

THE RELATIONSHIP BETWEEN CUSTOMER RELATIONSHIP MANAGEMENT AND CUSTOMER LOYALTY OF DEPARTMENT STORES IN BANGKOK

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ABSTRACT

The purpose of this research was to study 1) Customer relationship management of department stores 2) Loyalty of department stores customers 3) The relationship between customer management and customer loyalty of department stores. Using a questionnaire to collect data from 400 convenience store customers in Bangkok. By sampling proportionally according to the population in each area as a province. Data were analyzed by finding frequency, percentage, mean and standard deviation by Pearson's correlation coefficient. The statistical significance level was set at the 0.05

The results showed that 1) Overall customer relationship management of department stores in Bangkok was at a high level. By that recommending useful services had the highest average, followed by understanding expectations and the finally is following up with customers. 2) The overall loyalty of department stores customers in Bangkok is at a high level. By that the intention to purchase aspect had the highest average, followed by word-of-mouth behavior and the finally in terms of complaint behavior. 3) Customer relationship management with department store customer loyalty significance at a level of 0.01 and Overall customer relationship management of convenience stores has a high level of relationship in the same direction with the loyalty of department stores customers in Bangkok. By that listening to opinions has the highest level of relationship, followed by following up with customers and the finally is communication with customers. Therefore, entrepreneurs should pay attention to information received from customers. To develop services to quickly respond to customer needs, including providing opportunities to express opinions in a variety of channels Either in storefront or online.

Keywords: Customer relationship management, Loyalty, Department stores

INTRODUCTION

At present, department stores are a distribution channel that greatly responds to consumers' needs. Because the lifestyle of Thai people in urban society has changed, they have a hurried life. Department stores have become a distribution channel that allows consumers to access products and services easily and conveniently, as well as helping businesses distribute products to consumers in all areas of the country comprehensively through various channels and efficient management systems. [1].

According to the Krungsri Research report, Bank of Ayudhya, on the business/industry trends in 2024-2025, the modern retail business found that [2].

1) In 2024-2025, the modern retail business tends to grow more at an average rate of 5.0 - 5.5%.

2) The modern retail business is part of the wholesale and retail activities, which have a total value of 2.8 trillion baht in 2023, accounting for 15.7% of GDP, second only to the manufacturing industry, which accounts for 24.9%. Most entrepreneurs are large capitalists with a large network of branches and are large buyers, so they have bargaining power over manufacturers or distributors. They have systematic store management, including modern transportation and distribution systems, as well as increasing online trading channels and using various technologies to create marketing advantages.

3) Department stores have revenue growth of 4.0-5.0% per year on average, up from 3.6% in 2023, as customers are middle- to upper- income groups with continuous high purchasing power, while entrepreneurs have adjusted their marketing strategies by focusing on developing omnichannel platforms and using digital technology such as AR to facilitate and motivate customers, including investing in expanding branches in potential locations in the provinces and neighboring countries, which helps support continuous revenue growth.

4) Department stores focus on middle-high income customers. They sell modern and quality products at market prices or higher. They include both domestically produced and imported branded products. Market leaders include Central, Siam Piwat, and The Mall.

5) The competition in the modern retail business is quite intense. This is because the products are similar, the number of branches is high, and they have to compete with the online business that is growing rapidly due to convenient access to smartphones and the internet, especially during the COVID-19 outbreak. This is reflected in the fact that online sales in Thailand in 2022 increased more than three times from 2019 before the outbreak.

Currently, there is no study on customer relationship management and customer loyalty of department stores. Therefore, the researcher is interested in studying the relationship between customer relationship management and customer loyalty of department stores in Bangkok to study whether customer relationship management is still related to customer loyalty and to use the data to support business strategies, create competitive advantages over competitors, and create customer satisfaction, which affects customer loyalty, leading to sustainable income for the business.

OBJECTIVE

1. To study the customer relationship management of department stores in Bangkok.
2. To study the customer loyalty of department stores in Bangkok.
3. To study the relationship between customer relationship management and customer loyalty of department stores in Bangkok.

HYPOTHESIS

Customer relationship management is related to customer loyalty in department stores in Bangkok.

METHODOLOGY

Population and sample group

The population is department store customers in Bangkok, of which the exact population is unknown. Therefore, the sample size was calculated using the formula of Cochran, 1977 at a confidence level of 95, resulting in a sample size of 385 people. However, the researcher collected a sample size of 400 people using the proportional to size method in a systematic manner according to the population in each province, only for the department store customer group, using a questionnaire via online channels.

