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## A Shift from Conventional CRM to E-CRM Services in Hotel Industry: A Qualitative Approach to Signify the Importance of I.T. Enabled Business

S. Chitra Nayagam

Faculty, Department of Computer Applications, Don Bosco College, Panjim, Goa, India

### Abstract:

*E-Customer Relationship Management (e-CRM) is an enhanced version of Customer Relationship Management (CRM) where I.T. tools and techniques, when applied appropriately would benefit the Hotel Industry to provide enriched information and a long lasting relationship with the valued Customers. To set a benchmark in the Industry, any Business Organization must employ technology based strategies and tools which when implemented would yield an enormous amount of profit and also lead to a sustainable growth. Hotel Industry which is one of the largest backbones for Goan Economy should be given the utmost importance for its growth with Information Technology as a tool. This research paper proposed the significance of I.T. enabled CRM considered as e-CRM by conducting a qualitative study. Few mobile apps for Hotel bookings have been considered for the research study and have randomly analyzed some few hotels' website and the information related to Customer Relationship Management. Customer Reviews which are posted on the apps by the loyal customers gave difference in opinion with regard to the hotel's brand name. This would weaken the business in a long run if the hotel's online information gets neglected by the authorities by just following the conventional methodologies. As the technology has necessitated the customers to get any information by just a click using their hand held devices at any time, the strategies to sustain the growth of the hotel industry has to implement effective I.T. techniques. The research has identified both affirmative and negative opinions of some novel and loyal customers and the results are stated in this paper. The growth of I.T. is rapid as well as the tourists arrival in Goa is also considerable increasing day by day, the study has proposed some suggestions to improve upon the current services been offered by the Hotel Industry. The implementation of much improved I.T. enabled services would definitely increase the growth of the Industry in a better way and also would emphasize the need of modified and customized services in future.*

**Keywords:** CRM, e-CRM, mobile apps, tourism, hotel industry, I.T. services, ICT

### 1. Introduction to e-CRM

“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 [1]”. The objective of CRM is to enhance the marketing techniques by improving the efficiency of it. This should be achieved economically with limited time consumption by understanding the Customer's behavioral pattern. Due to the technological development, the traditional CRM has taken a better form as e-CRM through internet as a medium. This technological advancement which gave new shape to CRM could help in achieving the goal of CRM by reducing the marketing cost and time delay.

CRM process in e-Commerce can be very effective in understanding the Customers' behavior and preference through automated process. There will an overwhelming response from the customers if e-CRM process is effectively applied to perform proactively rather than in a reactive manner. Instead of having “Help Desk” to solve customer's problem there can be a methodology which could prevent customer's problem before the problem comes in to reality. Moreover practicing the e-CRM techniques in an effective manner could be beneficial to arrive at inexpensive, time saving and an accurate proactive solution for a customer's problem before it comes into reality.

### 2. Importance of e-CRM in Tourism

Tourism Industry which is one of the biggest revenue generating industry for the state like Goa ought to focus more on Customer Satisfaction especially in Hotel Industry. Though e-CRM has been introduced for long time, has not been widely practiced in many areas including Hotel Industry. Most of the e-Commerce websites for room booking, checks for the availability of the dates by accepting only customer's personal details like Name, Address, Number of People, email id, Contact number as inputs. In addition to the above, there can be details about Age or Date of Birth, preferences if any which could have been collected through the online registration form of the Customers.

The preferences vary from customer to customer like a Female Business tourist may look out safety, Leisure Tourist looks out for entertainment landmarks or sightseeing spots and Medical Tourist may look out for medical help. In the same way an elderly tourist priorities might be different from a youth. If the hotels could take care of each and every customer needs individually, then the relationship with the customer would undoubtedly be strengthened. Furthermore an email confirmation is a must for every customer bookings. Sending reminders to customers regarding their visit and hotel booking dates at least two days in advance is an added advantage for enhancing the customer relationship. This can be achieved effectively by an automated system that could generate email by checking the booking dates. Customer retention can be achieved greatly in this fashion which in turn improves the loyalty of the customer.

Menu options such as Frequently Asked Questions (FAQs), Feedback, Customer Reviews, Contact Us, About Us etc. available on the hotel's website should be effective and should contain latest updated information. The Feedback should be often be reviewed by the Admin of the website and acknowledged to the customers. FAQs should be checked and replied without fail frequently. These regular activities could enhance the relationship with the loyal customers and are only possible within the stipulated time frame with the help of e-CRM techniques and its related automated tools. Applying and practicing the mentioned menu options in reality will certainly help the hotel industry to achieve the objectives of e-CRM such as increasing the revenue, creating loyalty in customer and reduction in cost.

