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Customer Loyalty Influencing Supply Chain Performance of Manufacturers in Thailand

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Abstract

The aims of this research are: 1) to analyze the appropriate components of customer relationship management, customer loyalty and supply chain performance of beverage manufacturing businesses in Thailand. 2) To examine the influence on customer relationship management to customer loyalty. 3) To propose the model of customer relationship management and customer loyalty to enhance the supply chain Performance of Thai beverage manufacturing business. Survey research were used Questionnaires were collected from management samples of Thai beverage companies 290 people. In-depth interviews with 17 executives in the beverage manufacturing industry in order to bring the data obtained. By asking opinions of buyers of industrial raw materials that are packaged for distribution. Data were analyzed from the Questionnaire. By statistical testing using a 95% confidence level, which used statistics, descriptive statistics, Analysis of Confirmatory Factor Analysis: CFA. Statistical analysis of Path Analysis to find the model Customer Relationship Management and Customer Loyalty Influencing Supply Chain performance of Beverage Manufacturers in Thailand. The statistics used were Structural Equation Model: SEM.

Keywords: Beverage production business, Customer relationship management, Customer loyalty, Supply chain performance.

Introduction

Past studies have shown that various customer relationship management activities can improve business performance. Whether it is sharing information such as marketing, production plans, product information. Or events that may affect the operations of the company. (Song & Liao, 2019) Long-term client partnerships, for example, the company's commitment to improving its management based on what the customer suggests or a company providing products and services according to customer needs in a systematic manner. (Shin, et al., 2019) Engaging the Company's main customers in various company activities such as modifying products. Company operations audit. (Li, et al., 2019) Collaboration between the customer and



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the company, such as solving problems together. (Pinho, 2016) and the use of various technologies to support activities such as using information technology to monitor sales processes, analyze information and exchange customer Including finding problems and help with management and work adjustments (Román & Rodríguez, 2015)

From the above the researcher therefore is interested in studying the customer relationship management model of the beverage manufacturing business in Thailand. That influences the performance of the beverage supply chain in Thailand by using mixed research between qualitative study and quantitative study. This will collect information with the executive with decision-making power of beverage companies in Thailand. Since the management is the person who can reflect the information of the company very well. Therefore is a suitable sample this research is expected to serve as a guideline for improving supply chain performance of the beverage manufacturing business in Thailand to survive in a slowing economy. It is also a guideline for the government to direct policies to help the beverage production industry of Thailand to be sustainable in the future. When the beverage production industry is competitive, it will contribute to the economic development of the manufacturing sector of Thailand and lead to Thailand 4.0

Objectives

1. To analyze the appropriate components of customer relationship management. Customer loyalty and supply chain Performance of beverage manufacturing businesses in Thailand
2. To examine the influence of customer relationship management factors Customer loyalty.
3. To propose customer relationship management and customer loyalty to enhance the supply chain performance of the beverage manufacturing business in Thailand.

Research scope

To achieve the objectives of this research. The researcher has therefore defined the scope of the research in 4 areas, which are:

1. Content scope

This research focuses on the content of customer relationship management. Customer loyalty and the performance of the supply chain of beverage manufacturing businesses in Thailand. Which will study concepts, theories and researches related to customer relationship management Customer loyalty and supply chain performance.



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2. Population

This research is limited to the context of beverage manufacturing business in Thailand. The researcher therefore studied population groups who are experienced working in the beverage production business. For a qualitative study and executive populations involved in beverage production (Business owner, Purchasing Manager, Marketing Manager, Production Manager) of beverage production companies listed in the Department of Industrial Works database. Ministry of Industry, to conduct quantitative research. The researcher has compiled a list of beverage production companies from the website of the Ministry of Industry. Ministry of Industry of Thailand Using a sample group, the Company's management respondents are business owners or purchasing manager or marketing manager or production manager or senior management of 290 companies in which the person in these positions is the decision maker in the company.

3. Scope of study variables

The variables in this research include is casual variables, mediating variables and effect variables each variable has a different element of the variable. With details as follows:

Casual variables is consists of customer relationship management factors of companies, entrepreneurs in the beverage production industry with elements including Information sharing, Customer involvement, Long-term partnership, Joint problem solving, and Technology-based CRM)

Mediating variables is Customer Loyalty Factors for Entrepreneurs Business in the Beverage Manufacturing Industry with elements Company Commitment, Company Trust and Company Satisfaction of customers, business operators in beverage production

Effect variables is such as the performance factor in the supply chain of entrepreneurs in the beverage manufacturing industry. There are elements including Supply Chain Reliability, Supply Chain Responsiveness, [Supply Chain Agility, Supply Chain Costs, and Supply Chain Asset Management)

