



CRM: A Winning Approach for Tourism Sector

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ABSTRACT

CRM is widely accepted and implemented in modern marketing trend. It integrates a series of complex and multiple business resources such as: modern technological, information, financial, human and all other resources which required for improving the services of consumers and customer. Service sector is totally based on selling concept and gaining a huge growth by adopting CRM Concept. In tourism sector, It is playing an important role as a strategy for searching, attracting and providing better facilities to the tourist so they can satisfying their needs and wants. The main goal of CRM is to increase the number of tourists and create customer loyalty. Implementation of CRM systems is very demanding and requires commitment at all levels of the company. It requires qualified personnel and updated software that bridges the gap between the CRM and existing information systems. The companies are investing huge amount for implementing new technologies and the systems, so that they can improve business performances. CRM is useful only if it is fully integrated strategically and operationally in the business and in the information system of tourist enterprise. The study will focus on how CRM concept is useful for tourism industry and customers.

Keywords--- CRM, Tourism, Information Systems, Modern Technologies

I. INTRODUCTION

From past few decades business organizations were only focusing on making more and more profits without gaining customer needs. But in present scenario these organization are facing an aggressive competition as a result of which they are making efforts to survive in a competitive and uncertain market place. They have realised that it is important to differentiate customers according to their individual preferences. For differentiating customers the companies use personalized service and customized products which make some customers feel special. It not only results in customer retention, but also drives purchases higher. Because for them retention cost is very low in comparison to cost of attracting new customers.

Success of the organization depends on a firm's ability to attract, satisfy and retains its customers. This

can be achieved by developing closer and cooperative relationship with customers and satisfying them. Organizations have realized that managing Customer relationships is a very important factor for gaining success in competitive environment. CRM is a strategy of modern governance of relationships with consumers, and is an indispensable component in the functioning of business organization in the global market. The objective of CRM is to recognize and treat each and every customer as an individual. Though Customer relationship management business organization builds long-lasting relationships with their customers and increases their profits through the right management system and the application of customer-focused strategies. Tourism industry is also adopting CRM strategies to retain the customers. Since it is facing tough competition within it self. Company perceives the needs of its customers, coping up with competition and devise better means of fulfilling them and establishing a strong customer relationship.

II. CUSTOMER RELATIONSHIP MANAGEMENT

Since Customers are lifeblood of an organization, CRM plays an important role in modern business. Customer relationship management means profiling the data base of customers, understanding their needs, and in building relationships with them by providing the most suitable services. This database helps the company in presenting clear picture to its customers and improving the relationship with them. It is a business process in which customer relationships, customer retention and brand values are built by implementing marketing strategies. It allows companies to develop long-term relationships with existing and potential customers, besides enhancing corporate performance. CRM results in maintaining and improving the long lasting relationship with customers by maximizing the profits.

Tourism industry is using the concept of CRM for developing customer relationship and staying long in the competitive environment. Because of CRM sincere bonds of trust and familiarity between customers and

tourism companies develop. CRM enables tourism company in providing services and satisfaction to the customers by achieving their goals. Through CRM the companies can serve the customers on one to one basis by reducing the intermediaries, continuously monitoring customer needs and providing services according to the requirement of the customers.

III. LEVELS OF CRM

Implementation of CRM process takes place on various levels

Operating level – This level include all the operating activities of the company.

Analytical level – This level is based on analyzing the behaviour of tourists and the implementation of benchmarking.

Collaborative level – This level is achieved by making a close contact with tourist by using tools like phone, e-mail, fax, web, sms, mail, personal contact.

IV. CRM IN BUSINESS ORGANISATIONS

CRM is a marketing tactic, in which companies provide personalised satisfaction to customers at every point of interaction. Companies start market planning from a base of knowing where the company is now, who are its competitors are and who are its customers. They take decisions based on the knowledge of determining their future position and their potential customers, how to reach them and future profit targets. It includes analysing the current situations, understanding markets and customers, establishing Segmentation, Targeting, and Positioning, determining objectives, developing marketing strategies, tracking the activities and implementing the plan. Marketing objectives includes targets for managing customer relationship for the success of the company's. Depending on the company's strategic direction and resources, marketers set target for acquiring new customer, retailing customer, increasing customer loyalty and customer satisfaction.

