I think the customer relationship is important for every business.

- How important is it and why?

I think it's kindly very important. It could be equal to marketing because like if we can get many customers and we couldn't save than they will go. That will cost us more because the price for getting one customer is pretty high. If you couldn't remain that customer for long period of time, we have to spend more and more money to get a new customer which is very expensive for us.

5. How important are building and maintaining relationship with your customers?

It is very important actually. I think that should be one person for responsible for that function.

- And right now do you have one?

No. I wish I have. But it also related about the expense that we have to control because we are a small business. So, we couldn't invest a lot of money in human resource or hiring many employees.

- And especially to find someone who fit with your organization?

Yes, since we are a small company, it's very easy for one person to get in and like since we are small so they might feel unsecure being with a small company. So it's pretty hard to keep the employee.

6. What is the benefit that your organization would get from customer relationship marketing?

Oh! I think we can save a lot of money because the cost for getting one customer it high. So if we need to get like more new customers, it will cost me a lot. But in order to maintain one customer through the year, that would save us a lot of money too. And also I think it kind of trust worthy if one student keeps studying with us for a long period of time and then they would suggest our school to their friends. It's kind of trust worthy.

7. In your opinion, is it worth with your organization to practice customer relationship? Even it takes a lot of money?

Yes! I would. If I would do it, I would try to find the way that we don't need to spend a lot of money. But still we can save our customers and maintain our customers. Because for one customer we have to build trust worthy with them and once they trust

us. They will introduce our school or our businesses to other persons and that is high value advertising for us. And also that customer maybe studies with us and learning an English course or purchasing just one product. But once they trust us and we have a good relationship when we expand to another business. Then I think that person will still be our customer for another business too.

- It is not only like worth of mount but for further businesses also.

Yes.

Part 2: To understand customer relationship marketing practices in SMEs

8. How do you build relationships with your customers? Do you have any tooling to help you to do it? Can you please give some examples?

It takes time but I try. I previously we have a group of student in Facebook. I called it a talent English group. I try to create many activities in the group and latest students participate in each activity. So, that is one way that we were doing in the past. But if asking for currently, we don't have any particular.

- Why don't you do like that same as in the past?

Because of I'm getting busier every day. We just did only English course in the past but now we are spading for more products and more courses. I also make a new contract with one College. So, there would be a lot of jobs for me to do and we don't have enough manpower to work on that function. It's all about employee that we don't have enough. I am still looking for another one.

- So, you mean the tooling that helps you to do the customer relationship is Facebook, right?

Yes. We have a Facebook. Actually, I think it should be through the media that customers frequently use like "Line", "Line Group" or some other stuff. In the past I did kind like a special course for our turn students to come in for free. Actually I'd like that kind of activity but I just like I'm too busy to it again. But for my new plan I still put that special class into my plan. But just wait for someone to operate it.

- Does special class make a customer aware your organization?

Yes, it is. We have two types of special classes. The first one is for new customer. So, I did one few months ago and it was pretty successful because many people come in. And the second one it is for our current students. It is just like I think oh ok I give a

new free card for the new customer but why not I give it to my current customer. So, I should have for both of them.

- In order to not do like double standard, right?

Yes, actually I just have a discussion with one student about the marketing plan that we are going to do and one idea is the networking for my students like when student come in, not only English knowledge they will get but they will get new friends and they will get new networking because the most of students in my class are workers and their level in each company, it is not just a primary staff but someone is a manager and someone is in an very good position in the company. If I do some kind of networking activity for my students I think that would be good for them.

- Is networking activity likes English course or for their business?

It's under my plan I'm making a new courses for my school currently we are using the books for international publisher but that kind of content is sort of doesn't fit with the need with Thai workers. So, I would like to create a new course especially for Thai people for my student at I'm going to decide into work shop style that people can participate in the class. So, that we get to know in each other and it sort of kind of networking.

9. How do you maintain relationships with your customers?

It may be the thing that I am lacking at this moment. It just like I didn't do any exact activity for maintaining them. So, as I talk to myself that many of students once they finished three months courses then they leave and so far as we talked about it and it also we don't have a road map for them.

- Actually you have the plan right?

