The Impact of CRM Strategies on Digital Purchasing Decisions: A Study of Consumer Engagement via Newsfeeds in the Thai Market

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ABSTRACT

As businesses increasingly deploy Customer Relationship Management (CRM) strategies for personalized customer engagement through newsfeeds, understanding their impact on digital purchasing decisions becomes crucial for online optimization. This study aims to investigate the factors influencing the adoption of CRM, focusing on its impact on customer engagement, specifically through the use of newsfeed features, in the context of digital purchases within the Thai market. Employing a quantitative approach, this study surveys a diverse sample of 478 Thai consumers, considering factors such as age, education, income, gender, and frequency of online engagement. Preliminary findings reveal that education and income significantly influence consumer responses to CRM newsfeeds, impacting their likelihood of making digital purchases. Those with higher education and income levels show a greater tendency to engage with CRM content, translating these interactions into digital transactions. The study also explores the nuanced impact of gender, status, and media preferences on digital purchases within the CRM newsfeed context. Initial results suggest a limited influence of these factors on consumer behavior in the Thai market, highlighting the need for CRM strategies tailored to demographic characteristics. This research offers valuable insights for businesses seeking to refine their CRM approaches, enhancing customer engagement and optimizing digital purchases in the dynamic online marketplace.

KEYWORDS: Customer Engagement, CRM Newsfeed, Digital Purchases

INTRODUCTION

In recent years, the landscape of digital commerce has undergone significant transformations, with businesses increasingly relying on advanced technologies to enhance their customer interactions and drive sales. One such technology that plays a crucial role in shaping customer relationships is Customer Relationship Management (CRM). CRM is a comprehensive process and policy aimed at acquiring, retaining, and partnering with discerning customers to add value to a company through customer service, marketing, and sales, ultimately obtaining customer value back (Binsaeed et al., 2023). Customer engagement is a dynamic concept encompassing emotional, behavioral, and cognitive processes that lead to direct interaction with a company. It is characterized by customers' behaviors, attitudes, and their level of connectedness to other customers, employees, and within the firm. The behaviors associated with customer engagement are voluntary actions that underlie transactional activities, primarily focused on purchases (Kumar et al., 2019).

CRM capabilities have gained significant attention from researchers, especially in the context of digitalization, where they play a critical role in creating enhanced value for stakeholders through relationships with key customers. In the advanced business environment, CRM capabilities allow organizations to integrate customer data and transition from traditional to digital, stimulating electronic commerce (e-commerce) activities (Varadarajan, 2020). Organizations have predominantly adopted CRM mechanisms to enhance customer relationships and accelerate marketing techniques and innovation activities, including CRM centers (Agnihotri, 2020).

Customer engagement enhances customer attachment to products and services, allowing them to accept organizational changes. Highly engaged customers provide valuable inputs for innovation and business improvement. Organizations with CRM programs offer facilities for customers to involve themselves in strategic decisions. Studies highlight that CRM mechanisms increase customer engagement and positively impact innovation performance. Strategic decisions rely on information from internal and external sources, with customers being a primary source providing valuable feedback. Essentially, CRM serves as a strategic approach that empowers businesses to build and maintain strong relationships with their customers. By leveraging data and insights, CRM systems enable personalized interactions, streamlined communication, and targeted marketing efforts. As the digital realm continues to evolve, the integration of CRM into various aspects of customer engagement has become instrumental in understanding and meeting consumer expectations (Baashar et al., 2020; Binsaeed et al., 2023; Hu & Basiglio, 2023; Parahiyanti et al., 2023).

According to Mpinganjira (2014), the online market makes it difficult for retailers to differentiate themselves based on the traditional marketing mix elements. However, online retailers can increase their chances of customer retention by focusing on relationship management issues. Belleau et al. (2007) indicated that customer attitudes have a positive impact on purchase intentions and customer decisions making. CRM focuses on the interaction and relationship between a business and its customers. In today's competitive business environment, it is widely acknowledged that CRM strategies improve interactions with customers and sales prospects (Hasanat et al., 2019).

