การบริหารความสัมพันธ์ลูกค้า (CRM) ของโรงแรมระดับ 4-5 ดาว ในประเทศไทย

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บทคัดย่อ

การบริหารความสัมพันธ์ลูกค้า (CRM) เป็นกลยุทธ์ที่ได้รับความสนใจและความนิยมอย่างมากในการนำไปปฏิบัติใช้ในกิจการโรงแรม งานวิจัยชิ้นนี้จัดทำขึ้นเพื่อ 1) ตรวจสอบระดับการรับรู้ของผู้บริหารการตลาดของโรงแรมเกี่ยวกับการใช้การบริหารความสัมพันธ์ลูกค้าในโรงแรม 2) ค้นหากิจกรรมของการบริหารความสัมพันธ์ลูกค้าที่นิยมใช้ในโรงแรม และ 3) นำเสนอแนวปฏิบัติที่เป็นเลิศทางด้านการบริหารความสัมพันธ์ลูกค้าสำหรับการบริหารโรงแรม ประชากรในการวิจัยคือโรงแรมระดับ 4 และ 5 ดาว จำนวน 23 แห่งในประเทศไทย โดยการใช้แบบสอบถามกับพนักงานโรงแรมแห่งละ 20 คน และทำการสัมภาษณ์แบบกึ่งมีโครงสร้างกับผู้บริหารการตลาดของโรงแรมจำนวน 23 คน ซึ่งได้มีการบันทึกเทป ถอดเทปและวิเคราะห์ตามกระบวนการของการวิเคราะห์เชิงเนื้อหา ผลการศึกษาแสดงให้เห็นว่า การรับรู้ข้อความที่

เกี่ยวข้องกับการใช้การบริหารความสัมพันธ์ลูกค้า
จำนวน *10 ใน 16* ข้อความของผู้บริหารการตลาดของ
โรงแรมระดับ *4 และ 5 ดาว*อยู่ในระดับสูง ในด้าน
กิจกรรมของการบริหารความสัมพันธ์ลูกค้านั้น ผลการ
ศึกษาพบว่า กลวิธีทางด้าน "โครงการสมาชิก" "คูปอง
ลดราคาร่วมกับผู้ร่วมค้าอื่น" และ "โปรโมชั่นพิเศษ
(เช่น วันแม่ วันคริสต์มาส)" เป็นกิจกรรมที่ได้รับความ
นิยมมากกว่าร้อยละ *90* และอยู่ในระดับต้นๆ ของ
รายการกิจกรรมทั้งหมด ซึ่งแสดงให้เห็นว่า กิจกรรม
เหล่านี้ถูกใช้เพื่อการพัฒนาและรักษาระดับความ
สัมพันธ์ลูกค้าอย่างสม่ำเสมอในขณะที่ผลจากการ
สัมภาษณ์พบว่า ผู้บริหารการตลาดของโรงแรมหลาย
ท่านเห็นว่า ความสำเร็จของการใช้การบริหารความ
สัมพันธ์ลูกค้าเกิดจากปัจจัยด้านวัฒนธรรมองค์กรใน
การบริหารความเปลี่ยนแปลง การกำหนดเป้าหมาย
และวัตถุประสงค์ทางธุรกิจที่เฉพาะเจาะจงในโครงการ
การบริหารความสัมพันธ์ลูกค้า การสนับสนุนของฝ่าย
บริหารระดับสูง การสื่อสารที่มีประสิทธิภาพทั้งภายใน
และภายนอกองค์กร และอื่นๆ ในตอนท้าย ผู้วิจัยได้
อภิปรายถึงประเด็นสำคัญและปัจจัยอื่นๆ อาทิ เช่น
eCRM เทคโนโลยี โปรแกรมวิเคราะห์การบริหารความ
สัมพันธ์ลูกค้า และประโยชน์ที่จะได้รับเพื่อการประยุกต์
ใช้ในการบริหารโรงแรมต่อไป

คำสำคัญ: การบริหารความสัมพันธ์ลูกค้า (CRM)
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Customer Relationship Management (CRM) in 4-5-Star Hotels in Thailand

