

**AN INVESTIGATION OF CLIENT RELATIONSHIP  
MARKETING PRACTICE IN BUSINESSES TO BUSINESSES  
(B2B): THE CASE STUDY OF AGROCHEMICAL INDUSTRY**



**A THEMATIC PAPER SUBMITTED IN PARTIAL  
FULFILLMENT OF THE REQUIREMENTS FOR  
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Thematic paper  
entitled  
**AN INVESTIGATION OF CLIENT RELATIONSHIP  
MARKETING PRACTICE IN BUSINESSES TO BUSINESSES  
(B2B): THE CASE STUDY OF AGROCHEMICAL INDUSTRY**

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Pantaree Wongkijcharoen

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PRACTICE IN BUSINESSES TO BUSINESSES (B2B): THE CASE STUDY OF  
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**ABSTRACT**

This research is conducted to examine and compare the relationship marketing practices at different stages of the relationship development process in the “re-packing companies” and the “Agrochemical stores” in the agrochemical industry

The study employs a qualitative method in the form of in-depth interviews for gathering data from the target group, consisting of middle and higher level managers from twelve large and well-known agrochemical firms, and the data was analyzed with content analysis

Eleven client relationship marketing practices were identified in this research. All practices were applied in the agrochemical store group, while ten practices were applied in the re-packing company group because the re-packing company is also considered a competitor; therefore, some practices or activities are not be provided to this group of clients. Even though both groups receive the same client relationship marketing practices, there is quite a difference in terms of the activities applied for the same practice at the same stage of the relationship development process depending on the client group.

**KEY WORDS:** Relationship marketing practices / Agrochemical / Relationship development processes

93 pages

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# CHAPTER I

## INTRODUCTION

### 1.1 RESEARCH RATIONALE

In the present business climate, most companies need to start creating customer relationship marketing strategies that deliver value beyond the core product. This involves adding tangible and intangible elements to the core product, such as the functional value of the product, service value, emotional value, social value, conditional value, epistemic value and image (Zineldin, 2006). It has been found that customer relationship satisfaction and loyalty are relatively high when a relationship marketing strategy is applied (Leverin & Liljander, 2006). Satisfied customers can impact the company directly because they are willing to pay a premium price for the product/service (Denove & Power, 2006). Moreover, they will be loyal to the company because they hope that they will always receive good products and services (Zineldin, 2006). This loyalty can increase the company's profits, revenue and sales growth in a long term, which positively effects the company's overall corporate performance (Sheth & Mittal, 2004). In addition, loyal customers will talk positively about the company, and the word of mouth (WOM) communications between customers will be rich in information. Customers' opinions and referrals are generally perceived to be the most influential of the unbiased sources of information in the marketplace (Claycomb & Martin, 2002). Given the power of WOM referrals, this emphasizes the criticality of excellent service in improving value perception and leading to increasing levels of customer loyalty and advocacy (Sweeney, Soutar & Mazzarol, 2012). Denove and Power (2006) also reported that the cost of service recovery for returning customer satisfaction levels back to normal after a negative experience is much higher than the cost of maintaining customer satisfaction at a consistently high level.

As a result, customer relationship marketing is extremely important and should be delivered continuously by companies in the current business climate (Ravald & Grönroos, 1996).

The need for studying the relationship development processes for building customer relationships and their purchasing behavior is obviously significant for this research. The process of relationship development has been studied and developed from the relationship development process model of Ford (1980), Dwyer et al. (1987); Larson (1992); Kanter (1994); Heide (1994); Wilson (1995) and Batonda & Perry (2003). This research categorizes 6 stages of the relationship development process: searching process, starting process, development process, maintenance process, termination process and dormant (or re-activation) process. In addition, Batonda & Perry (2003) identified the main activities that should be included in each relationship development process. In an earlier study, Claycomb & Martin (2002) found that relationship marketing practices are most effective when they are based on the specific needs and characteristics of each individual client. In other words, we should treat each customer as a unique individual with a unique set of service requirements while still giving equal importance to all clients. To this end, the company has to search for each client's needs in preparation for treating them uniquely.

Customers' purchase and post purchase behaviors were studied by Hawkins et al. (2004) and Lucero (2008). The purchase will lead to product usage and evaluation. We can then divide the behavior after a purchase has been made into three types: repeat purchase without modification, repeat purchase with modification, and no repurchase. Negotiating is a part of building customer relationships which can significantly affect the post purchase behavior.

The agrochemical industry is extremely important in Thailand with agricultural exports amounting to approximately 508 billion baht in 2015 (Ministry of Finance, 2015). Thailand also imported 85.5 billion Baht of agrochemical products, including fertilizer, in 2014 (Office of Agricultural Economics Thailand, 2014). The volume of imports and exports indicates the importance of this industry in Thailand. The high competition in this industry and the non-differentiation of products make client relationship marketing a key factor for the agrochemical industry. However, the agrochemical industry is divided into two client groups in accordance with Thai law as

explained in the following paragraph. The marketing practices used for each group of clients are also different based on the nature of the clients.

The “Criteria and Method for Notifying and Registering Specialized Persons Responsible for the Safe Storage of Hazardous Substances” was conveyed in the Hazardous Substance Act B.E. 2554 (2011). An announcement by the Department of Agriculture (March 25, 2008) also specified that the “Importer or manufacturer can register one formula of Hazmat under three trade names.” Therefore, the business model of an agrochemical importing company can be divided into two groups.

The first group is the local stores that sell the company’s product under contract to the company. The retailers in this group are called “agrochemical stores”.

Another group is the companies that sell imported products to other companies by branding the product with their own names and then distributing the product to other stores. This is possible because one formula of Hazmat can be registered under three trade names. The retailers in this group are called “re-packing companies” (re-packing the product as their own brand).

The relationship marketing practices mentioned in previous researches (Alvarez, Casielles & Martin, 2011; Cann, 1998; Claycomb & Martin, 2002; Hastings & Perry 2000; Papadopoulou et. al, 2001; Woo & Leelapanyalert, 2014;) and the relationship development process are already known to other marketing researchers. The previous research in this field has explained relationship marketing practices in different industries, such as the travel industry, business to business service industry, inventory industry, legal industry, export industry, and electronic commerce. However, comparisons of relationship marketing practices at different levels in the agrochemical industry are rare. This constitutes a major gap in the existing literature. As a result, this current research will study the different activities employed in each step of the relationship development processes with the aim of treating clients of different groups in different ways.

## **1.2 Research Question**

1. What client relationship marketing practices do companies apply at different stages of the relationship development process for “re-packing companies” and “agrochemical stores”?
2. What are the differences between the two groups?

## **1.3 Research Objective**

1. To examine the client relationship marketing practices employed at different stages of the relationship development process for “re-packing companies” and “agrochemical stores”.
2. To compare the client relationship marketing practices between “re-packing companies” and “agrochemical stores” at different stages of the relationship development process.

## **1.4 Scope of Research**

1. This study focuses on the relationships between agrochemical importing companies and re-packing companies and the relationships between agrochemical importing companies and agrochemical stores, especially the companies’ dealers, in the Thai setting.
2. The study employs a qualitative method in the form of in-depth interviews for gathering data from the target group, consisting of middle and higher level managers from twelve famous and well-known agrochemical firms.
3. The research was conducted during the period of July 2015 – February 2016.

## **CHAPTER II**

### **LITERATURE REVIEW**

#### **2.1 The Importance of Client Relationship Marketing Practices**

Today's marketing is not a function; it is a way of doing business. Marketing is no longer about a new ad campaign or aggressive promotion. Marketing today is about how to integrate the customer into the design of the product/service and to design a systematic process for interaction that will create substance in customer relationships. In a competitive world, companies have to work hard to add value. They have to work with customers and to discover ways to run the business more efficiently for themselves and more effectively for the customers. A company has to create customer relationships and marketing strategies that deliver value beyond customer expectations, differentiate the product, and build a competitive advantage over other competitors. This involves adding tangible and intangible elements to the core products which would create and enhance the "product surround" such as functional value, service value, emotional value, social value, conditional value, epistemic value, and image (Zineldin, 2006). When a relationship marketing strategy is launched, the customer satisfaction is generally relatively high (Leverin & Liljander, 2006). Customer relationship management brings about an increase in customer satisfaction because it is related to many issues.

##### **1. Corporate Performance**

Customer satisfaction provides a company with competitive advantages that lead to higher corporate performance in the form of increased profitability and revenue growth (Sheth & Mittal, 2004).

##### **2. Premium Pricing**

Consumers are willing to pay at a premium price to the company that has a reputation for high quality and great customer service (Denove & Power, 2006).

### **3. Loyalty**

Customers are likely to come back in the future if they have high satisfaction toward the product/service. Loyal customers also believe that they get better service because they are loyal (Zineldin, 2006).

### **4. Word of Mouth**

Word of mouth (WOM) is a form of communication among customers who have rich information and opinions. Referrals are generally perceived to be the most prominent and unbiased source of marketplace influence (Claycomb & Martin, 2002). In the positive case of the satisfied customer, they not only solicit others to buy the product/service from the company but also carry more powerful opinions than all of the company's own advertising initiatives combined (Denove & Power, 2006). Meanwhile, when WOM is spread with negativity in the cognitive content, richness of content, and strength of delivery, consumer perceptions could change in a negative direction. However, WOM receivers appear to be less influenced by negative WOM than positive WOM. Given the power of WOM, this emphasizes the criticality of delivering excellent service that improves value perception and leads to customer loyalty and advocacy (Sweeney, Soutar & Mazzarol, 2012).

### **5. Reduced Operating Costs**

Companies who deliver high levels of satisfaction to their customers have lower warranty expenses and spend less on service recovery in general (Denove & Power, 2006). Thus, customer relationship marketing is extremely important, and more and more companies are realizing the need and significance of its continuity (Ravald & Grönroos, 1996).

## **2.2 Relationship Development Processes**

In a review of earlier literature, Batonda and Perry (2003) studied the six major researches about buyer-seller relationships that have specifically proposed growth stages, which included the research of Ford (1980), Dwyer et al. (1987), Larson (1992), Kanter (1994), Heide (1994) and Wilson (1995). Applying the theory concept drawn from the "New Institutionalists" within economics, the relationship

development process model proposed by Ford (1980) is classified into 5 stages: pre-relationship stage, the early stage, the development stage, the long-term stage and the final stage. For each stage, Ford (1980) also included consideration of the variables of experience, uncertainty, distance, commitment and adaptations.

Dwyer et al. (1987) studied the development of buyer-seller relationships that evolve through five general phases. The first phase is awareness, which refers to party A's recognition that party B is a feasible exchange partner. The exploration phase refers to the search and trial phase in relational exchange, and the expansion phase means a continual increase in benefits obtained by exchange partners from their increasing interdependence. The fourth phase is commitment, which refers to an implicit or explicit pledge of relational continuity between the exchange partners. The final phase is dissolution, which covers the possibility of withdrawal or disengagement that has been implicit throughout the relationship development framework.

Larson (1992) analyzed the exchange relationship between an entrepreneurial firm and its partnered organization. From this analysis, he developed the exchange relationship into three phases. First is the preconditions for exchange history. This phase places consideration on personal reputations, prior relations, and firm reputations as a means of testing the compatibility of the companies. Second, the conditions for building the process of network organization relies heavily on trust and the development of reciprocity norms. Finally, integration and control is comprised of three process of integration between the partners as the relationship solidifies. These processes are operational integration, strategic integration, and social control.

Kanter (1994) found that the relationships among companies which are beginning, growing, and developing or failing are practically like the relationships of people. The successful alliances generally unfold in five overlapping phases. The first phase is courtship in which two companies meet and are attracted to each other in a bid to discover their compatibilities. During the second phase, engagement, they draw up plans and close the deal. In the third phase, the newly partnered companies, like couples setting up housekeeping, discover that they have different ideas about how the business should be operated. In the next phase, the partners devise mechanisms for bridging those differences and develop techniques to get along with each other. In the



final phase, known as old-married, each company discovers that it has changed internally as a result of its accommodation to ongoing collaboration.

Simultaneously with the study of Kanter, Heide (1994) researched the topic of 'Inter-organizational Governance in Marketing Channels' and defined the relationship into three terms: the relationship initiation process involves an evaluation of potential exchange partners, initial negotiations about the aspects of the subsequent relationship, and preliminary adaptation efforts including selective entry based on abilities and long-term goal capability; the relationship maintenance process requires the development of a planning mechanism or system in which future contingencies and consequential rights and responsibilities are spelled out; and the relationship termination process is based on open-ended interactions.

In contrast, Wilson (1995) presented five stages of the relationship development model. Search and selection take place in the first phase. Finding and assessing potential partners is based on reputations of performance and trustworthiness. The initial interaction and social bonding may begin after this phase. The second phase is defining the purpose, which involves determining and defining the mutual goals and objectives, laying out the foundations for generating common understanding, setting the sanctions to govern the relationship, and establishing the limited commitment required from the parties. The third stage is the boundary definition phase, which involves defining a set of informal rules on how the partners select the resources needed, commit their resources and people, and determine the relationships required to complete the tasks and manage the process of adaptation to accommodate the partners. Fourth, the value creation phase involves the creation of value through the synergistic combination of the partners' strengths and better cost management in all aspects of each firm's operations. The companies also share value depending on the power or dependence of the relationship and the amount of structural bonding. Finally, the hybrid stability phase involves the commitment developed through a combination of the key variables, such as trust, performance, and satisfaction. The stable relationships result from partners' active involvement.

**Table 2.1 Summary and comparison of the six identified network development models**

Relationship development model	Stages/Phases				
	Searching	Starting	Development	Maintenance	Termination
<b>Ford (1980)</b>	Pre-relationship stage	Early stage	Development stage	Long-term / final stage	-
<b>Dwyer et al. (1987)</b>	Awareness	Exploration	Expansion	Commitment	Dissolution
<b>Larson (1992)</b>	Preconditions for exchange history	Conditions to build	-	Integration & control	-
<b>Kanter (1994)</b>	Courtship	Engagement	Setting up housekeeping	Compatibility	Dissolution
<b>Heide (1994)</b>	Relationship initiation		-	Relationship Maintenance	Relationship Termination
<b>Wilson (1995)</b>	Search and selection	Defining purpose	Boundary definition / Value creation	Hybrid stability	-

**Table 2.1 Summary and comparison of the six identified network development models (cont.)**

<b>Relationship development model</b>	<b>Focal Area</b>	<b>The Concept</b>
<b>Ford (1980)</b>	Industrial market relationship	The model explains the nature of buyer-seller relationships by considering three factors including experience, uncertainty and distance for evaluation from one stage to another stage.
<b>Dwyer et al. (1987)</b>	Industrial market and consumer relationship	The model covers both international firms and client relationships but lacks conceptual details and obvious ways to operationalize key variables.
<b>Larson (1992)</b>	Entrepreneurial firm relationship	The model presents highlights and the importance of reputation, trust, reciprocity, and mutual interdependence proposed as alternatives to vertical integration for high-growth entrepreneurial firms.
<b>Kanter (1994)</b>	Manufacturing /service industry	The relationship between companies begins, grows, and develops or fails similarly to a relationship between people
<b>Heide (1994)</b>	Inter-firm relationship	The model demonstrates the differences among market, unilateral, and bilateral governance explained at a very general level in terms of a predominant reliance on a price mechanism, bureaucratic structures and socialization processes, respectively.
<b>Wilson (1995)</b>	Inter-firm relationship	The model integrates the extended list of relationship variable constructs with the relationship development stages of the model.

