CUSTOMER RELATIONSHIP MANAGEMENT IN TOURISM SECTOR FOR DEVELOPING SERVICES (with reference to Tirunelveli district)

AUTHOR: M.Maheshwari, Ph.D research Scholar (Full time), Sri Parasakthi College for women, Kutrallam, Affiliated to Manonmaniam Sundaranar University, Abisekapetti, Tirunelveli.

CO-AUTHOR: Dr. S.Sudalaiyandi, The Principal, Ambai Arts College, Ambasamudram, Tirunelveli.

ABSTRACT

CRM is an enterprise-wide mindset, mantra, and set of process and policies that are designed to acquire, retain and service customer. CRM is not a technology, though technology is a CRM enabler. It is also a customer-focused business strategy which aims to increase customer satisfaction and customer loyalty by providing a more responsive and customized service to each customer. Many companies intend to build stronger relationship with their customers called customer relationship management. A customer touch point is any occasion on which a customer encounters the brand and product from actual experience to personal or mass communications to casual observation. Companies then provide excellent real-time customer service by using and managing customers' individual account information effective. For example, companies can provide customize market offerings, services, programs, messages, and media based on what they know about each valued customer. CRM is important for a company because the aggregate value of the company's customer base is a major driver of company profitability. In this paper, the main purpose was to study role of CRM in tourism sector in Tirunelveli district.

Keywords: CRM (Customer Relationship Management), service marketing mix, service quality, customer satisfaction, customer retention and Tourism industry.

I.INTRODUCTION

CRM is defined as the process of managing detailed information about individual customer and knowing all customers "touching points" in order to maximize customer loyalty. CRM is widely accepted and implemented in modern marketing trend. It integrates a series of complex and multiple business resources such as: modern technological, information, financial, human and all other resources which

required for improving the services of consumers and customer. Service sector is totally based on selling concept and gaining a huge growth by adopting CRM Concept[1].

CRM in tourism sector is playing an important role as a strategy for searching, attracting and providing better facilities to the tourist so they can satisfying their needs and wants. The main goal of CRM is to increase the number of tourists and create customer loyalty. Implementation of CRM systems is very demanding and requires commitment at all levels of the company. It requires qualified personnel and updated software that bridges the gap between the C RM and existing information systems. The companies are investing huge amount for implementing new technologies and the systems, so that they can improve business performances. CRM is useful only if it is fully integrated strategically and operationally in the business and in the information system of tourist enterprise. The study will focus on how CRM concept is useful for tourism industry and customers[2].

II.STATEMENT OF THE PROBLEM

Customer relationship management (CRM) has once again gained prominence amongst academics and practitioners. However, there is a tremendous amount of confusion regarding its domain and meaning. Since Customers are lifeblood of an organization, CRM plays an important role in modern business. Customer relationship management means profiling the data base of customers, understanding their needs, and in building relationships with them by providing the most suitable services. This database helps the company in presenting clear picture to its customers and improving the relationship with them. It is a business process in which customer relationships, customer retention and brand values are built by implementing marketing strategies. It allows companies to develop long-term relationships with existing and potential customers, besides enhancing corporate performance[3].

CRM results in maintaining and improving the long lasting relationship with customers by maximizing the profits. Tourism industry is using the concept of CRM for developing customer relationship and staying long in the competitive environment. Because of CRM sincere bonds of trust and familiarity between customers and tourism companies develop. C RM enables Tourism Company in providing services and satisfaction to the customers by achieving their goals. Through CRM the companies

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[1] *galicic, vlado, and slobodan ivanovic.″computerization of reception desk business in hotel″. tourism and hospitality management 12 (2006).*

[2] *alok kumar, chhabi sinha, rakesh sharma, 2007, customer relationship management concepts & applications , biztantra, new delhi.*

[3] *sunetra roday, archana biwal, vandana joshi , 2009, tourism operations and management , oxford, new delhi.*

can serve the customers on one to one basis by reducing the intermediaries, continuously monitoring customer needs and providing services according to the requirement of the customers[4].

III.NEED OF THE STUDY

From past few decades business organizations were only focusing on making more and more profits without gaining customer needs. But in present scenario these organization are facing an aggressive competition as a result of which they are making efforts to survive in a competitive and uncertain market place. They have realised that it is important to differentiate customers according to their individual preferences. For differentiating customers the companies use personalized service and customized products which make some customers feel special. It not only results in customer retention, but also drives purchases higher. Because for them retention cost is very low in comparison to cost of attracting new customers. Success of the organization depends on a firm's ability to attract, satisfy and retains its customers. This can be achieved by developing closer and cooperative relationship with customers and satisfying them. Organizations have realized that managing Customer relationships is a very important factor orgaining success in competitive environment[5].

