Abstract

The purpose of this study is about the Customer relationship management CRM practices among the four star hotels in London. The term CRM has received considerable amount of interest and attention mainly from service oriented sector such as hospitality industry. CRM plays vital role in increasing customer satisfaction, loyalty and retention. The effective implementation of CRM can provide the maximum benefit to any industry. This research is based on the CRM practices followed by the four star hotels in London. So this study mainly concentrates on how these hotels are carrying out CRM in their hotels, how they are achieving CRM benefits and what could be done to make it more effective. The main objectives of the report are to find out the importance of CRM in hospitality industry, to determine the effect of implementing of customer relationship management (CRM) on customer satisfaction, loyalty and retention and to find out the different marketing strategies used by them in retaining guests’ satisfaction and loyalty. The study has adopted both the primary research and secondary research technique in which qualitative and quantitative method of data collections are used while carrying primary research. The findings of the research shows that CRM and various CRM strategies have been used by all of these hotels as marketing strategies, in retaining guests’ satisfaction and loyalty. It was discovered that the hotels are using various CRM tools depending upon the nature, attitude and preference of the guests to offer them high level of service. In the other hand, IT tools have brought tremendous impact in the hospitality industry as many activities of the industry are run by IT. Even the customer communicates with the hotels through IT which ultimately is creating the distance between customers and its providers. In this context, hospitality industry should realize the use of the most effective form of CRM to survive the challenges ahead.

Introduction
The recent time has seen dramatic growth in tourism and hospitality industry. Tourism is considered as one of the largest global export industries as analyses carried by the United Nation’s World Tourism Organization. In order to strive, it has to meet the competitive challenges of the future and quality will be the main driving force of tourism. There are at least five factors that describe to influence the tourism product. Expected needs correspond to what the customer expects to receive and to what is experienced as important. These needs can be expressed by the customer. If these expectations are fulfilled, the customer will be satisfied; however, if they not are fulfilled, the customer will be dissatisfied. By satisfying expected needs, the service provider creates expected quality (Kvist and Klefsjo 2006). Marketing managers face pressure to accommodate customers, business pressure from executives to meet corporate goals, and pressure for key marketing functions. Customer expectations are increasing and satisfaction is becoming increasingly difficult to control in as customers today have more and more choices. The best companies that practice the capabilities that drive market awareness, creating demand, growing customers, and accelerating sales. Best organizations often utilize “customer lifetime value” metrics in modeling and predicting which mix of customers, portfolio products, sales, marketing, or media channels will support them in attaining their revenue targets and goals. Customer achievement at a reasonable cost continues to be a significant success factor. To succeed, enterprising companies know they must combine permission-based marketing and automated regulatory compliance with powerful targeting analytics. (www.infor.com) CRM for Hospitality is a multi-channel customer interaction solution that helps companies in the hospitality industry, creates a single view of the customer at every touch point, enabling them to offer a unique experience for new and existing customers (Vittal, Anderson and Joseph; 2007).

**Importance and Significance of study**

This study will try to establish the relationship between CRM and its drivers. The industry and product are selected as hospitality services as this sector is one of the key components of tourism income and also consume a large proportion of disposable income of most individuals and people have widely varying preferences. There are a lot of alternative hotels (organised and unorganised) and multiple kinds of Restaurants, fast food outlets and variety of products options are available to consumers. So there is a lot of competition, varying levels of consumer
involvement and shifting loyalties. This study can be useful for marketing managers because good CRM practices not only attract new customers but also help retaining the present customers. Consumers may also be benefited by getting high quality and reliable products and services with value for money.

Objectives of the research:

- To study CRM practices followed by the different 4 star hotels in London
- To find out the different marketing strategies used by them in retaining guests’ satisfaction and loyalty
- Determining the effect of implementing of customer relationship management (CRM) on customer satisfaction, loyalty and retention.
- To find out the importance of CRM in hospitality industry

Literature review

There are several attempted definitions made on CRM, Swift (2001) states CRM as “an enterprise approach to understanding and influencing customer behavior through meaning communications in order to improve customer acquisition, customer retention, customer loyalty, and customer profitability”. Bose (2002) has stated that, “at the core, CRM involves the integration of technology and business processes used to satisfy the needs of a customer”. Started in the early 1990s, Customer Relation management (CRM) is a marketer’s term for “a group of ideas and technologies created to help improve customer- related business practices” (Bligh P. and Turk D, 2004, pp 7-8). It certainly was the logical extension of long term efforts by companies in order to keep up with ever changing buyers, markets and competitors, and use of PCs and the internet in the 1990s magnified these challenges. Though CRM nurtured from the desire of merging customer support, the helpdesk, enterprise resource program and data mining, it is still unclear who introduce the term CRM to the business world, but the term emerged is still ongoing trial and error approaches(Oberkamp, 2002).

P. Bligh and D. Turk (2004) further added that “the use of technology in CRM increases pressure for companies to satisfy the customer expectations and needs, as a result, CRM has become a main tool for effective sales, customer service and marketing of any business
enterprises”. Kincaid (2003, p. 41) viewed CRM as “the strategic use of information, processes, technology, and people to manage the customer’s relationship with your company (Marketing, Sales, Services, and Support) across the whole customer life cycle.” According to Parvatiyar and Sheth (2001, pp. 5), “Customer Relationship Management is a comprehensive strategy and process of acquiring, retaining, and partnering with selective customers to create superior value for the company and the customer. It involves integration of marketing, sales, customer service and the supply chain functions of the organization to achieve greater efficiencies and effectiveness in delivering customer value”. Marketing, Sales, Services and Support are the three major functional areas that CRM consist of and IT and IS are the other vital components in supporting and maintaining these three functional areas as well as the whole CRM process (Kincaid, 2003, E.W.T. Ngai, 2005).

