

CUSTOMER RELATIONSHIP MANAGEMENT IMPACT ON THE CONSUMER PREFERENCES DETERMINATION AMONG THAI INTERNATIONAL TOURISTS

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Abstract: Today's business world has become highly competitive due to rapid changes in environment influenced by technological advancements and marketing strategies. Businesses strive to sustain their market position in the industry through their planning and strategies. Marketing efforts play important role in sustaining the competitive edge and present study considered to examine the influence of CRM key customer focus on consumer preferences. The study was conducted on visitors of Thailand and data was collected from five different tourist spots including Bangkok, Phuket, Chiang Mai, Phi Phi Island and Ko Sumai. The 500 questionnaires were distributed among international tourists to determine their preferences in restaurant selection. The response rate was approx. 50% that 243 useable questionnaires were returned. The study examined the direct relationship between CRM factors related to customers and interactive communication with consumer preferences and moderating role of restaurant image. The results of the study demonstrate that customer centric approach of customer relationship management influence the consumer preferences, the interactive communication also influence the consumer preferences. The moderating role of restaurant image was examined and found that no moderation effect was observed but the direction of the relationship found to be negative. The study suggests marketing managers to consider customer centric issues and interactive effective communication at place while devising strategies in order to influence the decision of consumers.

Keywords: Customer Relationship Management (CRM), Customer Centric (CC), Interactive Communication (IC), Restaurant Image (RI)

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Introduction

Customer relationship management has gained attention of scholars as central element for marketing strategy formulation for sustainable competitive edge in rapidly changing business environment (Karakostas, Kardaras, & Papathanassiou, 2005). Customer relationship has been focused by scholars and practitioners due to its importance for survival and for success among competitors as it assist to retain customers for long time period.

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The failure of CRM strategies has been reported from various evidences but fruitful benefits have been harvested by number of firms through effective implementation of relationship management that is the reason of emergence of phenomenon. The studies have discussed the concept of CRM in various countries and industries with benefits and potential risks of failure in previous years. Literature has shown that customer relationship management is necessary marketing tool for success of firm in terms of organizational performance, while customers become more and more demanding in all aspect, including the payment processes (Almeida et al., 2019). Scholars have drawn their attention towards issues in CRM among food manufacturing SMEs as the sector lack in implementation of CRM, lack of knowledge, lack of financial resources and lack of expertise found to be few reasons of avoidance in implementation of CRM strategies (Zeynep Ata & Toker, 2012; Mihok & Vidová, 2006; Timčák, Schleusener, & Jablonská, 2009). There are various evidences in literature that the firms adopted CRM strategies have grown faster than others in similar industries (Chuchuen & Chanvarasuth, 2011).

The current study intends to explore the role of customer relationship management to influence the consumer preferences with moderating role of restaurant image, as the study intends to examine the restaurant and hotel industry of Thailand. The Thai restaurant market found to be highly competitive and it consist of 150,000 restaurants and 5000 hotels and resorts and reported as fastest growing industry in Thailand. The restaurant industry is directly associated with tourism industry that is growing 10% annually in Thailand. The food is an integral part for tourists and restaurants have crucial and significant role in providing food services to tourist. Thailand imports food items from USA approx 385 million US \$ worth to serve the consumers of western food only (Ward, Smith, & Tran, 2018). Thai tourism industry observed as strongest among Asian countries and plays significant role in service economy and overall contribute for economic development. The statistics shows that 35.4 million visitors travel to Thailand from all over world and 9% increase has been observed since 2017. The Ministry of tourism intends to develop aggressive planning to attract more customers from all parts of the world and intends to achieve the growth rate by 10% annually. The growing percentage of visitors needs more food items and beverages consumption as international visitors spent a lot on food and beverages the statistics shows that approx. 17.3 million US \$ have been spent in one year on tourism expenditures that shows the huge economic activity and potential in restaurant industry. The current study intends to determine the role of CRM in influencing the preference of consumers, as key focus of CRM is stated as customers' choice influences with moderating role of restaurant image.

