

A Study On Crm In Hotel Industries With Reference To Coimbatore South Taluk

¹Mr. SAM.E, ²Dr. S. RANILAKSHMI

¹M.Com., M.Phil, Ph.D - Research Scholar, Department of Commerce, PSG College of Arts & Science, Coimbatore 641 014. E.mail ID: shyameruthayantony123@gmail.com

²M.Com, M.Phil, PGDCA, MBA, Ph.D, Associate Professor, Department of Commerce, PSG College of Arts & Science, Coimbatore 641 014. E.mail ID: ranilakshmi@psgcas.ac.in

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ABSTRACT

The study titled "A Study on CRM in Hotel Industries with Reference to Coimbatore South Taluk" explores the impact of Customer Relationship Management (CRM) practices in the hotel industry, specifically focusing on hotels, lodges, guest houses, resorts, and related establishments within the Coimbatore South Taluk. The research aims to examine the CRM strategies employed by these establishments and their influence on customer satisfaction, loyalty, and business performance. The study's primary objective is to develop a conceptual model linking CRM dimensions with hotel outcomes, while also assessing the role of marketing capabilities as a mediator in this relationship. Primary data was collected through structured interviews with 150 respondents, utilizing a Likert scale for data analysis. Findings suggest that CRM practices significantly enhance customer loyalty, satisfaction, and profitability in the hospitality sector. However, challenges remain in adopting CRM fully due to factors like outdated systems and organizational complexities. The study emphasizes the importance of a customer-centric approach and highlights CRM as a critical tool for achieving competitive advantage in the hospitality industry. The study also identifies key barriers to CRM implementation and provides recommendations for improving its effectiveness within the hotel industry in Coimbatore South Taluk.

Keywords: Customer Relationship Management (CRM), Hotel Industry, Customer Loyalty, Customer Satisfaction, Hospitality Sector, Marketing Capabilities, Coimbatore South Taluk

1. INTRODUCTION OF THE STUDY

Customers are the lifeblood of any business. As Mahatma Gandhi emphasized, customers are not an interruption to our work but its very purpose. Today, this philosophy is widely embraced across industries like manufacturing, finance, healthcare, and logistics. The rise of Customer Relationship Management (CRM) reflects the merging of market needs with technological advancements. CRM today focuses not just on efficiency but also on effectiveness—creating better experiences to drive revenue and build strong, long-term relationships, emphasizing a high "Return on Relationships (ROR)."

Personalization and customization are key in strengthening customer loyalty and driving purchases. Building close connections with customers requires significant skill and effort, ensuring services meet customer expectations on their terms. True customer focus means offering consistent, reliable, and convenient experiences across all interactions.

CRM technologies play a crucial role in managing these interactions, helping businesses leverage customer data to enhance service quality, lower costs, and meet customers' unspoken needs. As competition intensifies, CRM has gained immense attention from both practitioners and scholars. Organizations increasingly adopt customer-centric strategies, tools, and technologies to strengthen customer relationships, identify profitable customers, and maximize returns. Ultimately, CRM is a vital strategy for business survival and success in today's unpredictable marketplace.

2. STATEMENT OF THE PROBLEM

A successful CRM program requires a deep understanding of and strong commitment to customers. It demands clear objectives, leadership support, employee involvement, and a constant focus on the customer's perspective. CRM is more than managing data; it transforms business-customer relationships and drives revenue growth. Its core goal is to identify which customers to prioritize and to personalize interactions, making customers feel valued and respected. Personalized services and customized products help humanize every customer touchpoint, strengthening meaningful relationships (Chaudhuri and Shainesh, 2001).

In industries like hospitality, boosting profitability and enhancing loyalty depend on effective CRM strategies. These involve collecting, validating, and sharing accurate customer information to deliver consistent, personalized experiences. In today's competitive and globalized economy, merely attracting new customers is no longer enough. Retaining existing customers by focusing on satisfaction and loyalty has become critical. As product differences narrow, CRM is increasingly central to achieving market leadership and profitability. Its two key processes—proactive business development and building long-term partnerships with valuable customers—enable organizations to create lasting relationships and gain a competitive edge in the marketplace.

