Customer Relation Strategy in Hotel Industry

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Abstract

This is true for every business deal that a firm makes these days, irrespective of which sector it is in. It also has a relationship with clients in an age where there is every company organisation due to existence. Another thing is the company's mission statement on continuous development and world-class competition for client satisfaction. Hence, CRM has been one of the preferred concepts in recent economic times. All these things are built around a technology that is in vogue for pulling in new customers and holding existing ones at bay. In the services sector, it is common to use CRM extensively because it promotes customer happiness, retains customers, and creates permanent customer relations that generate profits over time. This research that is going to be undertaken will provide insights on how the hospitality industry leverages technological innovations to improve customer relations. The main purpose of this research is to understand how CRM technology can be strategically employed to reform hospitality services in India and in hotels. Using secondary data, this research assesses how innovative the hotel industry is in India in terms of knowledge levels.

Keywords: *Relationship, Continuous Development, Client Satisfaction, CRM Technology, Hospitality Industry &Technological Innovations*

Introduction

Government actions, fiscal reforms, specific tax policies, and foreign direct investment all contribute to the rapid expansion of the Indian hotel industry. This article discusses the development of the Indian hotel industry during the colonial period, highlights the role of Indian hotel owners in establishing and selling their properties abroad, and examines the problems of foreign hotels in the 19th century in India. Globalisation, competition, an improved customer base, increasing customer acquisition costs, and increasing customer demand are all being felt by the Indian hotel industry. Hotels need to focus on customer relationship management (CRM) strategies that can increase profitability and build tourist pride and loyalty in order to compete in the neck industry. This means catering to each customer's needs and expectations with various solutions. To succeed in the marketplace, retention of current customers must be prioritised, and strong programmes of pride and loyalty must be reinforced. As the industry becomes more global, competition heats up, and product differentiation disappears, market strategy and revenue are increasingly emphasising customer relationship management as a strategic function. The hotel management industry is a global phenomenon, and future entrepreneurs can learn a lot from its pioneers, including Wilson, Hilton, Marriott, Statler, Schultz, and others. Travellers can now choose between accommodations based on their budget. Students studying hotel management courses learn about customer service, operations, and management. Hotel managers need to be trained to be skilled in this field. A key feature of the sector, revenue management helps to increase occupancy and adjust to changes in bookings. This course aims to educate hotel professionals as well as prospective students.

There is only one boss, and it is the client. The founder of Wal-Mart, Sam Walton, once said: "And he can fire everybody in the company—from the chairman on down—by spreading his money elsewhere." In today's highly competitive business environment, no matter what industry it is, every single company transaction revolves around customers. Moreover, clients form the only reason for existence that any company has in the global market. Globally, the service sector faces its greatest challenge of providing contented and faithful consumers. Successful management of the connection based on what will be done next by the shopper will give it an edge. Consequently, modern 21st-century marketers frequently utilise relationship management methods in their campaigns. Currently, the only way to sustain developments and ensure a competitive position in the modern world is by developing contacts via one-to-one marketing. Many studies have proven that it is cheaper to keep an old customer than acquire a new one. Furthermore, as famously noted by the top management guru Peter Drucker, "a business's purpose is to serve a customer." Consequently, many service firms in the hospitality sector have loyalty programmes tailored for repeat visitors, bonus schemes, or deep price cuts for loyal clients.

CRM Strategies Used in Hotel Industry

In today's hotels, effective CRM strategies are now needed due to increasing operational issues. The following highlights the importance of understanding and evaluating social partnerships, which outline the key CRM strategies in the Indian hotel industry:

1) Proper conversation mapping: Understanding and analysing social media interactions is critical, from supporters and influencers to critics and customers.

2) Customer Social Graph Analysis: In a CRM system, it is important to accurately capture customers' social networks, including their interactions on Facebook, Twitter, blogs, forums, and external groups.

3) Connect with top customers: identify and connect with the most valuable customers through social media channels, find ways to initiate conversations and interactions, and leverage this approach with other customer segments in the CRM or Loyalty Program.

4) Customisation: Guidelines and standards for achieving organisational objectives should be developed so that they are consistent with current needs and knowledge gained from previous research.

5) Strategic Social Media Planning: To create a well-thought-out social media strategy that meets requirements and includes marketing automation, contact centre functionality, and improved customer service.

6) Content Management: Create specific content for integration points, focusing on customer experience, cultural fit, and processes in addition to technology.

7) Custom CRM readiness for social media: Ensure that traditional CRM systems, including processes, protocols, data formats, priorities, and training, are ready to properly handle social media interactions.