After the six researches were summarized and compared to growth-stage models of relationship development, the basis of each stage was found. In addition, Western literature synthesized the stage model of the six growth stages, which consists of five processes: searching, starting, development, maintenance, and termination. A summary of the activities in each stage is shown in table 2.2

**Table 2.2 Synthesis stages the model of relationship development processes from Western literature**

Dimension	Main activities in the dimension
<b>Stage 1:</b> <b>Relationship searching process</b>	<ul style="list-style-type: none"> <li>• Search and trial for potential exchange partners</li> <li>• No commitment at this stage</li> <li>• Evaluation of potential exchange partners based on economic and social aspects</li> </ul>
<b>Stage 2:</b> <b>Relationship starting process</b>	<ul style="list-style-type: none"> <li>• Testing and probing of goals and compatibility</li> <li>• Identification of inter-firm and interpersonal dynamics of network partners</li> <li>• Selection of the entry based on the abilities and intermediate and long-term compatibility of partners, determining and defining a set of mutual goals and objectives</li> </ul>
<b>Stage 3:</b> <b>Relationship development process</b>	<ul style="list-style-type: none"> <li>• Inter-organizational planning of activities, responsibilities and relationships</li> <li>• Joint planning efforts subjected to change and modification</li> <li>• Evaluation process of the relationship for identification of the continued mutual obligation of performance and effectiveness</li> <li>• Increasing interdependence through the enhancement of mutual benefits and attractiveness</li> <li>• Value creation through the synergistic combination of partners' strengths</li> <li>• Minimum commitment of resources</li> </ul>

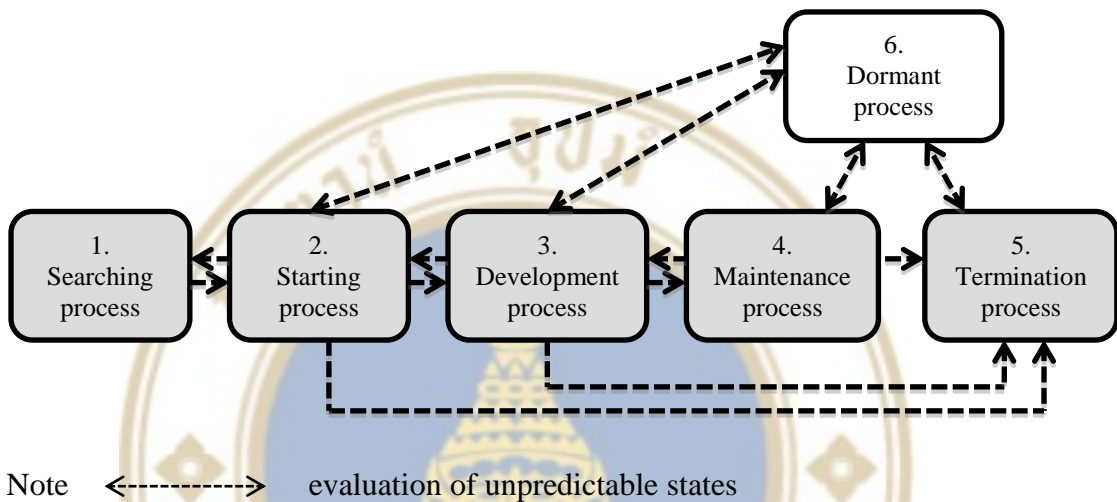
**Table 2.2 Synthesis stages the model of relationship development processes from Western literature (cont.)**

Dimension	Main activities in the dimension
<b>Stage 4:</b> <b>Relationship maintenance processes</b>	<ul style="list-style-type: none"> <li>• Development of inter-organizational and member adaptations</li> <li>• Integration of operations and strategies</li> <li>• Increased commitment of resources and recognition of mutual benefits through institutionalized conflict resolution processes</li> <li>• Long-term rewards based on mutual behavior and trust</li> <li>• Internal monitoring systems based on behavior and self-control</li> <li>• Development of adjustment processes through agreement, negotiation and self-control</li> </ul>
<b>Stage 5:</b> <b>Relationship termination processes</b>	<ul style="list-style-type: none"> <li>• Termination based on the extent of mutual interest and cost benefit analysis of continuing in the network</li> <li>• Developing strategies to dissolve the relationship mutually</li> </ul>
Sources: Developed For This Research With Parts From Ford (1980); Dwyer Et Al. (1987); Larson (1992); Kanter (1994); Heide (1994); And Wilson (1995)	
Sources: Batonda and Perry (2003)	

The research of Batonda and Perry (2003) on the topic of “Approaches to Relationship Development Processes in Inter-firm Networks” combined “the relationship development model” and “the joining theory” to study how international firms develop their relationship networks when investing in China and Australia.

Batonda and Perry (2003) confirmed the existence of five phases: searching, starting, development, maintenance and termination processes. However, they also identified the existence of an additional phase, called dormant and re-activation, which had not been specifically considered in previous literature. The findings from both the Chinese and Australians revealed that inter-firm network development is an evolution of unpredictable stages. Each stage can backslide into another stage or into the termination stage, which may result in either the breakage of the relationship or an irrational benefit. Moreover, any relationship can always change

into an inactive stage due to changes in business, project completion, or failure to meet individual requirements. Therefore, the new model presenting every stage cannot predict the next stage as shown in Figure 2.1, which was used in this research. A summary of the main activities in each stage in the revised development process model is shown in Table 2.3



**Figure 2.1 The revised model of network relationship development processes demonstrating the difference between the frameworks according to Western developed model (shaded) and the stages explored in the research of Batonda and Perry (2003) (not shaded)**

Source : Batonda and Perry (2003)

**Table 2.3 Summary of the main activities in each stage in the revised development process model**

Dimensions	Main activities in the dimension
<b>Stage 1:</b> <b>Searching</b> <b>process</b>	<ul style="list-style-type: none"> <li>• Recognition of purpose and need for entering into a network relationship</li> <li>• Searching for potential partners from outside and inside sources</li> <li>• Finding more information and cross-checking partners' competence</li> <li>• Looking for a match between need and capability</li> <li>• Evaluation and selection of potential partners based on personal (social) and product (economic) attributes</li> <li>• Activating business relationship from personal pool of contacts or personal relationships</li> </ul>
<b>Stage 2:</b> <b>Starting</b> <b>process</b>	<ul style="list-style-type: none"> <li>• Making initial contact through introduction by trusted third party or direct contact</li> <li>• Establishing rapport and testing personalities and compatibility of partners</li> <li>• Presenting the purpose/opportunity</li> <li>• Testing/probing goals and compatibility</li> </ul>
<b>Stage 3:</b> <b>Development</b> <b>process</b>	<ul style="list-style-type: none"> <li>• Emphasizing the development of personal relationships and mutual trust between partners</li> <li>• Inter-organizational planning of activities, responsibilities and relationships</li> <li>• Identification of priorities and formalization of discussions</li> <li>• Direct involvement in the business discussions through regular contacts and socialization</li> <li>• Making a commitment to each other and the business idea – only trial trading activities</li> </ul>

**Table 2.3 Summary of the main activities in each stage in the revised development process model (cont.)**

Dimensions	Main activities in the dimension
<b>Stage 4:</b> <b>Maintenance process</b>	<ul style="list-style-type: none"> <li>• Increasing the commitment of resources to the network</li> <li>• Development of inter-organizational and member adaptations</li> <li>• Testing personalities and trialing small projects</li> <li>• Continuing ongoing activities of trade</li> </ul>
<b>Stage 5:</b> <b>Termination process</b>	<ul style="list-style-type: none"> <li>• Weighing up the costs and benefits of staying in or exiting the network relationship</li> <li>• Dissolving the trading relationship due to outside and inside forces</li> <li>• Exiting through a soft landing approach</li> </ul>
<b>Stage 6:</b> <b>Dormant process</b>	Relationship goes into an inactive stage due to changes in business, project completion, or failure to meet individual requirements
Source : Batonda and Perry (2003)	

### 2.3 Purchase and Post-Purchase Behavior

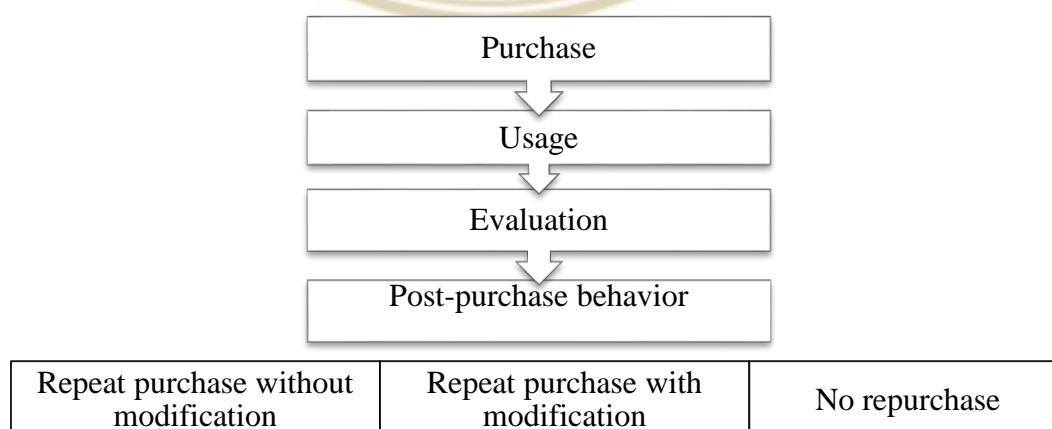
The post-purchase consumer behavior model from the research of Hawkins et al. (2004) consists of four levels. First, in the purchase level, the customer is motivated from internal and external sources, which affect the purchase decision process. The extended consumer decision process is composed of a sequence of activities: problem recognition, information search, brand evaluation and selection, outlet choice, and purchase. Applying the consumer behavior model, in the purchase process, the consumer recognizes the product, and then at the second level, they use the product and evaluate it at the third level. The consumer satisfaction level is the fourth level. In this phase, dissatisfaction may produce complaints from the consumer. An appropriate response from the firm may reverse the initial dissatisfaction among those who complained. The result of these processes is the final level of satisfaction,



which in turn can result in a loyal, committed customer who is willing to make repurchases, or a dissatisfied customer who switches brand or discontinues using the product category.

Moreover, according to the underlying types of behavior in the post-purchasing process, Lucero (2008) conceptualized the post-purchase behavior along three dimensions: purchase is repeated without modification, purchase is repeated with modification, and there is no repurchase. A repeated purchase without modification refers to the situation when the buyer retains a demand for the same product from the same supplier with the same criteria. This behavior will exist as long as the buyer does not experience any relevant problem in the purchasing process, and the performance level of the supplier corresponds to the one expected by the consumer. Alternately, a repeated purchase with modification is the behavior resulting from a change of purchasing criteria. For example, the decision-makers choose to modify the repurchase situation when they face problems such as delays. In this case, the buyer evaluates alternative options that include introducing stricter criteria due to discontent with the current situation. Lastly, no repurchase occurs when the decision-makers decide to discontinue the purchase behavior because of excessive and irreconcilable problems involved in the process.

This research applies the purchase and post purchase behavior model of Hawkins et al. (2004) and Lucero (2008) because the preliminary information of trading in agricultural chemicals is consistent with Lucero's types of behavior in the post-purchasing process.



**Figure 2.2 The model of purchase and post purchase behavior**

Source : Hawkinset al. (2004), Lucero (2008)

## The Conceptual Model

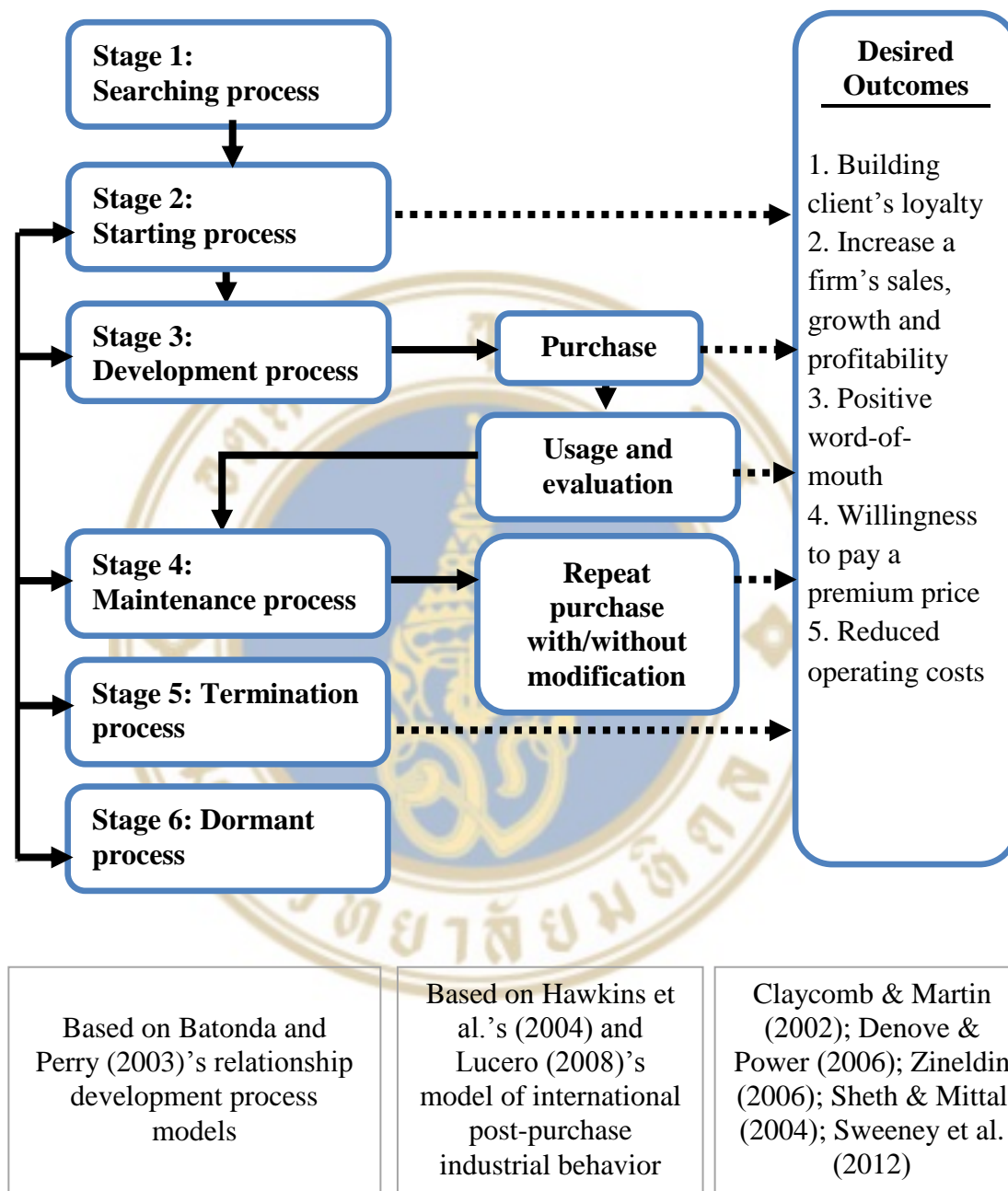


Figure 2.3 The Conceptual Model

## 2.4 Client Relationship Marketing Practices

Many researches have been conducted on client relationship marketing practices, such as those of Alvarez, Casielles & Martin, 2011; Cann, 1998; Claycomb & Martin, 2002; Hastings & Perry 200; Papadopoulou et. al, 2001; and Woo & Leelapanyalert, 2014. A summary of a comparison of these researches is shown in table 2.4

**Table 2.4 Summary of researches on client relationship marketing practices**

Research of client relationship marketing practices	Focal area
Alvarez, Casielles & Martin (2011)	Travel industry
Cann (1998)	Business-to-business service industry
Claycomb & Martin (2002)	Inventory industry
Hastings & Perry (2000)	Export industry
Papadopoulou et al. (2001)	Electronic commerce
Woo & Leelapanyalert (2014)	Legal industry

This review places emphasis on the research of Claycomb & Martin (2002) and Woo & Leelapanyalert (2014) for comparing the client relationship marketing practices in the agrochemical industry.

Claycomb and Martin (2002) conducted a mail survey to study the objectives and practices used in building customer relationships and inventories of services provided. Part of the survey employed open-ended questions to ask respondents to list and describe the customer relationship-building practices used in their organization. The research identified 18 categories of relationship-building practices as follows:

1. Continuity of Communications

Clients will remember an organization if the company always communicates meaningful, interesting and attractive media, such as the following examples:

- Company newsletters informing customers about updated capabilities, new products, new people, marketing trends, etc.

- Regularly scheduled personal letters and telephone calls
- Targeted direct mailers
- Management and sales representatives in the field calling on customers

- Mass media advertising designed to stimulate telephone calls about the firm's offerings

- Open houses for clients

- Participation in trade shows and conferences

- Quarterly and annual user conferences

## 2. Service Quality

Service quality is essential for building and maintaining customer relationships. Examples of activities that enhance service quality are as follows:

- Making on-time deliveries

- Supplying a wide range of goods and services

- Having knowledgeable staff

- Providing technical competence

- Listening to customers

- Knowing the market

- Understanding customers' needs

- Focusing on providing high quality goods and services

## 3. Personalization

Personalization refers to the customization of some aspects of the service or its delivery, treating each customer as a unique individual with a unique set of service requirements. To this end, the company needs to assign the responsibility for serving clients to specific employees and empower the employees to treat each customer as a unique individual.

## 4. Service Differentiation and Augmentation

Giving customers something extra in the form of "giveaways" such as:

- Sales promotions: The company can sponsor workshops and seminars of interest to customers, give away gifts and trinkets, and provide free training.

- Entertainment: The company can host breakfasts, take customers to lunch, or take them to sporting events.

- Affinity clubs: The company may establish senior clubs that offer travel opportunities for customers.

- Building additional values in the service: The company can augment the service with warranties, maintenance checks, telephone helplines, and miscellaneous amenities.

