

AN EMPIRICAL ANALYSIS OF MANAGERS PERCEPTIONS ON CRM PRACTICES OF HOTELS

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ABSTRACT

*Sothem Rajasthan bears a great importance to hospitality industry of India as there are many world renowned hotels which are contributing to the Indian economy. Indians are famous for their hospitality and their behaviour with the guests. The proposed research study will define how the hotels of Southern Rajasthan are building relationship with their customers and what all measures they are using for retaining customers. **This study will help in knowing the customers preference, brand image and patronage. The proposed research will also define the role of information and mobile technology in building customer relationship.***

INTRODUCTION

“In the midst of global competition, the acquisition and retention of customers have never been more important. In the past, mass marketing was the order of the day especially in industrial region. In this era of sophisticated and well informed consumers, information technology, service driven economics and intensive global competition, mass marketing techniques are proven to be highly ineffective. Firms identified customer satisfaction as an alternative means to business success. In market competition, scholars identified the major indicator of competitiveness as the ability to retain existing customers and obtain more. The global and worldwide service organizations such as banks, airlines, telecom firms and hotels pioneered these strategies (customer acquisition and retention). These service organizations were the first to introduce customer relationship practices. The banks established customer relationship units to deal with key customers; the airlines designed frequent programs to reward loyal customers; the telecom service firms designed customized service for heavy users and the **hotels introduced personal user service for regular customers.**

Hospitality is the act of kindness in welcoming and looking after the basic needs of guests or strangers, mainly in relation to food, drink and accommodation. A contemporary explanation of Hospitality refers to the relationship process between guest and host. Hospitality industry is an integral part of service industry where guests are entertained and their accommodation and food is the major concern.

In India we worship our guest as “**Athithi devobhava**” and hence their comfort is our priority and this is the only way for building relationship with the customers. Hence for building this loyalty Indian hospitality industry is now using CRM as tool for retaining the customers. India is a developing nation, which has achieved admirable progress in the field of hotel industry, and adaption of healthy CRM practices. Hotels have understood the need and importance of CRM practices in the present age of competitiveness. Indian Hotel industry is now booming with a bang to overrule the service industry and produce highest revenue for the country. Although service industry contributes more than half of the percent in total GDP but now hotel industries are earning more by satisfying customers. Hotels of Southern Rajasthan have achieved world recognition and it brings pride and honour for Indian Hospitality Industry.

Sothem Rajasthan bears a great importance to hospitality industry of India as there are many world renowned hotels which are contributing to the Indian economy. Indians are famous for their hospitality and their behaviour with the guests. The research done has defined how the hotels of Southern Rajasthan are building relationship with their customers and what all measures they are using for retaining customers. This study helped us in knowing the

customers preference, brand image and patronage. This research will also define the role of information and technology for communication in building customer relationship.

In today's marketing literature, the practices of maintaining a long-term relationship with customers are designated relationship marketing and more recently customer relationship management (CRM). According to **Parvatiyar and Sheth (2001)** these two concepts are used interchangeably. To marketing practitioners, CRM is an emerging marketing domain especially for firms in highly competitive business environment. However, scholars view it as a new marketing discipline focus on managing long-term profitable relationship with customers by giving customers the best of value.

According to **Mehta, Sharma and Mehta (2010)**, the success of an organisation principally depends on the effectiveness of its CRM implementation. The issue of CRM has become a serious marketing consideration because of several factors among which are, continuous complexity of the customer, globalisation of firms, fierce competition, low cost of retaining customers and the success of firms that have practiced CRM. **Gruen (1997)** concluded that on average firms spend six times more on acquiring customers than they spend on retention of customers.

Gubser (2001) observed that while a good fraction of firms that practice CRM achieve designed goal others fail in the practices of CRM because of lack of knowledge on how to establish and manage CRM. He noted that this is as a result of lack of laid down CRM practices, procedures, and guidelines to follow.

THE 10 KEY PRINCIPLES OF CRM

1. **Value Segmentation:** Segmentation is based in customer needs, preferences, behaviours and economic potential, which provides the basis for resource allocation decisions in marketing, sales and service.
2. **Institutional Memory:** When the customer interacts with the company, everyone in the enterprise is aware of prior inter actions, outstanding issues and pending opportunities.
3. **Collaboration:** Customers are involved in the specification, design and/or delivery desired result.
4. **Touch-point alignment:** Customers are able to do business with a firm through multiple channels, which are aligned with your customer needs and, their value to your business
5. **One & Done:** Customer needs are solved during the first contact.
6. **Real-time information manager:** The employees have real-time access to the right information in order to make customer-based decisions and resolve issue immediately.
7. **Customer Scorecard:** Employee performance requirements measures are designed to drive specific customer behaviours that are measured explicitly.
8. **Closed-Loop Processes:** Integrated front and back offices systems ensure that information and workflow carry through the entire enterprise to their logical conclusion, closing the customer loop and enabling continuous knowledge capture.
9. **Listening & Learning Posts:** These Forums facilitate information sharing and learning among the customers that help them does business with the company.
10. **Customer Experience Management:** Once all the above "touch points" have been mapped the company is able to deliver a consistent, high quality experience that provides added value to the customer.