3. SIGNIFICANCE OF THE STUDY

Customers' five key needs—service, price, quality, action, and appreciation—form the foundation of business success. Addressing not only these needs but also hidden, unmet needs can greatly enhance customer loyalty. Effective implementation of CRM creates opportunities for cross-selling and up-selling by offering the right product to the right customer based on their preferences. CRM also plays a vital role in managing customer emotions, especially when expectations are not met, helping to resolve dissatisfaction and rebuild strong relationships. However, the hospitality industry, particularly hotels, faces challenges in CRM adoption due to fragmented structures, outdated IT systems, and the complexities of managing perishable services across multiple distribution channels (Raghunath & Shields, 2001).

This study aims to provide valuable insights into how the hotel industry is strengthening guest relationships through CRM strategies. It explores current practices and programs adopted by leading players to improve customer retention and satisfaction. By understanding these initiatives, businesses can enhance profits and elevate their brand image in customers' minds. Ultimately, the study highlights the critical role of CRM in building lasting customer relationships and achieving competitive advantage in the hospitality sector.

4. OBJECTIVES OF THE STUDY

The primary objective of this study is to examine "Customer Relationship Management in the Hotel Industry." The additional objectives include:

- To analyze the CRM programs and practices implemented by leading hotels in Coimbatore South Taluk.
- To explore the strategies used to foster stronger relationships between customers/guests and hospitality (hotel) units.

5. SCOPE OF THE STUDY

This study, titled "A Study on CRM in Hotel Industries with Reference to Coimbatore South Taluk," focuses on hotels, restaurants, lodges, guest houses, resorts, inns, messes, villas, tourist homes, and holiday homes within the Coimbatore South Taluk region. It aims to develop a conceptual model linking CRM dimensions with hotel performance, while also examining the mediating role of marketing capabilities. The research further explores CRM practices adopted by the hospitality sector in the area, providing insights into their effectiveness and impact on customer satisfaction, loyalty, and overall business performance.

6. METHODOLOGY

a) Selection of the Sample: The first stage involved selecting the sample, focusing on the hotel industry in Coimbatore South Taluk. The sample included various establishments such as hotels, restaurants, lodges, guest houses, resorts, inns, messes, villas, tourist homes, and holiday homes, as listed in the annexure.

b) Formation of the Interview Schedule: In the second stage, an interview schedule was developed to collect essential data. A structured questionnaire was used to gather information regarding respondents' profiles, CRM activities, and the services offered. It captured insights into current CRM practices, influencing factors, barriers to implementation, and the relationship between CRM and organizational performance. Respondents rated their views using a five-point Likert scale (1 = Strongly Agree to 5 = Strongly Disagree).

c) Collection of Data:

- *Primary Data:* Collected directly through the structured interview schedule.
- *Secondary Data:* Sourced from books, websites, journals, and newspapers.

d) Consolidation of Data: Collected data were compiled into schedules, classified, and tabulated. A master table was created for analysis, and statistical tools like SPSS and diagrammatic methods were used to present the findings.

e) Analysis of Data: Data analysis was performed using simple percentage analysis, Likert scale interpretation, and Chi-Square tests.

7. FRAMED HYPOTHESIS

- **Ho:** There is no significant relationship between the demographic profile of the respondents and CRM in the study area.
- **Ho:** There is no significant relationship between CRM and personalized services, customer orientation, and customer loyalty.

