

SUAN SUNANDHA
RAJABHAT UNIVERSITY



Practical Application of CRM

KARDPAKORN NINAROON

Implementing CRM Strategy into Practice

- The true outcome of CRM is the ability to transform an organization's concepts and visions into tangible results, rather than merely possessing a database or sophisticated software. A key challenge for managers is the lack of a clear "Roadmap" to initiate and drive CRM strategy into becoming a concrete part of the workflow.
- Implementing CRM in practice requires the alignment of three dimensions: People, Process, and Technology. If any of these elements are missing, the organization may face employee resistance, data integration issues, or wasted investment that fails to meet customer needs.
- In this section, we will analyze the "Strategic Process," ranging from setting measurable goals and assessing internal resource readiness to establishing a precise technological framework. This is to demonstrate that building sustainable relationships does not happen by chance but results from deliberate planning and systematic execution.



Project Vision and Goals

Before selecting any technology, the most critical step is to clearly define the “destination.” The vision for customer relationship management must aim to create new value for both the business and the customers. It is not just about general customer care, but must concretely identify the long-term direction the organization intends to pursue.

1. Creating a CRM Vision

A clear vision acts as a compass, ensuring every department moves in the same direction. The organization must define its future image of success, such as becoming a truly customer-centric organization. This vision must align with the company's overall corporate strategy and receive buy-in from senior executives to serve as a policy-driven force.

Note: Vision is the long-term goal or future image that an organization or individual aims to achieve.



Project Vision and Goals

2.Strategic Objectives

A good objective should be defined using the SMART Goals principle (Specific, Measurable, Achievable, Relevant, and Time-bound). Generally, these are categorized into 3 main areas:

- Revenue Generation: For example, goals to increase sales through Cross-selling, Up-selling, or increasing the Average Order Value (AOV).
- Operational Efficiency: For example, reducing customer service response times or eliminating redundant steps within the sales team.
- Customer Satisfaction and Experience: For example, increasing Customer Satisfaction Scores (CSAT) or reducing the Churn Rate.

Note: Goal is the specific result or success that an organization aims to achieve within a defined timeframe.



Project Vision and Goals

3. Project Scoping

In the initial phase, an organization should clearly define the “priorities” of what to do first and what to do next. Attempting to change everything at once often leads to failure. Defining a clear scope helps in managing resources—including budget, time, and personnel—to achieve maximum efficiency.



Business Process Improvement

- Once the vision is defined, it is essential to verify whether current workflows are aligned. CRM failures often stem from applying new technology to obsolete and overly complex processes. Therefore, improving business processes is a critical core of preparation.
- Business Process Improvement in CRM involves fundamentally rethinking and redesigning workflows by using the Customer Experience (CX) Journey as the primary foundation. This is to analyze and eliminate non-value-added steps—such as delayed cross-departmental data transfers or redundant approval layers—which act as obstacles to customer satisfaction.
- The goal of business process improvement is to create standardized processes that integrate Marketing, Sales, and Service departments. This ensures that employees can respond to customers with speed and accuracy, while increasing organizational agility to utilize CRM technology to its full potential.



Selecting Technology and Service Providers

- After streamlining business processes, the organization must select a CRM software to serve as the infrastructure for data management. This is not about seeking the most extensive features or the highest price tag, but rather finding a tool that truly meets business needs and aligns with the organizational context and culture.
- Key criteria include customizability to support business growth and integrability with existing systems to prevent fragmented data silos, which can lead to a blurred customer profile. Furthermore, the system must be user-friendly to ensure adoption by the employees who will be using it in practice.
- When selecting a service provider, businesses should evaluate their credibility, stability, after-sales support, training programs, and data security systems—ensuring compliance with international standards and personal data protection laws (such as GDPR or PDPA). This evaluation should be based on comprehensive comparisons and real-world trials to ensure project success.



