A Literature Review

Use of Web-Based Customer Relationship Management (CRM) for Customer Loyalty maintenance in Hotel Industry

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ABSTRACT

The purpose of this study is to investigate the effect of internet technology on customer loyalty. Companies need the ability to track and manage Internet based e-commerce events that may demand immediate, personalized response irrespective of conventional operating schedules. To overcome this challenge, many organizations are considering adopting the concept of Customer Relationship Management (CRM) based Web. The e-CRM or electronic customer relationship management coined by Oscar Gomes encompasses all standard CRM functions with the use of the net environment i.e., intranet, extranet and internet. Electronic CRM concerns all forms of managing relationships with customers through the use of information technology (IT). This concept and practice provides the ability to capture, integrate, and distribute data gained at the organization’s Web site throughout the enterprise. Customer Relationship Management (CRM) is a strategy that helps companies to reduce costs, improve productivity and enhance customer loyalty. CRM is primarily a business strategy or set of processes, people and technology used by the companies to successfully attract and retain customers for the maximization of growth and profit of the organization. In positioning on the market, hotels need to compete and develop their brand in order to attract and retain guests, and this requires flexibility of software capacities with the goal to respond to the requests in competitive market and changing conditions in industry. CRM for hotels puts the customer in the center of business processes, the customer who is a part of living processes through which the company gains big competitive advantage. Web-based CRM functionality menu designed to help companies quickly access daily activities. There are menus in the application for managing calendar appointments. Use the Sales View menu to get a quick view of customer list, pipelines, and activities, as well as many sales reports. With its Web-based campaign management functionality, can to keep partners and customers up-to-date on important business information. can advertise special promotions; create discount codes and coupons to send out through e-mail or regular mail; keep customer contacts up to-date on new products or services; and send campaigns as HTML-formatted e-mails to distribution lists.

Keywords: customer relationship management (CRM), E-CRM, Web, Customer Loyalty,
CHAPTER I. INTRODUCTION

Basically every company has a target to obtain the greatest possible profit. However, often companies seem to forget that the consumer is one of the assets that play and significant role in helping to achieve these objectives. No Communication is formed between Customer and Company after the selling process is completed. Which makes the company lose the ability to get additional income from the same purchaser. Indeed, the current competition places more emphasis on how companies can realize the main targets targeted in the processes of sales, marketing and service. Companies can treat customers well, through Customer Relationship Management (CRM), enabling customer loyalty that is not only loyal to their products but also loyal to the company. (Marshellina, 2013).

The Customer Relationship Management (CRM) concept Originates from the customer orientation definition but does not The emphasis is only on customers but also relationships Between customers and companies. In addition, CRM is a sustainable marketing strategy for relationships that Organizations may use this to find respected clients who can Provide greater comparative advantage and optimize Enterprise income.

I.1 Background: Use of Web-Based Customer Relationship Management (E-CRM)

The Internet changed the organisation's traditional business model. This led to the emergence of many new ones Industries and organizations have been forced to accept changes in organization and operation. In today's globally competitive world, companies have to do whatever they can to accomplish something different in order to retain loyal and profitable customers, and more importantly. These features include concrete websites or Internet-based tools integrated into organizational systems, which, when properly customized, enable the required interaction with the customer.

High competition and rapid technological development recently encourage a company to continue to improve its proximity to its customers. By optimizing potentially customer data, a company continues to understand customer behavior. A successful company is a company that can transform its business into a digital network and provide a different customer experience integrated into its daily lives. A company creates strategic management of the relationship to gain a competitive advantage. A strategy is a systematic plan to decide how a organization can accomplish its goal and objectives (Hendriyani, 2018).

In the 21st century, every business was in it The world is highly competitive and the Creation of groundbreaking data technology. Consequently, Managing Customer Relationship (CRM) and Data Communication technologies (ICTs) is concentrated as one of the Some industry's main tactics, as well as hotels Company (Cherapanukorn, 2017). In the hotel industry, customer relationship management (CRM) becomes a strategic imperative for attracting and increasing guests’ patronage. The hotel industry is facing an increasingly competitive environment which means that the hotels have a greater need to distinguish their customers. Since the hotels can collect and incorporate a significant amount of knowledge about their guests (Sigala in Kasim, A., & Minai, B, 2009).
In a dynamic business environment where modern hotel organizations operate, the main priority of a business is focused on improving end-user services and enhancing business process quality. Meeting these challenges, many hotel organizations are beginning to apply the technique of maintaining customer relationships. For managing customer relations, Electronic customer relationship (e-CRM) has helped companies increase their reach to customers as well as collect potential customer data. Advancement in technology helps companies to get data through different touch points, it has been used to help minimize costs and make firms more productive and at competitive advantages. The various possibilities e-CRM provides include collaborative and spontaneous customer interactions, management Touch points for consumers and customisation of consumers (Adlin et al., in Jhamb., Kampani 2020).

