



2808222856

**Cultural Communication:
Constructing new dialogues in relationship marketing**

by

Pavit.Ben Aksaranuwat

This thesis submitted in partial fulfilment of the requirements
for the Degree of Master of Science in Built Environment from the
University of London



MSc Project and Enterprise Management
Bartlett School of Graduate Studies
University College London
September 2005

UMI Number: U593835

All rights reserved

INFORMATION TO ALL USERS

The quality of this reproduction is dependent upon the quality of the copy submitted.

In the unlikely event that the author did not send a complete manuscript and there are missing pages, these will be noted. Also, if material had to be removed, a note will indicate the deletion.



UMI U593835

Published by ProQuest LLC 2013. Copyright in the Dissertation held by the Author.
Microform Edition © ProQuest LLC.

All rights reserved. This work is protected against
unauthorized copying under Title 17, United States Code.



ProQuest LLC
789 East Eisenhower Parkway
P.O. Box 1346
Ann Arbor, MI 48106-1346

ABSTRACT

The report attempts to deepen the understanding of the elements of culture and the trust building process that is essential to relationship marketing strategies. Looking at the supplier-client relationship between a French telecom company, Orange, and their target market in Bangkok, Thailand

A questionnaire survey and semi-structure interview have been used as the tools to carry out this research.

The main objective of this report is to correlate cultural studies with relationship marketing strategies drawing from specific examples of Thailand's experiences of integration in project management to implementing strategy.

This report facilitates the understanding of how organisations are being operated at the project level and identifies the play of cultural links when using RM to meet the clients' satisfaction and its own organisation.

The conclusion presented in this report contributes to the general idea of how integrating a cooperative stance is significant when building relationships abroad (in Thailand). Clearly the research addresses and suggests the need for action within the project level for international organisations working abroad to find the line of communication that links to the core of the target group to achieve a greater level of effectiveness in management of supplier-client relationship, communicating, building trust, achieving loyalty and ultimately, RM Strategy.

Key Words: Relationship Marketing, Customer Relationship Management, Culture Communication, Trust, Loyalty and Satisfaction.

Word Count: 11,657

ACKNOWLEDGEMENTS

I wish to express my gratitude to all those who assisted me in my research and writing of this dissertation, especially to my beloved family for their moral and financial support during my studies.

I also wish to extend my gratitude to all that have cooperated and took the time to answer questionnaires, interviews and countless emails, many thanks to the Orange Thailand RM team especially Ong-Art and Saranyu from Siam Surety. It is greatly appreciated.

For all his encouragement, invaluable recommendations and patience with myself and my work, I am indebted to my supervisor Dr Hedley Smyth. , Thank you. Your time with this has been inspirational.

Deep appreciation is conveyed to my course director, Dr Stephen Pryke, also a source of invaluable knowledge, suggestion, opportunities and recommendations during studying in Bartlett School, Thank you.

Last but not least I would like to thank all my dearest friends who went through the hard and stressful times, as well as the good times with me during my studies- Pip, Jan, Nart, Matt, Note, Tim, Nae, Abdul, Leo and Tik.

Pavit.Ben Aksaranuwat

TABLE OF CONTENTS

Abstract	2
Acknowledgments	3
Table of Contents	4
List of Figures and Tables	6

Chapter 1: Introduction

1.1 Identification of the research subject.....	8
1.2 Research Objective.....	9
1.3 Value of the Research.....	10

Chapter 2: Literature Review

2.1 Literature Overview.....	11
2.1.1 Relationship Marketing.....	11
2.1.2 Customer Relationship Management	14
2.1.3 What Make a Successful CRM.....	16
2.2 A Systematic Approach to Buyer-Seller Relationships.....	16
2.2.1 Understanding Buyer-Seller Relationships.....	17
2.3 Culture.....	19
2.4 Engineering trust using cultural codes as a mode of communication.....	21
2.4.1 Building A Trust Economy.....	22

2.4.2 Cultural Code as Identity.....24

Chapter 3: Methodology and Approach

3.1 Methodology and Approach.....26
3.2 Preliminary Data.....27
3.2.1 Semi-Structure Interview and Survey.....27

Chapter 4: Description of Data Collected

4.1 Background.....29
4.2 Orange’s Global Approach.....30
4.3 Orange’s Local Approach.....33
4.4 Orange Thailand’s Development on Relationship Building.....34

Chapter 5: Data Analysis

5.1 Orange’s Line of Communication.....42
5.2 Hegemony as Engineering Trust.....44
5.3 Orange Data Conclusion.....47

Chapter 6: Conclusion and Recommendations

6.1 Conclusions for Research Finding.....48
6.2 Recommendations.....49
6.3 Further Research.....50

Appendices

Bibliography - References.....53

Interviews.....59

Questionnaire.....60

Survey.....61

Case Study Material.....62

LIST OF FIGURES AND TABLES

Figures

2.1	Long Term Customer Life Cycle.....	12
5.1	Show Cultural Communication Process For Orange Thailand.....	42
5.2	Spectrum of Cultural Communication.....	44

Tables

2.1	Show Classification of Buyer-Seller Relationships.....	18
2.2	Show Buyer and Seller Matrix on Trust.....	22

CHAPTER 1

INTRODUCTION

1.1 Identification of the Research Subject

The effects of globalisation from corporate consolidation to multi-culturalism make it impossible not to take into consideration cultural similarities and differences when begetting relationships in this new age of global economy.

Understanding local culture will help formulate more effective modes of communication, which will in turn create stronger trust bonds between forces, new and old, existent in any emerging modern society.

Whether it be personal relationships or business relationships, it can prove advantageous to recognise and utilise cultural patterns to create smooth interactions, which in turn make for smooth integrations.

Our study to better understand and measure the interplay between social relationships and economic performance starts with relationship marketing, or RM. Departing from the traditional marketing mix approach, the focus of RM is on customers and relationships rather than markets and products.

At the core of relationship marketing is the notion of customer retention. According to Gordon (1999), relationship marketing involves the creation of new and mutual value between a supplier and individual customer.

Studies in several industries have shown that the cost of retaining an existing customer is only about 10% of the cost of acquiring a new customer so it can often make economic sense to pay more attention to existing customers.

According to Gordon (1999) the traditional marketing mix approach alone is too limited to provide a usable framework for assessing and developing customer relationships as it emphasises individual transactions rather than on building longer term relationships with customers.

As Gummesson states, “studies of basic relationships offer a wide range of conditions for more efficient management and marketing, and opportunities of making money,” (Gummesson: 2002:8).

1.2 Research Objective

The report attempts to deepen the understanding of the elements of culture and the trust building process that is essential to RM. Looking at the supplier-client relationship between a French telecom company, Orange, and their target market in Bangkok, Thailand, this report will be examining Orange’s corporate RM strategy through two of Orange’s “relationship building” projects launched in recent years.

For firms abroad working to establish a successful relationship with a local market, cultural traits and patterns can be correlated and used to create effective RM strategies. Because societies are ultimately dynamic, so must marketing be. Marketing must work within the framework of the unique modes of communication of each society – and anticipate when these modes might change. Organisations, whether for profit or otherwise, must adapt their marketing to such changes. Organisations that are static in their marketing thinking are prone to failure, most especially within hyper-competitive sectors like communications.

1.3 Value of the Research:

Survival means often cooperation with other, unknown foreign companies and distant geographical areas. Exchange and cooperation need to be managed. Coordination mechanisms develop; the customer firm's and supplier firm's synchronising of activities, resources and capabilities to accomplish a collective set of tasks. Coordination can be mechanistic and it can be collaborative, more organic (Gulati 1998).

Joint ventures and yielding business exchanges come with trust, cooperation and continual interaction. Once we understand and utilise ties that bind communication, differences between cultural protocols become second to a livelihood of business and survival. With this, barriers are broken, relations are fortified and prosperity is gained in both the personal and business worlds.

The main objective of this report is to correlate cultural studies with relationship marketing drawing from specific examples of Thailand's experiences of integration.

As people are the main asset when working toward a marketing strategy and within a marketing management system, cultural studies (the study of peoples) can be used to guide marketing theories to a more immediate reality. If used correctly, marketing schemes can reflect as well as advance cultural integration, or more simply, people's process of understanding each other.

Gained are new perspectives, better knowledge and accessibility of business resources, all of which expand the parameters and sharpen the goals and focuses of RM.

CHAPTER 2

LITERATURE REVIEW

2.1 Literature Overview

RM concentrates on attracting, maintaining and in multi service firms- building customer relationships. It should invest to not only attract new customers but also to keep and improve existing customers. Attracting new customers is viewed as an intermediate objective (Payne. A and Christopher M, 1995:73).

For a strong and loyal relationship, one needs to build trust. You build trust through communication. Knowing the “modes of communication” can help strengthen communication, and thus trust, and thus a strong and loyal relationship.

The focus of this report is on the relationship between the firm and customer and how that relationship can be improved.

Current RM only teaches us to “retain” but doesn’t tell how to integrate effective means of communication used for integration into foreign markets.

Alongside the review of RM, the process of cultural development will also be covered to illustrate “modes of communication” and how it can be related to constructing an effective RM strategy.