According to Newell (2000), the sole of the CRM is knowledge. The value of any company lies in what way it is using the knowledge to manage their customer relationship. If the customer relationship is built, it will lead to loyalty followed by profit (Newell, 2000). The company can be benefited in many ways through CRM which are mainly found in one of these areas as stated by Swift, 2001 such as higher customer profitability, no need to recruit so many customers to preserve a steady volume business, lower costs of recruiting customers, reduce cost of sales, evaluation of customer profitability and increased customer retention and loyalty.

Many researchers have attempted to comprehend relationship length, depth, and breadth in terms of customer intensity, retention, customer behaviors that might bring revenue streams become strategically significant, or usage level of services or products over time, cross-buying or add-on purchase, and word of mouth, which generally implies a fundamental growth of customer lifetime value or customer equity. Thus social, Emotional, Functional value has a direct and positive effect on customer behavior-based CRM and ‘sacrifice negative effect (Yonggui Wang, Hing Po Lo, Renyong Chi and Yongheng Yang; 2004). Nevertheless, other studies have shown that such customer behaviors are also influenced by factors such as customer satisfaction and brand loyalty (Reichheld and Teal, 1996). the role of relationship quality is emphasized as an intangible aspect of CRM performance by many researchers, and dimensions such as commitment, satisfaction and trust have been used to measure the complicated concept “relationship quality” (Crosby et al., 1990). The high cost is involved in
gaining new customers. So acquisition of new guests certainly makes the early stages of a new customer relationship unprofitable (Reichheld, 1990). However in the later stages, with the reduced costs involved in serving a loyal customer, makes such a relationship more profitable and fruitful. There are different streams of research on the concept of loyalty, the individual who buys the same brand consistently is said to be “loyal” to this brand (Kuehn, 1962). Assael (1992), on the other hand, defined brand loyalty as “a favorable attitude towards a brand, thus resulting in consistent purchase of the brand over time”. According to the findings of Zeithaml et al. (1996), loyal customers tend to build and strengthen the relationship with a firm and behave differently from non-loyal customers. Loyal customers pass on favorable word-of-mouth referral (Brown et al., 1987).

The relationship marketing:
With reference to the definition of Shani and Chalasani (1992, pp. 44), relationship marketing is “an integrated effort to identify, maintain, and build up a network with individual consumers and to continuously strengthen the network for the mutual benefit of both sides, through interactive, individualized, and value-added contacts over a long period of time”. It aims at building long term, mutually satisfying relations with customers, suppliers and distributors with the objective to earn and retain their long-term preference and businesses (Kotler, 2000, page 13). A database of customer profiles should be made if the business wants relationship marketing to be most effective which can be quite difficult and time consuming where the number of customer is large (Ellaine K. Harris, 2006).

Bulger (1999) has highlighted that how relationship marketing can increase profitability or caution that the program must be managed carefully to achieve the desired profitability. Peppers et al. (1999) use the concept of reducing the customers’ transaction costs as a way of promoting customer retention. Further, Peppers et al. (1999) added that “relationship marketing is a way in global corporations that allows customers to feel cared for, to acknowledge their individuality, and to provide personal attention”.

Technology and CRM:
The advancement of information communication technologies (ICT) and the internet is dramatically changing communication between consumers and vendor. The internet provides better facilities for relationship building compared to conventional means. IT has made it possible in acquisition of customer profiles, tracking of customer purchase patterns and trends and interactive service provision (Chattopadhyay, 2001). Technology has provided tools for the organization to adapt proactive and reactive marketing strategy towards customizing products while enhancing the channels of communications and satisfying the consumers.

**Customer Value:**
Customer value has become one of the most significant factors in the success of both manufacturing businesses and service providers because it is acting as a strategic weapon in attracting and retaining customers (Zeithaml et al., 1988; Parasuraman, 1997). Customer value has been defined and measured in terms of get (benefit) and give (sacrifice) components by Woodruff (Woodruff, 1997). As believed by many researchers, firms should move towards the creation and delivery of superior customer value if they are to improve their CRM performance (Jensen, 2001). According to Zeithaml (1988), “customer value is considered to be the customer’s overall assessment of the utility of a product based on the perception of what is received and what is given”. Similarly, Kotler (1997) states that the customer value can be understood in terms of service value, product value, employee value, and image value. Sheth et al. (1991) further added that five dimensions of value from the customer’s perspective are emotional, social, functional, epistemic, and conditional.

**Customer satisfaction:**
Customer satisfaction is viewed as “a post-choice evaluative judgment of a specific purchase occasion” (Oliver, 1981). In contrast, cumulative customer satisfaction is an overall evaluation based on the total purchase and consumption experiences with a product or service over time (Fornell et al., 1996). Like brand loyalty, customer satisfaction is also influenced by customer value, and these two concepts (brand loyalty and customer satisfaction) employ their effects on customer behavior-based CRM performance simultaneously. Thus a satisfied customer will show a strong tendency to be loyal and purchase the goods or services again and again. This kind of customer’s behavior definitely increases a firm’s market share and profits. If the
customer satisfaction is developed and maintained then it will lead to deeper relationship between the customers and the company which results in increased customer loyalty and there is a good prospect of attracting potential customers (Turban et al., 2004). It is concluded by Rust and Zahorik (1993) that “perceived service quality leads to satisfaction, and that satisfaction, in turn, had a significant positive effect on purchase intent”. So if any company wants to maximize the value it provides, it must maximize its understanding of its customers (Unisys, 2001). According to Garver, S. Maguire and S.C.L. Koh C. Huang (2007) a more detailed and comprehensive customer-driven improvement model includes six stages which are as below:

- Examine performance-importance analysis with multiple customer listening tools;
- Conduct complementary improvement analysis;
- Assess firm capabilities;
- Examine improvement costs;
- Estimate return on investment of improvements; and
- Select attributes, set goals, and monitor improvement performance.

