

A Causal Relationship of Marketing Communication upon Customer Relationship Management Process: A Case Study of Watsons Group, Thailand

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ลูกค้าสัมพันธ์: กรณีศึกษากลุ่มวัตสัน ประเทศไทย

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Article History

Received: April 15, 2020

Revised: June 3, 2020

Accepted: June 15, 2020

Abstract

This research aimed particularly to investigate the causal relationship between marketing communication (MC) efforts and customer relationship management (CRM) processes. The population in this study was Watsons' customers aging 15 years old and over residing in Bangkok. The 400 sample was recruited using simple random sampling technique. The questionnaire consisted of 3 parts. The first part was demographic questions. The second part was five-point Likert scales eliciting the perceived importance of Watsons' marketing communication efforts. The third part was five-point Likert scales exploring Watsons' perceived customer relationship management process. Cronbach's alphas of marketing communication efforts and customer relationship management process scales were .819 and .907 respectively. Multiple regression analysis revealed a significant influence of direct marketing efforts and sales promotion on four aspects of CRM: Database, Technology, Action or activities, and Customer Retention, while minimal-to-none effects were derived from personal selling, advertising, and public relations. An interesting finding was that personal selling could not

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contact procedures of customers and suppliers (Rahimi & Kosak, 2017).

As for the customers, CRM enables them to acquire products and services not only responsive to their actual needs but also in a convenient manner with time- and cost-saving. They could exchange quality information with the organization and eventually become satisfied with the good services offered in the long-run (Jain & Patel, 2016).

A number of retail stores have been using CRM as a tool to enable them to deliver products/services in response to their customers' needs (Gujrati, 2016). Amazon.com, a renowned world-wide online store has collected customer data from each visit and purchase, and constantly offered products relevant to the customer's past purchase through software without, or very minimal, human face-to-face interactions (Kaur, 2016). This strategy helps to motivate further visits and purchases, as well as to create positive relationship with the customers.

In an era when health and beauty become a significant part in daily lives, retail stores that offer health & beauty products have been increasingly come into business. Those shops are, for example, Matsumoto Kiyoshi, Tsuruha, Boots, and Watsons. Competition among retail stores has become highly intense in terms of prices and barrier to entry. Therefore, a number of marketing-related strategies have been initiated to generate popularity, interest and purchase intentions among the customers (Szalai, 2017).

This research project aimed to investigate health & beauty specialty stores' implementation of CRM in Thailand. Ninkitsaranont (2018), asserted in Krungsri Bank Research report that total sales of specialty stores in Thailand were anticipated to increase by 2.8-3.8% per annum.

Moreover, the total store space was estimated to be expanded to 470,000 sq.m. in 2020. Key players of specialty stores in Thailand are Watsons and Boots. Boots Thailand had 285 stores in 2018 (British Chamber of Commerce Thailand, 2019). Boots had invested a large amount of money in membership program and reported their members had higher purchase amount than non-members (Meyer-Waarden, 2015). It had utilized a membership strategy to generate customer visits, purchase, and loyalty. In this regard, purchase points accumulated from each purchase can be exchanged for discounts, gifts, and other benefits designed for satisfying customers' demand.

Watsons & CRM activities

Watsons is a leading health & beauty shop of Asia. The company owns more than 7,200 branches and 1,500 drug stores in 13 countries in both Asia and Europe, including Mainland China, Hong Kong, Taiwan, and Macau (Watsons, 2019a). In Thailand, Watsons reported that the company has expanded to more than 469 branches, with the expansion rate of 40-50 branches per year. Watsons was one of Asia's top 1,000 brands in 2018. Furthermore, in 2017, Watsons initiated a marketing strategy using Instagram, mobile application, and product delivery, thereby triggering triple higher sales volumes than in 2016. Watsons opened "Watsons Thailand" Facebook which attracted over 600,000 followers in 2019. The information gathered was used to uplifted Watsons' image regarding store front, communication, marketing strategies, social responsibility, and customer service quality to accommodate customers' needs and demands (Watsons, 2019b).

Watsons is selling over 5,000 consumer and health & beauty products, as well as providing customer supports via beauty advisors and pharmacists. Watsons has been awarded “Superbrands Thailand” for eleven consecutive year, since 2009 until the time of this study and this record is very likely to continue, due to its product quality and diversity, as well as superb customer services in health and beauty retail industry (Watsons, 2019c).