Moreover the website should have high speed page loading capacity, efficient navigation, reliable secured operation and catchy business content which are considered to be the essential factors for a successful e-commerce.

### 3. Anticipated features of e-CRM

e-CRM features can be enhanced to meet some unique needs of individual customers like customization of discounts and offerings based on customer's interest, use of Multimedia to have a virtual tour of the hotel and the rooms, available health care details for elderly customer and patient, booking options with secured payment gateways and varied payment option modes, product customization with preferences like opting the bed type, extra beds, food preference etc. These options can be a part of the successful e-CRM based automated hotel management system which when applied in reality gives a huge Return on Investment (ROI) in a long run.

The added services that are offered in the hotel exclusively for the regular customers, customized travelling services available for outdoor activities, pick up and drop facilities for the stay etc. are considered to be specific services and hence the information should be introduced and known electronically well in advance as these are the key factors for a successful e-CRM.

Besides all these, the online services should also reach the customers at their hands, as Information and Communication Technology (ICT) techniques are widely been an essential factor for any business in the recent days. The hotel should have mobile apps for booking which improves e-CRM in a larger scale, as it gives an added status for the hotel. As most of the customers do possess open source operating system based mobile apps, it is indeed an essential need for the hotel to offer online services to be available on such hand held devices. The reminders, discount offers and other customized services can also reach instantly through SMS or email to the customers with the implementation of Business Intelligent Software to these hand held devices. The Small and Medium range hotel industries especially should change their traditional methodologies and should adopt the ICT techniques to meet the increasing technological needs of the customers to accomplish large profit in their business.

Relating the customers through various social media and updating them frequently with the hotel's new services or products that has been launched, recent discount offers and any other information related to the customers also increases the reputation and profit of the hotel.

### 4. Survey of Literature

There are quite a number of automated tools available to enhance e-CRM technique and some of them are specially designed to meet the challenges of tourism industry. Implementing the technology based tools to improve e-services in the hotels would attract more loyal customers and in turn would benefit the sale of tourism products.

*Salesforce* [11] package offers a wide range of services for CRM. It not only manages sales process and can keep track of leads, but also ensures the follow-ups at regular intervals which are essential criteria for e-CRM process in hotel industry. Another simple to learn and yet fastest tool is Blogging tool such as *Wordpress* [11] which creates blogs for the business in no time. Implementing such a tool could be an ideal way to reach out to the customers and can be used to launch any new product or offer any special packages been introduced by the hotel within stipulated time.

Adapting some of the Open Source simple tools like *Thunderbird* [11], an email app featuring most of Microsoft's Outlook which is free but offers an intelligent message tagging and a fast integrated search system could be a prudent approach. Another tool is *Yahoo Zimbra Desktop* which is an offline version of Zimbra's Web-based email manager consisting of various features like contact manager, a calendar, to-do-list etc.

There are also other automated tools available specifically for Hotel Industry. *ZDirect* [9], is one such tool and it comprises of various options to improve E-CRM for Hotel Industry. E-CRM database option in the tool assists to group and control the various operations of the organization. It offers centralizing the marketing database of the customers to best optimize the communication through email with the intention of targeting the relevant customers to improve the revenue and deliverability based on customers transactions. This tool also provides option which builds the Guest Profile automatically by streamline the data collection process. Careful use of this tool provides insight into the Customer's buying behavior, history of his transactions, personalized preferences if any. Other features

of the tool include identifying the buyer personal likes and help to create customer segment lists to promote timely offers and discount for sending effective email instead of bulk email.

## 5. Research Methodology

The Research was conducted to check the appropriate use of Technology such as Mobile Apps been used effectively for CRM in Hotel Industry. A qualitative research method has been chosen to analyze some mobile apps for online hotel booking to check the implementation of e-Customer Relationship Management through mobile app observation. The research has majorly analyzed AGODA app and CLEAR TRIP app where both of them has slightly different format for hotel bookings. This research focuses only on Goan Hotels.

AGODA app is a Simple app showing hotel bookings worldwide. Selecting Goa it shows the availability of rooms with price and discount offers. It has the provision to check the availability and room rent in different currency. It lists the hotels through 2 main options – one through Google maps initially from the nearby location of the mobile user and through search option which helps the tourists after reaching the location also. It also offers special deals for online booking through Mobile such as *mobile deal*. It lists the hotels with star ratings including rate and location of the hotel.

CLEAR TRIP app is a similar app but it has an effective additional feature i.e. Guest Review page and has posted the true reviews as it has listed both positive and negative Reviews with Customer details and date details. Most of the other features for booking look similar to AGODA app.