Customer loyalty:

In recent years, the topic of loyalty has received increased attention in tourism and hospitality research (Bowen and Shoemaker, 1998; Oppermann, 1999; Shoemaker and Lewis, 1999). Customer loyalty can also be defined as the likelihood of a customer returning to a hotel and to performing partner like activities for the hotel, like by giving favorable recommendation about the hotel to their friends, family or business partners. Therefore it can be said that customer loyalty constitutes the prominent factors in the success of a business organizations rather then customer satisfaction (Kandampully and Suhartanto, 2003). Loyal customers add financial and spiritual input to any business. However, it has become well known today that in balance of establishment–customer relation, customers had gained big advantage. Loyal customers not only remain loyal to the company but always acts as an excellent public relation device, spreading the good word thereby recruiting new customers if they find organisational product and its customer service staff responsive to their unique needs (Frederick Newell, 2003). An effective CRM is able to satisfy and please the customers by placing him at the level that makes any business ‘customer centric’ as the customer is considered as god (bossCRM, 2007).
According to Bowen and Shoemaker, (1998:15), “A customer who receives what she or he expected in a hotel stay is most likely to be satisfied. If the guest’s expectations were exceeded, she or he may be extremely satisfied. Customer satisfaction of this kind is a requisite for loyalty, but satisfied customers may not become loyal customers”.

**Handling of complain:**
The effective handling of the customer complaints not only resolves immediate problem but also acts as an excellent way of building customer satisfaction and gaining customer loyalty (Ellaine K. Harris, 2006). Customer complaints should be taken as an opportunity to know the feedback of company’s performance and of course a way of interacting with the guest. As complaints provide valuable feedback in number of ways they show what is important to the customer which lead to improvement focused on customers, they supplement market information, they connect customers to the organisation and its product more closely than before (Ellaine K. Harris, 2006). So the effective complaint handling lead to the customers’ satisfaction while retaining the guests. One should not forget the fact that it is far more cheaper to retain existing customer than it is to discover new ones which can be both difficult and expensive process.

**Customer listening tools:**
The customer listening tool plays important part in getting feedback of the customers regarding the service and the product of the company. Through this means, the company can correct itself and bring improvement where necessary. Some of the examples which customers listening tools includes are relationship surveys, transaction surveys, and customer complaints. It was suggested that a systematic, on-going program, which gathers customer satisfaction data, is critical to managing a sustainable competitive advantage (Woodruff and Gardial, 1996; Sampson, 1998; Gupta et al., 2004). Thus these are a variety of tools that help the organization listen to customers’ needs, preferences, and perceptions of a firm’s performance (Li et al., 2006, S. Maguire and S.C.L. Koh C. Huang 2007). As customers’ expectations keep changing over time, customer satisfaction must be measured and assessed regularly (S. Maguire and S.C.L. Koh C. Huang 2007) (Dodd’s et al; Kamakura and Russell 1993) (Winer 1986).
Effect of promotion attributes on Customer Relationship:

It is found through the several studies that a sale promotion is unsuccessful in generating brand equity, whereas advertising is considered as successful (Maxwell 1989). As per Simon and Sullivan (1993), they found a positive effect of advertising spending on customer loyalty. Advertising definitely helps in increasing awareness as well as creating strong brand associations. The repetitive advertising schedules amplifies the probability that the marketer will be included in the consideration set, which simplifies the consumer’s hotel choice, making it a habit to choose the brand (Hauser and Wernerfeldt 1990). In reference to an extended hierarchy of effects model, advertising is positively related to brand loyalty since it reinforces brand-related associations and attitudes toward the brand (Shimp, 1997). Furthermore Simon and Sullivan (1993) have mentioned that, sales force and marketing research expenditures, order of entry and age of the brand, advertising share, and product portfolio along with advertising expenditures are sources of brand and customer loyalty.

Methodology

Research can be broadly defined as being “a form of systematic enquiry that contributes to knowledge which is essential for understanding the various phenomena that individuals and organizations meet in their everyday activities” (Altinay L.; Paraskevas A., 2008). It is the process of investigation that involves a series of well thought-out activities of: gathering, recording, analysing and interpreting the data with a purpose of finding answers to the problem (Kotler, 1994) (Sekaran, 1992).

The qualitative research:

It deals with looking at the research questions and finding open-ended answers to questions like whom, why and when in a deeper understanding of the phenomenon or behaviours (Kotler, 1997). As Qualitative methods can offer a deeper understanding of social phenomena as would be obtained from purely quantitative data (Silverman, 2000), the first step is for explorations into factors with open-ended qualitative pilot, one to one interview. The preliminary questionnaire will be based on this qualitative research on literature review. The preliminary questionnaire would be pre tested and then edited. The final questionnaire would be
administered to collect the data with the help of a primary survey. According to Gummesson (2005:311), qualitative methodology is “primarily directed to understanding the complex and the elusive in a systematic perspective more than to establish unambiguous cause and effect relationships between single variables.” the qualitative methods of data collection can include: in-depth-interviews, group interviews, participation observation, ethnography, biographical research and textual analysis. Veal (2006) states that “qualitative research is generally based on the belief that the people personally involved in a particular (leisure or tourism) situation are best placed to describe and explain their experiences or feelings in their own words, that they should be allowed to speak without the intermediary of the researcher and without being overly constrained by the framework imposed by the researcher – a sort of cinema verite or vox populi style of research”. A wealth of complete data is created by the qualitative research on a smaller number of individuals (Patton in Hyde, 2000:84). Generally, the purpose of qualitative research is to supply information for developing further quantitative research as stated by Lewis Chambers and Chacko (in Walle, 1995:525) (Ruyter and Scholl, 1998:8).


Methodology:
For the effectiveness of a research project, the selection of an appropriate research methodology is important. The methodology is often simply defined as quantitative or qualitative, however the most important thing is that methodology selected must complement the research being examined (De Vaus, 2002) (Neuman, 2003).

