THE BOTTOM LINE OF CRM PRACTICES AND HOTEL'S PERFORMANCE: A STUDY ON HOTEL INDUSTRIES IN MADURAI

Mr.M.Thirulogachander*   Dr.R.Kannan**
*HOD, Institute of Hotel Management Catering Technology and Applied Nutrition, Tharamani, Chennai .
**Associate Professor & Director i/c, Centre for Tourism and Hotel Management, Madurai Kamaraj University, Madurai .

Abstract
CRM is respected to be among the best techniques and practices for hotels keeping in mind the end goal to build up their performance and in this way to ensure that their long haul business is survival. This study tries to address is the relationship between CRM performances on organizational performance in hotel segment. 455 tourists who visit hotels in Madurai city were selected conveniently. A well-structured questionnaire was adopted for data collection. The researcher used descriptive statistics, reliability analysis, correlation analysis and regression analysis to deal with the hypothesis. The study demonstrated that CRM technology has a significant and positive relationship with the hotel's performance. The present study will likewise build mindfulness among hotel directors to give careful consideration to CRM measurements, and to help them in creating hotel performance and competitiveness.

Keywords: CRM, Hotel performance, CRM orientation, Madurai city.

Introduction
Customer relationship management (CRM) is one of the real sources of competitive advantage in hotel segment. Moreover, customer relationship management (CRM) is a widely acknowledged instrument that backings customer-arranged organizations choices (Wu and Lu, 2012; Lo et al., 2010). All the more particularly, CRM is respected to be among the best techniques and practices for hotel keeping in mind the end goal to build up their performance and in this way to ensure that their long haul business is survival (Daghfous and Barkhi, 2009). In India, the hotels segment works in a business domain that is outlined by solid rivalry, making it defenseless against global rivalry (Yadav and Singh, 2014).

This additionally uncovers hotel performance in India needs improvement. At the end of the day, hotel directors need to utilize a suitable methodology and practice to build up their performance (Yadav and Singh, 2014). Subsequently, to create both customer fulfillment and to enhance productivity, hotels should these days underline on executing a CRM procedure that plans to search for, gather and store the right information, offer it through the entire hotel and then utilize everything in organizational levels to enhance a customized; and remarkable customer experience (O'Connor and Murphy, 2004; Wu and Chen, 2012). Notwithstanding, regardless of the wide utilization of CRM in the organizations, there have been just restricted studies and productions inside the hotels part (Mohammad et al., 2013). In the meantime, the impact of CRM usage on organization performance has not got sufficient consideration from scholastics and there are still a couple of exact explores in this field (Ab Hamid et al., 2011; Minghetti, 2003). Notwithstanding avocation for this study with respect to CRM technology and hotels performance, past exploration have exhibited conflicting discoveries concerning their relationship (Al-Refaie et al., 2012).

Specifically, a portion of the past examination demonstrated a significant and positive effect CRM technology on hotels performance, while others have shown non-significant between CRM technology and hotels performance (Wu and Li, 2011; Abu Kasim and Minai, 2009). Therefore, there is a requirement for more studies to be performed inside the hotel industry in India. In this admiration, India has been recording a relentless development in the hotel industry (Sarmaniotis et al., 2013).

Problem Statement
Nowadays the hotel part is encountering an ascent in globalization, rivalry, and the larger amount of customer turnover (Tian and Wang, 2014). Moreover, expanding customer securing expenses and developing customer desires are making the hotels performance and intensity depend significantly on their capacity to fulfill customers productively and viably (Chen and Popovich, 2003; Wu and Li, 2011; Minghetti, 2003). Then again, there are absences of straightforwardness, quality, and examination of this information in this division. Researchers (Luck and Lancaster, 2013; Padilla-Meléndez and Garrido-Moreno, 2014; Sarmaniotis et al., 2010) likewise investigated CRM to be the best business procedure for hotel organizations to separate themselves from their rivals (Padilla-Meléndez and Garrido-Moreno, 2010). In this way, Indian hotels should likewise concentrate on CRM systems for sturdy, dichotomous and gainful relationships with visitors. At last, the issue which this study tries to address is the relationship between CRM performances on organizational performance in hotel segment.

