CRM AND BRAND LOYALTY IN HOTEL INDUSTRY

Ruchi*

ABSTRACT

A hotel industry is primarily a service sector and emphasis is given on the role played by relationship marketing to earn customer loyalty. Loyalty denotes not only preferential chive by the customers but also recommendations to other customers and repeated business from the same customers. In hotel business thus customer relationship management (CRM) is a strong tool for building loyal customers. It is more than customer care and comfort. It is not one time effort but requires innovative CRM for customer loyalty. The present paper aims to analyze the CRM followed by four hotels in NCR for creating customer loyalty. The result has been achieved by primary data through structured questionnaire and interview of customers in all the said four hotels.

Key words: Customer relationship, Customer loyalty, hotel business

*Asst. Prof. Satyawati College (eve), University of Delhi ,Delhi, India.

INTRODUCTION

"Customer satisfaction is defined as the individual's perception of the performance of the product or service in relation to his or her expectations".

Hotel industry is a service industry. It sells its services and the more quality services it provides, the more is going to be its revenue. Top management embraces reality by acknowledging, communicating and acting upon three basic truths:-

Customer satisfaction is the ultimate goal: There is no higher achievement than to satisfy the Customer whom an organization has committed itself to serving. This doesn't mean that the organization become a not for profit industry. Profits and revenues are nothing more than the outcomes of fulfilling customer's needs and expectations.

Customer satisfaction as an investment: Customer satisfaction process does not often produce results in the very short term. Rat her the payoffs are usually realized in the medium or long term.

Everyone must be involved in customer satisfaction: All personnel have the capability, at some level, to influence customer satisfaction. Top management must communicate exactly how personnel should interact with the customers to achieve higher customer satisfaction level.

There are various contact points where the hotel comes in direct contact with the customer that are known as "Touch points". These touch points are considered important as there is direct interaction with the customer and they provide valuable input to the hotel and this input provided by the customer has to be captured in such a way that it becomes information and can be used by various process within the hotel. This can be done with the help of technology and the aim is that whenever there is a customer interface with any of those processes they are able to use that information in servicing the guest in a most efficient manner.

HOTELS IN NCR

Tour to India is perhaps the most talked about tour in the world. A holiday without a comfortable stay seems to be incomplete. Here is where the importance of hotels and Indian hospitality industry comes into picture. The India tour has gained momentum with time on account of its efficient and professional hotel services.

With time NCR India has made an indelible mark in the area of hospitality. The deluxe / luxury, first class & budget Hotels offers various accommodation options along with the contemporary facilities at par with world standards and comes with expected comforts. From a business traveler to a leisure traveler, the hotels in NCR offer a wide choice of rooms for short as well as an option for long stay. Some of the top end hotels of NCR have also been honored with international awards and now-a-days lot of Hotels are featured by reputed top International travel magazines as must stay city hotels.

The various Group of Indian hotels and Chains like Taj Group of Hotels, The Oberoi Group, ITC Welcome Group, The Park group, Sarovar Park Plaza Group, Oberoi Trident Chain, Welcome Heritage, Radisson India, Le Meridien India, Ambassador group of hotels, HRH Group of Hotels to name a few others have carved their niche in the arena of Indian hospitality industry and thus have placed India as one of the most happening tourist destinations in the world. Some of the well known Indian Chain of Hotels / groups of Hotels are adding newer properties within India but they have also expanding their reach by opening their properties at par with world standards abroad ,thus creating a hallmark in the hospitality industry at an international level.

RELATIONSHIP MANAGEMENT IN LE MERIDIEN

Relationship Management is a business strategy to select and manage the most valuable customer relationships. RM requires a customer-centric business philosophy and culture to support effective marketing, sales and service processes.

Tactically, where do we start? The customer relationship management in Le Meridien is typically looks like:

Statistically valid customer satisfaction measurement. From the very top of the organization, there is a commitment to CRM including customer satisfaction, employee satisfaction and a desire to have one voice to the customer.

Integration of customer information. The process of extracting customer data from legacy systems (i.e., the property management system) and integrating all the databases in the property that contain guest information is complex and time consuming. The data sources may include guest history, external guest profiling systems, restaurant club programs, sales and catering system information and other data.

HOTEL OBEROI - LOYALTY PROGRAMS

THE OBEROI'S 'TOP' - This loyalty program running for the last 12 years, is a unique program consisting of exclusive privileges and benefits especially designed to recognize and reward regular guests of the Oberoi's Group.

MEMBERSHIP LEVELS

There are two levels of membership: TOP level and silver level. On joining, the customer will enter at the TOP level. At this level he earns 25 points per Rs. 1000 of eligible spend.