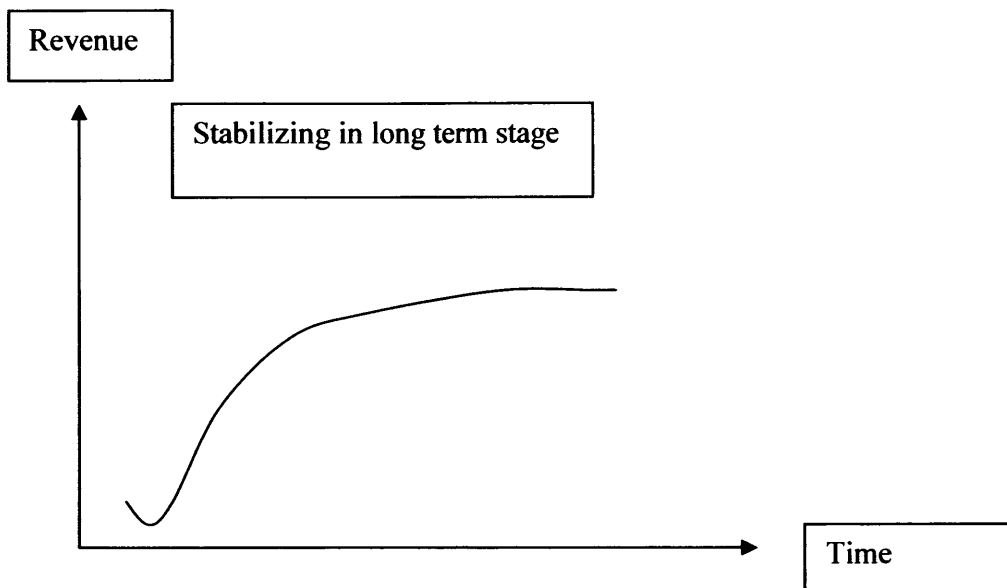
2.1.1 Relationship Marketing

The essence of any marketing concept is understanding customer needs. But before we understand customers’ needs, we must first understand the customer himself.

The customer life cycle matrix illustrate four different areas of business economics

- Acquisition economic in the pre-relationship stage
- Penetration economics in the early and the development stage
- Retention economics in the long term/ maturity stage.
- Termination economic at the end of the customer life cycle.

Figure 2.1. Long Term Customer Life Cycle



Sources: Hougaard, S and Bjerrer, M (2003)

According to Gummesson, the fundamental aim of RM is to create long-term collaborations and mutual value (win-win situations) for both parties involved in the relationship.

The goal for RM is to create incentives for the customer to remain a customer. There are five points that can help to develop an RM plan.

- Core Services Strategy

- **Relationship Customisation**
- **Services Augmentation**
- **Relationship pricing**
- **Internal marketing, continuously encourage and enhance an understanding of and an appreciation for the roles of the employees in the organisation. Developing services culture is relating and enhancing good interactive marketing performance needed for implementing a relationship marketing strategy**

RM is a company wide strategy with the aim of establishing, maintaining and developing competitive and profitable relationship benefiting both the supplier and client (or buyer and seller).

By building up a long term, trusting, “win-win” relationship with customers, distributors, dealers and suppliers, Kotler argues that over time organisations would be able to lower transaction costs as they build trust and develop interest in cooperating with one and another (Kotler, 1999:8).

Consumers are always searching for product and services matching their specific needs, therefore only one out of ten is 100% loyal to the brand. Maintaining customer loyalty is crucial as the longer a customer remains for repeat business, the higher the revenues that organisation gains. Customer relationships that stabilise in the long-term stage will typically be dyadic in their structure and naturally beneficial for both parties (Barnard and Ehrenberg 1997).

Apart from a successful RM’s obvious advantage of endowing a product with the ability to sell itself, it also gives the client the message that the supplier listens, understands the

needs, and responds to the needs.

Understanding the active parties in a relationship is the initial step in creating a service value based relationship, as opposed to bureaucratic-legal value based relationships that usually yield a one time transaction.

Based on the fact that customers (or the source of revenue) are individuals and are different in certain respects, the supplier's main task should be to create value for the customer. The core of the total relationship marketing concept is customer perceived quality and customer satisfaction. This is done with the help of customer relationship management, or CRM.

2.1.2 Customer Relationship Management (CRM)

CRM is the value and strategies of relationship marketing with particular emphasis on customer relationships- turned into practical application.

CRM is a philosophy and business strategy, support by a system and technology, designed to improve human interactions in a business environment. CRM are strategic programs of continuous improvements to that customer experience (Greenburg, 2004 p51).

The generally accepted purpose of CRM is to enable organizations to better serve their customers through the introduction of reliable processes and procedures for interacting with those customers.

Major areas of CRM focus on service automated processes, personal information gathering and processing, and self-service. It attempts to integrate and automate the various *customer serving* processes within a company. The main misconception of CRM

is that it is only software, but it is more than that.

It is a whole business strategy, which goes beyond software and automated services to include training of employees, a modification of business processes based on customers' needs as well as an adoption of relevant IT-systems.

CRMs are claimed to be able to improve customer relationships. Proponents say this is because:

- CRM technology can track customer interests, needs, and buying habits as they progress through their life cycles, and tailor the marketing effort accordingly. In this way customers get exactly what they want as they change.
- The technology can track customer product use as the product progresses through its life cycle, and tailor the service strategy accordingly. In this way customers get what they need as the product ages.
- In industrial markets, the technology can be used to micro-segment the buying centre and help coordinate the conflicting and changing purchase criteria of its members
- When any of the technology driven improvements in customer service (mentioned above) contribute to long-term customer satisfaction, they can ensure repeat purchases, improve customer relationships, increase customer loyalty, decrease customer turnover, decrease marketing costs (associated with customer acquisition and customer “training”), increase sales revenue, and thereby increase profit margins.

CRM is strategic business initiative, an enterprise-wide program that can be implemented incrementally and aim at treating each individual customer differently.

2.1.3 What makes a successful CRM

From company perspective

CRM = retention + Profitability growth

CRM = reduced costs through better processes

From customer perspective

CRM is something that customer may never have heard about it before but can summed up as a good product/services at the right price and efficient and friendly service.

(Gentle, 2002:40)

Together RM and CRM work towards a chain reaction Gummesson labels as Activities, starting off with initial interaction to Episodes, initial interaction developed into continuing interaction to Sequences, prolonged and periodic interaction to Relationships, a continuing series of interaction over a period of time to Partner Base, a trusted, frequented and anticipated return to interaction to Relationscapes, the ultimate goal of becoming one with the customer through loyalty and word of mouth.

There is invariably a gap between ideas and action, between RM philosophy and CRM application. The gap can be caused by lack of implementation skills and stamina, insufficient data or inability to put data together which facilitate decision and action (Greenburg, 2004: 38).

2.2 A Systematic Approach to Buyer-Seller Relationships

Gummesson has point out that the marketing mix concept introduced by Boden (1964) which had conceptualised the 4P's (product, price, promotion and place as part of

marketing mix) was far too narrow to define relationship marketing.

Gummesson developed a systematic approach to relationships by breaking down every possible kind. What he came up with is the 30R's (30 relationships) which he divides into 4 groups- classical market relationship, special market relationship, mega relationships and nano relationships.

This report will be looking into what Gummesson calls, "classic dyad". The classic dyad is the relationship between the supplier and customer (R1) which is the parent of relationship of marketing, the ultimate exchange of value which constitutes the basis all business with other partners (Gummesson, 2002:23).

2.2.1 Understanding Buyer-Seller Relationships

Hougaard, S. and Bjerrer, M. state that buyer-seller relationship comprises of the sum of exchanges and contacts between supplier and customer over time via regulating mechanisms in work and the parties' intentions for the future based on mutual understanding.

There are 3 elements that effect supplier and customer relationship and they are exchange, interaction and integration.

When a company buys commodity, the procurement manager will typically act on a purely market basis focusing solely on the exchange. They will ask several suppliers for bids and compare quality, price, delivery time etc. and act within the constraints of an exchange contract framework. Pure market contracts are called exchange-centric.

Network contracts are integration centric as the relationship is integrated into hierarchical, cooperative structure where the actors actively try to eliminate the friction



between them. This is for manufacturers working within a strategic network of subcontracted partners who have a closed supply chain network.

Interactive centric relationships carry some elements of arms length control like in the pure exchange perspective but they are inclined to also adopt integrative qualities.

It requires two-way communication between supplier and customer and turn it into mutual interaction in operational and strategic problem solving.

Three main strategies for the buyer and seller relationship, as indicated by Campbell (1995), provides a matrix of buyer and seller relationships and addresses them as Competitive, Co-operative and Command. The table below illustrates the interplay between the three:

Table2.1: Show Classification of Buyer-Seller Relationships.

		Supplier Marketing Strategies		
		Competitive	Co-operative	Command
Client Purchasing Strategies	Competitive	Independent	Mismatch	Independent
	Co-operative	Mismatch	Interdependent	Dependent
	Command	Independent	Dependent	Mismatch

Source: Smyth(2000)

To create a balanced and mutual objective relationship, a co-operative strategy is required on both sides. If the client is still operating a command strategy, the risks for the



contractor of the client switching suppliers are higher than where both parties are acting out a co-operative strategy.

A co-operative strategy requires more investment in the relationship. If a relationship is constructed properly, interdependence emerges between the parties. Both parties need to keep the objective mutual so the relationship can be sustainable and fair. Interdependency is where both parties meet in the middle, where they compromise each other to form a perfect solution. If the client does not adopt a cooperative strategy, nor will the contractor in the long run (Smyth, 2000), so the challenge is to court the client into a cooperative mindset.

In order to have a long-term relationship between two parties, there must be a significant extent in the existence of mutual objective. Cultural adaptability is one of the factors that help relationship developing.

2.3 Culture

Culture is a complex and interrelated set of elements, comprising knowledge, beliefs, values, arts, law, manners and morals, and all other kind of skills and habits acquired by a human being as a member of a particular society (Usunier 1996).

An important element in culture is language, especially for international business. But not only verbal communication is of importance, also the messages given through non-verbal communication; gestures, gesticulations and attitudes are significant. Eye contact, touching, space and privacy are understood and used differently in different cultures. At least 75% of all communication is non-verbal (Trompenaars and Hampden-Turner 1997: 76).



Cultures may be divided into neutral and affective. The two opposite sides may get into difficulties if they misinterpret the other's actual standpoint. Verbal communication includes varying elements such as level of interruption, tone of voice and silence. Feedback mechanisms to verify the message are various. The context of communication is vital, contextual factors may distort what actually seems to be literally said.

