

# **E-CRM Model To Increase Hotel Customer Loyalty**

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## **Abstract**

Agreed the strong competition in hotels industry, greatest of the corporate are fronting the problematic of recalling their customers. Rivalry bargains customers numerous substitutes which cause it hard for hotels to keep on their customers. It is problematic for hotels to make solid customer base if they equitable offer related services. E-CRM is one solution to resolve the problem. The purpose of this research is to help hotel businesses retain their customers. The research method is done by analyzing hotel customers and dividing based on several criteria. The result of this research is the E-CRM model for the hotel business

## **Keywords**

SMEs, e-marketplace, TAM

## **1. Introduction**

In a highly competitive environment, the effort of hospitality firms to constantly enhance product and service quality is necessary but insufficient to improve their businesses. A key success factor is the quality relationships that a firm can maintain with its customers considering that the cost of acquiring new customers is higher than that of retaining existing ones (Peppers,1993)

The greatest problem of the organization are recalling their customers. Rivalry bargains customers numerous substitutes which cause it hard for hotels to keep on their customers. It is problematic for hotels to make solid customer base if they equitable offer related services. E-CRM is one solution to resolve the problem.(Rigby,2003) the purpose of this research is to help hotel businesses retain their customers loyalty. The research method is done by analyzing hotel customers and dividing based on several criteria. the result of this research is the E-CRM model for the hotel business.

## 2. Literature Review

### 2.1. CRM

CRM's acceptance representation extremely in the 1990s as organizations developed aware of its main, meanwhile preserving continuing customer faithfulness confirms enduring cash flow and organization solidity. "Customer Relationship Management has likewise enlarged quickly in popularity since it's realized as a system of rationalization sales and promotion procedures, refining sales efficiency, creating cross and up-selling, enlightening service of customer (Stone,2011). Customer Relationship Management is fairly merely how businesses accomplish their relations with clients, but regardless of this deceptive honesty, its achievement regularly depends on the usage of the greatest sophisticated IT and systematic methods. Customer Relationship Management agrees organizations to adapt precise services to clients giving to their desires. In an additional innovative scenario it can be used to generate a personalized involvement, creating innovative marketing chances based on predilections, preceding buying actions, and buyer history.

Customer relationship management is deep-rooted in the connection selling philosophy (Berry ,1983)which signifies a pattern shift from a transactional advertising method highlighting effective and efficiency and sales capacity to a connection-oriented method (Kim,2001)

Experts marketing develop Customer Relationship Management to preserve near relations with their clients, from which valued understandings into their desires, performances, and favorites can be pinched (Josiassen,2014) .Such employment finally goals to recognize and keep in mind the furthestmost profitable clients and advance the productivity of fewer money-making ones (Yang,2012). Organizations appliance implement to achieve improved in terms of buyer fulfilment and corporate performance (Sigala,2008)

In the initial perception, Customer Relationship Management is fundamentally well-defined barely and mostly mentions to the application of IT resolution. The another perception, sees Customer Relationship Management as the employment of a sequences of combined client-oriented and Information Technology resolutions. The another perception, perceives Customer Relationship Management well-defined generally , as a holistic method to accomplish customer relations in direction to generate additional value to the business.(Payne,2013)

The gathering and investigation of the greatest applicable meanings of Customer Relationship Management, has exposed an in-existent agreement concerning its possibility and applicability. "Even though the concept has ascended related with the application and placed into preparation the philosophy of Connection Advertising, in some works there is still the usage of these two perceptions interchangeably. The descriptions assumed for Customer Relationship Management are distant from a agreement. Fundamentally, it is problematic to express whether it is a plan, a procedure, a technology, and around persons still mention to it as a philosophy"(Simões,2013)

### 2.2 CRM and Hospitality

Customer Relationship Management can assistance a hotel recovers its performance as it rises client fulfilment and trustworthiness and improvements productivity. It is to a hotel's attention to involve in Customer Relationship Management events and applies which includes of thoughtful customers' desires and requirements, distributing services to generate value for the buyer and managing the client growth successfully(Piccoli,2005)(Chen,2003)

## 3. Methods

.The factors that influence the success of hotel companies are numerous and in this research the focus is on managing customers in stages to obtain customer loyalty.