#### 5. Affective Engineering

The company could try to design the program with the intention of evoking customers' emotional responses. If they feel good about the company and want to maintain a good relationship, they may be willing to be involved in the community and civic events, monetary sponsorships, employee volunteerism, image advertising, and cause-related advertising organized by the company.

#### 6. Employee Relations

Relationship-building practices are designed to support the frontline employees who directly serve customers, such as through training and consulting.

#### 7. Relationship Pricing

The company can reward loyal customers with better prices, which might be the oldest tool for relationship building but it always works.

#### 8. System Friendliness

System friendliness refers to practices that make it easy and convenient for customers to conduct business with the company such as:

- Quick decision-making by local decision-makers
- 24-hour a day, seven-day a week service
- "Hot" lines
- Free telephone lines
- Customer support staff
- Convenient locations of new facilities
- Lobby greeters whose job is to educate customers

- Free parking
- Prepaid and pre-addressed return envelopes
- Fast response to customers' inquiries

#### 9. Pioneer Advantage

It is difficult for competitors to attract the company's customers if the customers have known the company for a long time. However, the company has to find new customers, especially the younger generation, in order to continually win their loyalty before their competitors have a chance to do so.

#### 10. Trust

In the service sector, trust is particularly relevant because customers often do not buy services per se. What they buy are implicit and explicit promises of service, for example:

- Promises that insurance companies will honor future claims
- Promises that banks will accurately process checks
- Promises that home security systems will promptly contact

the police when burglars break in, and so on.

Additionally, service providers build trust by keeping their commitments, not overpromising.

#### 11. Cross-selling

The sales of additional services to existing customers accomplishes obvious objectives such as building total sales volume and profitability. These responses include exposing customers to the firm's full product line, using direct mailing to inform customers about additional products, and training employees in cross-selling techniques.

Cross-selling also tests the strength of the relationship between the company and dissatisfied customers who are less likely to purchase additional services than satisfied customers.

#### 12. Reinforcing "Thank You"

Saying thank you or making a gesture of appreciation to customers will always help in building long-lasting relationships.

### 13. Innovations

The customers like to know that they are purchasing the “latest” and “most advanced”. It makes them more likely to continue their repurchase behavior.

### 14. Linking of purchases

- Bundling products and services (e.g. bank package account including a variety of services)

- Offering product of the month promotions

- Offering frequent shopper programs (e.g. free haircut program – purchase eight haircuts, get the ninth free)

### 15. Service Recovery

Service recovery involves practices employed by companies to aggressively correct mistakes when they occur and offset any inconveniences or other negative consequences experienced by the customers as a result of these mistakes.

### 16. Unconditional Guarantees

Related to service recovery systems, unconditional service guarantees provide and honor commitments to customers without excuses or hurdles.

### 17. Customer-to-Customer Relationships

One customer could influence another one in at least two interrelated ways:

- Through word-of-mouth communications

- By customers’ degree of compatibility with one another

### 18. Vulnerability

Building and maintaining customer relationships may refer to accepting some risks, creating trust, and giving customers things of value without any certainty of making a sale or receiving any sort of reciprocal consideration or commitment. These gestures include free samples, diagnoses, advice, meals, gifts, and personal or confidential disclosures that are typical vulnerabilities.

In addition, Woo and Leelapanyalert (2014) studied the client relationship marketing practices in the legal industry through 15 in-depth semi-structured interviews with key personnel. When Woo and Leelapanyalert compared the findings of their 2014 study with those of a previous study by Claycomb and Martin (2002), they found that of the eleven client relationship marketing practices they identified in the legal industry, three of these were new client relationship marketing practices not previously discovered, namely creating social bonds beyond the professional level, treating every job seriously regardless of the size, and utilizing the Client Relationship Management (CRM) software.

Ten examples of client relationship marketing practices are as follows:

1. Organizing and Attending Social Events

Social events can convince prospective clients to consider the firm's service offerings. Such events include one-to-one or group type casual meetings, for instance, taking clients to lunch or taking them out to dinner or for drinks.

2. Managing the communications or interaction process

Managing the communications and interaction process between service providers and clients is essential in order to foster relationship with the clients. This can build the "trust" and increase the clients' satisfaction towards the firm and its service offerings that will in turn prolong the relationship. The interaction process includes sending literature such as marketing brochures, newsletters and articles written by the company's partners to inform and update the clients about the firm's capabilities and new services offered.

3. Managing the Cross-Selling

Managing the cross-selling process can effectively accelerate business growth and increase a firm's profits.

4. Service Recovery

Service recovery refers to the firm's ability to correct its mistakes or errors before the dissatisfied clients decide to terminate the service or to generate bad word of mouth.



### 5. Changing the Impression

The legal industry has quite a bad image of being money-minded, unapproachable, arrogant and unfriendly, so changing this impression is essential to help strengthen the client relationship.

### 6. Truly Understand Your Clients' Businesses and Industries

News about the client's industry is usually discussed in weekly meetings for the purpose of updating the company's key personnel and understanding the client's situation.

### 7. Social Bonds Beyond Professional Level (Emerging)

This means developing the business relationship into a personal relationship.

### 8. Treating Every Job Seriously Regardless of the Size (Emerging)

The new clients will always test the company's capability by giving a small piece of work to be completed. When the job is done well and the relationship is strengthened, more work or bigger jobs will be given to the company.

### 9. Other Small Little "Gestures"

Remembering the events or celebrations of the client is important in strengthening the relationship. The company should send a "congratulations" card to the client on the occasion of a birthday, anniversary or job promotion, and say thank you every time it has a chance to show appreciation.

### 10. Utilizing the Client Relationship Management (CRM) software (Emerging)

This helps determine the benefits and returns for the clients through proper choices.

## **CHAPTER III**

### **METHODOLOGY**

#### **3.1 Methodological Approach**

This study has adopted a qualitative research approach, which is a field of inquiry in its own right (Denzin & Lincoln, 2000). Qualitative research is the most suitable approach for the purposes of this study as it can provide intricate details and in-depth insight into people's lives, life experiences, behaviors, emotions, and feelings as well as organizational functions, social movements, cultural phenomena, and interactions between nations. It is quite suitable for studying organizations, groups and individuals (Guauri & Gronhaug, 2003; Strauss & Corbin, 1998). The main purpose of qualitative research is the investigation of described variations in a phenomenon, problems or even situations, and issues, for instance, the description of an observed situation, the historical enumeration of events, and an account of different opinions people have on a given issue (Kumar, 2005). Due to the description of the qualitative approach, it is appropriate for this research since the strengths of qualitative data can unlock the potential for revealing the complexity of the data provided such as 'thick descriptions' that are vivid, nested in real context, and have a ring of truth that has strong impacts on the readers (Miles & Huberman, 1994).

#### **3.2 Sampling**

The sample size of this research project comprised twelve agrochemical firms. From each firm, 1-3 key personnel participated. All of these participants were managerial positions and were involved in the building and maintenance of relationships with clients. Qualitative researches usually work with small samples of people, nested in their context and studied in-depth, unlike quantitative researches that aim for a large number of context stripping cases and seek statistical significances

(Miles & Huberman, 1994). The point of focus-group sampling is to involve people with similar backgrounds and experience to participate in a group interview about major issues that affect their companies (Patton, 2001). Therefore, people in managerial positions were chosen to provide in-depth information in this research.

We use pseudonyms for each company to protect their privacy.

**Table 3.1 The interview respondents**

Company	Who are they?	Position	Years' Experience
<b>1. Israeli Agro (Thailand) Co., Ltd.</b>	An Israeli agrochemical company which is one of the world's top 10 pesticide firms	Executive	30
		Sales Manager	25
<b>2. Agro sugar Co., Ltd.</b>	Distributor and retailer of fertilizer and agricultural chemicals; outstanding record in agrochemical for the sugarcane	Sales Manager	13
<b>3. German Agro (Thailand) Co., Ltd.</b>	A German agrochemical company which runs Europe's largest chemical plant	Marketing Manager	20
<b>4. Health Care and Agriculture Co., Ltd.</b>	A global enterprise with companies in almost every country; outstanding record in both health care and agriculture	Sales Manager	32
<b>5. Oldest German company (Thailand) Co., Ltd.</b>	The leader in the marketing and distribution of fertilizers, specialty fertilizers, and agrochemicals, with related advisory services in the ASEAN region.	Sales Manager	10
<b>6. Big gun Co., Ltd.</b>	A Thai importer with a factory for repackaging pesticides, fertilizers and all other agrochemical products; outstanding record in agrochemical for rice.	Sales Manager	12
		Sales Manager	17
		Sales Manager	11
<b>7. Green Bird Co., Ltd.</b>	A Thai company whose fertilizer is well-known and accepted among Thai farmers; outstanding record in agrochemical for fruit.	Sales Manager	12

**Table 3.1 The interview respondents (cont.)**

Company	Who are they?	Position	Years' Experience
<b>8. Flag Co., Ltd.</b>	The leading Thai import company which imports quality pesticides, fertilizers and trace elements from all over the world.	Sales Manager	15
		Sales Manager	16
<b>9. Thai Agro Group</b>	Thailand's largest agricultural company	General Manager	25
		Sales Manager	20
		Sales Manager	26
<b>10. Swiss Agro Co., Ltd.</b>	One of the world's top 10 of agrochemical firms with its parent company in Switzerland	Sales Manager	18
<b>11. W fertilizer Group</b>	A Thai importer of chemicals and a distributor of a wide range of industrial and specialty chemicals in Thailand, Cambodia, Myanmar and Vietnam.	Sales Manager	26
<b>12. Singaporean Agro (Thailand) Co., Ltd.</b>	The leading manufacturer and distributor of crop care, animal health and public health products in Asia Pacific.	Sales Manager	15
		Marketing Manager	26

### 3.3 Method of data collection

Personal interviews were used as the key method of collecting data for this study. Interviewing is commonly used as a means of collecting information from people. In many walks of life, people commonly collect information through different forms of interaction with others. Any person-to-person interaction between two or more individuals with a specific purpose in mind is called an interview (Kumar, 2005). This research chose semi-structured interviews as appropriate for covering the sample size for this study. This form of interview technique enables us to determine the questions to be asked beforehand, which ensures that no important topics will be missed in the interview and that we also have enough flexibility to gather extra

information too. In semi-structured interviews, greater emphasis is placed on the skills of the interviewer rather than on the structure of the interview itself, while this method also requires more time to collect information (Guauri & Gronhaug, 2003).

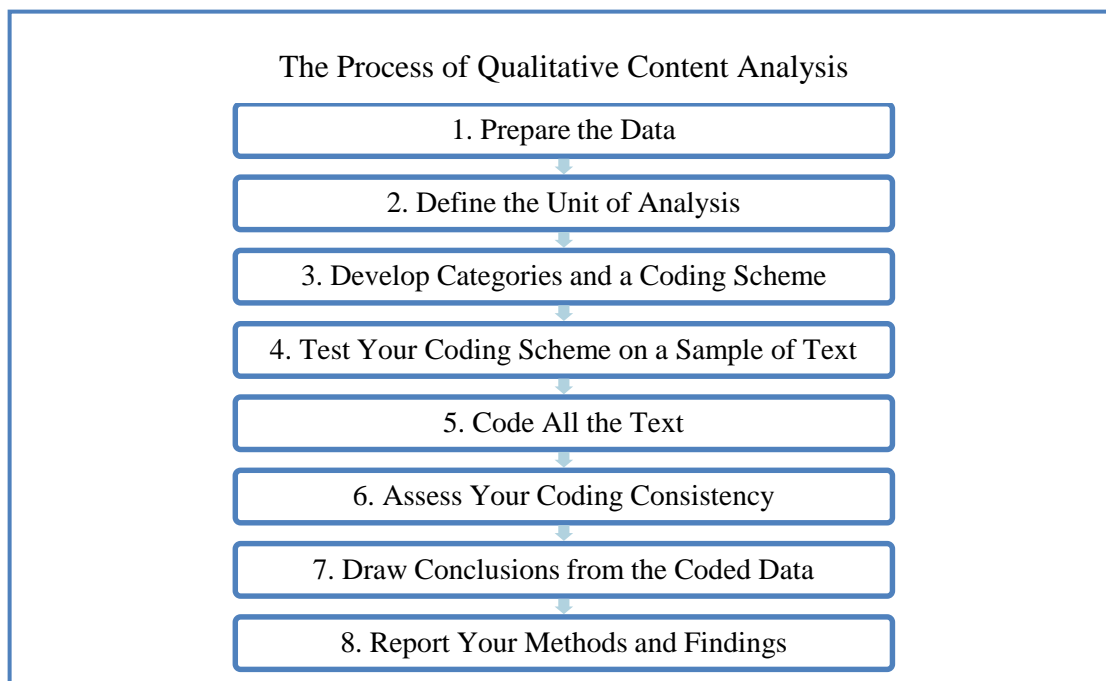
An interview schedule is a written list of questions, as defined by Woo and Leelapanyalert (2014). In this study, the participants were asked questions about their experiences of relationship marketing practices (see Appendices).

The strengths of the interview are that it is a useful technique for collecting in-depth information, and each question can be expanded upon and explained by the interviewees to provide deeper understanding. On the other hand, the interview still has some weaknesses; it is being time-consuming and expensive, while the quality of data can vary depending upon the questioning skill of the interviewer and the bias of data given (Kumar, 2005).

By managing the time effectively, the interviewers in this study took around sixty (60) minutes per person to complete each interview. On the other hand, the quality of information was a major consideration, especially the potential for biased data. Therefore, we contacted twelve reliable firms and requested to interview their managers in order to reduce the potential for prejudice. To ensure the integrity of the information gathered, we recorded the interviews with audio recording equipment (Marshall & Rossman, 2006).

### **3.4 Method of Data Analysis**

This research adopted the use of content analysis, which is a widely accepted method of textual investigation, particularly in the field of mass communications. In conducting the content analysis, we established a set of categories and then counted the number of instances that fall into each category (Silverman, 1993). The directed content analysis approach starts from initial coding with a theory or relevant research findings. During the data analysis process, the researchers immerse themselves in the data and allow themes to emerge from the data. The purpose of this approach is to validate or extend a conceptual framework or theory (Hsieh & Shannon, 2005; Zhang & Wildemuth, 2009).



**Figure 3.1 the Process of Qualitative Content Analysis**

Source: Zhang & Wildemuth, 2009

Step 1: Prepare the data by transforming the voice recordings from the interview into written text before commencing analysis.

Step 2: Define the unit of analysis that refers to the basic unit of text to be classified during content analysis. Messages have to be unitized before they are coded, as differences in the unit definition can affect coding decisions.

Step 3: Develop categories and a coding scheme. Categories and a coding scheme can be derived from three sources: the data, previous related studies, and theories.

Step 4: Test your coding scheme on a sample of text, develop and validate the coding scheme early in the process for clarity and consistency of the category definitions

Step 5: Code all the text to ensure that the coding is consistent and then apply the coding into the entire corpus of text. The coding must be checked repeatedly during the process.

Step 6: Assess coding consistency when coding the entire data set completely. The consistency of coding should be checked again to account for the possibility of human error in the data analysis.

Step 7: Draw conclusions from the coded data, make inferences and present the reconstructions of meanings derived from the data.

Step 8: Report your methods and findings.

We compared the result with other studies (Claycomb & Martin, 2002; Woo & Leelapanyalert, 2014) to find the emerging theme in this research.



## **CHAPTER IV**

### **FINDINGS**

#### **4.1 Client Relationship Marketing Practices**

This findings of this current study were compared with those of a previous study on client relationship marketing practices in the legal industry by Woo & Leelapanyalert (2014). They found that of the eleven client relationship marketing practices they identified in this industry, three of these were new client relationship marketing practices not previously discovered: searching for the client's information, including the client's participation in the decision making, and supporting the client's business.

##### **4.1.1 Searching for the Client's Information**

Seeking clients' information from other companies and then studying this information is part of the preparation before trading. This type of assessment is divided into two stages.

The first stage is to evaluate the possibility of engaging in a business relationship by considering:

- Suitable location for sales
- Ability to distribute products
- Financial status of the client
- Overlapping benefits of the company's current clients
- Consistency of the products and the client's needs
- Trends and crop prices in the future

After the possibility of conducting business together has been evaluated, any clients who are deemed suitable will be selected as a sub-dealer or dealer depending on their potential.

The second stage is to lead the company's staff to learn personal information about their clients in preparation for the first meeting. They need to study



and understand the client's background, such as family, characteristics, and hobbies, before attending the first meeting. This ensures a smooth starting point to the conversation and facilitates the provision of appropriate services to clients. This finding is supported by the researches of Claycomb & Martin (2002) and Goldsmith (1999) on the topic of personalization practices: treating each client as a unique individual with a unique set of service requirements.