Watsons additionally introduced the concept of “Value for money” of Watsons, in which over 600,000 current members would get a special offer of discounts and gifts. The data Watsons collected from its customers’ membership cards and following purchasing habits had enabled Watsons to regularly launch a more variety of health & beauty products, in order to generate differentiation and expansion of customer bases (Watsons, n.d.).

According to Brand buffet website (Brand Move, 2016), CRM for retail stores is vital to business growth and success. Miss Nuanpan Chainam, Watsons’ marketing director, confirmed the significance of Watsons’ CRM of membership card by stating that, “Watsons membership card is not merely a discount card, but instead a lifestyle card, since it offers various privileges, such as discounts and many exclusive activities. That is why Watsons keeps investing in CRM throughout the years. Moreover, drawing in new customers generate high costs for a firm. The better way is to keep current customers to make them loyal to us despite new competitors coming into the market” (Brand Move, 2016).

The causal relationship between CRM efforts and customers’ purchasing behavior was confirmed by a number of studies (Jane & Patel, 2016; Rahimi & Kosak, 2017; Wang, Cavusoglu, &

Deng, 2016). Sratonghon (2012), for example, examined factors enabling customers’ satisfaction towards Watsons shops in Bangkok, and found the predictive powers of CRM processes (Database, Electronics, Action, and Retention—DEAR) on customers’ purchasing behavior. She found that CRM could predict the customers’ purchase frequency, buying expenses, and satisfaction.

Positive causal relationship between Watsons and its customers is henceforth fruitful. Therefore, a marketing communication strategy has been formulated and implemented to reach the customers, make them aware of related information, and trigger them to make a purchasing behavior (Brand Move, 2016). The following tools have been used in marketing communication efforts; that is, advertising, sales promotion, public relations, personal selling, event marketing, and positive customer relationship management (Todorova, 2015).

The causal relationship between a firm’s marketing communication and its customer relationship management (CRM) was reported in previous studies. Pluemjitpaiboon (2015)’s study, for example, explored the said causal relationship in an Internet business firm, and indicated a positive causal relationship between the firm’s promotion mix and CRM process, in which the following tools yielded respective effects as following: public relations, sales promotion, advertising, personal selling, and direct marketing.

Watsons has put high value on positive relationship with their customers, and used a number of marketing communication efforts to achieve the said outcome. Therefore, a systematic study is necessary to explore the causal relationship between Watsons’ marketing communication efforts and perceived customer relationship management processes, so as to

shed a more vivid insight to the aforementioned relationship which can be applied with other specialty stores and retailers.

To examine the effectiveness of Watsons' marketing communication activities on CRM, this research, therefore, aims particularly to investigate the causal relationship between Watson's marketing communication efforts and customer relationship management processes as perceived by Watson's customers.

Literature Review

Customer Relationship Management (CRM)

CRM has been defined as the method to use customer-related data to deliver appropriate product or service to them. It is a process designed to collect the said data in relation to the organization's characteristics and specific attributes, which will be later used as a database for creating customer-preferred activities (Adikram, 2016; Oluseye, et al., 2014).

CRM is the procedures in which information technology and business process are integrated so that the organization could generate customer satisfaction throughout its long-term relationship with the customers (Elena, 2015). That is, marketing strategies initiated by the organization must be based on the customer data acquired. As a result, the customers will be aware of the organization's attentiveness by which their needs are fulfilled, develop afterwards positive attitude with the organization-related products and services, generate a product/service purchase and thereby satisfaction, and ultimately formulate loyalty towards the product, service, and the organization itself (Nyadzayo & Khajehzadeh, 2016)

The DEAR Model indicated the processes of CRM: Database, Electronics, Action, and Retention.

As for the Database, the organization's executives value the efforts to acquire customers' data, as well as categorize and analyze those data into informative groups of customers. Segmentation of customers based on demographic, psychographic and/or geographic criteria extensively used in former times has been changed to align with the customer lifetime value, in which prospective profits to be generated by a certain group of customers are brought to attention (Sripan, 2009). In this aspect, customers' touch points where organization-customer interactions take place are deemed significant to enable the acquisition of customers' data. Those touch points include, for example, sales/service counter, or information inquiry counter.

