A STUDY ON CUSTOMER RELATIONSHIP MANAGEMENT PRACTICES AND CHALLENGES IN MADURAI BASED HOTELS

S. Senthil Kumar,

Assistant Professor, Department of Catering Science and Hotel Management, Kalasalingam University, Krishnankoil.

Dr. R. Kannan,

Professor, Centre for Tourism & Hotel Management, Madurai Kamaraj University, Madurai

ABSTRACT

With the increasing competition that businesses especially in hotels industry face today in order to survive, firms have to adjust their approach towards customer relationship management practices and come up with response strategies for dealing with the highly competitive environment. Traditionally hotels are more focused on the physical product and services. Hotels industry today is waking up to consumers who demand consistent delivery of the brand promise, changing needs and sensitivity to socio-political both locally and globally.

The study findings illustrates indeed there are several customers relationship management practices known in the hotel industry.

The study concludes that CRM Practices is an important component because of incremental impact it has to the market share. The CRM practices tracks customers interactions with the firm and allows employees to instantly draw information about the customers such as past sales, services, recalls, experiences, feedback and trends of universal problems. The study is recommended that managers and organizational heads should not only continuously strive to support CRM activities in the hotels, but also embrace all CRM practices that make the hotels more competitive to ever changing customer's trends.

Key words :Competition, Brand Promise, Universal Problem, CRM, Customers Trends

INTRODUCTION

Today many organizations are faced with significant challenges in the area of customer service and service delivery and retention both internally and externally.

Competition as increased therefore firms look to differentiate their products in the highly commoditized market through branding. Branding refers to any feature or quality that can differentiate a product or service from that of a competitor. The ultimate goals of branding were to create brand awareness and brand loyalty among consumers through building relationships of trust, familiarity, and reliability and to

"make them (the customers) feel comfortable with the brand. Customer service is the provision of services to customer before, during and after a purchase. According to Turban et al. (2002) customer service is a service of activities designed to enhance the level of customer satisfaction that is the feeling that a product or service has met the customer expectation.

CRM AND HOTEL INDUSTRY

Despite the fact that CRM brings lasting benefits to organizations, as a whole, some of them gain profits from implementing it more than others; CRM brings benefits to the organizations that generate a lot of information about customers (Bose, 2000; Kotler, 2002; Mguyen et al., 2007). In addition to this, Gronroos (2004) that service organiza-tions for their intrinsic characteristics of the production and consumption are inseparable elements necessary to build relationships with customers. Accordingly, CRM will be ideally suited to the hotel industry, especially when implementing it successfully and effectively, taking into our account that hotels receive a lot of data about customers. Such data can be transformed into useful knowledge about them (Kotler, 2002; Lin and Su, 2003; Mguyen et al., 2007; Nasution and Mavondo, 2008; Dev and Olsen, 2000). Suffice it to say that hotel industry, like any business sector has to be highly competitive to be able to do well in the business environment, therefore, it is of vital importance for it to encourage behavioral patterns of continuous re-purchase and to retain customers last longer.Thus , it is evident that such ambitious aims can only be achieved through implementing CRM , which will result in estab-lishing fruitful relationship between organizations and their customers (Papastatho-poulou et al., 2007; Verdugo et al., 2009). Moreover, it goes without saying that growing customer-acquisition costs, rising customer expectations, price-sensitive travelers, more sophis-ticated clients, uncertain market and less brand loyalty are all key factors, which strongly urge hotels to focus on CRM as a useful strategy. Need-less to say, CRM is widely considered as one of the most effective ways to facilitate developing and ex-panding the customers' base that , in turn , will assist in enhancing profitability and guest loyalty (Mylonakis, 2009; Sigala, 2005; Sigala and Connolly, 2004; Wu and Li, 2011).

HOSPITALITY INDUSTRY IN MADURAI.

