

CUSTOMER SATISFACTION WITH FRONT OFFICE: THE ROLE OF CUSTOMER RELATIONSHIP MANAGEMENT

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Abstract: When customer is the king and competition is cut throat companies have to adopt customization of products and services in such a way that long term relationships can be formed which also helps in satisfying the customers. Front office department plays a crucial role in satisfying customers because customer has maximum of its interaction with this department. In this paper by the help of a structured questionnaire relationship between customer relationship management and customer satisfaction with front office has been investigated by applying regression on the factor loadings of both the variables and a significant relationship has been found. This finding will be helpful to the industry in recognizing the impact of customer relationship management on front office satisfaction and further strengthening it.

Key words: customer relationship management, customer satisfaction, hospitality industry

Introduction

Hotel industry is selling homogeneous products to its customers i.e room, the only way by which it can differentiate from its competitors is by focusing on the soft factors like customization, personal treatment, attending to their needs and preferences. Front office has one benefit that it has an easy access to the data as guests register their details at front office during the time of check-in and some hotels also take detailed information to make their stay comfortable and enjoyable. This database can be used as a base to establish and maintain long term relationship with the customers and deliver them quality service so as to satisfy them.

One of the major changes in today's business environment is that hospitality organizations are showing increasing interest and orientation towards customer relationship management. Organizations are ready to invest in relational information technology. But for successful implementation of CRM cross functional working, coordination between different departments and at times even structural change is required. Data banks which have been made by capturing customer information have to be used efficiently for building customer relationships. In the same context Baldwin in 2006 in his study propagated that for successful implementation of customer relationship management business strategies have to be customer centric and people, technology and processes have to be integrated carefully. By delivering the quality service in the way the customer wants leads to customization and gives a sense of belongingness to the customer which acts as a base for customer satisfaction and further leads to customer retention. Front office being one of the crucial departments, an attempt has been made to study the relationship between customer relationship management and satisfaction with front office.

Review of Literature

Light in 2003 said that customer relationship management establishing and managing customer relationships in an organized way.

Barsky and Nash in 2003 recognized the importance of identifying and anticipating the needs of customers because it helps to satisfy them. They also summarized that the organizations which understand and satisfy the customer needs and wants are able to earn greater profits as compared to the ones who fail to do the same.

Zineldin in 2005 in his study also suggested that CRM is the key to build a strong competitive position but for that one has to concentrate on the quality of services being provided and the value added to the product by creating tangible and intangible elements to the core products through enhancing the product surroundings.

In a study on hotel industry by **Light** in 2003 it was established hotel has many such departments which come in direct contact with the customers while delivering the service known as touch points and lots of information about the customer can be collected during the interactions. CRM is of the objective to use that information about customers collected on various touch points which helps in establishing and maintaining long term relationships with the customers. It was also proposed in the study that chances of long stay with the organization depends on how happy the customer with the service and overall product.

Thompson in 2005 summarized his study by stating various benefits of customer relationship management like higher levels of customer satisfaction, reduction in cost of sales, rise in profitability, higher sales revenues and customer retention.

CRM is not only a marketing activity but for its successful implementation it has to be integrated in all the operations of the organization (**Piercy, 2009**). One of the most important element in CRM implementation is gaining customer knowledge and using it for creating added value (**Boulding, Staelin, Ehret and Johnston, 2005; Canhoto, 2009**).

One of the most important objectives of using customer relationship management strategies is increasing the satisfaction level of customers. Quality of service provided by different departments of Hotels play a significant role in satisfying the customer. CRM aims at connecting with the customer by recording the likes, dislikes, preferences, even the personal database is maintained which helps in understanding their buying behavior, spending patterns. Front Office plays a crucial role in maintaining long term relationships by paying special attention to their specific

requirements, tracking their visits, taking their feedback, keeping a record of their birthdays and anniversaries. So, the customer encounters with different departments plays a important role in customer satisfaction and also CRM if implemented successfully helps in increasing the satisfaction level of customers. Many studies have been conducted to study the relationship between these two variables but this study has tried to make a new attempt to study the relationship between CRM and customer satisfaction with front office.

