

Marketing Strategy Model for Building Customer Loyalty in Feed Wholesale Business

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This research was aimed at developing a marketing strategy model for building loyalty among customers in the animal feed business sector of Thailand. The factors which relate to customer loyalty in this sector were the feed wholesaler executive's interpersonal relations, organization, the environments and the marketing strategy. The instrument used in this quantitative research was a questionnaire which had been tested and qualified for reliability and content validity. Stratified and random sampling methods were used to collect the data from 700 feed retailers in Thailand. The obtained data was analyzed using descriptive statistics, path analysis, and structural equation modeling (SEM). The results from testing the marketing strategy model for building customer loyalty in the feed wholesale business (MCL) indicated that the organization had the highest impact on customer loyalty among feed retailers, while interpersonal relations had the highest impact on customer loyalty among feed retailers mediated by the marketing strategy of feed wholesalers. The components of marketing strategy in order of importance from highest to lowest were product strategy, distribution, marketing communication, customer relationship management and pricing. Furthermore, the marketing strategy had an impact on customer loyalty among feed retailers in Thailand showing that repeat purchase was the highest. The MCL model was well consistent with the empirical data at the significant level 0.05 ($\chi^2 = 219.93$, $df = 159$, $\chi^2/df = 1.38$, p -value = 0.001, $RMSEA = 0.023$, $GFI = 0.97$, and $AGFI = 0.95$).

Keywords: interpersonal relations, marketing strategy, customer loyalty, feed wholesalers, feed retailers, feed wholesale business

The government of Thailand has given importance to the agricultural sector, because it is one of the main sources of income (job creation) and food security, and it also helps in preserving traditions, poverty relief and reduces the effects of global warming (Office of The National Economic and Social Development Board, 2011). According to the summary of the eleventh national economic and social development plan (2012-2016), The Thai government has plans to strengthen the agriculture, food security and energy sectors. Within this plan, the one tactic that should be implemented is to increase the value of agricultural commodities along supply chains (Office of The National Economic and Social Development Board, 2011). In addition there are three main types of agriculture in Thailand, crops, fishery, and livestock (Office of Agricultural Economic, 2012).

Furthermore, the Kasikorn Research Center Company Limited (2012) reported that the animal feed demand in Thailand grew from 10 million tons in the year 2004 to 15.22 million tons in the year 2012. The growth in feed demand is derived from an increase in meat consumption, which has occurred due to several factors, for instance higher income, growth in ready-to-eat meat consumption, fast food popularity, growth in the food industry and a larger amount of meat exported from Thailand. Accordingly, farmers have had to increase

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their livestock productivity to meet the rising demand. As a result, the feed manufacturers can now produce larger amounts of their product. This situation implies that any business related to the feed industry will create interest and will have a progressive future. Besides, Pisarnwanich, Chanthaburi, Kittisopakul, Chalemlchaichana, and Phumcharoen (2014) suggested that creating a national feed supply chain with local feed producers could be included in feed sustainability plan. Therefore, it is necessary for the feed industry to prepare an adequate business feed chain to meet the increased demand. To have a strong feed chain, the manufacturers and wholesalers should rethink how they can deter their current retailers from brand switching whilst continuing to attract newcomers. Building customer loyalty among feed retailers will be an appropriate choice for strengthening the feed chain.

This study was conducted in line with the objectives of the eleventh national economic and social development of 2012-2016 for feed wholesalers and the public sector of Thailand. This research explores the loyalty of feed retailers in Thailand, and discovers the influence of the environments, the feed wholesaler's organization, the feed wholesaler's interpersonal relations, and the feed wholesaler's marketing strategy. The two purposes of this study are 1) to examine the demographic characteristics and personality of feed retailers in Thailand and 2) to develop a marketing strategy model for building customer loyalty in the feed wholesale business.

The results of this research could help feed wholesalers and producers to adjust their organization, interpersonal relations and design marketing strategy for improving customer loyalty among feed retailers while considering the continually developing business environment.

Factors of Business Marketing

The factors of business marketing have been studied by several experts for instance Havaldar (2012), Hutt and Speh (2013), and Kotler and Armstrong (2010). The factors which consisted of environment force, organization force, group force and individual force could influence the decision making process of firms (Hutt & Speh, 2013). Likewise, the decision making process of business marketing could be affected by environmental, organizational, interpersonal, and individual factors (Kotler & Armstrong, 2010).

Therefore, the causal factors of this research consisted of environment, organization, interpersonal relations and marketing strategy, all of which will be briefly explained as follows.

Environment

This has been defined as external organization environment including all elements outside the organization that affected the organization (Daft, 2014). The major environmental forces of firms consist of demographics, nature, technology, politics, law, culture, social and economics (Kotler & Keller, 2012). Similarly, Havaldar (2012) viewed that the macro environments of business marketing consist of economics, demographics, nature, technology, law, politics, society and culture.

