IMPACT OF E-CRM ON CUSTOMER SATISFACTION, LOYALTY AND RETENTION: CASE OF LE MERIDIAN, COIMBATORE

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Abstract
Technological innovation and the growth of the internet as an electronic medium have led to the emergence of online travel distribution channels. Today, hotel managers are completely aware of benefits that Internet as a promotion tool offers to their business, and accordingly, they are motivated to create greater awareness of their hotels with the goal of increasing number of guests and improving hotel reputation. This paper describes how ECRM strategy is used by hotel managers to promote the hotel, more specifically, how much impact websites, social media and e-mail marketing campaigns have on hotel promotion and business performance. The present research investigates the extent to which Le Meridian, Coimbatore had developed the Electronic Customer Relationship Marketing (E-CRM). The study verifies the practices that frequently appear in relationship marketing process within online operations or whether their internet presence mainly depends on the basic actions of 'supplying information' and 'reservations'. Also, it investigates the effects of E-CRM system on customer loyalty and satisfaction as well as the impact of relationship marketing practices to customer retention and acquisition. They have understood the importance of using electronic channels instead of traditional ones to implement their marketing strategies. Thus, E-CRM system has assisted hotel business to manage more effectively their reservations and serve their customers as fast and as effective as possible. They did not seem to apply many of the relationship marketing strategies to emphasize customer retention and continual satisfaction because of difficulties in staff training.

Keywordd: Customer Relationship Management; Electronic CRM; Internet; World Wide Web; Online Travel Distribution Channels, Le Meridian Hotel.

1. Introduction
The service industry, especially Hotel industry grapples with increasing competition currently. E-CRM is more than just another piece of Internet jargon. While the basic principles and objectives of traditional CRM hold true – customer retention versus acquisition, customer lifetime value, etc., the interactive nature of the World Wide Web and the personalization available through Internet technology is adding a new dimension to the discipline.

Technology, particularly relational databases, has always played a central role in E-CRM, as indicated in the following definition by Dr Tzokas from the CRM Institute at the University of Strathclyde: "[E-CRM is an] IT enhanced value process, which identifies, develops, integrates and focuses the competencies of the firm to the voice "of the customer to deliver long-term superior value, at a profit, to existing and potential customer segments In such environment, differentiation is necessary and Hotel industries begin to realize that no Hotels can offer all services and be the best/leading Hotel for all customers. They are forced to find a new basis for competition and they have to improve the quality of their own services.

Business to business and the move to electronic transactions is allowing corporate to gain efficiencies, reduce costs, streamline business processes and provide their services to a larger customer base. Business to business e-commerce migrate the traditional business model towards the emerging digital marketplace. E-CRM has recently become one of the most controversial issues and a focal-point in the business field. It is worth mentioning that E-CRM is mainly based on the belief that establishing a sustainable relationship with customers is the cornerstone for obtaining loyal customers who are much more profitable than non-loyal ones. In this regard, the successful implementation of E-CRM strategy will be of great benefit to the organizations, adopting it, as such organizations can reap the benefit of increasing sales through better market segmentation, customizing services, obtaining higher quality services, gaining access to information and employee satisfaction, and above all, ensuring long-lasting customer-retention and loyalty.

Moreover, we have to bear in mind that recent studies on the E-CRM selectively focus on some service sectors, such as banking, telecommunication, healthcare, and Call Centers. Consequently, there is still a marked lack of research on E-CRM in the hotel industry. So this paper studies and explores the degree to which Le-Meridian hotel in Coimbatore had exploited the medium of Electronic Customer Relationship Marketing (E-CRM).

2. Customer Relationship Management (CRM)
In this connection, it is worth noting that the concept of CRM can be defined in different ways. It also means different things to different people; depending on the working environment it has been used in. Therefore, there is no single correct definition

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of CRM. However, to enrich the literature about CRM, this study will define it as "a strategic approach that enables organizations to use internal resources (i.e. Technology, people, and process) to manage the relationship with customers for the whole of their lives cycles, in order to create a competitive advantage and improve an organization's performance".

