



Research Journal of
**Business
Management**

ISSN 1819-1932



Academic
Journals Inc.

www.academicjournals.com

Social Customer Relationship Management and Differentiation Strategy Affecting Banking Performance Effectiveness

J. Wongsansukcharoen, J. Trimetsoontorn and W. Fongsuwan

Administration and Management College, King Mongkut's Institute of Technology Ladkrabang, Thailand

Corresponding Author: J. Wongsansukcharoen, King Mongkut's Institute of Technology Ladkrabang, Administration and Management College, ChalongkrungSoi 1, Chalongkrung Rd., Ladkrabang Sub-district, Ladkrabang District, Bangkok, 10520, Thailand Tel: +662 329 8459 / 60 ext. 6301, 2119, +662 329 8000 Fax: +662 329 8461

ABSTRACT

This research aims to develop structural equation modelling of variables that affect the banking performance effectiveness of Thai Commercial Bank branches in the financial service sector by gathering quantitative data. The population of the study covers all 2,068 Thai Commercial Bank branches in Bangkok, Thailand (as of 31 July 2012). This research defined the Thai banks for data collection using stratified sampling (first step) and simple sampling (second step). Primary data were collected using a self-administered survey of 65 managers and 185 marketing officers. Data were analysed using Confirmatory Factor Analysis (CFA) and Structural Equation Modelling (SEM). It was found that significant relationships existed between social customer relationship management (social CRM) and differentiation strategy and banking performance effectiveness. The key success factors of social CRM were found to have direct influence on banking performance effectiveness ($p < 0.01$) and indirectly through the mediation of differentiation strategy ($p < 0.001$).

Key words: Social CRM, differentiation strategy, banking performance effectiveness, confirmatory factor analysis, structural equation modelling

INTRODUCTION

The development of the ASEAN Economic Community (AEC) in 2015 is an important step in the process of ASEAN integration. As financial integration is part of this process, it is essential to reap the benefits by creating a mutually reinforcing "virtuous circle" of financial integration (Kanithasen *et al.*, 2011). One of the most relevant features in the current competition has been the enormous increase of uncertainty in the financial sector (Carbonara and Caiazza, 2010). The crisis has spread globally, hitting Europe especially. Banks confront a more profoundly uncertain business environment than most of them have ever faced (Ferguson, 2009).

The Bank of Thailand has estimated that financial economics and investments will see an increase in competition. Therefore, it is important to adapt to the increasing risk. The banking industry must be able to develop within the more challenging and severe environment. Every sector involved should co-operate and synergize to build a more effective and sustainable system, rather than focusing on short-term gain. As for the Bank of Thailand, it aims to build "a strong financial economy, sustainable and nationwide development". This study scopes the problem and research area to look for a concept that could lead to creating a more effective banking industry by using modern business strategies, i.e., social customer relationship management (social CRM) (Greenberg, 2009, 2010) and differentiation strategy (Porter, 1980a, b; 1996). This study is to

investigate for strategies used in various parts of the world to set organizations' directions, particularly in the banking and financial service sectors. In order to integrate holistically, this research based on Porter (1980a, b; 1996) competitive strategy as a core element. The objective of this study is to obtain new knowledge by integrating social CRM and differentiation strategy with research into the Thai banking and financial service industry. This concept has never been researched. Furthermore, this study aims to create new knowledge that can increase banking performance effectiveness by using strategic planning that can respond to customers' needs using a full range of financial and investment services, as well as giving professional advice and world-class financial and investment consulting. This will achieve the objective of building value and fairness for customers, shareholders (business partners) and employees and will also allow the further development of the whole Thai banking and financial services industry, enabling it to reach a higher potential.

This being the case, it follows that there are gaps in our knowledge and understanding about the key success factors of social CRM and differentiation strategy and how to measure the effectiveness of the factors that affect banking performance effectiveness.

The objectives of the study are:

- To study the direct and indirect influences of variables that affect the banking performance effectiveness of the Thai banking industry and
- To develop structural equation modelling of variables that affect the banking performance effectiveness of the Thai banking industry

LITERATURE REVIEW

Social customer relationship management (Social CRM): Today's customers are using the "oh-so-social-Web" (Bernoff and Li, 2008) to connect with one another and to share experiences and information on products, services, companies and brands. As a result of the widespread growth of online social networking and user-generated-content sites, a shift in the balance of power is occurring (Bernoff and Li, 2008; Parameswaran and Whinston, 2007; Pitt *et al.*, 2002; Rezabakhsh *et al.*, 2006). These social networks have come into play in business. Social CRM recognizes that instead of managing customers, the role of the business is to facilitate collaborative experiences and dialogue that customers value (Baird and Parasnis, 2011). Social CRM (or CRM 2.0) is a philosophy and a business strategy, supported by a system and a technology, designed to engage the customer in collaborative interaction that provides mutually beneficial value in a trusted and transparent business environment (Greenberg, 2009, 2010). They reflect the social environment of the customer. Therefore, the development of CRM systems into social CRM systems is important (Hart and Kassem, 2012). Social CRM applications have great potential for businesses to communicate and interact within social networks and improve the quality and quantity of interactions with customers, suppliers and partners, as well as boost reputation and overall brand loyalty (Ayanso, 2012).