The first stage of the hotel is conducting an investigation of prospective hotel customers. Prospective hotel customers are people who have the possibility to use hotel services. Hotel companies must conduct in-depth analysis to find out potential customers in order to maximize the potential for getting loyal customers.

The second stage of the hotel company must analyze all customers who have used hotel services through data or information available in the hotel customer database

In the third stage, hotel companies must carefully observe observations of customers who have the possibility to use hotel services repeatedly. For example, customers who are on their way then staying at a hotel are customers who are

not likely to use hotel services for the second time because the customer happens to be passing the street where the hotel is located. But customers, individual customers or agency customers around the hotel will become loyal customers of hotel services

## **5. Results and Discussion**

Figure 1 explain the relation between The E-CRM and CRM Function

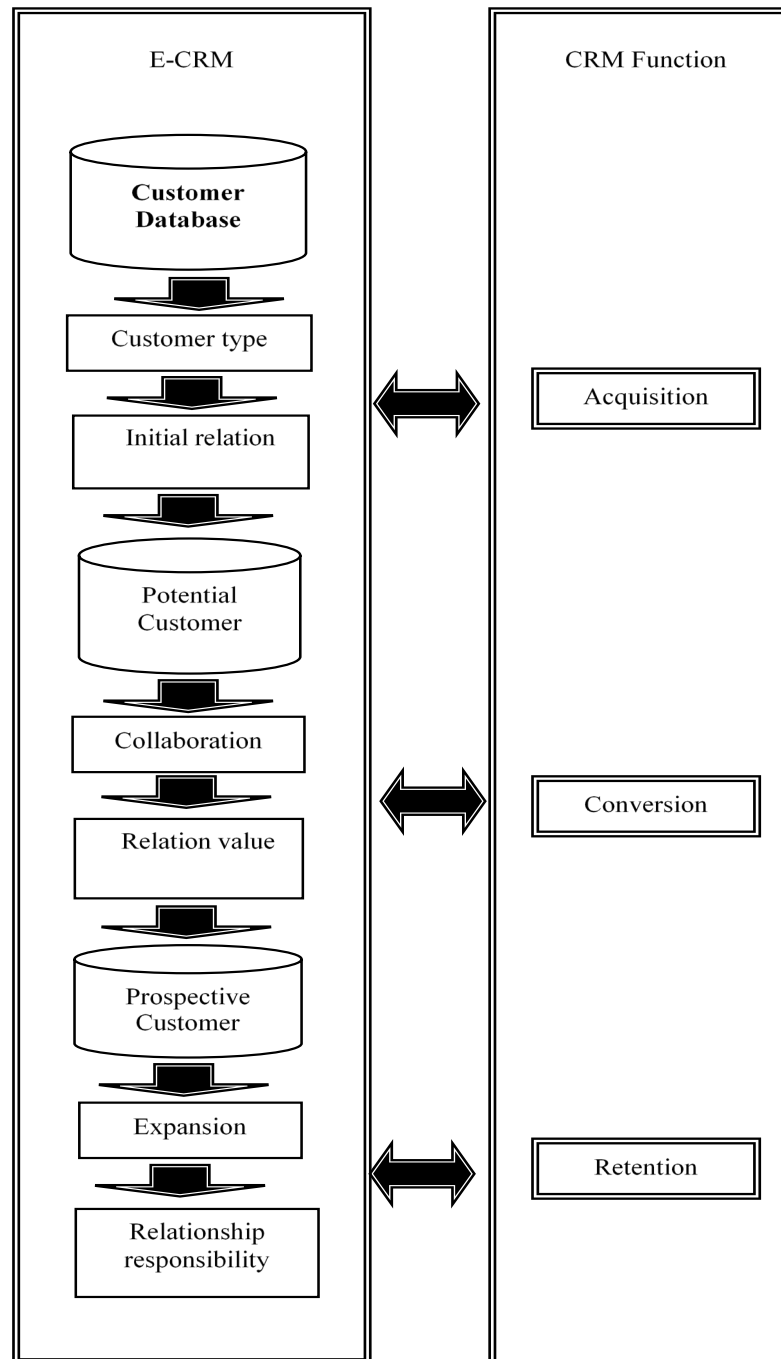


Figure 1. E-CRM and CRM Function

Model that explain in figure 1 divide by :