Yes. But still I need to develop it.

- So, do you think maintain customer relationship important?

Yes. It is very important in any business. If they want to grow they have to do that.

10. What kind of activities would you normally do to build relationships with customers? Can you explain in detail?

At this moment I have only my YouTube channel and my Facebook page .That it is not only my current student but it also with the new student too. But I think

that is not enough there should be some exclusive activity for my current students which I have to work on it.

11. What kind of activities would you normally do to maintain relationships with customers? Can you explain in detail?

We did it in the pass and we stop it for a big while ago. Umm that what I am missing.

- Have you ever call to students about the progress of them?

We should do that but we didn't incomplete it. Actually we did the package call English coaching and every student have their personal coach and I created a form for teacher for fill in every time that they have appointed class in their students and the teacher like some teachers fill in about the student progress what were they missing or whatever. But I never given that report to the students. That's what I am missing. We have done it but we never completed the whole process of it.

12. Who is involved in building and maintaining relationships with customers? Can you please give some examples? Do they are a team or a person?

I think for customer relationship it's kind of part of building the brand too. So, it is not only one team to be responsible in customer relationship so we did it everyone. It includes the teacher, the sale persons and also includes the admin staff. It's everyone who should be responsible for customer relationship with customers but they might be the one main person in charge for that kind of job. I think everyone is responsible for it.

- How did the teacher do for customer relationship?

I think the teacher is the key person for doing that. For example if I'm a teacher and you are my student and every time I ask you like "how are you?" "How do you think your English have improved" or "what would you at home to keep improving in your English skill?" kind of like I as teacher who care you for you to improve your English skill. So that such a kind of create connection between the student and the teacher and the teacher is the one who represent our school. So, it related more or less for the sale person that the sale person they have to work with the new customer and also the current customer too. If the customer would like to expand the package or find another course or another product so sale person need to do CRM too. And also the admin staff she is the one who is at front floor and she is the one who is facing everyone. So I think you

achieved the most important person to recognize her role that customer relationship management.

- Can administration suggest to student about the course?

Yes, sure! I think she is the first one for student to talk to for whatever topics. I think if I would like to grow my business to the next level we should have focus on customer relationship management not only focus on sales and marketing but also CRM too.

13. Can you tell me about the scope of your roles and responsibilities in the organization?

I do everything. I think the owner who is acting at the MD of the company should be the one to responsible for CRM too. Because all the business plans, all the strategies, all the marketing, all the idea should be come out from that person. Including maintain current employees, taking care of all the teachers, all promotion, marketing.

- Do you contact with customer by yourself?

No, there are sale person and admin person will be the one who contact with customer. Sometime contact to customer for get some inside information to get true opinion.

- Why do think you should do like that by yourself?

If my administration or my sale person get information like it might be able to get 80% of information from customer and once they pass that information to me it will reduce that to 60% or even distort it sometime.

- Would you like to get the all of the information?

Yes, I'd like to get the real one and for myself I know what kind of aspect that we would like to know. But at the end of the day I think when I have enough manpower that should be one person who should take care for that job.

14. What kind of customer relationship marketing do you think you should apply in the future? What tooling do you think might effective to customer relationship marketing? (In case you have not done it with that before.)

I think I have about CRM program but I'm not sure the program could evaluate my staff.

- What kind of activities that will improve customer relationship?

Personally I have to initiate the report or any system that would keep tracking the progress of our student. So, they can acknowledge themselves since the first day they came in and the level may be like 40% and then once they can improve to 60% we have a report or some tracking to tell them once they keep up to 80% also we have a report or any tracking to inform them about their improvement. So, I think there would be one thing that would also good for student too because the student would like to hear their progress. And another one I think we should offer like certificate to the student that OK I know you have passed first level. We offer them the certificate and once they have passed another level then we offer them another certificate. In this case, they feel like they have progressed in their life. And one thing that I told you I'd like to build the school to be a networking. I think it's beneficial for them.

15. Is there any other information you would like to add or suggest more to our discussion?

I think the entrepreneur that would be great if you have any tooling or any program they could apply into even small business. That full fill what we are missing. As I told you that we are missing many customer relationship managements. If we have any tooling any platform or any program they could help us to recognize our CRM status for our business and how can we improve I think that would be good. But I think if I would use the program it should to be easy to use, easy to understand and realistic for us to apply to our business.

