
Customer Relationship Management in Tourism and Hospitality Industry

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Abstract:-

This study aims to examine the importance of Customer Relationship Management in Tourism and Hospitality Industry. Customer relationship management is gaining popularity nowadays. Recently many organizations have adopted CRM in order to make strategy towards managing customers and provide better services to them. Customers are backbone of any business and maintaining better relationship with customers yield better results. CRM applications enable Tourism and Hospitality industry to make detailed information about their customers which results customer retention and customer satisfactions and further results productivity and profitability. Due to growing popularity of Globalization, Products and services are easily available to any part of the world which increase global competition so there is a need to retain customers and that can be done with the help of CRM, The study concludes that in order to satisfy and retain customers there is a need to use CRM in Tourism and Hospitality industry.

Keywords:- Customer Relationship Management, Customer Satisfaction, Tourism, Hospitality.

Introduction

The Tourism and Hospitality industry are the customer oriented industries in the world which are growing very rapidly. In order to satisfy the customers in these industries there is a need to adopt tools that are very essential for the success of the organization

and among those tools CRM is one of the most important tools due to increase competition. CRM is mainly the strategy that is used by the organizations to retain and manage their customers and giving perfect service to them. It is a process to learn more about the customers. Now

customers are more aware, their expectations are continuously increasing so there is a great need to satisfy and retain them. The main objective of CRM is to retain customers and this can only be achieved by providing error free service and best experience to their customers. Customers are only the one who can give birth as well as destroy the products and companies. Now industries are using CRM in order to combine marketing, information technology and business strategy for better understanding the customer in a global market. CRM are used by many industries to develop long and lasting relationship with customers.

The hotels can easily access the data of their guests as they need to register at the time of check-in and check-out and that data can be further combine with IT to provide a unique and best experience to their guests. This is also very helpful to establish a close relationship with their guests. **(Lin and Su, 2003)**, Most of the hotels are directly in a contact with their customers in order to develop products and services according to customer expectations.

CRM helps tourism industry to satisfy their customers and provide better services to them. Tourism includes components like transportation, lodging, boarding, travel agents, tour operators, attractions ancillary services etc. When the tourists will be satisfied with these components then they will be happy and frequently use these services again and again which results promotion of the tourism industry. **(Sigala, 2005)** In the Tourism and Hospitality industry Customer Relationship

Management plays a vital role as travelers become more advanced and price conscious.

(Ryals, 2001) The use of CRM in hospitality industry and Tourism industry results various benefits which includes

- Long term retention of the customers
- To gather information about the customers
- Helpful in analyzing the data of the customers
- Helpful in segmentation of the customers
- Create value for customers
- Helpful for segmentation of markets

(Oronsky, 2007) suggests that CRM is not limited to airlines, travel agencies, hotels etc. but there is a wide scope in restaurants as Independent and chain restaurants may benefit from CRM and Information technology that effectively use IT for better understanding and managing the customers. As in restaurants customer feedback is also very important like for any other hospitality business to engage their customers by using websites, receiving suggestions and comments or surveys etc.

Customer Relationship Management

(Hollensen, 2003), CRM is a technique that is used by the organizations to build loyalty based on the personal and close relationships between organizations and customers.

(Philip Kotler, John T. Bowen & James C. Makens 2006) CRM is defined as making detailed information about each and every customer to maximize the loyalty of the customers.

(Greenberg, 2001), CRM is a venture wide attitude, mantra, and set of process and arrangements that are intended to secure, hold and service customers.

(Fayerman, 2002) CRM is a strategy that is providing more customized service to the customers by increasing customer loyalty and customer satisfaction.

(Kottler and Keller, 2006), CRM is the process of developing close relationship with customers to maximize customer satisfaction by managing detailed information about their customers.

(Ozgener & Iraz, 2006), CRM is taken into account as a key competitive strategy that organizations gotto target the needs of the customers and to integrate a customer-facing approach throughout the organization.

(Lawson-Body & Limayem, 2004), CRM is a method or tool that is used by the organizations to maintain close relationship with customers in a organized way

(Falk, 2004), CRM can help organizations to build relationship with their customers by attracting more profitable customers.