Additionally, Soegoto (2009) revealed that marketing macro environment (e.g. demographic, economics, technology, politics, and culture), micro environment (e.g.

suppliers, middle-men, consumer market, competitors, and consumers), and competitive advantage sources (e.g. better resources, better skills, and better control) could affect both image and marketing achievement. Whereas Theodosiou, Kehagias, and Katsikea (2012) stated that market turbulence, intensity of competition and decentralization could define strategic priority, competition and innovation and thus were able to improve marketing capabilities; later improved marketing capabilities were shown to have an impact on branch performance.

With reference to the feed business sector in Thailand, the environmental factors consisted of 1) economics, 2) law and politics, 3) social and culture, 4) technology, and 5) competition. Since economics could affect raw material costs and the feed price, it was the first considered variable. All feed businesses had to ask for an allowance from Department of Livestock Development and this could sometimes be affected by prevailing political situation at the time, so law and politics together were the second variable. Social and cultural aspects were the third variable as they can influence the working habits of wholesalers and manufacturers. Technology was considered the fourth as it was concerned with feed organization working processes and communication tools. The last variable, of an environment nature, was competition because there are some large feed manufacturers in Thailand, and the researcher would like to study the effects of competition between large and small manufacturers in the feed industry.

Organization

This has been defined as a social group of people that is managed and structured in order to achieve goals. This social group must permanently systematize the power and responsibility of each person within the group and design a set of regulations for everyone (Bangmo, 2012). Working in group is better than working alone (Chompukum, 2009).

Havaldar (2012) stated that the organization of a market-centric firm consisted of an organization structure, policies, and culture. It was not too difficult to change the structure and policies, but changing the culture was more complicated. The same as Kotler and Keller (2012) who stated that organization comprised its structure, policies, and corporate culture, all of which might be impaired in swiftly changeable business environments. Managers could change structure and policies, but it was harder to change culture. Since organization's could build an image in the mind of customers and general public, managers should concentrate on all possible organizational touch points for example store layouts, packaging designs, product functions, employee training, shipping and logistics policies, product innovation and new advancement in business. While Kotler and Armstrong (2010) suggested that objective, policy, procedure, structure and system were the five members of organization.

Organizational culture and organizational behavior can affect business performance. Some experts give clear definitions. First, organizational culture meant the set of ideologies, signs and core value which were used extensively in company were found to have an impact on its' operation and performance (Ireland, Hoskisson, & Hitt, 2013). In the same way, Kotler and Keller (2012) defined that organizational culture was the way people in company behave (for instance dressing, talking, and greeting customers) Secondly, organizational behavior meant the study of human behavior, attitude, and performance within an organization according to theories, concepts and procedures in the field of psychology, political science, and anthropology for learning about individual, group, structure, and

process. Organizational culture is a crucial concept which clarifies personal and group behavior in an organization (Ivancevich, Konopaske, & Matteson, 2005) While Hitt, Miller, and Colella (2011) said that organizational behavior meant the behavior of individuals and groups in an organizational circumstance. Moreover, formal marketing department could improve marketing organization-performance relationships. Organization system and structure and their impacts had both direct and indirect influence on market organization's performance (Mac, 2010).

Since the organizational culture could influence an organization's behavior and relate to the organization's performance, the researcher has focused on the organization factor which consisted of:

- 1) Objective, if customer loyalty was a finished line, to set objective should be the starting point of feed organization. This study focused on selling, delivery and network objectives.
- 2) Policy, it usually came after objective, and it was a broad direction setting for all people in feed organization to follow. The current study focused on selling, and quality assurance policies of feed wholesalers.
- 3) Procedure, as it related to service quality for customer, so the ordering and buying process of wholesalers were also studied.
- 4) Structure, this study supposed that organization structure and size could facilitate the working system and thus fulfill customer need.
- 5) System, it was as a well-coordinated work of all parts of the feed organization to accomplish objectives smoothly.

This study focused on the ordering, selling, and following system of wholesalers. The five elements were believed to have an impact on feed organization culture, behavior, and performance.

Interpersonal Relations

It was defined as communicative behavior between persons for making oneself known to others, friendship, and understanding, all of which can lead to personal and social relations (Pongpetra, 2010). Interpersonal relations include everything from communication and listening skills to conduct, motivation, and communicate successfully with others, so managers who had these skills could work smoothly with others. These skills could help managers and subordinates enjoy teamwork and shared values together (Bateman & Snell, 2002). Likewise, interpersonal skills could help communication between people, and create better human relations. One's who had interpersonal skills could begin to do something new, build, have good communication's and conflict relation resolution skills, sustained relationships, be able to recognize things from the other's view point, and understand and meet others' hopes and aspirations (Lussier, 2008). Furthermore, Ellis (2005) stated that interpersonal relations should recognize, appreciate and practice without intimidation, opposition, and mortification. In addition, Kotler and Armstrong (2010) gave four elements of interpersonal relations, consisting of persuasiveness, status, empathy and authority. Plooy (2015) also stated that interpersonal learning could help people to understand the next step of their self-development, and interpersonal communications and that relationship could be improved through participation in group. Lastly, Guenzi and Pelloni (2004) found that customer-to-employee relationship affected customer behavioral loyalty, and the existence of

a friendship interpersonal relationship could lead to the firm's achievement by causing customer satisfaction, customer behavioral loyalty and loyalty intention.