Social CRM (Greenberg, 2009, 2010) is thus the combination of social media and Customer Relationship Management (CRM) and is consequently more than an extension of traditional CRM. Therefore, the goal of social CRM is to use new social and collaborative technologies to establish customer value and thus solve business problems (Hart and Kassem, 2012). In addition, social CRM can deliver insights that will help drive real customer-centric innovation (Woodcock *et al.*, 2011). This research analysed the role of social CRM (Greenberg, 2009, 2010) in terms of exogenous latent

Table 1: Differences between traditional CRM and social CRM

Traditional CRM features/functions	Social CRM features/functions
Definition: CRM is a philosophy and a business strategy, supported by a system and a technology, designed to improve human interactions in a business environment	Definition: Social CRM (or CRM 2.0) is a philosophy and a business strategy, supported by a system and a technology, designed to engage the customer in a collaborative interaction that provides mutually beneficial value in a trusted and transparent business environment
Tactical and operational: Customer strategy is part of corporate strategy	Tactical and operational: Customer strategy is corporate strategy
The relationship between the company and the customer is seen as an enterprise managing the customer-like a parent and child, to a large extent	The relationship between the company and the customer is seen as a collaborative effort. However, the company must still be an enterprise in all other aspects
Focuses on company↔customer relationship	Focuses on all iterations of relationships (among the company, business partners and customers) and specifically focuses on identifying, engaging and enabling the “influential” nodes
The company seeks to lead and shape customer opinions about products, services and the company-customer relationship	The customer is seen as a partner from the beginning in the development and improvement of products, services and the company-customer relationship
The business’s focus is on products and services that satisfy customers	The business’s focus is on environments and experiences that engage customers
Customer-facing features: sales, marketing and support	Both the features and the people who are in charge of developing and delivering those features are customer facing
Marketing is focused on processes that send improved, targeted, highly specific corporate messages to customers	Marketing is focused on building relationships with customers: engaging customers in activity and discussion; observing and redirecting conversations and activities among customers; and participating in those conversations
Intellectual property is protected with all the legal might available	Intellectual property is created and owned together with customers, partners, suppliers and problem solvers
Insights and effectiveness are optimally achieved by the single view of the customer (data) across all channels by those who need to know. Based on “complete” customer record and data integration	Insights are a considerably more dynamic issue and are based on customer data, personal customer profiles on the web and the social characteristics associated with them and customer participation in the activity, as well as the acquisition of those insights
Resides in a customer-focused business ecosystem	Resides in a customer ecosystem
Technology is focused on the operational aspects of sales, marketing and support	Technology is focused on both the operational and social aspects of the interaction
Tools are associated with automating functions	Integrates social media tools into apps/services; includes blogs, wikis, podcasts, social networking tools, content-sharing tools and user communities
Utilitarian, functional and operational	Style and design also matter
Mostly uni-directional	Always bi-directional
Presumes for customers regularly	Integrates the “voice of the customer” into all facets of planning, from strategy onwards

Adapted from Greenberg, 2009, p. 8; 2010, p. 414

variables and as a new strategy for the customer-organization relationship, finding that social CRM is a potential driver for long-term relationships with customers and identifying factors that influence performance effectiveness. Based on Greenberg (2009, 2010), the differences between traditional CRM and social CRM presented in the Table 1.

Based on the above, the hypotheses relative to banking performance effectiveness are:

- **H1:** Social CRM will have a positive impact on banking performance effectiveness
- **H2:** Social CRM will have a positive impact on differentiation strategy