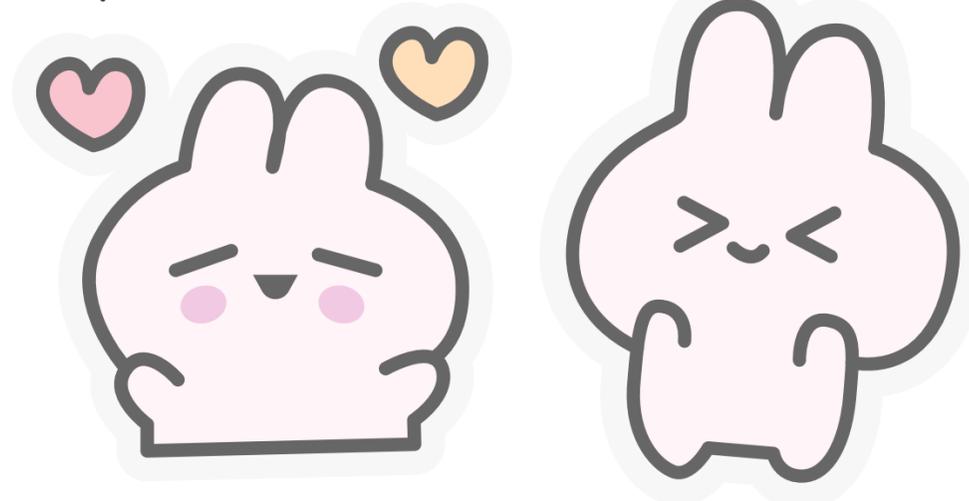
Change Management and Culture Building

- Change Management is a vital strategy that must be executed alongside system implementation to transform fear into cooperation and align employee behavior with new ways of working.
- It begins with leadership communication to create awareness of the reasons and necessity for change. Employees must understand that CRM is a tool designed to make their work easier, not a monitoring or fault-finding mechanism. Additionally, establishing “Change Champions”—internal leaders who can motivate and support colleagues at the operational level—is essential for success.
- Sustainable change arises from embedding a customer-centric culture into the DNA of every department. This involves shifting the mindset from focusing solely on products to focusing on problem-solving and long-term satisfaction. When employees recognize the true value of customer data, the CRM system becomes a powerful weapon that everyone is empowered and willing to use to drive the organization forward.



Measuring CRM Success

- Once the roadmap has been fully implemented, it is essential to have clear metrics to verify whether the resources used are truly creating value and to prevent a situation where actions are taken without knowing the actual outcomes.
- Measuring CRM success requires an effective measurement system that reflects the true health of relationships rather than relying on intuition. This is analyzed through three core pillars: Relationship, Financial, and Internal Efficiency. These metrics help verify business sustainability and identify specific areas that need timely improvement.



Relationship Metrics

These are used to evaluate whether customers still love and feel a sense of belonging to the brand. They serve as tools to reflect the quality of the customer experience, focusing on analyzing repeat behavior and customer sentiment toward the organization. This consists of three key indicators:

1. **Customer Retention Rate:** The ability to maintain existing customers with the brand over a specific period. It measures overall satisfaction; the higher this rate, the lower the cost of acquiring new customers.
2. **Churn Rate:** The proportion of customers who stop using the service or cancel their membership. If this rate spikes, the business must urgently identify the root cause of the problem to resolve it before the customer base is further depleted.
3. **Net Promoter Score (NPS):** A loyalty metric measured through the “likelihood of recommendation.” It helps visualize the brand image in the customer’s mind and predicts future business growth.



Financial Metrics

These are used to evaluate the worthiness of the investment, transforming customer satisfaction into tangible profit figures. They confirm that the resources used in the CRM system are an investment that generates returns rather than a wasted expense. The key indicators are as follows:

1. **Customer Lifetime Value (CLV):** The total net profit that a single customer will provide to the business throughout their entire relationship. This helps the organization decide exactly “which customer segments are most worth the retention budget.”
2. **Return on Investment (ROI):** A figure that confirms the worthiness of the CRM project by comparing the increased profit to the budget spent. This includes both “Direct Benefits” (sales revenue) and “Indirect Benefits” (higher operational efficiency), serving as proof of success for executives and stakeholders.



Internal Efficiency Metrics

These are used to evaluate the efficiency of internal business processes, helping to identify bottlenecks and opportunities to streamline operations. This leads to reduced operational costs and enhanced customer satisfaction. Key indicators include:

1. **Sales Cycle Length:** The average amount of time it takes to convert a “prospect” into a “one-time customer.” A shorter cycle reflects a faster and more efficient sales process.
2. **Speed to Lead:** The duration from the moment a customer makes contact until the first response from a staff member. This is a critical competitive metric in the modern era; the faster the response, the significantly higher the chance of closing a sale.