2.1 CRM and Hotel industry

Despite the fact that CRM brings lasting benefits to organizations, as a whole, some of them gain profits from implementing it more than others; CRM brings benefits to the organizations that generate a lot of information about customers. In addition to this, service organizations for their intrinsic characteristics of the production and consumption are inseparable elements necessary to build relationships with customers.

Accordingly, CRM will be ideally suited to the hotel industry, especially when implementing it successfully and effectively, taking into our account that hotels receive a lot of data about customers. Such data can be transformed into useful knowledge about them .Suffice it to say that hotel industry, like any business sector has to be highly competitive to be able to do well in the business environment, therefore, it is of vital importance for it to encourage behavioral patterns of continuous re-purchase and to retain customers last longer. Thus, it is evident that such ambitious aims can only be achieved through implementing CRM, which will result in establishing fruitful relationship between organizations and their customers.

Moreover, it goes without saying that growing customer- acquisition costs, rising customer expectations, price-sensitive travelers, more sophisticated clients, uncertain market and less brand loyalty are all key factors, which strongly urge hotels to focus on CRM as a useful strategy. Needless to say, CRM is widely considered as one of the most effective ways to facilitate developing and expanding the customers' base that , in turn , will assist in enhancing profitability and guest loyalty.

2.2. E-CRM and Hotel Industry

It is a proven fact that the multi- dimensions concept of E-CRM can be considered relatively new, because of the only few studies, which are made on the E-CRM dimensions in Hotel industry, thus the range of information on this concept is quite limited. To drive the point home, it can be said that E-CRM consists of four broad behavioral dimensions. These behavioral dimensions are: key customer focus, CRM organizations, Knowledge management and technology -based CRM. It is essential that all of these dimensions must work systematically in an organization to guarantee its improved performance.

2.3. Hotel Performance

E-CRM dimensions evaluation was assessed in a number of ways, including customer satisfaction, customer loyalty and customer retention and sales growth. Therefore, this study will use the following model to evaluate the impact of E-CRM dimensions on hotel performance.
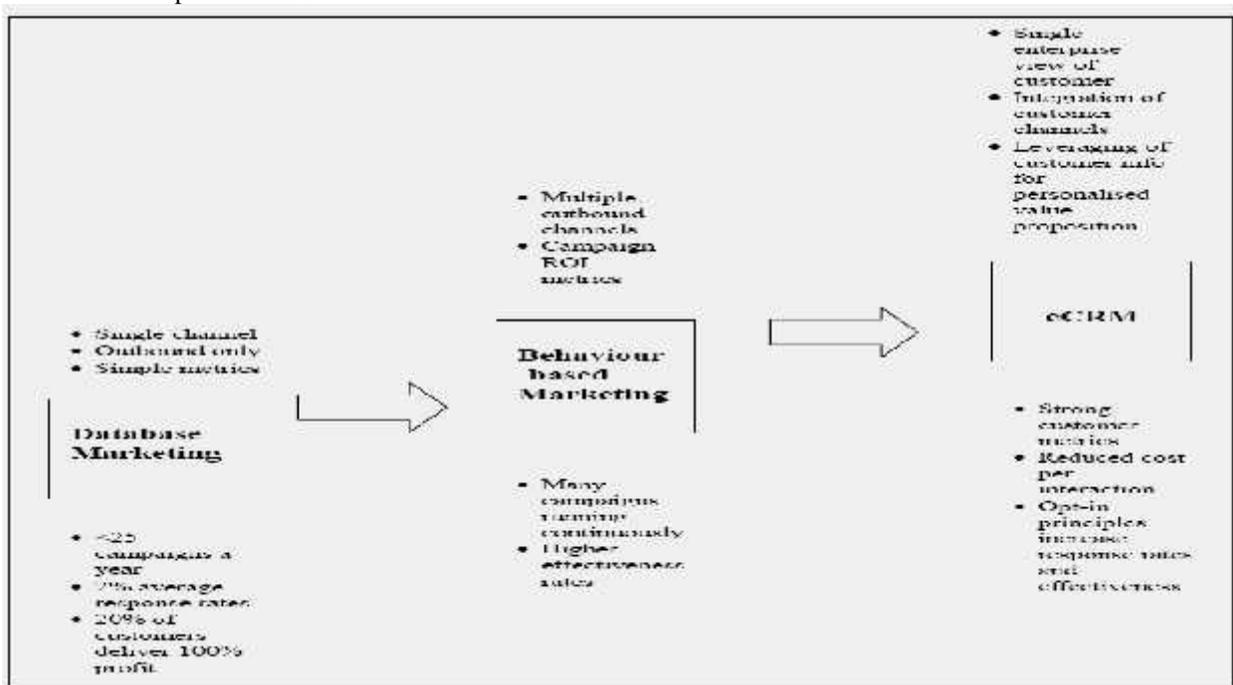
(Source:www.xchange.com)

