



A RESEARCH JOURNAL OF
DR. VIKHE PATIL FOUNDATION'S,
PRAVARA CENTRE FOR
MANAGEMENT RESEARCH &
DEVELOPMENT, PUNE

ISSN 0975-7201

PMR

PRAVARA MANAGEMENT REVIEW

Vol 10 No. 1

JAN - JUNE 2011

Listed in Cabells International Directory

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CRM in Hotel Industry in Satara District.

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ABSTRACT:

Service sector has emerged as third and important sector in Indian economy. It has brought phenomenal changes in standard of living and lifestyle of citizens. The cutting edge competition poses various management challenges before decision makers in service sector. Marketers are finding out competitive differentiation to survive and growth. CRM is the tool has been using by service firms to manage the relationship of customers. CRM is not merely a technology but a management reform used by management and helps to reduce the gap between firm and customers. Present article probe into different aspects of CRM with reference to hotel industry in Satara, state of Maharashtra.

It has found that hotels though studied from different categories are found to manage in conventional way. Only one hotel found to use CRM software. Majority of the hotels i.e. 86% keeps record of customers and 50% keeps record with the help of computer. 3% hotels keep the records both manually and computerized as well. On the basis of present scenario researchers have prescribed the possible contains of CRM software. The data such collected from customers and processed with the help of CRM software may be used in varied ways as to identify most profitable customer cluster, integrate marketing efforts to minimize service quality gaps, determine basis to build strong relationship with customers and the like.

Key words: CRM, Hotel, Relationship Management, Satara.

Introduction:

The service industry is booming around the world and the cutting edge competition poses challenges before decision makers in service sector. Marketers are finding out competitive differentiation to combat with cutthroat competition for survival and growth. Various reforms are on test to increase productivity, quality and service provided by an organization. With the help of information technology organizations are also making an effort to find out competitive edge.

Present article probe in one of these management reforms based on Information Technology is customer relationship management. The study is conducted with respect to hotel industry in a sub urban location i.e. Satara. The article is an effort to find out relationship management efforts made in hotel industry at sub urban places viz. Satara.

Research Methodology: Present study has been undertaken with an objective to find out existing ways of relationship management of different types of hotels and to suggest a simple model of customer relationship management. A study is inferential descriptive in nature. The exploration is also attempted to find out variables to be considered in CRM in regards to Hotel industry. A detailed close-ended structured schedule was prepared by researcher to execute on samples to assess existing CRM scenario in sample hotels. Sample units were different types of hotels. Non-proportionate convenient stratified sampling technique was used to select the samples and sample size was 37 hotels. The registered hotels in Satara district are 2842 as on March 2009. The study was conducted in nine major towns in Satara district viz. Satara, Phaltan, Vaduj,

Koregao, Karad, Mahabaleshwar, Panchgani, Wai, Medha, Umbraj. Study was conducted during 2008-2009. The data has been analyzed through simple statistical tools as percentages and weighted average method. Hotels are classified on the basis of location they situate hence sample units are taken as per classification of hotels. Sample Units for this study were, Downtown hotel, Resort hotel and Star graded hotel.

Downtown hotel is generally located in the heart of city, Resort hotel is Located at an outside city limits, Star graded hotel is most luxurious and conveniently located and provides all the modern facilities for accommodation and recreation matching international standards in hospitality. Other hotels are also studied which does not cover the aforesaid hotels but provide lodging or/and boarding facilities in the hotel.

Data Analysis:

The data is classified for the analysis as follows:

Table 1

Sample Distribution of Hotels:

Sr	Location	Downtown			Resort			Star graded			Other			-
		D	L	-	D	L	Both	D	L	Both	D	L	Both	
1.	Satara District	3	6	11	-	-	2	-	-	7	2	-	6	37

Source :(Compiled by researcher)

D= Dinning L=Lodging

In all thirty seven samples are studied. Stratification of sampling is used to ensure representation of all types of hotels.

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Table 2

Current scenario of relationship management in hotels in Satara.