Therefore, the interpersonal factor of feed wholesalers in this study consisted of:

- 1) Persuasiveness, feed managers should have ability to convince retailers to buy product and service.
- 2) Status, it was a working position or power of feed wholesalers in the retailers' mind.
- 3) Empathy, feed wholesalers should show an understanding of the retailers' feelings.
- 4) Authority, feed salespersons should have the power to make helpful decisions for retailers in time.

Marketing Strategy of Business Market

Marketing strategy of business market generally consists of four factors which are product strategy, pricing strategy, distribution strategy and marketing communication strategy, usually called 4Ps (Kotler & Armstrong, 2010; McCarthy & Perreault, 1994). Hu (2012) indicated that brand equity, service quality and marketing strategy have positive relationship on customer loyalty, and marketing mix strategy has a partial mediating effect on the relationship between service quality and customer loyalty. The strategy is applied and implemented in both the consumer market (business to consumer; b2c) and the business market (business to business; b2b). Business market concentrates on the buyer and seller relationship (Havaldar, 2012), when the classical 4Ps are not enough for feed business market, then another one could be added up into the strategy, this being customer relationship management (CRM). Furthermore, CRM means the process that could provide and develop a customer information and marketing database, thus encouraging customer relationships, attracting customer to knowledge of the firm and its goods, and also increasing the total profit that each customer gives to the company in the long-run (Havaldar, 2012). Furthermore, Richard, Thirkell, and Huff (2007) stated that CRM could affect customer loyalty. Moreover, CRM could measure customer loyalty in both the industry and service businesses effectively and efficiently (Hosseini, Maleki, & Gholamian, 2010). Therefore, the considered members of marketing strategy of business market are not only product strategy, pricing strategy, distribution strategy, and integrated marketing communication, but also the fifth member included is CRM.

In accordance with feed, the marketing strategy used by feed wholesalers consisted of:

- 1) Product strategy, which focused on feed product variety, brand, quality, service, packaging, assurance and quantity.
- 2) Pricing strategy, which concentrated on trade discount, credit sales, and quantity discount price.
- 3) Distribution strategy, which pointed to feed wholesalers' location, delivery time and cost.
- 4) Marketing communication, which focused on sales persons, sales promotion, public relation, advertising, and direct marketing.
- 5) Customer relationship management (CRM), which focused on reward, contract and specialists.

Customer Loyalty

Customer loyalty was defined by several experts and their view points were in correspondence.

Loyalty could be defined as a promise that customers will repeat purchase, when satisfied, either tangible or intangible goods again in the future, although the customers interest might be aroused by other sellers' marketing effort and persuasiveness that may be able to change their behavior (Oliver, 1999; Kotler & Keller, 2012). Moreover, loyalty could be measured from purchase intention and willingness to pass along admired brand to others (Kotler & Keller, 2012). Besides, Schiffman and Kanuk (2010) also gave related point of view that customer loyalty meant customer who had unchanging satisfaction with product and/or service of a particular firm, and repeated purchase. They also viewed that two parts of brand loyalty consisted of behavior and attitude. Loyalty behavior could be observed from repeating purchase while participation and promise to particular brand described loyalty attitude. Whereas Lovelock and Wirtz (2011) explained that loyalty customers could be a steady income in the long-run since they would repeat purchase and suggest their satisfied products and services to other persons. Additionally, Oliver (1997) defined loyalty was an intensely engagement to repeat purchase of a preferable products or service regularly for a long time, irrespective of any marketing efforts and attraction.

The above summing-up was in line with several works (Goncalves & Sampaio, 2012; Emami, Lajevardiand & Fakharmanesh, 2013; Heryanto, 2012). Besides, satisfaction strength played a major role to interpret satisfaction into loyalty. (Chandrashekaran, Rotte, Tax, & Grewal, 2007). In addition, customer relationship management (CRM) could be used to measure customer loyalty in both the industrial business and service business effectively and efficiently (Hosseini et al, 2010).

Customer loyalty of this research would be gathered from feed retailers reporting their reactions and feeling to feed wholesalers and producers. The customer loyalty behaviors consisted of:

- 1) Satisfaction, focused on feeling pleased with the product, service and salesperson.
- 2) Repeat purchase, focused on current product repeated purchases, new purchases and larger orders.
- 3) Referral, focused on product suggestions to customers and partners.
- 4) First in mind-whose name came first in mind when retailers had a problem about any product, service, sales or business.
- 5) Positive attitude, which included admiration, trust, perceived value, forgiveness and commitment.