Literature Review

The CRM has gained the attention since the technology inclusion in business management has changed the basis of competition and rapidly changing environment required to implement latest technological advanced equipment for

success of business (Mohamad, Othman, Jabar, & Majid, 2014). The CRM has received significant attention due to its importance in today's business environment as marketing strategy and considered as parallel to relationship marketing (Zeynep Ata & Toker, 2012). The CRM considered as comprehensive strategy for marketing to attract and retain customers for long time, as it enables firms in identification, acquiring, retention and approach profitable customers. In addition to that, the core organizational process of CRM assist firms in establishing, maintain and enrich long term relationship with customers through effective relationship marketing strategies (Zeynep Ata & Toker, 2012).

The utilization of CRM practices demonstrate the performance of market and play significant role in consumer' loyalty and assists for customer retention. The positive consequences of successful CRM implementation have been described in literature as it influences the customer loyalty, satisfaction, performance, and retention and purchase intentions. The previous study conducted the role of CRM on improvement of customer satisfaction (Jarad, Palacios Fernández, Tafur Segura, Gulati, & Jain, 2011; Kozicka, Kot, & Riana, 2019). On the basis of above discussion it is clear that impact of CRM has been examined on various performance related outcomes but researcher haven't come across a single study that explain the relationship and influence on role of CRM in developing consumer preferences. The following hypothesis is derived on the basis of above discussion:
H1: Customer Relationship Management (the customer centric factor) influence the consumer preferences in Thai restaurant industry

The research scholars have indicated that effective and successful customer relationship management requires technological aspect and organizational change to consider and develop customer centric strategy to fulfill the demand (Chen & Popovich, 2003). The integrated approach is required to adopt in order to successful implementation of CRM with technology, people and process. The concept of CRM has been argued by various scholars and importance of interactive communication has been expressed in satisfying customer by approaching them for retention. The successful implementation of CRM enable firms to gain competitive advantage in highly competitive business environment as present study is conducted on Thai restaurants and growth in tourist and restaurants have been discussed earlier. The CRM considered as core ability to provide information through utilization of technology to establish long term relation with customers (Coltman, 2007). In highly competitive environment it is nearly impossible for each firm to posses all means to gain competitive edge but establishing close relationship with consumers enable them to gain satisfaction and loyalty which further influence their preferences and impact the performance.

The research scholars earlier focused on development of customer base by fulfilling their demand and saving cost of communication and retaining them. The effective marketing strategies enable firms to gain satisfaction and assist them to retain customers. The prime focus of CRM considered as interactive communication link between customer and firm to fulfill their demand and need of

product/service. The effective communication establish link through technology implementation to share information with customers for achievement of satisfaction level (Gebert, Geib, Kolbe, & Riempp, 2002). The interactive communication enable firms to gain customer's loyalty to stay longer and encourage repurchase that contribute for business. Customer relationship management enables firms to establish long term relation with customers through interactive communication and recognized as key for success (Mohamad et al., 2014). On the basis of above discussion following hypothesis is derived:

H2: Customer Relationship Management (Interactive Communication) influences the Consumer Preferences at restaurant industry of Thailand

The image of restaurant or brand significantly impacts the intention of consumers to purchase the product wherever needed in present and future (Cretu & Brodie, 2007). The image and position of restaurant or any brand enable to retain customers for long term as highly satisfied customers becomes loyal and their preferences to purchase becomes associated with specific unit of any industry (Lai, Griffin, & Babin, 2009; Slusarczyk, Smolag, & Kot, 2016). The image of restaurant image differentiate it from other competitors as number of restaurants has increased in recent years due to growth in tourists in Thailand. The consistent and differentiation of restaurants' image found to be important in marketing strategy for managers, due to its impact and significant influence of image on the mind of customer to attract them and further retain them for longer time period by creating loyalty. The satisfied and valued customers retain with same product or firm which is based on effective marketing campaign to retain consumers. The study explored the relationship between restaurant image and perceived value and concluded no significant relationship with image of brand and physical environment was not influenced as well. The direct effect of brand image was also investigated in value, the study concluded that there was not direct relation was identified but indirect effect was observed on perceived quality of product (Ryu, Lee, & Gon Kim, 2012). In nutshell, customers pay attention towards image of restaurants and believe on value based on the image of restaurant and based on their satisfaction level. Thus the following hypotheses are formulated.