Obstacles and Factors Leading to Failure

- After learning how to define metrics, it is essential to understand the factors that may lead to the failure of a CRM project. Learning about these obstacles serves as a crucial “immunization” and provides a systematic guideline for risk prevention, transforming potential failure into sustainable success.
- The key obstacles hindering CRM projects can be categorized into three main issues: Data Quality Problems, User Resistance & Lack of Training, and Lack of Executive Support.

Data Quality Problems

- The most critical obstacle is “Data Quality Problems,” or the principle of “Garbage In, Garbage Out.” If the input data is flawed, the resulting outcomes and decisions will inevitably be distorted. Organizations often fail due to redundant, outdated, or incomplete data, which eventually causes employees to lose confidence and stop using the system altogether.
- Managing data quality requires strict discipline, including establishing Data Entry Standards and performing regular Data Cleansing to ensure accuracy and currency. This allows the system to precisely predict customer needs and deliver an impressive, personalized experience.

User Resistance and Lack of Training

- The success of CRM is measured by its actual adoption rate. A significant obstacle is “User Resistance” from employees who worry about increased workloads or being monitored. If employees fail to see personal benefits and lack in-depth training on new workflows, they will eventually abandon the system and return to their familiar, old methods.
- Resolving this requires intensive Change Management strategies, involving employees from the very beginning and providing continuous, role-specific training programs. The goal is to shift their perception from being “forced” to use a tool to “empowering” their own potential to work more effectively.

Lack of Executive Support

- The lack of high-level executive support is the obstacle that most easily leads to CRM failure. If executives view CRM merely as an “IT project” rather than a “core business strategy,” the initiative will lack direction and the authority needed to resolve inter-departmental conflicts. True support is not just about budget approval, but demonstrating a commitment to transforming the organizational culture into a customer-centric one.
- Furthermore, senior executives play a vital role in “breaking down departmental data silos” to ensure seamless data flow. If leaders do not take a clear stand, employees will perceive the project as unimportant. The success of CRM must therefore begin with a leadership mindset ready to act as a “Change Leader,” ensuring the project receives continuous support until it achieves its goals.

Case Studies: CRM Applications

- From theoretical principles to real-world business proof, implementing CRM and measuring its success must account for the unique contexts of different industries and consumer behaviors. Learning through various industry case studies allows us to see how tools and metrics are adapted to solve problems and create opportunities in actual situations.
- Our study of CRM applications across diverse sectors covers Retail, Service and Healthcare, B2B, and the Transformation toward Intelligent AI Systems.