Once he accumulates 4000 points during the one full year of membership, he will automatically receive a Silver Card. At this level he will earn 30 points for every Rs. 1000 of eligible spend and additional privileges.

To stay at the Silver level, he has to continue to accumulate 4000 points during each year of membership.

HOTEL VASANT CONTINENTAL

Relationship Management is a business strategy to select and manage the most valuable customer relationships. Relationship Management requires a customer centric business philosophy and culture to support effective marketing, sales and service processes.

Tactically, where do we start? The customer relationship management in Vasant Continental is typically looks like:

Valid customer satisfaction measurement : From the very top of the organization, there is a commitment to Relationship Management including customer satisfaction, employee satisfaction and a desire to have one voice to the customer.

Integration of customer information : The process of extracting customer data from legacy systems (i.e., the property management system) and integrating all the databases in the property that contain guest information is complex and time consuming. The data sources may include guest history, external guest profiling systems, restaurant club programs, sales and catering system information and other data.
The concept of homely feeling is the key for the success of this hotel.

OBJECTIVES OF THE STUDY

- The objective of this paper is comprehensive and comparative study of the guest satisfaction in established hotels in NCR.
- To study the CRM and its effects on customer loyalty in Hotels in NCR

REVIEW OF LITERATURE

*Barry Brown and Matthew Chalmers(Monicas 2003)-*Using the metaphor of 'tourist Problems' we explored the solutions that tourists use to arrange their visits. These solutions covered how tourists worked with other, used maps and guidebooks, and both pre- and post-visited places. We drew implications from this fieldwork for new technologies for tourists such as systems for remote co–visiting and electronic guides and maps. Designing technologies for tourists presents a number of specific challenges. Good tourist technologies are not only those that make tourists more efficient, but that also make tourism more enjoyable. As we discussed above, much of what is enjoyable about leisure is that it provides an opportunity to spend time with friends or family. In some senses, the leisure activity itself is less important than the fact that time is spent with significant others. Technologies that are woven into this sociality are likely to be used in preference to those that are not. Yet supporting sociality, sharing time and experiences together as part of friendships, may involve different technologies than those that support collaboration. One example of a system that does this is the Sotto Voce system, which allows visitors to an historic house to share a spoken commentary. The City project's system also addresses this, with support for co-visiting between groups of tourists and their friends at home.

*Dr Dimitrios Buhalis(Ibrahim 2006)-*Information technologies influence the strategic management and marketing of contemporary organizations, as a paradigm-shift is experienced, transforming the "best" business practices globally. ITs transform the strategic position of organizations by altering their efficiency, differentiation, operational cost and response time. In particular, ITs have stimulated radical changes in the operation and distribution of the tourism industry. Perhaps the most apparent example in tourism is the re-engineering of the booking process, which gradually becomes rationalized and enables both consumers and the industry to save considerable time in identifying, amalgamating, reserving and purchasing tourism products.

Ultimately, prospective tourists will be able to browse through the Internet and identify a rich variety of offers in order to make travel choices suited to their personal requirements. The focus is thus shifting towards individual travel and dynamic packages, targeting mini-

segments. The visibility of principals in the marketplace will be a function of the technologies and networks utilized to interact with individual and institutional customers. A closer co-operation is also required throughout the tourism industry, as well as a certain degree of standardization and interconnectivity. This will improve service and provide a seamless travel experience, whilst it will enable tourism organizations to manage their competitiveness within the new environment imposed by contemporary developments, such as deregulation and globalization.

(Mattila,2004)

Marketing mix modeling combines advanced econometrics with marketing science to objectively measure the relative productivity of a complete set of marketing programs or initiatives to produce transient tourism sales. Discussed and Demonstrated in this paper are the steps in performing such an analysis, how to avoid its major pitfalls, and the benefits that can be derived from the analysis. Extensions of the marketing mix method to include the effects of the social media and product driven strategies are briefly discussed.

The advertising and promotional budgets in most firms are a large line item. Hence, tourism researchers have given a lot of attention to identify advertising effectiveness and return on investment. Much experimentation has been made with aided recall designs, adding tracking mechanisms, and experimental designs, all in an effort to assess each investment's effectiveness in generating Sales and profits. The pitfalls and limitations are well documented. Even the click-through and view-through methods of advertisements can track. A unique visit from online display advertisements through the online point-of-sale is understood to produce inaccurate estimates of advertising effectiveness.

Williams (2006)-A lack of work on strategic issues and distribution processes in relation to travel and tourism has been already identified in the literature. The key reason for this is that up to recently marketing for tourism services has been focused not on the consumer, but on the destination or outlet, with marketing strategies being related to the products offered.