CRM is a strategy of modern governance of relationships with consumers, and is an indispensable component in the functioning of business organization in the global market. The objective of CRM is to recognize and treat each and every customer as an individual. Though Customer relationship management business organization builds long-lasting relationships with their customers and increases their profits through the right management system and the application of customer-focused strategies. Tourism industry is also adopting CRM strategies to retain the customers. Since it is facing tough competition within itself. Company perceives the needs of its customers, coping up with competition and devise better means of fulfilling them and establishing a strong customer relationship[6].

IV.OBJECTIVES OF THE STUDY

➢ To know the importance of CRM in tourism industry.

➢ To explore the indicators of customer relationship management in tourism.

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➢ To analyse how CRM will increasingly play an important role in determining the development of services in tourism.

V.METHODOLOGY

Sampling: Sample size - 300 respondents, Sampling Method - Stratified Convenient sampling method, Sample plan – Interview schedule, Sample unit - the tour agencies of Tirunelveli district (5), respondents - customers.

Table 1
Distribution on sample size and unit

Sl.no	Tour agencies	Domestic			International			Total
		Economic	Deluxe	Luxury	Economic	Deluxe	Luxury	
1	Global Tours	10	10	10	10	10	10	60
2	Shanmuga Tours	10	10	10	10	10	10	60
3	Green India Tours	10	10	10	10	10	10	60
4	Nellai Holiday Tours	10	10	10	10	10	10	60
5	Nami Thai Tours	10	10	10	10	10	10	60
	Total	50	50	50	50	50	50	300

Source: Primary Data
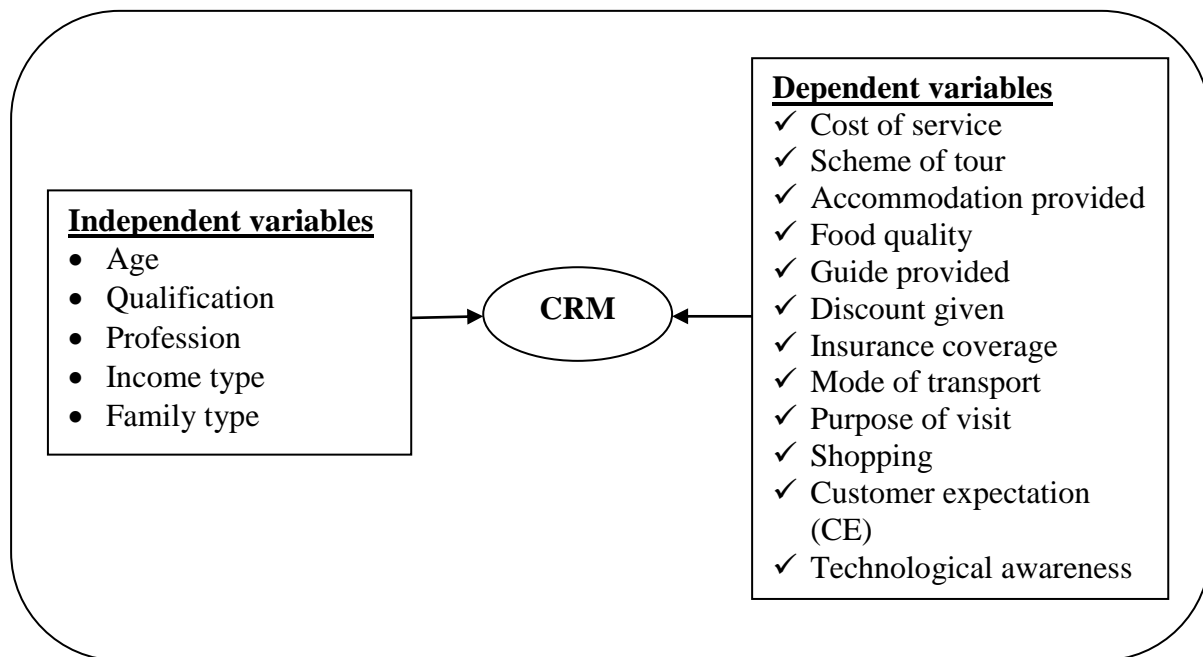## VI. FRAMED HYPOTHESIS

Ho1: There is no significant relationship between the Demographic profile of respondents and indicators of CRM in the study area

Ho2: There is no significant relationship between the customer expectation and indicators of CRM in the study area

VII.LIMITATIONS

❖ The study is confined to the respondents of Tirunelveli district only.

❖ Only a few healthcare sectors / hospital are taken for the study.

❖ The primary data were collected through interview method which is subjected to recall bias.