8) Internal collaboration and excellence: Promote social collaboration and an E 2.0 environment within the company by encouraging internal collaboration in response to influencer or customer communication through social media. These infrastructure requirements to achieve comprehensive customer engagement and service delivery highlight the importance of integrating social media into CRM systems in the hotel industry.

Literature Survey

Businesses have undergone a complete overhaul courtesy of today's technological revolution. Therefore, in order to improve customer relationships, technology becomes necessary.

A modern-day approach known as customer relationship management (CRM) enables organisations to track both their existing and prospective customers. However, it is only beneficial to spend money on advertising aimed at potential customers because it is far less costly to keep relationships with existing clients than to maintain relationships with brand-new customers, who require huge expenses spent on them before they generate an income. CRM stands for customer relationship management, and this originated in the initial thoughts of relationship marketing (Gumneson, 2008). In addition, Gummeson (2008) describes CRM as "the core of relationship marketing, particularly in connection with a specific customer and vendor." Businesses can monitor their conversations with customers, store client details and prospects' details, and pass them on to like groups through their definition. It helps in growing the firm because it ensures the management aspect of client interaction. In this regard, CRM could also be regarded as a cross-functional corporate strategy aimed at enhancing sales and profitability, reducing costs, and reinforcing customer loyalty. As quoted by Peeru Mohamed & Sagadevan in 2002, the term "CRM' refers to "a management process of acquisition of customers by understanding their requirements, retention of customers via exceeding their expectations, and attraction of new customers via strategically managing.

Accordingly, we define CRM as a comprehensive strategy and process of identifying, selecting, cultivating, and partnering with specific customers to develop mutual benefits for both parties. To sum up, CRM means the integration of CRP (customer relationship programmes) and ICT (information and communication technologies) as a way of achieving profitable, sustainable relationships between companies and their customers and other interested parties. Additionally, CRM technology enables the organisation of activities like people, processes, operations, and even marketing through information and communication technology applications. Consequently, there should be a shift from customer relationship management, which treats customers as strangers, to CRM, which treats customers as partners. However, Leena et al. (2015) viewed CRM as an all-encompassing term that centred the customer's needs within the organisation.

The Indian hospitality sector has undergone a paradigm shift and has become a key component of the tourism industry within its present context. Expansion in the hotel sector has been very important for the country's tourist economy over the past few years. Through 'Atithi Devo

Bhavah', the hospitality industry in India witnessed tremendous growth due to a surge in both local and international visitors. Two key components necessary for building a competitive advantage in the hotel industry include customer delight and service quality. When clients get good service, they will keep coming back to the same establishment, thus attracting more through word-of-mouth. Therefore, client relationships become an important aspect of attaining business success in the hospitality industry, where people matter. Eventually, CRM revolutionizes the hospitality industry in terms of dealing with honourable customers. In hospitality settings, CRM enhances customer satisfaction, commitment, and lifetime bonds. As a result, positive word-of-mouth develops, boosting revenues, enhancing brand perception, and reducing the churn rate.

As such, the main issue with the CRM concept in the hotel industry is creating a customer-centric environment.Although it is just as essential for the CRM strategy as the capacity of the hotel to know what patrons need, generating customer lifetime value is also important. The other type of CRM technology enables hotel staff members to record and retrieve guest information across the entire hotel network. The ultimate target of the customer relationship management method in the hospitality industry is to manage client relationships holistically.

Objectives of the study

This paper will investigate the function of CRM strategy in the hotel sector and the technological innovations that can revolutionise service operations. The purpose of this paper is to understand how Indian hotels use a relationship approach in managing the practices of customers. is a sector aimed at promoting excellence in businesses. This essay goes on. reviews various issues pertaining to the application of CRM technology while working at a hotel.

Research Methodology

The research methodology of this study involves careful reference to secondary data obtained from various sources, such as books, journals, previous research, statistical literature, newspapers, reports, websites, etc. Thus, this approach seeks to consider general customer relationship management skills, innovation, and reactions in the Indian hotel industry. Available data are thoroughly examined to provide insights into the adoption, effectiveness, and adaptability of CRM practices in the hospitality sector. This sheds light on the various strategies and integration technologies used in hotels in India.