3. Purpose of Study

- The main purpose of this study is to understand the feasibility of the E-CRM in the hotel industry as it became one of the important techniques in the market of competitive world.
- This paper will help in understanding the importance or role of E-CRM in improving Electronic Customer Relationship Marketing in the hotel industry.
- This paper will come to a conclusion by suggesting the practical solutions for the applications of the E-CRM in the hotel industry.
- This paper will also help in understanding the uses of E-CRM in developing the profits and customer count in the hotel industry.
- This paper will give an idea of the role of IT in E-CRM usage.

4. Aim and Objectives

AIM: To study the feasibility and application of Electronic Customer Relationship Marketing in Le Meridian hotel, Coimbatore.

**Objectives*:*

1. To discuss about the implementation of E-CRM in Le Meridian Hotel, Coimbatore.
2. To study impact of website in Le Meridian Hotel, Coimbatore.
3. To study the impact of Social Media as E-CRM technologies followed in Le Meridian hotel, Coimbatore.
4. To study e-mail as tool for hotel promotional campaigns in Le Meridian hotel, Coimbatore.
5. To evaluate the effectiveness of E-CRM by focusing on customer satisfaction, customer loyalty and customer retention.

5. Research Method

In this paper the data is collected from various sources like internet and e-books to gather the information related to research. With the data collected from different sources the author will come to a conclusion about the method to be followed which is best suitable to accomplish the paper. This paper will discuss about the literature review of E-CRM and then the research conducted on Le Meridian Hotel, Coimbatore. Then the author evaluates the key findings of the study followed by conclusions and recommendations. The research design followed in this paper is descriptive in nature.

6. Emprical Results

6.1. Impact of Website in Le Meridian Hotel, Coimbatore

Development of the Internet has increased possibilities for the growth of hotel industry. Hotel managers are now fully aware of the benefits that Internet as a means of advertising offers their business, and accordingly, they are motivated to create greater awareness of the hotel with the goal of getting more online bookings. Hotels need to develop strong E-CRM strategy because communication with numerous clients is mainly going to occur over the Internet. Hotel managers need to know how to establish mutually beneficial interactive relationships with guests. Hotel website or presence on Internet enables hotel managers to easily get and stay in touch with potential and regular guests on a personal basis. Today, web technologies are easily learned by hotel managers. For example, they can very easily update new information or pictures on the site. There is also an enhanced content management system (CMS) that allows setting and use of multilingual content. This way, it is very easy and efficient, in terms of cost, for the hotels to translate the messages according to the respective languages of potential guests.

Through the presence on Internet, hotel managers very easily use the fundamental principles of hospitality marketing to increase the hotel's reputation on the Internet and beyond. Effectively managed, websites can be the best medium for creating relationships with customers, creating hotel brand, guest retention and encouraging repeat visits of the existing hotel guests.