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Abstract

CCustomer Relationship Management (CRM) has received a lot of attention and gained popularity among hotels as a vital strategic implementation. The objectives of this study were to 1) determine the perceptions of hotel marketing executives in Thailand about the implementation of CRM in the hotels, 2) investigate the CRM activities utilized by hotels and 3) propose the best CRM practices as a strategic tool in hotel management. The targeted population included 23 four- and five-star hotels in Thailand. A questionnaire was used with 20 employees of each hotel, while semi-structured in-depth interviews were conducted with 23 hotel marketing executives. The interviews were recorded, transcribed, and analyzed using content analysis. The study discovered that 10 out of 16 survey statements represented the strong perceptions of 4- and 5-star hotel marketing executives in Thailand with regard to the implementation of CRM initiatives. For the CRM activities, this research found that top tactics used such as "membership program", "discount coupon with other partners" and "special event promotion (i.e., mother's day,

Christmas)" topped the list with over 90% of hotel operations. This indicated that these activities were currently used to develop and maintain customer relationships. From interviews, many hotel marketing executives highlighted that the success of CRM implementation came from: organizational culture for change management, business goals and objectives assigned to the CRM project, executives' support, effective internal and external communication, etc. Some issues and other factors, such as eCRM, technology, CRM analytics, etc. and useful practical implications for hotel management were discussed at the end.

Keywords: Customer Relationship Management (CRM), 4-5-star hotels in Thailand

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Introduction

The hotel industry is experiencing increased globalization, competition, higher customer turnover, growing customer acquisition costs and rising customer expectations, meaning that hotels' performance and competitiveness is significantly dependent on their ability to satisfy customer efficiently and effectively (Olsen, 2001). The hotel industry also enjoys easy data access guests need to register with their name and address during check-in. In some countries, guests even need to provide their passport and more detailed private information. In addition, people are very likely to share their personal preferences with hotel staff to make their stay more enjoyable. However, there is lacks of data transparency, quality and analysis within hotel segments could be finding easily. While with recording this information and using IT, making unique guests' experiences, close relationship and meet customer needs within hotel segments could be done perfectly. In order to be able to compete on a highly competitive market a hotel has to meet every single customers' needs and expectations. To achieve this, it is important to understand all aspects of business performance that persuade customers to become repeat purchasers, and to exhibit behavioral loyalty. To enhance profitability and guest satisfaction, hotels must nowadays focus on implementing Customer Relationship Management (CRM) strategies that aim to seek, gather and store the right information, validate and share it throughout the entire organization and then use it throughout all organizational levels to create personalized and unique guests' experiences (Sigala, 2003).

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The objectives of this study were: a) to determine the awareness of hotel marketing executives in Thailand on the implementation of CRM used by the hotels; b) to investigate the CRM activities utilized by the hotels; and c) to propose the best CRM practices as a strategic tool in hotel management. Results of this study could present a "snapshot" of CRM in hotel businesses and provide a better understanding of CRM by highlighting the activities that comprise such programs and their resulting outcomes. In addition to managers, who are responsible for the day-to-day operations of their business unit's CRM program, this research will be of interest to the hotel executive management for long-term prosperity of their organization and who often make key decisions regarding CRM programs. Further, this research could serve as a guide for executives considering new CRM initiatives. This guide includes recommendations for planning CRM projects and provide a set of best practices for success that may validate or enhance an executive's current strategy.

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Literature Review

1. Definitions of CRM

CRM is defined as a cross-functional process for achieving a continuing dialogue with customers, across all their contact and access points, with personalized treatment of the most valuable customers, to increase customer retention and the effectiveness of marketing initiatives (Day & Van Den Bulte, 2002). CRM is the strategic application of people, processes and technology to improve and sustain profitable relationships with customers and partners. CRM provides transforming organizations into customer-centric enterprises that maximize the value

of every customer (Skaates & Seppanen, 2002). Further, CRM can be defined as an interactive process achieving the optimum balance between corporate investments and the satisfaction of customer needs to generate the maximum profit (Lee-Kelly, 2002). The overall strategic business objective of CRM is to build loyal customer relationships, where companies can anticipate their customers' needs and use information to personalize relationships, providing customers with confidence and trust in their dealings with the organization (Lin & Su, 2003). Under this overall strategy, CRM translates into a multitude of specific projects or tactics, ranging from introducing new, diverse distribution channels aligned with people's changing lifestyles, to understanding customer value and using this to prioritize marketing and service resources. The important objective for CRM is to increase the lifetime value of customers. There is a four-step process which is the core of CRM. In the first step, companies should identify their customers; second, they should differentiate their customers in terms of both their needs and their value to them; third, they should interact with their customers to improve cost efficiency and the effectiveness of their interaction; in the fourth and final step, they must customize products and services for their customers (Harvard Management update, 2000).