The types of customer data required by the organization depend basically on the business types; for example, a hospital may need data about the customers' blood group or drug allergy. Basically, general customer data included name, age, gender, address, phone number, and e-mail address, which will facilitate convenient contacts between the organization and its customers. In this case, valuable customer data must be accurate, complete, up-to-date, and interconnected.

The next CRM process is Electronics or the appropriate technology to be used in analyzing and categorizing the customers, creating customers' touch points, and generating contacts with the customers. In this aspect, the said technology is of three types: interactive technology, database technology, and customization technology.

The third CRM process is Action, in which marketing activities are determined to maintain and tighten the relationship with the customers. The said activities are categorized into customer services, frequency of loyalty programs,

community programs, structural ties, and customization.

The fourth process is Retention of customers. This issue concerns the evaluation of customer relationship management so as to enforce relationship growth. Moreover, a set of criteria were generated to evaluate the effectiveness of CRM, i.e. profit capability, market shares, customer acquisition costs, rates of customer loss & subscription termination, rates of customer purchasing & buying shares, and customer numbers as compared with those of the competitors (Sripan, 2009).

CRM processes are basically related to, and to some extent determined by, a number of marketing communication tools, be they public relations, sales promotion, advertising, personal selling, and direct marketing. The process of customer database, for example, is partly supported by customer touch points (direct marketing) and informative salespersons (personal selling), while technology used to generate customer contacts should be implemented in line with particular marketing communication efforts. Likewise, CRM activities are designed based on appropriate promotion programs, and, lastly, retention of customers is definitely an outcome of strategic marketing communication efforts initiated by the business itself (Jain & Patel, 2016; Adikram, 2016; Oluseye, et al., 2014).

Marketing communication

Marketing communication refers to the process of developing and implementing persuasive communication programs by integrating various communication tools in a harmonizing and continuing basis for the purpose

of generating awareness and desirable behaviors among the target consumers (Shen, Chiou, Hsiao, Wang, & Li, 2016). A firm basically uses marketing communication to inform, persuade, and remind the consumers both directly and indirectly about its products and services. More specifically, marketing communication serves as the voice articulated by the firm and its brand, thereby generating dialog and building relationship with the customers (Todorova, 2015).

Marketing communication basically aims at providing information about product/services and the organization itself to the prospective customers, to generate awareness and understanding regarding product/service attributes, price, and distribution channels. Moreover, marketing communication also functions to trigger product desires and related purchasing decision among the target customers, as well as maintain their purchasing level, build up their positive attitudes, and differentiate the products from the competitors' (Shen, et al., 2016).

The tools used in marketing communication varies in accordance with the formulated marketing objectives and market accessibility. Some of them include advertising, personal selling, public relations, sales promotion, direct marketing, event marketing, product used as a medium, product exhibitions, sponsorship, seminar & training, mobile media, internet networking, and so on (Todorova, 2015). When the said tools are used together to lead to the same marketing objectives, the term 'integrated marketing communication' (IMC) was therefore coined to illustrate the collective functions of the tools (Sameujai, 2007), so as to deliver the effective information about the products/services and the organization to the customers.

According to Keller (2016), IMC is the cross-functional process of marketing communication tools to create brand value so as to support the positive relationship between customers and organization's stakeholders. In this case, a strategic planning to properly use various marketing communication tools for ultimate benefits is deemed appropriate. That is, integrated marketing communication is an approach to create a big picture of marketing planning and promotion via the use of differing marketing communication tools.

Marketing communication used in the integrative manner is therefore accepted as an effective tool to generate desirable product image and positioning, reshape existing product image, and maintain continuous relationship with target customers. Marketing communication was found to significantly influence consumers' decision making of products, e.g. automobile (Sae Tang, 2007), and of Watsons' products (Viriyangsi & Pisithkasem, 2014). The young

customers (Gen Y) indicated they preferred Watsons's promotion and received information about Watsons' products via Facebook (Angsiri, 2015). The customers also indicated favorable attitudes toward Watsons' customer relationship management, stating particularly that it could significantly predicted customers' purchasing behavior (Charoensook, 2012; Sratonghon, 2012) and loyalty (Jongnavakit, 2014). Similarly, a company's marketing communication efforts were found as well to influence customers' decision making and aftermath satisfaction, and loyalty as well (Nyadzayo & Khajehzadeh, 2016).