TOURISM INDUSTRY IN INDIA

The concept of tourism industry was established in 1945 up by the Government. But now a days tourism is the biggest service industry in India, and has 6.4% contribution in GDP. From past few years India is a tourism hotspot, because demand has come from the side of tourist. India is a country known for its lavish treatment to all visitors, no matter where they come from. Its visitor-friendly traditions, varied life styles and cultural heritage and colourful fairs and festivals held abiding attractions for the tourists. The other attractions include beautiful beaches, forests and wild life and landscapes for eco-tourism; snow, river and mountain peaks for adventure tourism; technological parks and science museums for science tourism; centres of pilgrimage for spiritual tourism; heritage, trains and hotels for heritage tourism. Yoga, ayurveda and natural health resorts and hill stations also attract tourists. The

Indian handicrafts particularly, jewellery, carpets, leather goods, ivory and brass work are the main shopping items of foreign tourists. The tourism industry has been declared a high priority industry for investment purpose also. The government has also joined hands with leading airlines, hoteliers, holiday resorts and tour operators, and offered them a wide range of incentives and bonuses. Ministry of Tourism is the nodal agency for the development and promotion of tourism in India and maintains the "*Incredible India*" campaign. There is a wide development in tourism sector in present scenario due to customer relationship management. Because tourist are the key source of earning, so tourism sector is keen to take care of tourist and provide them better services so they can maintain good relationship with their tourist.

TRAVELING HABITS OF CUSTOMERS

Customer buying behaviour is changing and will continue to change in future also. Customers wait and expect reliable and efficient service at reasonable prices. Different customers have different requirements and hence tourism companies have an opportunity to select segments, where their offering can match those needs, and where they can gain attractiveness of the destination, availability of a destination, change in wealth of people, increased leisure time, action of tour operators. For this purpose a tourism company has to acknowledge the cultures of customers also. Since the important element of tourist is relaxation motivation of a traveller so it depends on the tourism industry how they meet the requirements at a particular destination. Tourist enjoys long holidays that may include different activities. Some of which might meet different needs and some of which may not have been considered at the time of actually booking the holiday. Travellers choose destination according to their perception and requirement. The image of a destination is affected by the individual tourist's past experience of the services provided by the tourism industry, advertising and marketing strategy. Though different companies offer different tour packages yet, customers want experiences that appeal to their emotions. For this purpose marketers need to know the requirement of tourist which can be achieved through CRM. With the help of CRM they are able to know travelling habits of the customers. Customers also get benefit from a closer working relationship between a tour operator and a travel agent.

CRM IN TOURISM INDUSTRY

Tourism industry plays a prominent role in service sector. The features of services intangibility of the service performance, greater involvement of the customer in the production of the service, difficulty in maintaining quality control and standards, and the importance of the time factor as customers limit the amount of time.

In order to keep their customers satisfied and maintaining effective relationships with them the tourism company have to decide about extent of the services and facilities they will make available to their customers, This can be achieved having knowledge

about customers preferences, develop and design services that suit those preferences, inform their customers about their services, suitably price them and deliver them smoothly through a well established network.

CRM helps tourism industry in providing cost effective service to their customers. Company can achieve customer satisfaction by adopting the concept of CRM. They are adopting CRM strategy as a need for the survival and success in the competitive market.

APPLICATION OF CRM IN TOURISM SECTOR

Application of CRM in the tourism sector is growing at slow pace. The reasons are financial resources needed to deploy and use of technologies, because some of companies in this sector are operating at the threshold of profitability or below the threshold of profitability. However large no of the tourism companies are adopting CRM practices as they are aware that guests (tourist) are extremely important for business.

Through the technological application of CRM, tourism industry develops database about the tourist's demographic, psychographic and behavioural elements. They collect all the information regarding their guest, from the hotels and all the surroundings of hotels, which are stored in a database. This database is sent to operations department for analysing purpose, which further makes classification and segmentation of tourist; customize the product needs of each tourist. This helps the industry in analysing and profiling of tourist and their segments so that they can access each guest in a specialised and personalised way and serve them to customized product. With the application of new technologies, the data on frequency of purchase, quantity purchased and the time of purchase can also be analysed. With the help of information technology tour operators can easily interaction with their guest and can offer services flexibly and personally to them. They use various high tech information and communication technologies for tourism product development, marketing, distribution, training of tourism sector personnel, finding out and satisfying the ever changing requirements of customers.

V (A). CRM IMPLEMENTATION IN TOURISM SECTOR-

Implementing of CRM is a complex task for the company, even for those companies that have the necessary knowledge, skills, experience and resources and have already implemented the system. Tourism industry is nowadays implementing CRM practices to create the future, to follow and be ahead of the preferences of tourist and to achieve competitiveness advantage in the tourist market. With the help of this they can analyze the thinking and behaviour of tourists and assess the level of satisfaction. But it requires commitment at all levels of the company. The integration of CRM systems requires the use of qualified personnel and software that that bridges the gap between the CRM and existing information systems. Employee's

plays an important role in the implementation of CRM because they are in direct contact with tourists, and contain all the information related to tourist desires, needs and expectations. For this it is necessary to train staff, improve their skills and familiarize them with the introduction of new technology.