2. Challenging the Old Paradigm of Mass Marketing

The new paradigm of database marketing has changed the rules of traditional business competition. In the traditional model, market share is a primary goal for most companies. CRM differs from traditional marketing initiatives. Thus, to implement CRM successfully, a very different mindset is needed (Piccoli et al., 2003). Details can be seen in Table 1.

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Table 1 Traditional marketing versus CRM approach

Traditional marketing	Customer relationship management
Transaction focus	Customer focus
Short term focus	Lifetime focus
One transaction	Multiple transactions
Broadcast approach	Sniper approach
One way, one time communications	Two way, continuous dialogue
Segment of many	Segment of one

Source: Piccoli et al. (2003, p. 62)

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Therefore, it should be fair enough to say, "the concept of CRM reflects a 'paradigm shift' in marketing thought and practice" (Luck & Lancaster, 2003). As Gummesson (2004) pinpointed that "the seminal difference between traditional marketing management and relationship marketing is that formerly consumers were approached as grey masses, while today they are approached as individuals" or at least "relationship marketing needs to reflect the value system of the specific population to whom it is targeted" (Wright, Martin & Stone, 2003).

3. Customer Service Quality and Customer Retention

Service quality is considered a critical success factor for the service industry, just like hotels, because first, it has service differentiation and competitive advantage to attract new customers as well as contribute to market share and second, it is viewed as a factor for customer retention. Service quality has an effect on the potential

start of a relationship. Since it has a positive effect on customers' repurchase intentions, it leads to more interactions. Service excellence enhances customers' preference to buy more, to buy again, become less price sensitive and to look for other services (Venetis & Ghauri, 2004). Because the hotel industry is highly competitive, hoteliers should find ways to make their products and services stand out among the other hotels. To accomplish this goal they must understand their customers' needs and then make sure that their service is directed toward meeting these needs (Nadiri & Hussain, 2005).

Customer satisfaction and loyalty occurs when customers find each hotel to be more responsive and more in touch with their specific needs so customers will therefore come back again. Customer retention is good for both business and customers. For business it is cheaper to keep existing customers happy than to attract new ones. Dyche (2002) stated that five-percent increase in customer retention results in a 25 to 95 percent increase in profits. On the other side for customer loyalty to one organization reduces the risk of service variability, allows for the development of a social rapport with the provider, and the customization of services to his/her specification (Berry et al., 2002). While perceptions of service quality and satisfaction require a retrospective evaluation of the service, customers may also look toward the future when making the decision to retain service. Lemon, White, and Winer (2002) develop customers' decisions to retain an interactive television service (as well as its usage) as a function of both satisfaction and expected future use. They also find that anticipated regret increases the likelihood of retaining service.

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4. Technology Issues

Understanding CRM technology needs is one of the essentials for enabling information exchange and strategy development and enhancement (Gordon, 2002). Having an accurate 360-degree view of the customer, which is largely technology driven, is crucial for customer segmentation (Battista & Verhun, 2000). Further, CRM technology becomes a source of strategic capability because it allows for developing, managing, and analyzing customer information for profitable segmentation, cross-functional collaborative communication and customer interaction (Gordon, 2002).

Although the emergence of CRM technology is what propelled relationship management to the forefront of marketing practice and academic research (Massey, Montoya-Weiss, & Holcom, 2001), few (if any) marketers would now argue that CRM is simply a technological tool that enables firms to build customer relationships. In fact, one of the most common views expressed in the literature is that "CRM is much more than technology" and that a lack of understanding about its true nature is, in part, responsible for the failure of numerous CRM initiatives (Chen & Popovich, 2003). This contention is bolstered by recent empirical studies that suggest that CRM technology only has a moderate to weak impact on the overall success of firms' relationship building efforts (Day & Van den Bulte, 2002). Nonetheless, it is important to emphasize that technology does play a substantial role in CRM efforts by, among other things, seamlessly linking front (e.g., sales) and back office (e.g., logistics) functions to provide for the efficient and effective management of interactions across different customer touch-points (e.g., Internet, direct mail, sales call, etc.; Chen

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& Popovich, 2003). In addition, CRM tools enable firms to harness the power of database, data mining and interactive (e.g., Internet) technologies to collect and store unprecedented amounts of customer data, build knowledge from that data, and disseminate the resulting knowledge across the organization (Bose, 2002). Such knowledge is deemed crucial to effective relationship management (Crosby & Johnson, 2000). Thus, it seems that both over and underestimating the role that technology plays in CRM initiatives can have detrimental effects on firms' relationship management efforts.