Research tools

The research tools is a questionnaire, which is divided into 5 parts: screening questions for the sample group, personal information of the respondents, customer relationship management, customer loyalty, and suggestions. By Create a questionnaire for each item related to customer relationship management and customer loyalty. Test the validity by presenting the questionnaire to 5 experts. Find the index of item objective congruency (IOC). The consistent IOC value is between 0.50 and 1.00, indicating that the questions are good and the researcher can use it to collect data. The overall IOC value is 0.90. 3. Find the reliability of the questionnaire by asking 30 department store customers using Cronbach's Coefficient Alpha (Cronbach, 1990) [3], and set the reliability level at 95%. The value that can be used to collect data is 0.7 or higher (Hair et al., 2010) [4], which is considered to be at a reliable level. The overall reliability value is 0.97.

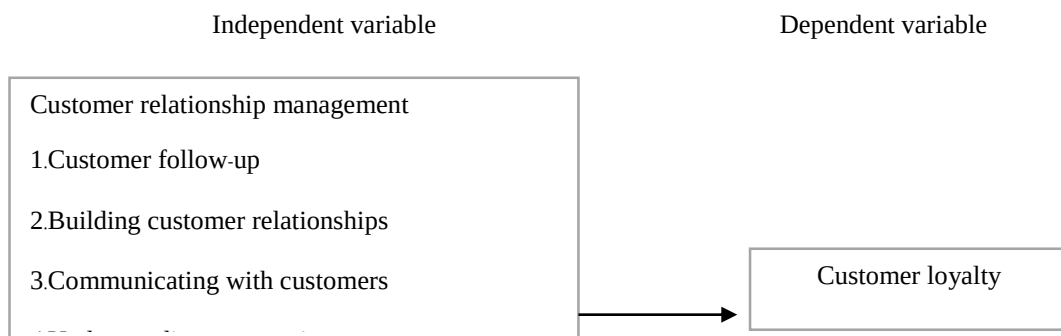
Research Period

The period is July 2024 to December 2024.

Conceptual Framework

The independent variable is customer relationship management and the dependent variable is customer loyalty.

Figure 1
Conceptual Framework



RESULTS

The study results found that most of the respondents were female (70.5%), aged 25-35 years, had a bachelor's degree, worked as employees of private companies, had a monthly income of 25,001-35,000 baht, and used the services of department stores most frequently. Mean and standard deviation of customer relationship management of department stores in Bangkok as a whole Results is Customer relationship management of department stores in Bangkok had overall opinions on customer relationship management at a high level ($\bar{x}$ = 4.18), with the highest mean score agreeing with the providing useful service recommendations ($\bar{x}$ = 4.38), followed by understanding expectations ($\bar{x}$ = 4.20), communication with customers ($\bar{x}$ = 4.19), building relationships , listening to feedback and Customer follow up ($\bar{x}$ = 4.02), respectively. From Table 1.

Table 1

Mean and standard deviation of customer relationship management of department stores in Bangkok as a whole

No.	Customer relationship management	$\bar{x}$	SD	Mean
1	Customer follow up	4.02	0.80	High
2	Building customer relationships	4.14	0.62	High
3	Communication with customers	4.19	0.60	High
4	Understanding expectations	4.20	0.62	Highest
5	Listening to feedback	4.13	0.72	High
6	Providing useful service recommendations	4.38	0.57	Highest
	Total	4.18	0.55	High

Customer Loyalty of department stores the respondents had a high overall opinion of department store customer loyalty ($\bar{x}$ = 4.15), with the highest mean value in agreement with purchase intention ($\bar{x}$ = 4.38), followed by word-of-mouth behavior ($\bar{x}$ = 4.20), price sensitivity ($\bar{x}$ = 4.03) and complaint behavior ($\bar{x}$ = 4.00), respectively. From Table 2.

Table 2

Mean and standard deviation of Customer Loyalty of department stores in Bangkok as a whole

No.	Customer Loyalty	$\bar{x}$	SD	Mean
1	Word-of-mouth behavior	4.20	0.58	High
2	Agreement with purchase intention	4.38	0.66	Highest
3	Price sensitivity	4.03	1.02	High
4	Complaint behavior	4.00	0.68	High
	Total	4.15	0.74	High

Customer relationship management with department store customer loyalty significance at a level of 0.01 and high relationship with overall department store customer loyalty ($\bar{x}$ = .66), with a high relationship with customer loyalty in word-of-mouth behavior ($\bar{x}$ = .67) ranked first. While customer relationship management had a moderate relationship with customer loyalty in purchase intention ($\bar{x}$ = .58), price sensitivity ($\bar{x}$ = .57), and complaint behavior ($\bar{x}$ = .56), respectively. Customer relationship management in building customer relationship had a very high relationship with department store customer loyalty in word-of-mouth behavior ($\bar{x}$ = .89) ranked first. Customer relationship management in offering useful services had a moderate relationship with department store customer loyalty in purchase intention ($\bar{x}$ = .53) ranked first. Customer relationship management in listening to opinions had a moderate relationship with department store customer loyalty in price sensitivity ($\bar{x}$ = .57) and complaint behavior ($\bar{x}$ = .58) ranked first. From Table 3