REVIEW OF LITERATURE

Following are given some important review of literature related on Customer Relationship Management (CRM) in hotel industry, has been done by researcher.

Wang et al., (2004) proposed an integrative framework for customer value and CRM performance based on identification of the key dimensions of customer value. They explored the decomposed effects of the customer value on CRM performance in terms of relationship quality and customer behaviors. The authors have proposed a structural equation model using the partial least square method supported by an empirical investigation of customers in China.

Mohammad & Rashid (2012) is of the opinion that CRM has a growing popularity and is becoming one of the hottest academic and practical topics in the business field. They provide a value conceptual model that explains the theoretical linkage existing between CRM dimensions and hotel performance. Their study also explains the mediation role of marketing capabilities in this relationship.

Vella&Caruana (2012) stated in their findings that perceived usefulness and perceived ease of use as key elements that are critical in encouraging service providers' intention to use CRM systems. They concluded that higher the perceived ease of use the greater the perceived usefulness and the higher the intention to use CRM. Moreover they find that perceived usefulness act as a partial mediator between perceived ease of use and intention to use CRM.

According to **Awasthi&Sangle (2012)** the review of literature on adoption of CRM technology, including the CRM in multichannel environment and provide a comprehensive view of insights gained in this area. They have included articles under four themes based on the channel CRM, multichannel CRM, eCRM, mCRM.

According to **Elkordy (2014)**, "Customer relationship management is considered key to organizations' success in today's competitive environment. However, empirical evidence show mixed support to the impact of CRM initiatives on performance. Using the resourcebased view RBV of the firm, CRM is hypothesized as a distinctive capability that can lead to superior business performance. The study proposes four dimensions of CRM capability: CRM technology, CRM processes, customer orientation, and CRM organization.

Kordalipooret. al., (2015) "Large corporations invest huge amounts of money, time, and resources in CRM solutions. CRM is a modern business and management concept which focuses on customer. Customer is one of the important resources for the development of enterprise. Customer relationship management (CRM) is a widely implemented strategy for managing a company's interactions with customers, clients and sales prospects. The research is an overview on success factors that could facilitate successful implementation of CRM.

RESEARCH DESIGN

For the present study both exploratory and conclusive research methods were used. The conclusive research method here is descriptive in nature and the research design is single cross sectional. In this study primary data has been collected through the self structured questionnaire method. The research was conducted with the help of a questionnaire measuring the perceptions and acceptability of hospitality service by the consumers. The chosen research design mainly emphasizes on the discovery of ideas and development of insight into the subjects under study.

For collecting data from respondents' convenience sampling procedure is used. Under this procedure it is taken care of that responses are collected from only those respondents who are able to understand the necessity of the research, and can interpret that any of the fruitful outcomes will definitely benefited them by more supervised advertisement content without misleading and fraud type of information dissemination. One of the major issues was under consideration while selecting the respondents was that the respondents should be aware about the services offered by hotels and CRM practice.

ANALYSIS AND INTERPRETATIONS

Here given the managers analysis of their agreement on various statements related to the practices followed by their hotels for CRM by using the many parameters for the customer relationship management practices by their hotels.

- H₀₁:- There is no significance relationship between opinions of various age groups of managers about **CRM practices**.
- H₁₁:- There is significance relationship between opinions of various age groups of managers about **CRM practices**.
- H₀₂:- There is no significance relationship between opinions of various qualification groups of managers about **CRM practices**.

H₁₂:- There is significance relationship between opinions of various qualification groups of managers about **CRM practices**.

H₀₃:- There is no significance relationship between various designations of the managers towards their opinion about **CRM practices**.

H₁₃:- There is significance relationship between various designations of the managers towards their opinion about **CRM practices**.

1.1 CONSEQUENCES OF AGE AND CRM PRACTICES

Table 1:- Cross tabulation of Age and CRM practices

Age * CRM Practices Cross tabulation				
Count				
		CRM Practices (D)		Total
		Agree	Strongly Agree	
A5	15-25	13	19	32
	26-40	72	67	139
	41-55	8	21	29
Total		93	107	200

Source: - Primary Data

From the above **Table 1**, it could be interpreted that majority of the respondents awarded good degree of agreement to the relationship between age and CRM practices by hotels. Out of 200 respondents (13+72+8=93) respondents were agree and (19+67+21=107) were strongly agree that CRM practices are useful for all age groups in hotels. From this we can say that irrespective of the age factor most of the people strongly accept CRM as an integral part of Hotels.