5. Determining Characteristics for CRM Projects that both Succeed and Fail

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Since CRM covers the entire organization, lack of buy-in, planning, training and overall leadership may result in failure. Caissae (2002) stated that CRM project failed because executives do not know the details of the project. He pointed out that project planners must consider a great number of in-depth details before rolling out even a pilot project of this magnitude. To help CRM to succeed in any organization managers should remember four basic tips. First, sharing vision and training the employees are important factors for the success of CRM. Key leaders should discuss the corporate vision of how they want CRM to achieve goals. They should also train their employees and give them more decision-making power. Second, planning on all levels to support and get perspective is another way to have successful CRM. Organizations should get feedback from the staff about their current interaction with customers and their future plans about delivering better service. Third, using data to enhance ROI happens by enhancing the guest experience with CRM technology and levering

marketing strategies (Norcia (2002). Fourth and finally, measuring constantly and fine-tune strategies helps facilitate better business decisions with regards to CRM.

A successful CRM depends more on strategy that on the amount of time and money companies spend on technology. A good strategy results in a competitive advantage and superior performance. The only way companies can make CRM work is by helping employees to understand their customer strategy before they implement the technology. They also should effectively lead and manage change by showing CRM support teams how to accomplish their goals through new process (Reichheld, 2003). Further, Bordoloi (2002) stated, "some companies have successfully implemented CRM solutions and created powerful, new revenue generating opportunities while some are playing catch up and are caught in the mad rush to implement" (p.1).

For the failure of CRM, Caissae (2002) pointed that CRM project failed because executives do not know the details of the project. He pointed out that project planners must consider a great number of in-depth details before rolling out even a pilot project of this magnitude. Rigby, Reichheld & Schefter (2002) also indicate that one reason CRM fails is that most executives simply do not understand what they are implementing and how much it costs or how long it will take. To be succeeded in implementing CRM, Caissae (2002) strongly suggests that managers consider hiring integrators, consulting professional that have extensive experience installing these types of products in specific environments.

Even though, CRM has many potential benefits for the lodging industry in Thailand (as well as everywhere else), it still has some

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limitations for adoption. First, it is expensive for hotels to develop and maintain a customer database. Second, it is difficult to change an organization's culture, philosophy and existing methods. CRM is not just software, it is also thought of as a cultural change. It might take time for employees to adjust to CRM, but building a case for change, holding regular meeting across all departments, keeping staff in the loop, encouraging them to speak up, supporting the managers leading the CRM, and informing clients about customers as the middle approach may help hotels to smooth the transition (Stimpson, 2003).

The hospitality industry is perfect for the appliance of CRM principles. CRM as a business strategy with selecting and managing the most valuable guest relationship, one to one marketing plans (with offering personalized services) and giving value-added services for making guest satisfaction, loyalty and retention could be a best strategy for hotel companies to differentiate themselves from their competitors (Holm, 2005). CRM implementation, particularly in the hotel industry, is very challenging. A successful CRM strategy cannot be implemented by only installing and integrating software package. It rather needs co-ordinate along with the business operations, strategy and user and customer acceptance. Further, CRM can bring a great deal of benefits for hotels such as customer satisfaction and loyalty, increasing in revenues, decreasing in costs that all these benefits for a hotel can be a source of sustainable competitive advantage. There are two main challenges for implementing CRM in the lodging industry. Firstly, lack of standardization and IT-system integration within each brand or even hotel. This requires heavy focus on interfacing possibilities of the CRM software and the analysis of different processes within each local

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system. Secondly, there may be up to three parties holding a stake in an individual property: the owner, the local management company and the brand. The difficulty is the financial responsibility of the implementation, data-ownership and availability (Piccoli et al. 2003).