Literature Review

CRM is regularly portrayed as a procedure or an arrangement of exercises a firm utilizes to build an upper hand. Josiassen et al., (2014) affirms that, "the substance of system is in exercises - selecting to perform exercises distinctively or to perform diverse exercises than opponents". Along these lines, in the event that one concurs with the reason that CRM is a system, one can sensibly find that CRM must comprise of a progression of exercises that give the organization the opportunity to get or keep up an upper hand over their rivals (Lee et al., 2009). In this way, CRM that shows an upper hand to a firm has not been completely investigated in the CRM writing (Chuang and Lin, 2013; Yang et al., 2014). Therefore, it is important to invest some energy to build up the connection amongst CRM and upper hand (Goodhue et al., 2002; Srivastava et al., 2012; Lee et al., 2009).

Customer orientation shows to the representative's slant to address the customers' issues. It positively affects representatives' customer satisfaction and their general performance (Bahri-Ammari&Nusair, 2015; Assaf et al., 2015). Besides, to enhance an organizations performance, it is critical to have customer-oriented behaviors that guide in keeping up a decent relationship with all customers (Melián-González and Bulchand-Gidumal, 2016; Chadha, 2015). In any case, there are numerous reasons for customer-oriented behaviors, however maybe the most critical is to increment and enhance long haul satisfaction, which will consequently make customer unwaveringness (Xie et al., 2016). Concentrates on have demonstrated that more grounded customer-oriented behaviors in organizations positively affect the organizations' general performance (Chen and Wu, 2016; Hu et al., 2015). This finding proposes that directors need to include a customer-focused methodology that changes and modifies their social standards, worker performance rewards, and organizational structures (Rahimi and Gunlu, 2016).

At the point when workers of customer-oriented hotels, for instance, give superb administration, the general picture of the hotel will enhance and the probability of the framework to proceed is high (Maggon and Chaudhry, 2015). In light of the developing business sector environment and weight in the hotel industry, hotel directors need to boost endeavors keeping in mind the end goal to get results, development, and an expansion in benefits (Mohammed et al., 2014; Nwankwo and Ajemunigbohun, 2013). Along these lines, a more customer-oriented methodology might be the most ideal choice for them to enhance their performance (Padilla-Meléndez and Garrido-Moreno, 2014). Consequently, the writing asserting the showcasing idea has expected that the execution of the customer orientation would prompt the best organizational performance (Chang et al., 2014). And numerous studies have reported a positive relationship between the customer-orientation technique and organization's performance. All in all, the customer-orientation system is one of an organization's assets to enhance customer satisfaction and business benefit and is additionally an imperative measurement of CRM. In this way, organizations must have a customer-driven society to execute CRM effectively and subsequently build up an upper hand (Sainaghi et al., 2013; Chang et al., 2014).

Customer knowledge has been considered as a basic organizational asset, this asset permits an organization to reinforce its connection with the customers, and accomplish economical upper hand (Josiassen et al., 2014).

Thusly, Customers' knowledge assumes a significant part in CRM. Organizations can utilize it to develop and enhance their relationship with customers, and it empowers organizations to accomplish an upper hand in the business sector. In addition, fruitful CRM is based on viably changing customer data into customer knowledge (Nguyen and Mutum, 2012; Wang and Feng, 2012; Fagerstrøm et al., 2015). Made customer knowledge should be open and shared all through the organization, on the grounds that the capability of knowledge happens when it is shared inside assorted elements of the organization with a specific end goal to meet present customers and their anticipated needs (Tseng and Wu, 2014). Knowledge management helps an organization to succeed by building better customer relationships and it positively affects an organization's performance (Chua and Banerjee, 2013; Fagerstrøm et al., 2015). Accordingly, with the goal organizations should stay focused, they have to get new data about their customers, find and make utilization of their current knowledge, and offer this knowledge inside the organization (Wang, 2013; Attafar et al., 2013). Moreover, numerous studies have investigated that there is a positive relationship among knowledge management and business sector viability and budgetary performance, customer maintenance, and customer satisfaction. Disregarding these advantages there are few studies that light up the part of knowledge management in the hotels performance (Khodakarami and Chan, 2014; Martelo et al., 2013).

