

# Customer Relationship Management on Social Media Affecting Brand Loyalty of Siam Commercial Bank in Bangkok

Charawee Butbumrung

**Abstract**—The purpose of this research was to study customer relationship management on social media affecting brand loyalty of Siam Commercial Bank in Bangkok. The statistics used in data analysis were frequency, mean, standard deviation, and Pearson's correlation coefficient based on social science statistic program. The result of the study found that the majority of the respondents were female, 37–47 years old of age, bachelor degree of education and monthly income between 10,001 and 15,000 Baht. In addition, customer relationship management in the overall and by each aspect of formulating, maintaining, and extending the customer relationship had a high score. Furthermore, the result of hypothesis testing showed that the difference of the customer's age, education, occupation, average monthly income had the difference in brand loyalty with the statistical significance level of 0.05 and customer relationship management had related with brand loyalty in the same direction with the low level of statistical significance 0.05.

**Keywords**—Brand loyalty, customer relationship, management, Siam Commercial Bank, social media.

## I. INTRODUCTION

ACCORDING to the national development by the National Social and Economic Development Plan No. 11 (2012-2016) had faced with important change under the globalization in case of some circumstance occurred in many locations of the world which were recognizable and negatively or positively impacted in short time, namely, the world community became the social one resulting the world nature changed and strong competition. The dynamic change had continuously and quickly influenced and controlled global economic in current world in all respects, i.e. in economic, social, politic, governance, education, culture, technology, and environment. All of these also played a role in the determination of Thai economic development especially the financial globalization and social network. The widespread use of social media has the objective to increase sale volume, market share, maintenance of customer base, building a good relation between the business and customer in the long term. The important context was two-way communication which could be perfectly fulfilled by social media. Therefore, both government and private sectors were required to adapt and develop to respond those trends. Likewise SCB, a financial institute in money market that played important roles in the

national economic system by acting as financial media and operating financial transaction both domestic and international, as a mechanism to connect and smoothly drive economic activity, requiring the bank to adapt itself to the trend of change in order to be grown as a sustainable organization.

The large organization in present turns to more realize on social media in building the recognition of product brand, online fame or communication; social media, therefore, acts as one potential representative. For the top rank, popular social media is several products and services. However, the financial institute is also very popular, such as SCB. and Kasikorn Bank Public Co., Ltd., that comparatively use social media but SCB can hold the first rank of popularity in the same business and get highest engagement brand in social media in bank and financial institute group from Thailand Social Awards 2014 and Thailand Social Awards 2015 for 2 years consecutively, to reemphasize the status of social media leader. This price is the core efficiency as considered from the quality in using social media to access target group and the follower, growth volume including quality and quantity of interesting content shared covering Facebook, Twitter, YouTube, and Instagram. More important is the reflection of understanding and relation between SCB Thailand, a social media of SCB, and the consumers in the online world, SCB is thus different from other banks. In view of SCB itself, brand is very important, the customer should feel related, confident while connection the customer to social media still does not cover all aspects, namely, the bank does not know who is its 100% customer for further development and more closely connect the customer to social media [1].

The customer behavior is other very important factor to be studied to find out the need leading to product and service development to respond the highest satisfaction of customer including to develop the image. Moreover, the customer relationship management to respond the customer's need is also one important factor in the age of strong competition in money market due to good customer relationship management shall be an important factor leading to a good image. The decision to purchase the product and/or service of the bank shall finally promote the brand loyalty to product brand of SCB. According to [2] cost in finding the new customer is 5 times higher than the cost of sell to existing customer. The business organization is thus required to create appropriate strategies and tool to build a relation to the existing customer group. However, the success does not only rely on the sale

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model but also rely on the customer loyalty to the product brand, positive referral to other customers. In addition, the building of customer database, use of suitable IT in contacting with the customer is the distribution of data, building, and maintenance of relations and customer [3].

SCB was the first Thai bank of the country that duly established under his royal permission in 1906. The initial banking business was founded under the name of "Book Club" on 4 October 1904 by HRH Krommuen Mahisorn Ratchaharuthai. This bank was established because it was necessary for Siam to establish banking system to support the economic and monetary growth of the country. After Book Club growth respectively, King Chulalongkorn had graciously granted special power to establish "The Siam Commercial Bank" to formerly engage in the business of commercial bank since 30 January 1906 until present [4]. The researcher, therefore, interested to study about the customer relationship management on social media affecting the brand loyalty of SCB in Bangkok Metropolis area in order to maintain its customer. In addition, this research studied about the customer's selection to use the product and/or service and royalty to the SCB including suggestion and guidelines to improve and/or develop customer relationship management for the bank in several aspects to efficiently respond the customer demand as much as possible. Furthermore, the customer to feel confident, obliged, trust and finally royal to SCB including to develop a national economic system to suitably cope with change and able to develop the country to become a sustainable country.