The newsfeed component within CRM platforms has emerged as a dynamic tool for fostering customer engagement. It provides a channel for businesses to share updates, promotions, and relevant content directly with their audience. This real-time communication fosters a sense of connection and keeps customers informed about the latest offerings. Understanding how CRM newsfeeds influence consumer behavior is vital in optimizing their impact on digital purchases. Thailand, with its rapidly growing digital economy, presents a unique environment for studying the interplay between CRM newsfeeds and digital purchases. The Thai consumer market is increasingly inclined towards online transactions, making it essential for businesses to adapt their strategies to the evolving digital landscape. Examining the factors influencing digital purchases in Thailand and the role of CRM newsfeeds

within this context will contribute valuable insights for businesses operating in the region. Therefore, in this study, the objective is to investigate the factors influencing the adoption of CRM with a focus on its impact on customer engagement, specifically through the utilization of its newsfeed features, in the context of digital purchases within the Thai market. A thorough understanding of these factors is imperative for grasping the drivers and obstacles associated with the integration of CRM newsfeeds into digital purchasing behaviors in Thailand. By examining and dissecting these influences, we can derive meaningful insights that will inform decision-making and aid in the development of strategies to optimize the advantages offered by CRM newsfeed functionalities.

Methodology

The research strategy employed in this study was a quantitative approach, utilizing closed-ended questionnaires for data collection. These questionnaires were designed based on reliable and valid research data. To ensure the questionnaire's effectiveness, a pre-test was conducted on 30 respondents, as recommended by Memon et al. (2020). Additionally, the measurement instruments' validity was assessed by testing their dependability and accuracy, in line with the guidance of Kaewnaknaew et al. (2022) and Limna et al. (2022). Recognizing the significance of instrument validity, it ensures the accurate measurement of the researcher's conceptual framework.

The study targeted Thai individuals aged 18 and above residing in Thailand. To achieve a representative sample, a minimum of 385 cases was determined at $p=0.5$, using convenience sampling with a sample error at a 5% confidence level of 95%, as suggested by Sitthipon et al. (2022) and Thetlek et al. (2023). Consequently, the study's sample comprised 478 participants selected through convenience sampling. For data analysis, statistical analysis software was employed to perform both descriptive and inferential analyses. The independent variables considered were gender, age, education, status, income, frequency, and media, while the dependent variable was the digital purchase in Thailand. For the gender variable, which only had two categories, a dummy variable was created by assigning values of 1 for male and 0 for female. According to Shaengchart and Kraiwanit (2023), binary regression is a suitable model when the target variable is binary, taking values of 0 or 1. Hence, binary regression was employed for data analysis.

Result

Table 1 shows the omnibus test of the model's performance using the independent variables.

Table 1: Omnibus Tests of Model Coefficients

		Chi-Square	df	Sig.
Step 1	Step	121.302	7	.000
	Block	121.302	7	.000
	Model	121.302	7	.000

Table 1 indicates that the chi-square is 121.302, with a df equal to 7. Thus, the dependent variable can be explained by all the independent variables at a significance level of 0.05.

Table 2 shows the model summary using all the independent variables.

Table 2: The Model Summary Using All the Independent Variables

Step	-2 Log Likelihood	Cox & Snell R Square	Nagelkerke R Square
1	472.596[a]	.149	.273

a. Estimation terminated at iteration number 7 because parameter estimates changed by less than .001.

Table 4 shows the variables in the model using all the independent variables.

According to Table 2, the model can explain approximately 27.3% of the variation in the result with a significance value of 0.05.

Table 3 shows a classification table for back-testing (including all the independent variables).

Table 3: Classification Table for Back-Testing (Including All the Independent Variables)

	Observed		Predicted		
			Purchase		Percentage Correct
			No	Yes	
Step 1	Purchase	No	6	95	5.9
		Yes	4	649	99.4
	Overall Percentage				86.9

a. The cut value is .500

In Table 3, the classification indicates that the model with all the independent variables can predict digital purchases in Thailand with an accuracy rate of 86.9% of cases when there is a cut-off value of 0.500 or when the scope of acceptance is 50%.

Table 4: The Variables in the Model Using All the Independent Variables

		B	S.E.	Wald	df	Sig.	Exp(B)
Step 1a	Gender	-.099	.235	.177	1	.674	.906
	Age	.429	.220	3.810	1	.051	1.535
	Education	-.623	.222	7.898	1	.005	.536
	Status	-1.057	.684	2.393	1	.122	.347
	Income	.738	.169	19.006	1	.000	2.092
	Frequency	.132	.079	2.813	1	.094	1.141
	Media	.013	.257	.002	1	.961	1.013
	Constant	1.080	.898	1.448	1	.229	2.946

a. Variable(s) entered on step 1: Gender, Age, Education, Status, Income, Frequency, Media.