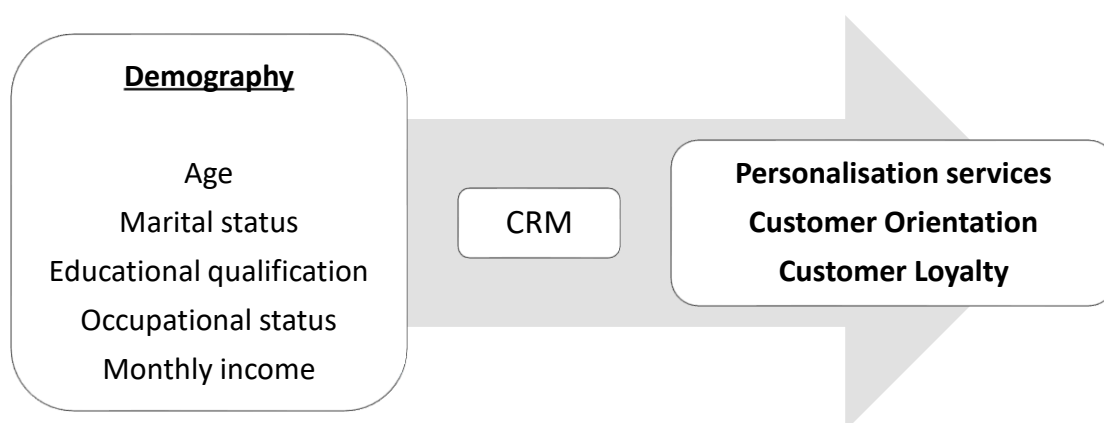
8. LIMITATIONS OF THE STUDY

- ❖ The study is limited to the respondents from Coimbatore South Taluk only.
- ❖ The CRM practice is restricted to the hotel industry, and other sectors are excluded from the study.
- ❖ Customer Relationship Management is a complex topic, and as such, there may be certain limitations or errors in the assumptions made.

9. FRAMEWORK OF THE RESEARCH

Chart: 1

Framework of the Research



10. PROFILE OF THE RESPONDENTS and SAMPLE UNITS

Overall result of profile of respondents and sample unit

Table: 1 Overall result Profile of the respondents and detail of the sector (majority)

Sl.no	Particulars	Variable	No. of respondents	Percentage
1	Age	46-55 years	83(150)	55

2	Educational qualification	Post graduates	67	45
3	Marital status	Married	89	59
4	Occupational status	Business	42	28
5	Monthly income	Above 35000	51	33
6	Year of establishment	1996-2000	13(30)	43
7	Number of employees	Above 200	9	30

Source: Primary Data

11. ANALYSIS AND INTERPRETATION OF DATA

a) RELIABILITY TEST

It refers to the stability and consistency of research results when repeated with the same methods (Sekaran, 1992). To minimize subject bias, respondents were assured of confidentiality. As the questionnaire followed a survey format, the study avoided observer error and observer bias, ensuring the quality and accuracy of findings.

Table: 2 Reliability - Co-efficient for the various elements of CRM

Sl.no	Elements	Cronbach Alpha
1	Personalised services	0.892 (very high)
2	Customer orientation	0.941 (very high)
3	Customer loyalty	0.601 (high)
	Total CRM	0.928 (very high)

Source: Fieldwork

Cronbach Alpha obtained for various variables of CRM questionnaire varied from 0.601 to 0.941 for individual variables. A reliability coefficient of 0.928 with 17 items answered by 150 respondents was observed very high. All together, the reliabilities obtained for individual and total scores showed higher values indicating that the tool employed in the present study were highly reliable.

b) RANKING CUSTOMER'S RELATED DETAILS – Simple Ranking

Table: 3 Ranking of Customer's related details

Sl.no	Particulars	Mean	S.D	Rank
	Purpose to be in this taluk			
1	This is my native	3.17	2.20	II
2	I am residing for my job regards	3.45	2.43	I
3	I came here as a tourist	2.72	1.81	III
4	This place is, on the way visit for me to travel to my place	1.89	1.45	IV
	Reason that brought to this specific Hotel			
1	Pleasure	4.40	1.79	II
2	Work	4.88	2.17	I
3	Adventure	4.33	1.73	VI
4	Business	2.18	0.68	IV
5	Holiday	4.81	1.76	III
6	Visiting People	1.97	1.55	V
	Services valued by the customers			
1	Transport	1.89	1.45	IV
2	Games-indoor & outdoor	1.79	1.29	V
3	Telecommuting	3.93	1.62	III
4	Conference – halls	1.51	1.19	VII