There is extensive research on the theory and application of CRM solutions. However, there is little evidence of the effectiveness of CRM solutions. Some research concludes with a general statement that improvements of some type were observed, after a CRM solution was implemented at an organization. Others indicate that profitability was increased by some percentage. There does not appear to be any research that examines the effectiveness of technology of the CRM solution. The best of these will now be presented as a set of recommendations and warning for the successful planning and implementing of CRM initiatives.

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Methodology

The researcher has designed this study in three major tasks. First, the researcher selected the sample from a list of four and five-star hotels in Thailand which were members of the Thai Hotels Association and have their own websites. The analysis unit is a hotel marketing executive or manager. Therefore, one hotel sales executives or marketing managers and twenty employees in each sampled hotel were the target population for this study because it was believed that they were responsible for, and had some knowledge of their hotels' overall CRM program.

According to the Thai Hotels Association's (THA) member list in 2009, there were 96 four and five-star hotels in Thailand. Among these,

only 89 hotels can be a population of this study, as shown in Table 2. The probability sampling was utilized. However, due to the intense of qualitative method and limited budget, the author decided to use 25% of the population as a sample of this study. Therefore 23 hotels were selected. The 89 hotels' names were grouped according to region and drawn until getting 23 hotels, as shown in Table 2. All 23 hotels were rechecked whether they had made some investments in CRM programs and activities over the past three to five years and expected on leveraging CRM concepts to better service their customers.

Table 2 Four and Five-star Hotel Members of Thai Hotels Association

Region	THA List	No website	Population	25%	Sample
1. North	10	0	10	2.5	3
2. North East	4	0	4	1	1
3. Central	41	0	41	10.25	10
4. East	14	1	13	3.25	3
5. Upper South	24	6	18	4.5	5
6. Lower South	3	0	3	0.75	1
Total	96	7	89	22.25	23

Source: Thai Hotels Association, 2009.

Second, the researcher utilized a combination of qualitative and quantitative methods. Two structured questions for interview were developed. Each interview typically lasted between 20 and 30 minutes. Fifteen interviews were conducted with the Sales Executive or

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Marketing Manager. The interviews followed a guideline that had been presented to the informants before the interviewed date. After a brief description of the research project, the informants were encouraged to speak freely about the topics. Additional questions were used to probe deeper to elicit examples, illustrations, and other insights. The structure questions are as follows:

    1. What CRM activities have you been using in your hotel?

    2. What would you recommend for the CRM activities in hotel?

    3. What is the trend of CRM for hotel industry?

       Third, for the quantitative method, a self-administered survey instrument had been designed. This research tool was adapted from those by James Patrick Desbrow (2004), Sigala (2003), and Antonio Torres (2004) which performed sufficient validity and reliability. All items were modified to fit with hotel samples' aspects. The questionnaire included questions focusing on people (customers, employees, and stakeholders), processes, and technologies of a hotel's CRM program. The questionnaire solicited opinions on a core set of activities believed to comprise a CRM program. In addition, firm demographic data was used for classification purposes. Specific questions were used to ask the research participants with respect to their performance of operating units' CRM program. Metrics that they consider important include types of customer data collected/accessed, uses of customer data, approaches to the market, tactics used to develop and maintain customer relationships, information technology infrastructure assessment, and challenges face to making the best use of customer data in information systems/databases. These areas were extracted from the literature review and were believed to encompass the entire

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chain of events, from customer data collection and its conversion to information for managerial decision-making, all the way through to firm performance. This questionnaire was pre-tested with five sales executives in Phuket who have knowledge of CRM and was revised before a final version was developed.

The questionnaire was used with 20 employees at each sampled hotel. Eventually, expected 300 questionnaires were collected. The rest of questionnaires were mailed to 8 hotels, with 160 questionnaires. Finally the response rate from 460 hotel employees for the survey was 50.65 percent resulting in 233 usable questionnaires while from 15 hotel sales executives for in-dept interview was 90 percent. Quantitatively, the SPSS version 15.0 for Windows was utilized, including Descriptive statistics and Analysis of Variance (ANOVA). Qualitatively, semi-structured in-depth interviews were conducted with 23 hotel sales executives. The interviews were recorded, transcribed, and analyzed using content analysis.