Conceptual Framework for Research

This research's conceptual framework presents the hypothesized relationships among environment, organization, interpersonal relations, marketing strategy and customer loyalty variables as shown in figure 1.

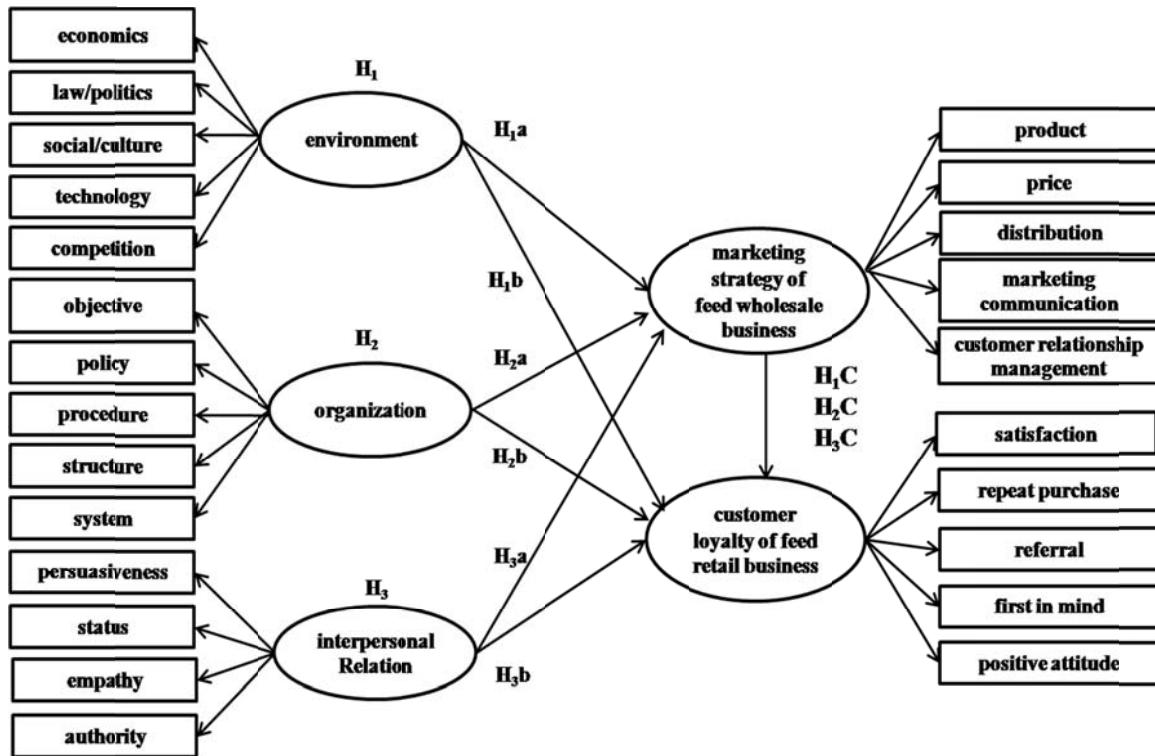


Figure 1. Hypothesized research framework.

Research Hypotheses

For the current study, the researcher predicted that environment factors, organization factors and interpersonal relations would have a direct effect on the customer loyalty of feed retailers. Furthermore, the researcher also predicted that the marketing strategy of feed wholesaler would have direct impact on customer loyalty of feed retailers. Besides, this study investigated the indirect effect of the marketing strategy of feed wholesalers as a mediator of the relationship between the environment factors, the organization factor, and the interpersonal relations factor concerned with the customer loyalty of feed retailers.

Method

The research was a quantitative survey. Multi-stage random sampling (stratified and simple random sampling) was employed.

Participants

According to Department of Livestock Development, Ministry of Agriculture and Cooperatives within the year 2012, the population of feed retailers was 9,685 within 9 livestock areas of Thailand. A proportion of each region was used to calculate the number of samples required, and then the samples were selected by simple random sampling. The 700 participants were selected through a proportionate stratified random sampling and met the

minimum requirement of 580 samples for the structural equation model or equal to or greater than 20 times of all variables (Angsuchoti, Wijitwanna, & Pinyopanuwat, 2011).

Research Instrument

The research tool was a questionnaire which contained 10 multiple choices asking about personal and business data, then 78 Likert scale questions asking about factors, marketing strategy, and loyalty, following with 4 open questions asking about preferred marketing strategy.

To estimate the validity and reliability of the research instrument, Index of Item Objective Congruence (IOC) technique was used for content validity by experts in marketing, feed business, and statistics. The score of IOC was over than 0.6 in 76 questions, and the others which got lower were corrected. Cronbach's Alpha value was used as measurement of reliability test, and the researcher got a total score of 0.94, which was more than the minimum reliability test score 0.80 (Vanichabuncha, 2013).

Data Collection and Analysis

The 2,000 questionnaires were sent to the entrepreneurs by staff and emails in accordance with multiple random sampling. The total number of returned questionnaires was 700. Then data was tested with structural equation modeling (SEM).