#### **4.1.2 Organizing Social Events and Visiting the Client's Company/Store**

Meeting with the client is extremely important in the agricultural chemical industry. Every executive interviewee always focuses on visiting the client's store/company and inviting them out to dine together to provide an opportunity to talk and build the relationship. Camaraderie can be built in three steps as follows:

The first step is to visit the client's store/company, which should occur from the first phase of the client relationship process onwards. Visiting the client's store/company is the easiest way to become acquainted with clients and share ideas with each other. It is also the most important activity for building and maintaining a relationship with the client due to the Thai culture in which people prefer to meet face to face in order to increase their confidence in doing business. This finding concurs with the research of Hastings & Perry (2000). This activity needs to be constant even if the client reduces or terminates the purchase arrangement because there is still the possibility that the client could trade with the company again in the future. Moreover, if the company discontinues this activity after the purchase arrangement is reduced or terminated, the client may inform other clients of the company that the company will not show any interest in them if they cannot be of any benefit to the company. This could affect the company's reputation as the agricultural chemical industry is very close so a bad reputation can spread rapidly. Therefore, visiting the client's store should be in every step of the relationship development processes from the starting process until the termination process, and it must be a frequent activity in order to build the trust which relates to purchase and repeat purchase behaviors.

The next step in getting to know the clients is through a dining appointment. The company will study the client's personal interests, such as sports,

drinking habits, and traveling preferences, in order to provide activities that match the client's needs and likes. In addition, social events provide the company's staff with opportunities not only to talk about the business but also to build personal relationships with the clients. Activities in this category are as follows:

- Dining together, which is an opportunity to enhance the camaraderie.
- Sharing the same interests with clients, for example, sports such as golf, football, badminton, fishing, or riding. The company's staff may play sports with them.
- Drinking with clients; some clients love to drink alcohol so the staff must adapt to their client's habits whether they like to drink or not.
- Participating in the client's events such as a New Year party or a religious ceremony, in which the company's manager and/or CEO will attend and participate by themselves

The third step is to impress the clients by increasing the budget for events to enhance the camaraderie that has been established. In general, the company will organize tours for existing clients. This perk is no dependent on sales quantities. The company wants to invite their clients to travel together because this can lead to sales opportunities in the future. In addition, an open house can sometimes be held since most of the major agrochemical companies are multinational with head offices and manufacturing plants outside the country. When the clients visit other branches abroad, they will be welcomed by the CEOs in those countries and the staff will take care of them during the trip. The clients will get knowledge about sourcing raw materials, storing, manufacturing, packing, machinery, the overall standard of the factory, and the quality control in order to confirm the company's product quality and reliability. Moreover, the company may organize an overseas trip for clients to learn about crop growing if they are interested. For example, if clients are interested in sugar cane, the company will take them to Brazil because Brazil is famous for growing sugar cane. In this way, the clients can learn about the latest trends on planting and experiments for developing planting. This finding is consistent with the previous study of Woo & Leelapanyalert (2014) on organizing and attending social events.

### 4.1.3 Managing Communications

The main factors that must be considered in the management of communication are the person who communicates, the communication topic, the media used, and the communication channels employed.

Clients are divided by areas for posit contacts (salesman) namely North, Central, East, etc.

The manager assigns an appropriate salesperson for each area by considering the working experience and compatibility of the salespeople and the clients. The salespeople will communicate information to clients, such as the promotion of products and work processes.

The clients' confidence can be increased by communicating information on work processes, such as ordering, transporting and reporting. In terms of ordering, this means constantly updating clients on accurate market information and providing some advice on trading, such as marketing channels and market information, both inside and outside the country. This information is important for supporting clients' decision-making based on accurate information. For example, the price is usually affected by the exchange rates when importing products because fluctuations can make the product become more expensive. Therefore, the company's staff must give advice to clients on the inventory. With regard to transporting, this means giving delivery information to clients to ensure that they receive the goods on time as agreed. For reporting, this means informing clients when any product has a problem, which can affect the reliability of the company and have a direct impact on sales.

Various media are used to communicate with clients, such as mail and newsletters. Mail is applied for updating customers about monthly promotions and returns based on the amount of past purchases. Newsletters are typically published monthly or quarterly for updating customers about new and current products. This finding is consistent with Claycomb & Martin's (2002) research on the topic of '*Continuity of communications*', which found that clients will remember an organization if it regularly communicates meaningful, interesting and attractive media to them.

Another strategy that makes it easy and convenient for clients to conduct businesses with the company is system friendliness, such as a hot line, 24-hour a day

and seven day a week service, and dedicated client support staff (Claycomb & Martin, 2002). Moreover, present communications technology is highly advanced and social networking is very popular. In particular, chatting via mobile phones makes communication more convenient. The staff and clients can build a good relationship quickly, both a personal relationship and a business relationship. Therefore, updating information via a chat program on a mobile device has been widely applied in the agrochemical industry.

#### **4.1.4 Managing the Cross-Selling**

Cross-selling pertains to efforts made to increase the number of the company's products or services that a client uses. Cross-selling products and services to current clients entails lower associated cost than acquiring new clients because the firm already has a relationship with those clients (Kamakura et al, 2003). Managing the cross-selling process effectively can accelerate business growth and increase the firm's profits (Woo & Leelapanyalert, 2014).

Adding product options to clients is a very important commercial factor because it can boost sales. When the business has been running for a long time, the current product might no longer be popular in the current market and sales can drop accordingly. However, before any new product is offered to clients, the company needs to study its marketing, sales and distribution channels to identify the planting trends of farmers and the support the farmers receive from the company in guiding their crop-growing. After studying this information, the company can identify opportunities in the market and it will be ready to adapt their product and marketing to fill any gaps in the market with the confidence that it will sell. As the company studied the possibility of sales before proposing the plan to its clients, this can create confidence for clients to do business together with the company in the future.

Another reason why managing cross-selling is important in this industry is that it can reduce conflicts among clients. As many agrochemical stores are located in the same area, they compete with each other. A variety of goods is a solution to this problem. For example, client A sells high volumes of product A. The company cannot sell product A to client B at the same amount because client A and B are in the same area; they would be in direct competition with each other. Therefore, the company will

add product B or C or D for client B instead of supplying product A, which is the best way for both clients to make profits differently. In this way, the company can sell many kinds of goods to many clients in the same area, ensuring equal benefits for all clients.

#### **4.1.5 Service Recovery**

The problems that occur in trading are issues that can result from communication errors, defective goods, or the products' properties not working as claimed. The methods of recovering clients' confidence involve seven key activities (Johnston & Michel, 2008) as follows:

1. Acknowledgement - Acknowledging a problem that has occurred
2. Empathy - Understanding the problem from a client's point of view
3. Apology - Saying sorry
4. Own the problem - Taking ownership of the client and issue
5. Fix the problem – Fixing, or at least trying to fix, the problem for the client
6. Provide assurance - Providing assurance that the problem has been/will be sorted and should not occur again
7. Provide compensation - Providing a refund, and/or a token and/or compensation, depending on the severity of the problem

Every problem must be acknowledged by the company. Sometimes executives solve the problem by themselves.

Communication errors often cause client dissatisfaction, which will affect the relationship on both a personal and business level. For example, the client may not be satisfied with the salesperson sent to deal with them. In this case, the client can first contact the Area Manager immediately and directly without going through the salesperson assigned to the client. If the Area Manager can solve the problem immediately, then the matter ends there. However, the company may need to solve the problem by sending executives to find the cause of the problem and to apologize for the company's staff making a mistake or otherwise causing a problem for the client. It is not good for the company if it is required to apologize repeatedly. Mutual

understanding and compromise engender an enduring relationship rather than apologizing all the time.

The responses to the interviews indicate that the companies make efforts to understand the nature of their clients and their staff, such as some clients like to drink at night. Some staff cannot adapt to this habit of their clients, which is not the employee's fault, but nevertheless it is a problem. It can be solved by transferring those staff to work in other areas, which accommodates the retention both of the clients and of the company's staff.

In a case where a product was damaged, the company will change the product as soon as possible. Clients can contact the company's staff quickly by phone or social network. In addition, the company has a hotline to receive complaints from clients.

Furthermore, if the properties of the goods cannot work as claimed, the farmers and clients can contact the company directly. The company will send its staff to solve the problem as fast as possible because it could impact the company's reputation and the company also wants to maintain good relationships with its clients.

#### **4.1.6 Changing the Impression**

Trading in the agricultural chemical industry needs collaboration between stores and companies; therefore, changing negative attitudes and impressing partners are important. When the former employees broke promises to clients, it negatively affected the image of the company and breaks the clients' confidence in trading with the company. Consequently, the company must recreate the confidence. The best way to keep clients and increase reliability for the company is by visiting the clients regularly with the intention and sincerity to do business together again.

The person who goes to build relationships with the clients is extremely important. The company often has a team of salespeople for each regional area. However, the executives will sometimes visit clients to discuss market situations and check client satisfaction with the employees' performance. The regional salespeople will visit clients every week normally, although this also depends on their level of personal acquaintance as well. The managers will visit clients every month while the executives will visit every quarter or every six months.

One executive shared some tricks for visiting a client and checking the client's satisfaction with the performance of the staff. He explained, "*I will go to visit for two days. On the first day, I will go alone and talk with the client about the employee's work, and on the second day, I will call the employee who handles this client for discussing and solving every problem.*" (General Manager of Thai Agro Group, 25 years' experience)

In addition, when the executive visits the client, he or she will have the authority to offer more choices to the client in the hope of persuading the client to increase the level of trade with the company. This view is supported by Woo & Leelapanyalert (2014).

#### **4.1.7 Social Bonds Beyond Professional Level**

*"The social interaction between the company and clients can extend beyond the professional level as it evolves from being a business relationship into one which is more personal in nature"* (Woo & Leelapanyalert, 2014).

Relations in the agrochemical industry are not only about being business partners; there is also an emphasis on personal relationships. The company always builds and maintains personal relationship between the company itself and its clients so that the trade will not only be oriented to protect the benefits of the company but also manage the benefits of the clients as well.

Personal relationships affect trade confidence, which is unique in the agrochemical industry. One of the executives said, "*Some farmers do not remember the name of the company or the name of product, but they remember only the salesperson who introduces a product to them.*" This situation may be harmful to the company. However, it is confirmed that the personal relationships have a significant impact on the agrochemical trade. The salesperson must learn the habits of clients and be able to adapt to them frequently, which means that every visit is not just a sales talk. The company always trains its staff about the client service in which every employee has to take care of every client in the same way as their own families. One executive said, "*We need to remember the birthday and tastes of the client and the client's family. Moreover, we have to congratulate them of happy events and express remorse appropriately when there is a funeral*" (Sales Manager of Flag Company

Limited, 15 years' experience). Surprisingly, responses from the interviews reveal that some clients trust the employees to do some things just like a family member, for example, letting the staff pick up their children from school.

In addition, manners are very important in Thailand for gaining respect from clients, for instance, saying thank you, saying sorry, expressing humility, etc. Moreover, the executives share some tips with their staff when they go to visit their clients. They always buy some souvenirs to impress their clients.

#### **4.1.8 Treating Every Segment of Client Seriously, Regardless of the Purchase Volume.**

Clients in the agrochemical industry are categorized by business type, and this can be divided into two main groups.

The first group is "re-packing companies". They purchase the product from the importer and repack it as their own brand. The second group is "agrochemical stores", which are the company's dealers. Moreover, clients in each group are ranked based on purchase volume, such as grade A, B, and C.

When comparing "re-packing companies" with "agrochemical stores", the company gives equal importance although the "re-packing companies" sell larger volumes. However, the benefits will vary depending on the buying power, which is common in the trade. Although clients are grouped according to the amount of sales, every group will be treated equally, only with different sales strategies.

For example, for the "re-packing company" group, the focus is on building the confidence that the product will definitely be sold by making the goods famous. Since the company sells products which are the same as the client's products, the company needs to sell at a higher price than its clients in order to enhance the sales of the clients. Simultaneously, in the "agrochemical store", the company focuses on supporting clients' business by sending employees to help promote the products at the client's store.

If the clients are grouped depending on sales, such as Grade A, B or C, the company tries to maintain the market share of Grade A and promote Grade B or C to be Grade A at the same time. Obviously, the company will treat every group equally, both in terms of business and personal relationships. Non-discrimination will also give



equal priority to all markets and impress clients, which could create sustainability for the business in the future. This suggests that the main factor for sustaining the business is to deliver a good service regardless of the revenue and the job, which is consistent with the findings of Woo and Leelapanyalert (2014).

#### **4.1.9 The Client's Participation in the Decision Making**

If the clients contribute to doing business with company, they will think together, work together, and participate in the decision making, and consequently, they will be proud of and loyal to the company. In particular, working together is the strategy and culture for producing a successful outcome for the organization (Cann, 1998). Therefore, the company will try to bring its clients to be good partners and will provide information to its clients, such as the possibility of selling a new product, new market trends, and the benefits of products, in order to inform and elicit their decision making. As the company has the concept that clients have not only experienced the preferences of the farmers but are also closer to the farmers than the company, the collaboration will benefit both the company and its clients (Kanter, 1994).

The company and its clients always plan the sales together and discuss the benefits that will be offered by the company annually. The topics will be clearly discussed, such as promotions (product bundling), profits (per unit), prices (the well-known companies have a price advantage because they are trusted by farmers who are then willing to pay a higher price), giveaways for farmers (the company and client study the farmer's needs together in order to provide giveaways that motivate the purchases of the farmers), and staff (clients can request who they want to work with from the sales team and the company will approve appropriately).

One-third of the interviewees said, "The Company always focuses on satisfying the business partners because it believes that this can create sustainability for our business".

#### **4.1.10 Supporting the Business and Protecting the Client's Interests**

There are two situations: regular situations and critical situations.

*In the regular situations*, the company always supports the client's business as follows:

- Promoting the product to end users (farmers). Examples of those activities applied for farmers are:
  - Demonstrating agricultural plots by using the agricultural chemical of the company to ensure that the agricultural chemical will be effective. As a result, the farmers will recognize the company name and persuade others to buy the company's products from a dealer or sub-dealer as well.
  - Strengthening the relationship with the client and establishing the reliability of the company by solving problems and advising farmers when they have problems, such as the problem of brown planthoppers that cause damage to the plants. The company will prepare the appropriate agrochemical and send its employees who are specialized in the field of pests to solve the farmer's problem.

One of the executives said, *“Most of the farmers in Thailand don’t have the correct knowledge about agricultural chemicals. Therefore, sending the staff to offer knowledge is one pattern of building the relationship.”* (Marketing Manager of Singaporean Agro (Thailand) Company Limited, 26 years’ experience)

- Supporting free giveaway deals for farmers, such as shirts, hats, bags, glasses, flasks, etc.
- Advertising on billboards around the clients’ areas and setting up kiosks with the company logo at the clients’ stores to promote awareness of the agrochemical.
- Sending the company’s staff to introduce the agrochemical to end users (farmers) at the clients’ shops.
- Guaranteeing price and quality
- Training staff to assist clients

The responses to the interviews indicate that the clients are able to advise the farmers on the properties of the agrochemicals correctly and this will create high reliability among the farmers.

One of the executives provided the following information about agrochemical stores: *“The Company segments the clients (agrochemical stores) according to their expertise, comprising a normal group and specialist group. The specialist group will have more sales than the normal group by approximately double or triple volumes.”* (Sales Manager of Swiss Agro Company Limited, 18 years’ experience)

Hence, the company tries to push the normal group to become specialists as this will positively affect their sales as well.

One company has a policy of providing knowledge by training clients and their staff free of charge. The participants will be trained about the properties of the agrochemical, its functions and its storage, and the company expects that participants can then convey this correct information to the farmers.

The training will be organized when the new product is introduced or in response to clients’ requests. Training increases intimacy between the company and its clients creating good relationship with each other.

- Returning the benefits based on purchase volume; benefits can be divided into three groups:
  - Gifts such as gold, electrical equipment, motorcycles, mobile phones, etc.
  - Tours that are organized domestically or abroad. The company will sponsor everything for clients and their staff team throughout the journey, for instance, transportation (clients will be picked up from home and taken to the airport or the meeting point), the travel program covering meals and entrance fees to famous places, and accommodation offered by a professional travel company. Traveling together increases client satisfaction and creates intimacy between the company and its clients.
  - Rebates, depending on the order quantity and payment discipline in order to attract clients and increase orders in the next year. Moreover, if the clients help with selling new products, which generate low profits at the beginning, the

company will reward them by giving them dividends in return for the trust that the clients show to the company.

Because the agricultural business varies according to the seasons and natural disasters happen with increasing frequency, *such critical situations* directly affect agriculture companies. In addition, clients may have to deal with situations such as fires, which cause great damage to the client's business, or storms, which also destroy the planting fields in terrible ways. From these events, clients may have financial problems and this can also cause interruption of their business operations.

The responses to the interviews demonstrate that all of the executives are willing to help their clients by extending the period of payment and giving recommendations in order to solve their problems.