Table 2:- Chi Square of Age and CRM practices

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	6.183 ^a	2	.045
Likelihood Ratio	6.371	2	.041
Linear-by-Linear Association	.853	1	.356
N of Valid Cases	200		
a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 13.49.			

Source: - Primary Data

From the above **Table 2**, it could be interpreted that Asymp. Sig. (2-Sided) column value is less than .05 which shows that there is significance relationship between various age groups of respondents towards their opinion about

CRM practices. So it could be decoded that higher CRM practices followed in the field of hotels higher will be its affects but differently on all the age groups of customer's for hotel visits.

1.2 CONSEQUENCES OF QUALIFICATION AND CRM PRACTICES

Table 3:- Cross tabulation of Qualification and CRM practices

Qualification * CRM Practices Cross tabulation				
Count				
		CRM Practices (D)		Total
		Agree	Strongly Agree	
A7	Certificate	1	0	1
	Diploma	0	1	1
	Under Graduate	26	29	55
	Masters	66	77	143
Total		93	107	200

Source: - Primary Data

From the above **Table 3**, it could be interpreted that majority of the respondents awarded good degree of agreement to the relationship between qualification and CRM practices by hotels. Out of 200 respondents (1+0+26+66=93) respondents were agree and (0+1+29+77=107) were strongly agree that CRM practices are useful for all the qualification groups in hotels. From this we can say that irrespective of the qualification factor all the groups strongly accept CRM as an integral part of Hotels. Thus we can now conclude that regardless of the qualification factor most of the people accept CRM as an integral part of Hotels.

Table 4:- Chi Square of Qualification and CRM practices

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	2.040 ^a	3	.564
Likelihood Ratio	2.802	3	.423
Linear-by-Linear Association	.097	1	.756
N of Valid Cases	200		
a. 4 cells (50.0%) have expected count less than 5. The minimum expected count is .47.			

Source: - Primary Data

From the above **Table 4**, it could be interpreted that Asymp. Sig. (2-Sided) column value is greater than .05 which shows that there is no significance relationship between all the qualification groups of respondents towards their opinion about **CRM practices**. This directly implies that higher the inclination of hotels towards CRM more will be the affect on all the qualification groups of managers.

1.3 CONSEQUENCES OF DESIGNATION AND CRM PRACTICES

Table 5:- Cross tabulation of Designation and CRM practices

Designation * CRM Practices Cross tabulation				
Count				
		CRM Practices (D)		Total
		Agree	Strongly Agree	
A9	Executive	5	1	6
	Supervisor	21	25	46
	Manager	66	79	145
	Senior Manager	1	2	3
Total		93	107	200

Source: - Primary Data

From the above **Table 5**, it could be interpreted that majority of the respondents awarded good degree of agreement to the relationship between designation and CRM practices by hotels. Out of 200 respondents (5+21+66+1=93) respondents were agree and (1+25+79+2=107) were strongly agree that CRM practices are useful for all the designation groups in hotels. From this we can say that irrespective of the designation factor all the groups strongly accept CRM as an integral part of Hotels. Thus we can now conclude that regardless of the designation factor most of the people accept CRM as a crucial part of Hotels.

Table 6:- Chi square of Designation and CRM practices

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	3.551 ^a	3	.314
Likelihood Ratio	3.785	3	.286
Linear-by-Linear Association	1.353	1	.245
N of Valid Cases	200		

a. 4 cells (50.0%) have expected count less than 5. The minimum expected count is 1.40.

Source: - Primary Data

From the above **Table 6**, it could be interpreted that Asymp. Sig. (2-Sided) column value is greater than .05 which shows that there is no significance relationship between all the designation groups of respondents towards their opinion about **CRM practices**. So it is clear that higher the CRM in the field of hotels will directly affects all the designation groups of managers.

CONCLUSION

The study aims to analysis that with the increase in competition in hotel industry, higher levels of consumer satisfaction with affordable prices and improved quality of services achievement is recognized. CRM services are expected to be the preferred means of customer service in hotels to attain customer loyalty.

This analysis interpret that maximum number of managers are agree towards the CRM practices in hotels they also shows that increasing CRM practices will play a significant role for increasing profit of hotel industry in Southern Rajasthan.

Under chi square tests the results are tabulated giving Pearson Chi-Square, Likelihood Ratio and Linear-by-Linear Association. After the analysis it was found out that for most of the variables irrespective of variations in them they all accept the fact that CRM practices are important for hotels to maintain better customer's relationship.

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