E-CRM is defined as ‘technology-centred’ relationship marketing and ensuing advantages, incorporating traditional customer relationship management (CRM) tactics and e-business market place applications used by an organization to maintain customer relations. Web-based technologies use the Internet to allow organizations to attract new customers, analyze their tastes and behaviors, customize support programs while and programs and value benefits, maintain customers and design strategies to promote loyalty (Mang’unyi, E. E., Khabala, O. T., & Govender, K. K 2017). E-CRM is the MDC’s electronic part. He originates from traditional CRM e-business applications and covers a variety of information technology to support the CRM strategy.

In these digital ages, CRM has achieved remarkable developments and expanded its applications by using information technology (IT) to integrate sales and services as well as promote a customers’ loyalty program. Although the content of electronic customer relationship management (eCRM) is the same as CRM, the implementation method is different. This is because eCRM emphasizes on electronic management, which involves multiple IT systems that place greater focus on efficiency, product image, and personal service value and concurrently fix and analyze the relationships between the firms and their customers. Furthermore, eCRM refers to marketing activities, tools, and techniques delivered over the Internet technologies, such as e-mail, data warehousing and mining, with the specific goal to develop and improve long-term customer relationships in order to enhance their individual potential and business performance.

I.2 The Scope of this case study

This study is to investigate the effect of internet technology on customer loyalty. Companies need the ability to track and manage Internet based e-commerce events that may demand immediate. To overcome this challenge, many organizations are considering adopting the concept of Customer Relationship Management (CRM) based Web in Hotel Industry.

I.3 Purpose of the Study and Review Question

Purpose this study is written to contribute to the company on " use web based Customer Relationship Management (E-CRM) in Hotel Industry, and is developed based on fundamental inquiries, as mentioned below:

1. Effect of E-CRM to Customer Loyalit in hotel industry?
2. Effect of E-CRM to Hotel Performance?
II. 1 Customer Relationship Management and Hotel Industry

Customer Relationship Management is characterized as a combination of business processes and technology that seeks to understand the customers of companies from the viewpoint of who they are, what they do and how they are (Couldwell, 1998 in Kampani, N. & Jhamb, D 2019). Another group of authors (Peppers and Rogers, 1995) find IT as one of the critical and essential aspects of CRM and describe CRM as "the market place of the future undergoes a metamorphosis powered by technology." Kotler and Keller (2011) disagree with both the above-mentioned CRM methods and the redefined CRM as 'the method of carefully monitoring accurate customer details and all customer 'touch points' to improve loyalty' (Kampani, N. & Jhamb, D 2019).

Customer relationship management or CRM is a concept that has developed from relationship marketing theory. The theory of relationship marketing suggests that companies should change their focus from pursuing the aim of selling to the maximum number of people to concentrating on developing relationships with their existing customers. CRM as a strategic approach that enables organizations to use internal resources such as people, processes and technology, to manage their relationships with customers for the entirety of their life cycles, thereby improving an organization’s performance and gaining competitive advantage (Cherapanukorn, 2017).

Gronroos in Mohammed, A. A., & Rashid, B. (2012) says service organizations are inseparable elements important for building relationships with customers because of their intrinsic characteristics of production and consumption. Customer relationship management would therefore be ideally suited to the hotel industry, particularly when effectively and efficiently implementing it, taking into account that hotels receive a lot of customer data. These data can become valuable information about them. Furthermore, it goes without saying that growing customer acquisition costs, rising customer expectations, price-sensitive travelers, more sophisticated customers, uncertain market conditions and less brand loyalty are all key factors that strongly urge hotels to focus on customer relationship management strategies as a useful strategy. Customer relationship management strategy is widely recognized as one of the most effective ways to facilitate the development and expansion of customer base, which in turn helps to improve productivity and guest loyalty.

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 behavioral patterns of continuous re-purchase and to retain customers last longer. Thus, it is evident that such ambitious aims can only be achieved through implementing CRM, which will result in establishing fruitful relationship between organizations and their customers (Papastathopoulou et al., 2007; Verdugo et al., 2009 in Mohammed, A. A., & Rashid, B. (2012).