H3: Restaurant Image moderate the relationship between CRM (customer centric) and Consumer Preferences among Thai restaurants

H4: Restaurant Image moderate the relationship between CRM (interactive communication) and Consumer Preferences among Thai restaurants

Research Methodology

The study was quantitative in nature and cross-sectional as data was collected once through questionnaires. Sample referred as subset of population to collect data for analysis the relationship between the constructs of frame work. Current study examined the collected data for determining the consumer preferences instigated by effective CRM strategy of food restaurants in Thailand. Sampling is defined as process to identify the appropriate population by selection of right number of

sample that present the overall opinion of population. Non-Probability sampling technique was adopted for present study to obtain the data to make sure least biasness. The numbers of tourists in Thailand are huge in number as discussed in first part of the study. The data was collected from different five visiting spots of Thailand, including Bangkok, Phuket, Chiang Mai, Phi Phi Island and Ko Sumai. Based on Krejcie and Morgan's sample table size the appropriate sample size to determine the opinion about restaurants are approximately 380 as visitors are higher than 25,000. The 500 questionnaires were distributed among international tourists to determine their preferences in restaurant selection. The response rate was approx 50% that 243 useable questionnaires were returned. The scale to measure of each construct was adopted from previous studies to determine the relevant construct from chosen sample. All items were examined on 5 point scale that represent 1 as strongly disagree and 5 as strongly agree. The measurement scale to determine the consumer preference the seven items scale was adopted from the study of Akgam, 2013; the measurement scale of independent variables as key factors of CRM including 'customer centric' and 'interactive communication' was adopted from the study of (Darli, 2016), whereas customer centric consists of six items, and interactive communication consists of four items. The four items measurement scale to determine the restaurant image was adopted from the study of (Ryu et al., 2012).

Findings and discussions

This part of the study the collected data was examined through measurement model that include convergent validity, the values of convergent validity and AVE must be higher than 0.7 and 0.5 respectively. The values are demonstrated in table 1 below:

Table 1 Reliability and Validity

	Alpha	CR	AVE
CC	0.807	0.856	0.522
CP	0.921	0.931	0.625
IC	0.945	0.961	0.859
RI	0.808	0.871	0.631

Table 2 demonstrates the results of discriminant validity, the characteristics of discriminate validity was suggested and followed from the study of (Fornell and Cha, 1994; Fornell and Lacker, 1981).