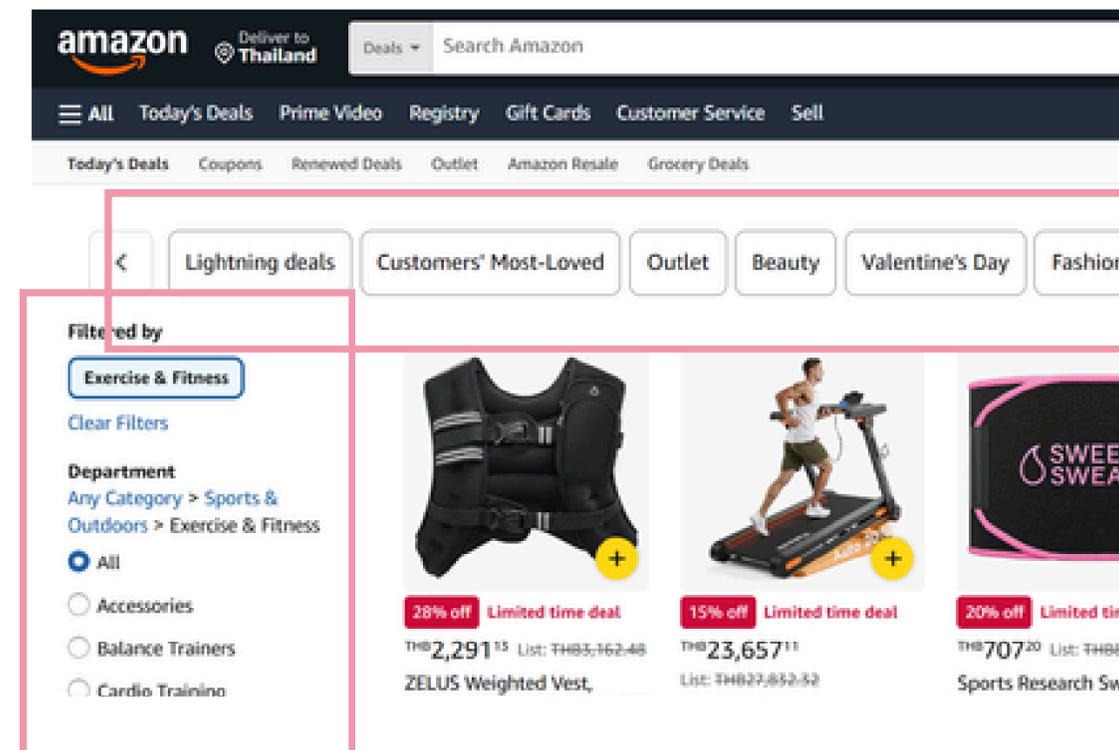
CRM in Retail and E-commerce

Amazon:

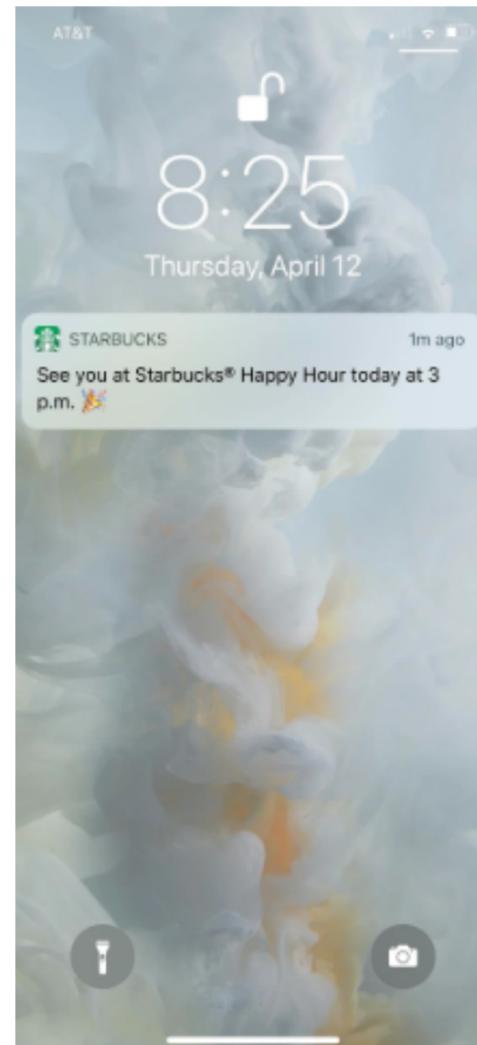
Focusing on the use of Analytical CRM through AI-driven systems to analyze purchase histories for personalized cross-selling and implementing a one-click purchase system to enhance efficiency, resulting in continuous repeat purchases from customers.