Edward Hall (1960) contrasts high context and low context. How people communicate is both implicit and explicit. However, this does not apply for communication only, but in a way people and organisation do business, in other words high context may be called *diffuse* from general to specific. And low context *specific* from specific to general (Trompenaars and Hampden-Turner 1997:89). The danger zone is where the specific and diffuse encounter. Communication is basically exchange of information, words, ideas or emotions. Information is the carrier of meaning (Trompenaars and Hampden-Turner 1997:74). Meaning is the core of communication and therefore it is essential to find a way to share a system of meaning. The sources of culture have been divided into the following categories: language, nationality, education, profession, ethnic group, religion, family, sex, social class and corporate or organisational culture (Usunier, 1996:12). Nationality and national culture is often considered a cornerstone of culture.

Cultural adaptability is one of the factors that help relationship developing. Both parties need to keep the objective mutual so the relationship can be sustainable and fair. Interdependency is when both parties meet in the middle where they compromise each other to form a perfect solution.



2.4 Engineering trust using cultural codes as a mode of communication

Communication isn't universal, not everyone speaks English. So you adapt in ways that are conducive to more dialogue. A strong and successful Relationship Marketing does just that with 1.) loyalty and trust 2.) effective means of communication and 3.) defining an identity.

These attributes that establish RM are also the same attributes that establish cultural development, or a smooth integration into modern society. Once we see the correlation between the process of cultural development, or modernization, and RM, we'll be able to develop RM strategies based on the process of cultural development.

Historically, Thailand's method of reaffirming the old while implementing the new has proved an effective way of introducing change. Understanding this process allows us to engage in a more efficient form of communication and to understand how to anticipate developments in Thai culture, which is crucial in managing RM strategies.

Trust is the key of any relationship. Establishing trust between two parties is a matter not just of shared values, but of communicating those shared values. In this way, knowing how to communicate becomes a shared value. The proper territory of RM is this shared ground.

As Fukuyama states, "economics is grounded in social life and cannot be understood separately from the larger question of how modern societies organise themselves." (1996)

In Thailand, as anywhere, these shared or traditional values, namely religion, monarchy and nationhood, are the key to understanding where Thailand has been and where it is going. Such insight will inform the way in which we communicate and what must be communicated.



Pinpointing cultural codes allows us to communicate in the same “language frequency” and thereby achieve better understanding and trust, which is the basis of effective marketing.

2.4.1 Building a Trust Economy

A nation’s well being and ability to compete are conditioned by a single, pervasive cultural characteristic: the level of trust inherent in society.

Haider Ali (1994) states that “the antidote to risk is trust, it is important to consider how any existing trust between buyer and seller may be used and how trust may develop”.

Commitment and trust lead directly to co-operative behaviours that are conducive to the success of their relationship. Trust is said not only to reduce transaction cost but also provide a basis for expanded moral relations in business (Brenkert 1998: 195).

The main interest in trust is that it affects the willingness to co-operate. Trust can be defined as the willingness to rely upon the actions of others, to be dependent upon them, and thus be vulnerable to their actions. No vulnerability is an indication of no trust.

Table 2.2: Show Buyer and Seller Matrix on Trust

		Buyer	
		No Trust	Trust
Seller	No Trust	Both lose in both short and long run (high Transaction Costs, low innovation)	Seller wins, buyer loses (opportunistic gains by seller)
	Trust	Buyer wins, seller loses (opportunistic gains by buyer)	Both Win, In long run (low transaction costs high innovation)

Source (Ive, G, 1997)

Fukuyama argues that the radius of trust is the basic concept behind “social capital”. Although difficult to measure and define, social capital is the dense network of



connections, values, norms, and reciprocal relationships that operate within a community. Because cultural codes create modes of communication, they are the key to building and communicating trust, and hence in turn social capital.

Like physical capital (say, a computer) and human capital (educated or skilled workers), social capital affects economic growth and vitality – the stronger the ties that bind, the greater the potential for the kind of trust and cooperation that improves everyone's standard of living.

Volker Bormschie, a sociologist at the University of Zurich, looked at the economic performance of 24 rich countries and nine newly industrialised nations from 1980 to 1998 and found that high levels of trust and tolerance had a measurable impact on economic performance, along with several other variables, including technological capital (Bormschie, 2002).

High levels of trust and tolerance lead to wider acceptance and adaptability. As a result, more interactions occur and contribute to a society's economic and technological growth.

It is possible to have too much diversity and arrive at a situation in which people in a society have nothing in common besides their legal system. Without shared values, there is no basis for trust, and indeed no common language in which to communicate, (Fukuyama, 1996). A lack of trust produces less cooperation and investment. Nations with high levels of trust allow for more innovation and risk-taking since business can afford to be more confident about the future. The task at hand is how to build a platform for effective communication that builds trust.

In order to build that common ground upon which communication flows with precision and relevance, the identities of those forces doing the communicating and those with



whom they are communicating must first be recognised and acknowledged. This knowledge is key for bonding within a society, as Gummesson says, it is “usable knowledge representing the terrain,” (Gummesson, 2002: 311).

2.4.2 Cultural Codes as Identity

Thailand’s evolution into a “modern state” illustrates how the cultural codes that create and define Thailand were brought to the service of change through the process of trust. Likewise, these codes can be invoked in other areas of discourse, such as RM, to establish the social capital that leads to effective communication.

In an article entitled “Sticky Priors: The Perseverance of Identity Effects on Judgement,” Lisa Bolton and Americus Reed argue that relating or reaffirming one’s identity is a powerful way to build brand loyalty.

“It resists counter attack from competitors,” writes Bolton. “Your identity serves as a filter of sorts, and you discount information, alternative perspectives, or social influence that’s inconsistent with that identity.” (2002)

To identify the qualities of which a people’s identity is composed helps one relate to those qualities and to build upon them. RM must present these qualities as shared qualities and use them to establish trust-based relationships.

According to Bolton and Reed, identity-driven thinking leads to judgments that resist change, “a procedural bias or ‘sticky prior’ in favor of an initial identity-based judgment.” (2002)

“A strong identity makes it harder to consider alternative points of view, which is really what you need to do as a manager – otherwise you’re just going to bring your own biases



into your perceptions of your customers and the marketplace,” writes Bolton. (2002)

Relying on familiar cultural codes when reaching out to people not only improves “perceptions of your customers and the marketplace”, but also the effectiveness of conveyed messages. Reconfirming the customer’s identity while at the same time introducing a new concept yields a greater impact with the customer than a concept that has no relevance to the customer.

CHAPTER 3

METHODOLOGY AND APPROACH

3.1 Methodology and Approach

As a data collecting method the research utilises observations, interviews and a semi-structured survey questionnaire, developed together with a small focus group.

Observations and interviews were carried out as a support system to triangulate the data received from the questionnaires.

Orange Company Thailand, a mobile phone service provider was selected to be used as the case studies in this report. As Orange has many projects that are involve dealing with clients also has an existing customer relationship management (CRM) division which some of interviewees were found from own related acquaintances.

A qualitative semi interview is believe to be the best approach for this report, as this is the attempt to focus deep in cultural, relationship and communication. In this way, Interviewees would have plenty of room and time for discussion and are encouraged to provide substantial information which they could contribute to the report. The Question in the interview is about objective and factor which may effects the CRM project that interviewees used to encounter base on their practical experience and used the open-end question.

The answers were analysed and organised into categories from which the conclusions were drawn. It is assumed here that the answers reflect personal views of the reality in which all the interviewees were embedded.



It is believed that in large organisation such as Orange Thailand, accessing information from the interviewees may be sensitive and more difficult. Especially, CRM project is and on going project Therefore to avoid any difficulty, focusing on one project will be the most appropriate approach for this report.

Communication is used to develop relationship marketing theory for Orange in order to help them to capture information processes and spread it throughout the organisation to complete and improve the whole products and services. This will help them to develop their knowledge, communication, information flow, motivation, responsibility and teamwork. Also, encourage the organisation to bring trust into the culture.

3.2 Preliminary Data:

To analyse the relationship of Orange Thailand and their customers, we went straight to the source of each the participants in the relationship. The study method was chosen in a way to provide results directly from those participants that are involved in this supplier-client relationship network.

3.2.1 Semi-Structure Interview and Survey

On one side there was the Orange Thailand CRM team located in central Bangkok. The questionnaires were individually sent by either email or fax to the entire Orange CRM team, which consists of 30 people. The rate of reply was a little less than satisfactory, 5 answered the questionnaire, but the quality of material was good. Follow up five qualitative semi- structure interviews were conducted with the five who answered the questionnaire.



For further details of the interviewees and questionnaire are illustrated in Appendices.

On the other side we also conducted a focus group consisting of mobile phone vendors to get their responses on experiences with Orange. The group consisted of 20 mobile phone vendors gathered from the Maboonkrong Shopping Centre, Bangkok's largest concentration of mobile phone service shops and booths. The questionnaires to the vendors were anonymous and were either handed out or sent by e-mail.

The data was collected between 2004 and mid 2005.

Furthermore, the questionnaire aim to identify and analyse any problems and their causes including making judgments about what significant factors should be solved in priority. Interviews are the proposed methods in order to check reliability, validate and ensure quality of data from questionnaire.

Drawing conclusions from the Literature Review chapter as well as the Orange case studies, this report conjures up a theory on cultural communication, which can be used to help understand the communication process in a relationship between participants of different origins.



CHAPTER 4

DESCRIPTION OF THE DATA COLLECTED

4.1 Background

Orange Thailand, a mobile phone service provider, entered the Thai telecom business in 2002. After a little over a year in the Thai telecom market, Orange Thailand was bought out by the True Corporation Thailand umbrella. A telecom company, True provides Internet services, landline service provider, cable television (UBC), and now mobile phone services with Orange Thailand.

Now a Thai based organisation, comparing their marketing strategies while under foreign operation and then while under local operation to see how Orange's operation has developed into what it currently is. Although just a little over three years old in Thailand, Orange's approach into the Thai market indicates a focus on developing effective relationship marketing.

The majority of Thailand's mobile phone service needs are catered to by AIS and DTAC, the largest of Thailand's mobile phone service providers, both of which are Thai-owned.

Orange's approach is to focus on winning subscribers from among the 10 million people who live in Thailand's metropolitan areas, more or less ignoring the other 50 million outside of urban Thailand. At first Orange did little to create a trusting dialogue.