Results

This section consisted of five parts. The first part is demographic characteristics of the participants. Then the second part presented descriptive analyses. Next, the third part presents confirmatory factor analysis. The fourth part is path analysis and hypothesis testing. Then the structural equation modeling (SEM) is shown in the last part.

Demographic Characteristics of the Participants

The majority of the samples were between 41-50 years old (33%), business owners (90 %), sole proprietorships (88.7%), had bachelor's degree education (50%), had 6-10 years working experience (30.9%), had sincere personality (73.1%), had authorized capital lower than Thai Baht 500,000 (45.7%), had employees lower than 5 persons (85.7%), have run business for more than 10 years (50.7%), and have not asked for any loans (54.6%).

Descriptive Analyses

The mean score of interpersonal relation ($M = 3.95$), organization ($M = 3.92$), and environment ($M = 3.79$) were all high. While the mean score of the marketing strategy of the feed wholesale business was the highest ($M = 4.04$). Customer loyalty of feed retail business was perceived at a high level with the mean score of 3.98. Means and standard deviations of all variables are shown in table 1.

Confirmatory Factor Analysis

As also presented in table 1, are the results of confirmatory factor analysis confirming that every element of environment factor generated a factor loading range of around 0.72-0.95; each member of organization factor had factor loading level from 0.82-0.88; all elements of interpersonal factor got a factor loading ranging from 0.71-0.91, and the factor loading range of every component in the marketing strategy was 0.86-0.93. Lastly, the factor loading range of each component in the feed retailer's customer loyalty was 0.79-1.00. These factor loading values were acceptable because they were all greater than the required minimum value 0.30 (Hair, Black, Babin, Anderson, & Tatham, 2006).

Table 1

Means, Standard Deviations, and Beta of Constructs

Construct	Mean	SD	β
Environment	3.79	0.89	
Economics	3.88	0.88	0.72**
Law & Politics	3.63	1.02	0.80**
Social & Culture	3.84	0.89	0.95**
Technology	3.75	0.84	0.77**
Competition	3.87	0.82	0.78**
Organization	3.92	0.82	
Objective	3.79	0.81	0.82**
Policy	4.11	0.80	0.84**
Procedure	3.94	0.81	0.87**
Structure	3.66	0.89	0.88**
System	4.11	0.78	0.82**
Interpersonal Relations	3.95	0.85	
Persuasiveness	3.83	0.92	0.78**
Status	3.86	0.86	0.91**
Empathy	4.23	0.76	0.76**
Authority	3.89	0.85	0.71**
Marketing Strategy of Feed Wholesale Business	4.04	0.84	
Product	4.17	0.78	0.91**
Price	4.02	0.87	0.86**
Distribution	4.17	0.83	0.89**
Marketing Communication	3.80	0.89	0.87**
Customer Relationship Management	4.03	0.85	0.93**
Customer Loyalty of Feed Retail Business	3.98	0.77	
Satisfaction	3.93	0.75	0.80**
Repeat purchase	3.79	0.83	1.00**
Referral	3.87	0.82	0.79**
First Recall	4.22	0.71	0.81**
Positive attitude	4.10	0.73	0.99**

Path Analysis and Hypothesis Testing

The hypotheses were tested using path analysis as presented in table 2.