Above all else, to construct customer-oriented behaviors, organizations need to build up a suitable working environment for administration in work. For instance, giving staff the cutting edge instruments, and technology, customer-satisfaction following and grumblings management frameworks, moving initiative, and fitting prizes frameworks would all be able to make these behaviors (Neslin, 2014). Scientists contend that CRM can't be effective regardless of the fact that the organizations appreciate the most developed technology and adjust a customer - oriented strategy, unless the venture is totally coordinated by them (Bhat and Darzi, 2016). Further, as an affirmation for this point Wang (2013) stresses that CRM

achievement requires compelling administration and reasonable operation strategies, instead of just mechanical frameworks. In this way, the accomplishment of CRM consummation relies on upon the dynamic contribution of the workers in the organization itself.

In this way, we can say that CRM organization must be a key means in the way they arrange their real business forms for representatives and customers. At last, all of organizations assets, (for example, promoting abilities, approaches, society, and organization structure) must be incorporated so as to execute CRM effectively and, thusly, create organizations performance (Chuang and Lin, 2013). Earlier research likewise assert the constructive outcome of CRM organization on customer maintenance, financial and promoting performance. Besides, Wu and Chen (2012) notice that CRM organization may even effect advertising choices, for example, brand separation, value, correspondence, and dispersion. For instance, it has additionally been accounted for that few hotel chains keenly cite their room costs as per the customer information that were gathered beforehand (Varghese et al., 2015; Pekovic et al., 2016). The primary reason behind gathering information about customers is to get an unmistakable picture about them from alternate points of view (O'Connor and Murphy, 2004; Wu and Chen, 2012). In this way, organizations can approve such information to have the capacity to establish and create advantageous relationships with their customers (Choudhury and Harrigan, 2014).

Because of advances in data correspondence technology (ICT), a present day framework has happened to lessen inside expenses and better connect with the environment additionally to increment monetary benefit in the long haul. Distinctive hotels and organizations now execute diverse CRM frameworks. As a result of this, Rahimi and Gunlu (2016) expressed that unless CRM technique is utilized with data technology, it will fizzle. Besides, the key connected of technology in promoting is a standout amongst the most imperative chances in the hotel part since it is vital to get the right data from the right individuals at the ideal time, so that the right choices can be made and/or administrations conveyed (Sarmaniotis et al., 2014). Likewise, the connected of CRM technology is unsurprising to enhance the organizations ability to keep up gainful customer relationships by empowering data coordination and sharing that impacts smooth and effective firm-customer collaborations, appropriate examination of customer information and customization of reaction. Moreover, Sainaghi et al. (2013) found that hotels have received ICT as an apparatus due to expanding rivalry and customer desires.

Moreover, various studies report that CRM technology has a significant positive effect on their organization's performance. Essentially, Daghfous and Barkhi (2009) have found that the technology combined with CRM positively affects hotel performance.

Performance is a multi-dimensional develop that can't be satisfactorily reflected in a solitary performance thing (Chadha, 2015; Assaf et al., 2015). Ponders on firms' performance have embraced different ways to deal with conceptualize and measure performance. This contention proposes that a compound measure of performance would reflect all the more precisely an association's improvement, instead of a solitary subjective or bookkeeping related performance measure (Luck and Lancaster, 2013; Lo et al., 2010; Lee et al., 2009). This study utilized the balance scorecard (BSC) way to deal with measure hotel performance through three classes: customers (measures are worried with what truly matters to the customers); interior procedure (measures identified with the basic inward procedures in which the organization must exceed expectations to actualize methodology); and learning and development points of view: (measures concentrated on building constant change in connection to items and forms, and to likewise make long haul development) (Chuang and Lin, 2013; Chua and Banerjee, 2013). The BSC approach has been utilized broadly as a part of assembling ventures and non-benefit organizations. The model has additionally been generally held onto by business authors as a jump forward in performance estimation and reporting (Pekovic et al., 2016). Moreover, it makes an interpretation of mission and technique into targets and quantifiable terms that is seen from the financial and interior business process points of view.