Table 2 Discriminant Validity

	HOE	OP	QMP	WE
CC	0.722			
CP	0.528	0.824		
IC	0.544	0.489	0.927	
RI	0.549	0.527	0.653	0.794

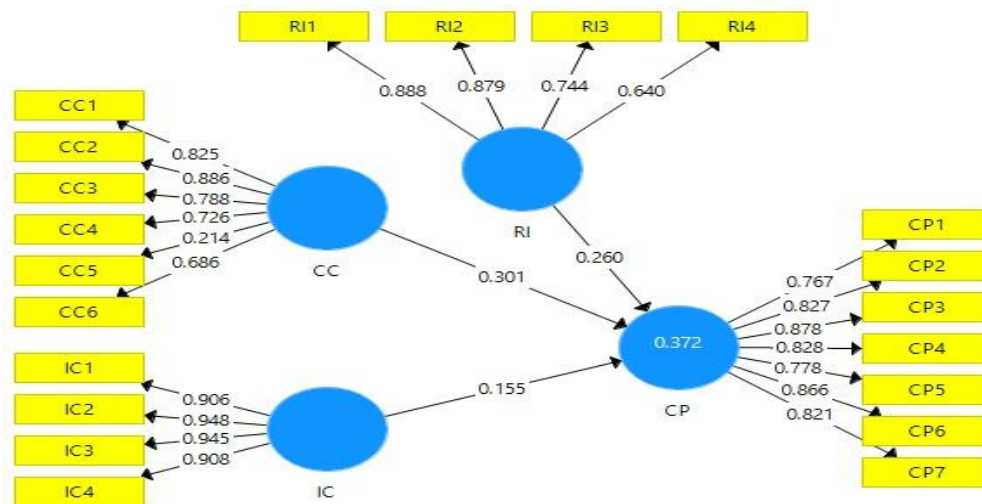


Figure 1. Structural model of the study

This phase of research investigate the direct relationship between independent and dependent variables of the proposed framework. The analysis of direct hypothesis was examined by running bootstrapping method of SMART-PLS. Thy hypothesis H1 examines the relationship between CRM’s key customer focus factor customer centric and consumer preference. The statistical results shows that $\beta = 0.301$, $p < 0.000$; whereas t-value observed as 4.093; therefore H1 was accepted on statistical grounds. The direct relationship between ‘interactive communication’ and consumer preference was examined in hypothesis H2 and statistical results demonstrate that $\beta = 0.260$, $p < 0.006$; whereas t-value observed as 2.44 and reported as significant; therefore, H2 was accepted statistically.

Table 3. Path Analysis

	(O)	T Statistics	P Values
CC -> CP	0.301	4.093	0.000
IC -> CP	0.260	2.759	0.006
RI -> CP	0.155	1.846	0.065

The study entails to investigate the moderating effect of restaurant image between the independent and dependent variables as proposed framework. The moderating effect of restaurant image is examined in the current phase of the study by bootstrapping method of PLS while keeping RI (Restaurant Image) as moderator for both independent variables. The hypothesis H3 demonstrate that restaurant image moderate the relationship of customer centric CRM factor and consumer preferences. The statistical figures depict that $\beta = -0.065$ which is very low and present negative by changing the relationship. The t-value 1.345 and p value as 0.179 was observed, that shows that H3 was rejected and found no mediation, but β value presents that relationship type has changed.

Table 4. Moderation Effects

	(O)	T Statistics	P Values
CC -> CP	0.271	3.420	0.001
IC -> CP	0.257	2.876	0.004
Moderating Effect 1 -> CP	-0.065	1.345	0.179
RI ->CP	0.154	1.812	0.071

The moderating effect of restaurant image is also examined between interactive communication and consumer preferences by moderating effect played by RI (Restaurant Image). The hypothesis H4 demonstrate that restaurant image moderate the relationship of interactive communication CRM factor and consumer preferences. The statistical figures depict that $\beta = -0.066$ which is very low and present negative by changing the relationship. The t-value 1.268 and p value as 0.206 was observed, that shows that H4 was rejected and found no mediation, but β value presents that relationship type has changed.

Table 5. Moderating Effects

	(O)	T Statistics	P Values
CC -> CP	0.289	3.815	0.000
IC -> CP	0.244	2.645	0.008
Moderating Effect 2 -> CP	-0.066	1.265	0.206
RI ->CP	0.155	1.850	0.065

Discussions

Thy hypothesis H1 examines the relationship between CRM's key customer focus factor customer centric and consumer preference. The statistical results shows that $\beta = 0.301$, $p < 0.000$; whereas t-value observed as 4.093; therefore H1 was accepted on statistical grounds. The direct relationship between 'interactive communication' and consumer preference was examined in hypothesis H2 and statistical results demonstrate that $\beta = 0.260$, $p < 0.006$; whereas t-value observed as 2.44 and

reported as significant; therefore, H2 was accepted statistically. The hypothesis H3 demonstrate that restaurant image moderate the relationship of customer centric CRM factor and consumer preferences. The statistical figures depict that $\beta = -0.065$ which is very low and present negative by changing the relationship. The t-value 1.345 and p value as 0.179 was observed, that shows that H3 was rejected and found no mediation, but β value presents that relationship type has changed. The hypothesis H4 demonstrate that restaurant image moderate the relationship of interactive communication CRM factor and consumer preferences. The statistical figures depict that $\beta = -0.066$ which is very low and present negative by changing the relationship. The t-value 1.268 and p value as 0.206 was observed, that shows that H4 was rejected and found no mediation, but β value presents that relationship type has changed.

Conclusion

The prime concern of the present study was to examine the relationship between CRM factors named as customer centric and interactive communication with moderating role of restaurant image among tourists of Thailand and data was collected from five visiting place of Thailand including Bangkok, Phuket, Chiang Mai, Phi Island and Ko Sumai from international visitors about their preferences for restaurants. The framework of the study investigated the relationship between key factors of CRM including customer centric and interactive communication towards influence the consumer preferences. This study concluded that customer centric significantly influence the consumer preferences towards selection of hotel based on their customer centric marketing efforts.