5	Swimming Pools	1.94	1.20	VI
6	Pub	2.54	0.62	VIII
7	Meals – food	4.88	2.17	I
8	Accommodation	3.99	1.88	II

Source: Computed Data

Out of four variables for Purpose to be in this taluk, it was found that I am residing for my job regards is ranked first [I] with standard deviation 2.43, followed by this place is their native 2.20 [II], they came as tourist 1.81[III] and for a few this place is there on the way visit for travelling to their place regarding job or home 1.42 [VI]. Out of six variables taken for Reason that brought to this specific Hotel, it was found that work was ranked first with standard deviation 2.17[I] followed by for pleasure 1.79 [II], holiday 1.76 [III], business 1.73 [VI], for visiting other people 1.55[V] and adventure 0.68 [VI] and finally out of eight variables taken for the study, it was found that meals –food provided in the specific hotel where they prefer to go or stay was ranked first [I] with standard deviation 2.17 followed by accommodation provided 1.88 [II], next telecommunication 1.62 [III], transport 1.45 [IV] each, games-indoor & outdoor 1.29 [V], swimming pool 1.20[VI], conference –halls 1.19[VII] and finally pub 0.62[VIII].

c) ANALYSIS ON CRM (Likert Scaling Techniques)**Personalised services****Table: 4 Distribution on ranking of Personalised services**

Sl.no	Personalised Services	5	4	3	2	1	MS	MR
1	PS-1	385	211	51	3	2	4.86	1
2	PS-2	347	201	64	10	4	4.66	2
3	PS-3	202	240	80	36	5	3.75	9
4	PS-4	232	225	78	25	9	3.79	8
5	PS-5	282	194	100	15	3	4.00	7
6	PS-6	181	204	136	28	3	3.68	10
7	PS-7	527	162	7	2	1	4.64	3
8	PS-8	352	246	28	11	3	4.27	5
9	PS-9	333	213	60	13	4	4.15	6
10	PS-10	361	246	33	8	1	4.33	4

Source: Computed Data

From the above table it is evident that, the variables of Personalised services are coded as follows., PS-1: offer new insights into consumer behaviour surroundings price-quality tradeoffs, PS-2: Customers considering a purchase in a particular product or service category scan their product/service options and develop a consideration set, PS-3: have a reward program that is meant to lock customer, PS-4: customers are given importance, cared and looked after sincerely, PS-5: The privacy of customers is not intruded into under any circumstances, PS-6:, PS-7: Hotel collects customer likes, dislikes, and preferences frequently, PS-8: The hotel differentiates the customers according to value and need, PS-9: The prevalence of frequent customer programs makes targeted promotions easier for retaining them, PS-10: Personalization of services leads to improved customer loyalty. It is found that PS-1 is ranked first followed by PS-2 and PS-7.

Customer Orientation**Table: 5 Distribution on ranking of Customer orientation**

Sl.no	Customer Orientation	5	4	3	2	1	MS	MR
1	CO-1	206	195	117	40	1	3.73	8
2	CO-2	410	244	9	6	1	4.46	3
3	CO-3	208	340	49	8	3	4.13	4
4	CO-4	235	194	122	18	4	3.83	6

5	CO-5	384	276	8	2	1	4.47	2
6	CO-6	286	195	102	13	4	3.99	5
7	CO-7	342	205	61	12	4	4.84	1
8	CO-8	232	225	82	24	8	3.80	7
9	CO-9	190	248	81	34	6	3.72	9
10	CO-10	181	204	136	27	4	3.67	10

Source: Computed Data

From the above table it is evident that, the variables of Customer orientation are coded as follows., CO-1: hotel has clear ideas of its customers and their needs, CO-2: Managers in hotel spend time with the customers, CO-3: Meeting customers' needs is a priority compared to meeting own internal needs, CO-4: hotel encourages customers to get involved in the process of defining service targets and standards in the hotel, CO-5: hotel knows exactly what aspects and characteristics of our service customers value the most, CO-6: hotel surpasses customers' expectations as regards the things which are most important for them, CO-7: Customers are encouraged to regularly give hotel feedback about business performance, CO-8: hotel regularly analyzes customer complaints and the information got is then used in the process of strategy development, CO-9: hotel responds quickly to customers' comments and complaints, CO-10: In hotel, everyone is responsible for solving customers' problems. It is found that CO-7 is ranked first followed by CO-5 and CO-2.