Types of method used to gather data for this study:
- Questionnaire- staff/guest
- Structure personal interview

Research Design and Sampling Method:
According to Lindquist (1956) “Research design is the plan, structure, and strategy of investigation conceived so as to obtain answer to research question and to control variance”
The Hotels were selected by visiting the websites of hotels in London, and eight approachable 4 star hotels were selected for research purpose. The employees and guests will both act as respondents. The questionnaire will be designed separately and respondents will be requested to complete said questionnaire. The researcher adopted this method of data collection because of time and resource constraints. Finally a sample of 135 set of questionnaires for the staffs and guests were collected for analysis and interpretations. One manager from each hotel were taken face to face interview for the qualitative research data.

**Primary data Questionnaire:**

“The gathering of information from individuals using a formally designed schedule of questions called a questionnaire or interview schedule. The technique is arguably the most commonly used in leisure and tourism research” (Veal, 2006). In order to identify the impact of customer relationship management at the given eight 4 star hotels in London, I have designed two types of questionnaires, namely for the staff and the guests of the hotels. The objective for designing the questionnaires for staff is to acquire a conclusion whether the concept of customer relationship is being followed in all the departments of the hotel or only customer oriented departments (food and beverage, front office). Thus the appropriate questionnaires, mostly close –ended questions (yes/no) were designed and distributed in different departments of the eight 4star hotels in London. Likewise the second set of questionnaires which were for the guests of the hotels were designed to know the level of services, ambience, quality, standards and facilities provided in those hotels. They were based on rating questionnaires with the option of excellent, good, fair and poor. Further, interviews will be conducted among the manager of the eight hotels.

**Structured personal interview:**

Interviews are the best ways to discover the kinds of marketing strategies or customer relation skills employed by the hotel for retaining its customers as we get an opportunity for direct interaction with managers of different departments. “the qualitative research interview attempts to understand the world from the subjects’ point of view, to unfold the meaning of peoples’ experiences, to uncover their lived world prior to scientific explanations”(Kvale, 1996) Clark (2007). Questionnaire related with customer relation, customer loyalty and standard of the
services were designed to put to the managers of those hotels. The sole aim of the interviews was to find out the customer relation practices and marketing strategies followed by the respective hotels because the aim of this research is to compare the customer relationship management between the two hotels.

Development of questionnaire:
The questionnaires were thoroughly designed so as to procure the relevant responses in relation to the research area. The questionnaires contain all the required matters needed for the research to draw purposeful conclusion based on the findings. In this research I have designed total of 135 set of questionnaires that focus on the CRM practises of the hotels. Out of them 55 set of questionnaires were given to the staffs were as 80 were given to the guests.

Findings and data analysis
Findings through primary and secondary research and the analysis of data obtained from the research are presented in this section. In order to perform this research, I visited most of the four star hotels in London requesting interviews regarding customer relationship management in their respective hotels and forwarded my designed questionnaires as well, however only eight hotels responded: Hilton Hyde Park Hotel, Radisson Edwardian Hotel, Marriott Heathrow Hotel, Sheraton Skyline Hotel, Ramada Jarvis Hyde Park, Renaissance London Heathrow Hotel, The Continental Hotel London and Thistle Marble Arch hotel. The research was carried out during the period of July-August 2008 and comprised eight hotels of different international hotel chains. Primary data was conducted in the form of interviews with the managers of these hotels to enable qualitative data analysis while replies obtained from the questionnaires handed among the staff are employed for quantitative data analysis. Furthermore, brochures and available sources regarding customer relation management of these hotels were also employed as secondary data, but not including journals and the internet. Through the help of the mentioned techniques I have attempted to present the customer relationship management practices and the role of CRM in these hotels along with a comparative study of CRM employed by these hotels.

Description of the eight Participating Four star hotels in London
**Hilton Hotel:**
Hilton Hyde Park Hotel in London located at Hyde Park, is part of the famous international hotel chain. The hotel, overlooking Hyde Park is a 4 star London hotel having 129 bedrooms, restaurants, conferences and banqueting suits. Conveniently situated for central London with two underground stations nearby, it offers easy access to the city and the west end.

**Radission Edwardian Hotel:**
The Radisson Edwardian Heathrow Hotel, minutes from Heathrow airport is an award-winning hotel. It is lavishing, stylish and richly equipped for meetings and entertaining on a grand scale with dramatic spaces, distinctive design and dedicated service. Due to its location it is perfect for local, national and international events. It has 459 luxury rooms and suites with 2 restaurants, and has one of Europe's largest conference centres.

**Marriott Heathrow Hotel:**
Marriot Heathrow Hotel, another 4 star hotel, is just half a mile from London Heathrow airport and one of the closest hotels to Terminals 1, 2 and 3. Consisting of 393 rooms, 5 Restaurants and lounges and conference suite, it has easy access to local business parks, motorways and the West End, in addition the hotel offers the popular Marriott reward scheme.

**Sheraton Skyline Hotel:**
It is a four star hotel, consisting of 350 large bedrooms belonging to hotel chain Sheraton. The hotel is only 1.3 miles from Heathrow, with quick access to all the airport terminals, it is a comfortable and convenient solution when flying from the Airport.

**Ramada Jarvis Hyde Park:**
Ramada Jarvis Hyde Park locates just 1 mile away from Oxford Street, overlooking Kensington Gardens, Contemporary, with broadband internet access, the hotel has 213 rooms with air conditioning and contemporary, with broadband internet access.

**The Continental Hotel:**
It is a four star hotel situated at Hounslow. It has 67 contemporary modern bedrooms. It has loyalty card system in association with Sri Lankan airlines which can be used to receive points on both accommodation and food and beverage of the hotel.

**Renaissance London hotel:**
It is located on the A4 by terminals 1, 2 and 3 belongs to the hotel chain Renaissance Hotel & Resorts.

**Thistle Marble Arch:**
It is situated on Oxford Street with Hyde Park opposite; it is 10 minutes away via taxi to Paddington which has got fast link to Heathrow Airport and minutes away from underground station. The hotel has got 692 rooms and belongs to hotel chain Thistle

### 4.2 Primary Data Analysis of the Participating eight hotels
I have presented the result of the analysis of the qualitative data collected followed by the quantitative data.