Moreover, it goes without saying that growing customer acquisition costs, rising customer expectations, price-sensitive travelers, 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. Needless to say, 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 (Mylonakis, 2009; Sigala, 2005; Sigala and Connolly, 2004; Wu and Li, 2011 in Mohammed, A. A., & Rashid, B. (2012).

II.1.1 CRM Dimension

CRM dimension based on the four factors that leads to CRM success, which include customer orientation, organizational readiness, knowledge management (KM) and information technology based (Cherapanukorn, 2017).

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Focus on key customer retention, emphasizing exemplary customer service, or offering superior products and services to increase customer long-lasting satisfaction and to develop customer loyalty.</th>
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<tbody>
<tr>
<td>Customer Service</td>
<td>Focus on top management support, employee training and motivation, and organizational structure/processes. The role of the human factor in the CRM implementation in hotels is fundamental, because even with the most advanced technology, people still have a determinant role in managing customer relationships.</td>
</tr>
<tr>
<td>Organization Readiness</td>
<td>Focus on the ability of an organization to capture, manage and deliver real-time information to develop highly personalized offerings.</td>
</tr>
<tr>
<td>Knowledge Management</td>
<td>Focus on the front-office applications that support service, sales and marketing, customer data repositories and back-office applications.</td>
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II.2 Web-Based Customer Relationship Management (E-CRM)

In order to fully understand how a unified view of the customer can be achieved through the strategic use of e-CRM, make a distinction between the terms CRM and e-CRM. With consider CRM an approach or business strategy providing seamless integration of every area of business that touches the customer—namely marketing, sales, customer service and field support—through integration of people, process, and technology.

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Web-based CRM functionality menu designed to help companies quickly access daily activities. There are menus in the application for managing calendar appointments. Use the Sales View menu to get a quick view of customer list, pipelines, and activities, as well as many sales reports. With its Web-based campaign management functionality, can to keep partners and customers up-to-date on important business information. can advertise special promotions; create discount codes and coupons to send out through e-mail or regular mail; keep customer contacts up to-date on new products or services; and send campaigns as HTML-formatted e-mails to distribution lists.

**Figure 1. The conceptual relationship among key e-CRM applications.**

With the advancement of Web-based technology, market dynamics are driving companies to adopt e-CRM. A fundamental motivator is the speed and unparalleled cost-effectiveness of the Internet are making the implementation of e-business possible and relatively cost-effective. Customer retention has replaced cost-effectiveness and cost-competitiveness as the greatest concern of business executives today—it costs approximately five to ten times more to acquire new customers than to retain established customers. It’s going to take more than Web interactions to keep the customer brand-loyal. Furthermore, over the last few years, the speed of change in the business arena, including deregulation, has also made rapid adoption of new technologies and flexible business strategies basic requirements for businesses.

E-CRM applications have the power to create an enormous amount of value by allowing companies to collect, organize, and disseminate a wealth of customer information. The e-CRM concept is designed to understand who the customers are and the products that are of interest to them only then is it possible to provide them with the products and services they want. A
more sound approach is to install a comprehensive software platform of the following five applications that together enable the eCRM business process

1. The **information integration application** consolidates customer data and information from different sources—transactional systems, call centers, Web sites, and ERP systems—into integrated customer-centric information. This application allows companies to identify and respond in a timely manner and accurately to their customers whether customers purchase products through a physical store, a call center, or a Web site.

2. The **customer analysis application** measures, predicts, and interprets customer behaviors, enabling companies to understand the effectiveness of e-CRM efforts across both inbound and outbound channels. The integrated customer information is used to build a business campaign strategy and assess results. It also builds predictive models to identify the customers most likely to perform a particular activity such as purchase an upgrade from the company.

3. The **campaign management application** uses the data warehouse to plan and execute multiple, highly targeted campaigns over time, using triggers that respond to timed events and customer behaviour.

4. The **real-time decision application** coordinates and synchronizes communications across disparate customer touch-point systems. It contains business intelligence to determine and communicate the most appropriate message, offer, and channel delivery in real time, and support two-way dialogue with the customer.

5. The **personalized messaging application** delivers either text or HTML pages, scaled to support very high volumes, using an automated mechanism to answer responses and drive recipients to Web pages through traceable URLs embedded within messages.

To reap maximum benefits of e-CRM system implementation, integration is needed between frontoffice applications such as office productivity applications (including word processors or spreadsheets) and back-office applications such as database management, ERP systems, mail servers, fax servers, help desk systems, and so forth. Other needs include having e-CRM integrated with the company’s portal site, intranet, and extranet. In addition to integration with Web-based technologies, part of the overall e-CRM solution can include a wide variety of telephony equipment to receive and manage inbound and outbound calls, automatic call distributors, interactive voice response systems, predictive dialers, fax machines, and paging systems.