In accordance with this contention, Nguyen and Mutum (2012) found that financial figures alone can't give a full understanding of CRM's impact and discoveries; along these lines, the aggregate performance viewpoint ought to be utilized in the appraisal of CRM discoveries. Subsequently, it is basic utilizing BSC to assess the effect of CRM on organizational performance (Nguyen and Mutum, 2012). To entirety up, to survey business performance, the BSC approach utilizes both financial and non-financial pointers. Along these lines, the utilization of BSC to gauge hotel performance has been utilized here, since hotels comprise of a few unique exercises, for example, nourishment (eatery), housekeeping, purpose of-offer (front office), and collector (storeroom) exercises, which have diverse charge structures (Tseng and Wu, 2014; Wu and Lu, 2011; Wang and Feng, 2012). The differing qualities of the exercises makes the utilization of financial measures alone deficient. Through CRM, organizations enhance customer relationships (Choudhury and Harrigan, 2014; Fagerstrøm et al, 2015). In this manner, any measure of results must involve the possibility of the customers. Subsequently, this study utilizes the BSC idea as a system for hotel performance assessment so as to better understand the effect of CRM measurements

(Mohammad et al., 2014; Mohammad et al., 2013). Utilizing the four BSC points of view to assess hotel performance alongside contentions about the effect of CRM measurements, combined with the RBV hypothesis) hypothesis that backers that all of assets (i.e. customer-orientation procedure, CRM organization, knowledge management, and technology-based CRM) prompting competitive advantage (Yadav and Singh, 2014; Wang, 2013).

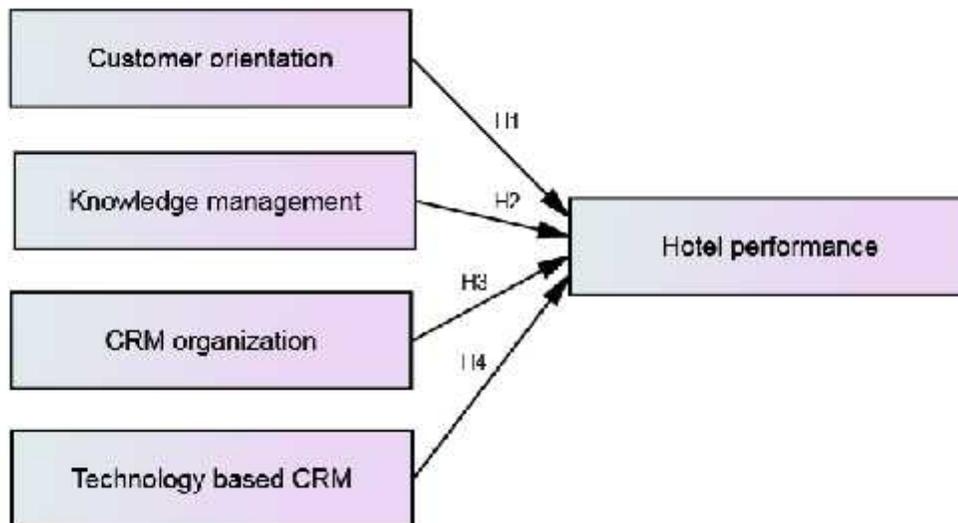**Research Framework and Hypothesis Development**

Figure 1: Research framework

The objective of this study is to identify the Customer Relationship Management and its impact on hotels performance in India. The proposed model of this research is based on the resource based view theory. It indicates that the hotels have the resources and capabilities can effectively perform valuable business strategy for achieving a competitive advantage to the hotels successfully. This proposal contains four dimensions of CRM which comprise customer orientation, CRM organization, knowledge management, and technology based CRM. These propose is constructing on prior researches (Wu & Lu, 2012). Furthermore, Figure (1) demonstrates the model of this research. The research investigates the relationship between customer relationship management dimensions and hotels performance.

Methods
The scales of customer orientation, knowledge management, CRM organization, and Technology-based CRM embraced from the study by and Hotels performs were operationalized utilizing the estimation created by things from (Ammari and Nusair, 2015). Thus, the present study utilized the instrument that utilized by (30 things). All things were evaluated on a five point Likert scales (1=strongly dissent, and, 5= firmly concur. The survey research outline is connected for this study. Essential information will be accumulated for the present examination. The get-together of essential information will be accomplished through utilizing an individual survey approach. This examination is cross-sectional in nature where information is accumulated once to answer the study's exploration questions. Information is assembled through individual survey utilizing poll to get a decent handle of the CRM measurements the hotel sector and its effect on the performance of Indian hotels. To examine speculations for this examination, we connected standardized poll as the real instrument of information accumulation. Convenient sampling was connected in this study. Moreover, the quantity of questionnaires regulated (direct eye to eye) was around 455. Prior to the principle investigation, various measurable devices and systems were utilized with the assistance of IBM SPSS 22. These contain unwavering quality examinations to assess the decency of measures and descriptive statistics, to depict the normal for respondents and trial of contrasts, to test non-reaction inclination, to look at the customer relationship management performance by the respondents with various demographic profiles and correlation investigation, to portray the relationship amongst variables and regression investigation and to test the impact of customer relationship management measurements on hotels performance.