**Qualitative data (Interviews):**
Interviews have played a critical role in my research, being the only qualitative data employed. 8 face-to-face interviews were conducted with managers of different departments from the above mentioned hotels. The questions for the interview (appendix 1), was carefully selected as per the objective of this research. The interviews were held from 18th of august to 22nd of august as per the availability of the managers. Each respondent has been given a code name to represent them.

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<tr>
<th>No</th>
<th>Hotel</th>
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<tr>
<td>1</td>
<td>Hilton Hyde Park Hotel</td>
<td>Mr. Jorge Costa</td>
<td>Guest relation manager</td>
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<td>A</td>
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</table>
1. What do you think about the role of CRM in your hotel?

In response to the above question, A, B and C gave more or less similar reply as all of them were guest relation managers and a front office manager. They stated that customer relation management looks after all the guests who arrive in their hotels. CRM According to them, hotel receives guests of various categories who check in for different purposes such as business and leisure. Therefore, in respect of the kind and necessity of guests, the required service is provided. For instance there are certain additional treatment for VIP guest, loyalty members and corporate guest. Likewise, hotels offer concession to their regular and long stay guests. C further added that CRM also oversee security, pre arrival planning and departure of the guests. According to D, E, F and H stated that CRM plays equally important role in food and beverage department as well. If the customers are served with food and beverage to their satisfaction they are likely to stay and visit the hotel again which ultimately increase the revenue of the hotel. In reference to the reply of G, he or his department is responsible in fulfilling guests’ needs and preferences correctly. If the guests have certain kind of preference and choice or the hotel finds something important about the guests, the hotel should provide appropriate service
so as to satisfy the guests. However, all of them concluded that CRM certainly plays a crucial role in guests’ satisfaction, retention and increasing loyalty.

2. What kind of marketing strategies do you use in retaining guest? How does the system help in CRM?
Regarding to this question, almost all the managers replied that quality of the service and ‘value for money’ they offer to the customers is the most important factor in retaining guests. Furthermore, they added that their loyalty programs act as marketing strategies in retaining the guest. Besides, the hotels offer special corporate rates and advance purchase rates as part of its strategies. H said that the hotel website is the key to their marketing strategy which is not only known in England, but also in countries, such as The Netherlands’, Norway, America, Australia, etc. He also added that they always keep track of regular guests and upgrade them whenever possible. According to A, the hotel has its own marketing strategy which is used in retaining guest and Customer relationship management looks after every marketing offer such as promotional packages.

3. Do you have different CRM strategies for different types of guests, e.g. businessman?
All of them agreed that they have got different CRM strategies for different types of guests. Corporate guests, can choose optional internet for free, Hilton honours members receive offers through loyalty card and member cards. Likewise for guests visiting for business purposes are provided with business facilities. They disclosed that their regular guests are given concession; they are upgraded to executive rooms in the special occasion and offer privilege of late check-out. Similarly, VIP guests are served with special attention. As per C high value guests are targeted with different strategies although some aspect overlaps. However D and E admitted of not having an individual strategy as they treat all guests in the same manner.

4. What kind of extra services do you give to the guest staying at executive floor?
Again all replies were similar. According to them, access to the executive lounge, complimentary breakfast (continental) and drink, fresh fruits and water along with free access to internet are some of the extra services given to the guest staying on the executive floor. H further stated that their executive lounge has a separate reception so these guests don’t have to
wait in the queue ‘fast track check in’, a personal check in. However, D did not respond to this question.

5. Who makes a reservation for a room on the executive floor?
D did not give reply to this question but rest of the interviewees said that the central reservation makes reservation for a room on the executive floor generally.

6. Do you have customer loyalty programs?
Except H, all the interviewees stated they had customer loyalty programs. A disclosed for Hilton hotel members and Hilton HHonors, they have guest reward programme. The guests can have free nights at more than 2800 Hilton family hotels and free flights with any of more than 50 airline partners through their earned points which Hilton termed as ‘double dipping’. C said that Marriott reward points 30%, is faster achieving higher status than other programs and also elite status customers can redeem their points for free nights, flights, upgrades and so on. According to D, the customers can enjoy many benefits such as gold points earned by them can be exchanged with award stays at over 950 hotels around the world and also with airline miles with more than 20 airline partners. B, E, F and G also agreed of having loyalty programmes but did not explain what kind of programmes they have.

7. What do you do to maintain the image and brand of the hotel?
A, E, F and G said that they follow hotel brand standards to maintain the image and brand of the hotel. B and H said that the image and brand of the hotel is always maintained with its quality of service and attention to detail. They mentioned that they always make sure to keep regular guests happy as word of mouth is paramount to maintaining the image and brand of the hotel. C disclosed that by constantly watching the market trends, following simple business ethics and Marriott brand standards, they attempt to maintain the image and brand of the hotel. D replied they depend on the marketing department to maintain the image and brand of the hotel.

8. How do you handle guest complaints? And do you keep a record of guest complaints?
All the hotels are found to keep a record of guest complaints though their handling system were varied. A said guest relation management handles guest’s complaint. F revealed that they handle the guest complaint by using ‘LEARN’ process (listen, emphasis, apologize, react, notify). He added that they have guest response form to fill in guests’ comments. H said that at first they listen to the guest and make apology for what they had to go through and immediately find a solution to sort their problem out. He also mentioned of having a file, ‘the complaint tracker’ and there is also a trace left in the system to make sure that in future they can take specific care when the guest stays with them. B stated that every single compliant is dealt differently depending upon the nature. C revealed that the recorded complaint is accessible to the property only and is used in pre-arrival of the guest. G said that it is the high responsibility of the hotel to handle the guests’ complains with great attention and efficiency. He added the complain is taken into consideration by discussing it on the meeting so that it wont get repeat in the future.