The predictive regression equation of Model 1 from Table 4 can be described by the following equation:

$$P = \frac{1}{1+e^{-z}}$$

where P = the digital purchases in Thailand,

Z = 1.080 – 0.623(Education) + 0.738(Income)

The significance level of each independent variable is presented in Table 4. It shows that the dependent variable (the digital purchases in Thailand) could be described by education, and income. Conversely, gender, age, status, frequency, and media are not significant. When there was an increase of one unit in education, the digital purchases in Thailand decreased from 1 to 0.536 (1 – 0.536 = 0.464). When there was an increase of one unit in income, the digital purchases in Thailand increased by 2.092.

Discussion and Conclusion
In the realm of customer engagement, specifically focusing on the impact of CRM newsfeeds on digital purchases in Thailand, various factors play a role in characterizing these purchases. Key determinants include education and income. It is noteworthy, however, that gender, age, status, frequency, and media do not exert a significant influence on digital purchases within this context. The study's findings aligned with those of Duangsin et al. (2023), indicating that an individual's education level and NFT competence are significant for Non-Fungible Token (NFT) holdings. Those with more NFT literacy and a higher education level are more likely to own NFTs. Jangjarat et al. (2023) also revealed that ChatGPT awareness and usage were influenced by education. Moreover, Shaengchart et al. (2023) suggested that the degree of education could significantly influence an individual's ease and proficiency with technology. For example, those who are younger and more adept at using technology, often correlated with higher educational attainment, might show more willingness to embrace innovations like the Starlink Satellite Project. Additionally, the

study pointed out the impact of income on internet accessibility and usage. Individuals with greater financial resources and who spend more time online are potentially more inclined to utilize the internet for professional or other activities necessitating a dependable and speedy connection. Thetlek and Kraiwanit (2024) demonstrated that education is strongly associated with wealth storage. Specifically, each unit increase in education was linked to a significant rise in wealth accumulation. This suggests that higher levels of education can contribute to improved financial decision-making and wealth-building strategies. Additionally, monthly income was also positively correlated with wealth storage, indicating that higher income levels contribute to increased asset accumulation.

This study sheds light on the intricate dynamics between CRM newsfeeds and digital purchasing behavior. The findings from this research underscore several key insights that contribute to a comprehensive understanding of the phenomenon in the Thai context. Firstly, the education and income of consumers emerged as significant factors characterizing digital purchases influenced by CRM newsfeeds. Individuals with higher education levels, and favorable income brackets exhibited a stronger inclination towards engaging with CRM-driven content and subsequently making digital purchases. Interestingly, gender, age, status, frequency, and media preferences were found to have a negligible impact on digital purchases within the context of CRM newsfeeds. This implies that, in the Thai market, these factors may not be as critical in shaping consumer behavior in the realm of digital transactions facilitated by CRM strategies. Crucially, the research underscores the need for businesses to tailor their CRM approaches based on the demographic landscape of their target audience. Crafting personalized and resonant content that aligns with the preferences and characteristics of different consumer segments is imperative for maximizing the effectiveness of CRM newsfeeds in driving digital purchases. As businesses navigate the evolving landscape of customer engagement in the digital age, understanding the nuances of demographic influences on CRM newsfeed impact becomes a strategic imperative. By leveraging these insights, companies operating in Thailand can enhance their customer engagement strategies, optimize digital purchase experiences, and build lasting relationships with their diverse customer base.

Limitations and Recommendations for Future Studies

While this study provides valuable insights into the influence of education and income on consumer responses to CRM newsfeeds in the Thai market, there are several limitations that should be acknowledged. One limitation is the study's focus on a single market (Thailand), which may limit the generalizability of the findings to other cultural or economic contexts. Additionally, the reliance on a quantitative approach, while beneficial for analyzing large data sets, may overlook nuanced individual consumer experiences and perceptions. For future studies, it is recommended to expand the research to include multiple markets for a more comprehensive understanding of CRM's global impact. Qualitative methods, such as interviews or focus groups, could be employed to capture deeper insights into consumer attitudes and behaviors. Further investigation into other demographic factors, like lifestyle or psychographic variables, could also provide a more holistic view of how different segments interact with CRM newsfeeds. These recommendations aim to build on the current study's findings, offering a pathway for more nuanced and inclusive research in the field of CRM and digital consumer engagement.

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