The following five management steps are needed for effective e-CRM implementation.

1. **Identify the existing CRM processes within the organization, both online and offline.** Knowledge of these detailed business processes is important, as it will provide answers to what specific business benefits are sought from the customer relationship management strategy. When conducting an audit to understand some of the existing CRM processes, it is crucial that the implementing organization takes a customer’s view rather than a marketer’s perspective.

2. **Formulate an e-CRM vision and strategy.** The second step is to formulate an overall e-CRM vision. To do this, it is important to establish an e-CRM strategy and its specific objectives. These objectives are best generated and built upon the existing
CRM processes. A well-articulated strategy provides unequivocal direction to employees selecting and deploying e-CRM applications.

3. **Secure top management support.** After existing CRM processes are identified and an e-CRM vision and strategy is formulated, the next step is to secure top management support for this project.

4. **Choose appropriate technology partners.** With so many e-CRM vendors in the marketplace offering various capabilities in their products and services, choosing the best technology partner becomes an important challenge for organizations implementing e-CRM. This is difficult as some of the vendors provide excellent product capabilities including flexibility in their applications, customizability, and scalability.

5. **Evaluate current information systems and create new mechanisms and metrics to monitor and improve the process.** Once the vendor has been determined, the organization needs to evaluate current information systems to decide whether a new system is required.

**II.2.1 The Basic Features of an e-CRM for Hotels**

1. **Visitor Profiling**

   This is the core feature of an eCRM written for hotels and allows insights into the minds and preferences of the guests at the hotel. It helps to record properties preferred, time of the year of stays and other behavior. It enables the hotel to

   a. Send targeted messages to leads
   b. Special email messages to known guests for offers and incentives
   c. Have a more directed campaign management
   d. Improve Branding

2. **Increasing Loyalty through Customer Relationship Management**

   The integrated eCRM provides important information to the employees and hoteliers regarding guest profiles and preferences gathered from analytics to improvise the overall guest experience. This automatically increases the loyalty of the guest and also gives clues to the hoteliers to develop their own loyalty programs.

3. **Facilities Maintenance**

   Maintaining impeccable facilities across the properties is of very critical importance for a hotel. An eCRM for hotel would have this feature as a very important inclusion and schedule and track maintenance, preventive maintenance and other exercises needed to maintain the upkeep of the assets. The automated scheduling and tracking the progress of these activities keeps the efficiency of the staff allocated for these jobs more alert and accountable.

4. **Distressed Inventory Management**

   This feature is a very specific feature related to the hotel industry. Low seasons may cast a shadow on the otherwise flourishing businesses. A prudent Customer Relationship Management for hotels, uses the knowledge gathered from the Analytics and Reports and put
forward to the management in a helpful manner so that campaigns with meaningful offers be put forward to guests to cater to periods with expected low demands.

5. Integration with Property Management systems

An integrated Property Management system uses the central repositories of an eCRM to tailor and create personalized emails for each guest checking in and checking out through a property which is the part of the group. The overall experience of the guests is enriched through

a. Confirmation emails & messages
b. Pre-arrival communications
c. Thank you, emails
d. Guest feedback and surveys

6. Using Mobile Devices to improve efficiency

The customer relationship management for hotels mobilizes its workforce across the various departments spread out on the hotel premises itself. Requests for tasks for housekeeping, room service and many more are directly logged in into the mobile eCRM. The requests and complaint tracking can be managed and followed up through this system itself. Issues or inefficiencies if any can be reported to the management directly through the eCRM.

7. Reporting & Analytics

This e-CRM like a customer relationship management for any other purpose is backed by a powerful Reporting and Analytics tool. Typical Reports and Analytics dashboards cater to providing various information.

a. Trends
b. Competitor Knowledge and Analysis
c. Measure the results of campaigns
d. Email performances
e. Visitor profile reports

It goes without saying that prudent judgements based on these reports would prove beneficial and allow the future campaigns and interactions be developed with proper strategies.