Research conceptual framework

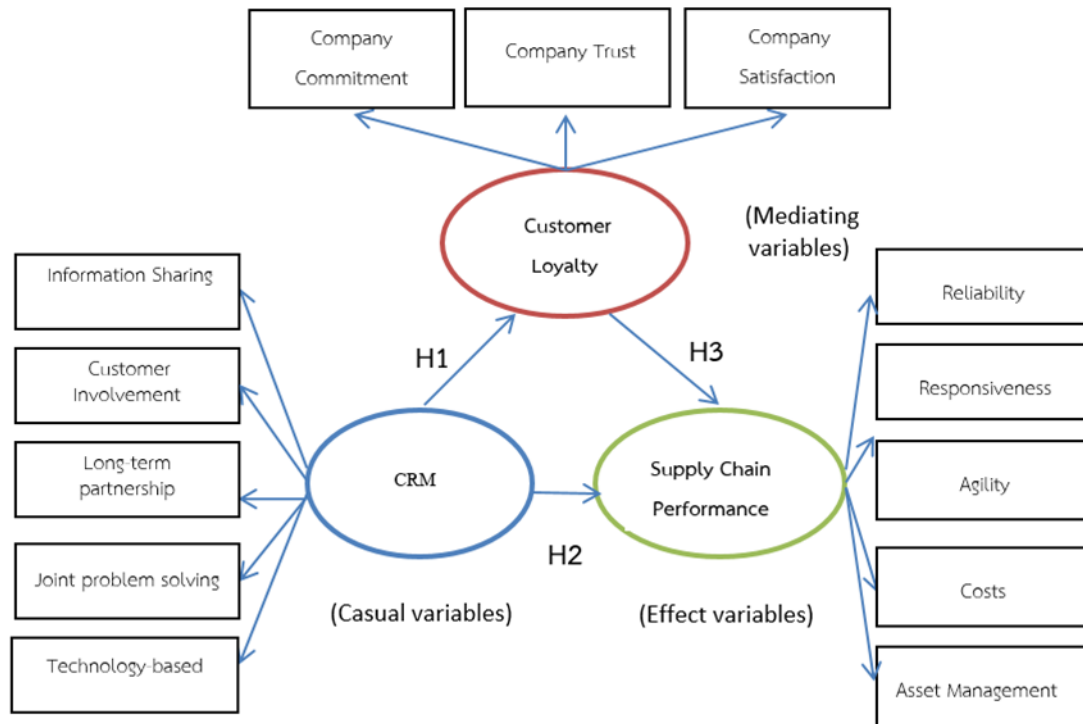


Figure 1 Concept of Customer Relationship Management and Customer Loyalty Influencing Supply Chain Performance of Beverage Manufacturers in Thailand

Hypothesis

From the purpose of this research, the researcher has reviewed the concepts, theories and related research of many scholars. Therefore, it is a model for customer relationship management to enhance supply chain performance of the beverage manufacturing business in Thailand. This model may not be consistent with the empirical data and the interplay of cause and effect variables. Therefore, the researcher can hypothesize the research as follows:

H₁: Customer relationship management has a positive direct influence on the loyalty of the beverage business operator.

H₂: Customer relationship management has a positive direct influence on the performance of the beverage manufacturing operator's supply chain.

H₃: Customer relationship management indirectly influences supply chain performance of beverage manufacturing business owners, influencing customer loyalty.



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Review Literature

The literature review for the variables studied was based on the following framework.

Table 1 Summary of the literature review for the variables studied accord to the research framework

No.	Academic (Year published)/Finding	Studied variables
1	Hassen and Abouaish (2018) The analysis of the structural equation model was found that customer relationship management has a direct positive effect on customer loyalty. The sample group is the 193 customers of a mobile phone service company.	[X] CRM [X]LOY []SCP
2	Pozza, et al. (2018) The analysis of the structural equation model was found that customer relationship management has a direct positive effect on customer loyalty, with a sample of senior management, of companies operating in the manufacturing industry Service industry Chemical industry and the pharmaceutical industry of 350 people	[X] CRM [X]LOY []SCP
3	Santouridis and Tsachtani (2015) The regression analysis showed that Customer relationship management has a direct positive effect on customer loyalty. The sample group consisted of 102 employees working at banks with the type of work involved in the customer relationship management system.	[X] CRM [X]LOY []SCP
4	Garrido-Moreno, et al. (2014) The analysis of the structural equation model was found that customer relationship management has a direct positive effect on customer loyalty. The sample group is 125 general managers of 3-5 star hotels.	[X] CRM [X]LOY []SCP
5	Soltani, et al. (2018) The analysis of the structural equation model was found that customer relationship management has a direct, positive effect on the performance of a business. The sample group was 150 employees working in the management system of taxation.	[X] CRM []LOY [X]SCP

Note: CRM = Customer relationship management, LOY = Customer loyalty,
 SCP = Supply chain Performance



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Research Methodology

1. Research instruments

Research studies are both qualitative studies. There were in-depth interviews with business executives in the beverage production industry and executives of the governing bodies of entrepreneurs in the beverage production industry in Thailand to bring information into consideration, create questionnaires and discuss research results. Combined with quantitative research. That take the questionnaire as a research tool. The questionnaire will check the content validity of question with the Index of Item – Objective Congruence: IOC value of every question must be greater than 0.50. (Laddawan Pechroj & Ajchara Chamniprasat, 2004, pp. 145-146). In addition, this questionnaire must be validated for reliability with the Cronbach's Alpha Coefficient than 0.80, (Kunlaya Wanichbuncha, 2010, pp. 34-36)

2. Data Analysis and Statistics

The research Customer Relationship Management and Customer Loyalty Influencing Supply Chain performance of Beverage Manufacturers in Thailand. This time, the researcher analyzed the data obtained from the questionnaire on a predetermined number of 290 samples, after which the obtained data were converted to statistical data by SPSS program to use the statistics for other statistical analysis. According to research objectives. Which detailed statistics used for analysis as follows;

1) Personal Variable Characterization Building customer relationships Customer loyalty and business success using analytics to Descriptive Statistics Include percentage, mean, standard deviation. It also analyzes skewness, Kurtosis to measure the distribution of data suitable for the analysis of structural equations.

2) It was also analyzed the assertion factor of elemental factors according to the research conceptual framework with confirmatory factor analysis second order: CFA^{2nd} to check the structural validity of the questionnaire by confirm the question of each variable, observed in that latent variable is consistent or not, and use the results to analyze the equation

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