Findings

According to the first objective, to determine the awareness of hotel executives in Thailand of the implementation of CRM in the hotels, results demonstrated that 10 out of 16 survey statements represent the strong perceptions of 4- and 5-star hotels' marketing executives in Thailand with regard to the implementation of CRM initiatives. Detailed statements can be seen in the Table 3. The highest ranked response was "Retaining customers mean increasing profitability". Followed by other agreed responses were: "I have been actively supporting the CRM process", "Existing customers cost less

than new customers", "I would recommend other managers in other hotels to utilize the CRM system", "My hotel has started a CRM initiative", "My hotel included customer input during the project planning phase", "My hotel's CRM initiative has executive commitment", "The CRM initiative has part of the hotel's long-term strategy" and "My hotel's business rules were part of the CRM initiative" respectively. On the other hand, for the last statement, respondents were strongly disagreed with "My hotel's CRM initiative was considered a One-Time Event". This means the 4- and 5-star hotels in Thailand have been maintaining CRM program with the company's vision and strategy.

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For the second objective, CRM activities, this research found that top tactics used such as "membership program", "discount coupon joins with other partners" and "special event promotion (i.e., mother's day, Christmas)" topped the list, with over 90% of hotel operations indicating that these activities were currently used to develop and maintain customer relationships. "Personal sales force" was one of CRM activities that hotels had no intention of using in the next three years. Further, in view of the transformation of CRM in hospitality by the Internet, some suggested activities were email marketing, social media, online technology, mobile technology, online surveys, developing blogs and hotel website, and quarterly customer reviews. Besides, from this study, "Personal sales force" will not be utilized in the next three years. Details can be seen in Table 4.

Table 3 CRM Statement Awareness of 4 and 5-star Hotels

Statement concerning CRM	Mean	S.D.	N
1. Retaining customers means increasing profitability.	4.46	0.62	233
2. I have been actively supporting the CRM process.	4.02	0.91	233
3. Existing customers cost less than new customers.	3.97	0.90	233
4. I would recommend other managers in other hotels to utilize the CRM system.	3.96	1.12	233
5. My hotel has started a CRM initiative.	3.78	0.94	233
6. My hotel included customer input during the project planning phase.	3.76	0.97	233
7. My hotel's CRM initiative has executive commitment.	3.74	0.84	233
8. The CRM initiative has part of the hotel's long-term strategy.	3.63	0.84	233
9. My hotel's business rules were part of the CRM initiative.	3.60	0.53	233
10. My company included customer input during the implementation phase.	3.55	1.10	233
11. My hotel selected the correct software tool for the CRM initiative.	3.35	0.87	233
12. My hotel has completed a CRM initiative.	3.21	1.24	233
13. I am satisfied with the CRM process of this hotel.	3.19	1.00	233
14. My hotel defined the critical success factors before the CRM initiative started.	3.18	0.85	233
15. My hotel's CRM initiative was launched without defined objectives.	3.17	1.17	233
16. My hotel's CRM initiative was successful.	3.12	0.95	233

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Table 3 CRM Statement Awareness of 4 and 5-star Hotels (Continued)

Statement concerning CRM	Mean	S.D.	N
17. Your understanding about the CRM project is accurately clear.	2.97	0.98	233
18. My hotel's CRM initiative was not considered a business priority.	2.88	1.16	233
19. My hotel's CRM project was only treated as a technology project.	2.85	1.15	233
20. My hotel's CRM initiative was considered a One-Time Event.	**1.81**	0.76	233

Table 4 Activities Used to Develop and Maintain Customer Relationships

Item	Percent			
	Used currently	Planning to use in next 3 years	Not used nor planed to use	Don't know
1. Membership program	95.7	0.0	0.0	4.3
2. Discount coupon join with other partners	91.8	3.4	0.4	4.3
3. Special event promotion (i.e., mother's day, Christmas)	90.6	0.4	6.9	2.1
4. Websites	88.0	9.9	0.4	1.7
5. Personalized emails	85.8	5.6	6.4	2.1
6. Complaint resolution policies/procedures	83.3	1.3	2.6	12.9
7. Direct mail	79.4	5.2	14.6	0.9
8. Special/restricted access to content on website	75.5	4.7	6.4	13.3
9. Newsletter	73.8	9.9	3.0	13.3
10. Price discounts based on amount purchased	68.7	9.0	10.7	11.6
11. Complementary card	68.2	3.9	15.0	12.9
12. Customer call center/telemarketing	59.2	9.4	15.5	15.9