Following table shows the distribution of respondents on the basis of current status of relationship management in Satara District as follows:

Sr.	Parameters	Downtown	Resort	Star Graded	Other	Total
1.	Keeps Record of customers	17(85%)	2(100%)	7(100%)	6(75%)	32(86%)
2.	Keeps Records Manually	14(82%)	1(50%)	3(43%)	1(17%)	19(59%)
3.	Keeps Records Computerized	4(24%)	2(100%)*	4(57%)	6(100%)	16(50%)
4.	Keeps Records In Both Manually And Computerized	1(5%)	1(50%)	-	1(16%)	3(3%)
5.	Difficulty In Recording	1(5%)	0	0	0	1(3%)
6.	Introduced CRM Software	0	0	0	1(17%)	1(3%)
7.	No Need To Record The Customers Data	3(15%)	0	0	2(25%)	5(14%)
8.	Make Use Of Customers Data	12(71%)	2(100%)	7(100%)	5(83%)	26(81%)
9.	Enjoy The Benefits Of Customers Data	12(71%)	29(100%)	7(100%)	5(63%)	26(81%)
10.	Feels Customer Data Is Important	14(70%)	2(100%)	7(100%)	5(63%)	28(76%)
11.	Provide Homely Environment	12(60%)	1(50%)	1(14%)	1(13%)	15(41%)
12.	Opinion About Necessary To Have A PRO	4(20%)	0	3(43%)	0	7(19%)
13.	Do Not Make Any Correspondence	13(65%)	0	2(29%)	7(87%)	22(59%)
14.	Make Contact For Sending Greetings	3(15%)	1(50%)	4(57%)	0	8(53%)
15.	Preferred Phone Media To Contact	7(35%)	1(50%)	3(43%)	0	11(73%)
16.	Concentrate On Personal Care Of Customers	11(55%)	1(50%)	3(43%)	4(50%)	19(51%)
17.	Offer Discounts To Loyal Customers	10(50%)	2(100%)	5(71%)	4(50%)	21(57%)
18.	Do Not Communicate New Product To Customers	16(80%)	1(50%)	5(71%)	8(100%)	30(81%)
19.	Feedback is taken Orally	12(60%)	0	3(43%)	8(100%)	23(62%)
20.	Feedback is taken through Feedback Forms	6(30%)	2(100%)	4(57%)	0	12(32%)
21.	Feedback Through The Staff	2(10%)	1(50%)	1(14%)	0	4(11%)
22.	Favour For Informal	17(85%)	2(100%)	7(100%)	8(100%)	34(92%)

(Bracket Percentages drawn on total samples taken as per each type of hotel. The total column is the response of all sample hotels in Satara district and the percentages are drawn on the total sample size taken for study. *Here all resorts keeps record computerized and 50% keeps manually also. It means 50% keeps in both ways.)

Source: Field Data

From above table researcher found that:

- Majority of sample hotels i.e. 86 % keeps record of the customers. Out of these 85% belongs to Downtown, 100% star graded, 75% other category and 100% Resorts.
- Fifty Nine percent hotels keep customers records manually, out of these 82% belongs to Downtown, 50% resorts, 43% Star graded and 17% other category.
- Half of the sample hotels keep records computerized, among these 24% belongs to Downtown, 100% Resorts, 57% Star graded and 100% Other category

4. One downtown i.e.5%, 50% resort and 16% other category hotel keep records both computerized and manually.
5. Ninety Seven percent sample hotels do not find any difficulty in recording the customers' data. No Resorts, star graded and other category of hotels find any difficulty. Only One Downtown hotel find difficulty in recording the customers' data.
6. Only 3% of total sample hotels i.e. 17% of other category of hotels have introduced CRM software in their hotel.
7. Fourteen percent sample hotels feel no need of recording customers' data. Out of these, 15% belongs to Downtown, 25% to other category.
8. Majority of sample hotels i.e. 81% make use of customers' data.
9. Eighty one percent of sample hotels enjoy the benefits of customer's data. Out of these sample hotels, 71% belongs to Downtown, and 100% Star graded, 63% other category and 100% to Resorts.
10. All Resorts and Star graded hotels feels customers' data is important. 70% Downtown hotel and 63% hotels from other category also feels customers' data is important.
11. Forty one percent sample hotels provide homely environment. Out of these, 60% belongs to Downtown category, 50% belongs to Resorts, 14% star, and 13% other category.
12. Nineteen percent of sample hotels feel to have a Public Relation Officer (PRO) in hotel. It includes 20% of Downtown, 43% star graded.
13. Fifty nine percent of sample hotels do not make any correspondence with their customers. Out of these 65% sample hotel from Downtown, 87% other and 29% star graded category.
14. Fifty three percent sample hotels are sending season's Greetings to customers. Out of these 57% star, 15% Downtown and 50% Resorts of sample hotels.
15. Seventy three percent preferred phone media to contact customer. Out of these 35% Downtown hotels, 43% star graded and 50% Resorts.
16. Fifty one percent of sample hotels concentrate on personal care of customer. It involves 55% Downtown, 50% other category, 43% star and 50% Resorts.
17. Fifty seven percent of sample hotels offer discount to loyal customers, Out of which 50% belongs to Downtown, 71% star, 50% other category and 100% Resorts.
18. Most of the sample hotels do not communicate new product to customer i.e. 81%, out of which 80% belongs Downtown, 100% other category, 71% star and 50% Resorts.
19. Majority of sample hotels take the feedback of customers orally by customers and the percentage for that is 62, out of these total samples 60% Downtown, 100% other category

and 43% belongs to star graded.