Orange's limited approach is partly due to its infrastructural limitations, allowing the company to only provide maximum services in major cities. But the company is in the process of expanding its target market as their infrastructure expands outside of major



cities.

Although it is not doing as well as the other two prominent mobile-phone service providers in Thailand, Orange, to its credit, is the country's number three provider, and from our research, Orange seems to be neck to neck with DTAC in the race for the number-two spot in Bangkok only.

In the book "The CRM Revolution", Peter Harris writes, "On average it costs a company ten times as much to win a new customer than it does to retain one." By conquering Bangkok and major cities first, Orange is building a foundation with a select minority before spreading out into the countryside. Of the 20 mobile phone vendors surveyed, 17 said that DTAC and Orange sold about the same amount. In Bangkok, Orange is a strong contender in the battle for mobile phone service preference, which was their initial aim.

4.2 Orange's Global approach

Ong-art (personal interview April 2005) says that Orange Thailand placed its marketing emphasis on brand orientation based solely on the company's universal rules and regulations of "Orange Look and Feel" (OLAF).

Orange reinforced the global nature of its marketing approach by sending over a 700-strong consultancy team from the UK. Orange's plan for building brand awareness in Thailand was not much different from its plans in other markets worldwide.

Ong-art states that change in the CRM strategy was difficult because "it depends how good you can handle personal feelings of matters," and with a consultancy team consisting of 700 UK expats, "personal feeling of matters" were kept at a distance from



the locale. Although Ong-art acknowledges “relationship is very important since it brings us good quality works and sense of being supportive,” the Orange Thailand CRM team do not have any specific strategy aimed at building and maintaining relationships.

Orange’s aim was to promote itself as the “alternative” choice of mobile phone services. The homogenising OLAF plan can be considered as a form of mass marketing. It requires no specialised interest in its target market. The trouble is that the company’s goal of positioning itself as an “alternative” choice is based on codes that do not resonate in Thai society.

Ong-art said, “Orange converted all of their values into Thai to clarify the same values with UK standards. We need to deliver the same values with the approach that make customers really understand Orange’s values and identity.” (Personal interview April 2005)

Orange’s global approach was not tailored to fit the local target market in Thailand and attempted to impose a marketing approach from outside. Orange’s relationship with consumers is based on what the provider wants to sell, not what the consumers want to buy.

“Customers must feel the same whether they use Orange in UK or Thailand,” says Ong-art.

Orange’s approach requires no sense of locale, no communication directed towards finding or filling a void. The company relies on “foreign” concepts to relate to the local market, hence communication is not strong, trust is not built and loyalty suffers.

Orange Thailand, as Ong-art states, has tried to “gradually educate customers about Orange products and services until they knew who we are. Then after they have attained



and recognised the background and concept of Orange, we make hard sales on them.”

(Personal interview Ong-art, April 2005)

The two leading providers offer services that respond to the needs of the people. For example, they offer pre-paid calling services as an alternative to monthly subscription fees, which have been very popular among people living outside major cities. Pre-paid cards are cheaper than monthly subscriptions, which, for a section of the population earning substantially less income than those living in the city, is a key selling point.

Orange launched its own pre-paid card services and slashed prices, indicating not only that it is scrambling to expand its target market, but also that its top-down method has failed to grasp trends. The company is falling back on price-driven initiatives to win customers rather than on building relationships with them. It's clear that in a price-driven market, one needs to offer more than price adjustments in order to be competitive.

Such cold approaches can work, though at a much slower rate than if a more immediate and relevant approach had been taken. To use the analogy of a dialogue, Orange is talking to itself, like a professor lecturing to bored students. What Orange must do is to transform the platform on which this relationship is based into a free flowing forum where information and knowledge can be exchanged.

An effective professor builds his communication bond with students by listening and observing their interests and then building a communication process with the knowledge he has about the students. With this knowledge the professor can work towards his vision in an environment conducive to exchange. An effective professor's classroom, the platform where his relationships are built, feels more like a discussion group rather than a lecture hall.



Orange's current platform does not create that free-flowing dialogue. For Orange Thailand the process of blending differences between the global product and local market is slow, probably even non-existent, as they are taking an "on-the-job learning" approach as Ong-art describes.

"We keep creating products and services based on market needs indicated to us through customer surveys," says Ong-art (personal interview, April 2005). As could be seen later, when the surveys get better, so do the service.

4.3 Orange's local approach

Under True (a Thailand based company), Orange restructured and ceased to use the Orange Worldwide model into the Orange Thailand operation. Initially Orange Thailand used a UK-based marketing structure, but that changed in 2004 under the True ownership. The structure has now merged to include mostly a Thai based team with a few UK-based consultants.

Orange's CRM team organisation now uses what they call a "top down and bottom up" structure, whereby the management team and the staff members both widen the scope of their job description to in the end meet in the middle. (Personal interview Matinee, July 2005)

High levels of customer satisfaction, like Orange's tactic of slashing prices, do not necessarily translate into repeat business and increased sales (Griffin. J, 1995: 15) and so Orange Communications and Content Service Executive, Ong-art Wongpabklang says Orange systematically relied on CRM throughout 2004 through a "data mining interface software called SIEBEL" and hoped to strategically make the organisation more



customer-oriented.

A customer database moves you from a reactive to a proactive realm in business building. You no longer have to wait for them to contact you. (Personal interview Maytinee, August 2005)

Their goal is to gain 300,000 new Orange subscribers by the end of the year “and the key to communicate with customers is to get them to first register an Orange sim card,” says Ong-art.

By activating an Orange sim card, Orange would be able to communicate with their customers directly through their services. The team will then segment the customers into groups with the data obtained from these new customers, and then work to create appropriate workshops, promotions and offers to suit the customers and their needs.

Once a customer registers with Orange, the Orange CRM can directly communicate with these privileged Orange users and inform them on Orange’s services, special promotions, workshop and complimentary services via SMS (mobile’s text message).

Loyalty and loyalty programs have become the number one issue at the core of marketing and to the core of CRM (Greenburg, p110). Aware of this, the new Orange team created and implemented new loyalty incentive programs, for example their “True Privilege” program, which began January 2005.

The CRM team working with Orange initiated a new “loyalty program” launched in January 2005 called True Privilege. The Orange CRM team selects existing customers from one of True’s services and invites them to switch their mobile phone service to Orange by offering free incentives.

By invite only, select True customers were given free advanced Orange sim cards that



hold up to 1,000 contacts as opposed to the 250 in normal sim cards (net value 700 baht) as well as a “True Privilege” card, a discount card usable in over 400 stores across the nation. “We want to get rid of that gap between us and the customers,” (personal interview Bancha August 2005).

Loyalty is the result of paying attention to what it takes to keep a customer and then constantly providing it. Unlike customer satisfaction which is geared more toward attitude, customer loyalty is behaviour based and is defined as non-random purchase expressed over time by some decision-making unit.

Although with a budget of just 70 million baht (1 million pounds), at the end of the second quarter in June Orange Thailand managed to get 100,000 new subscribers. Although only at one third of their goal for the year, only time will be able to indicate if Orange Thailand’s new strategies will prevail.

4.4: Orange Thailand’s development on relationship building

Market research supplements the knowledge which comes naturally through strong customer relationships, but it is not the prime source of marketing knowledge (Gummesson, 2002: 84).

A society is recognized by its distinct identity, or “physiognomy”. The researcher’s perception of the continuity or change in that society depends upon his ability to recognize that physiognomy as a whole, whatever its details, (Cohen: 1991: 42).

The “ability to recognize that physiognomy as a whole” is a key to understanding the process of change. With a clearer, whole understanding of the terrain, adapting becomes not only simpler, but also more efficient.



Instead of slashing prices to attract customers from broader section of the market, the new Orange Thailand is working towards better results by focusing all of its efforts on an urban minority, where its product works best and also where the influential trendsetters dwell.

- Step one, scan the “terrain” and identify present participants in the relationship.

Since Orange is a foreign product, it must first research the market to gain insight into behaviour and expectations of the people. The goal of such research is to understand the terrain.

The company must research the market before it can identify and seek to develop an ideal relationship with its customers. As far as how such research should be conducted, there are numerous ways in which a company can gain insights into the values of its target market.

Surveys and questionnaires can be used to see what kind of relationships people have with existing mobile phone services in the city. Since Orange’s infrastructure is most developed only in major cities, it should restrict its research to these areas.

Knowing that Orange’s emphasis is on the urban sector, uncovering insights on how this sector differs from the others is the key to providing a “creative solution” to developing trust-based relationships within the sector through RM. The best place to start is to compile basic lifestyle information of its core market – what other purchases they make, how they spend discretionary income, what cultural activities they favour, what sort of family arrangements they tend to have. In essence, Orange should collect



information that reflects its core market's mind set rather than some more arbitrary measure, such as age or income. What values or characteristics bind this group? What kind of ideas are they most receptive to?

In my own quest to meet and communicate with Orange-users in Bangkok, I went to Maboonkrong Shopping Centre, home to the city's largest mobile phone service centre. There I spoke with the vendors who work face-to-face with the mobile phone service market, who shared their insights into the market trends and their direct experience with users. I also spoke with the users themselves, who offered a variety of reasons why they were both satisfied and dissatisfied with Orange's services.

Numerical data are indeed an important part of defining a company's customer base, though on their own they are not enough to stimulate the kind of transformative thinking and ideas which should be RM's stock in trade.

Having thus surveyed the terrain, then can move onto step two, where a response or "creative solution" is conceived.

- Step two, envision an ideal relationship and find out what the needs and demands of the audience are.

Using the insight gained in the first step, I determined that Orange should aim to set itself apart from the other service providers with innovative ideas targeting its core users. The infrastructural limitations with which Orange must deal have naturally focussed its attention on urban areas. Rather than casting a wider net, Orange should keep its focus on

its urban core by identifying the defining characteristics of its most loyal 20% of customers – the 20% most likely to offer word-of-mouth testimony to good service and well-tailored marketing and service campaigns.