- a. Customer type is the customer data that a hotel must have. Types of customers can be classified based on demographics, residence, gender and others

- b. The second part is the Acquisition is a hotel activity process to get customers. How to get customers can be done by way of online and online. Companies can hold bazaar activities or other similar activities to attract prospective trainees. Even events conducted by involving hotel company associations become a very effective way to get potential customers.
- c. Another way that can be used to get customers is by offering cooperation with government or private agencies that routinely hold work meetings or vacation activities. The third way that can be done to get customers by opening outlets in shopping centers that offer discounts or other marketing strategies. The method mentioned above is an offline way to get customers. The online way to get customers can be done by promoting the company's web site through other websites that already have a high reputation.
- d. Initial relations are a continuation of the previous stage when prospective customers are already customers of the company. A more intensive relationship is carried out to attract customers to use the services offered by the hotel again.
- e. Prospective customers are customer data that have the potential to become regular hotel customers. This customer data is obtained from the results of building relationships with customers that were carried out in the previous stage
- f. . Retention is an effort to increase transactions with customers by offering price cuts, campaigns, bonuses for customers get customers.
- g. Realization value is a group of customers who already have their own values for the company. Customer loyalty is the value of the relationship between the customer and the company.
- h. Customer priority is a customer cluster that has proven its loyalty to the company's services. The performance of customers in this cluster is proven by frequently using company services and often offering company services to other customers
- i. Expansion is a more optimal effort to involve customers in marketing the company's products or services.
- j. Relationship responsibility is a moral and ethical responsibility for a very good relationship between priority customers and the company.

The second part of this model is E-CRM which is divided into 4 processes or information.

- General customer information is preliminary data owned by the company about existing customers
- Transaction data is data of customers who have already used company services.
- Relation data is customer data that has repeatedly used company services
- Feedback data is customer data that provides advice for company development.

Figure 2 explains the E-CRM model to maintain customer loyalty

Users and systems are connected with access devices and network devices. Access devices are devices that the user uses to interact with the system. Customers as users can use a mobile device or desktop computer to order hotel services. On the other hand a backend system is more recommended to use a desktop device, because the backend is associated with general data processing. Various device accesses are intended for user convenience to interact with the system.

Network device is a device used to connect between systems such as intranets, extranets and the internet. Transaction process is all customer transaction data into the system. When customers register, order or make a payment, the system will store the data in the customer database. Existing customer data is managed and updated based on recurring transactions so that overall customer transaction data will be obtained which will be used as information to build relationships with customers Customer database can be managed professionally by using data mining or machine learning in order to produce maximum output for hotel service improvement

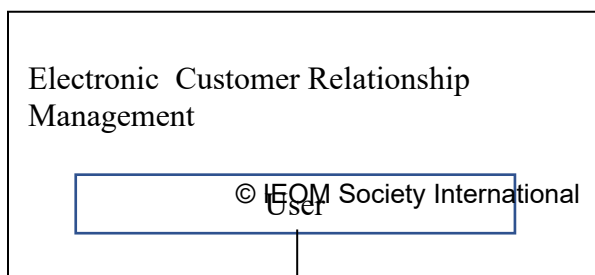


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## 6. Conclusion

Many factors cause customers to have loyalty using hotel services, therefore organizations must be more serious in improving services for customers because the CRM that is built will fail if it is not supported by quality food services, friendly employees and others.

This model was created to help hotel managers identify customers and make existing customers have a high loyalty to use company services

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## Biography

**Inayatulloh** is a candidate doctor at Bina Nusantara University's Doctor of Computer Science. Since 2000, Inayatulloh has been a lecturer at Bina Nusantara University, school of information system. I am experienced in system development in several companies such as garment, petroleum, retail and others. Scopus indexed publications have been produced with topics related to information systems such as e-learning, e-SCM, e-CRM. E-government, block chain and others