Riege and Perry (2000)- have proposed two strategic approaches that may be used in the tourism industry: the consumer-oriented approach and the competitor-oriented approach. The first approach refers to the use of a differentiated (target marketing) or undifferentiated marketing strategy depending on market conditions. The second approach focuses on competition where the role of marketing is to develop, maintain or defend the position of a tourism organization.

RESEARCH METHODOLOGY

Target population-Those who frequently visit the hotels and four hotels have been taken for the survey.
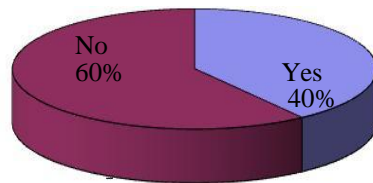
Sampling unit

A sample of 120 tourists is taken through structured questionnaire and personal interview.
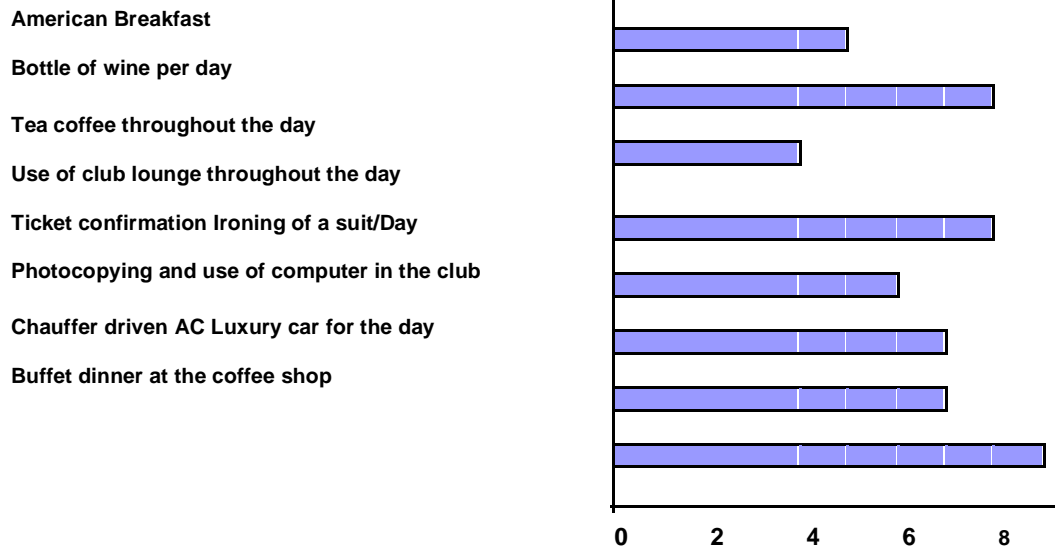
DATA ANALYSIS AND FINDINGS

Le-Meridien Hotel

**Are you currently on any packages? Are you aware of the benefits of the package?**

60% 0f the guests are not aware of the benefits and packages.

What are the benefits you are aware of?

American Breakfast

Bottle of wine per day

Tea coffee throughout the day

Use of club lounge throughout the day

Ticket confirmation Ironing of a suit/Day

Photocopying and use of computer in the club

Chauffer driven AC Luxury car for the day

Buffet dinner at the coffee shop

Many of the guests availing the package were not aware of the benefits with the package. A full documentation of the package should be given to the guest at the time of their check in.
Many people came to know about the benefits of the package from the magazines in their rooms. A list of benefits should be made available to all the guests using the scheme.
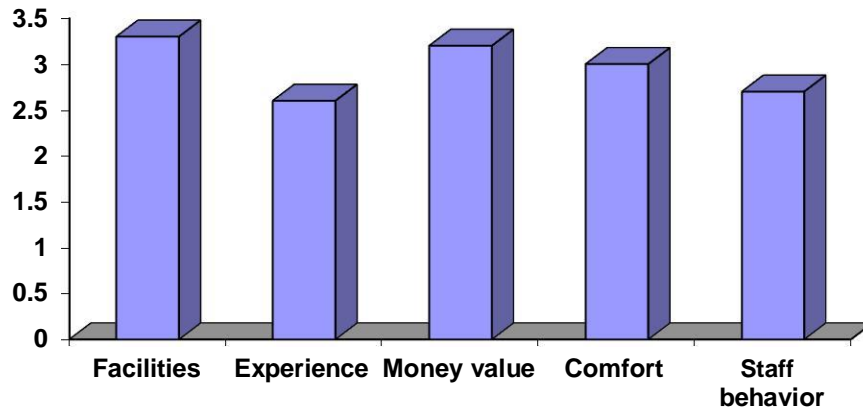
Rank the attributes accordingly in order?
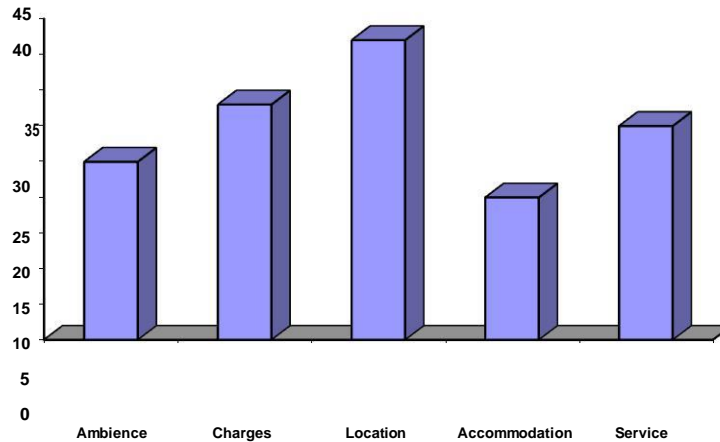
The tourists of Hotel Le meridien ranked the location of the hotel at No. 1