Once this core is clearly identified, Orange should envision its own place with the core group's value system. How can Orange reinforce in its own place within this shared identity through its marketing communications? As I have seen, in Thailand the surest way forward is by reinforcing identity while at the same time introducing new concepts. The social capital or trust built up through mutually a beneficial relationship and tailored marketing messages will facilitate the process.

From my field research, I found that AIS and DTAC appeal to the kind of urban users that Orange should target for very general reasons (extensive infrastructure, brand recognition, service quality). Orange should set itself apart by individualising its services to create a closer bond with its dream target market. Once I have surveyed the terrain, then I can conceptualise this market's lifestyle patterns and envision Orange's place within them.

With a vision of an ideal relationship conceived, the next step is to implement.

- Step three, build a communication plan with the insights and knowledge gained from previous steps. An effective platform for communication will result in a free circulation of information.

Once I have identified the audience and envisioned the most effective relationship, then I can develop a communication platform to achieve that relationship.

Because Orange's prices and immediate services in Bangkok are similar to those of the other leading service providers, perks or other services are needed to differentiate Orange.

To do this I must find where the targeted sector is most receptive to the brand.

In keeping with my tailored approach, the "True Privilege" card puts an emphasis on after-sales services and other ways of building on existing relationships. After-sales service is where already established customers communicate with the brand directly. To provide an individualised service to its targeted Bangkok residents, Orange envisions a special exclusive relationship with its core customers.

In my research, I found that consumers are price conscious and want to keep up with the latest promotions, which tend to change almost every three months due to price competition. At the same time Bangkok consumers are frustrated with the need to keep an eye on their bills, mobile phone minutes and the constantly emerging promotions. To help alleviate this frustration, Orange recently established call centres for its customers providing advice and other services on demand, such as automatic promotion updates. This way Orange can respond to their customers' desire to be up to date.

Perks would also likely prove effective among this metropolitan target group. In the research I found that Orange users tend favour new restaurants that are less than a year old. Discount services for new restaurants popping up around the city could be an incentive as Bangkokians on average are most willing to try out a new restaurant within its first year of opening. Orange's new True Privilege card is aware of that and so offers their customers just that. Apart from restaurants, the card also offers discounts on magazines, clubs, department stores and boutique shops.



Being closely related to their consumers through various outlets, Orange has an easier time finding out where and how its core customers live their lives and anticipates accordingly. Orange reaffirms these characteristics in their consumers while at the same time create an identity for itself by linking itself closely to the values of its core consumers.

By delving into their lifestyle, Orange lets the consumers relate to Orange as more than just a mobile-phone service provider. DTAC and AIS will have a harder time attracting users that share the values of Orange's targeted group because their customer bases are already so broad and general. "We hope to gain an edge over this influential minority group with the True Privilege card. (Personal interview, Bancha, August 2005)

A membership plan becomes a platform for building a close relationship with like-minded customers. Orange becomes part of their lifestyle.

Creating services for city-based consumers is the main objective. Their needs and demands need to be pinpointed and a "creative solution" should be found to meet those demands in an individualised manner. When that is achieved, repeat customers will be in constant contact, providing their views and opinions on what further needs or trends they're seeking.

- Step four, gauge unmet demand for further dialogue and provide appropriate responses.

Orange must be focused on fixing complaints and offering "root" solutions that are not yet part of the mobile-phone service discourse. Rejecting "post canonical" approaches



and reinterpreting mobile phone service culture creates a viable alternative that speaks. Orange must be in a continual dialogue with its core users to anticipate changes in their values.

When Orange's infrastructure expands, it will be able to rely on its urban base (a base that tends to travel a lot and have families in countryside) to communicate its satisfaction with Orange's services in the most effective ways possible.

CHAPTER 5

DATA ANALYSIS

5.1 Orange's Line of Communication

Having only started operations in Thailand three years ago, Orange is on the path to growth by gradually moving from the periphery of a culture onto the line of cultural communication by targeting urbanites, the trendsetters of the country.

Ong-art noted that the company plans to take a more localised approach as it expands its infrastructure. He said that in a few years Orange will fully integrate into the local market under a different name, one that he would not yet disclose, though he assured that in two years Orange will have become something else, a more localised version of itself. The entire OLAF expat team will eventually return home.

In the beginning Orange was peripheral to the line of communication, but as they build relationships, the brand will move towards relevancy to the locale as it builds stronger relationships.

The language and modes of communication used to create such a dialogue should be based on actions and codes that are in accordance with the core foundations of a society's self, as represented by the line of 'cultural expression' in the diagram below.

Figure 5.1

Suggested Cultural Communication process for Orange Thailand

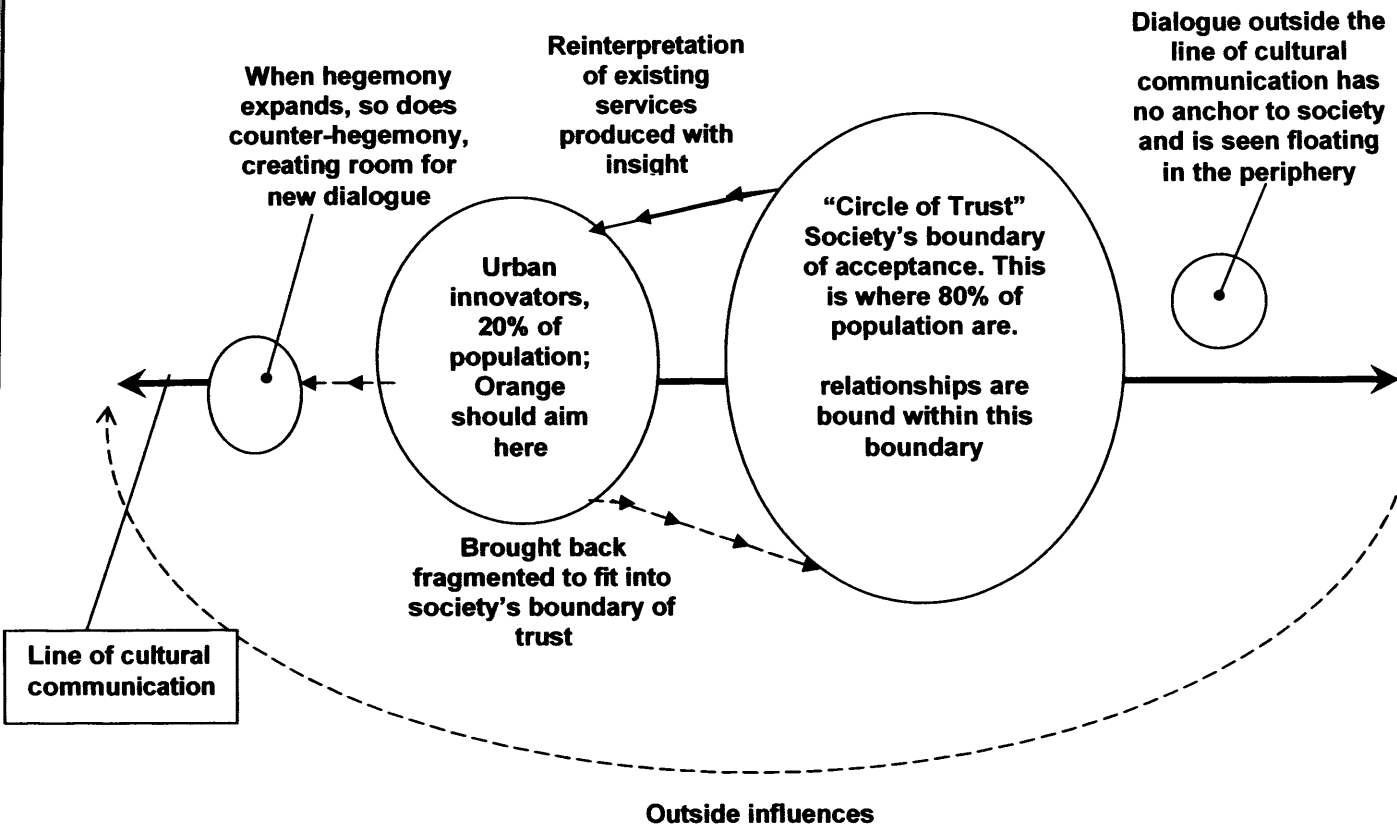


Figure 5.1: Show Cultural Communication Process For Orange Thailand.

It is not implied that RM strategies should be based solely on “core” foundations of a society, but they should at least be based on components that stem from or reflect a society’s definition of itself.

In the era of globalisation, definitions of identity need to be interpreted and reaffirmed while at the same time acknowledging and as much as possible accommodating new



concepts. As Gummesson puts it, “this year’s marketing reality cannot be tackled with previous years’ theories”.

5.2 Hegemony as Engineering Trust

New concepts become part of a society’s culture through the process of what the cultural theorist Antonio Gramsci describes as hegemony (Hebdige, 1979: 14), or the way arbiters of a society’s culture allow it to advance to include concepts that once undermined that culture’s boundaries of acceptance. This is how ruling elites “cope with” ideologies not initially aligned with its own. Through the process of hegemony, ideas are never imposed by force but by “winning and shaping consent so that the power of the dominant classes appears both legitimate and natural” (Hall, 1977), in other words, through trust.

So as the process of hegemony will have it, each new RM/CRM narrative that can “establish new trends, generate new looks and sounds will eventually feed back into the appropriate industries,” (Hebdige, 1979: 95).

The process of hegemony, of which can be seen as a way of engineering trust, “does not passively exist as a form of dominance that cannot be dislodged and must be continually renewed, recreated, defended and modified because it will also be continually resisted, limited, altered and challenged (counter hegemony),” (Lockard 1998: 14).

The figure below will help us visualise this process.