Table 2

Path Analysis

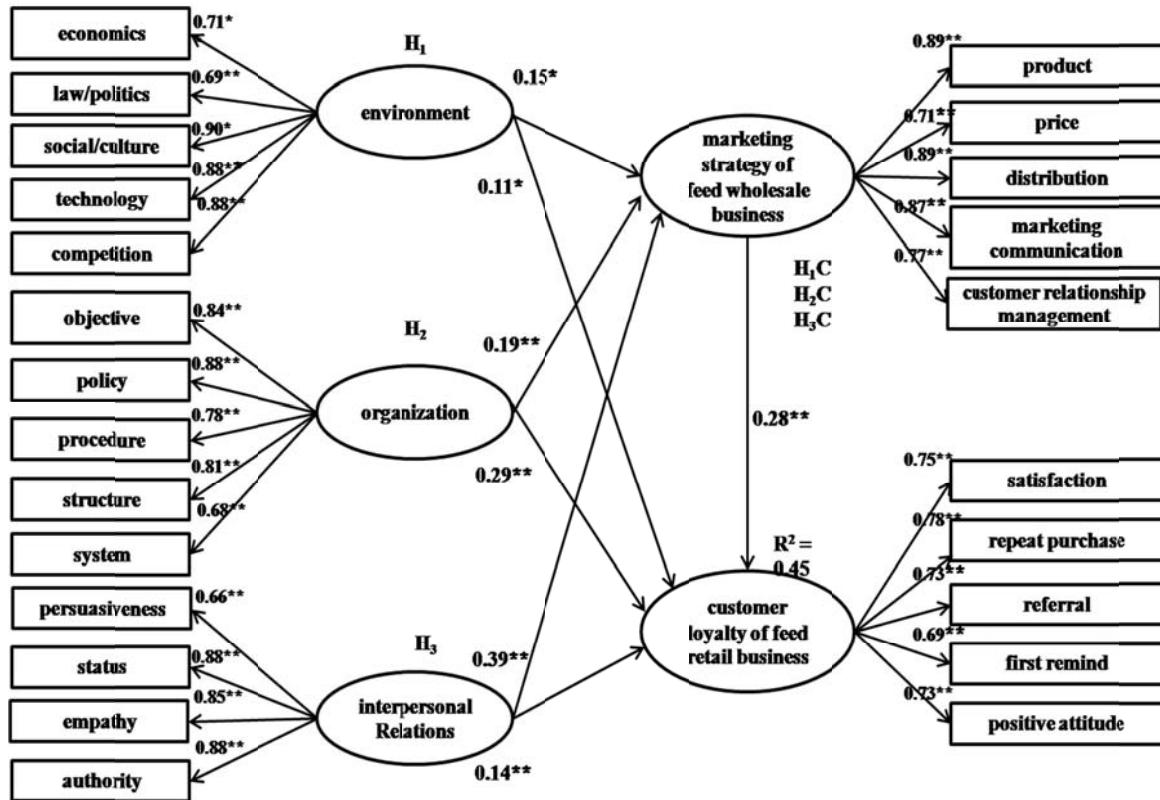
Variables	Marketing Strategy			Customer Loyalty		
	TE	DE	IE	TE	DE	IE
Environment	0.15**	0.15**	-	0.15*	0.11*	0.04*
Organization	0.19**	0.19**	-	0.34**	0.19**	0.05**
Interpersonal Relations	0.39**	0.39**	-	0.25**	0.14**	0.11**
Marketing Strategy	-	-	-	0.28**	0.28**	-
Correlation Matrix						
	Marketing Strategy	Customer Loyalty	Environment	Organization	Interpersonal	
Marketing Strategy	1.00					
Customer Loyalty	0.56	1.00				
Environmental Factor	0.46	0.48	1.00			
Organization Factor	0.51	0.57	0.60	1.00		
Interpersonal Relations Factor	0.58	0.52	0.48	0.56	1.00	
Squared multiple Correlation for Structure Equation Model (R^2)						
	0.39	0.45				

Note. * $p < 0.05$, ** $p < 0.01$, TE = Total Effect, DE = Direct Effect, IE = Indirect Effect, Chi square = 219.93, df = 159, $\chi^2/df = 1.383$, P-value = 0.00099, RMSEA = 0.023, GFI = 0.97, AGFI = 0.95, CFI = 1.00, SRMR = 0.045.

According to table 2, the findings indicated that organization and interpersonal relations had a significant and positive direct effect on customer loyalty of feed retailers respectively ($\beta = 0.19$ and 0.14 , $p < 0.01$). Environment also had direct effect on the customer loyalty of feed retailers ($\beta = 0.11$, $p < 0.05$). The findings also indicated that the marketing strategy of feed wholesalers had a significant and positive direct effect on the customer loyalty of feed retailers ($\beta = 0.28$, $p < 0.01$). Besides, this study also found indirect effects of marketing strategy of feed wholesalers as a mediator of the relationship between interpersonal relations, organization and environment with customer loyalty of feed retailers respectively ($\beta = 0.11$, 0.05 and 0.04 , $p < 0.01$).

The Structural Equation Modeling (SEM)

According to the second objective, structural equation modeling were conducted. The result of SEM was presented in figure 2.



Note. Chi square = 219.93, df = 159, P-value = 0.00099, RMSEA = 0.023, GFI = 0.97, AGFI = 0.95, CFI = 1.00, SRMR = 0.045.

Figure 2. The Results of Structural Equation Modeling.

From figure 2, two path coefficients were significant at 0.05, while the rest were significant at 0.01. The findings were in accordance with the theory, concept, and previous research results. Organization, interpersonal relation, and environment had a significant impact on customer loyalty respectively, and the marketing strategy of feed wholesale business was mediated by the influence of organization, interpersonal relation, and environment on customer loyalty. Marketing strategy of feed wholesale business was the mediator in the model with a significant direct effect on customer loyalty (standardized effect = 0.28) and received significant effects from interpersonal relations (standardized effect = 0.39), from organization (standardized effect = 0.19) and from environment (standardized effect = 0.15). Besides, interpersonal relation, organization and environment had significant indirect effect on customer loyalty (standardized effect = 0.11, 0.05 and 0.04 respectively). The model could predict 45 percent of customer loyalty of feed retailers ($R^2 = 0.45$). The goodness of fit criteria was presented in table 3.