For the main business I have to think about getting sale, doing all marketing, working with the teachers and sometime it is we are overlooking this kind of topic which actually if you ask me. Do you think that CRM good for business? I would say yes. I know it but just like one of there so many thing we have to do so we can actually overlook it.

Transcript 2 (Product Industry)

Introduction

1. How long have you established the organization?

We open for 26 years.

2. What kind of your business? What is your product or service that you provide?

We are an OEM garments manufacturer basis we produced cloth mainly fabric knit. We do for both genders boy and girl and adult. We can do both top and bottom parts and sport wear, it's almost everything.

- Do you export product to oversee?

We are mainly export to European market, it's around 70% we exported parts and 30% are local.

3. How many employees were employed in the organization?

Current we have 250 workers in total. (It depends on job then it fluctuates from 100-250 people.)

- Do they the Thai or other national?

We have both; we have Thai and international like Myanmar. But they all have already registered and get work permit. We have to submit the information to our buyers for everything which I have to be under the rule by the law.

Part 1: To explore the perceptions of customer relationship marketing

4. Do you think customer relationship marketing important for your organization?

How important is it and why?

Personally I think it is important to have customer relationship but it not only the main criteria that we have to consider because bottom line customer are always looking for good price and also quality. For about customer relationship, it give an opportunity for us to may be take the first step with the customer to make they think of us, they know us and they choose to provide us a new design and new order for trial. If you have a good relationship with customer you might be on the priority. But if we cannot do it or cannot hit the price then they may go to others. So, we get a chance to choose first.

5. How important are building and maintaining relationship with your customers?

We aim to do a long term business not just like one shot and go. So if we have a good relationship it's better. If we can maintain customer relationship it's better than always keep looking a new one because it hard to find the good customer right now.

- So do you think maintain of current customer easier?

Yes, because we know each other. If we do business with new buyer, it quite difficult because different working process. Like the protocol is different, the procedure is different, it likes we double our jobs. We have to take care of them, take care of the product. But in case of the existing, we know what they want and we know their standard. We know that which one difficult to dealing with so we pay more attention and which one quite easy and we can like frankly speak. If we have some problem, we can always discuss. But some customers they just closed the door that we know exactly what they want and make me easier I think.

- How hard to get a new customer?

For me I think it's very hard because almost every customer have their exist suppliers. So if we are the new one and go to see them it quite difficult to encourage them to make a first PO.

6. What is the benefit that your organization would get from customer relationship marketing?

I think the benefit is customer always think about us and give an order with us. When they want to make a new style and new cloth they always send an e-mail and ask can you do this at this time of the year. So, for the new customer it difficult for them to find us because as we have been run the business for 26 years.

- For the future, will you think the advertising or anything to make customer know or aware your business?

Yes. We are thinking about that but the bottom line is for local business but the order quite small quantity and it affects the production line of the export parts. Because sometime if I have to spend an hour to do like clothing for the export it mean I can sell more 1,000 pieces per time. But for the local, sometime like 300 or 500 pieces and spending more a lot of time. Because local product the quite small quantity when compare with export like global brand which they can order higher number, I'm not

sure if we promote our sale on website or whatever and if we attract more with small order then we are going to more headache. As like 20 pieces shirt per day or 250 pcs for polo then definitely we cannot handle.

7. In your opinion, is it worth with your organization to practice customer relationship?

Yes. It is. Because like you know now there have a lot of economic crisis and it affect a lot with our business because of we do export and also not only the world economic and also the tax status and rating the Thai minimum wage also affect. So, if we have the relationship with buyer we can more negotiate on the "Line". We can talk to them that are OK, the price this much now and it is possible to find the price that they happy with and we also can survive. Most of customers nowadays have moved to another country to make new order like China or Bangladesh so they are so super cheap compare with Thai. In my opinion, because of the relationship that make us still able to maintain our existing customer.

- Do your customer still be with you even you increase the price?