Literature Review

(Sreeja M, Divya Jyothi, Divya P Mohan, 2015), in their study highlighted that CRM is the most powerful tool that is used to best utilize sales capacity and maximize the importance of the customers in the hospitality industry. The knowledge about the customers is the most important asset of the hospitality sector. They can use this as an advantage to retain and manage their customers.

(Sandra-Dinora Orantes-Jimenez et al, 2016) stated that CRM must be well designed to implement the strategy to build relationship with the customers. CRM is much more than a software tool for sales, it is a strategy which is used to retain and satisfy customers.

(Abdul Alem Mohammed & Basri bin Rashid, 2012) in their study stated that there is a need that hotel managers need to pay more attention to CRM practices, marketing strategies and assist them to improve hotel performance.

(Boris Milovic, 2012) highlighted that CRM is a business strategy that is used to build close relationship with customers , which results profitability, and meeting the customers' needs and satisfy them. CRM has become necessary with the development of electronic commerce and is also supported by the growth of the internet.

Dr. Vaishali Goel et al (2015) revealed in their study that for adopting new technologies, systems, and CRM strategies, Organizations are investing their huge amount to improve the performance. Organizations also require trained staff for coordinating the various activities of CRM system.

Manjeet Singh (2017), Major importance of CRM is an exact division of its areas that are applied to earn profit through most suitable method. These methods help travel and tourism industry for improving performance and meet the challenges.

Objective of the Study:-

1. To study about CRM in Tourism and Hospitality Industry
2. The highlight the importance of CRM in Tourism and Hospitality Industry.

Research Methodology:-

The present study is exploratory in nature and purely based on secondary data which includes various books, article, newspaper, magazines, research papers, websites etc.

Findings:-

Importance of CRM in Tourism and Hospitality industry

1. **Better relationship with customers-** CRM helps to maintain a mutual beneficial relationship with the customers by making detailed information by each and every customer.
2. **Customer Satisfaction-** CRM is the process of developing close relationship with the customers by managing detailed information about their customers which ensures customer satisfaction in the Tourism and Hospitality Industry.
3. **Increase Revenue-** CRM helps to increase the revenue of Tourism and Hospitality industry to a great extent. CRM helps to increase productivity and decrease sales cycles , provide products and services to ensure customer satisfaction results in increasing revenue and profitability.
4. **Employee Satisfaction-** With the help of CRM, employees can get detailed information about their

customers. It help employees to know better about their customers .The more you know about your customers, you become more engaged and also serve them better which help employees to solve customer problems and both employees and customers become happy.

5. **Better internal Communication-** The information that is collected about the customers by CRM is shared by different departments in the business which results better internal communication with in the business.
6. **Increase Reputation-** CRM helps to increase the reputation of the business by satisfying the customers, increase personalized service, improving customer service and increase customer knowledge.
7. **Anticipate Future needs of the business-** CRM helps to anticipate future needs of the business by analyzing past sales and service trends.
8. **Reduce Staff Turnover and Absenteeism-** After using CRM , all tasks and duties are fixed for each and every employee who are working in the business which ensure employee satisfaction and results in reducing staff turnover and absenteeism.

Conclusion:-

Customers are the backbone of Tourism and Hospitality industry as both of them are customer oriented industries. CRM helps

Tourism and Hospitality industry to capture, analyze and track customer service data to maintain close relationship with customers. This customer data helps to identify opportunities for new product development and provides better services to the customers. CRM is very important tool that is used by various organizations to maintain good relationship with their customers which yield customer satisfaction, customer retention.. The important asset of Tourism and Hospitality industry is the knowledge about their customers, this asset can be used by the industries as a competitive advantage for retaining their customers. CRM helps Tourism and Hospitality industry in various ways like:- increase revenue, increase productivity, reduce labor turnover and absenteeism, increase reputation, better internal communication, Increasing sales, anticipate future needs of the business etc.

In order to conclude, we can say that Tourism and Hospitality industries which adopt CRM can fulfill the needs of their customers as well as satisfy and retain their customers for long run.

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