Table 3
The Relationship between customer relationship management and customer loyalty in department stores in Bangkok

No.	Customer relationship management		Word-of-mouth behavior	Agreement with purchase intention	Price sensitivity	Complaint behavior	Total
1	Customer follow up	☐	.83**	.45**	.55**	.52**	.58**
		Sig (2-tailed)	.00	.00	.00	.00	.00
2	Building customer relationships	☐	.89**	.49**	.48**	.45**	.55**
		Sig (2-tailed)	.00	.00	.00	.00	.00
3	Communication with customers	☐	.81**	.43**	.39**	.40**	.48**
		Sig (2-tailed)	.00	.00	.00	.00	.00
4	Understanding expectations	☐	.86**	.50**	.45**	.44**	.54**
		Sig (2-tailed)	.00	.00	.00	.00	.00
5	Listening to feedback	☐	.87**	.52**	.57**	.58**	.64**
		Sig (2-tailed)	.00	.00	.00	.00	.00
6	Providing useful service recommendations	☐	.75**	.53**	.40**	.38**	.50**
		Sig (2-tailed)	.00	.00	.00	.00	.00
	Total	☐	.67**	.58**	.57**	.56**	.66**
		Sig (2-tailed)	.00	.00	.00	.00	.00

**significance at a level of 0.01

CONCLUSION AND FUTURE WORK

Conclusion

The study found that overall customer relationship management of department stores in Bangkok was at a high level, with the highest average score agreeing on providing useful service recommendations, followed by understanding expectations, communicating with customers, building relationships with customers, listening to opinions, and following up with customers, respectively. According to Lawson Body and Limayem (2004) [5].

1) Customer Tracking 2) Customer Relationships 3) Communication Management 4) Understanding Expectations 5) Authorization 6) Partnership Relationships 7) Personalization

The study found that overall customer loyalty in department stores in Bangkok is at a high level, with the highest average value for purchase intention, followed by word-of-mouth behavior, price sensitivity, and complaint behavior, respectively. According to Parasuraman, Zeithaml and Berry (1996) [6]. consists of four dimensions 1) informative behavior, 2) purchase intention, 3) price sensitivity, and 4) complaint behavior and According to Orphan Decha (2019) [7]. the research is impact o service quality,

satisfaction and passengers behavior of full-service airlines operating in Thailand, addition to these issues, intense competition in the global airline industry has intensified the importance of customer perception of service quality. Numerous studies demonstrate the dependence of airline's market share, revenues, positive word of mouth, and customer retention on consumer perception of service quality, and in turn, on customer satisfaction and loyalty. This paper explains the relationship between service quality, satisfaction and passenger behavior for fullservices airlines operating in Thailand. In essence, service empathy contributes to the development of strong, lasting relationships between customers and businesses, thereby positively impacting customer loyalty and the long-term success of the service provider. (Kulwanich, A & Pongpeng, T. 2024).

The study found that the overall customer relationship management of department stores has a high level of relationship with the loyalty of department stores in Bangkok. The relationship with the customer loyalty in the aspect of word-of-mouth behavior is the highest level. The customer relationship management in the aspect of listening to opinions has the highest level of relationship with the overall customer loyalty. The next is customer follow-up, customer relationship building, understanding expectations, offering useful services, and customer communication, which have a moderate level of relationship with the overall customer loyalty, respectively. Customer relationship management with department store customer loyalty significance at a level of 0.01 According of Yuthapong Phimpiphat (2016) [8]. the research is who studied customer loyalty according to the customer relationship management approach of convenience store customers by studying a sample group of 400 convenience store consumers in Bangkok. It was found that consumers have opinions on the customer relationship management strategy and loyalty in all aspects of convenience stores. Overall, they agree at a high level. All aspects of the customer relationship management strategy have a statistically significant relationship with consumer loyalty and According of Chachanyapha Saksiri (2018) [9]. the research is Customer relationship management affects loyalty in using department store services : A case study of a department store, the research results found that factors of customer relationship management, including building relationships with customers, understanding expectations, listening to information, following up with customers, suggesting useful services and communicating with customers, are related and have the same effect on the loyalty of department store users, including repeat purchases, repeat purchases, repeat service use and consumer behavior, with statistical significance at a level of 0.01

Further work research

The further work research should by studying the diverse and comprehensive target groups in modern retail business, such as discount stores, supermarkets, convenience stores or mini supermarkets, we aim to explore more diverse distribution channels to understand consumer behavior in each group.

ACKNOWLEDGEMENTS

I would like to express my sincere thanks to Suan Sunandha Rajabhat University for invaluable help throughout this research.

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