9. Is it important to keep customer listening tool?
All believed that it is important to keep customer listening tool through which their satisfaction, expectation, needs and complain can be known to the hotel which is crucial for sustainability of any hotel. According to B, F, G and H, guest comment cards, face to face, one to one, e-mail and survey are some of the customer listening tools. C said that one cannot learn without listening and acting upon opportunities. Thus customer listening tool is indeed important. E replied that it is important to keep customer listening tool as it is beneficial to the hotel and revealed of having customer listening tool such as one to one, ‘two minute of your time’ and comment card.

10. Do you think the hotels I.T. facilities contribute to CRM?
All of them agreed that the use of the hotels I.T. facilities contributes to CRM in many ways. According to them I.T. facilities helps to communicate with guests, to handle their request and complain quickly which definitely contribute in the CRM performance.

11. Do you train your staff in CRM?
All the interviewees replied that they definitely provide training to staffs in CRM. Their staffs have to follow monthly CRM training. A, C, F, G and H said that all the staff is trained regularly in CRM like they have to undergo monthly training. H further added that it is in fact mandatory training within the hotel. On the other hand, B, D and E disclosed that only chosen staffs are given the opportunity in CRM training. G highlighted that the staffs specially working in guest relation department, front office and concierge are given high priority for CRM training.

12. How do you deal with the guest requests?
According to A, B, C, E and H, guest requests are dealt efficiently and promptly depending upon the nature of the request. All guest requests are tried to be fulfilled as soon as possible, with guest relation management handling these. D and F revealed that they apply ‘yes I can’ policy to fulfil the guest request. However, G responds that the entire request made by the guest is given proper solution and if the request cannot be fulfilled by the hotel, the guests are given an alternate choice.

13. What happens if the guest satisfaction is below standard?
A and C replied that they will review the training program if anything like this occurs in their hotels and find out outside factors contributing to why standard fell and act immediately. B and D replied that they make sure of going extra mile to achieve the standard if such thing happens. E stated that if they find out that the guest satisfaction is below standard, they keep in log book and organized group meeting to find out the solution. F said that they monitor it by guest survey, if it is below standard then the hotel takes corrective action in no time but G boasted that such kind of thing has never happened in the hotel and they won’t let it happen in the future. H said that during his past years experience it had never happened when the standards have fallen but there are surely exceptions. In such situation they would act efficiently to get out of it.

14. Do you believe in VFM (value for money) is an important factor in CRM? If so, how does the hotel provide value for money?
All respondents believed in Value for money (VFM) and accepted it as an important factor in CRM. A, D, F replied that VFM to the guest is provided through excellent service and offering the right product to meet their expectation. B and E respond that they were not sure but accepted it being a very big factor. C stated that VFM definitely does impact in CRM but added that sometime it is still not enough. G said that VFM is provided by giving comfort ness in their stay. The hotel focused on creating ‘home away from home’ ambience for the guest. H believed it is very important in any hotel. He said that they give all the facilities to the guest available in the hotel such as they have music in the evening, free canapés for the guest who goes to the bar, 24 hr Room service, etc and a very personal service where they feel pampered at all times.

**Analysis of the interview**

Regarding the role of CRM in the hotel, it is found that CRM plays more or less similar roles in all the hotels. It helps in retaining guests and increasing loyalty by providing excellent service and satisfaction. Almost all the hotels seem to have loyalty programmes as marketing strategies besides their own strategies in retaining guest. Some of them are found to use promotional packages, websites and recognition programmes as marketing strategy. These hotels are using different CRM strategies for different types of guests by providing certain kinds of facilities according to individual requirements. However, Ramada and Radisson mentioned that they don’t have specific strategies for the different types of guests. Access to the executive lounge, complimentary breakfasts and drinks, fresh fruits and free internet access are the extra service provided by these hotels to the guests staying at the executive floor but manager of the Radisson hotel did not want to disclose it. The executive floor reservations are mostly made by a central reservation system, individual and reservation system in the hotels, again Ramada did not reply. When asked about the customer loyalty programmes, all the hotels said that they have their own loyalty programmes which offer various benefits to customers. I discovered that all the hotels are following brand standard to maintain the image and brand of the hotel. Although the way of handling guest complaints are different from each hotel, all of them keep records of the guests complain so as to become more alert and use as future reference. Except Radisson hotel, all others accepted of keeping customer listening tools such as guest comment cards, face to face, one to one, guest survey, two minute of your time comment card etc. According to them the customer listening tools help them to carry out their service consistently and effectively. I found all the hotels agreed in contribution of the hotel IT facilities to CRM.
since IT is seen as helping performing activities of the hotels. In respect of CRM training programme, all the hotels claimed that they train staffs in CRM. However, most of the hotels revealed of providing the training for chosen one only. As per the reply obtained from dealing with the guest request, the hotels explained they listened to the guest carefully and try to fulfil in the best possible way, sometimes offering alternative solution if required. The hotels stated that they would review their training modules and go extra mile to retain the guest satisfaction if it is gone below standard but the manager of The Continental hotel expressed that such thing will never occur in their hotel. The conclusive question of the interview was regarding VFM (value for money); most of the hotels believed it is an important factor in CRM. The Value for money is provided by the hotel through delivering excellent service, standard product and all the service required for the guests. The manager of the Radisson hotel did not reply and the manager of the Sheraton Skyline hotel said that he is not sure of it but he thought it is a big factor.

**Primary Research - Quantitative Data**

The staff and guests were given a total of 135 set of questionnaires designed separately to get quantitative data. Out of the 55 set of questionnaires circulated among the staffs, only 42 valid replies were obtained and out of the 80 set of questionnaires distributed among the guests only 48 valid replies were obtained. Keeping in view with the time and easiness of participants, mainly objective questionnaires with yes/no choices and some multiple-choices were given resulting in some respondents giving more than one answer. I have not included the identities of the participants for their privacy. I have not pointed out the names of the hotels as well while analysing the research because it may effect in their reputation.