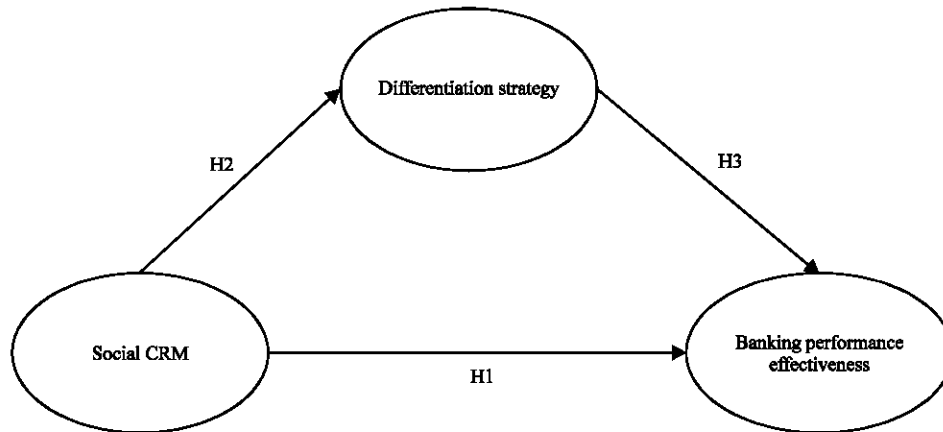


Fig. 1: Conceptual framework

Differentiation strategy: According to Porter (1980a, b) framework, a business can also pursue superior performance by differentiating its products and services from those of its rivals (Parnell, 2011; Parnell and Hershey, 2005). A differentiation strategy involves the firm creating a product or service that is considered to be unique in some aspect that the customer values (Spencer *et al.*, 2009). Additionally, the differentiation strategy is effectively implemented when the business provides unique or superior value to the customer through product quality, product features or after-sales support (Allen *et al.*, 2007; Hahn and Powers, 2010). Thus, the essence of this strategy is choosing to perform activities differently than rivals do (Porter, 1996).

Based on the above, the hypothesis relative to banking performance effectiveness is:

- **H3:** Differentiation strategy will have a positive impact on banking performance effectiveness

Banking performance effectiveness: In this study, banking performance effectiveness is an endogenous latent variable. To measure banking performance effectiveness, each respondent in this study was asked to evaluate his/her Thai Commercial Bank branch's current banking performance in the local financial service sector relative to its principal competitors with respect to the following six items: (1) sales growth, (2) customer retention, (3) Return on Investment (ROI), (4) market share, (5) cost reduction and (6) overall performance (Gordon *et al.*, 2008; Kunc and Bhandari, 2011; Olotu *et al.*, 2011; Pertusa-Ortega *et al.*, 2010; Sin *et al.*, 2002; Tse *et al.*, 2004).

Conceptual framework: The main purpose of this study was to explore the effects of social CRM and differentiation strategy on banking performance effectiveness among the Thai banking industry. Conceptual framework of this study presented in the Fig. 1.

RESEARCH METHODOLOGY

Questionnaire design: The methodology of all the constructs in the conceptual framework was based on the literature. This research adopted and modified 27 items developed by HBR Analytic Services (2010), Akroush *et al.* (2011), Reimann *et al.* (2010) and Vella and Caruana (2012) to measure social CRM. For differentiation strategy, this research adopted and modified 5 items developed by Parnell (2011), Pertusa-Ortega *et al.* (2010), Hahn and Powers (2010) and Salavou

Table 2: Summary of measurement items

Social CRM	SM11	My organization uses social media with customer relationship management
	SM13	My organization uses social media with relationship marketing orientation
	CRM12	The organization's CRM system helps my job performance
	CRM13	You intend to use the CRM system on a regular basis
Differentiation strategy	Differ1	My organization uses new methods and technologies to create superior products/services
	Differ2	My organization developed financial products / services in ways that are different from the competition
	Differ3	My organization focused on corporate branding and brand identification
	Differ4	My organization uses innovation in marketing techniques and methods to create superior products/services
	Differ5	My organization has innovative in the market.
Banking performance effectiveness	Cost Re	Cost reduction
	CR	Customer retention
	MS	Market share
	ROI	Return on investment
	SG	Sales growth
	OP	Overall performance

SM: Social media, CRM: Customer relationship management, Differ: Differentiation strategy

(2010). In this study derived 6 items from Kunc and Bhandari (2011), Merchant (2007), Pertusa-Ortega *et al.* (2010), Gordon *et al.* (2008) and Sin *et al.* (2002) for banking performance effectiveness. All items were seven-point Likert-type scales. In this study modified and developed all the aforementioned items (38 items) into 15 items for calculation. Following this, all the items for calculation were adapted to fit with the model, resulting in 10 measurement items (please refer to Table 2).

Data collection: The population of the study covers all 2,068 Thai Commercial Bank branches in Bangkok, Thailand (as of 31 July 2012), which Thai commercial bank listing presented in Table 3. This research defined the Thai banks for data collection using stratified sampling (first step) and simple sampling (second step). The study utilized quantitative methodologies. A questionnaire was used as the study tool, comprising two parts: first, general information about Thai Commercial Bank branches in Bangkok; and second, three latent variables comprising (1) social customer relationship management (Social CRM), (2) differentiation strategy and (3) banking performance effectiveness.

Out of the 510 questionnaires distributed, a total of 250 completed questionnaires were returned: a response rate of 49.02%. Primary data were collected using a self-administered survey of 65 managers and 185 marketing officers. In the total sample, 69 (27.6%) of the respondents were male and 181 (72.4%) were female in the Thai Commercial Bank branches. The responses to the questions capturing focal constructs used a seven-point Likert scale (rating statements 1-7; 1 = strongly disagree and 7 = strongly agree). Table 4 displays the characteristics of respondents.

