



REVIEW OF RESEARCH

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“CUSTOMER RELATIONSHIP MANAGEMENT CRM) PRACTICES IN FIVE STAR HOTELS”

Dr. Pooja Deshmukh¹ and Kevin Kamuel Nawgiri²

¹Associate Professor, Institute of Management & Research,
MGM University, Chatrapati Sambhajanagar (MH).

²Assistant Professor, Institute of Hotel Management,
MGM University, Chatrapati Sambhajanagar (MH).

ABSTRACT:

The service industry is going through wonderful turns of events. The discoveries uncovered that current practices of CRM among five star hotels are that as the class of star hotels expanded, CRM practices additionally expanded altogether. CRM Practices is an important component because of incremental impact it has to the market share. CRM practices tracks customers interactions with the firm and allows employees to instantly draw information about the customers such as past services, recalls, experiences, feedback and trends of universal problems in order to reposition the firm effectively in the market. Five star hotel managers should continuously strive to support CRM activities in the hotels while embracing all CRM practices in order to achieve a more competitive edge over the ever changing customer's trends. CRM approach will help these hotels to increase customers' satisfaction which in turn will help them in customer retention. Additionally, numerous studies reports that CRM technology has a significant positive impact on their organization's performance. The technology coupled with CRM has a positive impact on five star hotel performances. (Key words: Customer Relationship Management (CRM), Five Star Hotels, Hospitality, Tourism)



KEYWORDS: Customer Relationship Management (CRM) , Relationship Marketing.

INTRODUCTION:

One of the key developments in marketing has been the advent of Customer Relationship Management (CRM) strategies, designed primarily to create and manage long lasting customer relationships. In today's age where firms are facing a radically different landscape, the process of relationship building between a company and its customers enhances lifetime value and increases profitability. CRM is gaining increasing attention of both researchers and practitioners particularly in the services domain. It has become an essential customer focused business practice. While the term CRM first emerged in the 1990s, its importance in the 21st century is continuing to grow. Going beyond the importance of attracting customers, CRM emphasises the role of retaining customers. Thus, CRM goes beyond a transaction, to maintain long-term relationships. CRM is the most important concept in modern marketing and a key ingredient in building customer value and satisfaction.

CRM is built on the conceptual foundations of relationship marketing which also focuses not only on getting customers but also on keeping and growing them. Due to the common grounds between relationship marketing and CRM they have been referred to interchangeably in the literature. They also have common elements including one-to-one relationship with customers, an interactive process rather than a transactional process, value added activity with mutual interdependence and collaboration between the supplier and the customer. Acknowledging the differences, that relationship marketing is the attitude of the organisation, whereas CRM is the tool used to implement that attitude. While relationship marketing focuses on all parties including suppliers, competitors and intermediaries, CRM exclusively focuses on managing end customer relationships.

Customer Relationship Management is one of the essential tools for hotels in order to have a competitive edge. Hotels are part of the service industry, owing to their direct contact with customers; therefore, their quality of service and customer relationships significantly influences their business development. For five star hotels, the application of customer relationship management is a great opportunity to increase customer value, enhance customer satisfaction, and achieve business excellence and high profits. Therefore, enhancing the effect of CRM has become a key factor for the success of hotel industries.

REVIEW OF LITERATURE:

1. **Udunuwara (2015)** - This study investigate the customer relationship management practices experienced by leisure travellers in their hotel visits. This study explored whether leisure travellers seek variety in the hotel context. Combining the two domains, it then investigated the impact of variety-seeking behaviour on the effectiveness of customer relationship management to generate its outcomes. In turn, it also determined the impact of customer relationship management on influencing the variety-seeking behaviour of leisure travellers.
2. **Chadha (2015)** - The study determine if CRM has an impact on customer retention to determine if the practice of effective CRM in organizations leads to a long or short term financial impact to find out the extent or degree to which effective CRM leads to customer satisfaction and to assess if the services provided by the hotel meets the needs and wants of customers. The study found that most of the employees had a positive attitude towards CRM practices and the most common activities undertaken were studying the existing database of the customers and personal counselling. The benefits of CRM are increased customer satisfaction and increased customer retention.
3. **Abdel Fattah (2016)** - This research evaluates the relationship between CRM dimensions and hotel performance in Jordan. CRM has currently become one of the hottest issues and a focal-center in the business field. Due to the competitive environments among hotels sector, it is essential that hotels should adopt new strategy such as CRM technology to help hotel managers, service customers and to improve organizations performance. The relationship between CRM technology and hotel performance is ambiguous, these inconsistent findings may be lack understanding of the instrument that connect CRM technology and hotel performance. The relationships between CRM dimensions and hotel performance are still inadequate. This study demonstrates a significant relationship between CRM dimensions and hotel performance.
4. **Goyal (2017)** - The study find out the customer satisfaction level of services provided by five star hotels and find out the service areas in which customers are not satisfied i.e. there is a service gap that needs to be taken care. The hotel staff of the chain in Lucknow region cooperated in order to find out the areas of improvement vis-à-vis their competitors. The research was helpful in providing inputs to formulate best service encounter and improve competitive strategies. The conclusions from this study were that, customers were happy with the services of hotel and they love the quality of service offerings. Recommendations include that the hotel should work efficiently in fulfilment of customer wants so that more and more customer should be satisfied with services. They should build effective strategies to achieve organization goals and attractive offers to customers.