This part of the questionnaire refers to your feelings and comprehension of the value of your stay at this hotel. For each of the following statements, please tell us to what extent you agree with it. »1« means you completely disagree and »5« that you completely agree with the statement.

	I completely disagree		I completely agree		
	1	**2**	**3**	**4**	**5**
1.Facilities	1	2	3	4	5
2.Experience.	1	2	3	4	5
3. Staying at this hotel is worth every rupee paid.	1	2	3	4	5
4.Comfort	1	2	3	4	5
5.Staff Behavior	1	2	3	4	5

Most people love the facilities of Le Meridien and feels money spent on each and everything is worth it.
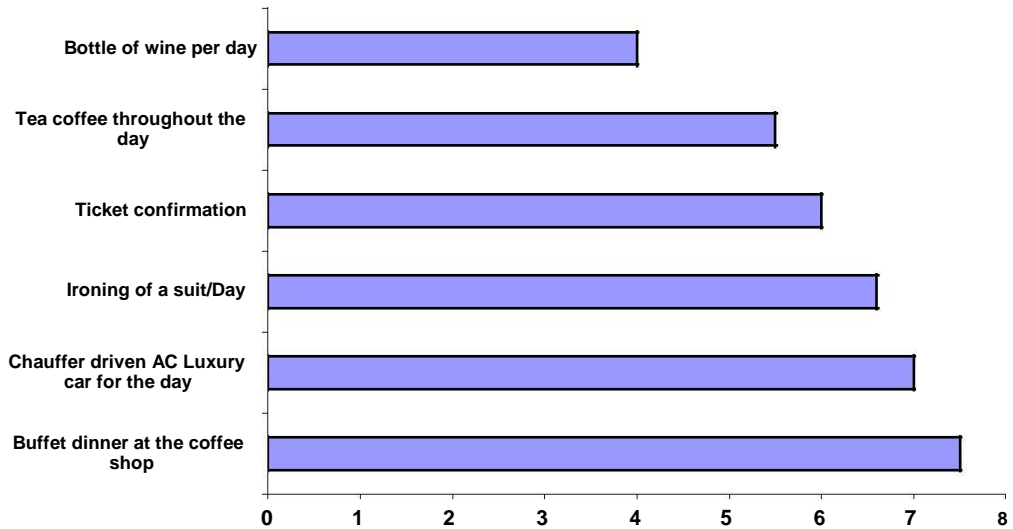
Oberoi's Hotel

Are you currently on any package? Are you aware of the benefits of the package?
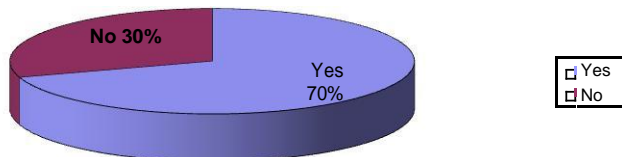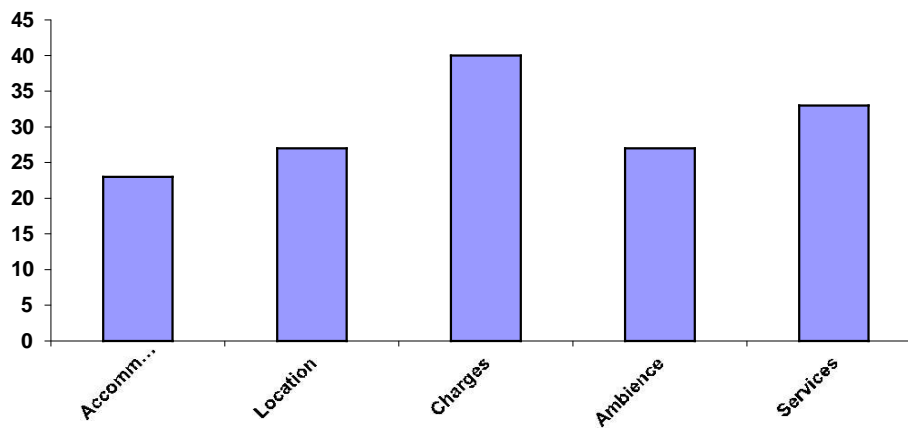

70% of the guests in Oberoi's are aware of the benefits and the packages.