Reliability and validity construct: This research first conducted Confirmatory Factor Analysis (CFA) and subsequently reliability analysis to measure Cronbach's alphas for the scale items to

Table 3: Thai commercial bank branches

Thai commercial bank branches	
1	BANGKOK BANK PUBLIC COMPANY LTD http://www.bangkokbank.com
2	BANK OF AYUDHYA PUBLIC COMPANY LTD http://www.krungsri.com
3	CIMB THAI BANK PUBLIC COMPANY LTD http://www.cimbthai.com
4	INDUSTRIAL AND COMMERCIAL BANK OF CHINA (THAI) PUBLIC COMPANY LIMITED http://www.icbcthai.com
5	KASIKORNBANK PUBLIC COMPANY LTD. http://www.kasikornbank.com
6	KIATNAKIN BANK PUBLIC COMPANY LIMITED http://www.kiatnakin.co.th
7	KRUNG THAI BANK PUBLIC COMPANY LTD. http://www.ktb.co.th
8	LAND AND HOUSES BANK PUBLIC COMPANY LIMITED http://www.lhbank.co.th
9	SIAM COMMERCIAL BANK PUBLIC COMPANY LTD. http://www.scb.co.th
10	STANDARD CHARTERED BANK (THAI) PUBLIC COMPANY LIMITED http://www.standardchartered.co.th
11	THANACHART BANK PUBLIC COMPANY LTD. http://www.thanachartbank.co.th
12	TISCO BANK PUBLIC COMPANY LIMITED http://www.tisco.co.th
13	TMB BANK PUBLIC COMPANY LIMITED http://www.tmbbank.com
14	UNITED OVERSEAS BANK (THAI) PUBLIC COMPANY LIMITED http://www.uob.co.th

Bank of Thailand (2012)

ensure internal consistency (Laroche *et al.*, 2013). Multi-item measures were developed based on Cronbach's alpha >0.70 (Nunnally, 1978). This study then calculated Cronbach's alphas for each construct. As shown, the reliability measure ranged from 0.838 to 0.935 (Table 5).

According to Wheaton *et al.* (1977) and Hair *et al.* (1999), widely used measures of model fit include CMIN/df (χ^2/df). "The CMIN/df ratios in the range of 2 to 1 or 3 to 1 are indicative of an acceptable fit between the hypothetical model and the sample data" (Carmines and McIver, 1981); thus, the ratio should be close to 1 for correct models. "...a CMIN/df ratio more than 2.00 represents an inadequate fit" (Byrne, 1989). The goodness of fit (GFI) and the adjusted goodness of fit (AGFI) indices are at least 0.90; GFI and AGFI values of 1 indicate a perfect fit (Joreskog and Sorbom, 1984). For the Comparative Fit Index (CFI) (Bentler, 1990), CFI values close to 1 indicate best fit. The root mean square residual (RMR) and the Root Mean Square Error of approximation (RMSEA) are both less than 0.05. The smaller the RMR is the better; an RMR value of 0 indicates a perfect fit. For the Root Mean Square Error of Approximation (RMSEA), a value of about 0.05 or close to 0 indicates a perfect fit (Browne and Cudeck, 1993). Thus, all the variables that measured latent constructs in this model achieved convergent validity (Fig. 2).

Table 4: Characteristics of respondents

Characteristic	No.	%
Gender		
Male	69	27.6
Female	181	72.4
Age (years)		
22-29	111	44.4
30-39	69	27.6
40-49	56	22.4
50-57	14	5.6
Position		
Manager	65	26.0
Marketing officer	185	74.0
Experience (years)		
1-9	161	64.4
10-19	50	20.0
20-29	32	12.8
30-34	7	2.8
Education level		
Bachelor degree	209	83.6
Master degree	40	16.0
Higher than Master degree	1	0.4
Number of employees in the Thai. commercial bank branch		
4-9	134	53.6
10-19	100	40.0
20-29	16	6.4
Total	250	100.0

Table 5: Results of CFA for measurement model

Construct	Item	Factor loading	R-square	Cronbach's alpha
Social customer relationship management	Social media13	0.588	0.345	0.838
	CRM12	0.843	0.711	
	CRM13	0.771	0.595	
Differentiation strategy	Differentiation strategy1	0.842	0.709	0.935
	Differentiation strategy3	0.821	0.673	
	Differentiation strategy4	0.894	0.799	
Banking performance effectiveness	Customer retention	0.860	0.739	0.895
	Market share	0.810	0.656	
	Return on investment	0.861	0.740	
	Overall performance	0.882	0.778	

Confirmatory Factor Analysis (CFA) and Structural Equation Modelling (SEM): For this study, AMOS version 21 was used for confirmatory factor analysis and structural equation modelling. Table 5 shows the factor loadings, R-squares and Cronbach's alpha of each item. Figure 2 shows the results of the confirmatory factor analysis using AMOS: CMIN (Chi-square) = 39.503, df = 31, CMIN/df = 1.274, GFI = 0.969, CFI = 0.995, RMR = 0.023 and RMSEA = 0.033, which are all considered excellent and significantly above the acceptable thresholds suggested by Wheaton *et al.* (1977), Joreskog and Sorbom (1984), Byrne (1989), Bentler (1990), Browne and Cudeck (1993) and Hair *et al.* (1999). Table 6 shows regression weights of all variables in this model. Table 7 shows standardized regression weights and Table 8 shows squared multiple correlations or R-squares of each variable in this model.