## II. LITERATURE REVIEW

Chienjit Jamjankran [5] has provided the definition of customer relationship management that is the marketing activities towards customers. In this case, the customer may be customers, consumers or intermediaries in the distribution channel which is focused on customer better understand along with feeling good about the company and the goods or services of the company. This also focuses on the two-way communication activities with the aim to develop the relationship between the company and the customers. Overall, the result is beneficial to both parties in the long term.

Patcharin Prapakornthiti [6] has provided that customer relationship management means creating and maintaining a continuous relationship with a target customer in long-term. The aim is to make customer satisfaction and loyalty unless the business will cease operations or reduce the cost of seeking new customers.

1. Relationship building that will begin with the customers walk into the company so that the organizations are necessary to define a strategy from the beginning of services. The concept of market segmentation, different CRM uses for different segments of the market so defining a target market, positioning the product allows the company divided target customers into small groups according to customer's preference in the value. These solutions enable the company to design a CRM programs

to offer the value that meets customer's preferences or needs of the each target groups.

2. Relationship Maintenance which customer relationship management or CRM is a marketing strategy to generate a profit after segmenting customers based on income and ability to generate profits with customer relationship management. Therefore, the concept of customer relationship management is to build relationships to create a revenue trove from an old customer, not a new customer. This is to maintain the relationships from the old customer as a "key" of CRM marketing.

To maintain the relationships with customers including;

- 1) Creating the value added.
  - 2) Providing the service before and after the sale.
  - 3) Setting the call center along with adjusting the performance of the back office.
  - 4) Defining the campaign.
  - 5) Building the customer relationship center.
  - 6) Providing equality of service to all customers.
  - 7) Surveying the competitors and marketing situation.
  - 8) Mass Customizations.
  - 9) Developing the internal marketing.
  - 10) Supporting from senior manager.
  - 11) Switching Cost
  - 12) In the case of intermediaries, should focused on participating in the categories of product or service management that the customer placed on the store and so on.
3. Relationship expansion, in general, the relationship quality will affect customer satisfaction, repurchase and purchase other products or services which will eventually bring the good relations between business and customers.

Schiffman and Kanuk [7] provided the meaning of brand loyalty is a continuous satisfaction and willing to repeat purchase product of any company. The key aim of marketers is seeking a strategy to encourage a customer towards the brand loyalty. Finally, these strategies will increase market share for the company in the long term.

## III. METHODOLOGY

### A. Research Objectives

1. To study demographic factor impacting the customer royalty of SCB in Bangkok Metropolis.
2. To study the customer relationship management on social media affecting Brand Loyalty of SCB in Bangkok Metropolis.

### B. Research Hypotheses

Based on literature survey, hypotheses have been derived:

1. A demographic factor was different age education level occupation monthly income loyalty to SCB in Bangkok Metropolis.
2. Customer relationship management on social media was related to brand loyalty to use service of SCB in Bangkok Metropolis.

### C. Conceptual Framework

The researcher applied the idea, theory and related research work to determine concept and establish questionnaire by using customer relationship management theory of [8] to improve and apply to suitable with the studied topic. In this study, the researcher has classified the customer relationship management into 3 aspects, namely, the building of relation, maintenance of relation and extension of relation in the part of brand loyalty. The researcher applied concept and theory of loyalty to the product of [9] to appropriately improve and apply with the studied organization. The importance of customer relationship management is to help improve a good relationship between organizations and their customers, increase revenue, and reduce costs especially, the costs of acquiring customers and increasing customer satisfaction [10].

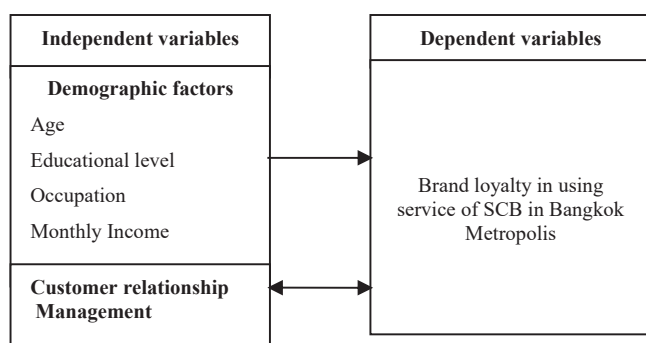


Fig. 1 Conceptual Framework

The subject used in the study was the population in 3 areas in Bangkok Metropolis. Namely, an outer area comprised 168,197 people in Don Muang District; Central area comprised 160,366 persons in Chatuchak District, and an inner area comprised 104,394 persons in Dusit District, total 432,957 persons (data as at 31 December 2014).

The sample group used in this study was people in 3 districts of Bangkok Metropolis, namely, outer area – Don Muang District, Central area - Chatuchak District and inner area – Dusit District.

On 1<sup>st</sup> stage, Stratified Random Sampling by using proportional stratified random sampling in each district to obtain sample group which was representative of all districts as shown in Table I.