Five out of nineteen executives said, *"If the clients have a big problem, we are pleased to help in any way, such as providing a new product deal for them, and at the same time, allowing them to postpone the payment of old debt, even though they may take more than a year to pay all of their debt. In this case, the company will definitely have a risk, but it is willing to help its clients and hopes to do the business with them again."*

This topic was supported by the findings of Claycomb and Martin (2002), in their research on Service Differentiation and Augmentation for the Memorable Experience of Clients.

#### **4.1.11 Utilizing the Client Relationship Management (CRM) Software**

Data was collected and stored in a centralized database that makes it easy for all staff to access the information. The data includes type and trading volume of the products. This information will be used to forecast cross-selling and up-selling opportunities. Cross-selling refers to encouraging clients to buy across categories and up-selling involves increasing demand in existing categories (Kamakura et al., 2005). In addition, this helps with grading the clients. However, grading is not a form of discrimination but information to support taking care of each client's benefits at a different level.

Payment history is also very important for evaluating clients. If an individual has a history of late or missed payments, it will affect the returns at the end

of the year. In addition, the CRM software will calculate the purchases limited for each client in each month, which supports managing the inventory of the clients, and this can reduce the business risk as well. The risk, in this case, refers to clients buying more products than they are able to distribute. Thus, CRM software is greatly beneficial for covering the risk for both the company and its clients.

## **4.2 The Desired outcomes**

Desired outcomes of relationship building were found from the interviews and these findings are the key factors to enhance active client relationship marketing practices. A total of seven factors that were identified from the interviews. Two out of the seven factor are consistent with the findings from the literature review, namely sale and business growth (Corporate Performance) and willingness to pay a premium price.

### **4.2.1 Sale and Business growth (Corporate Performance)**

Corporate performance in the form of sales and business growth is the main objective of driving the business, which every business sets as its top-of-mind objective. This was confirmed by most of the executives interviewed (12 out of 19).

### **4.2.2 Sustainability**

A total of 9 out of 19 executives emphasized the importance of a sustainable business because the business environment is highly competitive. There are many agrochemical companies in the market selling the same product, so building relationships is a major factor for sustaining the business in this industry. The stronger the relationship between the company and the client, the greater the intent by both parties to maintain the relationship for the long-term (Cann, 1998).

### **4.2.3 Introduction of new products**

Because it has a variety of products, the company would like to sell them to clients. If it has a good relationship with its clients, persuading clients to purchase the new products will be easier.

#### **4.2.4 Willingness to pay a premium price**

The companies will be evaluated independently by the clients. The clients will be willing to buy products at higher prices when they have confidence in both the products and services of the company.

#### **4.2.5 Exchange of information**

Good business partners will share important information about the business with each other, such as sales volumes, sales techniques, sales channels, etc.

#### **4.2.6 Top of mind**

Because the products are common in the market, the company name is the first thing that appears in the mind of the clients. Being the top-of-mind company will help the clients to promote the products to end users (farmers) when the farmers use the products frequently. It can become the top of mind brand for the farmers as well.

#### **4.2.7 Protecting market share from competitors**

If many companies in the market have the same level of quality of products and services, strong relationships with clients can protect the company's market share from its competitors.

Relationship marketing will consequently help companies remain in the market and defend themselves against the increasing competition they are facing (Alvarez, Casielles & Martin, 2011).

## CHAPTER V

### DISCUSSION AND CONCLUSIONS

#### 5.1 Discussion

In the agrochemical industry, there are slight differences between re-packing companies and agrochemical stores in terms of their client relationship marketing practices for building and maintaining strong relationship with clients. An overview of these differences are is presented in the following Table:

**Table 5.1 Summary of the client relationship activities applied in agrochemical stores and re-packing companies**

Client relationship marketing practices	Between company and agrochemical store	Between company and re-packing company
<b>1. Searching for the client's information</b>	Business and personal information	Business information
<b>2. Organizing social events and visiting the client's company/store</b>	<ul style="list-style-type: none"> <li>• Informal social events</li> <li>• The first level: visit the client's store</li> <li>• The second level:               <ul style="list-style-type: none"> <li>○ Dine together</li> <li>○ Drink together</li> <li>○ Play sport together</li> <li>○ Participate in the private events of the client</li> </ul> </li> <li>• The third level:               <ul style="list-style-type: none"> <li>○ Traveling</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Formal social events</li> <li>• The first level: visit the client's company</li> <li>• The second level:               <ul style="list-style-type: none"> <li>○ Dine together</li> <li>○ Drink together</li> <li>○ Play sport together</li> <li>○ Participate in the private events of the client</li> </ul> </li> <li>• The third level:               <ul style="list-style-type: none"> <li>○ Open house</li> <li>○ Organize an overseas trip</li> </ul> </li> </ul>

**Table 5.1 Summary of the client relationship activities applied in agrochemical stores and re-packing companies (cont.)**

Client relationship marketing practices	Between company and agrochemical store	Between company and re-packing company
<b>3. Managing communications or interaction process</b>	<ul style="list-style-type: none"> <li>• Managing communicant: Salesman</li> <li>• One-by-one communication</li> <li>• Share work processes information</li> <li>• The media               <ul style="list-style-type: none"> <li>○ Direct mail for updates on monthly promotions and updates on returns</li> <li>○ Newsletter (monthly or quarterly) for updates on new products</li> <li>○ Social media/mobile phone for private communication</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Managing communicant: Manager</li> <li>• Group interaction</li> <li>• Share work processes information (insights)</li> <li>• The media               <ul style="list-style-type: none"> <li>○ Direct mail for updates on monthly promotions and updates on returns</li> <li>○ Newsletter (monthly or quarterly) for updates on new products</li> <li>○ Social media/mobile phone for private communication</li> </ul> </li> </ul>
<b>4. Managing the cross-selling</b>	Add new products	Add new products
<b>5. Service recovery</b>	<ul style="list-style-type: none"> <li>• Error communication: Solve by having manager apologize</li> <li>• Defective goods: Solve by changing the product</li> <li>• The properties cannot work as claimed: Solve by a sending team of staff to solve the problem for the farmer directly</li> </ul>	<ul style="list-style-type: none"> <li>• Error communication: Solve by having CEO apologize</li> <li>• Defective goods: Solve by changing the product</li> <li>• The properties cannot work as claimed: Solve by sending staff to solve the problem together with the client</li> </ul>

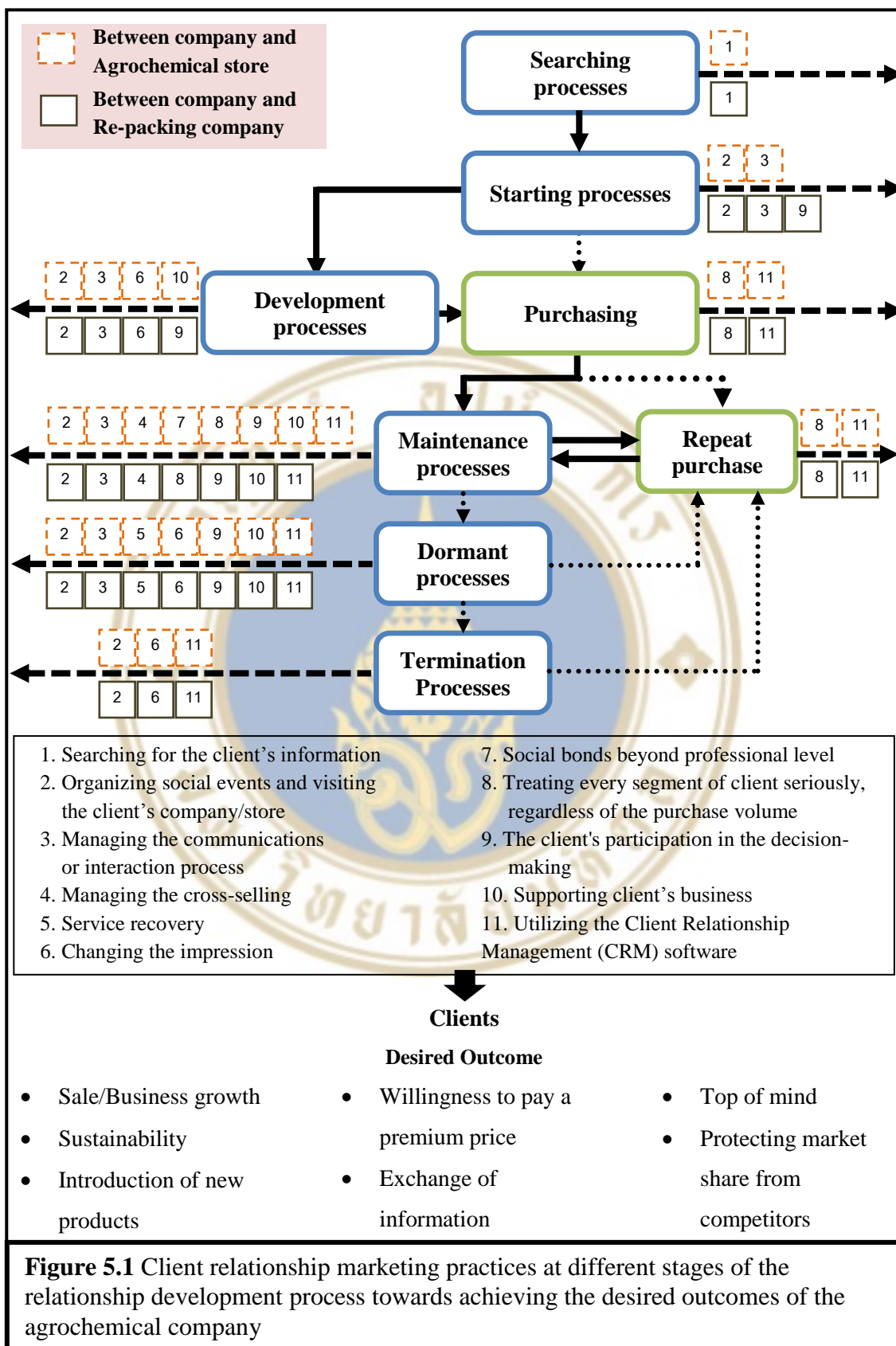


**Table 5.1 Summary of the client relationship activities applied in agrochemical stores and re-packing companies (cont.)**

<b>Client relationship marketing practices</b>	<b>Between company and agrochemical store</b>	<b>Between company and re-packing company</b>
<b>6. Changing the impression</b>	<ul style="list-style-type: none"> <li>• Visit by salesman</li> <li>• Visit by manager/CEO</li> <li>• Offer more benefits</li> </ul>	<ul style="list-style-type: none"> <li>• Visit by manager</li> <li>• Visit by CEO</li> <li>• Offer more benefits</li> </ul>
<b>7. Social bonds beyond professional level</b>	<ul style="list-style-type: none"> <li>• Emphasize the business and personal relationship</li> <li>• Applies to both clients and farmers</li> <li>• Remember the client's birthday and tastes</li> <li>• Congratulate the client on pleasant events and express regret for bereavements</li> <li>• Say "thank you" and "sorry" (humility)</li> <li>• Give some souvenirs/gifts</li> </ul>	<ul style="list-style-type: none"> <li>• Emphasize the business relationship</li> </ul>
<b>8. Treating every segment of clients seriously, regardless of the purchase volume</b>	Treat every type of client equally, both in terms of personal and business relationships	Treat every type of client equally, both in terms of personal and business relationships
<b>9. The client's participation in the decision-making</b>	Plan sales together <ul style="list-style-type: none"> <li>• Promotion (product bundling)</li> <li>• Profit (per unit)/Price</li> <li>• Giveaways for farmers</li> <li>• Staff to be included in the sales team</li> </ul>	Plan sales together <ul style="list-style-type: none"> <li>• Promotion (product bundling)</li> <li>• Profit (per unit)/Price</li> </ul>

**Table 5.1 Summary of the client relationship activities applied in agrochemical stores and re-packing companies (cont.)**

Client relationship marketing practices	Between company and agrochemical store	Between company and re-packing company
<b>10. Supporting client's business</b>	<p><u>The regular situation</u></p> <ul style="list-style-type: none"> <li>• Promote the product to the end-user (farmer)</li> <li>• Support with giveaway deals for farmers</li> <li>• Advertise the product</li> <li>• Send staffs to help introduce the agrochemical to the farmer</li> <li>• Set price and quality guarantee</li> <li>• Train the client's staff (provide information about the product's advantages)</li> <li>• Return the benefit based on purchase volume (gift, tour and rebates)</li> </ul> <p><u>The critical situation</u></p> <ul style="list-style-type: none"> <li>• Extend the period of payment</li> <li>• Make recommendations on ordering</li> </ul>	<p><u>The regular situation</u></p> <ul style="list-style-type: none"> <li>• Set price and quality guarantee</li> <li>• Train the client's staff (provide information about the product's advantages/disadvantages)</li> </ul> <p><u>The critical situation</u></p> <ul style="list-style-type: none"> <li>• Extend the period of payment</li> </ul>
<b>11. Utilizing the client relationship management (CRM) software</b>	<p>Data collected and stored in centralized database for:</p> <ul style="list-style-type: none"> <li>• Forecasting the existing product volume</li> <li>• Managing cross-selling</li> <li>• Grading the client for protecting benefits in the different levels</li> <li>• Calculating the purchase limitation</li> </ul>	<p>Data collected and stored in centralized database for:</p> <ul style="list-style-type: none"> <li>• Forecasting the existing product volume</li> <li>• Managing cross-selling</li> <li>• Grading the client for protecting benefits in the different levels</li> <li>• Calculating the purchase limitation</li> </ul>



### **Searching Stage**

In the first step of starting to build a relationship, the company needs to be confident to trade with the client they have selected. In order to ensure that they have enough confidence before they go to contact the client for the first time, they need to search for the client's information from outside and inside sources and cross-check the partners' competence in order to evaluate the possibilities of doing business together (Batonda & Perry, 2003). Although this process is similar in the two groups, for the agrochemical store, the company needs to find out more about the personal information, habits, and hobbies of the clients.

### **Starting Stage**

The first encounter between the company representative and the potential customer is a major step toward opening the sale and developing a long-lasting relationship (Cann, 1998).

After the client has passed the initial evaluation, the company will manage the communications process, starting by selecting the person who will be responsible for contacting the client. The employee assigned to be the point of contact for each client will be responsible for presenting information about the purpose, opportunities and benefits of the potential partnership as part of the process of evaluating the possibility of becoming partners. For each category of client, this starting stage will be different because the nature of these two groups is different. For example, the relationship with the agrochemical store is between the company representative and the store owner (one by one), while the relationship with the re-packing company is between the company representatives and the representatives of the re-packing company (group by group). Moreover, the preparation for making contact is different. The staff assigned to communicate with the re-packing companies have to prepare for presenting insights. Due to the trade between the company and the re-packing companies being high volume, the person in charge of communicating with the re-packing companies needs to have greater power of making decisions than the counterpart dealing with the agrochemical stores. Consequently, the company needs to assign people in managerial positions to contact the re-packing companies, while general salespeople can be assigned to contact the agrochemical stores.

Organizing social events and visiting the client's company/store will be different in terms of the degree of formality. For example, contact with the re-packing companies is more official than with the agrochemical stores. Most of the activities will be in the first level, which is visiting the client's company/store.

The client's participation in the decision-making for planning together, especially in the re-packing company group, will also happen at this stage because the volume of sales in this group is considerably larger than for the agrochemical store group. Furthermore, for agrochemical stores, the company will offer a promotion that is more appropriate for smaller sales volumes. This is a very important step of measuring the compatibility of trade, in accordance with the model of Batonda & Perry (2003).

### **Development Stage**

After the first meeting and orientation, the next step is applied differently depending on the following two conditions:

Condition 1: the purchase has not happened immediately; the company needs to develop a relationship with the client first according to the following factors:

- Company is unknown
- Product is not popular
- Product is similar to the competitors' product

Under this condition, the practices are similar for the two groups and must be applied as follows:

The activities of organizing social events and visiting the client's company/store are accompanied by applying the second level of the social event such as dining, drinking, playing sports, and participating in the private events of the client.

Communications are managed continuously, such as writing mails to inform the client about the latest news, updating the client on monthly promotions, chatting about daily activities via social media, or calling the client to give updates on other circumstances privately.

Moreover, the company needs to make an impression on the clients to create a positive attitude towards the company. In this stage, the company usually sends someone from a higher position to deal with the client; for example, the

company might send the manager or CEO to visit the client's agrochemical store, or it may send the CEO to visit the client's re-packing company.