Table 6: Regression weights: (Group number 1-Default model)

Variable			Estimate	SE	CR	p-value
Differentiation strategy	<---	Social CRM	1.079	0.142	7.610	***
Banking performance effectiveness	<---	Social CRM	0.374	0.130	2.884	.004
Banking performance effectiveness	<---	Differentiation strategy	0.469	0.087	5.412	***
Differentiation_1	<---	Differentiation strategy	1.000			
SM_13	<---	Social CRM	1.000			
CR	<---	Banking performance effectiveness	1.088	0.062	17.549	***
MS	<---	Banking performance effectiveness	1.003	0.063	15.870	***
ROI	<---	Banking performance effectiveness	1.000			
CRM_12	<---	Social CRM	1.310	0.168	7.807	***
CRM_13	<---	Social CRM	1.185	0.159	7.429	***
Differentiation_3	<---	Differentiation strategy	0.960	0.063	15.348	***
Differentiation_4	<---	Differentiation strategy	1.098	0.064	17.203	***
OP	<---	Banking performance effectiveness	1.089	0.059	18.331	***

***p<0.001, CRM: Customer relationship management, CR: Customer retention, MS: Market share, OP: Overall performance, ROI: Return on investment, SM: Social media

Table 7: Standardized regression weights: (Group number 1 - Default model)

Variable			Estimate
Differentiation strategy	<---	Social CRM	0.745
Banking performance effectiveness	<---	Social CRM	0.298
Banking performance effectiveness	<---	Differentiation strategy	0.541
Differentiation_1	<---	Differentiation strategy	0.842
SM_13	<---	Social CRM	0.588
CR	<---	Banking performance effectiveness	0.860
MS	<---	Banking performance effectiveness	0.810
ROI	<---	Banking performance effectiveness	0.861
CRM_12	<---	Social CRM	0.843
CRM_13	<---	Social CRM	0.771
Differentiation_3	<---	Differentiation strategy	0.821
Differentiation_4	<---	Differentiation strategy	0.894
OP	<---	Banking performance effectiveness	0.882

CRM: Customer relationship management, CR: Customer retention, MS: Market share, OP: Overall performance, ROI: Return on investment, SM: Social media

Table 8: Squared multiple correlations: (Group number 1-Default model)

Variable	Estimate
Differentiation strategy	0.555
Banking performance effectiveness	0.623
OP	0.778
Differentiation_3	0.673
Differentiation_4	0.799
CRM_13	0.595
CRM_12	0.711
ROI	0.740
MS	0.656
CR	0.739
SM_13	0.345
Differentiation_1	0.709

CRM: Customer relationship management, CR: Customer retention, MS: Market share, OP: Overall performance, ROI: Return on investment, SM: Social media

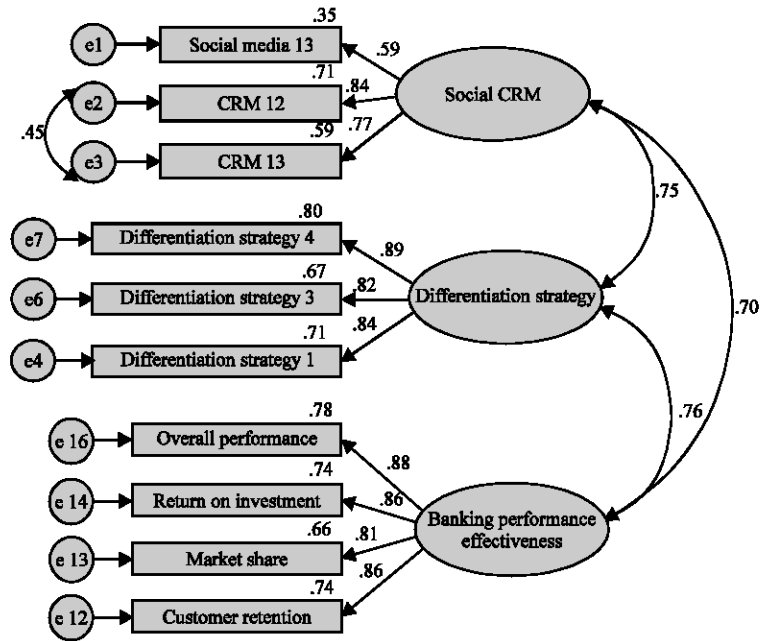


Fig. 2: Confirmatory factor analysis of social CRM, differentiation strategy and banking performance effectiveness df: Degrees of freedom, p: “p-value” associated with discrepancy function (test of perfect fit), CMIN/DF: Minimum value of the discrepancy function divided by degrees of freedom, GFI: Goodness of fit index, CFI: Comparative fit index, RMR: Root mean square residual, RMSEA: Root mean square error of approximation