VIII. FRAMEWORK OF ANALYSIS

Independent variables
- Age
- Qualification
- Profession
- Income type
- Family type

CRM

Dependent variables
- ✓ Cost of service
- ✓ Scheme of tour
- ✓ Accommodation provided
- ✓ Food quality
- ✓ Guide provided
- ✓ Discount given
- ✓ Insurance coverage
- ✓ Mode of transport
- ✓ Purpose of visit
- ✓ Shopping
- ✓ Customer expectation (CE)
- ✓ Technological awareness

IX.ANALYSIS OF DATA

Table 2
Distribution on Demographic profile of respondents (300)

Sl.no	Profile	Particulars	No. of respondents	Percentage
1	Age	20-30	4	2
		31-40	109	36
		41-50	123	41
		51 & above	64	21
2	Qualification	No education	8	3
		UG	62	21
		PG	82	27
		Profession	110	36
		Diploma	30	10
		Others	8	3
3	Profession	Medical	5	2
		Business	36	12
		Farmer	13	4
		Education	8	3
		Lawyer	4	1
		Architect	5	2
		Engineer	33	11
		Govt. officers	30	10
		Retired person	26	9
		Students	6	2
		Pvt. Employees	27	9
		Others	107	35
4	Income type	No earnings	19	6
		Less than 20000	32	11
		20001-30000	59	20
		30001-40000	117	39
		40001 & above	49	16
		Pensioner	24	8
5	Family type	Joint	234	78
		Nuclear	66	22

Source: Primary Data

Table 3
Distribution on simple ranking of various indicators of CRM (ranking)

Sl.no	Indicators	HS	S	N	DS	HDS	MS	MR
1	Cost of service	412	391	234	81	1	2.60	10
2	Scheme of tour	820	488	19	11	2	3.11	2
3	Accommodation provided	415	681	98	15	6	2.88	6
4	Food quality	471	388	245	36	9	2.67	8
5	Guide provided	767	553	17	4	1	3.11	2
6	Discount given	572	391	203	25	8	2.78	7
7	Insurance coverage	684	410	121	24	8	3.37	1
8	Mode of transport	464	449	163	49	16	2.65	9
9	Purpose of visit	380	497	161	68	12	2.59	11
10	Shopping	363	407	272	53	8	2.56	12
11	Customer expectation (CE)	764	423	113	3	2	3.04	5
12	Technological awareness	998	234	65	28	6	3.09	4

Source: Computed Data

Table 4
Distribution on testing of hypothesis (chi-square)

Sl.no	Particulars	Sig.Lev	Cal value	*p*.val	Result
1	Age and Indicators of CRM		27.538	. 001	
2	Qualification and Indicators of CRM		27.654	. 000	
3	Profession and Indicators of CRM	@ 5%	27. 087	. 011	Significant
4	Income type and Indicators of CRM		10.517	. 022	
5	Family type and Indicators of CRM		18.236	. 000	

Source: Computed Data

Table 5
Distribution on testing of hypothesis (chi-square)

Sl.no	Particulars	Sig.Lev	Cal value	*p*.val	Result
1	Cost of service and CE		22.57	.001	
2	Scheme of tour and CE		59.26	.009	
3	Accommodation provided and CE		51.47	.000	
4	Food quality and CE		38.41	.007	
5	Guide provided and CE		69.34	.000	
6	Discount given and CE	@ 5%	26.34	.002	Significant
7	Insurance coverage and CE		49.22	.006	
8	Mode of transport and CE		42.40	.004	
9	Purpose of visit and CE		33.49	.000	
10	Shopping and CE		51.24	.002	
11	Customer expectation and CE		55.64	.001	
12	Technological awareness and CE		51.16	.000	

Source: Computed Data

X.FINDINGS OF THE STUDY

Profile of respondents: Out of 300 respondents taken for the study under the category age of respondents it was found that majority of the respondents fall under the category 41-50 years 123(41%) followed by 31-40 years 109(36%), 51 &above 64(21%) and 20-30 years 4(2%).

Under the category qualification of respondents it was found that majority of the respondents fall under the category profession 110(36%) followed by PG 82(27%), UG 62(21%), Diploma 30(10%) and no

education, others 8 each (3%). Under the category profession of respondents it was found that majority of the respondents fall under the category others 107(35%) followed by business 36(12%), engineers 33(11%), Govt. Officers 30(10%), Pvt. Employees 27(9%), retired person 26(9%), farmers 13(4%), education 8(3%), students 6(2%), architect and medical 5 each (2%) and lawyers 4(1%). Under the category income type of respondents it was found that majority of the respondents fall under the category 30001-40000 117(39%) followed by 20001-30000 59 (20%), 40001 & above 49(16%), less than 20000 32(11%), pensioner 24 (8%) and no earnings 19(6%). Under the category family type of respondents it was found that majority of the respondents fall under the category joint family 234(78%) and nuclear 66(22%).