Yes. But we also have to take care of quality. At least they can sleep well and they place an order with us they know what they going to get. If they move to another country and they have to take a challenge because they don't know with them. So, to have close relationship with buyer we can frankly speaking on the situation that we are facing and it more like a friend at least. For example, my US customer has to move all the production to Bangladesh. Well with the good relationship they kind enough to inform us that there would no longer for place an order for next season so we have 4 month or 5 months for prepare that the number would be reduced. So we have to prepare it out how to survive or move on. If you have a bad relationship they just go and they don't share and it not necessary for them to inform us. At least if I know I have to work harder to find the new customer or we have to adjust our employee number in order to maintain our margin. Reduce the expanse because of the order reduce.

Part 2: To understand customer relationship marketing practices in SMEs

8. How do you build relationships with your customers? Do you have any tooling to help you to do it? Can you please give some examples?

Mostly if our customer visit us like come to Thailand we would take them out for a dinner for something like that or if they want to play golf than we go. But normally just diner or visit them sometime.

- Do you mean visit them at their place, right?

Yes, to get to know other staff in their organization as well because every time they communicate with us via the internet likes e-mail but we never meet them so we not actually know who they are or how they feel when they are typing because letter cannot explain the feeling.

9. How do you maintain relationships with your customers? Do you have any tooling to help you to do it? Can you please give some examples?

As I mentioned before that I take them to diner to maintain relationship we have to keep contact with the customer such as for New Year just say hi, Happy New Year, mostly send an e-mail because of my customer at abroad it more difficult to send the gift.

- Do you do like this for every season?

No. just once a month but for the diner we do every time that they come to Bangkok and it depends on them.

- Do you ask them for diner?

It depends on customer. Mostly just a few customers we do that, especially for Thai local customer we don't ever have to bring them to any place because they know well Thailand. So, we just call and e-mail to say Hi, how are you, how is your business, are you still on, anything we can serve? or something like that.

- So, if you don't have contact with them for long time you will call to them right?

Yes, to check up because sometime they might be out of business so we just like keep in touch. To maintain a relationship in this business, totally up to your work if you do the good jobs that cloth that you sent no problem, no defect, than comeback the pricing hit, they comeback. Even though you have very good relationship with

customer but your product is not good and you cannot meet their delivery time then even you go for the lowest price but they would be no business.

- So, the quality of product is the one for maintain customer relationship?

Yes, it is still considered with us, the top two important things better than relationship is price and quality. The relationship just gives an opportunity but quality gives the actual PO because we are not only one vender in this country or in this world. So, there is high competition in this business.

10. What kind of activities would you normally do to build relationships with customers? Can you explain in detail?

Sometimes we go for tradeshow to get a new customer and may hang out with friends also have potential to build a relationship because of some my friend own some business and if we closed with them and then when they want to do their business they may update thing with us.

- Is it effective to get many customers from tradeshow?

It's not much. It just some activity that we do to make more awareness of customer that we still exist in business.

11. What kind of activities would you normally do to maintain relationships with customers? Can you explain in detail?

It would be a diner and also visit their office or their company sometimes.

- If you have new product or new type of fabric and then you visit their office, right?

Yes. Sometimes we offer to them like new technique, new technology, and new design. But most of the time, we are the OEM we just do exactly what they want. It just some customers that they ask for help that we do it we design for them but not much.

12. Who is involved in building and maintaining relationships with customers? Can you please give some examples? Do they are a team or a person?

That would be me and my parent who obviously my boss. And how we do the business, I'm a sale and marketing and I have supported by my merchandizers. So, when I get an order or contact a new customer I pass it out to a merchandize team to correct order and detail of part and arrange the information for other department. We have some game within my team that if any of my team can get new customer and if they can contact

with customer without customer giving me a call they make a point. Normally I not go in deep detail with all the orders otherwise going to be super headache. So if the buyer confirms the order then I pass all the information to merchandiser to handle and I am looking for the new customer and I talk to the new project. So, my merchandizer will take care of existing customer at the time or present customers and they do the contact so they have to be nice with my customers.

13. Can you tell me about the scope of your roles and responsibilities in the organization?

I would do everything. Even you are a SME you don't hire many people. So, I do sale and marketing and I also taking care some of the production planning. I have to look for the new customer as well as maintain the existing one. To clear out the problem if they have any issue.

