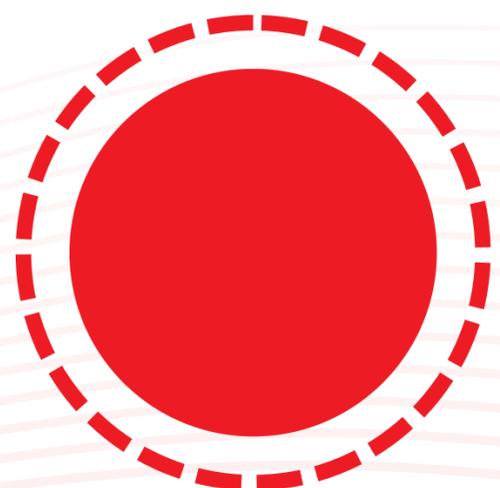SUAN SUNANDHA
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# Customer Relationship Strategy

KARDPAKORN NINAROON

# Modern Marketing

We do not measure success only by "sales" today, but we measure it by "Customer Lifetime Value" or the value that customers provide to us as long as they are still using our services.

**Learning Content**

- ✔ **The Ladder of Loyalty Concept**

- ✔ **The Relationship Bond Concept**

# THE LADDER OF LOYALTY

- **partner**
- **advocate**
- **supporter**
- **client**
- **customer**
- **prospect**

This concept helps marketers visualize reflections of different levels of customer engagement, comparing them to a hierarchy that the organization must strive to push customers to move up in their status.

6. Partner

5. Advocate

4. Supporter

3. Client

2. Customer

1. Prospect

# Stage 1: PROSPECT

Prospect is a person who is likely to have behaviors or needs that match the brand's criteria but has not yet had any business interaction with us.

- ✓ Create initial awareness and motivation.
- ✓ Deliver value before sales to build confidence.
- ✓ Convert "interest" into "data."

# Case Study: PROSPECT

## Adobe Creative Cloud

Use a free trial model to record behaviors regarding which features users are interested in, then send relevant tutorials to motivate them to purchase the full version.

## Glossier

Use an "online quiz" to find skincare suitable for the skin in order to collect insights and send personalized recommendations.

## Webinar (B2B)

Organizing free webinars on trending topics to screen those with genuine interest before passing them to the sales department.

# Stage 2: CUSTOMER

The status where an individual transitions from an observer to a participant in a transaction for the first time; the relationship is at its most fragile.

- Incentive pricing, promotions, or urgent necessity. ✓
- Ready to switch to competitors if there is a better offer. ✓
- Manage post-purchase satisfaction. ✓

# Case Study: CUSTOMER

## Netflix

The first month is a critical period; if the recommendation system cannot find movies that satisfy the customer within the first week, they will not renew immediately.

## Starbucks

Customers might come because of a first-time "Buy 1 Get 1" promotion; if staff can remember their names or deliver good standards, there is an opportunity for a second repeat purchase.

## Shopee

Focus on fast packing and shipping, while using discount coins to stimulate "product reviews" to draw customers back to think of the brand again.

# Stage 3: CLIENT

A status where customers repeat purchases until it becomes a consistent pattern, deciding that this brand is a trustworthy choice in the long term.

- ✓ Focus on customer retention rather than acquisition.

- ✓ Aim to perform cross-selling and up-selling.

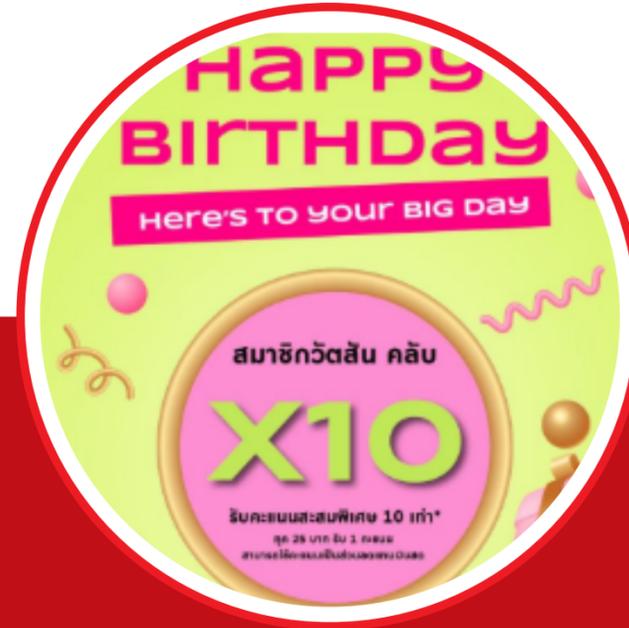- ✓ Low maintenance costs but generate consistent profits.