RESEARCH METHODOLOGY

OBJECTIVE

The main objective of the study is to examine the relationship that exists between customer relationship management and customer satisfaction with front office.

DATA COLLECTION

SECONDARY DATA

Secondary data has been collected by reviewing research articles, papers, books, case studies newspapers, magazines, proceedings of the conferences etc

PRIMARY DATA

For collection of primary data a structured questionnaire was developed which was pre tested. To achieve the objectives of the study the questionnaire has been divided into three parts. The first Part A has been made to collect the diverse demographic details of the respondents. Part B of the questionnaire comprises of the questions related to customer relationship management. Part C of the questionnaire consists of question related to customer satisfaction with front office.

SURVEY SAMPLE OF THE STUDY

The survey sample includes the guests visiting five star and five star deluxe hotels in Delhi, Gurgaon, Noida and Faridabad. A total of 700 questionnaires were sent to five star and five star deluxe properties in NCR and we got back 600 questionnaires out which 525 were complete and worth using for analysis.

SCALE TO ASSESS CUSTOMER RELATIONSHIP MANAGEMENT

The first part of the scale consists of four questions which are related to behavior of the hotel employees towards the customers, six items are directly related to complaint management system of the Hotel, six questions are pertaining to understanding the needs/ specific requirements of the guests, six items are associated with personalized treatment given to the customer and seven items are related to effective and regular communication with the customers regarding new products, wishing birthdays etc. The scale used in the questionnaire is five point likert scale – strongly disagree, disagree, indifferent, agree and strongly agree with scores assigned 1-5. All these items in first part of the questionnaire are pertaining to various parameters of customer relationship management.

Part B

ITEM TO ASSESS PREVALENT LEVEL OF CUSTOMER SATISFACTION WITH FRONT OFFICE

Sr. No.	Item No.	Description of Items	Response Categories and weight assigned to each category of Response				
			SD 1	D 2	I 3	A4	SA 5
1	1	I am satisfied with the overall front office service.					

DATA ANALYSIS AND DISCUSSION

CUSTOMER RELATIONSHIP MANAGEMENT AND SATISFACTION WITH FRONT OFFICE DEPARTMENT

To examine the relationship between customer relationship and satisfaction with front office regression was applied on factor loadings of customer relationship management and satisfaction with front office using SPSS 18 version and following are the results.

TABLE: 1.1

MODAL SUMMARY OF REGRESSION BETWEEN CRM AND FRONT OFFICE SATISFACTION									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
dimension0 1	.640 ^a	.410	.409	.60536	.410	362.948	1	523	.000
a. Predictors: (Constant), relationship									
b. Dependent Variable: I am satisfied with overall front office service.									

In table 1.1 the higher value of R .640 indicates that there is a significant and positive relationship between customer relationship management and satisfaction with front office where as R square (.410) and adjusted R square (.409) connotes the strength of relationship. This value establishes the variance in satisfaction with front office accounted by customer relationship management which is 40.9%.

TABLE: 1.2

ANOVATABLE OF REGRESSION BETWEEN CRM AND FRONT OFFICE SATISFACTION						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	133.007	1	133.007	362.948	.000 ^a
	Residual	191.660	523	.366		
	Total	324.667	524			

a. Predictors: (Constant), relationship
b. Dependent Variable: I am satisfied with overall front office service.

In the above table F value 362.948 and associated p value .000 shows the strength of relationship between customer relationship and satisfaction with front office. Front office is a department in which employees have direct interaction with the customers, they are considered as face of the institution. So, satisfaction with front office and customer relationship management has a significant relationship and customer relationship management strategies if implemented successfully can have a positive impact on satisfaction with front office.

Conclusion

Front office is one of the key departments of Hotel which has maximum interaction with the customers. This department collects and maintains the database of detailed customer information which helps in establishing customer relationships. The study also concluded that there is a significant relationship between CRM and customer satisfaction with front office. So, if CRM strategies are implemented in an efficient manner can help in alleviating the satisfaction levels with front office as the variance in satisfaction with front office accounted by customer relationship management which is 40.9%.

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