Results
Below table provides the descriptive statistics of the main variables built in this research. Detailed descriptive statistics of each variable can be found in Table 1 that contain means and standard deviations as below. Finally, the aim of descriptive

Research Paper
Impact Factor: 3.853
Refereed, Listed & Indexed

IJBARR
E- ISSN -2347-856X
ISSN -2348-0653

analysis was to current raw data into a transformed form that will make easy to read and understand. This table also explains the reliability analysis and correlation analysis.

Table 1: Descriptive statistics, reliability and correlation analysis for research scale

Dimensions	Mean	SD	1	2	3	4	value
1. Customer orientation	4.35	0.75	1				0.871
2. Knowledge management	4.28	0.72	.606[**]	1			0.939
3. CRM organization	4.35	0.72	.654[**]	.625[**]	1		0.927
4. Technology based CRM	4.26	0.71	.641[**]	.664[**]	.610[**]	1	0.902
5. Hotel performance	4.31	0.72	.711[**]	.570[**]	.700[**]	.630[**]	0.882

** Significant at 1 percent level

Customer orientation (M=4.35±0.75) and CRM organization (M=4.35±0.72) are having highest mean values. Technology based CRM (M=4.26±0.71) and Knowledge management (M=4.28±0.72) are having lowest mean values. One of the major issues in studies is the scale's internal consistency. The basis for internal consistency evaluate is that all individual items of a scale should all be measuring the same construct and thus be highly correlated (Hair et al., 2006). Several scholars such as (Hair et al., 2006) indicate that studies Cronbach's alpha coefficients above 0.70 of a scale. In this study, the recommendations suggested by the scholars are applied. Hotel performance have strong and positive, significant relationship with customer orientation (r=0.711), knowledge management (r=0.570), CRM organization (r=0.700) and technology based CRM (r=0.630). It can be concluded that all dimensions are having positive inter correlation with other dimensions.

In order to answer the research question that addresses the relationship between CRM dimension and hotels performance, regression analysis was conducted to test the hypothesis. In this analysis, CRM dimension is treated as the independent variables, whereas hotels performance as the dependent variables.

Table 2: Impact of CRM dimensions on hotels performance

CRM Dimensions	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	SE	Beta		
Customer orientation	0.35	0.041	0.363	8.496	0.000**
Knowledge management	0.018	0.043	0.018	0.433	0.665
CRM organization	0.345	0.042	0.346	8.178	0.000**
Technology based CRM	0.175	0.044	0.174	4.02	0.000**
F value	183.701				
p value	0.000**				
R	0.788				
R square	0.620				

** Significant at 1 percent level

F values shows that CRM dimensions can be used reliable predictors of hotels performance and it's significant at 1 percent level. R value shows that strength between CRM dimensions and hotels performance and it can be concludes that CRM dimensions and hotel performance are having 78 percent relationship. CRM dimensions are 62 percent predicting hotels performance. Coefficient table concludes that CRM organization, customer orientation and technology based CRM factors have significant impact on hotel's performance with lowest p value and highest t value. Knowledge management dimension don't have significant impact on hotel performance. From the above table we can concludes that H1, H3 and H4 were supported and H2 was not supported.

Discussion & Conclusion
The points of the present study are to explore the accomplishment of customer relationship management measurement and its effect on hotels performance in India, Madurai. From the discoveries exhibited in earlier segments, the present study demonstrated that CRM technology has a significant and positive relationship with the hotels performance. The outcome is reliable with that reported by past investigation of Mohammed and Rashid (2012), who found a significant and positive relationship amongst CRM and hotels performance. They discovered CRM assumes a vital part in pulling in customer to

hotels. The discoveries were likewise uncovering by Lo et al. (2010), who investigated the impact of CRM on hotels performance. Moreover the outcomes bolstered the contention made by Ammari and Nusair (2015) who expressed that effective execution of CRM technology can assume a key part in creating promoting abilities, which lead to better organizational performance. All in all, this study has given a hypothetical model to delineate the firm relationship among customer relationship management measurements, and hotel performance. It contributes broadly to the group of knowledge, as it gives a comprehensive system that is connected for clarification the impact of the CRM four measurements on hotel performance.