RESULTS AND DISCUSSION

This research tested the proposed hypotheses using structural equation modelling. For the conceptual framework, it was found that this structural equation modelling complies with empirical data: CMIN (Chi-square) = 39.503, df = 31, CMIN/df = 1.274, GFI = 0.969, CFI = 0.995, RMR = 0.023 and RMSEA = 0.033. The results of the model estimation are shown in Fig. 3. For Thai Commercial Bank, social CRM have direct influence on banking performance effectiveness ($p < 0.01$) and indirectly through the mediation of differentiation strategy ($p < 0.001$). It is concluded that the model can explain 62.3% of the banking performance effectiveness variation ($p < 0.001$). In this study found social CRM; it can explain 55.5% of the differentiation strategy variation ($p < 0.001$) (Fig. 3).

First of all, this research can conclude that social CRM (Greenberg, 2009, 2010) is an excellent tool for organizations. This study developed a new model for social CRM. In terms of business structure, social CRM gives the organization the opportunity to acquire new customers and good employees. Finally, this research can conclude that social CRM has high potential and endless possibilities. The differentiation strategy construct, as a mediator/intervening variable. The results show that the differentiation strategy was significantly ($p < 0.001$) related to banking performance effectiveness. As an endogenous latent variable, the banking performance effectiveness construct comprises four manifest variables. In this study, the structural equation modelling shows that

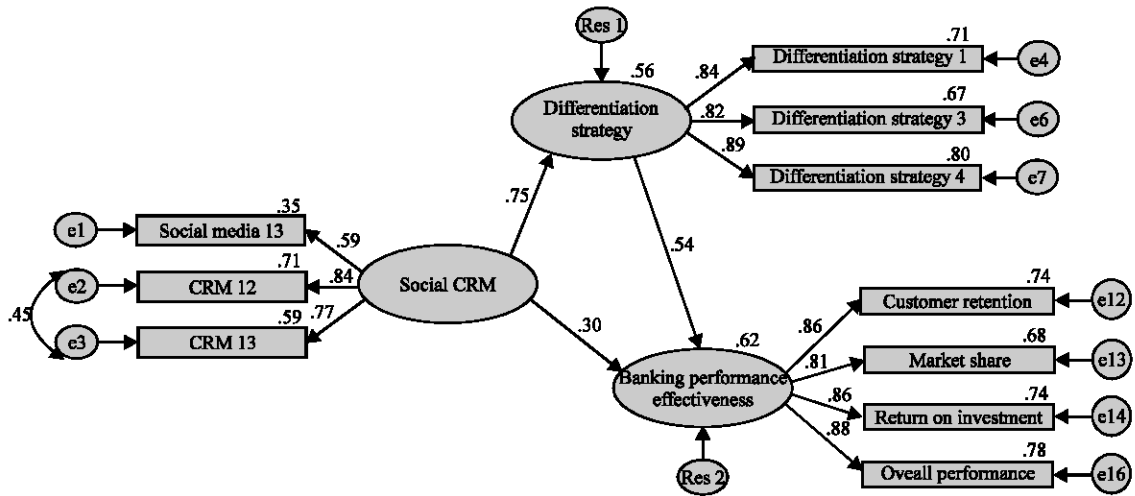


Fig. 3: Results for the structural modelling of social CRM, differentiation strategy and banking performance effectiveness df: Degrees of freedom, p: “p-value” associated with discrepancy function (test of perfect fit), CMIN/DF: Minimum value of the discrepancy function divided by degrees of freedom, GFI: Goodness of fit index, CFI: Comparative fit index, RMR: Root mean square residual, RMSEA: Root mean square error of approximation

customer retention, market share, return on investment and overall performance were significantly ($p < 0.001$) related to performance effectiveness (Fig. 3). Cost reduction and sales growth were not significantly related to banking performance effectiveness.

The conclusion of previous studies found that significant relationship were sought between social CRM with organization performance (Greenberg, 2009; 2010; Baird and Parasnis, 2011; Woodcock *et al.*, 2011) and the summary of previous studies found that significant relationship between differentiation strategy with organization performance (Porter, 1980a, b; 1996, Parnell, 2011; Spencer *et al.*, 2009; Hahn and Powers, 2010). Based on these previous studies, the finding of this research that social CRM and differentiation strategy affecting banking performance effectiveness, are consistent with the research of Greenberg (2009; 2010), Baird and Parasnis(2011), Woodcock *et al.* (2011), Porter, (1980a, b, 1996), Parnell (2011), Spencer *et al.* (2009) and Hahn and Powers (2010).