What are the benefits you are aware of?

From the above graph we can see that most of the guests are aware of the benefits which hotel provides.
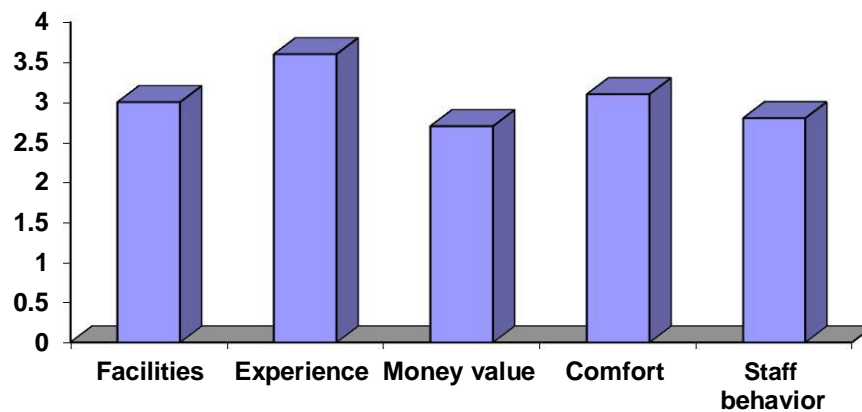
Rank the attributes accordingly in order?

According to this survey most of the people think that Oberoi'sservices are good and charges are rated accordingly.

This part of the questionnaire refers to your feelings and comprehension of the value of your stay at this hotel. For each of the following statements, please tell us to what extent you agree with it. »1« means you completely disagree and »5« that you completely agree with the statement.
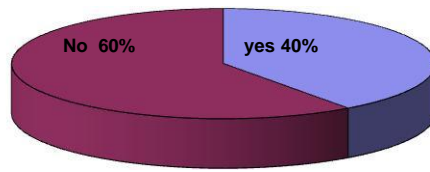
	I completely disagree		I completely agree				
		1	2	3	4	5	
1.Facilities		1	2	3	4	5	
2. Experience.		1	2	3	4	5	
3. Staying at this hotel is worth every rupee paid.		1	2	3	4	5	
4.Comfort		1	2	3	4	5	
5.Staff Behavior		1	2	3	4	5	

Most of the people love the experience and facilities of oberoi's hotel.
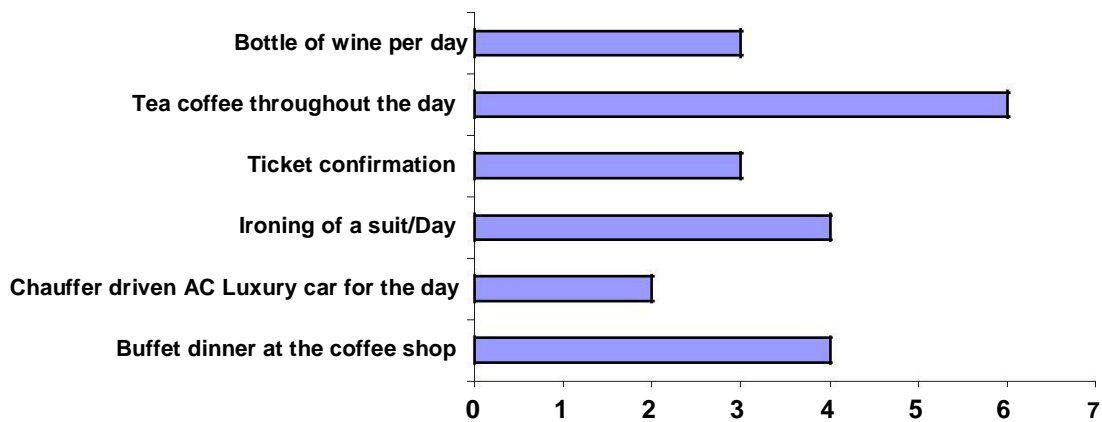
Vasant Continental

Are you currently on any package. Are you aware of the benefits of the package?

In Vasant Continental many guest who are on the package were not aware of the benefits with the package.