# Case Study: CLIENT

## Airline
Accumulate miles until reaching Gold status; lounge privileges significantly increase the barriers to switching.

## Watsons
Use purchase history data to send "birthday coupons" or specific offers exactly when products are about to run out.

## Canva
Once customers have uploaded work files and become proficient with the tools, the familiarity and stored database make it difficult to switch and start over with another brand.

# Stage 4: SUPPORTER

Customers have positive feelings and deeply trust the brand's values, no longer buying just for convenience.
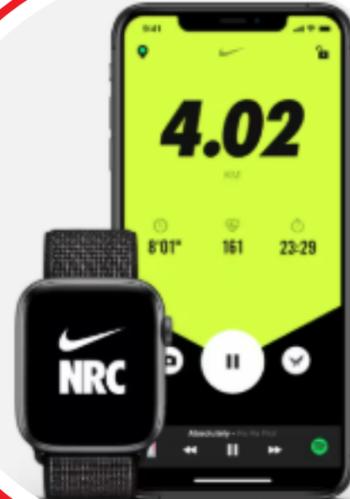
Satisfaction is at a high level. ⊘

Overlook minor mistakes made by the brand. ⊘

Do not switch even when encountering better offers. ⊘

# Case Study: SUPPORTER

## Nike

Customers use the Nike Run Club app to be part of a community; the customers' values merge with the brand's "Just Do It" values.

## Ritz-Carlton

Customers choose to stay at the same place even if competitors are cheaper because the brand excellently records minor details, such as their preferred type of pillow.

## Harley-Davidson

The brand is a personality; customers are proud to possess it and are happy to join various club events to express their sense of belonging.

# Stage 5: ADVOCATE

The highest status of individual loyalty; customers act as brand ambassadors who are ready to recommend and protect the brand's reputation.

- ✓ Persuade others.

- ✓ Recommendations from real users are more influential than advertisements.

- ✓ Provide value to customers, such as inviting them to test new products.
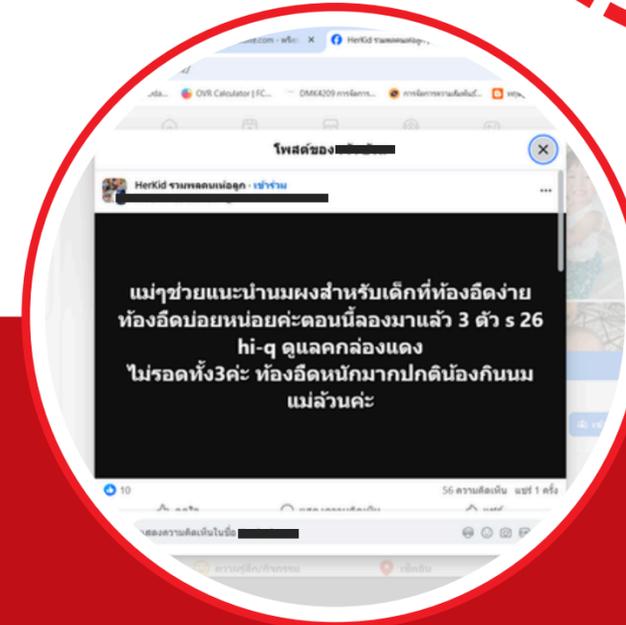
# Case Study: ADVOCATE



## Apple

Customers create unboxing content or reviews with pride and are ready to defend the brand when negative trends occur on social media.

## Beauty Community

Real customers who sincerely share before & after photos create immense confidence for prospects.

## Mom and Baby Brand

Recommendations in closed groups of mothers who trust each other more than advertisements help the brand grow exponentially.

# Stage 6: PARTNER

A relationship of complete interdependence; both parties share resources and information to create new value.