Customer loyalty

Table: 6 Distribution on ranking of Customer loyalty

Sl.no	Customer Loyalty	5	4	3	2	1	MS	MR
1	CL-1	162	162	8	2	1	4.59	2
2	CL-2	352	246	28	11	3	4.27	5
3	CL-3	333	213	60	13	4	4.15	6
4	CL-4	361	246	32	8	2	4.32	3
5	CL-5	223	168	121	42	3	3.71	7
6	CL-6	525	165	3	2	1	4.69	1
7	CL-7	403	185	34	17	4	4.28	4

Source: Computed Data

From the above table it is clear that for the purpose of analysis the variables of Customer loyalty are coded as follows, CL-1: The hotel has more than 5 customer loyalty programs, CL-2: always reward loyal customers with various none cash offers, CL-3: More than 50 percent of hotel guests are repeat customers, CL-4: repeat customers do not chose the hotel because of prices, CL-5: More than 50 percent of first time customers are referrals from existing customers, CL-6: customers often encourage other people to stay at this hotel, CL-7: customers say positive things about the hotel in the customer satisfaction results. It is found that CL-6 is ranked first followed by CL-1 and CL-4.

d) ANALYSIS ON TESTING OF HYPOTHESIS (Chi-square analysis)

CRM and personalised services

Ho: There is no significance relationship between the CRM and personalised services

Table: 7 CRM and personalised services - Chi-square Test

Sl.no	Particulars	Value	D.f	Asymp. Sig. (2-sided)
1	Pearson Chi-Square	27.654	7	0.000
	Likelihood Ratio	17.696	10	0.000
	Linear-by-Linear Association	21.503	10	0.000
	N of Valid Cases	150		

Source: Computed Data

The calculated chi square value of CRM and personalised services is 27.654; the table value at 5% level of significance and 1 degrees of the freedom is 7.879. As the calculated value of chi square is higher than the table value the null hypothesis is rejected and the alternative hypothesis [H_a : There is significant relationship between the CRM and personalised services] is accepted. It is concluded that there is a significant relationship between the CRM and personalised services in the study area.

CRM and customer orientation

Ho: There is no significance relationship between the CRM and customer orientation.

Table: 8 CRM and customer orientation -Chi-square Test

Sl.no	Particulars	Value	D.f	Asymp. Sig.(2-sided)
2	Pearson Chi-Square	27.087	8	0.011
	Likelihood Ratio	37.160	10	0.000
	Linear-by-Linear Association	14.944	10	0.026
	N of Valid Cases	150		

Source: Computed Data

The calculated chi square value of CRM and customer orientation is 27.087; the table value at 5% level of significance and 4 degrees of the freedom is 14.860. As the calculated value of chi square is higher than the table value the null hypothesis is rejected and the alternative hypothesis [H_a : There is significant relationship between the CRM and customer orientation] is accepted. It is concluded that there is a significant relationship between the CRM and customer orientation in the study area.

CRM and customer loyalty

Ho: There is no significance relationship between the CRM and customer loyalty.

Table: 9 CRM and customer loyalty -Chi-square Test

Sl.no	Particulars	Value	D.f	Asymp. Sig. (2-sided)
3	Pearson Chi-Square	10.517	5	0.022
	Likelihood Ratio	15.042	7	0.000
	Linear-by-Linear Association	21.069	7	0.000
	N of Valid Cases	150		

Source: Computed Data

The calculated chi square value of CRM and customer loyalty is 10.517; the table value at 5% level of significance and 3 degrees of the freedom is 12.838. As the calculated value of chi square is higher than the table value the null hypothesis is rejected and the alternative hypothesis [H_a : There is significant relationship between the CRM and customer loyalty] is accepted. It is concluded that there is a significant relationship between the CRM and customer loyalty in the study area.