20. Thirty-two percent of hotels take the feedback through feedback forms. Out of these 30% belongs to Downtown, 100% Resorts, 57% Star graded. No single hotel found in Other category
21. Only eleven percent hotels take the feedback through their staff. It consists 10% Downtown, 50% Resorts, 14% Star grades and no single hotels in other category.
22. Ninety-two percents of sample hotels in favor of informal relations among these 85% belongs to Downtown, 100% other category, 100% star and 100% Resorts.

It has been found from above findings that data of customers is very important to hotels as majority of hotels they are collecting and using customer's data for one or the other reasons.

The trend is setting to collect and utilize the data since one sample hotel in the region is already using CRM software and many other sample hotels are making use of customer's data to remain in contact with customers.

This leaves sufficient evidence with researchers to have potential for data management services in hotel industry.

Findings:

Satara district has around 2461 hotels. These hotels includes all restaurants, star graded hotels, resorts, dhabas, hawkers, motels, canteens, lodging, boarding and permit room, etc. most of the hotels are not even registered. Term hotel is used very broadly which encompasses locations preparing and making available food items to sale are treated as hotel.

Satara district is having various categories of hotels i.e. downtown category, Star category, Resort category and other. Other hotel refers to those outlets not included in either of above mentioned category but provides meals and lodging.

Data Need

1. Officials in entire sample hotels seem applying technique to get loyalty of customers. The ways are prominently, homely environment by 41%, meeting smallest desire 27% and 24% personal offering.
2. Almost entire sample hotels collect mandatory information. The information needed for the purpose of CRM is not collected from customers.

Data Use

1. Fifty Seven percent of total sample hotels offer discounts to customers as a way to treat loyal customers.
2. Management of 81% of total sample hotels does not communicate new product offerings to customers. Management at resorts and star hotels are seems communicating with customers about new products.

Officials Views/Opinions

1. Officials of 78% total sample hotels finds appointment of PRO is unnecessary whereas 22% officials opine that

existing staff suffice the purpose of PRO. No officials quote appointment of PRO is costly.

- Officials of entire sample hotels feel prompt response is essential and they are using it in handling the customers' complaints. Assurance for better services and offering compensation are meagerly used.

Sample Hotels found to collect and maintain the data in a traditional way. Some hotels maintain data on computer vis-à-vis manually. It is mandatory to all the hotels to maintain the register where they have to record only name, designation, staying days,

and purpose of visit and bind to show the identity card. Most of the hotels are not aware that the collected information will be useful to convince, sale, retain the customer, identify most profitable customer, and use to communicate new offer. In return, develop a good relation with most profitable customer and would enhance the occupancy and profitability.

Prescriptions:

Researcher has developed two formats which can be computerized with the help of software to build data base of customers. These formats are as below:

Customer Information Form										
Personal data (fill in Capital letters)										
Form No.			Code No.							
Last name			First name							
Middle name										
Residential Address										
City			State							
Pin code			Phone							
Mobile			Fax			e-mail				
Age			Type of Room			Purpose of Visit				
Newspaper			Type of Music							
Gender-Male/ Female		Date of Birth		dd		mm		yy		
Marital status		Date of Marriage		dd		mm		yy		
Married/unmarried		Pillow Type				Allergy				
Smoking habits Y/N										
Hobbies										
Diet			Health			Other Habits				
Smoking Habit		Yes/No		Occasions like to Celebrate in						
Equipment required in room Hotel										
About family										
Spouse Name			Spouse date of Birth			dd		mm		yy
Childrens details										
SR.	Name		Male/Female		Date of Birth		dd		mm	yy
1										
2										
3										
Education of customer										
Illiterate		SSC/HSC		Some college but not graduate		Graduate/PG general		Graduate/PG general		Any Other
Occupation										
Worker		Shop owner		Clerk/sales manager		Officer/Exe.		Business/Industrialist		Any other
Leisure time to attend										
Telephone			SMS			E-mail				
Last date of visit										
Frequency in a year										
Total purchase in a year Rs. (00000)										
Expectation from the Hotel about following										
Food			Ambience			Service			Price	
Benefit expected from the hotel for repeat visit										
Quantity discount			Quality service and tasty food			Cash discount (%)			Any other pl. specify	
Experience for the last visit			Fully satisfied		Partly satisfied		Satisfied		Less satisfied	Unsatisfied
Complaints if any										
Home delivery requirement			If Yes,		Date		Day		Time	
Visit to hotel mostly with			Foamily		Friend		Alone			
Most preferred meals in the hotel			Veg/ Non-veg		South Indian		Chinese		Continent al	Gujarathi
			Punjabi		Any other pl specify					
Most preferred room in the hotel			Ac/Non AC		Suit		Deluxe			
Mention three names of your best friend										
Name			Telephone No.			e-mail				
1)										
2)										
3)										
Any other pl. specify										