## 6. Data Analysis and Interpretation of Result

AGODA app is analyzed first on online observation. In this app by selecting the hotel, we can see the various images of rooms and other facilities, Reviews of customers, Map, Customer's Like such as location, places to visit etc. Then Room Types with discount and availability detail, Room features and Hotel Facilities inclusive of extra charges if any are listed. Common facilities such as Car Parking, Bar, Restaurants, Laundry, Tours, Lockers, Currency Exchange, Dry Cleaning, Safety deposit boxes, Family room, Airport transfer, Room service, Pool, Wi-Fi access, Sports and Recreation etc are provided if exists for each hotels. It also includes Hotel Policies, Useful information such as distance from Airport, check-in and check-out details, total rooms in the hotel, room voltage, which year the hotel was built and description about the Hotel.

Most of the hotels have the common facilities related to general leisure tourists only. Facilities such as women safety, elderly people, Medical facilities etc. are not mentioned. Information about the availability of Transport for pick up and drop facility will be provided by the hotel's transportation or not is missing. Sinq Beach Resort has listed few unique facilities like Business Center, Facilities for disabled Guest, 24 Hour front desk etc.

Cidade de Goa, Panjim, Resort Rio located at Baga has some special facilities like Babysitting, Casino, Elevator, Facilities for Disabled guests etc. The details in the Hotel policies include Brunch facility, Extra bed availing facility and its charges etc. is available.

Sea Mist Resort located at Cadolim has an added facility of Chapel attached with the hotel. Lemon Tree Amarante Beach Resort, Vadi-Candolim has mentioned some facilities like Kids Club, Baby sitting, Newspaper, Printer, etc. along with the other facilities which seems to be different. It also prominently highlights the discount offer on its home page.

Chances Resort and Casino at Donapaula and Machada's Cove at Vaugunim Beach has Meeting facilities and Casino facility. Vivanta by Taj Hotel has facilities such as Babysitting, Steam room, Hot Tub, facilities for disabled Guests, Shuttle play area which are mentioned seems to be special.

Even though some hotels have provided their unique facilities available at their hotels, most of the information related to customized facilities is missing online. There is no FAQ's, online Chat room or discussion room and also Special preferences if any which needs to be provided by the Guests is unavailable on the app.

Considering the CLEAR TRIP app, it has highlighted all the facilities on the hotel's First Page while selecting a particular hotel. It has focused on Customer Review page on the Menu option of each hotel.

The Hotel Deltin Suites customer Review has depicted a negative picture about the hotel related to Customer Relationship. It has elaborated the bitter experiences of a Domestic Guest who was on a family trip to spend his leisure time was not attended appropriately on his check out day which happened to be a nationwide strike day. No transport facility was arranged by the Front Office to Airport. Extra charges were also collected for his delay to take the next flight. Although the hotel has a stardom status, the Guest has mentioned that the authorities did not bother to arrange an alternate arrangement for him. The same hotel has another negative Review by a Customer about the unattended Help Desk and poor housekeeping and room services. The same hotel has a very good review in AGODA app.

Sea Mist Hotel's Customer Reviews have recommended the hotel for its cleanliness and other facilities which is a compliment for the hotel. Reviews also mentioned the hotel's beautiful location as it is surrounded by beautiful Churches.

Lemon Tree Amarante Beach Resort has some special facilities listed in the app that includes Travel Desk, Beauty salon, wheel chair access & doctor on call for emergency. It also allows flexible check-in and check-out with nominal charges. The hotel's customer relationship was highly complimented and recommended by many customers. It has also mentioned that the staff team includes disabled persons but it had a slight negative remark on housekeeping. It had also a review that the check out is slow and the perplexing bill preparation that annoyed a budgetary customer.

The factors for Customer Relationship such as sightseeing cost, minimum number of days to visit the place, Culture Based preferences both for Domestic and International Tourists etc. are not present in any of the hotels which are considered to be the powerful ways to connect to Leisure Tourists. There are lots of cultural activities and preferences in our own country and Goa being an International Tourist Destination should focus on the above mentioned factors through Internet. Starting from Food Menu to other Leisure activities differ from culture to culture and should be taken into consideration for Customer Relationship with utmost cares and provide the novel tourists with adequate information which are missing in the apps.

## 7. Conclusion and Recommendations

The research study has identified the missing aspects of Customer Relationship Management for the contemporary world. Treating the Customers in the traditional methodology without employing effective Technology would lead to failure of any business in the fast changing world. The Information is required for everyone at all times on a 24X7 e-commerce method by just a click fashion. Customization, Personalization, Speedy results, Cost effective Services, Attractive offers are some of the significant need of most of the Customers for any business and primarily in the tourism sector.