12. FINDINGS OF THE STUDY

❖ PROFILE OF THE RESPONDENTS AND SAMPLE UNITS

It is referred that out of 150 respondents, majority of the respondents belong to the age group 46-55 years 83 respondents (55%) followed by 38 respondents (25%) belong to the age group of 36-45 years, 16 respondents (11%) belong to the age group of 56 & above and 13 respondents (9%) belong to the age group below 35 years. Most of the Indians at the age group 36-45 years get settled in life. In general, it is found that this age group is more responsible than the rest of the group; they move around for job, they decide to take a trip of their family and so on.

It is evident that majority of the respondents are post graduates of the total of 150 it amount to 67 respondents that is 45%, followed by under graduates 40 respondents 27%, professionals 25 respondents 16%, higher secondary 12 respondents 8% and finally diploma 6 respondents 4%. In recent years it was found that most of the educated have developed the habit of fixing a leisured trip one in a week, month or year, this is irrespective of the age or gender.

It is clear that out of 150 respondents majority of the respondents are married that is 89 (59%) and the remaining are unmarried to a count of 61 (41%). It was found that most of the family plan for trips during week end to get out of stress and also to keep their children cool and happy, this is a corporate style but it has become a habit for most of the people.

It is evident that out of 150 respondents majority of the respondents are Business man that is 42 (28%), followed by government employees 35 (23%), private employees 31 (21%) and agriculture 12 (8%). It was also found that business people move around for their business purpose, sometimes to relieve stress and most of the time to spend time with their family, thus majority are found to be business people.

It is evident that for the purpose of classification of hotel industries, they have been classified into ten categories such as hotel, restaurants, lodges, guest houses, resorts, inn, mess, villa, tourist home and holiday home. The research for collecting the data by adopting convenient sampling technique have visited 4 (13%) hotels, , restaurants, lodges, guest houses, resorts each and 2(7%) , inn, mess, villa, tourist home and holiday home each. Therefore a total of 30 hotel industries have been taken as sample unit for the study.

It is found that majority of the hotel industries was established during the year between 1996-2000 that is out of 30 hotel industries taken for the study 13 industries (43%) followed by 10 hotel industries 33% during the year 2001-2005, 4 hotel industries during 1990-1995 and just 3 hotel industries 11% during 2006-2010. It was very clear that during the year 1996-2000 many tourist development reforms were passed that that many small tourist towns got importance in development and one such place was Tenkasi and the places around it such as coutrallam, sencotai etc, Thus this gave the emergence of hotel industries in this study area.

It is evident that out of 30 hotel industries taken for the study, majority of the units have employees above 200, 9 (30%) followed by 7 (23%) have employees between 101-150, 6 (20%) 151-200, 5 (17%) less than 50 and finally 3 (10%) 51-100 employees. It was found that, restaurants, guest houses, resorts, inn, villa, tourist home and holiday home have employed more employees compared to hotel, lodges and mess.

❖ **REALIBILITY TEST:** Cronbach Alpha obtained for various variables of CRM questionnaire varied from 0.6901 to 0.9341 for individual variables. A reliability coefficient of 0.9328 with 17 items answered by 150 respondents was observed very high. All together, the reliabilities obtained for individual and total scores showed higher values indicating that the tool employed in the present study were highly reliable.

❖ **FINDINGS CUSTOMER'S RELATED DETAILS**

For Purpose to be in this taluk it is clear that out of 150 respondents majority of the respondents are residing for their job regards 87 [58%] followed by this place is their native 25 [17%], they came as tourist 21[14%] and for a few this place is there on the way visit for travelling to their place regarding job or home 49[11%].

For reason that brought to this specific hotel, it is clear that out of 150 respondents majority of the respondents have gone to that specific hotel with regard to their work 70 [47%] followed by for pleasure 25[17%], holiday 19 [13%], business 15[10%],for visiting other people 13[9%] and adventure 5[8%].