Implementation of CRM system requires large financial expenditures and a special team tasked with monitoring and coordinating all activities. This team consists of: business sponsors, committee for managing the CRM project, the project owner, project manager of implementation, technical manager of implementation, integration expert, head of business department, specialists or managers of information technology, key users, consultants and software suppliers.

V (B). Determinants of successful implementation of CRM are:

- Setting goals that are measurable, achievable.
- Confirmation of strategic management in setting and achieving goals
- Creating and collecting all useful information.
- Clearly defined limits with clear measurable indicators and targets.
- Provide training and professional development for all staff involved in implementing CRM.
- Improving the CRM model Continuously

VI. SOME CONTEMPORARY CASES

ITC Welcome Group Hotels

ITC Group of Hotels defines CRM as "Customer Relationship Management is process of managing customer relations in an organized way". There exist different contacts points with the customers where the hotel comes in direct contact with the customer, these types of contacts are called as Touch points in the CRM. Through Touch points Industries can directly interact with the customers. This process provides a valuable input to the hotels. The information that is gathered from the customers can be used for various processes within the hotel. This can be achieved by using the technology called as CRM technology. This technology collects the feedback from the customers and uses this feedback information in servicing the guest in a most efficient manner. Customer Service is called as Customer Relationship Management. CRM not only focus on serving the customers but it also retains them. The implementation of CRM in ITC Maurya Sheraton has been divided into 2 steps

1. Recognizing Customer Relationship Management vehicles.
2. Integrating of these Customer Relationship Management vehicles

ITC Maurya Sheraton hotel recognized four vehicles based on marketing point of view. These are also the touch points for the hotels in the process of managing its customer relationship. The four vehicles are Field selling, Loyalty Programs, Distribution Points and Web.

Taj Hotel-

The Taj is a prestigious five star hotel located in Mumbai. It is providing various facilities to the customers so they can attract and retain their customer to attract, retain and to build relation with them. Various facilities that they provide are Accommodation: 600 rooms including 48 suites, centrally air-conditioned with international direct dial facility, mini-bar, personal safe, channel music, colour television with in-house movies and satellite programmes and meeting rooms. Other facilities are like Shamiana, Sea lounge, Harbour Bar, Swimming pool, fitness centre, beauty parlour, barber shop, travel desk, car rental, pastry shop, book shop, shopping arcade, currency exchange, safe deposit lockers, doctor-on-call and baby sitting. Arrangements for golf, badminton, squash, billiards, tennis, and table tennis on request.

VII. REASONS AND IMPACT OF POOR IMPLEMENTATION OF CRM ON TOURISM INDUSTRY

Evolution of CRM is based on information technology for making the system automative so that various functions like processing of data, making contact with customers can takes place.

Companies select those suppliers of software and technological CRM solutions, whose services will not affect them. However many companies get failed in implementing CRM the reasons can be poor quality of organizational changes, the wrong policies of the company, the incomprehension of the CRM system and poor planning, etc. The key reasons for failure and its impact on the organization can be:

- **Incorrectly defined strategy** – Companies strategy which does not follow current trends in the tourist market, will not achieve the quality of communication with tourists.
- **Incorrect implementation** - All tourists will not monitor and their overall requirements will not be analyzed.
- **Inadequately trained staff** – Untrained staff will not be able to deliver customized and personalised services to them.

VIII. BENEFITS OF THE INTRODUCTION OF CRM SYSTEMS IN THE TOURISM BUSINESSES

- Integration of marketing and processes in tourism business
- Planning and organization of targeted campaigns
- Attract new guests and keep the old, loyal guests
- Improvement in efficiency on the basis of relationship marketing
- Reduction in the cost of sales and marketing
- Improvement in business processes and productivity

- Record of all tourist of all segments
- Data base of Historical records of interactions with each guest
- Analysis of competition and entering in new markets.

For Customers-

- Customers get better service.
- Reduction in gap between expected and adequate service
- Increase in connectivity between company and customer
- Prompt action towards customers
- Reduction in cognitive dissonance
- Customers get customized service
- Customer Loyalty

IX. CONCLUSION

Tourism sector has a positive attitude regarding the implementation of CRM in business. Tourism companies are adopting the practice of CRM as a key strategy in achieving success and gaining competitive advantage. It gives the expected results only if it is implemented strategically and operationally in the companies. Implementation of CRM system requires large financial expenditure and proper business plan. Companies are investing huge amount of fund in adopting new technologies and system for application and implementation of CRM which improves the business performance. Companies also required well trained staff and special team for monitoring and coordinating all activities of CRM system. Through CRM companies can get benefit by developing good relation with existing and potential customers though it need considerable time and expense. it will be easier for companies to identify new prospects and increasing their customer data base

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