The aforesaid review of literature can be synthesized into the following hypothesis and conceptual model.

H1: Watsons' customer relationship management process has a causal relationship with marketing communication efforts.

The conceptual framework of the study is shown in figure 1 below.

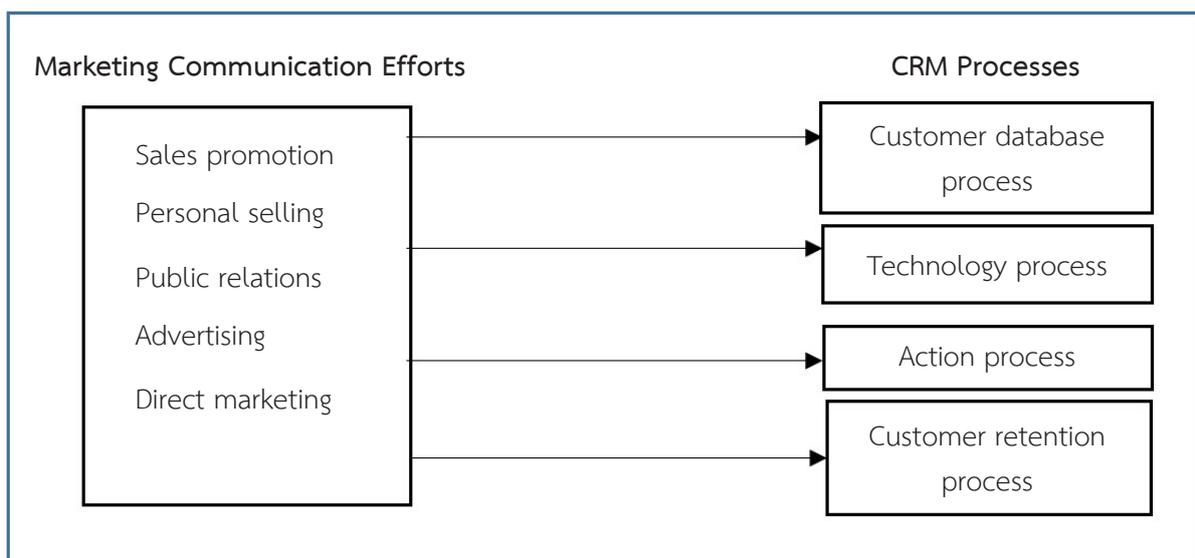


Figure 1 Conceptual framework of the study

Methodology

This research was conducted quantitatively using a questionnaire as a research tool. The population consisted of Watsons' members aging 18 years old and over residing in Bangkok. The sample was randomly drawn from Watsons' membership database. The sample size of 400 subjects were obtained using Taro Yamane's formula (Yamane, 1973) with alpha error of .05 and 95% confidence.

The questionnaire consisted of 3 parts. The first part was the demographic questions asking the respondents' gender, education, career, income, and purchasing behaviors. The second part was a five-point Likert scale. The items elicited the perceived importance of Watsons' marketing communication efforts. The third part was a five-point Likert scale. The items examined Watsons' perceived customer relationship management processes.

Watsons' marketing communication efforts focused primarily on advertising (commercials, print ads, and other ad types), sales promotion (member cards, redeem purchase points for cash, sweepstakes activities, discount & promotion campaigns, and content activities), public relations (celebrities as product presenter, information sent via social media, special activities, and conference for new media launch), personal selling (good personality of sales agents, advice for product use & tryout, and knowledgeable and skillful sales agents), and direct marketing (update product information via Line, SMS, or e-mail, catalogue, brochure, point-of-purchase, and store design).

Customer relationship management emphasized the four processes of CRM as stipulated in the DEAR Model: building customer database (Database) with questions concerning customer registration via internet, member card,

and/or ID card); using appropriate technology (Electronics) with questions asking about contacts via call center and multi-channels, and use Line to send information about special promotions; determining marketing activities to generate customer relationship (Action) with questions about special privileges and exclusive activities for members, and online purchase; and retention of customers (Retention) with questions asking about birthday gifts received, special promotion informed, and competent advice provided from sales agents.