Information due collected from customers of hotel in above prescribed format. The management can elicit desired information from customers and fed it to computer for further processing.

The name, address, phone, e-mail can be used to identify and correspond with the customer. Correspondence for new offerings, reminder, book the order, send the greetings on New Year and various festivals. The birth date, marriage date one can utilize to send greetings. This transaction will help to build a strong bond between the customer and hotel. Individual diet habits can help hotel to serve their customer in a better manner. Generally, the hotel never takes this part into consideration and offer food as per their perception. Details of smoking habit will help hotel to keep them away from non-smokers and provide ashtray in the room. Purpose of visit helps to know the reason to stay in the hotel as well as legal requirement. Newspaper liking also defers from person to person. This is a very small thing where hotel has to spend very little amount to delight the customer. Type of music one can offer in their room where they feel home away from home. Everyone loves their family members; if hotel sends greetings to their customers' family members, the customer is delighted. If the hotel is well aware about the allergy of the customer then they can take care of the customer's health. This will help to make proper arrangement of

doctors. As per their hobbies hotel can search the opportunity to serve them and charge for it. Other habits where hotel can offer other services to make the customer comfortable. It is observed that one is ready to spend more time, money, and efforts to fulfill individual hobbies. The hotel can take the chance to remind the customer about the occasions they would like to celebrate in the hotel. Size of family determines the customer's consumption and occasions to visit the hotel. Education and occupation provides the picture of customer's socio economic class. Depending on the customers' spending, liking, behavior, life style hotel can offer the services. The leisure time of the customer, help to communicate without any disturbance. Last visit to the hotel will help to know how recently one has visited the hotel. Frequency of visit help to know how frequently customer has visits the hotel. Total purchase made by customers will help hotel management to distinguish among the more profitable customers to others. Expectation of the customer about food, ambience, service, and price determines the customer's rate of shifting from one to another hotel. Customer's benefit expectation for their repeat visits one can notice customers' preferences. Experience of the customer and complaint provides the feedback to the hotel where hotel can identify their lacunas. Most preferred room and most preferred meal will provide the customer's likings. The best friends' name and their phone numbers one can use to retain and attract new customer

Only for Dining Section

(For Parties, Conferences, Get-together, Meetings, etc.)

Customers data									
Personal data (fill in Capital letters)									
Form No.					Code No.				
Last name					First name				
Middle name									
Residential Address									
City				State					
Pin code				Phone					
Mobile				Fax					
e-mail									
Leisure time to attend the telephone, to read the SMS or check the E-mail									
Last date of visit									
Occasion celebrate in hotel									
Frequency in year									
Menu preferred in the hotel					Veg.			Non-veg	
Continental		Punjabi		Gujarathi		South Indian		Any other	
Dish mostly preferred by the customer									
Total purchase Rs(000)									
Expectation from the Hotel									
Experience of the last visit					Fully satisfied	Partly satisfied	Satisfied	Less satisfied	Unsatisfied
Complaints if any									
Visit to hotel with					Family members		friends	Relatives	Others
Please mention three names of your best friend or relatives and their contact number.									
1)									
2)									
3)									
Any other									

The data so collected from customers should be feed into computer for further processing. The management should think the ways to use collected/processed data. The data should be used for various purposes as follows

1. Lay foundation of marketing efforts.2. Find out positioning of unit in industry.
3. Identify most profitable customers.
4. Integrate all marketing efforts, customer service, sales, advertising, public relations, direct marketing to focus on the customers.
5. Allocation of marketing budget for market communication after identifying target segment and positioning.
6. Romance most profitable customers before, during and after their stay.
7. Determine basis to build strong relationship with customers.

Conclusion:

Most of hotels do not do any customer relationship management activity. They are doing their business in conventional way. This has affected their occupancy and profitability. Most of the hotel owners do their business in traditional way, some are successful because their hotels are in prime locations, they do not feel any CRM activity is of great use. Hotels keep customer information only, which is required for legal purpose. But they do not make any use of this data.

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