There is joint future planning. ✓

Difficult for competitors to imitate. ✓

Create a sustainable competitive advantage. ✓

# Case Study: PARTNER

## Toyota & Denso

Just-In-Time operations connecting real-time production data and sending engineers to co-design from the beginning.
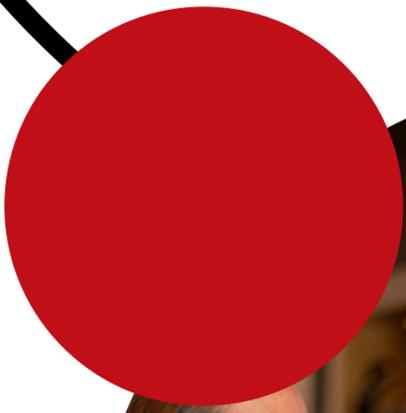
## LEGO Ideas

Allowing customers to design their own building sets; if actually produced, they receive a revenue share, turning customers into partners in ideas and profits.

## Microsoft

Microsoft views companies that install its software for other customers as partners, supporting them with both in-depth training and long-term revenue sharing.

# Bonding for Customer Relationship

It is rooted in the concept of 'Relational Bonds' by Berry and Parasuraman (1991), acting as a 'glue' that binds both parties together under a relational exchange within the context of CRM.

1. Financial Bonds
2. Social Bonds
3. Customization Bonds
4. Structural Bonds

# Level 1: Financial Bonds

Using financial incentives such as discounts and reward points as the primary driver for customer retention.

Easy to create, fast results. ✓

Most fragile, easy to imitate. ✓

Spurious Loyalty. ✓

# Case Study: Reward points of Central Group and PT

The 1 card by Central Group and Max Card by PTG; the fact that customers accumulate points from refueling or purchasing products to use as cash discounts or redeem for free products is the use of pricing tools to attract customers to repeatedly use services within their own ecosystem.

1. เป็นสมาชิกบัตร
Max Card Plus

ผู้เข้าร่วมกิจกรรม
ต้องเป็นสมาชิกบัตร Max Card Plus เท่านั้น

# Level 2: Social Bonds

Transitioning from "strangers" to "friends" through attention to human-dimension details and trust.

✓ Consideration and the feeling of being special.

✓ Remembering personal preferences or providing extraordinary services.

✓ Difficult for competitors to interfere.

# Case Study: Premium services of AIS Serenade and Kasikornbank

Elevating social status and the feeling of being a special individual through exclusive service points (Exclusive Lounge) and having personal assistants.

Creating a sense of belonging for customers as part of a specific "club" or "society."

# Level 3: Customization Bonds

Delivering "personalized value" using Data Analytics to design services that best understand the customer's mind.

Services tailored to each customer's needs. ✓

Predictive services. ✓

The brand understands the customer so well that competitors cannot keep up. ✓

# Case Study: SCB EASY and Lotus's

The SCB EASY application by Siam Commercial Bank, which uses Data Analytics to offer loans or financial products that match the spending behavior of each customer at the appropriate time; or the case of Lotus's, which sends discount coupons through the application by analyzing the products that customers regularly purchase.

# Level 4: STRUCTURAL BONDS

It is the embedding of foundations, work processes, and daily life with the brand to the point that switching to a competitor becomes practically difficult.

- ✓ Creating "extremely high switching costs."
- ✓ Creating "indispensable convenience."
- ✓ Most difficult to imitate.

# B2B Case Study: Medical Devices Orthopedic Sector

Each brand has its own specific technical parts. Switching to a new supplier means the hospital must have doctors learn the usage processes of another brand's equipment from scratch.

# B2C Case Study: iOS Platform by Apple

Creating an indispensable ecosystem with Apple's iOS platform, where apps and data are tied together to the point that moving to Android incurs a migration cost that is too high.

# Conclusion

**Integrating bonds:**
starting with Financial to open minds, developing into Social, and finishing with Structural.

**Measuring success by loyalty:**
focusing on moving customer hierarchy from Prospect to Partner.

**Using Data + Emotion:**
A smart CRM system must merge technical dimensions with emotional engagement.

**Building competitive barriers:**
Loyalty is the best shield against pricing and market volatility.

# Q&A