For Services valued by the customers, it is found that out of 150 respondents' majority of the respondents 29 [19%] responded for the meals –food provided in the specific hotel where they prefer to go or stay followed by accommodation provided 25 [17%] respondents, next telecommunication and transport 23[15%] each, games-indoor & outdoor 18[12%], swimming pool 16[11%], conference –halls 12[8%] and finally pub 4[3%].

❖ **FINDINGS ON OF OTHER DETAILS RELATED TO CUSTOMERS – simple ranking:** Out of four variables for Purpose to be in this taluk, it was found that I am residing for my job regards is ranked first [I] with standard deviation 2.43, followed by this place is their native 2.20 [II], they came as tourist 1.81[III] and for a few this place is there on the way visit for travelling to their place regarding job or home1.42 [VI]. Out of six variables taken for Reason that brought to this specific Hotel, it was found that work was ranked first with standard deviation 2.17[I] followed by for pleasure 1.79 [II], holiday 1.76 [III], business 1.73 [VI],for visiting other people 1.55[V] and adventure 0.68 [VI] and finally out of eight variables taken for the study, it was found that meals –food provided in the specific hotel where they prefer to go or stay was ranked first [I] with standard deviation 2.17 followed by accommodation provided 1.88 [II], next telecommunication 1.62 [III], transport 1.45 [IV] each, games-indoor & outdoor 1.29 [V], swimming pool 1.20[VI], conference –halls 1.19[VII] and finally pub 0.62[VIII].

❖ **FINDINGS ON CRM (Likert Scaling Techniques)**

It is evident that, the variables of Personalised services are coded as follows., PS-1: offer new insights into consumer behaviour surroundings price-quality tradeoffs, PS-2: Customers considering a purchase in a particular product or service category scan their product/service options and develop a consideration set, PS-3: have a reward program that is meant to lock customer, PS-4: customers are given importance, cared and looked after sincerely, PS-5: The privacy of customers is not intruded into under any circumstances, PS-6:, PS-7: Hotel collects customer likes, dislikes, and preferences frequently, PS-8: The hotel differentiates the customers according to value and need, PS-9: The prevalence of frequent customer programs makes targeted promotions easier for retaining them, PS-10: Personalization of services leads to improved customer loyalty. It is found that PS-1 is ranked first followed by PS-2 and PS-7.

It is evident that, the variables of Customer orientation are coded as follows., CO-1: hotel has clear ideas of its customers and their needs, CO-2: Managers in hotel spend time with the customers, CO-3: Meeting customers' needs is a priority compared to meeting own internal needs, CO-4: hotel encourages customers to get involved in the process of defining service targets and standards in the hotel, CO-5: hotel knows exactly what aspects and characteristics of our service customers value the most, CO-6: hotel surpasses customers' expectations as regards the things which are most important for them, CO-7: Customers are encouraged to regularly give hotel feedback about business performance, CO-8: hotel regularly analyzes customer complaints and the information got is then used in the process of strategy development, CO-9: hotel responds quickly to customers' comments and complaints, CO-10: In hotel, everyone is responsible for solving customers' problems. It is found that CO-7 is ranked first followed by CO-5 and CO-2.

It is clear that for the purpose of analysis the variables of Customer loyalty are coded as follows, CL-1: The hotel has more than 5 customer loyalty programs, CL-2: always reward loyal customers with various none cash offers, CL-3: More than 50 percent of hotel guests are repeat customers, CL-4: repeat customers do not chose the hotel because of prices, CL-5: More than 50 percent of first time customers are referrals from existing customers, CL-6: customers often encourage other people to stay at this hotel, CL-7: customers say positive things about the hotel in the customer satisfaction results. It is found that CL-6 is ranked first followed by CL-1 and CL-4.

❖ **FINDINGS ON TESTING OF HYPOTHESIS (Chi-square analysis)**

The calculated chi square value of CRM and personalised services is 27.654; the table value at 5% level of significance and 1 degrees of the freedom is 7.879. As the calculated value of chi square is higher than the table value the null hypothesis is rejected and the alternative hypothesis [H_a : There is significant relationship between the CRM and personalised services] is accepted. It is concluded that there is a significant relationship between the CRM and personalised services in the study area.