II.3 E-CRM and Customer Loyalty

Loyalty is a positive belief in the value that a company provides, leading to increased purchases over time. “Loyalty is a positive belief, generated over the course of multiple interactions, in the value that a company and its products or services provide, which leads to continued interactions and purchases overtime”. However, in the business world, there are still considerable differences of opinion about the specific elements of loyalty (Khan, M. T. (2013) Szuth & Toth (2008) expressed that ’customer loyalty’ is a customer's demonstration of faithful adherence to an institution or merchant despite the occasional error or indifferent service. In
this view, customer loyalty is an attitude or behavior that customers explicitly vocalize or exhibit. Basarir & Dhaheri (2009) asserted (referring Stone et al., 2000) that the term customer loyalty “is a physical and emotional commitment given by customers in exchange for their needs being met”. It is related to the behavior of the customers who visit the supermarkets repeatedly. It is very important to keep a customer happy to have more business. In order to keep the customer for more businesses the customer satisfaction needs to be warranted by the market. The customer satisfaction can be thought as a key element of the strategies that supermarkets can gain loyalty with. However Oracle Corporation (2005) argued that loyalty should not be confused with customer satisfaction. Although loyalty is built on satisfaction, organizations can have satisfaction without loyalty (Khan, M. T. (2013)

The advent of new technologies has led to a shift from CRM to eCRM, and with increasing global penetration of the internet, e-CRM has become a more popular communication tool and relationship-building platform. Organizations, therefore, are keen to deploy different types of e-CRM strategies to attract, maintain, and enhance customer relationships, which contribute to loyalty and the organization’s success. However, relationship management is an initiative that requires commitment, strategic CRM tenets and a correct mindset in order for it to succeed. postulates that e-CRM infrastructure provides support to valuable customers to remain loyal, since information stored in the e-CRM database assists an organization to look at the actual cost of attracting and retaining customers. The firm can also access new international customers and seize valuable data essential to the firm’s competitiveness and market share. Assert that the association between e-CRM and customer loyalty means that the more customers are satisfied, they repurchase and spread positive word-of-mouth about the service and the provider, which tends to result in longer relationships, trust in, and commitment to the service provider. As such, loyalty will continue to play crucial roles in the organization’s competitiveness and profitability. This is supported by some researchers who have suggested that e-CRM impacts on loyalty (Mang’unyi, E. E., Khabala, O. T., & Govender, K. K. (2017).

II.4 Hotel Performance

CRM dimensions evaluation was assessed in a number of ways, including customer satisfaction, market effectiveness and financial performance, customer performance and financial performance, and customer retention and sales growth. The use of other dimensions of performance is beneficial as suggested by previous studies. Therefore, this study will use the Balance Scorecard (BSC) dimensions to evaluate the impact of CRM dimensions on hotel performance. The present study uses a Balance Score Card (BSC) dimension to evaluate hotel performance because financial figures cannot provide a full understanding of CRM impact and result and therefore the total performance perspective should be employed in the evaluation of CRM results. In addition, existing literature reveals that the use of balance score card(BSC) to evaluate the impact of CRM on business performance is critical because it is a useful tool to provide an in depth understanding of enterprise’s total operation performance (Mohammed, A. A., & Rashid, B. (2012)
The proposed model of this study conceptualizes the relationship among CRM dimensions, marketing planning and marketing implementation capabilities, and hotel performance. The relationship is based on the resource based view that suggests that the performance of the firm is influenced by its internal resources and capabilities; a firm obtains better performance by making more effective use of its resources than competitors. This model involves four dimensions of CRM which include customer orientation, CRM organization, knowledge management, and technology based CRM (Mohammed, A. A., & Rashid, B. (2012)

Several empirical studies have shown that CRM provides benefits from better efficiency. This positive relationship between CRM and success is attributed not only to the use of CRM as a business strategy for attracting new customers but also to maintain current customers for competitive advantage. CRM will boost organisation's efficiency by enhancing customer service and loyalty, reducing customer acquisition costs and rising customer productivity. Performance is enhanced as CRM requires the ongoing process creation of market intelligence to create and sustain a profit-maximizing client relationship portfolio. Its customer-centered rather than product-centered approach should enhance customer interaction, add value to the products and services and generate loyalty and profitability for customers. Though not all implementation of the CRM strategy provides these desired benefits, Efficient customer relationship management is supposed to have a favorable relationship to success through the use of CRM strategy (Kasim, A., & Minai, B. (2009)
CHAPTER III. CONCLUSION

Basically every company has a target to obtain the greatest possible profit. However, often companies seem to forget that the consumer is one of the assets that play a significant role in helping to achieve these objectives. No communication is formed between Customer and Company after the selling process is completed. This makes the company lose the ability to get additional income from the same purchaser. Companies can treat customers well, through Customer Relationship Management (CRM), enabling customer loyalty that is not only loyal to their products but also loyal to the company.

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