A hotel website should provide all necessary information to guests including room specifications and services offered. If a website is updated regularly, the visitor can find the latest information about the hotel. Usually hotels have street maps on their websites so potential customers can easily find a hotel. Also, the website will contain various pictures including the pictures of hotel rooms and other hotel facilities. This will allow guests to create a picture of how the hotel looks. Some hotels websites also have virtual tours. This represents a video that shows the hotel through the lobby, hallways and rooms. Information and communication technology (ICT) provide a platform for hoteliers to collect information on the guests. Many hotel web sites invite customers to register and identify their interests, from which hotel managers can create personalized services and products and increase customer satisfaction. Personalization increases the customers' emotional involvement into the experience, often improving their opinions about it as well as the service provider. As it is important to inform the guests, the responsibility of hoteliers is also to keep information about the guests safe.

With the aim to be competitive, hotel managers should aim to add value to their offers on hotel websites. Providing features such as reservations and reservation modifications, tracking transaction history, providing a level of personalization and understanding the specific needs and preferences of guests enhances the value that customers receive, which increases loyalty. Bookings that are done online are often much faster and cheaper. Hotel website can enhance and increase reservations with online reservation system. This system will increase sales. It pays off to invest in hotel website and to implement an online booking system.

The awareness about optimizing hotel websites for search engines is very important. Each traveler or tourist uses search engines to obtain information about where they want to go. Hotel managers need to focus large amounts of time and resources on this type of Internet traffic. Because of this, managers need to create strategies that will help them increase their presence on search engines. Internet search engines are constantly changing the rules of ranking websites on the Internet. It is therefore crucial for managers to stay up to date with search engine optimization trends. When a hotel has an effective site that is optimized for the web browser, it results in increase of number of reservations, customer loyalty and a good return on investment (ROI). Successful implementation of the selected systems for customer relationship management (CRM) is essential for the success of modern business. Successful implementation needs an effective project management methodology that will enable risk and cost minimization and have an impact on greater return on investment (ROI), thus providing maximum customer satisfaction. Assessing the ROI is useful for CRM systems when there are certain investments in specific CRM applications such as sales automation (SFA) in the system of evaluation of effectiveness or cost reduction. Also, the presence on the Internet saves hotel staff time with automated processes on the site such as typing the basic information about the guests, questionnaires, layout of conference rooms and other information that can be collected from the website. Moreover, it is easier for staff to collect contact details of guests that will encourage their return through regular blogs, newsletters, membership in an online community, promotions, etc. The use of questionnaires allows hotels to improve service quality, customer satisfaction, develop new capacities and avoid mistakes.

6.2. Impact of Social Media in Le Meridian Hotel, Coimbatore
The hotel industry is rapidly evolving as new technology demands that hotels become more social and engaging in their marketing efforts; travelers are looking for the best value propositions, and consumer demand is pushing for hotels to make concerted efforts on property upgrades and improvements. In order to understand the market better, hoteliers need to realize that social media marketing is very important for success of hotel business and the following trends for future need to be recognized:

- Hoteliers need to invest in renovation of their properties. In the near future, there will be more hotels renovating lobbies, restaurants, bars and fitness centers, as well as replacing beds, TVs, and more.
- Online booking will continue to grow.
- There will be more mobile bookings. More and more travelers will be turning to their mobile devices not only to research lodging and travel options, but to book and communicate room preferences directly with the hotel. It is crucial for hoteliers to optimize their website for mobile usage to capture potential mobile transactions.
- Social media will continue to transform connections with travelers. By 2016, half of the travel industry will be using social media as a way of generating revenue and bookings. Currently more than one-fifth (22 percent) use social media as a revenue generating tool with a further 27 percent planning to do so over the next five years.
- It is necessary for hotels to add social media to their marketing mix. Contact with potential customers can be achieved in several ways. Creating a presence on major social networks (Facebook, Twiter, Flickr, etc.) and sponsoring a group who live nearby is one of the ways to find guests. This increases the awareness of hotel to those who will be in the area. If the positive reputation is created, social network will also carry out promotion. The biggest on-site opportunity for social media in the hospitality industry is at the intersection of social media and mobile phone technology. For example, if mobile geolocation features alert a hotel that a guest is in the building, it creates the opportunity for them to pitch relevant services. Perhaps when a guest arrives, for instance, management will encourage him to come down to the bar and enjoy a complimentary cocktai. Hotels also need to join social networks that are specifically designed for tourists. Tourism-based user groups have several purposes. They provide an open forum of companies that offer products and services associated with the user group. TourNCare, Tripatini and GoAbroad are examples of social networks exclusively for tourists and travelers. Marketing to these groups reaches the guests who were already identified as interested in tourism.