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Table 4 Activities Used to Develop and Maintain Customer Relationships (Continue)

Item	Percent			
	Used currently	Planning to use in next 3 years	Not used nor planed to use	Don't know
13. Reward/frequent buyer program	57.1	11.6	8.2	23.2
14. Rebates on purchases	53.2	14.6	13.3	18.9
15. Pre-pay/early pay discounts on purchases	46.8	3.4	29.6	20.2
16. Birthday discount card	43.8	11.6	24.5	20.2
17. Personal sales force	19.7	1.3	75.1	3.9

N = 233

Additionally, as realized by successful hotels about the CRM efforts, the process of engaging the hearts and minds of employees towards customers cannot be achieved in one time but gradually creeps into the organization in the disciplined, organized fashion through other efforts. Some factors and issues were pointed out by the hotel executives as following:

From interviews, many hotel sales executives highlighted that the success of CRM implementation will come from various key aspects which can be a good practice as follows:

- Organizational culture for change management
- Business goals and objectives assigned to the CRM project
- Top management support
- Enterprise resource planning (ERP) teamwork and composition
- Business process reengineering (BPR) and minimum customization
- CRM users' acceptance
- Effective internal and external communication
- Well-defined WBS to manage the CRM project schedule, ownership, and budget
- Readied human resources with the right quality and quantity for CRM project
- Necessary MIS and IT skills in place
- CRM project monitoring and feedback
- Knowing the hotel problem
- Knowing who should be involved
- Knowing how to select the right CRM tools
- Knowing how easy it is to customize the CRM package

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∎ Knowing the computer system selection criteria (i.e., available functionality, compatibility, and data integrity with the current systems)

∎ The need for good internal relationships among different departments

∎ Having well designed training programs

∎ Having good documentation

∎ Selection among a CRM package, a self-developed CRM solution, and an ASP CRM application is critical.

Conclusions and implications

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The hotel industry is under tremendous competitive pressure. The traditional notion of "learn from your mistakes as you go" is replaced with "do it right the first time and be absolutely consistent in doing it throughout". The main ingredients of success in the hotel industry (as is the case in other service industries) have been to acquire and retain customers. The acquisition and retention of customers require identification, understanding and utilization of their likes and dislikes, which can only be accomplished through building close, one-on-one relationships with them. For this reason, the aim of this study was to analyze the CRM activities utilized by the hotels, their awareness on CRM implementation and their CRM best practices.

The Hotel Sales Executives' Awareness on CRM Implementation: The findings showed that 10 out of 16 survey statements represent the strong awareness of 4- and 5-star hotels' marketing executives in Thailand with regard to the implementation of CRM initiatives. The survey statement, "Retaining customers mean increasing profitability" and "I have been actively supporting the CRM

process", got the highest rank of awareness, respectively. Further, they were also strongly disagreed to consider CRM as a one-time event. This means almost all executives have understood about the benefits of CRM and have been committed with the hotel's long term strategy. However, at the core of the CRM implementation, Gladwyne Software (2000) suggests that proper leadership is an essential part of any successful major organizational initiative. This leadership begins with executive sponsorship and oversight, including a long-term budget (Hughes, 2012). It also includes strong project management in the planning and execution during each phase of the project's life span. This can only be accomplished by well-trained technology managers that have the time and resources to thoroughly research and plan before software is purchased and the team of technologists is hired. Furthermore, although CRM in hospitality has overstated the importance of ICT, now widely recognized that successful CRM implementation should effectively combine and align ICT functionality with business operations (Sigala, 2005). However, there are two main challenges for implementing CRM in the hotel industry: a lack of standardization and IT-system integration within each brand or even hotel. This requires great focus on interfacing possibilities of the CRM software and the analysis of different process within each local system. Secondly, there may be up to three parties holding a stake in an individual property: the owner, the local management company and the brand. The difficulty is the financial responsibility of the implementation, data ownership and availability (Piccoli et al., 2003). Further, research indicates that one reason CRM fails is that most executives simply don't understand what they are implementing, how