So it is recommended that full description of the package should be given to the guest at the time of their check in.

What are the benefits you are aware of in the hotel?

From the above graph we can make out that there are some benefits which are not known to the guests like complementary bottle of wine, Confirmation of railway and air tickets etc.
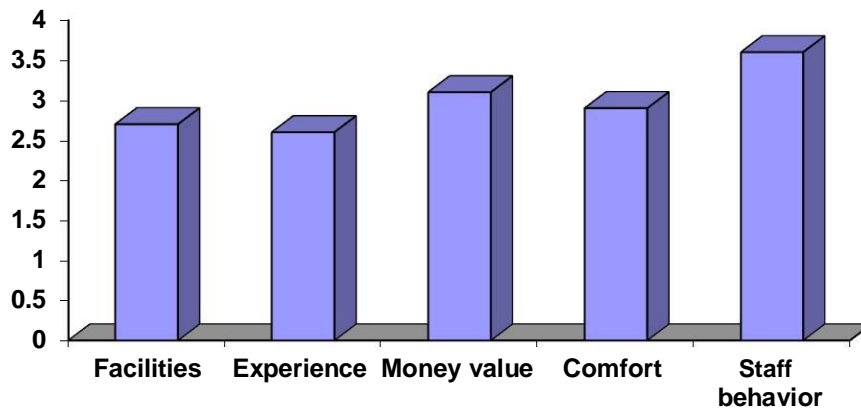
Rank the attributes accordingly in order?
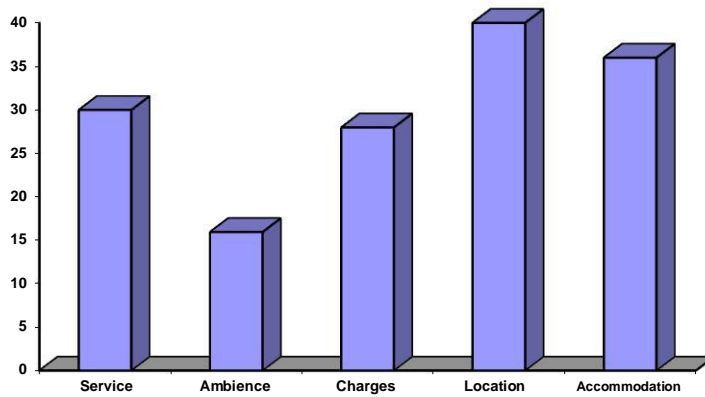
From the above graph it is depicted that Hotel Vasant Continental's rates high in location and accommodation parameters.

This part of the questionnaire refers to your feelings and comprehension of the value of your stay at this hotel. For each of the following statements, please tell us to what extent you agree with it. »1« means you completely disagree and »5« that you completely agree with the statement.

	I completely disagree			I completely agree	
	1	**2**	**3**	**4**	**5**
1.Facilities	1	2	3	4	5
2. Experience.	1	2	3	4	5
3. Staying at this hotel is worth every rupee paid.	1	2	3	4	5
4.Comfort	1	2	3	4	5
5.Staff Behavior	1	2	3	4	5

Most of the tourists like the behavior of the staff in Vasant Continental and the money value.
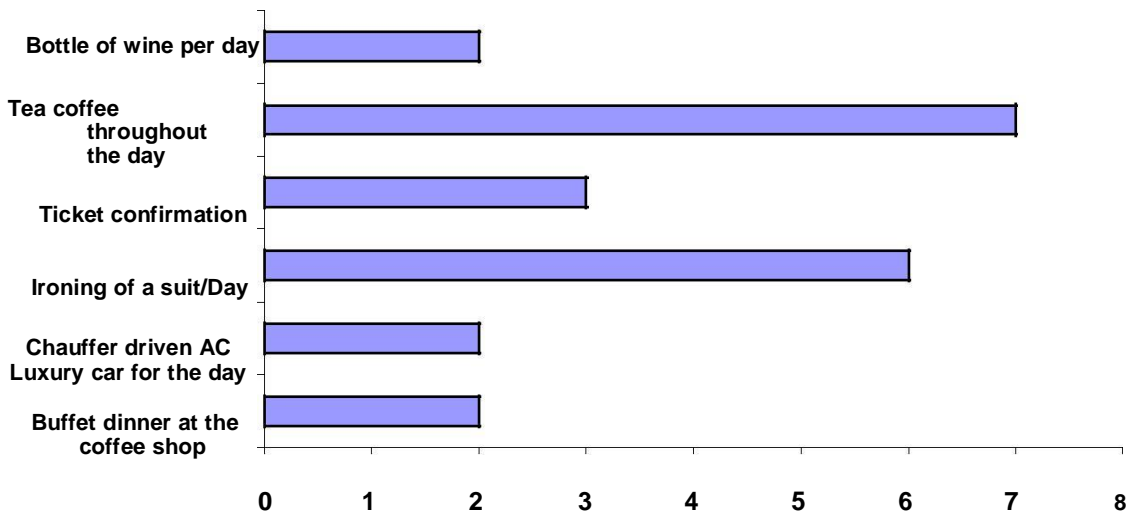
Radisson Hotel