The hospitality industry is a broad category of fields within the service industry that includes lodging, event planning, theme parks, transportation, cruise line, and additional fields within the tourism industry. The hospitality industry is a several billion dollar industry that mostly depends on the availability of leisure time and disposable income. A hospitality unit such as a restaurant, hotel, or even an amusement park consists of multiple groups such as facility maintenance, direct operations (servers, housekeepers, porters, kitchen workers, bartenders, etc.), management, marketing, and human resources.

Hospitality sector is fast growing to the need for hospitality services in Madurai's tourism industry. It has been estimated that over 0.25 million international tourists travel to different parts of the world annually (According to Madurai tourism Corp.) and the need for hospitality services is ever increasing.

However the rapid development of tourism in Madurai has not been accompanied with increased human resource development and training in Hospitality sector, particularly at the tertiary level. There is a short fall of required tourism professionals capable of providing the

needed management skills in solving the challenges that are brought about by the development of tourism in different parts of the country, both in the private and public sector. Kariuki (2006).

METHODOLOGY

It explains the research design that was used for the study, the population that formed part of the study, sample design, the methods that were used in collecting data and how the results data was analyzed.The main instrument for data collection was semi structure questionnaire. The questionnaire was designed to obtain general information CRM practices in hospitably industry in MADURAI. The question was administered through "drop and pick later method".

RESULT AND DISCUSSION

I.   Structures and organizational support to customer relationship management

Table 1: Frequency of review of customer relationship policies

	Frequency	Percentage
Daily	0	0
Weekly	04	16
Monthly	13	52
Yearly	08	32

From Table 1 above, 52% of the respondents agreed that their hotels review their CRM policies monthly while 32% review yearly and 16% review weekly. Overall Majority the respondents agreed that their firms do have customer relationship management policy and agreed that their firms do review their policies

II.   Customer relationship management practices in the hotel industry in Madurai

The respondents were asked which customer relationship management practices that they were aware of within the hotel industry in Madurai, the response was; one on one interaction, actively seeking customer feedback, customer follow ups, and keeping client data base. They were further asked to rate how CRM practices were applied in their respective hotels using four point scale where 1 meant Rarely and 4 Very Much

Table.2 Customer relationship practices in Madurai

CRM PRACTICES	Percentage			
	Rarely	Not Very much	Average	Very much

One on one Interaction	0	12	24	64
Actively seek customer feedback	4	24	32	40
Customer Follow ups	8	20	24	48
Keeping Client database	12	2	36	32

The respondants agreed very much 64% on one on one interactions, 48% on customer followups, 40% on actively seek customer followups and 32% on keeping client database.

III.   Challenges faced by hotels in implementation of CRM Practices

The respondents were asked what challenges faced by their hotel in implementation of CRM practices are they aware of, the response was; lack of information about how to innovate, lack of knowledge on importance of CRM, Technological skills, lack of budget, and organizational good will.

Table 3 : Challenges faced by hotels in implementation of CRM

Challenges	No.of Respondants	Percentage
Lack of information about how to innovate	04	16
Lack of knowledge on importance of CRM	03	12
Technological skills	07	28
Lack of Budget	09	36
Organizational good will	02	08

CONCLUSION AND RECOMMENDATIONS

Form the findings of the study it was found that indeed there are several customers related management practices known in the Madurai Hospitality industry. However it is emerging that most of hotels are faced with challenges in effectively implementing all the known CRM practices which is mainly attributed to lack of technological skills, organizational goodwill, and budgeting allocations towards successful implementation of the same.

CRM Practices is an important component because of incremental impact it has to the market share. According to study findings CRM practices tracks customers interactions with the firm and allows employees to instantly draw information about the customers such as past sales, services, recalls, experiences, feedback and trends of universal problems in order to reposition the firm effectively in the market.

Therefore managers and organizational heads should continuously strive to support CRM activities in the hotels while embracing all CRM practices in order to achieve a more competitive edge over the ever changing customer's trends. This means hotels should have a strong customer focus personnel, responsive organizational structure with organizational goodwill and muscle to implement CRM practices since the

success of the firm rests on it.

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