- So, the customer can contact you any time?

Yes. Mostly we do the business with European, so we have 6 hours different. Then my working period is Thai time plus 6 hours. Now they keep sending the e-mail so we have work late because of it's their working time but just some customer we are take that way. Most of them just work on working day.

- How many people in your merchandize team?

Now I have 2 girls in the team to support the detail.

- Is it enough for taking care of customer?

No, not really. But we cannot choose, we try to get more people but the garment quite headache. They just come and go and we decide may be we just stay the number that we are now because it easier than give the work to someone and then they left. So, it would be easier to handle by the first team.

- They might not only go but get information of customer with them also?

Sometimes, but now I'm in charge in sale and marketing so the customer have to contact me so I know them more and my girl. But previously we have sale person and that happens then we just go back to the old school we just take care the account by ourselves.

14. What kind of customer relationship marketing do you think you should apply in the future? What tooling do you think might effective to customer relationship marketing? (In case you have not done it with that before.)

We plan to have may be the program that can evaluate the value of customer like the money of them spend for us or the quantity that they put in but I'm not really sure that it is going to be happen or not. Because now the customer quite difficult to predict the number of quantity would dropping a lot. But the number of style will increase, there are more different than in the pass. I'm not really sure which tool can help me or not.

- And now do you still use e-mail, call and line to contact with customer?

The most of tools is e-mail for export 100% is e-mail. For local is mix between Line, Facebook and e-mail but the most we contact by call.

- Do you have a website to contact with customers?

Yes, we do have a website with consist only one page was established more than 10 years and never changed. We have plan to do a better of website but a lot of work to have a web site for me because have to do the all information all picture so we still don't have time. Its maybe next year

- Do you have new customer from website?

Not much. We have some that contact us through Thai garment association website, but it does not come from my website, it's from the association.

15. Is there any other information you would like to add or suggest more to our discussion?

For me the relationship is important but it's not the only thing we have to consider, only thing we have to do. It the mix of many dimensions.

- As you mention about the quality and price right?

Yes. And working experience also, we have to be able to know our work well enough to keep their opinion to our buyer that they need.

- Do you have any evaluation of the customer satisfaction?

To evaluate we would say that if they do the repeat order, they keep coming back, then its sound good. It means we are satisfy with their need.

Transcript 3 (Distributing Industry)

Introduction

1. How long have you established the organization?

We have established the company since 2005. It's about 10 years.

2. What kind of your business? What is your product or service that you provide?

We are providing product that can support our customer like safety equipment such as safety grove, spay for marking on the machine and welding equipment actually we can provide variety products which depend on customer request.

3. How many employees were employed in the organization?

Now we have totally 10 employees. We have divided it to marketing, purchasing and accountant.

Part 1: To explore the perceptions of customer relationship marketing

4. Do you think customer relationship marketing important for your organization?

How important is it and why?

I think the customer relationship is very important in order to develop to purchasing process in the next step and finally it means the income of our company.

5. How important are building and maintaining relationship with your customers?

In my opinion, to maintain customer relationship is more difficult than to build the relationship. But the first step it would build relationship first. It may be called the relation between the important things.

6. What is the benefit that your organization would get from customer relationship marketing?

The benefit from the customer relationship is that we will get new order and also the customer will place repeat order to us.

- Do the customer relationship affect to the profit?

Yes, sure it is much concern with competition in the market because sometimes the customer buy the pro product from relationship. Sometimes the price of product is not much difference like about 5 baht or 10 baht but anyway the customer would like to buy our product due to that is not such a relation between supplier and customer

but also including to after sales service as well which they can pay more for the good service that we would provide.

7. In your opinion, is it worth with your organization to practice customer relationship?

Actually, to build the relationship don't need to use lots of money. We can do like call them always in order to keep contacting with them. Normally, in the trading company we have the key account. We always keep contact with that key account customers.

Part 2: To understand customer relationship marketing practices in SMEs

8. How do you build relationships with your customers? Do you have any tooling to help you to do it? Can you please give some examples?