The questionnaire was tested for content validity by two experts who evaluated whether the questionnaire investigated all variables intended to measure. Instrument reliability was acquired using Cronbach's alpha, and the said value for marketing communication efforts was .819, while that of customer relationship management processes was .907, signifying that both instruments were highly reliable.

Data were collected electronically from the samples by posting the questionnaire on Watsons' website and requesting the filling-out action from Bangkok-residing members only. The obtained data were analyzed descriptively using frequency, percentage, mean and standard deviation. To test Hypothesis 1, Multiple Regression Analyses were implemented to detect the causal relationship between Watsons' marketing communication efforts and customer relationship management processes as perceived by Watsons' customers.

Findings

The majority of respondents were females (84.8%), aging between 21-30 years (77.5%), holding a bachelor's degree (89.3%), working in private companies (79.5%), and earning a monthly income of 15,001-25,000 Baht (71.8%). They

identified themselves as Watsons' customers who had bought a beauty product at least once in the past six months.

When being asked about perceived importance of Watsons' marketing communication efforts, the respondents regarded its sales promotion as the most important aspect (mean = 4.51), focusing respectively on having a membership card to receive exclusive member-only privileges, exchanging points for purchase cash, receiving a discount campaign and special promotion organized specifically for customers, and participating in Watsons' sweepstake, workshop, and contest activities.

Direct marketing of Watsons was ranked as the second most important (mean=4.49), indicating respectively the significance of the availability of products and promotion details in brochure or catalog, point-of-purchase promotion, attractive and modern store design, and notification of promotion or product details to customers via SMS, Line, or e-mail.

The customers of Watsons perceived its public relations efforts as the third most important (mean=4.38), focusing specifically and respectively on publicity via social media, having superstars as store presenter, holding a special event (e.g. global volunteer day) and press conference of new campaign.

The fourth perceived most important marketing communication effort delivered by Watsons was personal selling (mean = 4.31), in which the following aspects of Watsons' salespersons were identified as consecutively significant: their attentiveness to customers in giving reliable product advice, their good personality with politeness and friendliness, their invitation for product trying, and their knowledge about the products.

Advertising came as the least important marketing communication effort as perceived by the customers (mean = 4.26), with the following individual aspects being ranked consecutively: commercials, print ads, and outdoors/brochure/posters.

Customer Relationship Management process (CRM)

In general, Watsons' customers perceived its CRM process as highly important (mean = 4.45). When considering each process (Database, Electronics, Action, and Retention), customer retention was ranked as the first priority (mean = 4.46), followed by database and action in the same level (mean = 4.45), while technology (or electronics) was ranked as the least important (mean = 4.40). As for customer retention, Watsons' customers ranked as important the privileges Watsons provided to its customers on their birthdates, exclusive promotions for members, and quality advices about available products and promotions provided by attentive employees. Moreover, the customers indicated that customer data could be acquired via online registration, member card, and ID card.

Regarding the action program to maintain customer relationship, the customers considered the most important the special privileges for members only (e.g. 5% discount), points accumulated to get more discounts, exclusive events held for membership card holders, and an effective application initiated for convenient online purchase. When being asked about appropriate technology for customer relationship management, the customers mentioned the necessity for having multiple channels to contact Watsons shops, along with providing a call center and possibility for LINE contacts to get necessary information.

Hypothesis testing: Marketing communication efforts have a causal relationship with customer relationship management

Multiple regression analyses were conducted to investigate the causal relationship between Watsons’ marketing communication efforts and customer relationship management process (CRM). In this study, Watsons’ CRM process consisted of customer database, technology, action program, and customer retention. Hypothesis 1 was partially supported as detailed below.

The multiple regression analysis revealed a significant effect of marketing communication efforts on customer database process ($F = 66.620$, $p < .000$), accounting for 45% of the variation of the dependent variable. Table 1 indicates that marketing communication could explain the variation in the perceived database process, with sales promotion contributing the highest, followed by direct marketing, personal selling, advertising, and public relations, respectively, all causal relationships were statistically significant (Table 1).