Effective and regular use of automated tools for CRM by the Hotel Industry can enhance the quality and can benefit the business in a long run. Implementing *Salesforce.com*, an e-CRM tool requires some training period but it is cost effective for long run and is available at an affordable price. As mentioned earlier the benefit of using this tool would be enormous if used properly. Other automated tools mentioned in the literature review would also be a boon to increase the benefits of e-CRM in an effective manner.

The reviews posted on the apps cannot be overlooked but should be taken with utmost care to avoid future downfall. The brand name alone cannot take over the business in a long run; rather it might give way for the competitors to come up easily. Any business which is technologically behind would loosen its highlighted strength rapidly in this highly informative endeavor world. Not to forget the Customer Satisfaction which is the primarily goal of CRM technique, the strategies to improve it, should also be strengthened by enhancing the features of e-CRM through some latest automated tools.

Automated reminders of the check-in date and time at least three days in advance, informing offers introduced for any special occasions to the loyal customers, collecting online feedback from the customers regarding their experience at the hotel, online suggestions if any etc. would create emotional and personal touch on the customers as well as honest reply could be retrieved from them without any hesitation unlike face to face interaction in case of specific negative comments. This would also increase the trust and confidence level of the customers and gives an impression of rectifying the faults by the concerned authorities. Most of the hotels overlook the importance of IT enabled services and relying only on their actual services through their brand names and the chain of hotel networks which they are enjoying for a number of decades. Not to forget the fall of many businesses in the New Millennium due to outdated services and technologically weaker method followed in their business, the hotels in Goa too have to be cautious enough to realize and react to meet the upcoming real time challenges. The e-CRM tools and techniques also should be given equal importance like their brand names and the hotel should also use the appropriate ICT enabled methods to improve their quality of services and to maintain them up-to-date.

FAQ's which is often missing in most of the hotel's website should be included and updated on the website frequently as the novel customer could benefit with the similar query asked by someone else. The New Questions posted should be replied without much delay and this could gain confidence of the customer. Provision to specify some unique facilities and preferences request by the customer could be clarified well in advance through this feature and hence avoid any misapprehension later. The customers get a clear view of the various services of the hotels before the actual stay. This would also increase the loyalty level of the customer in a long run. These features also reduce the burden of Help Desk as it prevents any problems to prevail and also it leads to a human independent and hassle free environment.

The feedback and reviews given by the customers should not be neglected but are supposed to be taken utmost care to improve the quality of staff and services offered by the hotel which in turn would yield a significant profit in a long run. This is also a good policy to improve customer loyalty.

Customization is yet another factor that improves CRM where individual preferences for food, internal services, external services etc. would vary from customer to customer depending on culture, age, gender, health etc. Considering the culture, there are lots of variations for domestic and international tourists especially in the Goan tourism industry. The food habits too differ based on culture and even the domestic tourists have different preferences based on the state they belong to. Customization is trouble-free if known earlier and they are allowed to give their preferences or through online menu much earlier through the online information available on the website. The age factor is important as the elderly customers face a lot of difficulty such as climbing the stair case in case of improper condition of lift facility, unavailability of lifts after being arrived at the hotel. Woman safety is the supreme concern everywhere and if the hotel could give preferences for this matter and guarantee the safety of women beforehand through customization, it would gain maximum credentials to the hotel. The provision if any available in the hotel for the specially challenged customers should be prominently been mentioned through the online information of the hotel. Medical facility available in case of emergency should be mentioned and known to the customers especially for those families with elderly people and kids.

Most of the suggestions listed above might seem to be insignificant but it will have a profound effect on the hotel's growth. As mentioned in the data interpretation of result section, where a particular hotel has lots of negative comments on various factors, most of them are overlooked till now. In the Reviews column, a customer has stated that after his bitter experience over the hotel stay at Goa that belongs to a particular international group, has cancelled his booking of the same hotel at a different location in India. This would have a severe negative impact on the hotel's reputation and would give a negative image to the novel customer who would

prefer the hotel. Another review specified the difficulty faced by the elderly parents of a customer who went on a family trip to a hotel which had lift problem and made to check-out early before their actual plan. These factors reveal the reality of the experiences of a trust worthy customer and should be noticed by the concerned authorities which need a serious inspection.

Effective online information, frequent updates, timely replies to customers' feedback and improved online services to satisfy the customer would definitely yield a better prospect of a hotel in a long run. Business which includes effective I.T. enabled services along with potential human services alone can set a benchmark in the future, as technology has become part and parcel of our lives. The hotel industry in the tourism sector should consider this issue seriously and should enhance its' I.T. enabled services in a much better way for a successful and a sustainable growth.

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