We have an activity to build the relationship. For example, our customers have a planting activities. So, we have sent our staff to join with that activity for making the relation with customers. The customer invite us to join with their activities then we use this opportunity to do activities together with customer in order to make relationship with them.

9. How do you maintain relationships with your customers? Do you have any tooling to help you to do it? Can you please give some examples?

In the nature of trading company, if you want to keep the customer so you would keep both of the quality of product and quality of service as well. I mean the after sales service that we have to do in parallel. Which is very important to keep the customer stay with us. Moreover, we should be honest and punctual.

- Do you mean punctual is for delivery or on time for the meeting?

I mean punctual to be on time delivery. The most of our customers are manufactures that mean if we cannot delivery products on time it will affect with them a lot. Besides, we have to delivery on time and we have to keep some stock of product for support customer when they need.

- Do you thing to make customer satisfy important?

Yes, it is very important.

- Do you have that customer place an order immediately?

Yes, we have. So, in this case we have to eliminate some document process then send the product to them before PO approved because the process of making PO may be take 1 or 2 day for signing loop. So when the PR have already launched, we can refer to PR for sending the product and after that we will make the invoice to customer later.

- So you have to trust to customer, right?

Yes but we have to choose to do like this only with the key customers. For the new customer we have to re-considering with different criteria.

- If the new customer would like you to send the part without any PO. So can you do that?

Yes but customer have to transfer the money to our company first.

10. What kind of activities would you normally do to build relationships with customers? Can you explain in detail?

Normally, our company create kind of event and we have invite to customer to join with us. Sometime when we have a new products and we would like to introduce it to customer then we also invite them to join.

11. What kind of activities would you normally do to maintain relationships with customers? Can you explain in detail?

I do the promotion for customers in each season. We focus on trend of customer order that what products have small order in that time frame then we will launch the promotion of product in order to get higher sale.

12. Who is involved in building and maintaining relationships with customers? Can you please give some examples? Do they are a team or a person?

Actually, everyone in our company are involved to build the relationship with customer.

- Do you mean every section in your company have to contact with customer right?

Yes. For example, sometimes our accountant have to deal with accountant of customer directly. In order to inform the payment term to customer, have a plan for receive the check. So that is relationship between accountants.

For the sales section, the sales section is the main section to make the profit of our company. So, they will make an appointment and build the relationship with customer. Our company give the opportunity to sales person for designing the working procedure to keep the customer.

For the purchasing section, they will take care of purchase material from our supplier. As our company is the trading company it means we are in the center between customer and supplier. So we think that the supplier is also important for us that sometime they can be like our customer as well. Because if they don't sell the product to us it means that we also don't have the product to serve the customer. If we cannot keep the good supplier so we cannot handle the customers.

13. Can you tell me about the scope of your roles and responsibilities in the organization?

My responsibilities are to design the working procedure, control and evaluate of team, evaluate sale value and trying to improve sales value in the next month.

- Do you visit your customer by yourself?

Yes, I do. I will visit the main customer. Moreover, if we have a big order, I have to get involve due to we have high competition on that project. Normally I will visit only the new customer and for the old one I will visit every quarter. We also have kind of questionnaire to send to customer for evaluate how about pre-sales, how about after sales service, how about the product and what is thing we have to improve.

14. What kind of customer relationship marketing do you think you should apply in the future? What tooling do you think might effective to customer relationship marketing? (In case you have not done it with that before.)

Actually I think customer relationship come from the quality which is quality of our employee, quality of service and quality of product if we can keep all qualities so we can keep the customer relationship with us the long time. We have to keep contacting with customer in order to know the customer requirement. Sometimes customer might change the organization or change the process in their company then we have to know that information.

For the CRM tooling, we have planned for study kind of evaluate program. The program will keep record such as when we have visited customer and how about customer feedback. We will use all information for analysis the problem such as many

time our sales team have visited to customer but cannot get any order from customer. The program will record and also analysis the data. However, the program may take the high pressure to sales team.

15. Is there any other information you would like to add or suggest more to our discussion?

We have many methods to build the customer relationship but the most important thing is the quality, quality of product and quality service because of we are the trading company. In order to satisfy the customer need, we also have emphasize about quality.