Figure 5.2

Spectrum of Cultural Communication

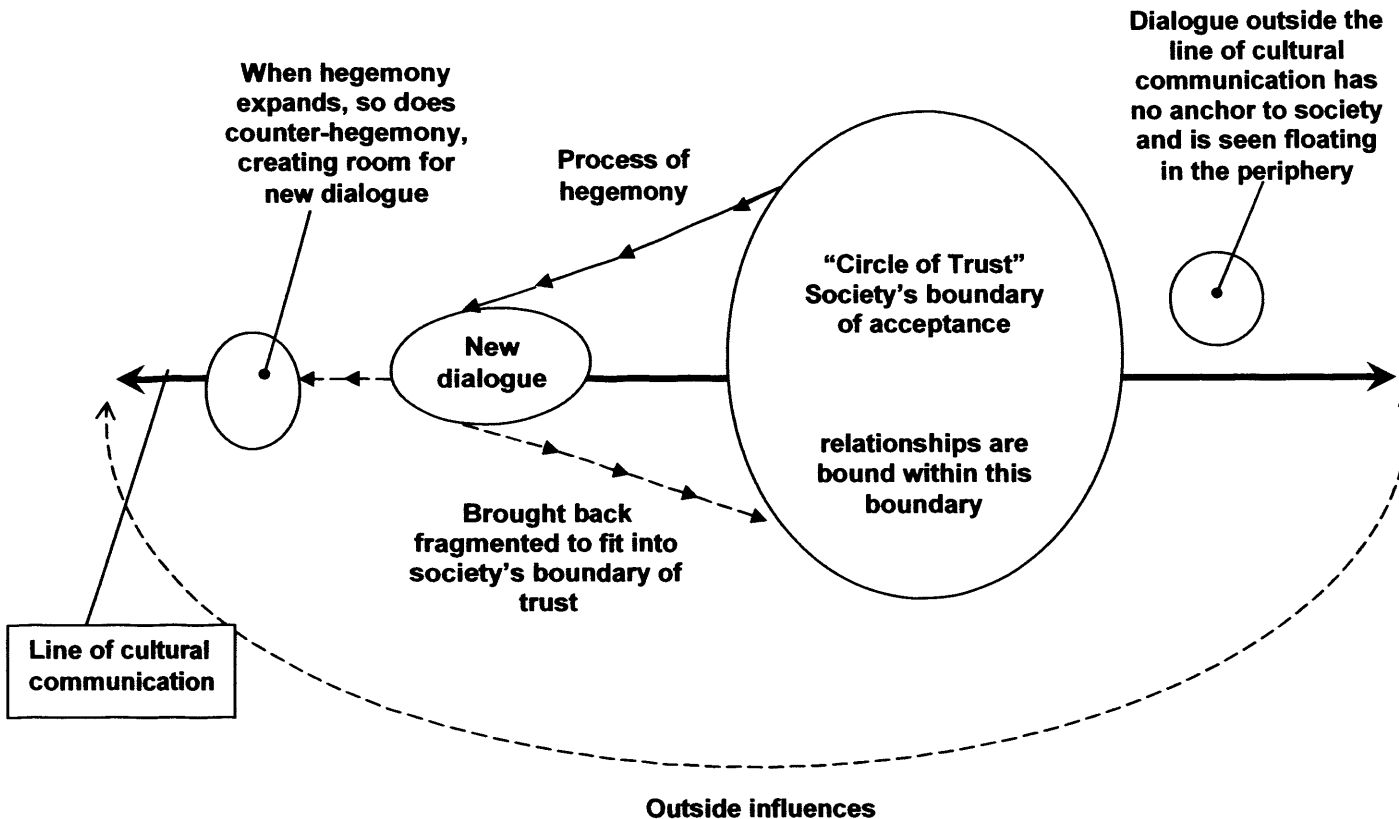


Figure5.2: Spectrum of Cultural Communication.

The large circle in the middle represents society's boundary of acceptance and trust, and inside it is where relationships can most effectively and efficiently be built. The thick line running through it represents the expression of new concepts, on which interactions through various modes of communication occur. The semi-circle this line represents outside influences. Outside the boundary of acceptance and trust (to the left of the large



circle in the middle) though still on the spectrum of cultural expression is where alternative ideologies and concepts with room for interpretation lie.

Through the process of hegemony, society's boundary of acceptance and trust is continually enlarged to envelope new concepts.

Learning how to communicate in modes of communication that fall on the line of cultural expression will help propel a relationship. RM that incorporates such methods will have an easier time engaging people's trust.

Successful communication proceeds from a society's boundary of acceptance.

The dotted lines reaching out from and leading back into the large circle in the middle (the boundary of acceptance and trust) represent the moment in the engineering of trust when a new concept is assimilated by society. Although sometimes fragmented or otherwise manipulated as a result of the process, the new concept has nonetheless shifted into a realm relevant to society's expanding boundaries and into a position where further communication and ultimately trust-based relationships can be built.

As society's boundary of acceptance expands, the line of cultural expression extends outward, away from the reach of society's hegemonic boundaries, continuing its path towards new concepts. The environment is thus always in a state of flux, in a state of dialectical cultural renewal.

As Hall comments, "It [culture] goes on continuously, in the complex lines of resistance and acceptance, refusal and capitulation, which makes the field of culture a sort of constant battlefield. A battlefield where no once for all victories are obtained but where there are always strategic positions to be won or lost." Or in Lockard's words, "Neither 'pure autonomy' nor 'total encapsulation' of the audience is the sole reality," (Lockard,

1998: 13).

The battles being fought on this spectrum of cultural expression preserve at the same time as they define a culture. The goal of RM is operate according to the boundary of trust, and in anticipation of how it will expand.

5.3 Orange Data Conclusion

What Orange initially did was create a space peripheral to the core boundary and line of cultural expression, making its chances of return into the boundary of trust/acceptance slim.

With the implementation of OLAF, the immediate locale and its needs were ignored.

In terms of our diagram, Orange is seen working outside the modes and line of cultural relevancy, there is no connection to the “line of cultural communication” which leads directly into society’s boundary of acceptance.

As could see in the diagram earlier, dialogues that are created off the line of cultural communication appear to be “floating” with no real connection or path to society’s core. Although creating lasting and trusting relationships from the periphery is not impossible, they are very unlikely and difficult as even the most radical revolutions in societies are based on and communicated through the modes and line of cultural communication.

Orange’s new relationship approach brings itself closer to the consumers with the True Privilege as Orange is establishing communication links using the consumers surroundings and definition of identity to create trust and ultimately, loyalty and their word of mouth support.

CHAPTER 6

CONCLUSION AND RECOMMENDATIONS

6.1 Conclusions for Research Finding

This report facilitates the understanding of how organisations are being operated at the project level and identifies the play of cultural links when using RM to meet the clients' satisfaction and its own organisation.

The most crucial area of modern life in which culture exercises direct influence on domestic well-being and international order is the economy (Fukuyama, 1996).

An analysis of Thailand's modernisation process gives us an overview of Thailand's unique socio-cultural make up (see appendix on Dhammakaya). This overview helps us pinpoint effective modes of communication that can then be constructed into a model for better RM. We have seen that a market's socio-cultural makeup must be mapped out before effective communication can begin. The communication strategies that are part and parcel of RM should communicate in a way that reflects the modes and values of a given market. This should lead to customised production, marketing to the individual and a reduced focus on standardised modes of communication.

The conclusion presented in this report contributes to the general idea of how integrating a cooperative stance is significant when building relationships abroad. Clearly the research addresses the need for action within the project level for international organisations working abroad to find the line of communication that links to the core of the target group to achieve a greater level of effectiveness in communicating, building



trust, achieving loyalty and ultimately, RM.

6.2 Recommendations

What binds suppliers and clients is their need for better information and more corporate transparency to make sensible investing decisions. Openness or transparency is a practical policy for re-establishing trust in a market economy. As cultural codes influence people's styles and ways of communication, it can prove more than useful for enhancing openness and transparency and ultimately, relationship marketing.

If communication is a product of trust, then the more refined the "modes" of communication, the stronger the trust. A strong relationship marketing campaign will first identify those values with which a community or market defines itself and then develop ways to communicate that reinforce those values. The hallmark of a successful RM campaign is a strong association in the customer's mind between the given product and the customer's lifestyle. In short, the product on which the RM campaign is based will have become part of the terrain.

Cultural codes are the basis of a people's identity and perception of the world, and so can be used to formulate effective modes of communication. Inherently a form of RM, these modes of communication can be used to produce customised marketing.

Thailand's modernisation process is a historical model of how such marketing works. The modernisation kings envisioned an ideal relationship between the people and the kingdom. Focusing on the needs and demands of Thai society at this crucial moment, the kings met their goal of helping the people to maintain their identity and free from imperialism.



The country's modernisation kings utilised identity-based forms of communication to adapt to outside influences and changes, providing us with a clear example of how potent these modes of communication are.

Developing effective RM strategies in a foreign market should parallel that market's trend of development, and the unique communication modes used to disseminate that trend. A firm's interest in the customer should be relayed in a manner that does not bombard the traditional ways in which a population communicates and defines itself.

6.3 Further Research

Now that "new dialogues" between company and customer have been shown to be effective in relationship building, focus should now be put on systematising the concept into applicable and tangible CRM programs. Although RM and CRM can be applied to all types of organisations and services, the relationship portfolio and the application are always specific to a given solution. (Gummesson, 2002: 310).

In the era of globalisation, the number of products and campaigns vying for the attention of the finite number of potential customers within a given market is unprecedented. However, even global companies can overcome this cacophony by refining their approach and localising their modes of communication in such a way that does not threaten local perspectives and cultural norms.

Now that the pattern of development expansion has been formulated, further research on the methodology of this pattern can also be developed. Identifying and communicating in conjunction with cultural codes is not central to a good marketing campaign, but it is an indisputable part. Apart from understanding cultural codes and the dichotomy of



tradition and modernity, one also needs to be able to translate a sensitivity to these divergent sensibilities into effective forms of concrete marketing.

Developing these methods to systematically produce such marketing will make all marketing communication more efficient.