**Are you currently on any package. Are you aware of the benefits of the package?**
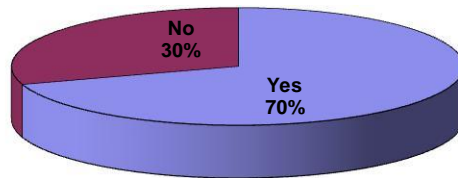
The graph shows that 70 % of Radisson customers are aware of the hotel's benefits of the package. In Radisson customer are in economic class so most of them are aware of the benefits with the package.

What are the benefits you are aware of in the hotel?

From the above graph we can make out that there are some benefits, which are not known to the guests like Ticket confirmation, Ac luxury car, Buffet dinner etc.

Rank the attributes accordingly in order?
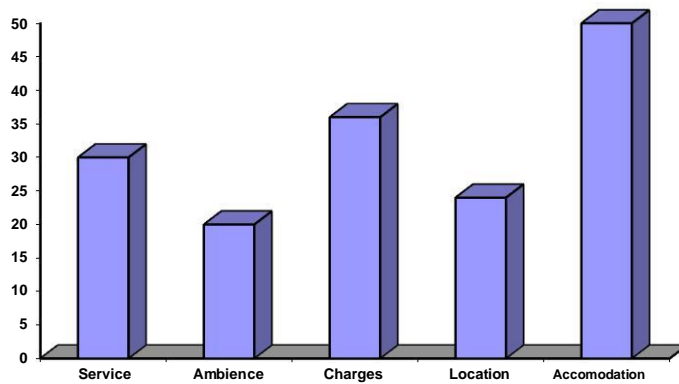
The graph shows that that Hotel Radisson Noida charges are economical in services and accommodation parameters.

This part of the questionnaire refers to your feelings and comprehension of the value of your stay at this hotel. For each of the following statements, please tell us to what extent you agree with it. »1« means you completely disagree and »5« that you completely agree with the statement.

	I completely disagree		I completely agree		
	1	2	3	4	5
1.Facilities	1	2	3	4	5
2.Experience.	1	2	3	4	5
3. Staying at this hotel is worth every rupee paid.	1	2	3	4	5
4.Comfort	1	2	3	4	5
5.Staff Behavior	1	2	3	4	5

As from the above it can be easily seen that Radisson is a cheap and best 5 star hotel in terms of money and comfort

FINDINGS

On analyzing the above information gathered about the four major hotels, I found that each of these hotels has immense potential of relationship management and have suitable systems in place to implement their strategies and practices.

Hotels offering similar discounts and rewards thus it's the recognition that a hotel offers to its

customers that makes all the differences. This recognition is that, which can be improved upon at all the touch points where the customer comes in contact with the hotels.

Comparison between the four hotels led me to the following findings they are as follows:

The Oberoi's

- The Oberoi's offers top loyalty programme , consisting of exclusive privileges and benefits to recognize and reward the regular guests of the Oberoi's group.

- Oberoi's was awarded the "best concierge awarded".

- Oberoi's membership consist of top level and Silver level.

Le - Meridien

Le - Meridien has more than 1000 employees working for it providing service shift wise. They have come out with the "different packages" which will provide better customer service.

- Hotel offers a range of meeting and banquet facility room, recreational facilities and many more, to enhance the comfort of its customer.

- Le - Meridien has a well maintained inventory record of all the guests with added facilities as has been mentioned in the promotional brochure. "PRIVATE LINE".

- Quality at the Le-Meridien is not just modern services and equipment. It is an everyday discipline. Total quality is ensured from arrival to the departure of guest.

Vasant Continental

- The service of this hotel run with a motto "you're among friends".

- Service, which are rendered here are more like in a homely atmosphere.

- Core services include food and beverages specialty restaurant and bar.

Radisson

The Radisson Hotel Noida is within walking distance to Noida's best shopping, entertainment and dining.

Travel desk with sightseeing tours is available round the clock, entertainment options around the Hotel- Centre stage Mall, WAVE cinemas, 18 hole golf course, tennis and squash facilities in walking distance.

Radisson's promotional activities include print media like newspapers, magazines etc. Like Oberoi's, Radisson too have a very well maintained inventory of its regular guests. They send New Year cards, invitation on different celebrations, etc to their guests.