CRM Analytics-Driven Business Transformation in the Hospitality Services Sector:

In essence, CRM is a mechanism for using customer data to inform future decisions within an organization. Secondly, it helps in the analysis and interpretation of consumer behaviour through data that allows companies to understand and identify every customer class. The term customer analytics covers a type of software that employs the OLAP process for extracting insights from and analysing customer databases. A CRM analytics platform consisting of a data warehouse (gathering, storage, and analysis); data integration; data visualisation scorecards and dashboards; and query and report analyses by OLAP caps out the analytics system.Customer-facing applications like campaign management, customer support, and sales are often linked to marketing-oriented activities. On the contrary, customer-touching apps tackle customer-oriented

functions such as database search, handling of feedback, emails, auto-reply, and loyalty programmes. There are two types of CRM that can be used in the hotel industry. However, operational CRM helps to minimise the service cost and thus contributes to raising profitability; at the same time, the analytical type of CRM allows generating some revenues by preserving long-term relations with consumers (Arul & Baranidharan, Furthermore, hoteliers can enhance customer loyalty by using the results of data mining to develop the right marketing options. Once, business analytics used to depend on high-tech and the chosen few who were highly qualified.

Currently, today's technology is internet-based and easy to use for both front desk workers and senior executives. Business analytics and CRM have brought about significant change in the hotel industry. Businesses and enterprises use data management solutions in the process of collecting past and present data, analysing raw data with the aid of software and statistics, and providing future recommendations for better decisions. Integration of CRM analytics with all possible customer data sources, such as contact centres, online email, and social media accounts, as well as customers themselves, helps motels understand their customers better. Additionally, it helps hotels define their most valuable as well as potential customers, thus offering them new packages and deals. Other contributing factors include the use of CRM technologies and business analytics to provide quick decisions. Predictive analytics solutions can also be used by hoteliers to predict guests' plans of re-buying or returning to the hotel. It is through benchmarking research that hospitality companies obtain their customer relationship management analytics to enable the tracking of performance records such as customer satisfaction, loyalty, and profits.

Using CRM to Strategize Technology in the Hotel Sector:

This usually entails having a quick and systematic approach to solving clients' needs, which is considered the first and most crucial skill that generally influences the level of quality service provisioned in both the hospitality and hotel sectors. Thus, creative technology is one of the tools that raises the level of customer satisfaction by going beyond their expectations for hospitality services. In addition, the role played by technology and strategy dyads in CRM in the hotel industry The technology of CRM, through extensive database management, enables customer-centric approach development in the hotel business and results in building long-term customer relationships.

Hotel businesses must include CRM in order to be globally competent. In addition, CRM is one large database that has everything there is to know about the customer. This improves customer service; products are tailored to suit customers' requirements, and in return, positive word-of-mouth boosts referrals and customer loyalty and enhances sales productivity, among other things. It applies efficient tactics such as cross-selling of related products.

Technological Approaches to the Hotel Industry:

With technological advancements, the hotel industry can easily collect, analyse, and use guest data systematically (Luck and Lancaster, 2010). Specifically, there are several interrelated applications of software built for the purposes of hotel management. By using this software, hoteliers can handle many tasks, such as booking and providing some post-sale services.

Hotel personnel are usually required to upload the guest's profile to their customer database at check-in, which can be easily accessed during subsequent visits by the same person. They therefore record notes and suggestions made by clients while checking out so that they may offer better and more personalised services during their next visit. Similarly, the concepts of yield management and revenue systems may form part of a hotel's pricing strategy for different visitor groups.

Notably, communication technology helps staff members communicate frequently with their clients and build strong relationships with them. Thus, the CRM strategy adopted by the hospitality market is managed by ICT in order to please visitors and make them stay. CRM, which uses internet communication technology to identify specific needs for individual customers and allows for a "one-to-one" marketing strategy, also helps the hotel industry (Rahimi, 2007). There are a number of global-based CRM solution suppliers that aim to provide hotels with top-quality customer service. They sell specific items, including advertising services for famous Indian hotel companies. Some renowned companies offering this sort of CRM product are SAP-CRM, Oracle, Siebel, Marketo, Sales Force, Experience, Guestware, Capture CRM, TLC Group, etc., which have many other names too.

CRM implementation in the Indian hotel sector:

John Lidgate once said, "You can usually please some people, but not everyone." He was right. On the other hand, CRM technology makes it easier to serve all customers, increasing your company's performance. CRM has become a wonderful tool for providing a holistic understanding of customer needs. CRM has revolutionised the hotel industry worldwide. Marketers now recognise the importance of attracting and keeping potential customers in a hospitable environment. CRM software helps the hotel industry manage sales, marketing, e-commerce, customer service, and after-sales service all at once. The four components of CRM—customer engagement, CRM process, knowledge management, and technology-based CRM—improve organisational performance and provide competitive advantage in the hotel industry, according to Mohammed Rashid (2012).