The calculated chi square value of CRM and customer orientation is 27.087; the table value at 5% level of significance and 4 degrees of the freedom is 14.860. As the calculated value of chi square is higher than the table value the null hypothesis is rejected and the alternative hypothesis [H_a : There is significant relationship between the CRM and customer orientation] is accepted. It is concluded that there is a significant relationship between the CRM and customer orientation in the study area.

The calculated chi square value of CRM and customer loyalty is 10.517; the table value at 5% level of significance and 3 degrees of the freedom is 12.838. As the calculated value of chi square is higher than the table value the null hypothesis is rejected and the alternative hypothesis [H_a : There is significant relationship between the CRM and customer loyalty] is accepted. It is concluded that there is a significant relationship between the CRM and customer loyalty in the study area.

13. SUGGESTIONS

In conclusion, this study presents a theoretical model that highlights the strong relationship between CRM personalized services, orientation, and customer loyalty. It significantly contributes to the body of knowledge by providing a comprehensive framework that explains the impact of the three CRM dimensions on hotel performance. While CRM is widely recognized, it has not been fully verified or empirically assessed to determine the strength of the relationship between CRM dimensions and hotel industry performance. This study uniquely extends the knowledge by exploring the mediating role of marketing capabilities, specifically planning and implementation, in the relationship between CRM dimensions and hotel performance. Additionally, the research raises awareness among hotel managers about the importance of CRM dimensions and marketing capabilities,

urging them to focus on these elements to improve hotel performance and competitiveness. Despite its contributions, the study has limitations. First, further verification is required by collecting data from the hotel industry to test the proposed model and further investigate the hypothesized relationships. Second, the model is focused on the hotel industry, and future research should test it in other sectors, such as the financial industry, to assess its broader applicability and validity across different business environments.

Recommendations

On recommendation, industry leaders should rise to the challenge of ensuring that insurance companies in Nigeria effectively manage customer records, identify key clients, and tailor products to meet their needs, desires, and expectations. Additionally, all customer touchpoints, including requests for insurance coverage, filling of proposal forms, complaint lodging, policy renewals, and claims requests, should be promptly and adequately addressed. Furthermore, insurance companies should continually deploy and encourage the use of IT facilities to enhance customer relationship management, retention, and value creation.

This study contributes significantly to the knowledge by educating insurance company managers on the importance of evaluating their firms' relationship management practices. It emphasizes the integration of customer retention and value creation into their vision and mission statements. The study also highlights the need for regulatory authorities to regularly review the customer databases of insurance companies. However, there are notable limitations in the study. First, data were gathered solely from insurance practitioners, specifically marketing and underwriting officers, without considering the views of policyholders. Secondly, the research was unable to access the customer databases of the surveyed companies. Future research could explore why insurance companies often face challenges in retaining policyholders for extended periods, providing valuable insights for the industry.

14. CONCLUSION

Customer Relationship Management (CRM) has emerged as a crucial strategy for personalizing customer experiences and enhancing customer satisfaction and retention, particularly within the hotel industry. Despite its potential, previous research indicates that many hotels have not fully leveraged CRM's capabilities, struggling to implement it effectively. Empirical studies highlight a direct link between CRM and service quality, notably in industries such as banking. When properly implemented, CRM can significantly improve customer retention, leading to increased profitability. However, it has been observed that the focus on CRM implementation often centers solely on software systems, neglecting the critical human element that plays a vital role in its success. This oversight has contributed to CRM failures in various sectors, including banking. It is evident that banks with CRM systems in place are generally more profitable than those without. As a result, to stay competitive in the modern business landscape, organizations—especially in the banking and hospitality industries—must adopt and rigorously implement CRM strategies. By doing so, they can foster stronger customer relationships, improve service quality, and ultimately achieve greater long-term profitability and success. Thus, CRM's role in business development should not be underestimated, and its full potential should be realized for sustained growth.

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