or 1-Click Checkout



CRM in Retail and E-commerce



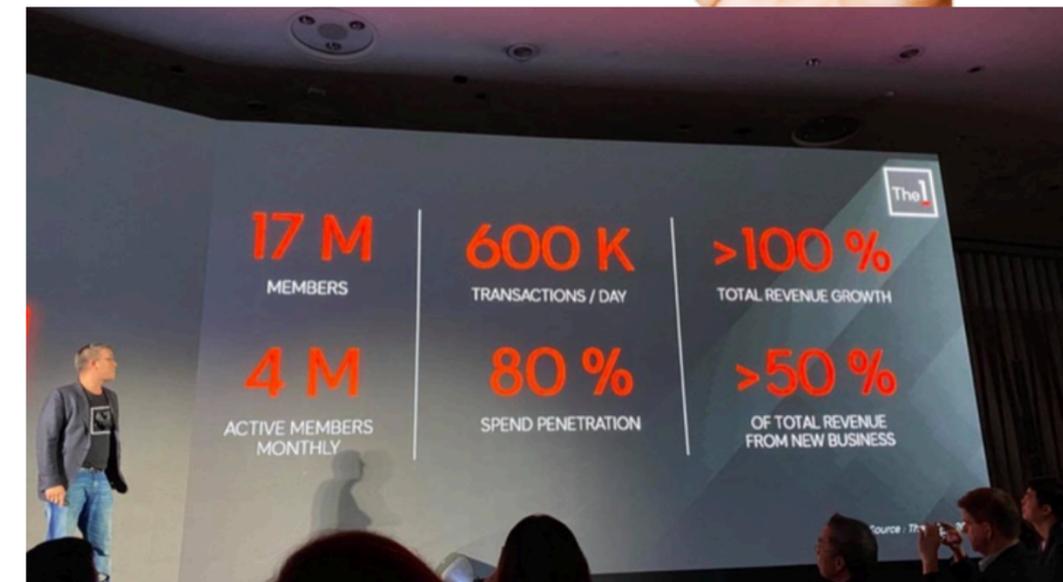
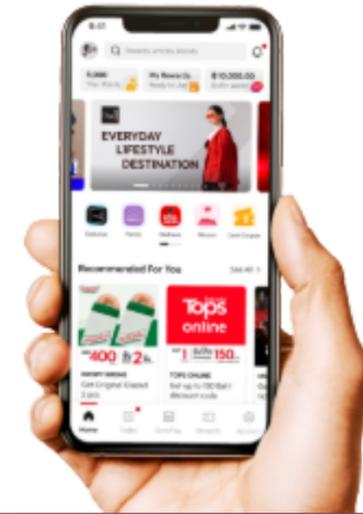
Starbucks:

Applying Social & Operational CRM through Starbucks Rewards to implement Location-based Marketing, such as sending notifications with personalized discounts when customers are near a store at the right time. This strategy helps increase Customer Lifetime Value (CLV) through highly relevant, real-time engagement.

CRM in Retail and E-commerce

The 1 (Central Group):

Creating an Ecosystem-level Collaborative CRM that integrates customer data across all business units through every touchpoint to establish a Single Customer View. The system processes and delivers personalized products, services, promotions, exclusive deals, and information to customers. This enhances Customer Lifetime Value (CLV) through effective cross-selling across the entire business network.



CRM in Service and Healthcare



Bumrungrad International Hospital:

Utilizing Analytical CRM to deliver Personalized Care for both Thai and international patients. Insights are used for automated appointment reminders, coordinating interpreter teams, and tailoring meal plans based on individual preferences. This facilitates 'Preventive Marketing' by retaining the existing patient base, building loyalty, and sustainably increasing Customer Lifetime Value (CLV).

CRM in Service and Healthcare

Bangkok Hospital:

“Utilizing CRM to integrate nationwide network data, allowing physicians to access patient histories and lab results instantaneously. This reduces procedural redundancies and enhances patient safety while leveraging the ‘My B+’ App to deliver personalized benefits. The system facilitates proactive relationship management and strengthens patient retention through targeted notifications and precision care.”



CRM in Service and Healthcare



Centara Hotels & Resorts:

Centara utilizes 'CentaraThe1' to integrate with its core CRM system, enabling real-time guest engagement through Social CRM. Personal preference data is used to proactively prepare services before check-in, enhancing satisfaction levels and driving direct bookings, which ultimately yields positive long-term financial returns.

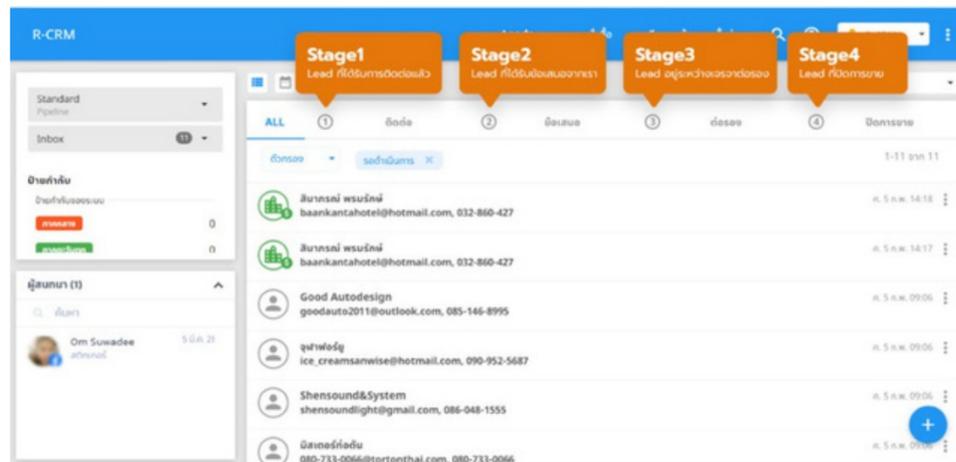
CRM in B2B (Business-to-Business)