CRM technology is useful in the hotel industry to track customers and their specific needs. As a result, hotels can develop appropriate marketing strategies to provide better service to their customers. Furthermore, it facilitates the hotel industry's ability to improve customer loyalty and retention to increase profitability. For this reason, CRM is now the latest trend in the global hotel industry. Many leading hotel operators have successfully integrated CRM systems into their businesses to provide seamless customer service. As a result, leading hotel brands in India are also using CRM technology to better serve their trusted customers. Regarding the findings of Chadha (2015), most of the CRM practices implemented by the Taj Hotel in New Delhi consist of searching the pre-existing customer database and conducting personal consultations. The hoteliers expressed high satisfaction with the CRM system due to its ability to increase customer satisfaction and retention. Similarly, chronologically, Banga et al. (2013) found that most of the hotels in Ludhiana had a positive response to the implementation of CRM, which is done to enhance customer satisfaction and loyalty through customer database analysis and personal consultation. However, Bhawani and Pawar (2012) found that CRM creates a positive relationship between customer expectations and perceptions of star hotels in Hyderabad. Sahoo

(2011) found that five-star hotels in India use relationship management more than mid-range and inexpensive hotels. Similarly, Deshmukh et al. (2012) found that CRM systems of five-star hotels are more customer-oriented than hotels with lower star ratings in the context of star hotels in Nagpur. In their study of the hotel industry in Jharkhand, Srivastava et al. (2018) examined how CRM systems contribute to the delivery of high-quality, affordable services that enhance customer loyalty. However, Thrymbakam and Bethapud (2013) highlighted the benefits of integrating social media and hotel CRM systems to fully improve customer service.

Problems and Challenges

Without a doubt, technology has brought about tremendous growth in business. On the other hand, it also faces many obstacles on the way to success. CRM technology is still in its infancy, as many hotels still opt for a more traditional approach to customer engagement. Hence, the CRM should be modified according to the hotel's operational strategy. Additionally, customer size also impacts the success of a CRM solution.

Key Challenges in CRM Implementation

There are many technical, data management, policy, and organisational culture requirements that will create challenges when adopting CRM in hotels. These include the complexity of collecting, storing, and using tourist data effectively and the complexity of interpreting tourist behaviour historically. Complexities in technological infrastructure, the need for flexibility, well-defined systems, and automation of marketing and sales activities includes selection and protection of system integrity. Additionally, there is a need for cooperation between hotel organisations and a prudent allocation of costs. Checking how impressive the hotel's social media activity is is important. Notably, due to its complexity, CRM is generally only used in high-end hotels. Other major obstacles include a lack of knowledge about modern technologies and insufficient understanding.

Results & Discussion

The primary objective of the study was to examine how CRM benefits the hotel industry's efforts to attract, retain, and satisfy customers. Through a conceptual analysis, the author of the paper seeks to determine the effectiveness, reach, and challenges of implementing CRM technology in the hotel industry. The study will provide researchers and practitioners in the hotel industry with new perspectives on how to build sustainable relationships with customers. From a practical perspective, this article will enhance hotels' understanding of how to formulate and implement creative competitive strategies through the use of appropriate customer relationship management. Additionally, it will provide relevant data to employees in the hotel industry to develop an optimised CRM strategy. Currently, the introduction of CRM in the hotel industry is needed. However, the process requires cooperation and commitment from all hotel departments. The main challenge in implementing a CRM is integrating the system with the hotel's current business information system. Furthermore, CRM can only deliver convincing results if it is fully linked to the hotel system operationally and strategically. The CRM also acts as a resource that needs to be populated quickly with relevant customer information. Otherwise, data mining is not only impossible; it's impossible. Similarly, many studies have shown that the success of CRM installations increases with a hotel's star rating. Thus, CRM systems are only suitable for luxury

hotels. In order to create a successful CRM system for hotels, a strong CRM team including executives, customer service, and IT departments is also needed in addition to the aforementioned hotel staff.

Conclusion

In the hotel industry, customers and employees are crucial to the success of a business. When employees are satisfied, it ultimately reflects in the way they deliver their services, which in turn leads to customer satisfaction. In addition, there is no doubt that more satisfied customers will continue to use the service, increasing the bottom line of the hotels. Since CRM technology has talent related to customer selection, it helps identify potential visitor commitments. CRM therefore helps in selecting the right customers with whom to manage interactions to promote sustainable competitive advantage. Similarly, CRM is not just a people, process, and technology channel. Above all else, technology acts primarily as a catalyst for strategic success. The core values of the hotel industry remain hospitality, customer service, and food quality, although these elements cannot be replaced by technology. However, the technologies mentioned above can help create a memorable experience for your guests by helping to provide a higher level of service to potential customers. Ultimately, CRM systems are a must for the hotel industry in today's competitive global business world, where customer care is the only goal. As a result, strategically integrating CRM technology into the hotel system helps improve operational efficiency and flexibility.

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