6.3. E-Mail as Tool for Hotel Promotional Campaigns
Growth in the use of e-mail messages is one of the most important developments in business communication in the last quarter century. The wide acceptance of e-mails has deeply influenced society and the business, changing how individuals interact with each other and how the business is interacting with customers. It is important to send an appropriate e-mail

message to the right guest at the right time, all with the aim to improve the guest experience. Another way is the use of contact forms that suggest hotels. Internet users rarely give up their personal information for marketing purposes. Although the use of self-directed user contact forms requires the exchange of such information. This may include users who sign up for the mailing list and in return receive discounts or by entering their contact information get a chance to win a prize. These mailing lists can still be used for marketing campaigns of desired customers. With the use of CRM software and based on stay patterns and preference hotels are capable to send targeted, relevant and high quality emails to guests. This system for guest profiling with email marketing with newsletters and special offers is aimed at increasing the stays frequency. Integration of ECRM and PMS (Protection Management System) enables automatic sending of emails which are highly personalized and customized for each guest. Email marketing for hotels helps show the very best of the hotel in a single customized message. Not only does the email feature the hotel's logo and phone number, as well as a personalized greeting for the recipient, but it will also show all the hotel has to offer. Here, we can differentiate the following:

- Confirmation emails – email messages that guests receive immediately after completing online reservation in order to confirm it.
- Pre-arrival emails – messages that are sent to remind guests about the reservation they made,
- Thank you emails,
- Guest satisfaction survey.

Some guidelines must be followed In order to create an effective e-mail marketing campaign for hotel:

- Make sure you get through the spam filters. Mail that is not delivered is not read.
- Write effective subject lines. Say what is inside, but do not over do it. Sometimes boring is best. Do not use too much hype.
- Always send a text version of each message. If you are using HTML, you want to provide an
- Option for people who do not – or cannot – read that format.
- Use a table of contents for longer emails.
- Make the email content scannable.
- Include descriptive links with a call to action.
- Link to a web version (if the email does not display properly).
- Include a "forward to a friend" link on all messages.

7. Conclusion

With the development of the Internet and the continuous improvement of technology, ECRM has entered a new era of development. From the perspective of ECRM, Internet is a tool for customer interaction, which brings many benefits to the organization. Creation and maintenance of loyalty requires that companies to understand that Internet is customer-oriented environment where the customer should be regarded less as a target and more as a partner. Internet reduces costs, extends the scope of the market and increases quality of services. It also increases the value of customer relationships at certain levels, such as access, convenience and low cost. Online success in the hotel industry is dependent on many different factors. Hoteliers can achieve marketing success by keeping up to date about content management systems and innovative technologies applicable for the industry and planning for every aspect of electronic commerce. It takes hard work and effort to optimize the hotel website; however, implementation of web features such as content management system is necessary. Altogether, the application of ECRM in the hospitality industry along with satisfied and loyal guests brings many benefits such as increased guest retention rates, increased revenue and profitability, reduced internal costs, reduced marketing costs, improved customer service, creating a positive reputation of the hotel, increased market value of the hotel, improved marketing methods, business process improvement, better understanding of the requirements of guests, higher employee productivity and protecting marketing investment with maximized returns. All of these benefits that ECRM offers hotels can be a source of long-term and sustainable competitive advantage.

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