Table 3

Goodness of Fit Criteria

Goodness of fit measures	best fit basis	results	conclusion
χ^2/df	< 2.00	1.38	Best Fit
<i>CFI</i>	≥ 0.95	1.00	Best Fit
<i>GFI</i>	≥ 0.95	0.97	Best Fit
<i>AGFI</i>	≥ 0.95	0.95	Best Fit
<i>RMSEA</i>	< 0.05	0.023	Best Fit
<i>SRMR</i>	< 0.05	0.045	Best Fit

Note. From *Statistics for Social and Behavioral Science Research: Techniques using Lisrel*, (p.29), by Angsuchoti et al. (2011).

Discussion and Conclusion

According to the results of the study, the research found that organization, interpersonal relations and business environment had a direct influence on the marketing strategy of feed wholesalers and feed retailers' loyalty, and there was an indirect effect of marketing strategy of feed wholesalers as a mediator of the relationship between business environment, organization, and interpersonal relations with customer loyalty of feed retailers. This finding was consistent with Uddin and Akhter (2012) stated that antecedents of inter-firm value creation (trust, interdependency, commitment, cooperation, communication, organization and environment) could influence inter-firm outcomes of value creation (competitive advantage, customer satisfaction and loyalty, and long-term orientation and growth) through value creating method. And it was quite similar with Wang (2007) stated that higher marketing strategy could create a stronger attitudinal loyalty of customers. According to the total effect in table 2, organization had the highest total effect on customer loyalty. Marketing strategy was the second place, interpersonal relations were the third, and the last one was environments. The researcher would discuss them respectively.

Firstly, organization of feed wholesalers gave the highest total effect to feed retailers' customer loyalty, this situation was like the study of Long, Khalafinezhad, Ismail, and Rasid (2013) stating that companies should emphasize on employee action and personal linkage. If the companies could build relationships with customers, it would not be difficult to translate customers' need and thus fulfill those needs. Moreover, Srichanya and Sawmong (2014) also stated that an organization should review its policy, strategies, structures, systems, staff and styles in the view of an 'outside-in' perspective which could create effectiveness and efficiency.

Secondly, marketing strategy had a positive direct impact on the feed retailer's loyalty, and also firmly intermediate the influence of environment, organization, and interpersonal relations on feed retailers' loyalty. This finding was consistent with Phrapratanporn and Wangkananon (2015) saying that marketing strategy could create satisfaction and lead to higher loyalty, and was quite the same as Shah (2013) revealing that product mix was positively related to customer loyalty. The essential point of all components in the feed marketing strategy was described respectively. As the marketing strategy of this research was composed of product, price, distribution, marketing communication and customer relationship management, the researcher would conclude according to their factor

loading respectively. First, product strategy and distribution were the most important ones. This outcome was in accordance with Ulaga and Reinartz (2011) who stated that producers could not give importance only to manufacturing and selling; moreover, they should focus more on transferring goods and service, and was quite the same as Kim, Kim and Lee (2010) stated that brand equity had an influence on customer loyalty counting on distribution channel, that is to say, marketer should select appropriate channel options for increased loyalty. Secondly, the marketing communication strategy of feed wholesalers could attract retailers' loyalty behavior, so this conclusion was quite similar to the study of Li, Green, Farazmand and Grodzki (2012) which said that product, price, channel of distribution and marketing communication through advertising had an impact on customer loyalty and led to company success because customers would tell to others and show intention to buy a company's products despite having a higher price than their competitors' products. Third, customer relationship management (CRM) was also significant to loyalty behavior, so then it was congruent with Ata and Toker (2012) who stated that CRM had a positive effect on customer satisfaction, company accomplishment, and marketing outcome. In the same way, Long, Khalafinezhad, Ismail and Rasid (2013) showed that CRM related positively to customer satisfaction and loyalty, and was quite the same as Cuthbertson and Laine (2004) stated that CRM could strengthen loyalty and profit. Lastly, pricing strategy played the least role in feed marketing strategy, this was consistent with Sturm and Tiedemann (2013) revealed that price was not usually the only one reason for selecting any organization to deal with, but some intangibles (such as location and service) could be motivators for making any buying decision. However, salespersons should report about price occasionally from the customers who demonstrated price sensitivity (Homburg, Allmann, & Klarmann, 2014).

The next significant factor was interpersonal relations of feed wholesalers which could influence feed retailers' customer loyalty. This situation was in accordance to Merrilee, Thiele, and Lye (2011) stating that marketing competence keys that caused good marketing performance were branding and innovation; moreover, internal management also played a major role in marketing performance. While Sheng, Lin, and Chang (2012) reviewed that retailers focused on product, market factors, seller-buyer relationship and negotiation results before stocking product (for more details, the interpersonal skill took part in internal management and seller-buyer relationship stated in the studies).

The last considered factor was environment that consisted of social and culture, technology, competition, economics, and politics (by order from high to low score). Environment of feed industry had the least effect on feed retailers' customer loyalty; however, it was still able to have a positive influence. Likewise, a study viewed that environmental dynamism and competition had a fair impact on the relationship between customer satisfaction and company performance (Ata & Toker, 2012).