5. **Panchal & Shah (2018)** - This study determine the impact CRM in hotel Industry. CRM is an important tool or an approach which helps in growth of business in all the organization or firms. In this context, the importance of CRM concept in hotel industry for their growth and profitability has been discussed. The study determines that CRM has an impact on customer loyalty. For new hotels acquiring new customers are important for their business growth, while for the old customers customer loyalty is important, Since acquiring new customers is a costly affair then retention of old customers. Even a comparison in made between high/medium tariff and low tariff hotels in this study. Most of the respondents had heard about the hotel from newspaper and referrals from people who had used the hotel. Most of the respondents agreed that they would come back to the hotel where good practices have been followed by the hotels for customer satisfaction.
6. **Senthil Kumar & Kannan (2019)** - Hotels industry today is waking up to consumers who demand consistent delivery of the brand promise, changing needs and sensitivity to socio-political both locally and globally. The study findings illustrates indeed there are several customers relationship management practices known in the hotel industry. The study concludes that CRM Practices is an important component because of incremental impact it has to the market share. The CRM practices tracks customers interactions with the firm and allows employees to instantly draw information about the customers such as past sales, services, recalls, experiences, feedback and trends of universal problems. The study recommended that managers and organizational heads should not only continuously strive to support CRM activities in the hotels, but also embrace all CRM practices that make the hotels more competitive to ever changing customer's trends.
7. **Kadakol & Sheeri (2021)** - Hotel industry is a highly flourishing, lucrative and competitive market. To compete in such a market, the hotels should focus on maintaining good relations with the customers and satisfying the customers. Increasingly, the organizations are using CRM to help boost revenues by focusing on customer retention and customer loyalty. This research studies the CRM practices in hotel industry. The adoption of CRM in the hospitality industry has been impeded by a number of factors. These include the persistently fragmented nature of the industry, the disparate, proprietary and relatively immature nature of IT systems and the additional complexity associated with managing a perishable product that is sold through a variety of distribution channels. However, more rapid progress is being made due in part to the continued consolidation between hospitality companies and hospitality IT vendors. It was found that most of the employees had a positive attitude towards CRM practices and the most common activities undertaken were studying the existing database of the customers and personal counselling.
8. **Negi, Dimri & Chauhan (2021)** - CRM has a developing prevalence and is getting one of the most sizzling scholarly and handy points in the business field. This study investigates the customer relationship management practices executed by various hotels of Garhwal and Kumaon region of Uttarakhand and its suggestions in keeping up visitor relationship. It was discovered that the relationship between CRM practices and impact on the class to which they have a place five-star, four-star and three-star hotels is that solitary three-star hotels contrasted essentially from four-star and five-star hotels.
9. **Musembi (2022)** - There has been a limited effort directed towards research on the customer relationship management characteristics and the performance of five-star hotels. A cross sectional descriptive survey design was adopted. The findings from this study established that CRM systems features significantly affected the performance of five-star hotels and thus managers and operators should ensure that their CRM systems enable them to improve their performance outcomes.
10. **Sanasam, Pradhan & Mohanty (2022)** - This paper studies the dimensions of CRM viz., Customer Orientation, CRM Organisation, Knowledge Management and Technology based CRM and its impact on the organisational performance in hotel Industry in Odisha. This research employs Balance Score Card (BSC) approach. The results of the study stated that CRM and its dimensions have a positive relationship with hotel organisational performance. Managerial implications are based on the premise that in order to enhance the organizational performance in hotel industry, it is pertinent to build and have in place an effective and efficient dimensions of CRM.

RESEARCH OBJECTIVES:

The general objective of the study is to examine the influence of customer relationship management factors on the performance of the five-star hotels. The paper intended to build up a system for creating CRM methodologies of five star hotels.

RESEARCH METHODOLOGY:

This paper is completely based on literature review and views published in research literature.