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much it costs or how long it will take. There are four important factors which companies should be aware of when they implement a CRM. First, they should create a customer strategy before they implement the CRM. Second, they should create a customer-focused organization before they install CRM. Third, they can manage customer relationships in many ways and the objectives of CRM can be fulfilled without huge investments in technology. Last, companies should not stalk their customers and they should avoid wooing their customers. There is a hope for unsuccessful CRM implementations, because companies can usually recover from their failures with their second or third attempts at implementing CRM. A successful CRM depends more on strategy that on the amount of time and money companies spend on technology. A good strategy results in a competitive advantage and superior performance. The only way companies can make CRM work is by helping employees to understand their customer strategy before they implement the technology. They also should effectively lead and manage change by showing CRM support teams how to accomplish their goals through new process (Reichheld & Schefter, 2002).

Activities Used to Develop and Maintain CRM: This study found that the activities that have been utilized for over 83% in 4- and 5-star hotels in Thailand were "membership program", "discount coupon joins with other partners", "special event promotion", "websites", personalized email", and "complain resolution policies", respectively. These CRM activities are important marketing techniques to collect all customer behaviors who response to the activities and can be a marketing database for organization. A database of existing customers is the best source for new business. Nash (2000) pointed that past behavior

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is the best indicator of future behavior. A database can create a total picture of the customer and the value they add to the organization. However, interaction between customers and hotels should be facilitated and supported. One-way communication must be replaced by two-way communication, where the hotel customer gets involved early with issues affecting their purchase behavior (Lawrence et al., 2001). For example, electronic communication is used to facilitate relevant, timely, and personalized interaction with the customers, i.e., travel package designed by customer.

Another aspect is the hotels need to be very selective in the customer segmentation process, which is congruent to the organizational strategy. Freeland (2002) suggests that hotels must address four critical strategies and understand the key interplay between them: identifying the customer, selecting the most appropriate channel to reach the customer, receiving the effects on the brand's value, and determining the most appropriate CRM capabilities. Therefore, strategy is first, followed by the value creation process. Many executives misuse CRM technology for a marketing strategy and they allow the software vendors to drive their approach to customer management. CRM systems will surely lure high-profile customers. However if the system is not congruent with business strategy and based on a sound customer strategy, it will fail over the mid to long term (Rigby, 2002). Further, many managers think that the way to capture value through relationship marketing is to focus on the "good" customers and get rid of the "bad" ones. Nonetheless, there is more to best practice relationship management than maximizing revenues on individual customers and minimizing costs to serve (Fournier & Avery, 2011).

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CRM best practices: Apart from the suggested practices from the hotel sales executives in the findings, Fournier & Avery (2011) suggest that the hotels first catalog and analyze the types of customer relationships they have, then develop a portfolio of relationships, optimizing those they have and identifying which new ones to focus on. Hotels then need to determine which metrics to use to track the health and performance of those relationships, adjusting them as they go. For most hotels, the transition to a relationship-based approach will require a significant shift in mindset and practice. Managers will need to expand the type of data collected by their CRM systems, customize CRM solutions to the specific types of relationships the company is managing and retrain customer-facing employees to be sensitive to the relational clues they receive and send.

Lastly, during the time of this study in 2009, the Internet was becoming more and more important in business. Hotels consider it as an opportunity to reduce customer-service costs, tighten customer relationships and most important, further personalize marketing messages and enable mass customization, therefore, some issues related to eCRM should be focused by the hotel executives as follows: online technology, social media, mobile technology, online survey, e-mail marketing, loyalty program, quarterly customer reviews, and hotel websites.

Limitation of This Research

The conclusions from this study offer a number of significant implications for hotel sales executives who are now involved in CRM-based initiatives in their organizations. Even though the research has

shown interesting results in terms of CRM implementation and CRM activities, there are some limitations. Therefore, cautions should be taken into consideration when generalization of the findings is considered.

- This study utilized only 23 hotel sales executives and 233 employees in 23 4- and 5-star hotels in Thailand. Therefore, care must be taken in the interpretation of present results. The degree to which these findings may be generalized to other hotels and in other parts of the world is uncertain. Further, the external validity of the present findings as related to the real world of CRM or the hotel industry should be investigated further.

- Lastly, due to the fact that some of hotel employees are not used to completing questionnaires, the full data expectation is relatively weak even if the researcher has provided a good orientation to employees prior to the on-site field survey.

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