The recreation alternatives at Radisson include Health Club with latest equipments, Spa with a range of relaxation therapies, steam, sauna and hydrotherapy, Beauty Salon, open air Swimming Pool, Jacuzzi and Guest memberships for 18 hole Golf Club.

While studying and analyzing the questionnaire the conclusion which is drawn.

In Le–Meridien, most of the guests are informed about the package from their travel agents. In Vasant continental hotel most of the guests were informed by the companies and Oberoi's graph shows that travel agents play important role in success of a hotel employees and the companies also play an important role in bringing awareness in the guests about the hotels and different schemes in the hotel.

In the Le-Meridien and Vasant 60% of the guest are not a regular customer, which means that the guests are not fully aware of the benefits and package, which are provided by these hotels. But in Oberoi's 60% of the guests are regular customers.

All the star hotels provide benefits to their guests but are the customer aware of those benefits?

The Oberoi's: it is observed that mostly customers are aware of the benefits like Chauffer driven Ac car or bottle of wine per day. Mostly customers are made aware of these benefits on their arrival time.

In Vasant and Le Meridien there are some benefits which are not known by the customers like using of the club, or about American breakfast or a bottle of wine per day.

In another analysis we compare these 4 hotels according to their service, ambience, facility, charges, location and accommodation. We have observed that in Oberoi's services are the highest among other three hotels. Charges are more or less the same in all the 4 hotels. But the facilities, which are provided in Oberoi's are much higher than the other three hotels.

Conclusion

By capturing the right requirements organizations can avoid failure of their relationships to the customer. However there is no golden formula, the focus should be on capturing the right requirements.

As experienced hoteliers know, a first impression sets the tone for an entire stay. When a positive impression is created, everything tends to go well thereafter. Make sure all associates services are provided to the customers on their arrivals so as to identify repeated guests that might recognize and later be able to greet by their name. Make sure that every guest is properly greeted upon arrival with welcoming statement, deliver sincerely with a warm smile and eye contact. Train your staff on effective verbal communication techniques including inflection and energy. Hotels must create customer loyalty by retention of the hotel in the minds of the customers in terms of their services, ambiences and image has to be constantly reminded to them, and for that, the hotels have to resort to serious advertisement and image enhancing campaigns.

Every business customer relationship makes good sense to be successful in making each individual customer as profitable as possible. We need to understand their value and growth potential. Good customer relation allows us to keep customers happy and satisfied and they will keep coming back to us, and for this we need to respond quickly to their unique needs and behavior. The better we know our customer, the more efficiently or effectively we can customize the offerings and thus make more profits in terms of customer loyalty.

BIBLIOGRAPHY

Tour & Travel agents

www.eraindiatours.com

www.indiatoursntravels.com

www.splendourtours.biz

www.indbaaz.com

References

AGRESTI, A. 1996: An introduction to Categorial Data Analysis, New York, John Wiley &Sons, 1996. ALBA, J./LYNCH, J./WEITZ, B./JANISZEWSKI, C./LUTZ, R./SAWYER, A./WOOD, S. 1997: BUCKLIN, R.E./GUPTA, S. 1992: Brand choice, purchase incidence and segmentation: An integrated modeling approach. Journal of Marketing Research, Vol. 29, No. 2 (1992), pp. 201-215.

DANAHER, P.J./MULLARKEY, G.M./ESSEGAIER, S. 2006: Factors Affecting Web Site Visit Duration: A Cross-Domain Analysis, in: Journal of Marketing Research, Vol. 43, No. 2 (2006), pp. 182-194. DELLAROCAS, C./ZHANG, X./AWAD, N.F. 2007: Exploring the Value of Online Product Reviews in Forecasting Sales. The Case of Motion Pictures, in: Journal of Interactive Marketing, Vol. 21, No. 4 (2007), pp. 23-45.

DENNIS, C./MERRILEES, B./JAYAWARDHENA, C./WRIGHT, L.T. 2009: E-consumer behavior, DHAR,V.,/CHANG,E.A. 2007: Does Chatter Matter? The Impact of User-Generated Content on Music Sales, in: Journal of Interactive Marketing, Vol. 23, No. 4 (2007), pp. 300-307.

GREENE,W.H. 2003: Econometric Analysis. 5th ed., New York: McMillian, 2003. GUNASEKARAN, A./MCGAUGHEY, R.E. 2009: Mobile Commerce: issues and obstacles, in: International Journal of Business Information Systems, Vol. 4, No. 2 (2009), pp. 245-261.

HAGEL, J., III/ARMSTRONG, A. 1997: Net Gain: Expanding Markets through Virtual Communities, Boston, Harvard Business School Press, 1997.