Table 1 Results of multiple regression analysis of marketing communication efforts on customer relationship management: Database process

Variables	Unstandardized Coefficients		Standardized Coefficients	t	p-value
	B	Std.Error	Beta		
Constant	0.640	0.240		2.640	0.009
Advertising	0.161	0.040	0.201	4.101	0.000
Personal selling	0.162	0.042	0.183	4.041	0.000
Sales promotion	0.233	0.071	0.182	3.302	0.001
Public relations	0.151	0.050	0.161	2.893	0.004
Direct marketing	0.172	0.061	0.142	2.880	0.004

$F = 66.620$, $p < 0.000$; $R = 0.681$, $R^2 = 0.460$, Adjusted $R^2 = 0.450$

The multiple regression analysis revealed a significant effect of marketing communication efforts on technology process ($F = 85.181$, $p < .000$), accounting for 51% of the variation of the dependent variable. Table 2 indicates

that all aspects of marketing communication contributed to the said variation, with direct marketing contributed the highest, followed by sales promotion, public relations, personal selling, and advertising, respectively (Table 2).

Table 2 Results of multiple regression analysis of marketing communication efforts on customer relationship management: Technology process

Variables	Unstandardized Coefficients		Standardized Coefficients	t	p-value
	B	Std.Error	Beta		
Constant	-0.120	0.240		-0.512	0.608
Advertising	0.102	0.041	0.122	2.680	0.008
Personal selling	0.121	0.042	0.131	2.960	0.003
Sales promotion	0.311	0.071	0.221	4.400	0.000
Public relations	0.132	0.050	0.141	2.681	0.008
Direct marketing	0.360	0.061	0.290	6.280	0.000

F = 85.181, p < 0.000; R = 0.720, R² = 0.520, Adjusted R² = 0.510

The multiple regression analysis revealed a significant effect of marketing communication efforts on action process (F = 89.850, p < .001), accounting for 53% of the variation of the dependent variable. Table 3 indicates that

almost all aspects of marketing communication except for personal selling contributed to the said variation, with direct marketing contributed the highest, followed by sales promotion, advertising, and public relations, respectively.

Table 3 Results of multiple regression analysis of marketing communication efforts on customer relationship management: Action process

Variables	Unstandardized Coefficients		Standardized Coefficients	t	p-value
	B	Std.Error	Beta		
Constant	0.182	0.220		0.820	0.412
Advertising	0.102	0.040	0.122	2.741	0.006
Personal selling	0.051	0.042	0.060	1.370	0.170
Sales promotion	0.270	0.061	0.210	4.202	0.000
Public relations	0.102	0.050	0.110	2.100	0.000
Direct marketing	0.450	0.051	0.390	8.531	0.000

F = 89.850, p < 0.001; R = 0.730, R² = 0.530, Adjusted R² = 0.530

The multiple regression analysis revealed a significant effect of marketing communication efforts on customer retention process ($F = 82.940$, $p < .000$), accounting for 51% of the variation of the dependent variable. Table 4 indicates that almost all aspects of marketing

communication except for public relations and advertising contributed to the said variation, with direct marketing contributed the highest, followed by sales promotion and personal selling, respectively.

Table 4 Results of multiple regression analysis of marketing communication efforts on customer relationship management: Customer Retention process

Variables	Unstandardized Coefficients		Standardized Coefficients	t	p-value
	B	Std.Error	Beta		
Constant	0.230	0.220		1.061	0.289
Advertising	0.041	0.040	0.051	1.092	0.276
Personal selling	0.172	0.042	0.201	4.630	0.000
Sales promotion	0.290	0.060	0.222	4.450	0.000
Public relations	0.010	0.050	0.011	0.133	0.899
Direct marketing	0.450	0.050	0.402	8.460	0.000

$F = 82.940$, $p < .000$; $R = 0.720$, $R^2 = 0.510$, Adjusted $R^2 = 0.510$

Conclusion and Discussion

The findings confirmed the causal relationship between Watsons’ marketing communication efforts and CRM processes as stipulated in the DEAR Model: Database, Electronics, Action, and Retention. However, the roles of each marketing communication element vary with regard to each CRM process. That is, for the database process, sales promotion and direct marketing were ranked the top two highest influential, followed by personal selling, advertising, and public relations, respectively.

Direct marketing, however, was shifted to the highest rank of influence on CRM action process, customer retention process, and

technology process, respectively, followed by sales promotion. Personal selling, public relations, and advertising took turn inserting from moderate-to minimal-to none effects on the CRM processes, in which personal selling having no effects at all on the action process, and advertising/public relations inserted no effects on customer retention process.