Indicators of CRM (Likert Scaling): for the purpose of ranking the indicators of CRM taken are as follows Cost of service, Scheme of tour, Accommodation provided, Food quality, Guide provided, Discount given, Insurance coverage , Mode of transport, Purpose of visit, Shopping , Customer expectation (CE) and Technological awareness. Among these indicators it was found that Insurance coverage was ranked first with a mean score (3.37) followed by Guide provided and Scheme of tour (3.11), Technological awareness (3.09), Customer expectation (3.04), Accommodation provided (2.88), Discount given (2.78), Food quality (2.67), Mode of transport (2.65), Cost of service (2.60), Purpose of visit (2.59) and finally Shopping (2.56).

Testing of hypothesis for demographic profile of respondents and indicators of CRM: With regard to the chi-square test at 5% level of significance, it is found that the p-value is less than 0.05 thus it is concluded that each variable had significant relationship, that is the null hypothesis is rejected and that the alternate hypothesis "there is significant relationship between the Demographic profile of respondents and indicators of CRM" is accepted.

Testing of hypothesis for customer expectation and indicators of CRM:

With regard to the chi-square test at 5% level of significance, it is found that the p-value is less than 0.05 thus it is concluded that each variable had significant relationship, that is the null hypothesis is rejected and that the alternate hypothesis "there is significant relationship between the customers expectation and indicators of CRM" is accepted.

XI.SUGGECTIONS AND RECOMMENDATION

Suggestions to Tourism sectors

1) Online negotiation with customers can help to find their needs and responds to their needs accordingly. It is one of the ways to acquire customers.

2) There should be extra support of assistances for uneducated customers.

3) To adopt customers, travel agencies should communicate to most of the engineers and government officers as well as to motivate other type of customers also.

4) There should be an extra support from government to give special fund to customers who does not have any income.

5) As most of the customer's tours are for pilgrimages, it is job of the tourism agency to arrange such tours in affordable packages.

6) The tourism agencies should implement various schemes with the association of state government because of that people will not only prefer the domestic tours but also prefer international tours.

7) If tourism industries provide more number of schemes such as tour for students, children, senior citizens, women, handicrafts and families, there is surely development in the tourism industry.

8) At all the stages in the tour, customers should get quick response from tourism agencies.

9) Insurance coverage should be applicable to all types of customers by all tourism industries.

10) It is mandatory to all tourism agencies to maintain good communication and to give response to customer enquiries.

11) Hospitality is the Indian culture. It is the duty of all tourism agencies to work in partnership with such hotels which will provide hospitality to customers. Hospitality should not matter with class of the hotel and the class of customers.

12) Companies are suggested to provide with full time guides to get better CRM done. As the tourism industry involves high "customer communication" and that too face to face. The guide should be full time and should cover all destinations as per assurance given by tourism agencies.

13) There should be appointment of Doctor in the tour to take care of customers; Tourism authority should organize a short work shop to give awareness of geographical and technological aspects of CRM to all customers.

14) Most of the customers are not preferred the same agency again and again so that it is recommend to them to provide quality services to maintain the customers as well as to maintain CRM.

15) The dissatisfaction of customers may come from the improper lodging, foods, services like tour guides, traveling comfort, and improper relationship management pre or post tour or in transit. It is the liability of all tourisms agencies to satisfy customers by overcoming their disabilities.

16) Every travel agency needs to acquire new customers, maintain old customer's and maintain relationship with them to improve the business. Agency must call to all customers again.

XII.CONCLUSION

Achieving the full potential of each customer relationship should be the major goal of every business (tourism sector). Customer relationship plays a major role in the competence development of tourism industries of India. The travel agencies are having different services (indicators) to offer for existing customers. Customers have some needs, expectations and dreams during the tour. If any tour operator fails to provide such needs, customers are not satisfied with agencies. Travel agency must have to provide the tourism services so that customers can happy and satisfied. Agency should provide efficient service for all type of customers. The concept of CRM involves developing a personal as well as a professional profile about each customer of a company. The main reasons identified for the adoption of CRM concepts and practices are increase in customer expectations and demand and affordable technological developments[7].

Customer's happiness also depends on by providing of fresh and delicious food. As Indian culture, hospitality is very much important for all customers. Customers care is also key factor as per their age is concerned. Every tourism company must have to give moral to customers in purchasing of items, carrying heavy bags of senior citizens in shopping, to provide cleaned and ventilated accommodations and provide dynamic guide to cover all destinations as per commitments. Transport facility should be easily available at any time. To call customers back for the next tour is a vital part of Customer Relationship Management. Customers prefer the same travel agency for the next tour if they are fully satisfied. Customers also need quick response from tourism agencies for their enquiries. For tourism agencies customer is a key element and thus CRM is the tool for developing services[8].

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XIII. AGENDA FOR FUTURE RESEARCH

1. Study on E-CRM in tourism sector in Tirunelveli district

2. Comparative study on CRM in all service sectors in Tirunelveli district

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