**Analysis of staff questionnaires**

Among the 42 staff who replied to the questionnaire, the majority were mainly from guest relation, reception, food and beverage and concierge despite the questionnaires being distributed to all departments. These staffs have the experiences ranging from minimum of 2 months to 14 years. The model of the questionnaires is in appendix 2.
As shown in Fig. 1, of all the hotels combined: 68% said business, leisure, crew, 30% said business, leisure, crew and other, only 2% replied business, leisure, crew and transit passenger as the kind of guest visiting to their hotel.

Fig. 1. What kind of guests comes to the hotel?

All the participating staff replied that their hotels provide training with respect to customer service/customer relation.

Fig. 2 Training with respect to customer service/customer relation

In respect of CRM training, 90% of the staffs revealed that they receive CRM training in every month, 4% of them said yearly, 6% of them said other while none of them replied weekly which is revealed in fig. 3.
When asked whether the hotel update them with any VIP functions or VIP guest in the hotel, 97% answered ‘yes’ and 3% of them said ‘no’ as given in fig 4.

Those who replied with ‘yes’ were led to the question that how they are updated. As illustrated in fig. 5, 83% of them said that they are updated with any VIP guest through memo, mail and meetings while 15% of them answered with mail and meetings and 2% of them replied with memo.
Regarding any brand standard followed by hotel in delivering service to the guests, all of them accepted that the hotels indeed follow it which is shown in fig. 6.

![Fig.6 Brand Standards](image)

The other question I asked was “Is it a hotel advantages to have a website?” and all of them agreed that the website is definitely advantageous to the hotel as most of the customers prefer it as also illustrated in fig. 7.

![Fig. 6 Advantages of Hotel’s Website.](image)

The second parts of the questionnaires related to guests. The first question was if they send welcome note to the guest upon their arrival and the answer was definitely ‘yes’ by all of them. In relation to the question guest preferences, likes, dislikes, complaints, 87% of the staffs replied that they keep a record of guest preferences, likes, dislikes, complaints but rest of them said that they don’t have any idea. Those who respondent no idea were porter from house
keeping department, account staff and staffs working at swimming pool. Those who replied positive were asked how they keep record of such things to which 99% of them said they use database such as Fidelio, Opera etc and 1% said they keep record through other means. As illustrated in fig. 7, the next question was ‘Do you keep a record of returning guest?’ for which I got reply ‘yes’ from all of the respondents.

![Fig.7 record of returning guests](image)

It is important to have guests’ feedback in maintaining the quality service and providing satisfaction to them. All the hotels seem to give the opportunity for ‘feedback’ with respect to the service of the hotel as question no. 12 received positive reply from all. They were given multiple choices on how the guest expresses their satisfaction, 90% replied verbally, 6% by mail and telephone and 4% said guest expressed their satisfaction through comment cards as given in fig. 8.

![Fig.8 Ways of expressing guest satisfaction](image)
One of the key strategies of CRM in retaining the guests is to make them feel special which is done by wishing them in the important occasion of their lives. Thus my next question was whether they send good wishes messages for New Year, birthday or wedding anniversary to guests. Obviously all the hotels were found to wish their guests as this kind of things increase the customer loyalty which is also show in fig. 9.

![Fig.9 Wishing guests on their special days](image)

I perceive reward schemes for the customers as a marketing strategy in retaining guests. That is why I asked if they provide any reward schemes to their guests and all of them said ‘yes’. My final question was how they measure guest satisfaction to which 90% said the guests express verbally, 6% of them said by verbally, through mail, and telephone while 4% replied by verbally, through mail and comment cards as shown in fig. 10.

![Fig.10 Measuring guest’s satisfaction](image)
Analysis of Guest questionnaires

80 set of questionnaires distributed among the guests only 48 valid replies were obtained. The questionnaire contains only 6 questions as shown in appendix 3. Keeping in view of the time constraint and easiness of the guests this short set of questionnaires is designed which has included the CRM related matters. The question pattern was such that the guests have to just rate them according to their attitude. They were given the options excellent, good, fair and poor in each question. Of the total guests 32 were male where as 16 of them were female. Regarding the age group they were 2 in the age group 21 or below, 15 in (22 to 32) years, 21 in 32 to 48 years and 10 guests in the age group 49 or above. The research was held during the month of august/08. The majority of the guests were from European countries and American followed by some Asian countries.

1. Location of the hotel:

My first question to the guests was how they would rate the location of the hotel where they are staying. Out of 48 guests, 39 chose excellent and 7 opted good in response to it and 2 of them said poor as shown in fig.11. All the hotels that are included in my research are either located in the central london or near by heathrow airport. Thus all of them have definitely great location. The hotels which are located in the central london have easy and fast access to oxford street, beautiful hyde park and many other places of london. Similarly those located near by heathrow airport are only a few minutes away from airport and many other business centres. Therefore who come for business puropses ,enjoying, shopping or just to have fun the location of these hotels are just so great. 2 of the guests who replied poor were an old couple. They were actually here for the treatment and wanted to book the room in quiet area. Since all the hotels were full they have to settle in the hotel near by airport. They just got irritated by the noise of airplane whenever they opened the window of their hotel.
2. Price of the hotel:
With reference to the price of the hotel, fig.12 illustrates that 12 of them said excellent, 25 of them said good and 11 of them said fair. Those guests who had answered excellent and good were visiting the hotels for business purposes. They told me that they frequently travel to London and other parts of the world to do business dealings so they think price of the standard for four star hotel can not be expected lower than it. 11 of the guests who said fair were from European countries who supposed that London hotels are expensive in comparison to other European cities. But it should not be forgotten that London is one of the most expensive cities in the world, obviously its hotels being quite pricey.