Besides, it is an acknowledged reality that the idea of customer relationship management neither has been totally confirmed, nor exactly assessed to decide the quality of the relationship among measurements of customer-relationship management and hotel performance. Hence, this study will likewise build mindfulness among hotel directors to give careful consideration to CRM measurements, and to help them in creating hotel performance and competitiveness. Besides, CRM technology can be utilized as an operational instrument for business interior quality control since it can transmit significant customers' information to where they are required.

Reference
1. Ab Hamid, N. R., Cheng, A. Y., &Akhir, R. M. (2011). Dimensions of e-CRM: An empirical study on hotels' web sites. *Journal of Southeast Asian Research*, *2*(11), 1-15.
2. Abu Kasim, N. A., &Minai, B. (2009). Linking CRM strategy, customer performance measures and performance in the hotel industry. *International Journal of Economics and Management*, *3*(2), 297-316.
3. Bhat, S. A., &Darzi, M. A. (2016). Customer relationship management: An approach to competitive advantage in the banking sector by exploring the mediational role of loyalty. *International Journal of Bank Marketing*, *34*(3), 388-410.
4. Minghetti, V. (2003). Building customer value in the hospitality industry: towards the definition of a customer-centric information system. *Information Technology & Tourism*, *6*(2), 141-152.
5. Mohammad, A. A., Rashid, B., & Tahir, S. (2013). Assessing the influence of customer relationship management (CRM) dimensions on organization performance: an empirical study in the hotel industry. *Journal of Hospitality and Tourism Technology*, *4*(3), 228-247.
6. Mohammed, A. A., Rashid, B. B., & Tahir, S. B. (2014). Customer relationship management (CRM) Technology and organization performance: is marketing capability a missing link? an empirical study in the malaysian hotel industry. *Asian Social Science*, *10*(9), 197.
7. Neslin, S. A. (2014). Customer Relationship Management (CRM). In *The History of Marketing Science* (pp. 289-317).
8. Sarmaniotis, C., Assimakopoulos, C., &Papaioannou, E. (2013). Successful implementation of CRM in luxury hotels: determinants and measurements.*EuroMed Journal of Business*, *8*(2), 134-153.
9. Sarmaniotis, C., Papaioannou, E., &Asimakopoulos, C. (2010, April). Characteristics and dimensions of CRM systems employed in northern Greece hotels. In *Proceedings of Informational Conference on Sustainable Tourism: Debates & Challenges (ICST'10), 22* (Vol. 25, pp. 1031-1041).
10. Srivastava, P., Shandilya, A. K., & Srivastava, S. (2012). Application and implementation of CRM in hotels of developing cities-A case study of Ranchi. *International Journal of Management, IT and Engineering*, *2*(1), 276-294.
11. Tian, J., & Wang, S. (2014). Signaling service quality via website e-CRM features more gains for smaller and lesser known hotels. *Journal of Hospitality & Tourism Research*, 1096348014525634.
12. Tseng, S. M., & Wu, P. H. (2014). The impact of customer knowledge and customer relationship management on service quality. *International Journal of Quality and Service Sciences*, *6*(1), 77-96.
13. Varghese, J., Edward, M., &Amma, K. S. (2015). Perceived Organizational Influences on Customer Orientation and Sales Performance-A Financial Services Industry Perspective. *Journal of Marketing and Management*, *6*(2), 11.
14. Wang, H. (2013). The Study of Customer Knowledge Management in CRM.*Scientific Journal of E-Business*, *2*(2).
15. Wang, Y., & Feng, H. (2012). Customer relationship management capabilities: Measurement, antecedents and consequences. *Management Decision*, *50*(1), 115-129.
16. Wu, S. I., & Chen, J. H. (2012). Comparison between hotels and motels using CRM effect model–An empirical study in Taiwan. *International Journal of Hospitality Management*, *31*(4), 1254-1263.
17. Wu, S. I., & Li, P. C. (2011). The relationships between CRM, RQ, and CLV based on different hotel preferences. *International Journal of Hospitality Management*, *30*(2), 262-271.
18. Wu, S. I., & Lu, C. L. (2012). The relationship between CRM, RM, and business performance: A study of the hotel industry in Taiwan. *International Journal of Hospitality Management*, *31*(1), 276-285.