Appendices



BIBLIOGRAPHY AND REFERENCES

- Alagappa, Muthiah. *The National Security of Developing States: Lessons from Thailand*. Dover, Massachusetts: Auburn House Publishing, 1987.
- Apinya Fuengjusakul, “*Empire of Crystal and Utopian Commune: Two Types of Contemporary Theravada Reform in Thailand*,” *Sojourn*. Vol 8 no 1 (Feb 1993): 152-183.
- Barnard, N. & Ehrenberg, A.S.C. (1997) “*Advertising: Strongly Persuasive or Nudging?*” *Journal of Advertising Research* Jan/Feb 1997 pp 21-31
- Bolton, Lisa B. and Reed, Americus II. (2002) *Sticky Priors: The Perseverance of Identity Effects on Judgements*. University of Pennsylvania
- Bornschieer, Volker. “*Changing Income Inequality in the Second Half of the 20th Century: Preliminary Findings and Propositions for Explanations*” *Journal of World-Systems Research*, viii, 1, winter 2002, 100-127.
- Campbell, N. (1995), *An Interaction Approach to Organisation Buying Behaviour: Relationship Marketing for Competitive Advantage*, Butterworth Heinemann, Oxford
- Chalermripinyorat, Rungrawee. “*Doing the Business of Faith: the Capitalistic Dhammakaya Movement and the Spiritually Thirsty Thai Middle Class*” Paper for presentation at the 7th International Conference on Thai Studies, Amsterdam July 4-8, 1999.
- Cooper, C. K. (2002), *The Relational Enterprise Moving Beyond CRM To Maximize All Your Business Relationships*, Amacom.



- Cohen, Erik. (1991) *Thai Society in Comparative Perspective: Collected Essays*. Bangkok: White Lotus Press,.
- Curry, J. and Curry, A. (2000), *The Customer Marketing Method, How to Implement and Profit From Customer Relationship Management*, Free Press
- Donaldson, B. and O'Toole, T. (2002) *Strategic Market Relationships From Strategy to Implementation*. John Wiley & Sons, LTD
- Farrell, Christopher. "JP Morgan's Character Lesson." Business Week. June 7, 2002.
- Fitchett, James A and McDonagh, Pierre. (2000) "A citizen's critique of relationship marketing in risk society". Journal of Strategic Marketing. Taylor & Francis.
- Ford, D. et al (1998), *Managing Business Relationships*, John Wiley & Sons
- Fukuyama, Francis. *Trust: The Social Virtues and the Creation of Prosperity*. New York: Free Press Paperbacks, 1996
- Gentle, M. (2002), *The Customer Relationship Management Project Management Handbook*, Building Realistic Expectations And Managing Risk, Kogan Page, London and sterling, VA
- Gannon, J.M. and Associates. (1994) *Understanding Global Culture*, Sage, London
- Greenberg, P. (2004) *Customer Relationship Management, Essential Customer Strategies For The 21st Century At The Speed Of Light*, Mc Graw Hill Osborne, California



- Gruneberg, S. and Ive, G(2000), *The Economics of Modern Construction Firm*, Macmillan, London
- Griffin, J. (1995), *Customer Loyalty*, Lexington books.
- Gulati, R. (1998), *Alliances and Networks*, Strategic Management Journal, Vol. 19, P293-317.
- Gummesson, Evert. *Total Relationship Marketing*. London: Butterworth Heinemann, 2002.
- Gronroos, C. (1990) *Service Management and Marketing: Managing the Moments of Truth in Service Competition*. Massachusetts: Lexington Books.
- Gordon, I.H. (1999), *"Relationship Marketing: New Strategies, Techniques and Technologies to Win the Customers You Want and Keep Them Forever"*, John Wiley and Sons Publishers.
- Hall, Edward. T (1960) *The Silent Language in the Oversea Business*, *Harvard Business Review*, May- June, pp87-96
- Hall, S. (1977). *Culture, the media and the "Ideological Effect."* In James Curran, Michael Gurevitch, & Janet Woollacott (Eds.), *Mass Communication and Society* (pp. 315-348) Beverly Hills, CA: Sage.
- Hebdige, Dick.(1979) *Subculture: the meaning of style*. London: Methuen.
- Hougaard, S and Bjerre, M (2003) *Strategic Relationship Marketing*, Springer Denmark
- Haider Ali, K (1994) *"Explaining the impact of foreign aid: Response to McGillivray."* *World Development*, Elsevier, vol. 22(12), pages 2019-2020.



- Ive, G.(1997), *The Client and the Construction Process: the Latham Report in Context*, Bartlett School of Graduate Studies, UCL, London
- Jackson, Peter A. Buddhism, (1989) (*Legitimation and Conflict: the Political Functions of Urban Thai Buddhism*. Singapore: Institute of Southeast Asian Studies.
- Janchitfa, Supara and Buakamsri, Karuna. "Views on the Eighth Plan." Bangkok Post 12 May 1995: 20-21.
- Johnson, G. and Scholes, K. (2002) *Exploring Corporate Strategy*, FT Prentice Hall
- Kasian Tejapina, "The Postmodernisation of Thainess,"*Proceedings of the Sixth International Conference on Thai Studies Theme II*. 1996: 385-404.
- Klausner, Williams J. (2000) *Reflections on Thai Culture 5th edition*. Bangkok: The Siam Society.
- Klausner, William J. (2000) *Thai Culture in Transition: Collected Writings of William J. Klausner, 3rd edition*. Bangkok: The Siam Society.
- Kotler, P. (1999) *Kotler on Marketing, How to Create, Win and Dominate Market*, The Free Press
- Lockard, Craig A.(1998) *Dance of Life: Popular Music and Politics in Southeast Asia*. Bangkok: University of Hawaii Press.
- Payne, A. and Christopher, M. and Clark, M. and Peck, H.(1995) *Relationship Marketing For Competitive Advantage Winning and Keeping Customers*. Butterworth Heinemann.



- Sheridan, Greg.(1999) *Asian Values Western Dreams: Understanding the new Asia, Australia*: Allen & Unwin.
- Reichheld, F. Frederick, (2001) *The one number you need*, Havard Business Review
- Reilly, T. (1996), *Value-Added Customer Service, The Employee's Guide For Creating Satisfied Customers*, Contemporary Books, Illinois USA
- Siriyuvasak, Ubonrat. (1999) "*The Media, Cultural Politics and the Nation State*". *7th International Conference on Thai Studies Amsterdam*, 4-8 July.
- Smyth, Hedley.(2000) *Marketing and Selling: Construction Services*. Great Britain: Blackwell Science.
- Smyth, Hedley. (2003) "*Developing Client-Contractor Trust: A Conceptual Framework for Management in Project Working Environments*". University College London: School of Construction and Project Management, The Bartlett.
- Sucharithanarugse, Withaya. "'Puak': *Concept of the Collective Behavior in Thai Society*." Bangkok: Chulalongkorn University.
- Suwanna Satha-Anand, "*Religious Movements in Contemporary Thailand*," *Asian Survey*, Vol.XXX, No.4 (April 1990): 395-408.
- Taylor, Jim. "*Nostalgia Imagination and the Religiosity of Urban Space: Signs of the Thai Metropolis*." Paper for the 8th International Conference on Thai Studies 9-12 January 2002.
- Trompenaars, F and Hampden-Turner, C. (1997) *Riding the Wave of Cultures, Understanding Cultural Diversity in Business*, Nicholas Brealey Publishing, London



- Ungpakorn, Ji. "*The Tradition of Urban Working Class.*" *Journal of Contemporary Asia*, Vol. 25 No. 1 (1995).
- Usunier, J.C. (1996) *Marketing Across Cultures*, Prentice Hall Europe
- Winichakul, Thongchai.(1994) *Siam Mapped: A History of the Geo-body of a Nation*. Bangkok: University of Hawaii Press.



Interviews

- Wongpabklang, Ong-art. Orange Company. Communications and Content Service Executive. Personal Interview. April/August 2005
- Eaosriwongse, Nithi. Orange Company. Personal Relations. Personal Interview. August 2005
- Boonnarksiri, Bancha. Orange Company. Executive Marketing Service. Personal Interview. August 2005
- Phongsaphan, Maytinee. Orange Company. Channel Communication. Personal interview. August 2005
- Pattanapibhoon, Somchai. Orange Company. Direct Marketing. Personal Interview. August 2005



Questionnaire

For Orange CRM team at orange in prepaid project / loyalty Program?

What CRM technique they used?

Find if it works?

Identify the underlying factors that make it work or not work?

1. What is main goal for orange prepaid project / loyalty program?
 - a. What was the estimate volume in year 2002-2004?
 - b. Has it been reached?
 - c. what is your core target customer for this project? Urban/rural, age group, lifestyle, income?
2. What CRM strategies/techniques did u used for prepaid project / Loyalty program
Please list all the services provided both to attract new costumer and retain existing customer.
 - a. What is the main objective of the over all CRM used?
 - Is profit maximisation or repeat business more important to you?
 - Has the objective been achieved?
 - What measurement have you used to assess the performance?
 - c. the CRM used in this project, does it used orange strategic globally or locally?
3. What were the main factors consider when developing this CRM strategies for this project?
 - A . Do you feel that these factors make CRM work? How?
 - B. Are there any other factors which can help to improve the CRM
4. What is the role of culture?
 - a. how important was culture on entering the local market?
 - i. what action?
 - ii. how important was local knowledge?
 - b. how has culture affected the ability to achieve orange's objectives to CRM, prepaid project and orange overall?
5. What is the perception of orange locally? Does it differ from orange global perception?



Survey

About the Product:

Vendors:

What brand (mobile phone service provider) do you recommend?

Which is the most popular brand currently being bought? Who are the people buying it?

Why is it popular?

How do the different brands differ from one another?

Which one offers the best promotions?

What (brands) do you think of when we say “phone service provider”?

What would your ideal PSP provide (in terms of after sales services).

Which PSP do you think is doing a good job?

Which PSP is –not- doing a good job?

Which PSP are you subscribed with?

Consumers: Loyalists/Rejecters

What brand do you use? What brand do your friends and family use?

Why do you use this brand over the others?

What part of the service do you most like/dislike? Complaints, praises?

What services do you wish your current mobile phone service provider offer?

When do you use your phone the most?

Who do you call? (business related, or just with friends)

Super Consumers (industry, writers, academics, journalists)

About the relationship:

What first pops into your mind when you hear or see, Orange?