TABLE I  
 SAMPLE SIZE

Number	District	Proportional Calculation	Sample Size
1	Don Muang	168,197 (400/432,957)	150
2	Chatuchak	160,366 (400/432,957)	148
3	Dusit	104,394 (400/432,957)	97
<b>Total</b>		<b>432,957</b>	<b>400</b>

On 2<sup>nd</sup> stage, Simple random sampling was used by the distribution of a questionnaire to people in 3 districts of Bangkok Metropolis. According to the prescribed number of each district, of which, the researcher randomized the sample group to reach the prescribed size of the sample by mean of lot drawing.

### IV. FINDINGS

The result of the research found that most respondents were female between 37-47 years, second was between 48-58 years and 26-36 years respectively. Respondents mostly were single and second were married, graduated bachelor degree. The result also revealed that most respondent working for private company and second was a merchant and officer of government department/state enterprise. In terms of income, mostly, earning 10,001 – 15,000 baht per month and second was 15-001–20,000 baht per month. The customer relationship management in overall and by an individual was building of relation, maintenance of relation and extension of relation was in high level.

From the hypothesis test found that the customer at a different age, education level, occupation, monthly income had different royalty at statistical significance 0.05. Customer relationship management was harmoniously related to the loyalty of brand in the low level of statistical significance 0.05.

### V. DISCUSSION

1. The customer at a different age, education level, occupation and monthly income had different loyalty at statistical significance 0.05. This can be explained that different age, education level, occupation and monthly income had different loyalty to the products both in term of purchase, continuity of purchase, purchase quantity, repurchase. This result was relation and referral to the other results which is corresponding to [6], which studied about customer relationship management and management factors impacting loyalty of customer of Thanachat Bank Public Co., Ltd., in Bangkok Metropolis, as it was found that different status and income had impacted the loyalty to Thanachat Bank Public Co., Ltd. in Bangkok Metropolis differently at statistical significance 0.05. In addition, [11] the research about customer relationship management to high-speed internet service of TOT Public Co., Ltd. in Lampang telephone exchange revealed that customers satisfied customer relationship management in the organization with medium level. In addition, customers with different sex had not different attitude level for customer relationship management. On the other hand, customers with different sex, education level, occupation, and income had different attitude level for customer relationship management in terms of recommendation.
2. Customer relationship management was harmoniously related to the loyalty of customer in the low level of statistical significance 0.05. This can be explained that building of customer relationship, maintenance, and extension of customer relationship was related to the loyalty of the customer, resulting repurchase of the customer, and referral to another customer. These aspects coincided with [6] which studied about customer relationship management and management factors impacting loyalty of the customer of Thanachat Bank

Public Co., Ltd., in Bangkok Metropolis. That study found that customer relationship management in overall was related to the loyalty to Thanachart Bank Public Co., Ltd. At statistical significance 0.01 of which, customer relationship management in overall related to the loyalty of Thanachart Bank Public Co., Ltd. in Bangkok Metropolis in moderate level in the same direction. In addition, corresponding to [12] the research on loyalty to the garment products of the consumer in Bangkok Metropolis, as indicated that customer relationship management had a positive impact on customer loyalty at statistical significance 0.05, namely, upon the customer relationship management was increased, the royalty of the customer would also be increased. Furthermore, [13] the result was also consistent with the research on impacts of customer relationship management and customer experience management on brand equity in the credit card business, which discovered the direct effects of customer relationship management in action were mostly on customer experience management in the credit card business. This study also found that the direct effects of customer experience management in assurance were mostly on brand equity in the credit card business and the direct effects of the customer relationship management in retention were mostly on brand equity in the credit card business. At the same time, the indirect effects of the customer relationship management in action were mostly on brand equity in the credit card business by customer experience management in assurance. As for the total effects of customer relationship management on brand equity in the credit card business, it showed that the total effects of customer relationship management in view of the retention have direct effects on brand equity by customer experience management in assurance. Moreover, the total effects of customer experience management on brand equity in the credit card business revealed that the total effects of customer experience management in assurance were mostly on brand equity in the credit card business.

#### VI.RECOMMENDATION

1. Upon recognition of demographic factors, such as, age, education level, occupation, monthly income, the organization shall then know target group who uses service at SCB in Bangkok Metropolis, it is, therefore, able to determine target group to set up the policy and marketing strategies by emphasizing on customer relationship management via social media.
2. The bank should regularly develop financial service model to become update according to the customer demand and enhance competition capability to increase more customers.
3. The bank should regularly arrange training for its staffs to be capable of applying new knowledge to develop their works.
4. Organizations should focus on providing comprehensive and quality services, solving problems for customers and

evaluating services regularly. In addition, Organizations should provide customer care both before and after sales because all of these are essential elements that will cause a better experience for the customer.

5. The organization should consider the customer relationship management in the other including defining the program to build the relationship such as creating a customer database, adopting appropriate technology and retaining customers, etc. to increase more efficiency and effectiveness on organization's performance.
6. Both small and large organizations should study about using information technology for customer relationship management. In addition, organizations should study to compare the various types of businesses.
7. The organization should consider the development of customer relationship management. To expand the customer relationship, such as tracking, calling customer demand and advising about financial. In addition, organizations should design products that fit the client needs such as promotion, place or channel, etc.

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