The company interacts with each group differently. For agrochemical stores, the company supports the clients' business in term of promoting the product to end users (farmers). If the end users need the company's product, the agrochemical stores will purchase them from the company in response to their clients' requests. The major reason for promoting the product to the end users is that the company can present its own brand to the farmers itself and make them remember the brand. On the other hand, this approach cannot be used for the other group because the re-packing companies are considered as the competitors of the company. They sell the company's product but under their own brand names so they have to promote the products by themselves. Conversely, the re-packing companies participate in the decision making with the company more successfully than the agrochemical stores do.

Condition 2: The purchase happens immediately after the first meeting due to the following reasons:

- Strong relationship between the company and its clients (they have known each other for a period of time)
- The company's reputation is strong.
- The products offered by the company are compatible with the client's needs.
- It is the only product available on the market.

### **Purchasing Stage**

The utilization of the client relationship management (CRM) system will be applied after the client has confirmed to buy the product. It is first used in this stage.

The company will treat every group of customers seriously in terms of a personal relationship, regardless of the client's actual purchase volume. In addition, the company will manage the client's benefits fairly without discrimination and then give priority to all markets equally, which will impress the clients and build the sustainability of the business in the future.

### **Maintenance Stage**

After the first purchase has been made, there are two conditions requiring different practices. Those conditions are:

Condition 1: A repeat purchase has not been made within a short time. The company needs to maintain a relationship with the client and consider the following factors for why no repeat purchase has been made:

- Product is not popular
- Low product margin
- Weak relationship between the company and clients

Similar practices must be applied in this stage for each of the two client groups. When a deal is made, the Client Relationship Management (CRM) software will be applied for:

- Forecasting orders for existing products and offering new products
- Grading the clients to manage the benefits at different levels
- Calculating returns by the end of the year
- Calculating the purchasing limitation for each client in each month

In the maintenance stage, the company still needs to organize social events and visit the client's company/store at the first and second level due to the importance of maintaining a camaraderie between the company and its clients. Moreover, the company must increase the budget for organizing these events. For the agrochemical stores, the company will invite them to travel in order to enhance relationship intimacy (the invitation to travel is not dependent on sales volume). For the re-packing companies, the company will organize open house events to increase the credibility of the company and to confirm the company's product quality. In addition, the company may arrange an investigation tour abroad, visiting a country where the crops the clients are interested in are grown.

Managing the communications is still applied for both groups. The clients will receive newsletters (monthly or quarterly) for updates about the current and new products. They will also receive direct mails for updates on monthly promotions and information about the returns based on the amount of past purchases. Furthermore, the clients can contact the representative easily by mobile phone and social media.

Managing cross selling is also applied in both groups to increase the level of the business relationship. As the company treats all clients as family members, these clients tend to be loyal to the company and have more willingness to increase their order quantity or make repeat purchases.

The re-packing company clients still participate in the decision making and the company tries to add this practice to the agrochemical store group as well because involving them in the decision making could increase the potential of doing business and reducing unnecessary expenditures.

The company remains committed to supporting the business of the agrochemical stores and it also tends to add more activities to support its clients such as:

- Promoting the product to end users (farmers)
- Offering giveaway deals for farmers
- Advertising the product
- Sending staff to help introduce the agrochemical to end users
- Offering price and quality assurances
- Training the client's staff to provide information about the product
- Providing benefits based on purchase volume (gift, tour and rebates)

For the re-packing companies, the company starts to support them at this stage with some activities but with a limited budget because they are still considered as competitors. Those activities involve promoting the product to end users, offering giveaway deals for farmers, advertising, and sending staff to introduce the products to end users. However, the activities depend on the company's strategy. Moreover, providing benefits cannot be applied because the company usually sells the products to these clients at a net price. Then this group of clients is not affiliated with the company's dividends. The practices exercised for this group are making price and quality assurances and training the client's staff to provide information about the product. Interestingly, with regard to training the clients' staff, there are different purposes and methods of training between the two groups of clients.

In the agrochemical store group, the company will give information to persuade them to increase sales by emphasizing the highlights and advantages of the product. Conversely, the re-packing company group will be given only necessary



information. For example, the company will focus on giving accurate information about the products since the re-packing companies will brand the products in their own names. However, these clients still need to know about the products on all aspects including advantages and disadvantages.

Social bonds beyond the professional level are found only with the agrochemical store group of clients. The company will increasingly focus on developing relationships with these clients as if they were their own family members. Due to the re-packing companies also being competitors, the company needs to retain some distance in these relationships and not provide them with certain practices. The company will try to build relationships with sub-dealers and farmers instead.

Condition 2: A repeat purchase has been made immediately after the first purchase due to the following factors:

- Product is very popular
- High profit margin
- Strong relationship between the company and its clients

In this case, the repeat purchase happened without any process to maintain the relationship being applied. If the company would like to create sustainable business, it needs to start the necessary practices at the maintenance stage and deliver them consistently.

Hence, the agrochemical industry needs to maintain constant relationships with all clients by exercising the related practices mentioned above, which are the key factors to sustain business and achieve the desired outcomes as discussed above.

### **Repeat Purchasing Stage**

The repeat purchases in this study are the repeated purchases made with modifications. the company tries to offer new promotions and, moreover, the company and client will discuss appropriate promotions together.

Treating every segment of client seriously, regardless of the purchase volume, and managing the client's benefits fairly, are still applied to both groups. The client relationship management (CRM) system is still used for collecting data and managing the benefits of the clients. However, even though the company will treat all

clients equally, it gives the benefits unequally because each client generates different profits for the company.

### **Dormant Stage**

Various disputes and problems can sometimes occur from engaging in business, and these can cause trade disruptions that lead the relationship among business partners to fall into the dormant stage. The reasons related with these disruptions are as follows:

- Irrational benefits
- Volatility of the exchange rate
- A problem with the coordinator
- A problem with the product
- A problem or accident at the client's end

The company believes that disruptions should not be allowed in its business operations and it will help the clients solve the problems in order to return the business back to the normal situation. As a result, the company can sell its products and the clients can buy them frequently; both parties can generate more profits and have a stronger relationship again. In this stage, if a disruption takes place, the following practices must be applied:

- Organizing social events and visiting the client's company/store
  - The company should maintain contact with the clients regularly even though the sales are disrupted
- Managing the communications
  - The company may change the contact person including sending an executive who has the authority to compromise with the clients, and increasing the frequency of communications by providing more updates on promotions for them.
- Service recovery
  - Executives will perceive the problem and send a staff team to solve it immediately.

- Changing the impression
  - The company will empower the contact person to offer more benefits and build confidence in doing business together.
- The client's participation in the decision-making
  - The company can provide an opportunity for clients to participate in the decision-making and problem solving, and at the same time, offer a new promotion to satisfy the clients.
- Supporting the client's business
  - In the agrochemical stores, the company still promotes the product to end users (farmers) continually in the same way as in the regular situation. Meanwhile, in a critical situation, if the clients have financial problems, the company is willing to help by extending the period of payment and making recommendations in order to solve the problem.
  - In the re-packing companies, the company will extend the period of payment to help the client's business.
- Utilizing the Client Relationship Management (CRM) system
  - The CRM system will be used to collect the clients' information, including personal background information and business activities. If the clients have a good record and face a problem, the company is willing to provide immediate help.

### **Termination Stage**

A termination of the business partnership can occur without prior notice and it is sometimes caused by the owner of an agrochemical store having no successor to take over the business or by either party becoming dissatisfied with the benefits of the arrangement. When the business is terminated, the company can maintain the relationship in two dimensions, which are:

1. Personal Relationship

Organizing social events and visiting the client's company/store at the first level can be applied in this stage even though no purchases are being made. The company should continue visiting the clients in person because it is possible to do business together again in the future.

2. Business Relationship

It is still important to impress the clients in this stage even if the company sees hardly any opportunity to do business with them again. The relationship should be maintained in order for the executives to utilize the client information in the CRM software to make contact and convince the clients to do business together.

**Table 5.2 Summary of the activities in each stage and comparison between agrochemical stores and re-packing companies**

Stage	The client relationship marketing practices	
	Applied in agrochemical store	Applied in Re-packing company
<b>Searching Stage</b>	No.1 Searching for the client's information (Business and personal information)	No.1 Searching for the client's information (Business information)
<b>Starting Stage</b>	No.2 Organizing social events and visiting the client's company/store - The first level: visit the client's store (Informal visiting)	No.2 Organizing social events and visiting the client's company/store - The first level: visit the client's company (Formal visiting)
	No.3 Managing the communications: - Position of communicant: Salesman - One by one communication - The communication topic: Work processes information	No.3 Managing the communications: - Position of communicant: Manager - Group interaction - The communication topic: Work processes information (insight)
	**Offer a promotion that is appropriate for the clients	No.9 The client's participation in the decision-making **Discuss together to find appropriate promotions
<p>The next step can be divided into 2 conditions</p> <ol style="list-style-type: none"> <li>1. The purchase has not been made immediately; it is necessary to develop a relationship first.</li> <li>2. The purchase has been made immediately after the first meeting</li> </ol>		

**Table 5.2 Summary of the activities in each stage and comparison between agrochemical stores and re-packing companies (cont.)**

Stage	The client relationship marketing practices	
	Applied in agrochemical store	Applied in Re-packing company
<b>Development stage</b>	No.2 Organizing social events and visiting the client's company/store - The first level: visit the client's store (Informal visiting) - The second level: (Informal social events) Dine together Drink together Play sport together Participate in the private events of the client	No.2 Organizing social events and visiting the client's company/store - The first level: visit the client's company (Formal visiting) - The second level: (Formal social events) Dine together Drink together Play sport together Participate in the private events of the client
	No.3 Managing the communications: - Offer general information - The media Social media/mobile phone for private communication Direct mail for updates on monthly promotions	No.3 Managing the communications: - Offer insightful information - The media Social media/mobile phone for private communication Direct mail for updates on monthly promotions
	No.6 Changing the impression Visit by salesperson Visit by manager/CEO	No.6 Changing the impression Visit by manager Visit by CEO
	No.10 Supporting the client's business Promote the product to the end-user (farmer)	**Re-packing company has to promote their brand by themselves
	**Offer a promotion that is appropriate for the clients	No.9 The client's participation in the decision-making **Discuss together to identify appropriate promotions

**Table 5.2 Summary of the activities in each stage and comparison between agrochemical stores and re-packing companies (cont.)**

Stage	The client relationship marketing practices	
	Applied in agrochemical store	Applied in Re-packing company
<b>Purchasing stage</b>	No.8 Treating every segment of client seriously, regardless of the purchase volume, while also managing the client's benefits fairly	No.8 Treating every segment of client seriously, regardless of the purchase volume, while also managing the client's benefits fairly
	No.11 Utilizing the Client Relationship Management (CRM) software	No.11 Utilizing the Client Relationship Management (CRM) software
<p>The next step can be divided into 2 conditions</p> <p>1. A repeat-purchase has not been made within a short time; the relationship needs to be maintained first.</p> <p>2. A re-purchase has been made soon after the first purchase</p>		
<b>Maintenance stage</b>	No.2 Organizing social events and visiting the client's company/store - The first level: visit the client's store (Informal visiting) - The second level: (Informal social events) Dine together Drink together Play sport together Participate in the private events of the client - The third level: Arrange Travel	No.2 Organizing social events and visiting the client's company/store - The first level: visit the client's company (Formal visiting) - The second level: (Formal social events) Dine together Drink together Play sport together Participate in the private events of the client - The third level: Organize open houses Organize an overseas trip
	No.3 Managing the communications Adding on from previous stage: - Newsletter (monthly or quarterly) for updating the client about current and new products	No.3 Managing the communications Adding on from previous stage: - Newsletter (monthly or quarterly) for updating the client about current and new products

**Table 5.2 Summary of the activities in each stage and comparison between agrochemical stores and re-packing companies (cont.)**

Stage	The client relationship marketing practices	
	Applied in agrochemical store	Applied in Re-packing company
<b>Maintenance stage</b>	No.4 Managing the cross-selling	No.4 Managing the cross-selling
	No.7 Social bonds beyond the professional level	Emphasis on doing business
	No.8 Treating every segment of client seriously, regardless of the purchase volume	No.8 Treating every segment of client seriously, regardless of the purchase volume
	No.9 The client's participation in the decision-making **Discuss together to find appropriate promotion	No.9 The client's participation in the decision-making **Discuss together to find appropriate promotion
	No10. Supporting client's business in the regular situation: - Promote the product to end-users (farmers) - Offer giveaway deals for farmers - Advertise the product - Send staff to help introduce the agrochemical to end users - Provide price and quality guarantees - Train the client's staff (Provide information about the product's advantages) - Return the benefits based on purchase volume (gifts, tours and rebates)	No10. Supporting client's business in the regular situation: - Provide price and quality guarantees - Train the client's staff (Provide information about the product's advantages/ disadvantages)
	No.11 Utilizing the Client Relationship Management (CRM) software	No.11 Utilizing the Client Relationship Management (CRM) software



**Table 5.2 Summary of the activities in each stage and comparison between agrochemical stores and re-packing companies (cont.)**

Stage	The client relationship marketing practices	
	Applied in agrochemical store	Applied in Re-packing company
<b>Repeat purchasing stage</b>	No.8 Treating every segment of client seriously, regardless of the purchase volume, while also managing the client's benefits fairly	No.8 Treating every segment of client seriously, regardless of the purchase volume, while also managing the client's benefits fairly
	No.11 Utilizing the Client Relationship Management (CRM) software	No.11 Utilizing the Client Relationship Management (CRM) software
<b>Dormant stage</b>	No.2 Organizing social events and visiting the client's company/store - The first level: visit the client's store (Informal visiting)	No.2 Organizing social events and visiting the client's company/store - The first level: visit the client's company (Formal visiting)
	No.3 Managing the communications: - The executives will negotiate a compromise with the clients by themselves - Increase the frequency of communication	No.3 Managing the communications: - The executives will negotiate a compromise with the clients by themselves - Increase the frequency of communication
	No.5 Service recovery - Error communication: Solve by an apology from the manager - Defective goods Solve by changing the product - The product's properties cannot work as claimed: Solve by sending staff team to assist farmers directly	No.5 Service recovery - Error communication: Solve by an apology from the CEO - Defective goods: Solve by changing the product - The product's properties cannot work as claimed: Solve by sending staff team to assist clients directly
	No.6 Changing the impression: CEO or manager visits Offer more benefits	No.6 Changing the impression: CEO visits Offer more benefits

**Table 5.2 Summary of the activities in each stage and comparison between agrochemical stores and re-packing companies (cont.)**

Stage	The client relationship marketing practices	
	Applied in agrochemical store	Applied in Re-packing company
<b>Dormant stage</b>	No.9 The client's participation in the decision-making	No.9 The client's participation in the decision-making
	No.10. Supporting the client's business Promote the product to end-users (farmers) <u>In a critical situation</u> - Extend the period of payment - Make recommendations	No.10. Supporting the client's business <u>In a critical situation</u> - Extend the period of payment
	No.11 Utilizing the Client Relationship Management (CRM) software	No.11 Utilizing the Client Relationship Management (CRM) software
<b>Termination Stage</b>	No.2 Organizing social events and visiting the client's company/store - The first level: visit the client's store even though there is no purchase	No.2 Organizing social events and visiting the client's company/store - first level: visit the client's company even though there is no purchase
	No.6 Changing the impression: Manager/CEO visit Offer more benefits	No.6 Changing the impression: CEO visit Offer more benefits
	No.11 Utilizing the Client Relationship Management (CRM) software	No.11 Utilizing the Client Relationship Management (CRM) software

## 5.2 Conclusions

The model of client relationship marketing practices at different stages of the relationship development process was adapted from the conceptual model (Figure 2.3) to the latest model (Figure 5.1) because the agrochemical industry has unique characteristics, namely intimacy between company and client, knowledge of the farmer for using the agrochemical correctly in Thailand, and high competition in this industry.

Eleven client relationship marketing practices were identified in this research and applied for both groups of clients. All practices were applied in the agrochemical store group, while ten practices were applied in the re-packing company group.

Even though both groups receive the same client relationship marketing practices, there is quite a difference in terms of the activities applied for the same practice depending on the client group. The re-packing company is also considered a competitor; therefore, some practices or activities are not be provided to this group of clients by the company, namely the practice of creating social bonds beyond the professional level. Conversely, some activities are not applied with the agrochemical stores, such as providing insights and informing the clients of any disadvantages of the product.

Moreover, each stage of the relationship development process is different between the two groups. The most prominent difference is the client's participation in the decision-making, which is applied at the starting stage in the re-packing company group, whereas it is applied in the maintenance stage in the agrochemical store group because the volume of sales from the repacking company is extremely larger than from the agrochemical store. The practice of the supporting the client's business is applied at the development stage for the agrochemical store group of clients, while it is applied at the maintenance stage for the re-packing company group because this group of clients is considered to be competitors. Therefore, the company needs to maintain some space from them in terms of supporting them to do business.