CONCLUSION

The banking industry faced with the most uncertain environment in its history. Until this time, the financial industry had been characterized as a free flow of trades and exchanges between one entity and another, with importance placed on having a participative relationship (Carbonara and Caiazza, 2010). This study proceeded to introduce social customer relationship management as an ability prominent influence on banking performance effectiveness.

In this research, social customer relationship management and differentiation strategy affecting banking performance effectiveness among 65 managers and 185 marketing officers of Thai commercial bank branches in the financial service sector. Data were analysed using confirmatory factor analysis and structural equation modelling. It was found that significant relationships existed between social customer relationship management and differentiation strategy and banking

performance effectiveness. The key success factors of social CRM were found to have direct influence on banking performance effectiveness ($p < 0.01$) and indirectly through the mediation of differentiation strategy ($p < 0.001$). Finally, the banking industry needs to adjust in order to gain a competitive edge by using social CRM and differentiation strategy to service consumers and businesses (both in public and private sectors), focusing on the business's effectiveness, strategy, customer insight and building long-term relationships with customers (both retail and public enterprises). This is important given the highly competitive situation at present and will be even more so with the ASEAN Economic Community (AEC) coming in 2015.

REFERENCES

- Akroush, M.N., S.E. Dahiyat, H.S. Gharaibeh and B.N. Abu-Lail, 2011. Customer relationship management implementation: An investigation of a scale's generalizability and its relationship with business performance in a developing country context. *Int. J. Commerce. Manage.*, 21: 158-191.
- Allen, R.S., M.M. Helms, M.B. Takeda and C.S. White, 2007. Porter's generic strategies: An exploratory study of their use in Japan. *J. Bus. Strat.*, 24: 69-90.
- Ayanso, A., 2012. Social CRM: Platforms, Applications and Tools. In: *Software Reuse in the Emerging Cloud Computing Era*, Yang, H. and X. Liu (Eds.). IGI Global, Pennsylvania, pp: 20.
- Baird, C.H. and G. Parasnis, 2011. From social media to social customer relationship management. *Strat. Leader.*, 39: 30-37.
- Bank of Thailand, 2012. Institution listing. <http://www.bot.or.th/English/FinancialInstitutions/WebsiteFI/Pages/instList.aspx>
- Bentler, P.M., 1990. Comparative fit indexes in structural models. *Psychol. Bull.*, 107: 238-246.
- Bernoff, J. and C. Li, 2008. Harnessing the power of the oh-so-social Web. *MIT Sloan Manage. Rev.*, 49: 36-42.
- Browne, M.W. and R. Cudeck, 1993. Alternative Ways of Assessing Model Fit. In: *Testing Structural Equation Models*, Bollen, K.A. and J.S. Long (Eds.). Sage, Newbury Park, USA., pp: 136-162.
- Byrne, B.M., 1989. A primer of LISREL: Basic applications and programming for confirmatory factor analytic models. Springer-Verlag, New York, ISBN: 9780387969725, Pages 184.
- Carbonara, G. and R. Caiazza, 2010. How to turn crisis into opportunity: perception and reaction to high level of uncertainty in banking industry. *Foresight.*, 12: 37-46.
- Carmines, E.G. and J.P. McIver, 1981. Analyzing Models with Unobserved Variables. In: *Social Measurement: Current Issues*, Bohrnstedt, G.W. and E.F. Borgatta (Eds.). Sage, Beverly Hills, ISBN-13: 978-0803915954, pp: 65-115.
- Ferguson, N., 2009. The descent of finance. *Harv. Bus. Rev.*, 1: 1-11.
- Gordon, T.L.O., G.D. Pires and J. Stanton, 2008. The relationship marketing orientation of Hong Kong financial services industry managers and its links to business performance. *J. Financ. Serv. Market.*, 13: 193-203.
- Greenberg, P., 2009. Social CRM Comes of Age. ORACLE. <http://www.oracle.com/us/products/applications/crmondemand/036062.pdf>
- Greenberg, P., 2010. The impact of CRM 2.0 on customer insight. *J. Bus. Ind. Market.*, 25: 410-419.
- HBR Analytic Services, 2010. The new conversation: Taking social media from talk to action. *Harv. Bus. Rev.*, pp: 1-21. <http://www.sas.com/events/pbls/2010/las-vegas/documents/TheNewConversation.pdf>