3. Friendliness and helpfulness of staffs:
Fig.13 depicts that the majority (33) of the guests replied excellent, 13 replied good and 2 replied poor when asked about the friendliness and the helpfulness of the staffs. one of the
guests who replied told me that it is her first visit to London and was very nervous about going out and staying alone in the hotel but the staffs from the front office were so friendly and helpful that they explained everything to her and even handed an oyster card so that she could view the London through buses and tubes. This kind of friendliness and helpfulness creates strong bond between the guests and the hotel which will make them life time customer. Those of the guests who answered just well in terms of friendliness of the staffs expressed that they are not so professional and don’t speak English as the first language. But one shouldn’t be biased on judging on peoples’ ability on the basis of language or nationality they belong as far as they can communicate and do their job efficiently. According to a guest replying poor, stated he found a room attendant quite rude because she did not change his bed sheet upon his request. Later I found out that generally hotel clean and make the guests’ bed once a day, if the guest use the bed then nobody goes back except in some situations and this guest let his mate used the made bed. Another guest replying with poor said that she found a maintenance staff not friendly. He just came in, fixed the TV in her room and went out. In this regard, hotels should realize the importance of CRM training to all the staffs of any departments. Because it is not only the front office, concierge or room service who come across the guests but almost everyone working in different departments.

![Fig.13 Friendliness and helpfulness of staffs](image)

4. **Service standard:**

16 of the guests stated that the service standard is excellent. As per them whatever they required or ordered were delivered quickly. The staffs were very attentive and helpful. 19 of them agreed that the service was good. Like, some of them mentioned that the choice of the
food was very limited but the way they serve the food and its standard was appreciable. 10 of the guests replying with fair said that the service given by their hotels are not up to the four star hotel standards. While 3 given poor rating because one of them said, a waiter got specifically detailed order wrong and food had to go back. The other one mentioned that he was made to carry his bag himself while shifting to another room. However I learned from the hotel staff that he had only a small hand bag which doesn’t need luggage porter to carry. The third who answered poor said that he gave his shirt for laundry but received only after 2 days which he assumed was really late service. From the laundry man I knew that they don’t work on weekend and the guest had given the shirt on Friday evening thus getting back on Monday morning. It is also further illustrated in the fig.14.

Fig. 14 Service standard

5. **product quality:**

Regarding the product quality most of the respondents (31) replied good, excellent by 10, fair by 2 and poor by 5 which is also shown in fig.14. Those who replied excellent said the amenities and the other product provided in the rooms are branded and of standard which they could not find in other hotels. So the product quality helps in maintaining the image of the hotel. All the unsatisfied respondents mentioned standard of the rooms was the main reason. According to them the rooms have worn out furniture which badly needs furnishing and the TV seemed to be out dated. However the rooms of the hotels get renovated as planned by the hotel and it is impossible to renovate all the rooms at once. Thus those rooms could be renovated soon.
Fig.15 product quality

6. Hotel’s facility:
As per fig.16, 29 of the respondents confessed that the facility provided by the hotel is excellent. They appreciated the access to the executive lounge as they were on business purpose. One of the respondents happily said that due to the free access of internet, facility of fax and other business facilities he was able to complete his business assignment the previous day. These kinds of facility really satisfy the guests and encourage them to come back again and again. 18 of the guests said the facility was good and only 1 replied poor because he could not park his car in the parking area. When I asked the staff about it he replied that they of course allow to use parking areas but after paying parking charge only which the guest denied.

Fig.16 Hotel’s facility

Conclusion
From the research it is revealed that CRM plays crucial role in retaining guests’ satisfaction and loyalty. Every hotel seems to employ one or another kind of CRM strategy to attract the
customers. However all of them admitted that the guests’ satisfaction creating from high quality of service and ‘value for money’ act as stronger mean to retain guests. Through the different research technique, the CRM practices carried out by the different hotels could be observed and analyzed. According to the research study the hotels are found to follow certain brand standard while providing service to the customers and also maintaining their image. Although their endeavours are to give high quality service to all the customers, they certainly have extra services for their special customers such as VIP and regular guests. The hotels approach to all the issues related to the guests in best possible way like their requests are fulfilled in the blink of the eye, if they have complain about anything they are listened and appropriate solution is offered. On the behalf of the customers, the hotels offer many reward schemes and organize loyalty programme which are highly beneficial to the customers and the hotels as well. The top priority of the hotels is always giving the highest level of the satisfaction to the customers for which they take every single steps that contribute on it. For instance, all the hotels are providing ICTs facility to guests as per their requirement and their expectation. It is well known that ICT has brought dramatic effect in the hospitality industry as ICTs are used in almost all the activities. The new trends such as finding out the hotels, making reservation and checking the facilities of the hotels are done through internet by the customers. Such kind of trend is creating the distance between the hotels and the customers. Therefore, the effective CRM practices should be followed to avoid the possible threats that may arise through any means.

**Recommendation**

It is obvious from the research that all the hotels perceive CRM as an important factor in the hospitality industry. However, after analysing the result shows that the effective form of CRM practice is still lacking in the industry. Since CRM is the most significant tool in retaining guests satisfaction and loyalty, its strategies should emphasize in personalized interactions with customers. The personalization of interactions cultivates greater customer loyalty and better return on marketing investment. All the hotels should use CRM as a marketing strategy. The hotels should realize the importance of CRM training to all the staffs working in different departments beside front office, guest relation and concierge because it is not only them who come across the guests. It is found from the research that CRM is mainly used in retaining
regular guests. It would be fruitful to the hotels in the long run if it can apply CRM in generating the new guests. According to the research analysis of this dissertation one should have customer knowledge to establish successful customer relationship management. The customer knowledge includes the preference such as likes, dislikes and important information regarding guests such as their birthday, anniversary and other such special occasion. There will be definitely growth in customer loyalty and satisfaction if they are treated base on customer knowledge. The hotels should introduce more effective customer programs in order to benefit them. The loyal and regular customers should be given more privilege and preference so that they can become life time customers. Regarding the introduction of ICT to the hotels, they should not neglect the negative aspect of ICT in the long run. The hotels should acknowledge the fact that the ICT is creating the distance between the hotel staffs and the guests. It may cause disturbance in the existence of human relations that persist in the hospitality industry. It should be noted human relationship is one of the most important factor for the successful of any hotels.

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