In addition, organizing social events and visiting the client's company/store have been found to take place in many stages. However, the degree of camaraderie divides these activities into three steps, which are the visiting the client's

store/company in the first step, dining and participating in the client's hobbies in the second step, and organizing tours or open houses in the last step. In the maintenance stage, the company must increase its budget for organizing events or travel for the agrochemical store clients as well as for arranging open houses and overseas trips for re-packing company clients because they are more intimate with their clients at this stage.

### **5.3 Limitations of the Research**

There are three major limitations of the study

The first limitation is the population selected for the in-depth interviews. Since Thailand is a famous agricultural country, it has attracted a large number of agrochemical companies to the Thai market. As a result, there are many famous agrochemical companies in Thailand. This study only focused on the large and well-known companies. Each company will have different tricks to build and maintain the relationship so the data collected are credible, such as tricks, processes and systems. However, the data collected may not cover all information and real practices, especially with regard to the small and local agrochemical companies.

The second limitation is the use of an audio recorder for the interviews because many interviewees were afraid of spreading their business secrets or disclosing their business tricks. The information consequently might be just one-sided information to preserve the company image.

The last limitation is the conceptual framework in the agrochemical industry. The majority of the agrochemical industry companies have been in business for a long time so it is rare to find cases of the searching stage or starting stage in this industry.

## 5.4 Recommendations and Future Research

This study provides confirmation that the large and well-known companies in this industry already apply the same level and pattern of customer relationship marketing practices. Therefore, in order to differentiate themselves from their competitors and become number one in the market, they have to consider ways to maintain and improve their standards, especially in terms of finding new practices to help them take market share from their competitors.

Future studies on the agrochemical industry should focus on the searching stage or starting stage, which are very important for finding new customers. In the searching stage, the executives must identify possibilities for doing business together at more than 90 percent. Thus, the information in the market must be reliable in order for the executives to make an informed and accurate decision. The reliability of information obtained from the market for creating a competitive advantage in this industry is an interesting topic for future studies.

Due to the limitations of this study, the research focused on the large companies. The practices in small companies may have some differentiations from the findings of this research. Therefore, the study of client relationship marketing practice in small agrochemical companies is a theme that could be developed in future studies.

In addition, the termination of a relationship was rarely found in the companies that were studied in this research. This is indicative of the excellent service and service recovery which the companies offer to their clients. Therefore, it is a good model and this success factor could be applied in small agrochemical companies and in another industry.

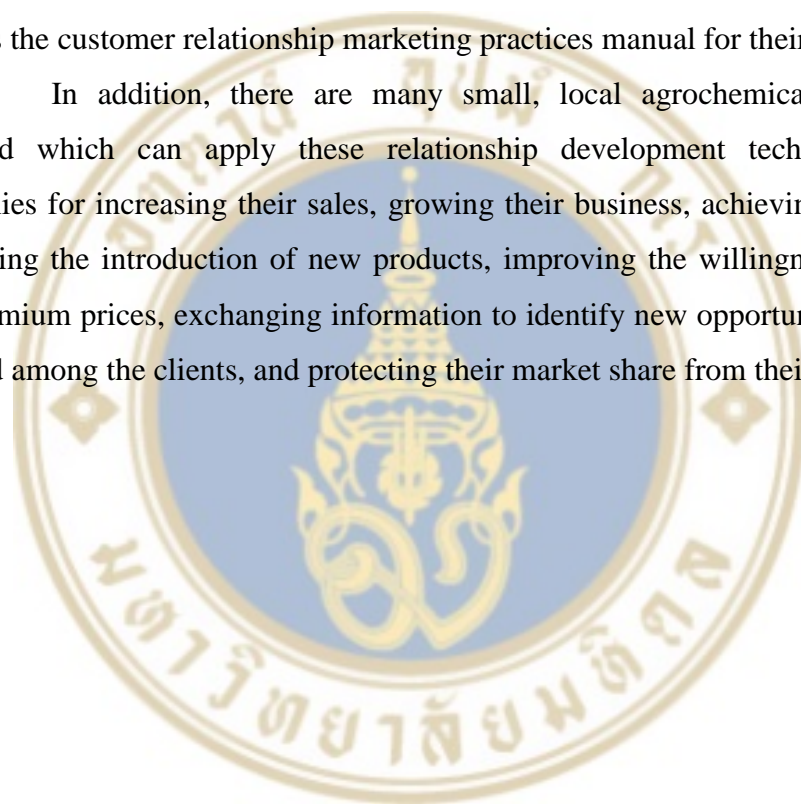
Finally, the findings of this research can be applied in another industry or other businesses related to trade by adjusting the model appropriately.

## 5.5 Research Benefits to Agrochemical Companies

This study was conducted from the perspective of large and well-known firms. The excellent service standards and intent to train the staff about the knowledge and the service are key strengths of these large and well-known firms. Because of their high standards, they are the leaders in this industry.

The findings of this research can be useful in helping large and well-known agrochemical companies to modify and enhance their existing practices, especially when they would like to open a subsidiary in Thailand. This research can serve as the customer relationship marketing practices manual for their subsidiary.

In addition, there are many small, local agrochemical companies in Thailand which can apply these relationship development techniques in their companies for increasing their sales, growing their business, achieving sustainability, facilitating the introduction of new products, improving the willingness of clients to pay premium prices, exchanging information to identify new opportunities, being top-of-mind among the clients, and protecting their market share from their competitors.



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## APPENDIX A: EXAMPLE OF AN OFFICIAL LETTER SEEKING PERMISSION FROM THE AGROCHEMICAL COMPANIES



Mahidol University  
College of Management  
Wisdom of the Land

ที่ ศร 0517.32 / 1327

วันที่ 2 ตุลาคม พ.ศ. 2558

เรื่อง ขออนุญาตและขอข้อมูลและขอสัมภาษณ์เพื่อประกอบการทำงานวิจัย

เรียน Khun Phawat Ruttdacharchott  
Marketing Manager / บริษัท อตามา (ประเทศไทย) จำกัด

เนื่องด้วย นางสาวปัทมาธิ์ ว่องกิจเจริญ รหัสประจำตัวนักศึกษา 5750094 นักศึกษาระดับปริญญาโท สาขาการจัดการธุรกิจอาหาร วิทยาลัยการจัดการ มหาวิทยาลัยมหิดล มีความประสงค์ที่จะขออนุญาตและขอข้อมูลและขอสัมภาษณ์เกี่ยวกับการสร้างและรักษาความสัมพันธ์กับลูกค้า เพื่อไปประกอบการทำงานวิจัยในหัวข้อเรื่อง "An Investigation of Relationship Marketing Practice in Business to Business: The case study of chemical industry" ซึ่งเป็นส่วนหนึ่งของวิชา MGMT697 Thematic Paper: Independent Study

ในการนี้ เพื่อเป็นการส่งเสริมและสนับสนุนการศึกษา วิทยาลัยการจัดการ จึงใคร่ขออนุญาตและขอข้อมูลต่างๆ ที่เป็นประโยชน์ โดยข้อมูลที่ได้รับจะรักษาไว้เป็นความลับและนำไปใช้เพื่อประโยชน์ในการศึกษาเท่านั้น

จึงเรียนมาเพื่อโปรดพิจารณาให้ความอนุเคราะห์ จักขอบคุณยิ่ง

ขอแสดงความนับถือ

*Nattarat Carbon*  
(รองศาสตราจารย์ ดร.ณัฐสิทธิ์ เกิดศรี)  
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## APPENDIX B: PARTICIPANT INFORMATION FORM AND CONSENT FORM

เอกสารชี้แจงผู้เข้าร่วมการวิจัย

(Participant Information Sheet)

ในเอกสารนี้อาจมีข้อความที่ท่านอ่านแล้วยังไม่เข้าใจ โปรดสอบถามหัวหน้าโครงการวิจัย หรือผู้แทนให้ช่วยอธิบายจนกว่าจะเข้าใจดี ท่านจะได้รับเอกสารนี้ 1 ฉบับ นำกลับไปอ่านที่บ้านเพื่อปรึกษาหารือกับญาติพี่น้อง เพื่อนสนิท แพทย์ประจำตัวของท่าน หรือผู้อื่นที่ท่านต้องการปรึกษา เพื่อช่วยในการตัดสินใจเข้าร่วมการวิจัย

โครงการเรื่อง : การสร้างและรักษาความสัมพันธ์ ระหว่างธุรกิจกับธุรกิจ :กรณีศึกษาบริษัทเคมีเกษตร  
An investigation of client relationship marketing practice in businesses to businesses (b2b):  
the case study of agrochemical industry

ผู้วิจัย:

น.ส. ปันฑารีย์ ว่องกิจเจริญ

สถานที่ทำงาน และที่อยู่ อาศัยอยู่บ้านเลขที่ 873

ถนน สาธุประดิษฐ์ ตำบล บางโพพวง อำเภอ ยานนาวา

จังหวัด กรุงเทพมหานคร รหัสไปรษณีย์ 10120

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ผู้ให้ทุน: -

วัตถุประสงค์โครงการวิจัย

1. เพื่อศึกษาวิธีการสร้างและรักษาความสัมพันธ์ในกลุ่มลูกค้า Re-packing และกลุ่ม Agrochemical store
2. เพื่อเปรียบเทียบวิธีการสร้างและรักษาความสัมพันธ์ระหว่างกลุ่มลูกค้า Re-packing และกลุ่ม

Agrochemical store

ประโยชน์ที่ท่าน/ชุมชนจะได้รับ (ถ้ามี)

เพื่อทราบถึงกิจกรรมหรือเทคนิคในการสร้างและรักษาความสัมพันธ์ในกลุ่มลูกค้าที่แตกต่างกัน และนำไปประยุกต์ใช้ในองค์กรที่มีลักษณะการทำงานที่ใกล้เคียงกัน

ท่านได้รับเชิญให้เข้าร่วมการวิจัยนี้เพราะ เป็นผู้ทรงคุณวุฒิ และสามารถให้ข้อมูลเชิงลึกได้

หากท่านตัดสินใจเข้าร่วมการวิจัยแล้ว ท่านจะถูกสัมภาษณ์ด้วย วิธี สัมภาษณ์ระดับลึก

ความเสี่ยงที่อาจเกิดขึ้นเมื่อเข้าร่วมการวิจัย คือ \_\_\_\_\_ - \_\_\_\_\_.

หากท่านไม่เข้าร่วมในการวิจัยนี้ก็จะไม่มีผลต่อการเรียนหรือหน้าที่การงาน

ท่านมีอิสระเต็มที่ในการตัดสินใจว่าจะให้ความร่วมมือหรือไม่

หากเกิดผลข้างเคียงที่ไม่พึงประสงค์จากการวิจัย เรายินดีตอบคำถามหรือข้อสงสัยของท่านทุกข้อ หากท่านมีข้อคิดเห็น ข้อข้องใจหรือคำถามเกี่ยวกับการวิจัยนี้ ท่านสามารถติดต่อกับนักวิจัย ตามที่อยู่ที่ได้รับไว้ด้านบน

คำตอบแทนที่จะได้รับ: ไม่มี

ค่าใช้จ่ายที่ผู้เข้าร่วมการวิจัยจะต้องรับผิดชอบเอง: ไม่มี

หากมีข้อมูลเพิ่มเติมทั้งด้านประโยชน์และโทษที่เกี่ยวข้องกับการวิจัยนี้ ผู้วิจัยจะแจ้งให้ทราบโดยรวดเร็วไม่ปิดบัง

ข้อมูลส่วนตัวของผู้เข้าร่วมการวิจัยจะถูกเก็บรักษาไว้ ไม่เปิดเผยต่อสาธารณะเป็นรายบุคคล

แต่จะรายงานผลการวิจัยเป็นข้อมูลส่วนรวม

ข้อมูลของผู้เข้าร่วมการวิจัยเป็นรายบุคคลอาจมีคณะกรรมการบางกลุ่มเข้ามาตรวจสอบได้ เช่น ผู้ให้ทุนวิจัย, สถาบัน

หรือองค์กรของรัฐที่มีหน้าที่ตรวจสอบ, คณะกรรมการจริยธรรมฯ เป็นต้น

ผู้เข้าร่วมการวิจัยมีสิทธิถอนตัวออกจากโครงการวิจัยเมื่อใดก็ได้ โดยไม่ต้องแจ้งให้ทราบล่วงหน้า และการไม่เข้าร่วมการวิจัยหรือถอนตัวออกจากโครงการวิจัยนี้

จะไม่มีผลกระทบต่อการบริการและการรักษาที่สมควรจะได้รับแต่ประการใด

โครงการวิจัยนี้ได้รับการพิจารณารับรองจาก คณะกรรมการจริยธรรมการวิจัยในคนของ มหาวิทยาลัยมหิดล ซึ่งมีสำนักงานอยู่ที่ สถาบันวิจัยประชากรและสังคม มหาวิทยาลัยมหิดล ถนนพุทธมณฑล สาย 4 ตำบลศาลายา อำเภอพุทธมณฑล จังหวัดนครปฐม 73170 โทรศัพท์ 02-441-0201-4 โทรสาร 02-441-9333

หากท่านได้รับการปฏิบัติไม่ตรงตามที่ระบุไว้ ท่านสามารถติดต่อกับประธานคณะกรรมการฯ หรือผู้แทน

ได้ตามสถานที่และหมายเลข โทรศัพท์ข้างต้น

ลงชื่อ.....ผู้วิจัย

(.....)

วันที่.....

**หนังสือแสดงเจตนายินยอมเข้าร่วมการวิจัยโดยได้รับการบอกกล่าวและเต็มใจ**

วันที่.....เดือน..... พ.ศ.....

ข้าพเจ้า.....อายุ.....ปีอาศัยอยู่บ้านเลขที่.....

ถนน..... ตำบล..... อำเภอ.....

จังหวัด.....รหัสไปรษณีย์..... โทรศัพท์.....

ขอแสดงเจตนายินยอมเข้าร่วมโครงการวิจัย เรื่อง “การสร้างและรักษาความสัมพันธ์ ระหว่างธุรกิจกับธุรกิจ :กรณีศึกษาบริษัทเคมีเกษตร”

โดยข้าพเจ้าได้รับทราบรายละเอียดเกี่ยวกับที่มาและจุดมุ่งหมายในการทำวิจัย รายละเอียดต่างๆ ในแบบสอบถาม ประโยชน์ที่คาดว่าจะได้รับของการวิจัย และความเสี่ยงที่อาจเกิดขึ้นจากการเข้าร่วมการวิจัย รวมทั้งแนวทางป้องกันและแก้ไข และของตอบแทนที่จะได้รับ โดยได้อ่านข้อความที่มีรายละเอียดอยู่ในเอกสารชี้แจงผู้เข้าร่วมการวิจัยโดยตลอด อีกทั้งยังได้รับคำอธิบายและตอบข้อสงสัยจากหัวหน้าโครงการวิจัยเป็นที่เรียบร้อยแล้ว

ข้าพเจ้าได้ทราบถึงสิทธิ์ที่ข้าพเจ้า และได้รับข้อมูลเพิ่มเติมทั้งทางด้านประโยชน์และโทษจากการเข้าร่วมการวิจัย และสามารถถอนตัวหรืองดเข้าร่วมการวิจัยได้ทุกเมื่อ โดยจะไม่มีผลกระทบใดๆ ต่อข้าพเจ้าในอนาคต

ข้าพเจ้ายินยอมให้ผู้วิจัยใช้ข้อมูลที่ได้จากการสัมภาษณ์ข้าพเจ้า แต่จะไม่เผยแพร่ต่อสาธารณะเป็นรายบุคคล โดยจะนำเสนอเป็นข้อมูลโดยรวมจากการวิจัยเท่านั้น

ข้าพเจ้าเข้าใจข้อความในเอกสารชี้แจงผู้เข้าร่วมการวิจัย และหนังสือแสดงเจตนายินยอมนี้โดยตลอดแล้ว จึงลงลายมือชื่อไว้

ลงชื่อ.....ผู้เข้าร่วมการวิจัย/ผู้ให้ข้อมูล/ผู้แทน โดยชอบธรรม

(.....)

วันที่.....เดือน.....พ.ศ.....

## **APPENDIX C: KEY INTERVIEWS QUESTIONS**

### **Key Interviews Questions**

(Based on Woo & Leelapanyalert, 2014)

#### **Part 1: Introduction**

1.1 How long have you been working for this firm?

#### **Part 2: To explore individual perceptions of client relationship marketing**

2.1 In your opinion, is it important for your firm to practice client relationship marketing? How important is it and why?

2.2 How important is it to build and maintain relationship with clients?

#### **Part 3: To understand client relationship marketing practices**

3.1 Can you tell me about the scope of your role and responsibility in the firm?

3.2 What method do you use to select and evaluate clients? Can you explain in detail?

3.3 Do you have any team involved with maintaining relationships with clients? Can you explain in detail?

3.4 Are clients divided into groups? Who is involved in building and maintaining relationships with them? Can you please give some examples?