The findings of this study revealed that, Watsons’ customers perceived sales promotion as the most important marketing communication effort, since it was a means to deliver privileges, discounts, and exclusive promotion activities to member customers. This effort is by no means a method contributing to CRM’s elements

of customer retention and preferred actions (Adikram, 2016). That is, those exclusively designed events delivered specifically to only members will certainly make them feel as being a significant person, hence they would stay loyal to Watsons' products and services. Ultimately, customers feel that they obtain the products at lower prices.

Moreover, Watsons' customers also indicated the important roles of direct marketing, especially the one related to its CRM activities implemented online, e.g. the delivery of promotion information via online channels (SMS, Line, or e-mail), the availability of internet application for online purchase, and so on (Oluseye, et al., 2014). These online technologies will help Watsons collect its updated customer data while simultaneously rendering customer satisfaction and customer loyalty.

Although Watsons' salespersons were required to be friendly and equipped with adequate product knowledge and service mind, the significance of personal selling is by far falling behind other marketing communication efforts delivered by Watsons. This incident may partly stem from the fact that the Watsons customers have been obviously familiar with its products, and the salespersons are needed to reinforce the information they have already acquired (Wang, Cavusoglu, & Deng, 2016). It is very likely that customers can obtain information regarding the products/services and sales promotion by themselves from the social media, hence, they do not feel the need for sales persons to ask for information as before.

The same could be said for Watsons' advertising effort which, although also perceived as highly important, was ranked as the least important when compared with Watsons'

other marketing communication efforts. That is, even though Watsons' commercials, print ads, outdoors/ brochure/posters were deemed as significant in providing information to its customers, online information channels might be more preferable, especially among young customers. This online-related preference has become the current trend among young customers (Elena, 2015).

When testing the causal relationships between Watsons' marketing communication efforts and its aftermath customer relationship management (CRM), the findings confirmed the highest predictive power of direct marketing on three out of four aspects of CRM: Technology, action or activities, and customer retention. That is, direct marketing has been reinforcing Watson's use of technology in creating customers' touch points and generating contacts with the customers via Watsons' Facebook, call center and Line contacts, organizing activities to maintain and tighten the relationship with the customers via accumulating discount points and holding exclusive events for members, and evaluating customer relationship management so as to enforce relationship growth as a form of customer retention via special offers, quality advices, and employees' personal care and attentiveness (Nyadzayo & Khajehzadeh, 2016).

However, the ability of Watson's to acquire customers' data, as well as categorize and analyze those data into informative groups were significantly predicted by its sales promotion, in which a variety of efforts had been launched, e.g. membership cards, reward points for cash discounts, and customers' participating in Watsons' various activities. The said participation and special privileges are one of many methods for Watsons to acquire customer data. Direct

marketing has additionally been playing a significant role in this aspect (Keller, 2016), but it comes as a second rank after sales promotion.

An interesting finding is that personal selling could not predict Watsons' action program to strengthening the relationship with its customers, nor could public relations and advertising predict Watson's customer retention. The former case could be explained by the fact that salespersons might play a specific role in-store in providing product information to customers, but not relevant to holding events and activities for the customers (Jain & Patel, 2016).

As for the latter case, the findings confirmed that public relations and advertising might function basically for information provision, but not a core scheme to enforce customers' contact with Watsons' shops, in which a close and personal contact in the form of direct marketing and personal selling have more predictive powers (Gujrati, 2016).

Implication for Watsons

The research findings may shed lights on Watsons' further marketing communication efforts and the expected predictability on its customer relationship management. In this aspect, direct marketing and sales promotion should be particularly prioritized to create customer database, generate customer retention, hold activities to maintain positive relationships with the customers, and use of appropriate technology to build customers' touch points via online contacts and channels. In the health & beauty industry in which fierce competitive prevails among various brands, a right choice of marketing communication efforts will definitely guarantee Watsons' business success of highest profits with lowest incurred costs.

Future research may explore into other customer-related concepts, i.e. customer trust or the 3Rs of responsiveness, reliability, and relationship. Not only will further study shed more lights to the issue of study, it will also expand the current body of knowledge on the aforesaid issue.

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