What was your first experience with Orange?

Did Orange turn out to be what you wanted it to be?

What types of people do you think use Orange?

Questionnaire / Interview:

Internal: People in Orange

Multiple Choice Questionnaire About the lifestyle:

Income/marital status/basic info – anonymous

What’s your occupation?

Leisure Activities/ Interests/Hobbies:

Where do you spend your free time?

Where do you like to eat?

What magazines do you subscribe to?

Where’s your favourite place to listen to music?

What’s your favourite cuisine? top three restaurant choices in Bangkok?



Case Study Material

Case Study one: the Dhammakaya

The Dhammakaya is a Buddhist reform group in Thailand that reinterpreted the canonical scriptures of Buddhism in order to meet the new spiritual demands of Thailand's growing middle class, and then sold itself to the public via the sort of trust relationship described above.

The Dhammakaya's marketing strategies were so effective that it won an award from the Business Management Association of Thailand in 1988, which the Dhammakaya Foundation openly accepted. Although the Dhammakaya is a religious reform group, its effective use of cultural communication codes is a useful prototype for yielding marketing results. The group's strategic methods not only gained it a large following, but also generated lots of revenue, which ultimately became its downfall, as we will see later.

Examining the Dhammakaya's way of reinforcing the old and integrating into the new, we can see how it systematically created a dialogue and a relationship with a growing group of people.

Initiating a relationship, one must first scan the "terrain" to determine what the needs and demands are and how you can accommodate them. The Dhammakaya got its start by first acknowledging a "void" in the local market and then filling it with a dialogue communicated through relevant services. Its readjustment of Buddhist doctrine created an exchange or dialogue that both responded to a demand and made sense to the sector of the public in this "void".

The void in which the Dhammakaya grew had been dormant in Thailand's developing modern environment and can be seen as a reaction to the transition into the new economy of a modern society.

Due to the rapid economic growth that began in the '60s and '70s and the spread of higher education, "a commercial and professional middle class distinct from the aristocratic-bureaucratic-commercial establishment" (Jackson, p 32) emerged.

The middle class in Thai society had been almost non-existent before 1957 and has been growing at a rate faster than the other sectors of Thai society ever since. This growing sector created a structural imbalance within in the society, demanding that traditional ideas be reformed into conceptual terms that were more relevant to the new situation.

The Sangha, or the authority of Buddhist community, had traditionally only dealt with a simple two-class division in Thai society: the royal/elite and the peasantry. Because the Sangha did not possess modes of communication capable of reaching this new middle class, this growing sector increasingly found itself being disenfranchised from its traditional roots. This spawned a "spiritual void" or a natural need for a substitute for the missing traditional shared values that could provide this sector with "the sense of community, close bonding and fellowship".

"The inactivity of the traditional temples and the ecclesiastical authorities and their inability to come to terms with contemporary problems has frustrated the middle class," says Rungrawee (Rungrawee, 1999: 4).

The "ruling elite" is expanding from government officials and the few flourishing business people to also encompass the growing number of middle class citizens, among them "educated middle and lower ranking bureaucrats, administrative and clerical

employees in commercial and industrial enterprises, professionals such as doctors and lawyers, university lecturers, school teachers, journalists, technicians as well as middle and small scale business men.”

Modern economic development has considerably strengthened the economic position of the middle class in its competition for power with the establishment.

The creation of the middle class in Thai society brought about the conditions which allowed for the emergence of the Dhammakaya movement, which some have described as “nothing but a response to the wider socio-economic transformation in the Thai social context,” (Rungrawee 1999, p.4).

The Dhammakaya was able to pinpoint the “spiritual void” present in the society and offer “creative solutions” to fill that void. As we will see, the Dhammakaya’s response had an incredible impact and influence on the community at large and the middle class in particular.

Identifying the new forces at play within the economy is the first step towards formulating strategic relationship building. Acknowledging what the demands of a society are enables us to envision a solution to meet that demand. The next step is figuring out how to respond and implementing that response. Taking a closer look at the Dhammakaya’s “creative solutions” we can relate their relationship-building methods to our own.

Jackson states “Reformist Buddhism is based on a thoroughgoing demythologisation of the religion’s doctrines...with an emphasis on human life in this world here and now and a religious validation of the hope for socio economic development and material prosperity,” (Jackson 1989, p. 48).

Contemporary Buddhist reform movements stress that Buddhist doctrines should conform to rational and scientific standards of analysis.

What they came up with were teachings that solidified abstract Buddhist concepts into value-conscious, concrete transactions. These teachings became the dialogue between the Dhammakaya and the people of this new section of Buddhist society.

The Dhammakaya’s teaching revolves around the notion that there exist layers of tangible bodies within us all that will lead to enlightenment or nirvana. The “purest” of these bodies appears in the form of a “pure white lotus shaped Buddha image that will lead us into nirvana,” (Suwanna, 1990: 400) and can only be attained through deep meditation.

The Dhammakaya asserts that the highest form of this spiritual body, called Dhammakaya (kaya means body), is what the Lord Buddha referred to when he declared, “Those who see the Dhamma, see me.” Suwanna states that this teaching also claims that “all meditative practices lead to the Dhammakaya and there is no other way to nirvana except this way,” (Suwanna, 1990: 401).

This claim is in contrast to earlier Theravada interpretations in which the word “Dhammakaya” metaphorically referred to the spiritual essence of the Buddha in his state of perfect wisdom. In contrast, Dhammakaya’s teachings insist that this spiritual body exists as a literal reality, in other words, “a personalised and concrete form of true wisdom,” (Apinya, p. 172).

This “demythologising” or reinterpretation of Buddhist doctrines is the Dhammakaya’s way of moulding traditional ideas and reassuring its audience in theological terms. By locating formerly abstract theological concepts in a material setting, the Dhammakaya



addressed the rise and prosperity of the middle class. This new material plane for religion was analogous to the new material and social position of the middle class.

“The religious reformists justify their radically empirical view of Buddhist doctrine by rejecting most of the post canonical commentaries on the scriptures which support metaphysical interpretations of the doctrine as non Buddhist or Brahmanical accretions which obscure the true message of the Buddha,” (Jackson 1989, p. 48).

The Dhammakaya attracted adherents by delivering a message that responded both to where the middle class was coming from and where it was going. The group’s advertisements were able to penetrate “the mind of the receiver . . . and push the emotional button to evoke a positive response, ie buy.”

Once such a dialogue is established it is easier to collect information that can be used to evaluate and gauge the effectiveness of the relationship. All the feedback that comes naturally with dialogue is usable knowledge that represents the terrain. The next step in relationship-building is taking this knowledge and implementing responses to keep communication healthy and relationships strong.

The basis of Dhammakaya’s success was its use of the kind of existing roots that define and drive a society. By “rejecting most of the post canonical commentaries” and reverting back to the “roots” of an identity, the Dhammakaya implemented a new dialogue relevant to modern society.

A leading Thai historian and outspoken critic of Thai culture, Nithi Eaosriwongse, provides us with a reason as to why certain messages and dialogues based on cultural identity are able to evoke responses. He says that “in the age of globalisation, the enormous and complex interconnection of the world in terms of politics, economic and culture make it impossible for people to foresee their own situation and even make sense of the complicated world system. As a result, a number of emerging cults come into play, providing them with easy comfort.” (personal interview; January 2005)

The content of the Dhammakaya’s dialogue with the people seeks to make sense of modern society by reaffirming the society’s identity and its definition of itself. The Dhammakaya has thus become a viable alternative platform for the disenfranchised. As society is now voluntarily reacting and responding to this dialogue, it becomes the basis for a forum for further communication, a forum for building trust.

Recapping the steps of the Dhammakaya’s methodology we have come up with four steps for establishing, building and maintaining a relationship.

- Step one, scan the “terrain” and identify present participants in the relationship. The Dhammakaya did this by acknowledging the growing middle-class spiritual void and the widespread disenfranchisement within the class.
- Step two, envision an ideal relationship and find out what the needs and demands of the audience are. The Dhammakaya did this by rejecting “post canonical teachings”, which the group considered to be the source of the disenfranchisement, and reinterpreted the roots of Buddhism into concrete ideas relevant to modern society.
- Step three, build a communication plan with the insights and knowledge gained from previous steps. Here a platform for a local dialogue leading to free flowing

knowledge should be created and implemented. The Dhammakaya created recruiting programmes and simplified merit-making so that it became a simple matter of a monetary transactions. Temples became the forums, and the people took part in these forums by posing questions and expressing their views.

- Step four, gauge unmet demand for further dialogue and provide appropriate responses. If all the previous steps were successful, then this last step should come with ease as information and knowledge for evaluation should now be free flowing.

As we can see, the Dhammakaya method for building relationships fits into the cultural communication diagram outlined in the last chapter.

The Dhammakaya is anchored and communicating on the “line of communication” with its reinterpretations of the Buddhist canon. The Dhammakaya emerged from the “void” and needs of a disenfranchised group. This group (the emerging middle class) stems from the society’s boundary of acceptance but is outside the society’s old boundaries as it is a new group. The Dhammakaya’s new dialogue filled that void by offering new interpretations of Buddhist doctrine. The group exchanged these new interpretations with the new middle class and brought them back into society’s boundary of acceptance via the line of communication, creating a newer and expanded version of society’s boundary.

The exchange was achieved not by force but by “winning and shaping consent”, or by engineering a trust-based relationship by addressing new ideas to the audience’s sense of identity. Consent was won through a free-flowing communication process that produced invaluable knowledge and bonds between the participants of the relationship.

Initiating a new dialogue created the communication platform. As the disenfranchised were attracted to the platform, the new dialogue was absorbed and became their forum for further discourse. The new dialogue was then taken back into the boundary of acceptance, reaffirming the disenfranchised group’s identity with the larger community while at the same time expanding the larger community’s boundaries of acceptance.

It is the disenfranchised new group that took the new dialogue into the realm of social acceptance. The new dialogue in essence became the voice of this new group, who with their root connections to society expanded the old boundaries.