- Hahn, W. and T.L. Powers, 2010. Strategic plan quality, implementation capability and firm performance. *Acad. Strat. Manag. J.*, 9: 63-81.
- Hair, J., E. Rolph, R.L.T. Anderson and C.B. William, 1999. *Multivariate Data Analysis*. Prentice-Hall, Englewood Cliffs, New Jersey.
- Hart, S.W. and G. Kassem, 2012. Social customer relationship management-From customer to friend. *European, Mediterranean and Middle Eastern Conference on Information Systems in Munich*, Jun 7-8, 2012, Germany, pp: 75-88.
- Joreskog, K.G. and D. Sorbom, 1984. *LISREL-VI User's Guide*. 3rd Edn., Scientific Software, Mooresville, IN. .
- Kanithasen, P., V. Jivakanont and C. Boonnuch, 2011. AEC 2015: Ambitions, expectations and challenges ASEAN's path towards greater economic and financial integration. <http://ideas.repec.org/p/bth/wpaper/2011-03.html>.
- Kunc, M. and R. Bhandari, 2011. Strategic development processes during economic and financial crisis. *Manag. Decis.*, 49: 1343-1353.
- Laroche, M., M.R. Habibi and M.O. Richard, 2013. To be or not to be in social media: How brand loyalty is affected by social media. *Int. J. Inform. Manag.*, 33: 76-82.
- Merchant, K.A., 2007. Evaluating general managers performances. *Finance and Accounting Magazines, Strategic Finance*, May 2007, pp: 12-16.
- Nunnally, J.C., 1978. *Psychometric Theory*. 2nd Edn., McGraw-Hill, New York, ISBN-10: 007047849X.
- Olotu, O.A., D.W. Maclayton and A.I. Ahiauzu, 2011. Empirical evidence for a sociality factor in relationship marketing orientation scale in the Nigerian banking sector. *Eur. J. Soc. Sci.*, 27: 104-112.
- Parameswaran, M. and A.B. Whinston, 2007. Research issues in social computing. *J. Assoc. Inform. Syst.*, 8: 336-350.
- Parnell, J.A. and L. Hershey, 2005. The strategy-performance relationship revisited: the blessing and curse of the combination strategy. *Int. J. Commerce. Manag.*, 15: 17-33.
- Parnell, J.A., 2011. Strategic capabilities, competitive strategy and performance among retailers in Argentina, Peru and the United States. *Manage. Decis.*, 49: 130-155.
- Pertusa-Ortega, E.M., J.F. Molina-Azorin and E. Claver-Cortes, 2010. Competitive strategy, structure and firm performance: A comparison of the resource-based view and the contingency approach. *Manage. Decis.*, 48: 1282-1303.
- Pitt, L.F., P.R. Berthon, R.T. Watson and G.M. Zinkhan, 2002. The Internet and the birth of real consumer power. *Bus. Horiz.*, 45: 7-14.
- Porter, M.E., 1980a. *Competitive Advantage: Creating and Sustaining Superior Performance*. Free Press, New York.
- Porter, M.E., 1980b. *Competitive Strategy: Techniques for Analysing Industries and Competitors*. The Free Press, New York.
- Porter, M.E., 1996. What is strategy? *Harv. Bus. Rev.*, 74: 61-78.
- Reimann, M., O. Schilke and J.S. Thomas, 2010. Customer relationship management and firm performance: The mediating role of business strategy. *J. Acad. Market. Sci.*, 38: 326-346.
- Rezabakhsh, B., D. Bornemann, U. Hansen and U. Schrader, 2006. Consumer power: A comparison of the old economy and the internet economy. *J. Consumer Policy*, 29: 3-36.
- Salavou, H., 2010. Strategy types of service firms: Evidence from Greece. *Manag. Decis.*, 48: 1033-1047.

- Sin, L.Y.M., A.C.B. Tse, O.H.M. Yang, J.S.Y. Lee and R. Chow, 2002. The effect of relationship marketing orientation on business performance in a service-orientated economy. *J. Service Marketing*, 16: 656-676.
- Spencer, X.S.Y., T.A. Joiner and S. Salmon, 2009. Differentiation strategy, performance measurement systems and organizational performance: Evidence from Australia. *Int. J. Bus.*, 14: 83-103.
- Tse, A.C.B., Y.M.L. Sin, H.M.O. Yau, S.Y.J. Lee and R. Chow, 2004. A firm's role in the marketplace and the relative importance of market orientation and relationship marketing orientation. *Eur. J. Market.*, 38: 1158-1172.
- Vella, J. and A. Caruana, 2012. Encouraging CRM systems usage: A study among bank managers. *Manage. Res. Rev.*, 35: 121-133.
- Wheaton, B., B. Muthen, D.F. Alwin and G.F. Summers, 1977. Assessing Reliability and Stability in Panel Models. In: *Sociological Methodology 1977*, Heise, D.R. (Ed.). Jossey-Bass, San Francisco, SF., pp: 84-136.
- Woodcock, N., A. Green and M. Starkey, 2011. Social CRM as a business strategy. *J. Database Mark. Cust. Strat. Manage.*, 18: 50-64.