3.5 How do you build relationships with your clients at the beginning?

3.6 How do you test the compatibility of your clients?

3.7 What kind of activities would you normally do to build relationships with your clients? Can you explain in detail?

Is building a customer relationship with a re-packing company the same as building a customer relationship with an agrochemical store, or are there any differences? Can you please give some examples?

3.8 What kind of activities would you normally engage in to maintain a relationship with your client? Can you explain in detail?



Is maintaining a relationship with a re-packing company the same as maintaining a relationship with an agrochemical store, or are there any differences? Can you please give some examples?

3.9 In the case of a relationship going into an inactive stage due to changes in business, project completion, or a failure to meet individual requirements, how do you bring the relationship back to the normal stage? Can you please give some examples?

3.10 Have you ever terminated a relationship with a client? How do you manage the relationship after that? Can you please give some examples?

3.11 Is there any support or encouragement from the firm to build and maintain relationships with clients? Why do you think the firm does this?



## Key Interviews Questions

(Based on Woo & Leelapanyalert, 2014)

### หัวข้อ 1: บทนำ

- 1.1 มีประสบการณ์ทำงานในวงการเคมีเกษตรเป็นระยะเวลาเท่าไร

### หัวข้อ 2 : เพื่อสำรวจการรับรู้และการให้ความสำคัญของแต่ละบุคคลในการสร้างความสัมพันธ์

- 2.1 คุณคิดว่า สิ่งสำคัญที่สุดในการสร้างความสัมพันธ์กับลูกค้าคืออะไร สำคัญอย่างไร
- 2.2 คุณคิดว่า การสร้างความสัมพันธ์และรักษาความสัมพันธ์กับลูกค้ามีความสำคัญอย่างไรกับธุรกิจของคุณ

### หัวข้อ 3: เพื่อทำความเข้าใจในวิธีการสร้างและรักษาความสัมพันธ์ในกลุ่มลูกค้า Re-packing และ กลุ่มลูกค้า Agrochemical store

- 3.1 กรุณาอธิบายงานที่คุณดูแลรับผิดชอบในองค์กรของคุณ
  - 3.2 คุณมีการคัดเลือกและประเมินลูกค้าหรือไม่ ใช้เกณฑ์ และวิธีการใดในการในการประเมิน
  - 3.3 ในองค์กรของคุณ มีหน่วยงานใดบ้างที่ เป็นผู้สร้างความสัมพันธ์กับลูกค้า
  - 3.4 ในแต่ละหน่วยงานมีการสร้างความสัมพันธ์กับกลุ่มลูกค้าที่แตกต่างกันใช่หรือไม่
- กรุณาอธิบาย และยกตัวอย่าง
- 3.5 หลังจากการวางตัวผู้ติดต่อ ในการติดต่อครั้งแรก (ยังไม่เกิดการซื้อขาย) คุณมีเทคนิคการติดต่อ เพื่อสร้างความสัมพันธ์อย่างไร
  - 3.6 คุณมีวิธีทดสอบความเข้ากันได้ของคู่ค้าอย่างไร
  - 3.7 กิจกรรมหรือวิธีการใดที่คุณใช้เป็นประจำในการสร้างความสัมพันธ์ และกิจกรรมอื่นๆ ที่ไม่ได้ใช้บ่อย คุณจะใช้ใน โอกาสใด
- วิธีการสร้างความสัมพันธ์ระหว่างกลุ่มลูกค้า Re-packer และ กลุ่มลูกค้า Free market มีความเหมือนหรือแตกต่างกันหรือไม่ เพราะเหตุใด กรุณายกตัวอย่าง
- 3.8 กิจกรรมหรือวิธีการใดที่คุณใช้เป็นประจำในการรักษาความสัมพันธ์ และกิจกรรมอื่นๆ ที่ไม่ได้ใช้บ่อย คุณจะใช้ใน โอกาสใด
- วิธีการรักษาความสัมพันธ์ระหว่างกลุ่มลูกค้า Re-packer และ กลุ่มลูกค้า Free market มีความเหมือนหรือแตกต่างกันหรือไม่ เพราะเหตุใด กรุณายกตัวอย่าง

3.9 ในกรณีที่ความสัมพันธ์เกิดการหยุดชะงักเนื่องจาก อาจเกิดจากการเปลี่ยนแปลงของธุรกิจคู่ค้า หรือ เกิดจากการล้มเหลวของการติดต่อของบุคคลที่ได้รับมอบหมาย คุณมีวิธีการสร้างและรักษาความสัมพันธ์ ให้กลับมา ซื่อซายในระดับปกติอย่างไร กรุณาอธิบาย และยกตัวอย่าง

3.10 เคยเกิดกรณีที่ความสัมพันธ์ต้องหยุดลงหรือไม่ คุณทำอย่างไร แล้ว จะกลับไปสร้างความสัมพันธ์ ต่อหรือไม่ ใช้วิธีการใด กรุณายกตัวอย่างและอธิบาย

3.11 ในองค์กรของคุณมีวิธีการให้กำลังใจสำหรับหน่วยงานที่ทำการสร้างและรักษาความสัมพันธ์ กับลูกค้าหรือไม่ อย่างไร



## **APPENDIX D: EXAMPLE OF THE INTERVIEW**

### **Example of the interview from executive, Adama (Thailand)**

#### **Part 1: Introduction**

##### 1.1 How long have you been working for this firm

I have been working here for 4 years already. Back there, I worked for another firm. Adama contacted and offered me to build a team and to sell under the Adama's name. The original marketing plan was a bulk sale which large quantity of goods will be sold to other companies to be branded and distributed in their name as known as "indent sale". The company had objectives to build its own team aiming for free market and to build its direct sale teams to expand its sale to regional customers under its own name. The company saw that having its own brand and selling under Amada's will put a company into a more sustainable growth rather than relying on old fashioned "bulk sale" which, in a long run, Adama may position in a no-name company. I saw this as a challenging opportunity in the field of agro-chemical career which I had been working for almost 30 years. Hence I answered the call.

#### **Part 2: To explore individual perceptions of client relationship marketing**

##### 2.1 In your opinion, is it important for your firm to practice client relationship marketing? How important is it and why?

The competitiveness in agro-chemical is high. As customers have a lot of options since the products have several substitutes. Therefore, products are not the main factor to keep Amada in business. Relationship with customers is crucial, as we offer premium products to customers surely come the premium price. Therefore, we have to maintain a good relationship with customers. By selecting potential customers called "Key account" roughly 20 accounts which almost half of company's revenue come from them. These 20 customers are very important to us, so the company treat them with special care for example they receive souvenir in special events, Adama may buy them a trip. The company's board or executive agent may visit them to assure that they are

important to us. The hard benefit is the margin that we can see, but the soft benefit is invaluable, such as thank you party (the after sale party that salesperson organize for their customers) or a training for the key account customers.

## 2.2 How important are building and maintain relationship with clients?

Benefit growth, but more importantly the core of our business is sustainability which having the key accounts will help us in that regard. The key account will select other potential customers that worth making contact with. Key account customers will select potential customers by looking at their financial aspect sale capability if their conditions are met then we can grow together.

## **Part 3: To understand client relationship marketing practices**

### 3.1 Can you tell me about the scope of your role and responsibility the firm?

Working at Adama

1. The old chanel bulk sale (indent): to maintain the indent target not to intervene or least intervene the old chanel as we are builing our brand. The Bulk sale customers may concern that we might stop indent them, hence we must assure them that we are not crossing the line and keep dealing with them.

2. The main task is to build new chanel by recruiting competent team, building an infrasturcture and planing for the Adama brand, setting bussiness target and investment.

### 3.2 What method do you use to select and evaluate client? Can you explain in detail?

We evaluate from how large the customer can cover an area, size of the market there, their selling ability and their financial status is also important. The market Intel from customer normally is available via market intelligent (market data share amongst sale agent). Area sales will report market data to their sale managers and later the managers will determine that if the data is reliable or not.

3.3 Do you have any team involved with maintaining relationship with client? Can you explain in detail?

The Field forces and the indent sales do so.

3.4 Are clients divided into the group? Who is involved in building and maintaining relationships with them? Can you please give some examples?

The Key person sale is responsible for this matter; every sale person knows who is the key account in his sale area (they call them star). The star will be treated in a more privilege way, we pay them a visit more often than the other customers which are visited occasionally.

For indent sale, we have one indent manager to take care indent customers. The indent sale process is simple, one indent manager takes care 4-5 indent key accounts by visiting them monthly.

CEO looks over both free market and indent market, CEO has to pay them a visit monthly also the original office (CEO from Singapore) has to pay them a visit once in a while to keep the relationship healthy. Recently we organized a football match amongst staff and customers.

3.5 How do you build relationships with your clients at the first time?

Fortunately, Amada has been in the market quite sometimes especially indent sales, so we just have to maintain the relationship with indent customers. Also the free market customers acquiant with regional sales as well then we has just to fucus on marketing plan. We keep the relationship with customers by paying them a visit, organizing special even, making them t-shirts for instances.

3.6 How do you test the compatibility with your clients?

Talk together.

3.7 What kind of activities would you normally do to build relationship with ypur client? Can you explain in detail? And the building relationship between Re-packing company are the same or different with the building relationship with agrichemical store? Can you please give some examples?

The business has already started all we have to do is to keep a relationship in a good condition.

3.8 What kind of activities would you normally do to maintain relationship with your client? Can you explain in detail? And

The maintaining relationship between Re-packing company are the same or different with the building relationship with agricultural store? Can you please give some examples?

In personal relationship aspect, we do the same for both free market and indent customers by paying them a visit having dinner with them. However, it would be more luxurious for indent customers, they preferred wine, golf for example. The activities that keep customers close are the same but the value are different. We organize the trip only for the key account customers, not an ordinary one. For indent customers we may offer them a trip to a Formula 1 race in Singapore and have local staff take care of them. We set the budget for these kind of activities as it keeps the relationship between customers and Amada in a good shape.

The concept we had for agro-chemical business is that we (Adama) and our customers can exchange ideas and can do co-planning together (for the key account customers). Free market sales staff has to consult with their Key account customer about marketing plan and target, considering last year's market trend and set the plan and target for the coming year. Key customers can suggest some great ideas even to be organized by the company. In this business the Key customers are seen to be our business partners rather than customers. We are having share benefits if the plan turns out well.

Sales staff is the closest person who maintains relationship with customers in particular areas monthly. The activities are likely the same for Free and indent markets only the difference is the value. Sales manager and CEO has to supervise and look over for both markets, besides sales who are responsible for their sales area.

CEO will supervise the indent sales since it has been organized in Bangkok. For provincial customers, CEO will quarterly visit them since it takes time to visit.

As we know, doing business in Thai culture we still need to see each other even in special occasions, make them feel close, and make them feel that we will grow together.

3.9 In the case of the relationship goes into inactive stage due to changes in business, project completion, or failure to meet individual requirements, how do you bring the relationship back to the normal stage? Can you please give some examples?

Sometimes misunderstanding may occurs, the manager will have to take this issue if the sales cannot fulfill the Key customer's need.

3.10 Have you ever been to terminate the relationship with clients? How do you manage the relationship after that? Can you please give some examples?

Such situation is never happened before, but we have procedure just in case it happened. Especially, if this happened to be star customers, we will do our best to maintain connection.

3.11 Is there any support or encouragement from the firm to bulid and maintain relationship with clients? Why do you think the form is doing that?

No, such policies doesn't exist in Adama, it the company's KPI to evaluate staff. In otherwords if you take a good care of your customer in return you will have handsome rewards by reaching your target and bonus form the company.



## **Example of the interview from sales manager, Zagro (Thailand)**

### **Part 1: Introduction**

#### 1.1 How long have you been working for this firm

I am working as area manager at Zagro Thailand. I have been working in agro-chemical field for 15 years, Bsc. Kasetsart University, Mba Ramkamhaeng University. Now I am responsible for free market in the northern region (12 provinces). I had worked on indent market as well.

### **Part 2: To explore individual perceptions of client relationship marketing**

#### 2.1 In your opinion, is it important for your firm to practice client relationship marketing? How important is it and why?

In agro-chemical business, the product itself cannot be truly describe it in detail unless it has been tested in the field. Therefore, the trust issue is important here, if you sold the product that disappointed the end user the repercussion may result in the court. You have to take it seriously.

The closeness to customers also play an important role, especially to the farmers. Since they lack the knowhow about the products, you need some acquaintance to gain their trust then you can suggest them regarding their deeds. Sometimes they can not even remember the commercial product name but they remember sale staff instead, this kind of closeness may not be good for the company though.

The quality of the product and the closeness between sale staff and customers need to be balanced. Well, it depends whether who they are farmer or dealer.

#### 2.2 How important are building and maintain relationship with clients?

Sale Target and every aspects of the company, we have to make them believe that we sell quality products, our production line is excellent, and moreover the market demands our product. Therefore, they can have sustainable growth with us.

Of course we are working as a company staff, sale target is the most important but also we have to present ourselves as an image we have on customers will certainly

boost the sale target. On the other hands, professional ethics is not negligible we will not forcefully distribute the disqualify products to customer. As we knew that sustainable growth and continual sales is important to us as well.

### **Part 3: To understand client relationship marketing practices**

3.1 Can you tell me about the scope of your role and responsibility the firm?

Working at Adamas

Sales and marketing are both my job. Distribution of the new products is the main task in the marketing field, managing sales target and providing service support is the sale field task.

3.2 What method do you use to select and evaluate client? Can you explain in detail?

Is there the target sale area, what crops are they growing, do we have products on those crops. Then we have to check if the particular area was already dealing by our existing costumers or not. After that we go throught the financial aspect of the target area then the marketing plan.

Sale staff will initiate the connection by introduce themselves to customers and provide preliminary information regarding main cropping and selling area to their supervisor. Then we report to Singapore management office to create an account for particular area sale.

We do it almost the same for indent sale. But things that we need to consider for an indent customers are company budget and records with banks.

3.3 Do you have any team involved with maintaining relationship with client? Can you explain in detail?

Sales staff.

3.4 Are clients divided into the group? Who is involved in building and maintaining relationships with them? Can you please give some examples?

It was divided by area

### 3.5 How do you build relationships with your clients at the first time?

First to introduce yourself and company record, then our business orientation, vision and missions. We barely talk about sale, mostly exchanging about common matters and having dinner. It would be about policies talking and working preferences.

### 3.6 How do you test the compatibility with your clients?

We present our company policy to see if in which subjects that are agreeable then we start right of those points then we will have solution for the rest that need to be re-negotiated.

3.7 What kind of activities would you normally do to build relationship with your client? Can you explain in detail? And the building relationship between Re-packing company are the same or different with the building relationship with agricultural store? Can you please give some examples?

We have promotion team for free market on products that we agreed with customers, other than that are conferences, shop selling, organizing a trip to keep our relationship with customers healthy. If we can make them, both resellers and farmers, participate the event they will get used to each others this make sale target achieved easier.

For the indent market, training and sharing knowledge are the activities that keep the relationship going on. Organizing a presentation and conference regarding our products will do the job.

3.8 What kind of activities would you normally do to maintain relationship with your client? Can you explain in detail? And

The maintaining relationship between Re-packing company are the same or different with the building relationship with agricultural store? Can you please give some examples?

We have customer profile who deal with us including the detail about their family, so we can send them flowers or present in special occasion. But most of the time

we invite them to a field trip to our head office in Singapore. We do the same for indent customers.

3.9 In the case of the relationship goes into inactive stage due to changes in business, project completion, or failure to meet individual requirements, How do you bring the relationship back to the normal stage? Can you please give some examples?

It is all written in the sales report. We will get compensation from other customers, anyway we have been doing business with them quite sometimes, we will maintain the relationship as we always do.

For the indent sale, firstly if the cause was the financial status of the indent customer, we will reduce the selling bulk to them, secondly if the indent customer had trouble selling the products we will provide additional training for them or even provide extra budget for promotion purpose.

If the trouble caused by our staff, we had procedures to deal with them. firstly by verbal consultation if the situation doesnot get any better the company will issue a letter of notification. The relocation of the staff would be done in the end and replace them with another sale staff.

If the customers were unhappy, we quaterly organized a trip with the company boards to make it right for them.

3.10 Have you ever been to terminate the relationship with clients? How do you manage the relationship after that? Can you please give some examples?

If the conflict was so severe and customers refuse to do business with us. We will inform them that their accounts are still available whenever they change their mind. But this case never happened in agro-chemical business. However, sale staff will visit them but less often.

3.11 Is there any support or encouragement from the firm to bulid and maintain relationship with clients? Why do you think the form is doing that?

Generally, CEO and company boards will go on the field to help solving problems, we support each others.

## APPENDIX E: The mapping of the research