SCG (The Siam Cement Public Company Limited):

SCG utilizes Collaborative CRM to manage partner relationships through a platform that integrates nationwide inventory and logistics data. The system analyzes purchasing behaviors to create targeted promotions and delivers technical expertise to technicians and contractors. This builds supply chain loyalty that is far more robust than competing on price alone.



CRM in B2B (Business-to-Business)



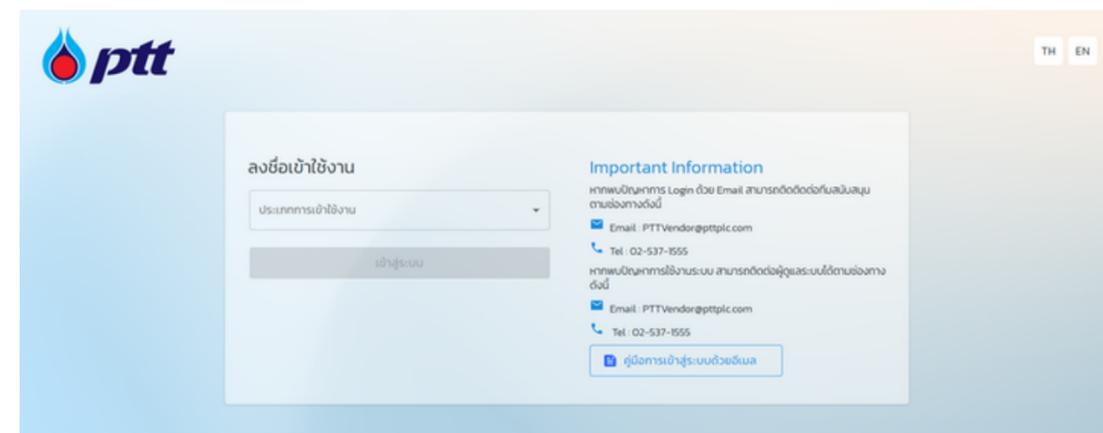
AIS BUSINESS:

Utilizing CRM to manage the Sales Pipeline in granular detail, from Lead Generation to project closure. The system enables deep insights into individual customer needs, allowing for the delivery of more personalized enterprise offerings such as Cloud services or Digital Marketing solutions. This effectively reduces the Sales Cycle Length and increases the opportunities for long-term service contract renewals.

CRM in B2B (Business-to-Business)

PTT Group:

PTT utilizes CRM to manage its distributors and industrial plants by tracking order volumes, service histories, and promotional activities. Through Analytical CRM, the company analyzes upward or downward purchasing trends, enabling sales teams to provide immediate assistance. This approach helps maintain strong relationships and effectively reduces the churn rate of business partners in a highly competitive market.



CRM in the Digital and AI Era

NETFLIX

Different Users will See **Different Thumbnail**
for **Same Movie** on Netflix



Netflix:

Netflix utilizes Analytical CRM integrated with AI to analyze viewing behavior down to the second. Through its 'Recommendation Engine,' the system presents relevant content and dynamically adjusts movie thumbnails to align with each member's specific tastes. This strategy significantly increases the retention rate and reduces the churn rate, as customers feel the system truly 'understands' their personal preferences.

CRM in the Digital and AI Era

Kasikornbank (KBank):

KBank utilizes AI and Machine Learning within the K PLUS application to perform Credit Scoring and deliver personalized product offerings. This includes proactive credit limit proposals and benefit notifications aligned with individual spending behaviors. Additionally, the bank employs Conversational AI to provide 24/7 customer service, enhancing operational efficiency and ensuring a seamless Customer Experience (CX).



Q - A