Customer Relationship Management (CRM):

Customer Relationship Management (CRM) has become a basic customer centered business practice. The term 'CRM' first arose during the 1990s, its significance in the 21st century is proceeding to develop. The significance of pulling in customers, CRM accentuates the function of holding customers. It is significant that the idea of CRM can be characterized in an unexpected way. It likewise implies various things to various individuals. CRM frameworks are mostly made out of three sections, advertising management, deals management, service management and specialized help management. The center substance is for the most part to build the level of computerization of all viewpoints through constant improvement and management of corporate deals, showcasing, customer service and backing related business measures, to improve productivity, decrease costs and improve service, extend deals, increment income and benefits, and improve endeavour seriousness.

CRM helps in promoting customers experience though allowing building of better customer relationships which in turn create loyalty and customer retention. Improved customer service, through provision of instant access to all the interactions which the customer has made in the business. This enables customer support staff to pull up details while still interacting with them. Faster responses to customers enquire are guaranteed and communications are personalized. Therefore, CRMs are considered to be high valuable in improving customer experience as well as improve the overall customers journey across all touch points. CRM is viewed to be among the best strategies and practices for five star hotels in order to develop their performance and ensure that their long-term goal is survival

CRM and Five Star Hotel Industry:

CRM brings benefits to the organizations that generate a lot of information about customers. In addition to this, for their intrinsic characteristics of the production and consumption are inseparable elements necessary to build relationships with customers. CRM will be ideally suited to the five star hotel industries, especially when implementing it successfully and effectively, taking into account that hotels receive a lot of data about customers. Such data can be transformed into useful knowledge about them. Suffice it to say that hotel industry, like any business sector has to be highly competitive to be able to do well in the business environment, therefore, it is of vital importance for it to encourage behavioural patterns of continuous retain customers last longer.

It is evident that such aims can only be achieved through implementing CRM, which will result in establishing fruitful relationship between organizations and their customers. Moreover, it goes without saying that growing customer-acquisition costs, rising customer expectations, price-sensitive travellers, more sophisticated clients, uncertain market and less brand loyalty are all key factors, which strongly urge hotels to focus on CRM as a useful strategy. CRM is widely considered as one of the most effective ways to facilitate developing and expanding the customers' base that, in turn, will assist in enhancing profitability and guest loyalty.

Globally, evidence shows that five-star hotels operators have embraced the use of CRM as one of the ways of enhancing their levels of performance. Many five star hotels are currently appreciating the major role CRM plays in business performance and profitability. Accordingly, customer relationship management will be ideally suited to the hotel industry, especially when implementing it successfully and effectively. A lot of data about customers can be transformed into useful knowledge about them. Growing customer - acquisition costs, rising customer expectations, price-sensitive travellers, more

sophisticated clients, uncertain market and less brand loyalty are all key factors, which strongly urge hotels to focus on customer relationship management strategies as a useful strategy. Customer relationship management strategy is widely considered as one of the most effective ways to facilitate developing and expanding the customers' base that, in turn, will assist in enhancing profitability and guest loyalty

Technology-based CRM in Five Start Hotels:

Due to advances in information communication technology (ICT), a modern system has come about to reduce internal costs and better interact with the environment also to increase economic profit in the long term. Five star hotels now implement different CRM systems. The strategic applied of technology in marketing is one of the most important chances in the hotel sector since it is essential to obtain the right information from the right people at the right time, so that the right decisions can be made or services delivered. Also, the applied of CRM technology is predictable to improve the firms capability to maintain beneficial customer relationships by enabling information integration and sharing that influences smooth and efficient firm-customer interactions, suitable analysis of customer data and customization of response. Furthermore, hotel has adopted ICT as a tool because of increasing competition and customer expectations. Additionally, numerous studies reports that CRM technology has a significant positive impact on their organization's performance. The technology coupled with CRM has a positive impact on five star hotel performances.

CONCLUSION:

The service industry is going through wonderful turns of events. The discoveries uncovered that current practices of CRM among five star hotels are that as the class of star hotels expanded, CRM practices additionally expanded altogether. CRM Practices is an important component because of incremental impact it has to the market share. CRM practices tracks customers interactions with the firm and allows employees to instantly draw information about the customers such as past services, recalls, experiences, feedback and trends of universal problems in order to reposition the firm effectively in the market. Five star hotel managers should continuously strive to support CRM activities in the hotels while embracing all CRM practices in order to achieve a more competitive edge over the ever changing customer's trends. CRM approach will help these hotels to increase customers' satisfaction which in turn will help them in customer retention. Additionally, numerous studies reports that CRM technology has a significant positive impact on their organization's performance. The technology coupled with CRM has a positive impact on five star hotel performances.

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