In conclusion, this study discovered that the marketing strategy of the feed business market in Thailand optimistically influenced the feed retailers' loyalty, and mediated positively on the influence of organization, interpersonal skill, and feed environment. Therefore, the marketing strategy model for building customer's loyalty in feed wholesale business (MCL) is confirmed. Feed wholesalers in Thailand could apply this model with their retailers as shown in figure 3.

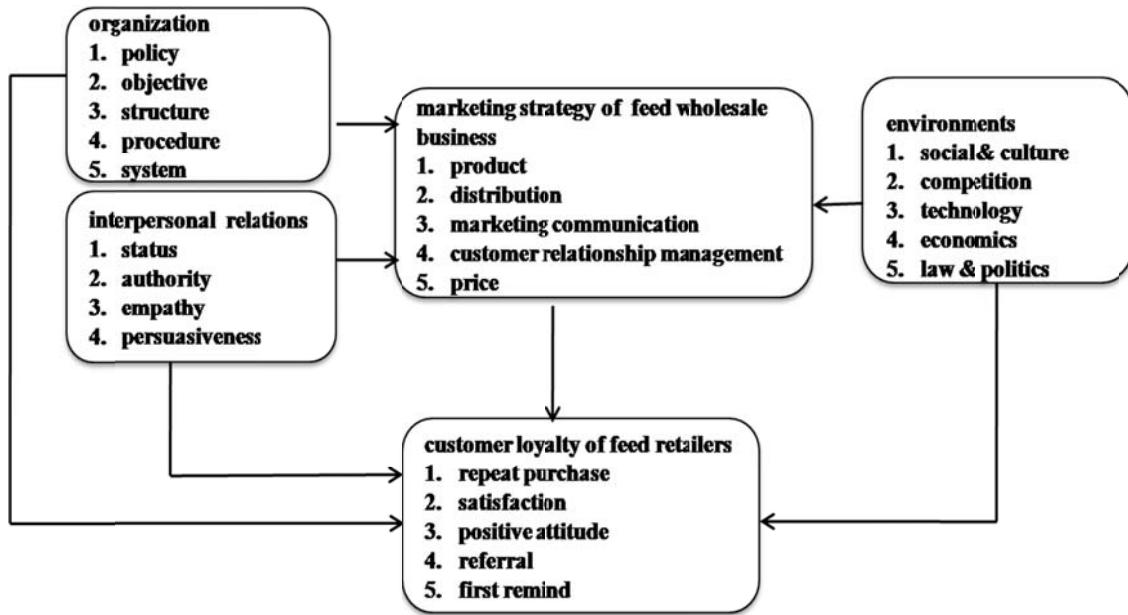


Figure 3. Marketing Strategy Model for Building Customer Loyalty in Feed Wholesale Business (MCL).

Implications

According to the research findings, the researcher got MCL model. Referring to the model, the researcher introduces suggestions as follow;

Wholesalers in feed industry should pay attention to marketing strategy by maintaining feed (product) quality and improving a fast delivery service system to retailers. They should design loyal programs to both retailers and customers of retailers (or farmers) for instance, product assurance, providing farm experts or veterinarian counseling service, top sales travelling trip, free gift sampling, annual meeting party, knowledge seminar, and money subsidy. Wholesalers should add up interpersonal skill training for their managers and salespersons to assure that those skills will be able to extend the long relationship with retailers and therefore help in improving CRM. Furthermore, quick distribution and easy connection through inventory management should be provided for customers.

Feed firms should improve their organization in the field of policy, objective, structure, procedure, and system. They should pay attention to product quality assurance policy, set creating a customer loyalty objective, design a flat organization structure no matter whether a large or small firm, improve order receiving and delivery procedure, and design a simplified selling system. Next, feed firms should rethink their organization policy which provides a fast problem solving and counseling service through CRM. In addition, feed firms should design loyal programs and sales promotions by considering all three targets in the feed chain, wholesalers, retailers and farmers (retailers' customers), whilst considering organization service delivery, interpersonal relations and environment factors, for example, providing low cost sales promotions during a slumped economy such as smaller package size, cheaper feed formula, smaller bulk buying, and sharing transportation costs with smaller orders instead of large ones. Besides, feed producers should provide public relations projects

such as sport sponsorship, trade fair, trade show, provincial fair sponsorship, agricultural product contest and farming mini courses for retailers and ultimate customers (farmers) by applying below the line advertising through salesperson, local radio and social network.

Future Direction

The proposed model (MCL) suggests that interpersonal skills, organization, business environment, and marketing strategy have a direct influence on customer loyalty, so feed manufacturers and wholesalers can apply the results of this research to provide stronger and longer relationships with feed retailers. Further research should add leadership and relationship marketing variables to enhance firms' performance and apply the MCL model in other kinds of business, business-to-customer (b2c), and public sectors.

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