The study suggested to marketing managers to consider consumer preferences, the CRM key factors customer centric and interactive communication must be focused to determine their preferences in order to attract and retain customers. The study was conducted on visitors of Thailand from five different place and the results of the study claims that customer relationship management attract the consumers and influence them to purchase.

This study has few limitations that will become the direction for further studies. This study take only one factor to predict the customer preference and further studies may add more factors. This study used the moderator and future study may add mediator in their examinations.

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WPLYW ZARZĄDZANIA RELACJAMI Z KLIENTAMI NA PREFERENCJE KLIENTA WŚRÓD MIĘDZYNARODOWYCH TURYSTÓW W TAJLANDII

Streszczenie: Dzisiejszy świat biznesu stał się bardzo konkurencyjny ze względu na szybkie zmiany w otoczeniu, na które wpływ mają postęp technologiczny i strategie marketingowe. Firmy starają się utrzymać swoją pozycję rynkową w branży poprzez swoje plany i strategie. Wysiłki marketingowe odgrywają ważną rolę w utrzymaniu przewagi konkurencyjnej, a obecne badanie ma na celu zbadanie wpływu skupienia się kluczowych klientów CRM na preferencjach konsumentów. Artykuł przedstawia badanie które przeprowadzono na odwiedzających Tajlandię, a dane zebrano z pięciu różnych miejsc turystycznych, w tym z Bangkoku, Phuket, Chiang Mai, wyspy Phi Phi i Ko Sumai. 500 ankiet rozdano zagranicznym turystom, aby określić ich preferencje w wyborze restauracji. Wskaźnik odpowiedzi wyniósł ok. 50%, zwrócono 243 użyteczne kwestionariusze. W badaniu zbadano bezpośredni związek między czynnikami CRM dotyczącymi klientów a interaktywną komunikacją z preferencjami konsumentów i moderującą rolę wizerunku restauracji. Wyniki badania pokazują, że podejście klienta do zarządzania relacjami z klientem wpływa na preferencje konsumentów, komunikacja interaktywna również wpływa na preferencje konsumentów. Moderująca rola wizerunku restauracji została zbadana i stwierdzono, że nie zaobserwowano żadnego efektu moderacji, ale kierunek relacji okazał się negatywny. Badanie sugeruje menedżerom ds. marketingu rozważenie kwestii skoncentrowanych na kliencie i interaktywnej skutecznej komunikacji w miejscu. Przy opracowywaniu strategii mających na celu wpływanie na decyzje konsumentów.

Słowa kluczowe: Customer Relationship Management (CRM), Customer Centric (CC), Interactive Communication (IC), Restaurant Image (RI)

客户关系管理对泰国国际游客消费偏好的影响

摘要: 由于技术进步和营销策略的影响, 环境迅速变化, 当今的商业世界已经变得竞争激烈。企业努力通过其规划和策略来维持其在行业中的市场地位。营销工作在维持竞争优势中起着重要作用, 本研究旨在检查CRM主要客户对消费者偏好的影响。该研究是针对泰国的游客进行的, 数据来自五个不同的旅游景点, 包括曼谷, 普吉岛, 清迈, 皮皮岛和苏梅岛。向国际游客分发了500份问卷, 以确定他们在餐厅选择方面的偏好。响应率约为50%返回了243个可用问卷。该研究考察了与客户相关的CRM因素与具有消费者喜好和餐厅形象调节作用的互动交流之间的直接关系。研究表明, 以客户为中心的客户关系管理方法影响着消费者的偏好, 交互式交流也影响着消费者的偏好。检查餐厅形象的调节作用, 发现没有观察到调节作用, 但是关系的方向为负。该研究建议营销经理在设计策略以影响消费者的决策时, 要考虑以客户为中心的问题和互动有效的沟通。

关键字: 客户关系管理(CRM), 以客户为中心(CC), 交互式通信(IC), 餐厅形象(RI)